UNICAJA BANCO, S.A.
AND SUBSIDIARY COMPANIES
(UNICAJA BANCO GROUP)

Consolidated financial statements
and consolidated management report
as at December 31, 2022

UNICAJA BANCO, S.A. AND SUBSIDIARIES (UNICAJA BANCO GROUP)

CONSOLIDATED BALANCE SHEETS AS AT December 31, 2022 AND 2021
(Thousands of Euros)

ASSETS	Note	2022	2021
CASH, CASH BALANCES WITH CENTRAL BANKS, AND OTHER DEMAND DEPOSITS	7	4,661,826	21,297,503
FINANCIAL ASSETS HELD FOR TRADING	8.1	57,101	44,741
Derivatives		47,714	31,134
Equity instruments		9,387	12,592
Debt securities		-	1,015
Loans and advances		-	-
Central banks		-	-
Credit institutions		-	-
Customers		-	-
Pro memoria: lent or given as collateral with the right to sell or pledge		-	-
NON-TRADING FINANCIAL ASSETS MANDATORILY AT FAIR VALUE THROUGH PROFIT OR LOSS	8.2	146,549	228,227
Equity instruments		41	41
Debt securities		33,522	93,822
Loans and advances		112,986	134,364
Central banks		-	-
Credit institutions		-	-
Customers		112,986	134,364
Pro memoria: lent or given as collateral with the right to sell or pledge		*485*	-
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-
Debt securities		-	-
Loans and advances		-	-
Central banks		-	-
Credit institutions		-	-
Customers		-	-
Pro memoria: lent or given as collateral with the right to sell or pledge		-	-
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	9.1	1,031,186	1,297,820
Equity instruments		363,200	627,119
Debt securities		667,986	670,701
Loans and advances		-	-
Central banks		-	-
Credit institutions		-	-
Customers		-	-
Pro memoria: lent or given as collateral with the right to sell or pledge		*31,030*	*29,296*
FINANCIAL ASSETS AT AMORTIZED COST	10	82,182,807	81,991,738
Debt securities		26,867,077	24,849,659
Loans and advances		55,315,730	57,142,079
Central banks		-	-
Credit institutions		989,977	1,118,984
Customers		54,325,753	56,023,095
Pro memoria: lent or given as collateral with the right to sell or pledge		*10,774,603*	*24,200,623*
DERIVATIVES - HEDGE ACCOUNTING	11	1,812,887	815,044
CHANGES IN FAIR VALUE OF HEDGED ITEMS OF A PORTFOLIO WITH HEDGED INTEREST RATE RISK	11	(237,836)	99,301
INVESTMENT IN JOINT VENTURES AND ASSOCIATES	12	976,478	1,052,033
Joint ventures		64,765	72,499
Associates		911,713	979,534
ASSETS COVERED BY INSURANCE OR REINSURANCE CONTRACTS	20	1,829	1,949
TANGIBLE ASSETS	13	1,995,541	2,249,296
Tangible fixed assets		1,286,647	1,392,916
Own use		1,286,647	1,392,916
Loaned under operating lease		-	-
Investment property		708,894	856,380
Of which: loaned under operating lease		*548,011*	*646,911*
Pro memoria: acquired under a finance lease		*65,312*	*90,747*
INTANGIBLE ASSETS	14	74,750	79,806
Goodwill		32,164	38,333
Other intangible assets		42,586	41,473
(continued on next page)			

ASSETS	Note	2022	2021

TAX ASSETS	24	5,077,733	5,250,087
Current tax assets		461,884	482,444
Deferred tax assets		4,615,849	4,767,643
OTHER ASSETS	15	663,780	442,359
Insurance contracts linked to pensions		23,167	31,060
Inventories		129,212	159,261
Other assets		511,401	252,038
NON-CURRENT ASSETS AND DISPOSAL GROUPS OF ITEMS CLASSIFIED AS HELD FOR SALE	16	558,422	700,089
TOTAL ASSETS		**99,003,053**	**115,549,993**

(*) Shown solely and exclusively for comparative purposes (Note 1.5).
Notes 1 to 49 described in the Financial Statement and Annexes I, II, III, IV, V, and VI form an integral part of the consolidated balance sheet as at December 31, 2022.

LIABILITIES	Note	2022	2021
FINANCIAL LIABILITIES HELD FOR TRADING	8.1	53,174	31,123
Derivatives		53,174	31,123
Short positions		-	-
Deposits		-	-
Central banks		-	-
Credit institutions		-	-
Customers		-	-
Debt securities issued		-	-
Other financial liabilities		-	-
FINANCIAL LIABILITIES VALUED AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-
Deposits		-	-
Central banks		-	-
Credit institutions		-	-
Customers		-	-
Debt securities issued		-	-
Other financial liabilities		-	-
Pro memoria: subordinate liabilities		-	-
FINANCIAL LIABILITIES AT AMORTIZED COST	17	88,936,640	105,475,581
Deposits		83,125,324	101,110,937
Central banks		5,320,889	10,291,702
Credit institutions		3,417,963	6,665,025
Customers		74,386,472	84,154,210
Debt securities issued		3,329,354	2,497,755
Other financial liabilities		2,481,962	1,866,889
Pro memoria: subordinate liabilities		*547,951*	*623,658*
DERIVATIVES - HEDGE ACCOUNTING	11	1,081,824	999,690
CHANGES IN FAIR VALUE OF HEDGED ITEMS OF A PORTFOLIO WITH HEDGED INTEREST RATE RISK		-	-
LIABILITIES COVERED BY INSURANCE OR REINSURANCE CONTRACTS	20	504,893	580,053
PROVISIONS	18	1,085,330	1,428,127
Pensions and other benefit obligations defined as post-employment		127,539	178,798
Other long-term employee benefits		132,696	188,566
Outstanding tax litigation and procedural matters		-	-
Commitments and guarantees granted		125,615	106,348
Remaining provisions		699,480	954,415
TAX LIABILITIES	24	366,157	389,104
Current tax liabilities		36,513	19,667
Deferred tax liabilities		329,644	369,437
OTHER LIABILITIES	19	511,086	320,274
LIABILITIES INCLUDED IN DISPOSABLE GROUPS OF ITEMS CLASSIFIED AS HELD FOR SALE		-	-
TOTAL LIABILITIES		**92,539,104**	**109,223,952**

(*) Shown solely and exclusively for comparative purposes (Note 1.5).

Notes 1 to 49 described in the Financial Statement and Annexes I, II, III, IV, V, and VI form an integral part of the consolidated balance sheet as at December 31, 2022.

EQUITY	Note	2022	2021
SHAREHOLDERS' EQUITY	22 and 23	**6,616,701**	**6,415,719**
SHARE CAPITAL		663,708	663,708
Paid-up capital		663,708	663,708
Non paid-up capital required		-	-
Pro memoria: unclaimed capital		-	-
SHARE PREMIUM		1,209,423	1,209,423
EQUITY INSTRUMENTS ISSUED OTHER THAN SHARE CAPITAL		547,385	547,385
Net equity component of compound financial instruments		547,385	547,385
Other equity instruments issued		-	-
OTHER NET EQUITY ITEMS		-	-
ACCUMULATED EARNINGS	23.1	3,790,062	2,743,437
REVALUATION RESERVES		-	-
OTHER RESERVES		146,681	142,010
Cumulative reserves or losses on investments in joint ventures and associates		(114,240)	(109,517)
Other		260,921	251,527
(-) OWN SHARES		(235)	(3,446)
PROFIT ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY		259,677	1,113,202
(-) INTERIM DIVIDENDS		-	-
ACCUMULATED OTHER COMPREHENSIVE INCOME		**(153,197)**	**(90,104)**
ELEMENTS THAT WILL NOT BE RECLASSIFIED AS INCOME		230	115,328
Actuarial gains or (-) losses on defined benefit pension plans		(1,684)	9,220
Non-current assets and disposable groups of items classified as held for sale		-	-
Stake in other recognized income and expenses of investments in joint ventures and affiliates	23	16,060	22,181
Changes in fair value of equity instruments at fair value through other comprehensive income	9.3	(14,146)	83,927
Inefficiency of fair value hedges of equity instruments at fair value through other comprehensive income		-	-
Changes in fair value of equity instruments at fair value through other comprehensive income (hedged item)		-	-
Changes in fair value of equity instruments at fair value through other comprehensive income (hedge instrument)		-	-
Changes in fair value of financial liabilities at fair value through profit or loss attributable to changes in credit risk		-	-
ITEMS THAT CAN BE RECLASSIFIED TO PROFIT OR LOSS		(153,427)	(205,432)
Hedges of net investments in foreign transactions (effective part)		-	-
Conversion of foreign currency		(148)	(67)
Hedging derivatives. Cash flow hedging reserve (effective portion)		(98,702)	(304,535)
Changes in fair value of debt instruments at fair value through other comprehensive income	9.2	(38,176)	26,757
Hedging instruments (non-designated elements)		-	-
Non-current assets and disposable groups of items classified as held for sale		-	-
Stake in other income and expenses recognized in investments in joint ventures and affiliates	23	(16,401)	72,413
NON-CONTROLLING INTERESTS (NON-SIGNIFICANT HOLDINGS)	21	**445**	**426**
ACCUMULATED OTHER COMPREHENSIVE INCOME		-	-
OTHER ENTRIES		445	426
TOTAL NET EQUITY		**6,463,949**	**6,326,041**
TOTAL NET WORTH AND LIABILITIES		**99,003,053**	**115,549,993**
PRO MEMORIA: OFF-BALANCE SHEET EXPOSURES			
COMMITMENTS FOR LOANS GRANTED	31.3	4,241,881	5,050,202
FINANCIAL GUARANTEES GRANTED	31.1	59,137	214,717
OTHER COMMITMENTS GRANTED	31.1	4,717,927	6,023,042

(*) Shown solely and exclusively for comparative purposes (Note 1.5).
Notes 1 to 49 described in the Financial Statement and Annexes I, II, III, IV, V, and VI form an integral part of the consolidated balance sheet as at December 31, 2022.

UNICAJA BANCO, S.A. AND SUBSIDIARIES (UNICAJA BANCO GROUP)

CONSOLIDATED INCOME STATEMENT
FOR THE FISCAL YEARS ENDING
December 31, 2022 AND 2021
(Thousands of Euros)

	Note	(debits) credits 2022	2021
INTEREST INCOME	32	1,259,780	852,123
Financial assets at fair value with changes in other comprehensive income		2,539	3,334
Financial assets at amortized cost		1,949,853	988,319
Others		(692,612)	(139,530)
INTEREST EXPENSE	33	(201,597)	(122,004)
EXPENSES FOR SHARE CAPITAL REPAYABLE ON DEMAND		-	-
NET INTEREST MARGIN		**1,058,183**	**730,119**
DIVIDEND INCOME	34	18,167	19,298
PROFIT OR LOSS OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	35	71,075	40,270
FEE REVENUE	36	573,244	395,674
FEE EXPENSES	37	(48,212)	(33,208)
NET GAINS OR LOSSES FOR DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	38	36,292	38,967
NET GAINS OR LOSSES ON FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING	38	14,680	12,687
NET GAINS OR (-) LOSSES FROM NON-TRADING FINANCIAL ASSETS MANDATORILY AT FAIR VALUE THROUGH PROFIT OR LOSS	38	(9,216)	(2,014)
NET GAINS OR LOSSES ON NET FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	38	-	-
NET GAINS OR LOSSES RESULTING FROM HEDGE ACCOUNTING	38	5,512	(1,403)
NET EXCHANGE DIFFERENCES (PROFIT OR LOSS)	2.4	9,546	3,996
OTHER OPERATING INCOME	39	82,734	61,749
OTHER OPERATING EXPENSES	39	(241,313)	(188,261)
INCOME FROM ASSETS COVERED BY INSURANCE OR REINSURANCE CONTRACTS	40	51,685	63,004
EXPENSES FROM LIABILITIES COVERED BY INSURANCE OR REINSURANCE CONTRACTS	40	(38,035)	(41,560)
GROSS MARGIN		**1,584,342**	**1,099,318**
ADMINISTRATIVE EXPENSES	41	(771,418)	(637,904)
Personnel expenses		(506,118)	(437,462)
Other administration expenses		(265,300)	(200,442)
AMORTIZATION	13 and 14	(90,400)	(68,922)
(PROVISIONS OR REVERSAL OF PROVISIONS)	18	(93,919)	(468,791)
(IMPAIRMENT OF VALUE OR REVERSAL OF IMPAIRMENT OF FINANCIAL ASSETS NOT AT FAIR VALUE THROUGH PROFIT OR LOSS AND NET GAINS OR LOSSES DUE TO CHANGES)	10 and 27	(214,203)	(181,993)
Financial assets at fair value with changes in other comprehensive income		346	373
Financial assets at amortized cost		(214,549)	(182,366)
PROFIT OR LOSS FROM OPERATING ACTIVITY		**414,402**	**(258,292)**
IMPAIRMENT OF VALUE OR REVERSAL OF INVESTMENTS IN JOINT VENTURES OR ASSOCIATES	42	(535)	213
IMPAIRMENT OF VALUE OR REVERSAL OF NON-FINANCIAL ASSETS	42	(70,545)	(11,847)
Tangible assets		(42,858)	(4,636)
Intangible assets		(6,773)	(6,773)
Others		(20,914)	(438)
NET GAINS OR LOSSES ON DERECOGNITION OF NON-FINANCIAL ASSETS AND HOLDINGS	43	8,348	6,922
NEGATIVE GOODWILL RECOGNIZED IN PROFIT OR LOSS		-	1,301,333
GAINS OR LOSSES FROM NON-CURRENT ASSETS AND DISPOSABLE GROUPS OF ITEMS CLASSIFIED AS HELD FOR SALE THAT ARE INADMISSIBLE AS DISCONTINUED OPERATIONS	44	9,544	(16,896)
GAINS OR LOSSES BEFORE TAX FROM CONTINUING OPERATIONS		**361,214**	**1,021,433**
EXPENSE OR INCOME FROM TAX ON GAINS FROM CONTINUING OPERATIONS	24	(101,540)	91,765
GAINS OR LOSSES AFTER TAX FROM CONTINUING OPERATIONS		**259,674**	**1,113,198**
GAINS OR LOSSES AFTER TAX FROM DISCONTINUED OPERATIONS	2.22	-	-
PROFIT OR LOSS FOR THE YEAR		**259,674**	**1,113,198**
Attributable to non-controlling interests (non-significant holdings)	21	(3)	(4)
Attributable to the owners of the parent company		259,677	1,113,202
EARNINGS PER SHARE			
Basic earnings per share (Euros)	3	0.095	0.544
Diluted earnings per share (Euros)	3	0.095	0.544

(*) Shown solely and exclusively for comparative purposes (Note 1.5).
Notes 1 to 49 described in the Financial Statement and Annexes I, II, III, IV, V and VI form an integral part of the consolidated income statement for the fiscal year 2022.

UNICAJA BANCO, S.A. AND SUBSIDIARIES (UNICAJA BANCO GROUP)

CONSOLIDATED STATEMENTS OF RECOGNIZED INCOME AND EXPENSE FOR THE FISCAL YEARS ENDED December 31, 2022 AND 2021
(Thousands of Euros)

	Note	Year 2022	Year 2021
PROFIT OR LOSS FOR THE YEAR		**259,674**	**1,113,198**
OTHER COMPREHENSIVE INCOME		**(63,093)**	**(94,261)**
Elements that will not be reclassified as income		**(115,097)**	**36,328**
Actuarial gains (losses) on defined benefit pension plans	41	(15,577)	9,323
Non-current assets and disposal groups classified as held for sale		-	-
Stake in other recognized income and expenses of investments in joint ventures and affiliates		(8,744)	17,431
Changes in fair value of equity instruments at fair value through other comprehensive income		(140,104)	25,143
Net gains or (-) losses from hedge accounting of equity instruments at fair value through other comprehensive income		-	-
Changes in fair value of equity instruments at fair value through other comprehensive income (hedged item)		-	-
Changes in fair value of equity instruments at fair value through other comprehensive income (hedging instrument)		-	-
Changes in fair value of financial liabilities at fair value through profit or loss attributable to changes in credit risk		-	-
Tax on gains related to the items that will not be reclassified	24.3	49,328	(15,569)
Items that can be reclassified as income		**52,004**	**(130,589)**
Hedges of net investments in foreign transactions (effective part)		-	-
Value gains or (-) losses entered under net equity		-	-
Transferred to profit or loss		-	-
Other reclassifications		-	-
Conversion of foreign currency	2.4	(117)	(64)
Gains or (-) losses as a result of currency exchange entered under equity		(117)	(5,775)
Transferred to profit or loss		-	5,711
Other reclassifications		-	-
Cash flow hedging (efficient part)	11	294,047	(218,799)
Value gains or (-) losses entered under net equity		(128,532)	(438,428)
Transferred to profit or loss		422,579	219,629
Transferred to the original book value of the hedged items		-	-
Other reclassifications		-	-
Hedging instruments (non-designated elements)		-	-
Gains or (-) losses as a result of currency exchange entered under equity		-	-
Transferred to profit or loss		-	-
Other reclassifications		-	-
Debt instruments at fair value through other comprehensive income	9	(92,761)	(30,557)
Value gains or (-) losses entered under net equity		(92,761)	(35,226)
Transferred to profit or loss		-	4,669
Other reclassifications		-	-
Non-current assets and disposal groups classified as held for sale	16	-	-
Value gains or (-) losses entered under net equity		-	-
Transferred to profit or loss		-	-
Other reclassifications		-	-
Stake in other recognized income and expenses of investments in joint ventures and affiliates	23	(126,876)	62,864
Tax on gains related to the items that will not be reclassified as gains or losses	24.3	(22,289)	55,967
Total overall profit or loss for the year		**196,581**	**1,018,937**
Attributable to non-controlling interests (non-significant holdings)		(3)	(4)
Attributable to the owners of the parent company		196,584	1,018,941

(*) Shown solely and exclusively for comparative purposes (Note 1.5).
Notes 1 to 49 described in the Financial Statement and Annexes I, II, III, IV, V and VI form an integral part of the consolidated statement of recognized income and expenditure for the fiscal year 2022.

UNICAJA BANCO, S.A. AND SUBSIDIARIES (UNICAJA BANCO GROUP)

STATEMENT OF CHANGES IN CONSOLIDATED TOTAL NET EQUITY IN THE FISCAL YEARS ENDED December 31, 2022 AND 2021

(Thousands of Euros)

	Share capital	Share premium	Equity instruments issued other than share capital	Other net equity items	Accumulated earnings	Revaluation reserves	Other reserves	Own shares (-)	Profit attributable to the owners of the parent company	Interim dividends (-)	Other cumulative overall income	Minority interest		Total
												Other cumulative overall income	Other entries	
Opening balance as of 31.12.2021 (*)	**663,708**	**1,209,423**	**547,385**	**-**	**2,743,437**	**-**	**142,010**	**(3,446)**	**1,113,202**	**-**	**(90,104)**	**-**	**426**	**6,326,041**
Effects of error correction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes to accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance as of 01/01/2022 (*)	**663,708**	**1,209,423**	**547,385**	**-**	**2,743,437**	**-**	**142,010**	**(3,446)**	**1,113,202**	**-**	**(90,104)**	**-**	**426**	**6,326,041**
Total overall profit or loss for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**259,677**	**-**	**(63,093)**	**-**	**(3)**	**196,581**
Other changes in net equity	**-**	**-**	**-**	**-**	**1,046,625**	**-**	**4,671**	**3,211**	**(1,113,202)**	**-**	**-**	**-**	**22**	**(58,673)**
Issue of common shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of preferred shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exercising or expiry of other equity instruments issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of debt into net equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share capital decrease	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends (or shareholder remuneration) (Note 3)	-	-	-	-	(98,291)	-	-	-	-	-	-	-	-	(98,291)
Purchase of own shares	-	-	-	-	-	-	-	(15)	-	-	-	-	-	(15)
Sale or cancellation of own shares	-	-	-	-	507	-	-	3,226	-	-	-	-	-	3,733
Reclassification of financial instruments from net equity to liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liabilities to net equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between components of net equity (Note 3)	-	-	-	-	1,110,129	-	3,073	-	(1,113,202)	-	-	-	-	-
Increase (decrease) in equity resulting from business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stock-based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increases (decreases) in net equity	-	-	-	-	34,280	-	1,598	-	-	-	-	-	22	35,900
Closing balance at 31.12.2022	**663,708**	**1,209,423**	**547,385**	**-**	**3,790,062**	**-**	**146,681**	**(235)**	**259,677**	**-**	**(153,197)**	**-**	**445**	**6,463,949**

(*) Shown solely and exclusively for comparative purposes (Note 1.5).

Notes 1 to 49 described in the Financial Statement and Annexes I, II, III, IV, V and VI form an integral part of the statement of changes in consolidated total net equity in the fiscal year 2021.

UNICAJA BANCO, S.A. AND SUBSIDIARIES (UNICAJA BANCO GROUP)

STATEMENT OF CHANGES IN CONSOLIDATED TOTAL NET EQUITY IN THE FISCAL YEARS ENDED December 31, 2022 AND 2021

(Thousands of Euros)

	Share capital	Share premium	Equity instruments issued other than share capital	Other net equity items	Accumulated earnings	Revaluation reserves	Other reserves	Own shares (-)	Profit attributable to the owners of the parent company	Interim dividends (-)	Other cumulative overall income	Minority interest: Other cumulative overall income	Minority interest: Other entries	Total
Opening balance as of 12/31/2020 (*)	**1,579,761**	**1,209,423**	**47,429**	**-**	**959,533**	**-**	**126,764**	**(179)**	**77,831**	**-**	**4,157**	**-**	**473**	**4,005,192**
Effects of error correction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes to accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance as of 01/01/2021 (*)	**1,579,761**	**1,209,423**	**47,429**	**-**	**959,533**	**-**	**126,764**	**(179)**	**77,831**	**-**	**4,157**	**-**	**473**	**4,005,192**
Total overall profit or loss for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,113,202**	**-**	**(94,261)**	**-**	**(4)**	**1,018,937**
Other changes in net equity	**(916,053)**	**-**	**499,956**	**-**	**1,783,904**	**-**	**15,246**	**(3,267)**	**(77,831)**	**-**	**-**	**-**	**(43)**	**1,301,912**
Issue of common shares	1,075,072	-	-	-	-	-	-	-	-	-	-	-	-	1,075,072
Issue of preferred shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of other equity instruments	-	-	500,000	-	-	-	(3,061)	-	-	-	-	-	-	496,939
Exercising or expiry of other equity instruments issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of debt into net equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share capital decrease	(1,991,125)	-	-	-	1,991,125	-	-	-	-	-	-	-	-	-
Dividends (or shareholder remuneration) (Note 3)	-	-	-	-	(23,492)	-	-	-	-	-	-	-	-	(23,492)
Purchase of own shares	-	-	-	-	-	-	-	(55)	-	-	-	-	-	(55)
Sale or cancellation of own shares	-	-	-	-	-	-	-	15	-	-	-	-	-	15
Reclassification of financial instruments from net equity to liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liabilities to net equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between components of net equity (Note 3)	-	-	-	-	61,185	-	16,646	-	(77,831)	-	-	-	-	-
Increase or (-) decrease in net equity resulting from business combinations (Note 1.14)	-	-	-	-	(244,579)	-	1,652	(3,227)	-	-	-	-	-	(246,154)
Stock-based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increases (decreases) in net equity	-	-	(44)	-	(335)	-	9	-	-	-	-	-	(43)	(413)
Closing balance at 31.12.2021 (*)	**663,708**	**1,209,423**	**547,385**	**-**	**2,743,437**	**-**	**142,010**	**(3,446)**	**1,113,202**	**-**	**(90,104)**	**-**	**426**	**6,326,041**

(*) Shown solely and exclusively for comparative purposes (Note 1.5).

Notes 1 to 49 described in the Financial Statement and Annexes I, II, III, IV, V and VI form an integral part of the statement of changes in consolidated total net equity in the fiscal year 2022.

UNICAJA BANCO, S.A.
AND SUBSIDIARIES (UNICAJA BANCO GROUP)

CONSOLIDATED CASH FLOW STATEMENT FOR THE FISCAL YEARS ENDED December 31, 2022 AND 2021
(Thousands of Euros)

		Year	
	Note	**2022**	**2021**
A) CASH FLOWS FROM OPERATING ACTIVITIES		**(17,346,351)**	**13,958,602**
Profit or loss for the year		**259,674**	**1,113,198**
Adjustments to obtain the cash flows from operating activities		**257,413**	**1,131,210**
Amortization	13 and 14	90,400	68,922
Other adjustments	2.26	167,013	1,062,288
Net increase/decrease in operating assets		**(715,312)**	**4,590,911**
Financial assets held for trading	8.1	(12,360)	149,979
Non-trading financial assets mandatorily at fair value through profit or loss	8.2	81,678	2,557
Financial assets at fair value through profit or loss		-	-
Financial assets at fair value through other comprehensive income	9.1	266,634	529,378
Financial assets at amortized cost	10	(285,258)	7,627,786
Other operating assets		(766,006)	(3,718,789)
Net increase/decrease of operating liabilities		**(17,124,279)**	**7,514,449**
Financial liabilities held for trading	8.1	22,051	17,900
Financial liabilities valued at fair value with changes in income		-	-
Financial liabilities at amortized cost	17	(17,001,319)	7,302,038
Other operating liabilities		(145,011)	194,511
Tax on gains collections/payments		**(23,847)**	**(391,166)**
B) CASH FLOWS FROM INVESTMENT ACTIVITIES		**343,377**	**195,288**
Payments		**(68,766)**	**(38,842)**
Tangible assets	13	(45,554)	(18,732)
Intangible assets	14	(19,243)	(12,799)
Investment in joint ventures and associates	12	(3,969)	(7,311)
Subsidiaries and other business units		-	-
Non-current assets and liabilities classified as held for sale	16	-	-
Other payments related to investment activities		-	-
Collections		**412,143**	**234,130**
Tangible assets	13	222,084	40,369
Intangible assets	14	7,679	1,272
Investment in joint ventures and associates	12	3,372	2,285
Subsidiaries and other business units		-	-
Non-current assets and liabilities classified as held for sale	16	179,008	190,204
Other charges related to investment activities		-	-
(continued on next page)			

(*) Shown solely and exclusively for comparative purposes (Note 1.5).
Notes 1 to 49 described in the Financial Statement and Annexes I, II, III, IV, V and VI form an integral part of the consolidated cash flow statement for the fiscal year 2022.

	Note	Year 2022	Year 2021
C) CASH FLOWS FROM FINANCING ACTIVITIES		**367,297**	**476,424**
Payments		**(432,205)**	**(23,591)**
Dividends	3	(67,338)	(16,909)
Subordinated liabilities	17	(333,899)	-
Amortization of equity instruments		-	(44)
Acquisition of equity instruments		(15)	(55)
Other payments related to financing activities		(30,953)	(6,583)
Collections		**799,502**	**500,015**
Subordinated liabilities	17	297,587	-
Issuance of equity instruments		-	500,000
Disposal of equity instruments		3,226	15
Other collections related to financing activities		498,689	-
D) EFFECT OF EXCHANGE RATE VARIATIONS		**-**	**-**
E) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT (A + B + C + D)		**(16,635,677)**	**14,630,314**
F) CASH AND EQUIVALENT AT THE START OF THE PERIOD		**21,297,503**	**6,667,189**
G) CASH AND EQUIVALENT AT THE END OF THE PERIOD		**4,661,826**	**21,297,503**
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD		**4,661,826**	**21,297,503**
Cash	2.28	494,083	581,804
Balances equivalent to cash in central banks	2.28	4,071,871	20,560,121
Other financial assets	2.28	95,872	155,578
Minus: bank overdrafts repayable on demand		-	-
TOTAL CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD	2.28	**4,661,826**	**21,297,503**
Of which: in hands of Group companies but not available to the Group		-	-

(*) Shown solely and exclusively for comparative purposes (Note 1.5).
Notes 1 to 49 described in the Financial Statement and Annexes I, II, III, IV, V and VI form an integral part of the consolidated cash flow statement for the fiscal year 2022.

UNICAJA BANCO, S.A. AND SUBSIDIARIES
(UNICAJA BANCO GROUP)

CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING December 31, 2022.
(Expressed in thousands of Euros)

Contents

1. Nature of the Company and Group, basis of presentation of the consolidated financial statements and other information

1.1 Nature of the Parent Company and Group

Unicaja Banco, S.A. (hereinafter, Unicaja Banco, the Parent Company, or the Bank) is a credit institution incorporated in Spain for an indefinite period of time on December 1, 2011. Its operations started as a consequence of the approval by the General Assembly of Monte de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga, Antequera y Jaén - Unicaja (now, Fundación Bancaria Unicaja) of the indirect exercise of the financial activity through a bank. Also, on July 31, 2021, the merger by absorption of Liberbank S.A. (as absorbed entity) by Unicaja Banco, S.A. (as absorbing entity) (see Note 1.14) took place.

The Bank is an entity subject to the rules and regulations on banking entities operating in Spain. Other public information about the Bank is available both on its corporate website (www.unicajabanco.com) and at its registered office (Avenida de Andalucía, 10 y 12, Málaga).

The Bank's object is to carry out all kinds of activities, operations, acts, contracts and services typical of the banking business in general or which are directly or indirectly related or supplementary thereto or are carried out by it, provided that their performance is permitted or not forbidden by current legislation.

The Bank's object includes the provision of investment services and other auxiliary services, as well as the performance of activities typical of insurance agents, as an exclusive or linked operator, the simultaneous exercise of both not being admissible.

In accordance with its Bylaws, such activities, which meet the requirements of Law 10/2014, of June 26, on the regulation, supervision and solvency of credit institutions, and which comprise its object, may be carried out in part of in full, indirectly, in any of the forms permitted by law and, in particular, through the ownership of shares or equity interests in companies or through participation in other entities whose object is identical, similar or supplementary to its activities.

The Bank is registered in the Mercantile Registry of Málaga and, as a credit institution, in the Special Registry of the Bank of Spain under number 2103. In addition, the Bank holds a license to exercise banking activity granted in accordance with the provisions of Article 1 and concordant provisions of Royal Decree 1245/1995, a rule that was replaced by the current Royal Decree 84/2015, of February 13, implementing Law 10/2014, of June 26, on the regulation, supervision and solvency of credit institutions.

The consolidated financial statements of the Group, as well as the individual annual accounts of the Bank, corresponding to fiscal year 2022, have been prepared by the Board of Directors of Unicaja Banco on February 23, 2023, and are pending approval by the General Shareholders' Meeting. Nonetheless, the Bank's Board of Directors expects the consolidated financial statements to be approved without significant changes.

1.2 Consolidated group

Unicaja Banco, S.A. is the parent company of a group of subsidiaries engaged in various activities and which make up the Unicaja Banco Group.

Pursuant to article 6 of Royal Decree 1159/2010, of September 17, which approves the Rules for the Preparation of Consolidated Financial Statements and amends the General Accounting Plan approved by Royal Decree 1514/2007, of November 16, and the General Accounting Plan for Small and Medium-Sized Companies approved by Royal Decree 1515/2007, of November 16, the Bank is obliged to prepare consolidated financial statements when it has issued securities admitted to trading on a regulated market in any European Union Member State, applying the International Financial Reporting Standards adopted by European Union Regulations. Consequently, in addition to its own financial statements, the Bank has prepared the consolidated financial statements of Unicaja Banco, S.A. and its subsidiaries (Unicaja Banco Group) in accordance with current legislation.

The Bank has its registered office and residence in Malaga and is subject to Spanish law, submitting its financial statements to the Commercial Registry of that city. The latest consolidated financial statements of the Unicaja Banco Group that have been prepared are those for the fiscal year ended December 31, 2021 and have been filed with the Commercial Registry of Malaga.

The entities forming part of the Unicaja Banco Group as of December 31, 2022 are as follows:

Company Name	Activity
Unicaja Banco, S.A. (Parent Company)	Credit institution
Administradora Valtenas, S.L.U.	Business consulting
Alqlunia Duero, S.L.U.	Real estate development
Análisis y Gestión de Innovación Tecnológica, S.L.U.	Real estate development
Analistas Económicos de Andalucía, S.L.U.	Economic activity study and analysis
Andaluza de Tramitaciones y Gestiones, S.A.U.	Management and settlement of documents and deeds
Arco Explotaciones, S.L.U.	Farming
Asturiana de Administración de Valores Mobiliarios, S.L.U.	Business consulting
Banco Europeo de Finanzas, S.A.U.	Banking, financial activities
Briareo Gestión, S.A.U.	Business consulting
Caja Castilla La Mancha Iniciativas Industriales, S.L.U.	Holding company activities
Camín de la Mesa, S.A.U.	Business consulting
Camping Alto Gallego, S.L.U.	Catering
Cánovas Explotaciones, S.L.U.	Catering
Cantábrica de Inversiones de Cartera, S.L.U.	Holding company activities
CCM Brokers 2007 Correduría de Seguros, S.A.U.	Insurance broker
Concejo Explotaciones, S.L.U.	Catering
Corporación Empresarial Caja Extremadura, S.L.U.	Consulting
Ercávica Desarrollos, S.L.U.	Real estate development
Explotaciones Santa Isabel, S.L.U.	Catering
Factoría de Transformación de Operaciones y Servicios, S.L.U.	Other consulting activities
Finca Las Huelgas, S.A.U.	Farming
Gestión de Inmuebles Adquiridos, S.L.U.	Real estate development
Grafton Investments, S.L.U.	Catering
Hoteles Layos, S.L.	Catering
Instituto de Economía y Empresa, S.L.U.	Business consulting
La Algara Sociedad de Gestión, S.L.U.	Real estate development
Liberbank Capital, S.A.U.	Other activities auxiliary to financial services
Liberbank Contact, S.L.U.	Call center activities
Liberbank Digital, S.L.U.	IT services
Liberbank Ebusiness, S.L.U.	Business consulting
Liberbank I.T., S.L.U.	IT Consulting
Liberbank Pensiones, Sociedad Gestora de Fondos de Pensiones, S.A.U.	Pension fund manager
Liberbank Servicios Financieros, S.A.U.	Other financial services
Lisson Directorship, S.L.U.	Real estate development
Midamarta, S.L.U.	Real estate development
Mosacata, S.L.U.	Real estate development
Norteña Patrimonial, S.L.U.	Business consulting
Parque Industrial Humilladero, S.L.	Real estate development
Peña Rueda, S.L.U.	Business consulting
Pico Cortés, S.L.U.	Business consulting
Pico Miravalles, S.L.U.	Business consulting
Planes e Inversiones CLM, S.A.U.	Real estate development
Pomarada Gestión, S.L.U.	Business consulting
Procesa Recuperación de Activos, S.A.U.	Legal activities
Promociones Miralsur, S.L.U.	Real estate development
Propco Blue 1, S.L.U.	Real estate development
Puertu Maravio, S.L.U.	Business consulting
Puntida, S.L.U.	Other professional, scientific and technical activities
Segóbriga Desarrollos, S.L.U.	Catering

Company Name	Activity
Segurándalus Mediación, Correduría de Seguros, S.A.U.	Insurance broker
Sierra del Acebo, S.L.U.	Business consulting
Tiatordos, S.A.U.	Business consulting
Unicaja Gestión de Activos Inmobiliarios, S.A.U.	Real estate holding company
Unicartera Gestión de Activos, S.L.U.	Activities auxiliary to financial services
Unicorp Patrimonio, Sociedad de Valores, S.A.U.	Asset management
Unigest, S.G.I.I.C., S.A.U.	Collective investment institution manager
Unimediación, S.L.U.	Insurance broker
Unión del Duero, Compañía Seguros de Vida, S.A.U.	Insurance
Uniwindet, S.L.U.	Renewable energies
Urbe Cantabria, S.L.U.	Real estate development
Viacava – Incós de Energía, S.A.U.	Catering
Viproelco, S.A.U.	Real estate development

The most significant changes that took place in 2022 in the composition of the Unicaja Banco Group are as follows:

- On February 2, 2022, a deed was executed to increase the capital stock of Sedes, S.A., which was recorded at the Mercantile Registry on February 14, 2022, increasing the percentage of ownership to 39.90% (at December 31, 2021 the percentage of ownership was 39.85%).

- On February 25, 2022, the company "Explotaciones Forestales y Cinegéticas Alta-Baja, S.L." was sold

- On April 22, 2022, a deed was executed to increase the capital stock “of Kenta Capital Investment Management, S.A. ”(formerly known as "Alpha Debt Investment Management, S.A."), which was recorded at the Mercantile Registry on April 30, 2022, at which time Unicaja Banco, S.A. made a monetary contribution and acquired a 36.00% interest in the company.

- On May 9, 2022, a public deed of merger by absorption of the companies “Unimediación, S.L.U.” (absorbing company), and “Liberbank Mediación, Operador de Banca Seguros Vinculado, S.L.U.” (absorbed company), and “Banco de Castilla-La Mancha Mediación, Operador de Banca Seguros Vinculados, S.A.U. ” (absorbed company) was executed. Its dissolution and extinction was registered in the Official Gazette of the Mercantile Registry on June 1, 2022. This merger by absorption has no impact on the consolidated financial information as it is an intra-group transaction. In the accounting records of the absorbing company, it is recorded with an accounting effective date of January 1, 2022.

- On May 13, 2022, April 29, 2022 and May 26, 2022, respectively, the dissolution and liquidation of the entities "Liberbank Servicios Auxiliares Bancaseguros, A.I.E.", of the entity "Caja Castilla La Mancha Conecta, S. A. Servicios administrativos combinados" and "Caja Castilla La Mancha Finance, S.A.U." took place, being registered in the Mercantile Registry on May 19, 2022, June 27, 2022 and June 28, 2022, respectively.

- On July 7, 2022, the company "Fitex Ilunion, S.A." was sold

- On July 29, 2022, the merger by absorption of Liberbank Gestión, S.G.I.I.C., S.A.U. (as absorbed company) by Unigest, S.G.I.I.C., S.A.U. (as absorbing company) took place and was registered at the Mercantile Registry on October 3, 2022. This merger by absorption has no impact on the consolidated financial information as it is an intra-group transaction. In the accounting records of the absorbing company, it is recorded with an accounting effective date of January 1, 2022.

The most significant changes in the composition of the Unicaja Banco Group during 2021 were as follows:

- On July 26, 2021, the deed of merger by absorption of Unicaja Banco, S.A. with Liberbank, S.A. was signed, incorporating into the scope of consolidation on the date of the business combination (July 31, 2021) all the shareholdings held by the aforementioned entity, and the companies previously identified became part of the Unicaja Banco Group (Note 1.14).

- On December 28, 2021, the capital of Parque Industrial Humilladero, S.L. was increased and the Group now holds a 92.00% interest.

In accordance with current legislation, the Board of Directors of the Parent Company has prepared the Bank's individual financial statements. The effect of consolidation on the balance sheet as of Saturday, December 31, 2022 and 2021, the income statement, the statement of changes in total equity and the statement of cash flows for the years 2022 and 2021 are summarized below:

				Thousands of Euros
		2022		2021
	Individual	Consolidated	Individual	Consolidated
Assets	99,480,889	99,003,053	115,963,199	115,549,993
Net equity	6,743,949	6,463,949	6,470,579	6,326,041
Profit or loss for the year	235,059	259,674	1,084,845	1,113,198
Total revenues and expenditures of the statement in changes in equity	324,655	196,581	954,868	1,018,937
Net increase or (-) decrease in cash or equivalent	(16,635,382)	(16,635,677)	14,629,099	14,630,314

Appendix I presents a summary of the Parent Company's individual balance sheet, individual income statement, individual statement of changes in total equity and individual cash flow statement for the fiscal years ended Saturday, December 31, 2022 and 2021, prepared in accordance with the same accounting principles and rules and valuation criteria included in Bank of Spain Circular 4/2017, as subsequently amended, which do not differ significantly from those applied in these consolidated financial statements of the Group.

1.3 Basis for presentation of the consolidated financial statements

The Group's consolidated financial statements are presented in accordance with the International Financial Reporting Standards adopted by the European Union (hereinafter, "EU-IFRS"), taking into consideration Bank of Spain Circular 4/2017 of November 27 (and its subsequent amendments), which constitutes the development and adaptation to the Spanish credit institution sector of the International Financial Reporting Standards approved by the European Union.

The abbreviations “IAS” and “IFRS” are used throughout this report to refer to the International Accounting Standards and International Financial Reporting Standards, respectively. The abbreviations “IFRIC” and “SIC” are used throughout these notes to refer to the interpretations issued by the International Financial Reporting Interpretations Committee and the former Standing Interpretations Committee, respectively. All these standards and interpretations have been adopted by the European Union and were applied in the preparation of the consolidated financial statements.

These consolidated financial statements have been prepared taking into account all the mandatory accounting principles and rules and measurement criteria that have a significant effect on them, so that they present a faithful image of the Group's equity and financial position at December 31, 2022 and the results of its operations, the changes in consolidated equity and the consolidated cash flows that have occurred in the Group in the year then ended.

Note 2 summarizes the most significant accounting principles and policies and valuation criteria applied in the preparation of the Group's consolidated financial statements for the fiscal year 2022.

The consolidated financial statements have been prepared on the basis of the accounting records kept by the Bank and by the other entities comprising the Group. Nevertheless, since the accounting policies and measurement criteria used in preparing the Group's consolidated financial statements for the 2022 fiscal year may differ from those used by certain Group entities, the required adjustments and reclassifications were made on consolidation to unify such policies and criteria and make them compliant with the EU-IFRS used by the Entity.

Unless otherwise stated, these consolidated financial statements are presented in thousands of Euros.

1.4 Responsibility for the information and estimates made

The information in these consolidated financial statements is the responsibility of the Parent Company's directors.

These consolidated financial statements have been prepared under the going concern principle, which considers that the management of the Group will continue in the foreseeable future, and therefore the application of accounting standards is not intended to determine the value of the net assets for the purpose of their global or partial transfer, nor the amount resulting in the event of their liquidation.

In the Group's 2022 consolidated financial statements, estimates, assumptions, and opinions were occasionally made by the Group Directors to quantify certain assets, liabilities, income, expenses and commitments recognized therein. These estimates, opinions, and assumptions are mainly in relation to:

- Impairment losses on certain assets (Notes 10, 12, 13, 14, 15 and 16), especially with respect to the individual and collective estimation of credit losses in the portfolio of loans and advances to customers, and the determination of when there is a significant increase in credit risk (Note 2.7).

- The hypotheses used in the actuarial calculation of post-employment benefit liabilities and commitments and other long-term commitments to employees (Notes 2.12 and 41),

- The useful lives of tangible and intangible assets (Notes 2.14, 2.15, 13 and 14).

- The measurement of consolidation goodwill (Notes 2.16 and 14).

- The estimate of the probability of occurrence of those events considered as contingent liabilities and, if applicable, the estimate of the provisions required to cover these events (Notes 2.18 and 18).

- The reversal period and recoverability of deferred tax assets of temporary differences (Notes 2.13 and 24).

- The fair value of certain unlisted assets (Note 26).

- The fair value of certain guarantees assigned to the collection of assets (Note 47).

These estimates were drawn up based on the best information available at December 31, 2022 regarding the events analyzed. However, considering the current uncertainties arising from the environment of high inflation and volatility of the main macroeconomic variables caused mainly by the war in Ukraine and the scarcity of certain resources, it is possible that future events may require them to be significantly modified (upwards or downwards) in subsequent years. If required, this would be carried out prospectively in accordance with IAS 8, recognizing the impact of the changes in estimates on the corresponding consolidated income statement for the fiscal years affected.

1.5 Changes in accounting criteria, errors and comparability of information

1.5.1 Changes in accounting policies and errors

The regulatory changes introduced in 2022 (Note 1.12) have not affected the comparability of the Group's financial information, so it has not been necessary to adapt or reclassify the quantitative information for 2021 that was published in the consolidated financial statements of the previous year. There were also no errors that required rectification of the comparative information for fiscal year 2021.

The Bank's directors believe that the application of most of these standards will not have a material impact on the Group's consolidated financial statements.

1.5.2 Comparison of information

In accordance with AIS 1, the information contained in these consolidated financial statements for the 2021 fiscal year is shown solely and exclusively for comparative purposes with the information for the fiscal year ending December 31, 2022 and, therefore, does not constitute the Group's consolidated financial statements for the 2021 financial year.

It should be noted that the merger by absorption of Liberbank, S.A. (as absorbed entity) by Unicaja Banco, S.A. (as absorbing entity) into Unicaja Banco, S.A. took place with accounting effects as of July 31, 2021, which means that the figures corresponding to the consolidated balance sheet and the consolidated income statement, as well as the consolidated recognized income and expenditure statement, the consolidated statement of changes in equity and the consolidated cash flow statement, are not fully comparable. In this regard, it should be noted that the consolidated profit and loss account of the Unicaja Banco Group for the year ended December 31, 2021 includes the results from the business acquired from the Liberbank Group only from August 1, 2021 (5 months), while the consolidated profit and loss account for 2022 includes the results of the business from the Liberbank Group for the whole year (12 months). The same applies to the consolidated statement of recognized income and expense, the consolidated statement of changes in total equity and the consolidated statement of cash flows.

1.6 Holdings in the share capital of credit institutions

Pursuant to the provisions of Article 28 of Royal Decree 84/2015, of February 13, implementing Law 10/2014, of June 26, on the regulation, supervision and solvency of credit institutions, the following is a list of holdings in the capital of other credit institutions, domestic and foreign, held by the Bank as at December 31, 2022 and 2021 that exceed 5% of their capital or voting rights:

	% holding	
Entity	**2022**	**2021**
Banco Europeo de Finanzas, S.A.U.	100.00%	100.00%

As at December 31, 2022 and 2021, no domestic or foreign credit institution (or groups, as defined in Article 4 of the Securities Market Act, in which any domestic or foreign credit institution is integrated) holds an interest of more than 5% of the capital or voting rights of any credit institution that should be considered as an entity of the Unicaja Banco Group.

1.7 Agency agreements

Annex II of the consolidated statement includes the list of agents of the Group Parent Company as at December 31, 2022, meeting the requirements of Article 21 of Royal Decree 84/2015, of February 13, implementing Law 10/2014 of June 26, on the organization, supervision and solvency of credit institutions, and in Circular 4/2010 of the Bank of Spain.

1.8 Environmental impact and climate risk management

The global operations of Unicaja Banco Group companies are governed by laws relating to the protection of the environment (Environmental Laws). The Parent Company considers that the Group substantially complies with such laws and maintains procedures designed to ensure and promote compliance with them.

The Parent Company considers that the Group has adopted the appropriate measures in relation to the protection and improvement of the environment and the minimization, where appropriate, of environmental impact, complying with current legislation in this regard.

During fiscal years 2022 and 2021, the Group did not make any significant investments of an environmental nature and did not consider it necessary to record any provision for environmental risks and charges, nor does it consider that there are any significant contingencies related to the protection and improvement of the environment.

For the proper management of ESG risks (which encompasses climate-related and environmental risks), the Group has begun a series of initiatives, including an Action Plan on Sustainable Finance, approved in June 2020 and reviewed in April and November 2021, which is reported elsewhere in this Statement.

The Group has also set up a departmental structure for promoting sustainability, which currently comprises the ESG Business Unit and the Sustainability and Corporate Social Responsibility Unit. The Sustainability and CSR Committee is the body that brings together, in addition to these two units, other Bank units with ESG factor management powers. Other areas expressly include the management of these risks among their responsibilities.

It should be noted that in fiscal year 2022 the Sustainability Committee has been established as a support committee of the Board of Directors, with powers to supervise that the Company's practices related to sustainability are in line with the strategy, the policies established and the commitments acquired. Further details on the composition and functions of this Committee can be found on Unicaja Banco's corporate website.

On the other hand, the execution of the aforementioned Sustainable Finance Action Plan has been included in the Unicaja Banco Group's Strategic Plan. The new challenge of sustainability, in all its facets, is assumed by Unicaja Banco as an opportunity for development and improvement in its daily management, for which the Bank will work on a renewed offer of products and services, on the reduction of its carbon footprint and, at the same time, promote the culture of sustainability, the identification and management of climate and environmental risk, which denotes a holistic approach to the management of these risks.

The Group has included in the Risk Appetite Framework a series of climate-related and environmental risk metrics that constitute indicators of the level of climate and environmental risks.

Unicaja Banco Group considers that the appropriate management of ESG risks is part of a global work program, which analyzes the financial, marketing and good governance impacts, in order to position itself as an entity committed to sustainability and its derived impacts.

1.9 Minimum requirements

1.9.1 Minimum Own Funds Requirements

Applicable regulations

Regulatory capital for financial institutions is regulated by Regulation 575/2013 (CRR) and Directive 2013/36/EU of the European Parliament and of the Council (CRD IV) which transposed the Basel III regulatory framework (BIS III) in the European Union. While the CRR was directly applicable in Spain, the CRD IV was transposed into Spanish law through Law 10/2014 on the regulation, supervision and solvency of credit institutions and its subsequent regulatory implementation through Royal Decree 84/2015 and Bank of Spain Circular 2/2016. Regulatory capital is the metric required by regulators and used by analysts and investors to compare financial institutions. Furthermore, subsequent to the 2013 European legal transposition, the Basel Committee and other competent bodies have published additional standards and documents, with new specifications in the calculation of equity. This entails a state of permanent development, whereby the Group is continuously adapting processes and systems to ensure that the calculation of capital consumption and equity deductions is fully aligned with the newly established requirements.

In addition, Bank of Spain Circular 2/2016, of February 2, for Credit Institutions regarding monitoring and solvency, came into force on February 10, 2016. This standard, designed to complete the adaptation of the Spanish legal system to Directive 2013/36/EU and Regulation 575/2013, repealed Bank of Spain Circular 3/2008.

On May 20, 2019, the European Parliament and the Council of the European Union approved Regulation (EU) 2019/876, which modified the CRR in relation to the following areas: leverage ratio, net stable financing ratio, eligible own funds and liabilities, counterparty credit risk, market risk, exposure to central counterparty entities, exposure to collective investment bodies, and high exposure in addition to the requirements in relation to the presentation and disclosure of the information and Regulation (EU) 648/2012.

On June 24, 2020, the European Parliament and the Council of the European Union approved Regulation 2020/873, amending Regulation 575/2013, and Regulation 2019/876, amending the CRR and CRR II in terms of certain adjustments in response to the COVID-19 pandemic (“quickfix”). The main amendments are established in the following areas: credit risk hedges (temporary provisions IFRS 9, etc.), the leverage ratio, exposure granted to employees/pensioners, the factor of support for SMEs, exemption from deductions on certain software assets, and also establishing a temporary prudential filter to neutralize the impact of losses not occurring in public debt and market risk.

The aforementioned Regulation (EU) No. 575/2013 lays down consistent standards to be met by entities regarding: 1) equity requirements as to credit risk, market risk, operating risk and settlement risk elements; 2) requirements aimed at limiting major risks; 3) liquidity risk coverage regarding fully quantifiable, consistent and standardized items, once developed by virtue of a Commission delegated action; 4) setting of the leverage ratio; and 5) information and public disclosure requirements.

With regard to equity requirements, the aforementioned Regulation introduced a review of the concept and the components of equity required from entities by regulation. They consist of two elements: Tier 1 capital and Tier 2 capital. In addition, Tier 1 capital is equal to the sum of common equity Tier 1 capital and additional Tier 1 capital. In other words, Tier 1 capital consists of those instruments capable of absorbing losses when the entity is in operation, while the elements of Tier 2 capital will absorb losses mainly when the entity is not feasible.

Additionally, the regime under Directive 2014/59/EU (BRRD) and Regulation 806/2014/EU (SRM) of the European Parliament and of the Council establishing a framework for the restructuring and resolution of credit institutions and investment firms, which was implemented in Spain through Law 11/2015 and Royal Decree 1012/2015, states that banks must have a minimum level of eligible capital and liabilities (MREL). With the application of this regulatory reform, the MREL requirement is expressed as a percentage of risk-weighted assets and exposure for the calculation of the leverage ratio.

All this constitutes the current regulations that govern the equity that Spanish credit institutions must maintain, both individually and as a consolidated group, and the manner in which such capital must be determined, as well as the different capital self-assessment processes that must be carried out and the public information that must be disclosed to the market.

Minimum capital requirements

In accordance with these regulations, the capital ratios required for 2022 are as follows:

- A common equity Tier 1 capital ratio of 4.5%.
- A Tier 1 capital ratio (common plus additional) of 6%.
- A total capital ratio (including Tier 2) of 8%.
- An additional capital conservation buffer of 2.5%.

With regard to the countercyclical capital buffer, established in Article 45 of Law 10/2014, the Bank of Spain has agreed to set this buffer at 0% for credit exposures in Spain from January 1, 2016.

For the 2022 fiscal year, in the context of the SREP (Supervisory Review and Evaluation Process) and taking into account the merger by absorption (Note 1.14), the European Central Bank requires the Unicaja Banco Group to comply with a minimum *phase-in* total capital ratio of 12.65% (the result of adding the minimum required by Pillar 1 of 8%, plus a Pillar 2 requirement of 2.15% and the capital conservation buffer of 2.5%) and a minimum Common Equity Tier 1 (CET 1) *phase-in* ratio of 8.21% (the sum of the minimum Pillar 1 requirement of 4.5%, plus a Pillar 2 requirement of 1.21% (to cover at least three quarters of the Pillar 2 regulatory requirement through CET1 and at least three quarters through T1) plus the capital conservation buffer of 2.5%).

The capital requirements that the Unicaja Banco Group will have to meet in 2023, according to the aforementioned SREP process, amount to a minimum *phase-in* total capital ratio of 12.75% (the result of adding the minimum required by Pillar 1 of 8%, plus a Pillar 2 requirement of 2.25% and the capital conservation buffer of 2.5%) and a minimum Common Equity Tier 1 (CET 1) *phase-in* ratio of 8.27% (the sum of the minimum Pillar 1 requirement of 4.5%, plus a Pillar 2 requirement of 1.27% (to cover at least three quarters of the Pillar 2 regulatory requirement through CET1 and at least three quarters with Tier 1) plus the capital conservation buffer of 2.5%).

As a consequence of these requirements, the CET1 *phase-in* and total capital *phase-in* ratios mentioned above are also established as the minimum levels below which Unicaja Banco would be obliged to calculate the maximum distributable amount (MDA) that would limit its distributions in the form of dividends and variable remuneration.

The CET1 capital ratio of the Unicaja Banco Group as of December 31, 2022 is 13.65%, while the total capital ratio amounts to 17.05% (both including retained earnings for the year). Consequently, with the current levels of capital, the Unicaja Banco Group has covered the capital requirements set by the European Central Bank and, therefore, has no limitations to the distributions of results of those referred to in Regulation (EU) No. 575/2013.

Below is a breakdown of the main figures related to capital ratios applicable to the Group, as established in Regulation (EU) No. 575/2013, as at Saturday, December 31, 2022 and 2021:

	Thousands of Euros	
	2022	**2021**
Computable Common Equity Tier 1 Capital (a)	4,658,865	4,802,028
Computable Additional Tier 1 Capital (b)	547,385	547,385
Computable Tier 2 Capital (c)	611,760	586,446
Risks (d)	34,133,035	35,291,236
Common Equity Tier 1 Capital Ratio (CET 1) (A) = (a)/(d)	13.65%	13.61%
Additional Tier 1 Capital Ratio (AT 1) (B) = (b)/(d)	1.60%	1.55%
Tier 1 Capital Ratio (Tier 1) (A)+ (B)	15.25%	15.16%
Tier 2 Capital Ratio (Tier 2) (C)=(c)/(d)	1.79%	1.66%
Total capital Ratio (A) + (B) + (C)	**17.05%**	**16.82%**

Note: At December 31, 2022 and December 31, 2021, common equity tier 1 capital basically included capital, additional paid-in capital, the Bank's reserves net of deductions (intangible assets) and the portion of consolidated income for 2022 and 2021, respectively, that will be allocated to reserves once the distribution of income has been approved. Tier 2 capital basically includes subordinated debt issues.

The leverage ratio is a regulatory measure complementary to capital that seeks to guarantee the soundness and financial strength of entities in terms of indebtedness. This measure estimates the percentage of assets and off-balance sheet items that are financed with Tier 1 capital, with the carrying value of the assets adjusted to reflect the Group's current or potential leverage with a given balance sheet position (referred to as "Exposure").

Below is the composition of the leverage ratio, calculated in accordance with the CRR, as of December 31, 2022 and 2021:

	Thousands of Euros	
	2022	**2021 (*)**
Tier 1 Capital (a)	5,206,250	5,349,413
Exposure (b)	97,393,448	98,293,020
Leverage Ratio (a)/(b)	**5.35%**	**5.44%**

Note: The leverage ratio, although comparable in regulatory terms, has undergone a transitional adjustment in the calculation of the denominator, introduced by the quickfix (Article 500b introduced in the CRR through Regulation (EU) 2020/873), and extended by ECB Decision 2021/1074, whereby until March 31, 2022. Until that date, institutions could exclude the following positions vis-à-vis the institution's central bank from the measure of their total exposure: (a) coins and banknotes that are legal tender within the central bank's territorial jurisdiction; and (b) assets representing claims on the central bank, including reserves at the central bank. The amount excluded by the entity may not exceed the average daily amount of the exposures listed in (a) and (b) throughout the most recent reserve maintenance period of the entity's central bank.

The total capital surplus, taking into account the equity requirements in accordance with the regulation of Directive 2013/36/ EU (CRD-IV) and EU Regulation no. 575/2013 (CRR) (Pillar 1), the additional requirements demanded of the Unicaja Banco Group as a result of the 2022 SREP (Pillar 2), and the capital conservation buffer of 2.5%, amount to EUR 1,500,481 thousand as of December 31, 2022. Similarly, the CET1 surplus taking into account all the above requirements, applied at the CET1 level, amounts to EUR 1,856,756 thousand as of December 31, 2022.

On June 28, 2021, Unicaja Banco received authorization from the European Central Bank to use internal models to calculate its solvency ratios. Specifically, the Governing Council of the European Central Bank has granted Unicaja Banco the authorization to apply the A-IRB models to the calculation of capital requirements for credit risk of its retail portfolio (not SMEs), except for the part of the portfolio acquired through the merger with Liberbank (Note 1.14).

Solvency risk management

Solvency risk responds to the potential restriction in the Group's ability to adapt its volume of equity to regulatory requirements or to changes in its risk profile.

As regards the capital self-assessment process and solvency risk management, the Unicaja Banco Group pays strict attention to maintaining the following basic principles as regards risk management processes:

- Rigorous attention to permanently maintaining a prudent and balanced risk profile, preserving the objectives of solvency, profitability and adequate liquidity.
- Active participation and supervision of Senior Management, who approve the Entity's general business strategies and policies and set the general guidelines for risk management and control in the entity.
- General internal control environment.
- Segregation of functions, with the entity's risk measurement and control process being completely independent of the risk-taking function.
- Prudent management of credit risk exposure, in particular by avoiding projects of uncertain viability and limiting the amount of investment based on sufficient collateral parameters.
- Selection of appropriate methodologies for measuring the risks incurred.

In the Group, the policies, methods and procedures related to Global Risk Management are approved by the Parent Company's Board of Directors. The governing bodies and management of Unicaja Banco, as the Group's Parent Company, are responsible for ensuring proper compliance with these policies, methods and procedures, ensuring that they are adequate, effectively implemented and reviewed on a regular basis.

1.9.2 Minimum reserve ratio

In fiscal years 2022 and 2021, the Bank complied with the minimum required for this ratio by the applicable Spanish regulations.

1.10 Deposit guarantee fund

Unicaja Banco is integrated into the Credit Institution Deposit Guarantee Fund. The ordinary annual contribution to be made by the entities in this fund, established by Royal Decree-Law 16/2011, of October 14, creating the Deposit Guarantee Fund, is determined by the Fund Management Committee based on the guaranteed deposits of each entity and their risk profiles.

The purpose of the Credit Institution Deposit Guarantee Fund is to ensure the reimbursement of guaranteed deposits whenever the depository entity declares insolvency proceedings or upon deposit default, provided that no entity resolution process had been agreed up to the limit established in the aforementioned Royal Decree. To meet these objectives, the Fund if financed by the annual contributions, extraordinary fees the Fund receives from member entities and the funds raised in the securities markets, loans and other debt operations.

During 2022 and 2021, the expense incurred for ordinary and additional contributions and extraordinary fees paid to this body amounted to EUR 87,665 thousand and EUR 88,688 thousand, respectively, recorded under "Other operating expenses" in the consolidated income statement (Note 39.2).

With regard to ordinary contributions, on November 7, 2015, Royal Decree 1012/2015, on November 6, was published, implementing Law 11/2015, on June 18, on the recovery and resolution of credit institutions and investment services companies, and amending Royal Decree 2606/1996, dated December 20, on deposit guarantee funds of credit institutions. Among the amendments incorporated, the definition of the assets of the Deposit Guarantee Fund for Credit Institutions (hereinafter, FGDEC) is changed, indicating that the Management Committee will determine the annual contributions of the entities assigned to the Fund, in accordance with the criteria established in Article 6 of Royal Decree-Law 16/2011, of October 14, which created the FGDEC. For this purpose, the basis for calculating the contributions that the entities must make to each compartment of the Fund will be as follows:

a) In the case of contributions to the Deposit Guarantee Compartment, guaranteed deposits, as defined in Article 4.1.

b) In the case of contributions to the securities guarantee compartment, 5% of the market price on the last trading day of the year, in the corresponding secondary market, of the guaranteed securities, as defined in Article 4.2, existing at the end of the fiscal year. When the latter include securities and financial instruments not traded in a secondary market, whether Spanish or foreign, their calculation will be based on their nominal or redemption value, whichever is more appropriate for the type of security or financial instrument in question, unless another more significant value has been declared or is recorded for the purposes of their deposit or registration.

For fiscal year 2022, the FGDEC's Management Committee, pursuant to the provisions of Article 6 of Royal Decree-Law 16/2011 and Article 3 of Royal Decree 2606/1996, has set the annual contributions of the entities assigned to the FGDEC as follows:

- Annual contribution to the deposit guarantee compartment of the FGDEC equal to 1.75 per thousand of the calculation basis of the contributions to this compartment defined in Article 3.2.a) of Royal Decree 2606/1996, existing as of December 31, 2021, with the contribution of each entity calculated based on the amount of guaranteed deposits and its risk profile.

- Annual contribution to the Securities Guarantee Compartment of the FGDEC equal to 2.0 per thousand of the calculation basis, made up of 5 percent of the amount of the guaranteed securities as indicated in Article 3.2.b) of Royal Decree 2606/1996, existing at December 31, 2022.

In addition, with regard to extraordinary contributions, the Management Committee of the FGDEC, in order to restore the sufficiency of the Fund's assets in accordance with the provisions of Article 6.2 of Royal Decree-Law 16/2011, of October 14, it was agreed on July 30, 2012, to receive an extraordinary fee from the member institutions, distributed on the basis of the calculation of contributions at December 31, 2011, to be paid in 10 equal annual installments. The amount of the installments to be paid on each date may be deducted from the ordinary annual contribution, if any, paid by the entity on that same date, up to the amount of the ordinary dues. At December 31, 2021, the present value of these contributions amounted to €5,496 thousand (at December 31, 2022 it was zero).

1.11 Contributions to the Single Resolution Fund

In March 2014, the Parliament and the European Council reached a political agreement on the creation of the banking union’s second pillar: the Single Resolution Mechanism ("SRM") which began work as an independent body of the European Union on January 1, 2015.

The main objective of the SRM is to ensure that bank failures in the European banking union are managed efficiently, with minimum costs for the taxpayer and the real economy. The scope of action of the SRM is identical to that of the Single Supervisory Mechanism (SSM), i.e. a central authority. The Single Resolution Board ("SRB") is ultimately responsible for the decision to begin the resolution of a bank, although the operating decision to carry out a resolution will be applied in conjunction with the national resolution authorities.

The rules governing the banking union are intended to ensure first, that banks and their shareholders are the ones to finance resolutions and also partially the bank's creditors, if necessary. However, another source of financing is also available, to which banks may have recourse if the contributions of the bank's shareholders and creditors are not sufficient. This is the Single Resolution Fund ("FUR"), which is managed by the "JUR". The legislation provides that banks must make contributions to the "SRF" over a period of eight years.

In this regard, on January 1, 2016, the Single Resolution Fund came into operation, which has been implemented by Regulation (EU) No. 806/2014 of the European Parliament and of the Council, and is managed by the Single Resolution Board, which is responsible for the calculation of the contributions to be made by the credit institutions and investment services companies defined in Article 2 of the aforementioned Regulation, in compliance with the rules defined in Commission Delegated Regulation (EU) 2015/63 of 21 October 2014 supplementing Directive 2014/59/EU of the European Parliament and of the Council as regards ex ante contributions to resolution financing arrangements.

In accordance with Article 4 of Delegated Regulation (EU) 2015/63, resolution authorities shall determine the annual contributions to be paid by each institution in proportion to its risk profile on the basis of the information provided by the institution in accordance with Article 14 of that Delegated Regulation and applying the methods described therein. The resolution authority shall determine the annual contribution on the basis of the annual funding level of the resolution financing mechanism and taking into account the funding level to be reached by 31 December 2024 at the latest, in accordance with Article 102(1) of Directive 2014/59/EU, and on the basis of the average amount of guaranteed deposits for the preceding year, calculated on a quarterly basis, of all institutions authorized in its territory.

Furthermore, in accordance with Article 103 of Directive 2014/59/EU, the available financial resources to be taken into account to reach the target level for the Single Resolution Fund may include irrevocable payment commitments fully backed by collateral of low-risk assets unencumbered by third-party claims, freely available and allocated for the exclusive use of resolution authorities for the purposes specified in the Directive itself. The portion of irrevocable payment commitments will not exceed 30% of the total amount collected through ex ante contributions.

During 2022, the contributions made by the Group to the resolution funds corresponding to the 2022 contribution period itself amounted to EUR 24,149 thousand, recorded under "Other operating expenses" in the consolidated income statement (Note 39.2). The contributions made by the group in 2021 amounted to EUR 30,079 thousand, 16,036 thousand of which were recorded under "Other Operating Expenses" and EUR 14,043 thousand were made by Liberbank, S.A. during the first half of 2021, prior to the effective accounting date of the merger by absorption (see Note 1.14) and did not form part of the consolidated income statement, precisely because they were recorded prior to the merger.

1.12 Changes in International Financial Reporting Standards

During the 2022 financial year, the following International Financial Reporting Standards and their interpretations became mandatory and were, therefore, applied in the preparation of the consolidated financial statements of the Unicaja Banco Group for December 31, 2022:

Standards, modifications and interpretations (Note 1.12.1)	**Description**	**Mandatory application years beginning on or after**
Amendment to IAS 16	Revenues earned before intended use	Saturday, January 1, 2022
Amendment to IAS 37	Onerous contracts - cost of fulfilling a contract	Saturday, January 1, 2022
Amendment IFRS 3	Reference to the Conceptual Framework	Saturday, January 1, 2022
IFRS Annual Improvements	2018-2020 period	Saturday, January 1, 2022

At the date of preparation of these consolidated financial statements, the following standards and interpretations (the most relevant adopted at that date) that had been issued by the IASB had not yet come into force, either because their effective date is subsequent to the date of the consolidated financial statements or because they have not yet been adopted by the European Union:

Standards, modifications and interpretations (Note 1.12.2)	Description	Mandatory application years beginning on or after
NIIF 17	Insurance contracts	Sunday, January 1, 2023
Amendment IFRS 17	Initial Application of IFRS 17 and IFRS 9 - Comparative Information	Sunday, January 1, 2023
Amendment to IAS 1	Breakdown of accounting policies	Sunday, January 1, 2023
Amendment to IAS 8	Definition of accounting estimates	Sunday, January 1, 2023
Amendment to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	Sunday, January 1, 2023
Amendment to IAS 1	Non-current liabilities with conditions *(covenants)*	Monday, January 01, 2024
Amendment IFRS 16	Lease liability in a sale and leaseback transaction	Monday, January 01, 2024
Amendment to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associates or joint ventures	(*)

(*) Originally, the amendments to IFRS 10 and IAS 28 were effective for annual periods beginning on or after January 1, 2016. However, at the end of 2015, the IASB decided to postpone their effective date (without setting a new specific date), as it is planning a broader review that may result in simplifying the accounting for these transactions and other aspects of accounting for associates and joint ventures.

The Bank's directors believe that the application of most of these standards will not have a material impact on the Group's consolidated financial statements.

1.12.1 Standards and interpretations in effect during the reporting period

The following amendments to IFRS or interpretations of IFRS (hereinafter "IFRIC") came into force in 2022:

- IAS 16 (Amendment) "Property, plant and equipment - Revenue before intended use": Any revenue from the sale of items produced while the entity is preparing the asset for its intended use may not be deducted from the cost of an item of property, plant and equipment . Revenues from the sale of such samples, together with production costs, are now recognized in income. The amendment also clarifies that an entity is testing whether the asset is functioning properly when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Therefore, an asset could be capable of operating as intended by management and be subject to depreciation before it has reached the level of operating performance expected by management. The effective date of these amendments was January 1, 2022.

- IAS 37 (Amended) "Onerous contracts - cost of fulfilling a contract": The amendment explains that the direct cost of fulfilling a contract includes the incremental costs of fulfilling the contract and the assignment of other costs directly related to the fulfillment of the contracts. It also clarifies that before a separate provision is created as a result of an onerous contract, the Bank will recognize any impairment loss that may have occurred in relation to the assets used to fulfill the contract, instead of the assets dedicated to said contract. The effective date of these amendments was January 1, 2022.

- IFRS 3 (Amended) "Reference to the Conceptual Framework": IFRS 3 has been updated to refer to the 2018 Conceptual Framework in order to determine what constitutes an asset or liability in a combination of businesses (it previously referred to the 2001 Conceptual Framework). Additionally, a new exception has been added to IFRS 3 for liabilities and contingent liabilities. The effective date of these amendments was January 1, 2022.

- Annual Improvements to IFRS - Cycle 2018-2020: The amendments affect IFRS 1, IFRS 9, IFRS 16, and IAS 41 and apply to the fiscal years starting from January 1, 2022. The main amendments refer to:

    - IFRS 1 "Adoption of the IFRS for the first time": IFRS 1 allows an exemption if a subsidiary adopts the IFRS on a date subsequent to the parent company. This amendment allows entities that have taken advantage of this exemption to also measure the accumulated conversion differences using the amounts calculated by the parent company, depending on the date of transition of the latter to the IFRSs.

    - IFRS 9 "Financial instruments": The amendment addresses which costs should be included in the 10% test for derecognition of financial liabilities. The costs or fees could be paid to third parties or to the lender. According to the amendment, costs or fees paid to third parties are not to be included in the 10% test.

    - IFRS 16 "Leases": Illustrative example 13 that accompanies IFRS 16 was modified to eliminate the illustration of lessor payments in relation to lease improvements, thus eliminating any possible confusion regarding the recording of lease incentives.

    - IAS 41 "Agriculture": This amendment eliminates the requirement to exclude cash flows for taxes when measuring fair value according to IAS 41.

  The "Annual Improvements to IFRS - Cycle 2018-2020" issued by the IASB incorporate amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41. These Annual Improvements approved by the European Union only refer to IFRS 1, IFRS 9 and IAS 41. This is because, in relation to IFRS 16 "Leases", Illustrative Example 13 of the standard has been amended, and the illustrative examples accompany, but are not part of, the IFRS.

The application of the aforementioned accounting standards and interpretations has not had a significant effect on the Group's consolidated financial statements.

1.12.2 Standards and interpretations issued and not yet in force

At the date of preparation of these consolidated financial statements, new International Financial Reporting Standards had been published, as well as interpretations thereof, which are not mandatory for financial year 2022 and which the Group has not applied at that date. At the present date, the analysis of future impacts, if any, that could result from the adoption of these standards has not yet been completed, although no significant impacts are expected to arise from their implementation. These standards are as follows:

- IFRS 17 "Insurance Contracts": IFRS 17 replaces IFRS 4 "Insurance Contracts", which allowed for a wide variety of accounting practices. The new standard fundamentally changes the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation components. In June 2020, the IASB modified the standard, developing specific amendments and clarifications aimed at facilitating the implementation of the new standard, although the fundamental principles of the standard did not change. The standard is applicable for annual periods beginning on or after January 1, 2023.

- IFRS 17 (Amendment) "Initial Application of IFRS 17 and IFRS 9 - Comparative Information": The IASB has published an amendment to IFRS 17 that introduces modifications of limited scope to the transition requirements of IFRS 17, "Insurance Contracts", and does not affect any other requirements of IFRS 17. IFRS 17 and IFRS 9 "Financial instruments" have different transition requirements. For some insurers, these differences may result in one-off accounting asymmetries between financial assets and insurance contract liabilities in the comparative information they present in their financial statements when they apply IFRS 17 and IFRS 9 for the first time. The amendment will help insurers avoid these asymmetries and thus improve the usefulness of comparative information for investors. This amendment applies to annual periods beginning on or after January 1, 2023.

- IAS 1 (Amendment) "Disclosure of accounting policies": IAS 1 has been amended to improve disclosures about accounting policies to provide more useful information to investors and other primary users of financial statements. The effective date of these amendments is January 1, 2023.

- IAS 8 (Amendment) "Definition of accounting estimates": IAS 8 has been amended to help distinguish between changes in accounting estimates and changes in accounting policies. The effective date of these amendments is January 1, 2023.

- IAS 12 (Amendment) "Deferred tax related to assets and liabilities arising from a single transaction": In certain circumstances under IAS 12, companies are exempt from recognizing deferred taxes when they first recognize assets or liabilities ("initial recognition exemption"). Previously, there was some uncertainty as to whether the exemption applied to transactions such as leases and decommissioning obligations, transactions for which both an asset and a liability are recognized upon initial recognition. The amendment clarifies that the exemption does not apply and, therefore, there is an obligation to recognize deferred taxes on such transactions. This amendment comes into effect for the fiscal years starting at or after January 1, 2023, though earlier application is permitted.

- IAS 1 (Amendment) "Non-current liabilities with conditions (covenants)": The IAASB has issued an amendment to IAS 1 "Presentation of Financial Statements" in response to concerns raised about the application of previous amendments to IAS 1 (in January and July 2020) regarding the classification of liabilities as current or non-current, which would have been effective for periods beginning on or after January 1, 2023. The new amendment aims to improve the information provided when the right to defer payment of a liability is subject to the fulfillment of conditions (covenants) within twelve months after the reporting period. The new amendment is effective for fiscal years beginning on or after January 1, 2024 and cancels the previous amendments. Early implementation of the amendment is permitted, although approval by the European Union is pending.

- IFRS 16 (Amendment) "Lease liability on a sale and leaseback": IFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place. However, it did not specify how to record a transaction after that date. This amendment explains how a company should account for a sale and leaseback after the date of the transaction. The effective date of this amendment is January 1, 2024, although early adoption is permitted. This amendment is pending approval by the European Union.

- IFRS 10 (Amendment) and IAS 28 (Amendment) "Sale or contribution of assets between an investor and its associates or joint ventures": These amendments clarify the accounting treatment of sales and contributions of assets between an investor and its associates and joint ventures depending on whether the non-cash assets sold or contributed to an associate or joint venture constitute a "business". The investor shall recognize the full gain or loss when the non-monetary assets constitute a "business". If the assets do not meet the definition of a business, the investor recognizes gain or loss to the extent of the interests of other investors. The amendments will only apply when an investor sells or contributes assets to its associate or joint venture. Originally, these amendments to IFRS 10 and IAS 28 were prospective and effective for annual periods beginning on or after January 1, 2016. However, at the end of 2015, the IASB decided to postpone their effective date (without setting a new specific date), as it is planning a broader review that may result in simplifying the accounting for these transactions and other aspects of accounting for associates and joint ventures.

As regards IFRS 17, at the date of preparation of these consolidated financial statements, the Unicaja Banco Group has finalized the process of estimating the impact of the new standard, which is to be applied as from January 1, 2023 (the effective date of the new accounting standard). The IFRS 17 implementation project includes a roadmap with various planned milestones, both for the insurance companies that are part of the Group and for the insurance companies over which it has significant influence.

The impact estimates being developed by the Group are different depending on the term of the commitments associated with the insurance contracts:

- For long-term commitments, the general model will be used, valuing contracts using the fair value approach, due to the difficulty and disproportionate cost of obtaining the historical data necessary to apply a fully retrospective approach considering the age of the products on the balance sheet and their remaining duration. The Group expects the impact of the first application of the standard to be mainly due to the effect of interest rates. The impact will be partially mitigated by the valuation of the associated financial assets.

- For unit-linked products, the "variable fee approach" model will be used, since they are insurance contracts with direct participation. They will be valued using the fair value approach as in the general model. The Group expects the impact of the first application of the standard to come mainly from the implicit margins of these products.

- For short-term commitments, the simplified model will be used, and the Group does not expect there to be significant differences in their valuation with respect to the previous accounting standards.

In view of the foregoing, the Unicaja Banco Group considers that the entry into force of IFRS 17 will not have a significant impact on the Group's equity or ordinary tier 1 capital (CET1).

1.13 New temporary levy on banks

On December 29, 2022, Law 38/2022, of December 27, 2022, for the establishment of temporary energy taxes and taxes on credit institutions and financial credit establishments and which creates the temporary solidarity tax on large fortunes, and modifies certain tax regulations, was published in the Official State Gazette (BOE).

Among the measures established by this Law is the temporary taxation of credit institutions and financial credit establishments, developed in Article 2. As established in this standard:

- The payment obligation arises on the first day of the calendar year and must be paid during the first 20 calendar days of September of that year (notwithstanding the advance payment to be made by the entities during the first 20 calendar days of February for 50% of the amount of the benefit).

- The amount of the benefit to be paid by each obliged party will be the result of applying the percentage of 4.8 percent to the sum of the interest margin and the income and expenses from commissions derived from the activity carried out in Spain that appear in its profit and loss account for the calendar year prior to the year in which the payment obligation arises, determined in accordance with the provisions of the applicable accounting regulations. The amount of the benefit will be reduced by the amount of the advance payment made.

Taking into account that this new temporary bank levy has the nature of a "levy" from the accounting point of view, in accordance with the provisions of IFRIC 21 "Levies", and taking into account the date on which the payment obligation arises (January 1, 2023 and 2024), the Unicaja Banco Group will record this levy during the years 2023 and 2024, respectively.

The Unicaja Banco Group's current estimate of the amount that the final settlement of this levy will represent in 2023 is approximately 64 million euros.

1.14 Merger by absorption of Liberbank by Unicaja Banco

On December 29, 2020, the Boards of Directors of Unicaja Banco, S.A. and Liberbank, S.A. agreed to approve and sign the Common Merger Plan by absorption of Liberbank (absorbed company) by Unicaja Banco (absorbing company), the transaction was subsequently approved by the general shareholders' meetings of both entities on March 31, 2021.

This approval was subject to certain conditions precedent, which were fulfilled on July 26, 2021, at which time it is considered that Unicaja Banco took control over the assets and liabilities of the Liberbank Group, although the deed of merger by absorption was registered at the Mercantile Registry of Malaga, thus giving legal effectiveness to the transaction, on July 30, 2021.

The date of the accounting effective of the transaction was established as July 31, 2021. In this regard, the effect on shareholders' equity and income of using the aforementioned convenience date for the accounting records of the business combination with respect to the effective date of the acquisition of control was not significant.

The exchange ratio of the shares was 1 newly issued Unicaja Banco share, with a par value of EUR 1 each, with the same characteristics and the same rights as the Unicaja Banco shares existing at the time of issue, for every 2.7705 Liberbank shares, with a par value of EUR 2 cents each.

The quantitative information relating to the impact of the merger by absorption of Liberbank, S.A. (as the absorbed entity) by Unicaja Banco, S.A. (as the absorbing entity) is included in Note 1.14 of the notes to the consolidated financial statements of the Unicaja Banco Group for the year ended December 31, 2021.

In this context, and in accordance with the milestones set forth in the schedule defined by the Unicaja Banco Group for the technological and operational integration, the integration of the information systems of Unicaja Banco and Liberbank was completed on May 20, 2022. The work carried out has enabled full integration from a technological, commercial and operational point of view, resulting in a unified technological platform that is more powerful, efficient, with greater capabilities and higher security and quality standards in all Unicaja Banco's service centers and channels.

1.15 Subsequent events

In the period between year-end December 31, 2022 and the date of preparation of these consolidated financial statements, there have been no events of special significance that are not disclosed in the notes to the consolidated financial statements.

2. Accounting principles and policies, and measurement criteria applied

The accounting principles and policies and measurement criteria applied in preparing the consolidated financial statements for the Group for fiscal years 2022 and 2021 were as follows:

2.1 Consolidation

2.1.1 Subsidiaries

“Subsidiaries” are defined as entities over which the Entity has the capacity to exercise control. Control is, in general but not exclusively, presumed to exist when the Parent Company directly or indirectly owns over 50% of the voting rights of the subsidiaries or, even when this percentage is lower or zero, when there are, for example, agreements with their shareholders that give the Entity control.

In accordance with IFRS 10, control is defined as the power to govern the financial and operating policies of a company so as to obtain benefits from its activities. In accordance with IFRS 10, an investee is considered to be controlled if and only if it has all of the following elements: (i) power over the investee, (ii) exposure, or entitlement, to variable returns from its involvement with the investee, and (iii) ability to use its power over the investee to influence the amount of the investor's returns.

At December 31, 2022 and 2021, subsidiaries are considered to be those entities controlled by a subsidiary, which, taking into account the Group's interest in such subsidiary, are considered to be controlled by the Group (see detail in Appendix III).

The financial statements of subsidiaries are consolidated with those of the Entity by application of the full consolidation method, in accordance with the consolidation procedure described in IFRS 10. Consequently, all significant balances arising from transactions between the companies consolidated by this method have been eliminated in the consolidation process. In addition, the participation of third parties in:

- The Group's equity is presented under "Minority interests" in the consolidated balance sheet (Note 21).

- The consolidated results for the year are presented under "Profit attributable to minority interests" in the consolidated income statement (Note 21).

The profit or loss from subsidiaries acquired during a fiscal year are consolidated by only considering those for the period between the acquisition date and year-end. At the same time, the profit or loss of subsidiaries divested during the year are consolidated by only considering those in the period between the start of the year and the sale date.

At December 31, 2022 and 2021 the Unicaja Banco Group had no outstanding balances of securitizations or any other type of transfer of financial assets or holding in unconsolidated structured entities.

Note 12.2 provides information on the most significant acquisitions, disposals and movements of subsidiaries that took place during fiscal years 2022 and 2021.

Relevant information on subsidiaries is provided in Annex III.

2.1.2 Joint ventures (jointly controlled entities)

A “joint venture” is a contractual arrangement whereby two or more entities (“venturers”) undertake a business activity which is subject to joint control, i.e., a contractual arrangement to share the power to govern the financial and operating policies of an entity, or another business activity, in order to benefit from its operations, whereby strategic financial and operating decisions require the unanimous consent of all the venturers. Likewise, investments in companies that are not subsidiaries, but which are jointly controlled by two or more unrelated companies, are considered to be joint ventures.

In accordance with IFRS 11 "Joint Arrangements", a participant in a joint venture shall recognize its interest in a joint venture as an investment and account for that investment using the equity method in accordance with IAS 28 "Investments in Associates and Joint Ventures".

Note 12.2 provides information on the most significant acquisitions, disposals and movements that took place in these companies during fiscal years 2022 and 2021.

Relevant information on these joint ventures is provided in Annex IV.

2.1.3 Associates

“Associates” are defined as companies over which the Entity is in a position to exercise significant influence, but not control or joint control. This power is usually reflected by means of a holding (direct or indirect) of no less than 20% of the voting rights of the investee company, although other quantitative and qualitative measures may be applied to determine the existence of a significant influence exercised by an entity over an investee:

a) Potential voting rights: potential voting rights held by the investor or other investors shall be taken into account.
b) Representation on the Board of Directors or equivalent management body of the investee.
c) Involvement in the policy establishing processes.
d) Transactions of relative importance between the investor and the investee.
e) Exchange of management personnel; or provision of essential technical information.
f) Right of veto over significant decisions.
g) Debt security, extension of credit, holding warrants, debt obligation and other securities.

In this sense, the Group analyzes each fact arising during the transactions and, by means of an individualized analysis, determines their accounting classification.

In the consolidated financial statements, investments in associates are accounted for using the equity method, as defined by IAS 28.

If, as a result of losses incurred by an associate, its net equity is negative, the investment would be presented in the Group’s consolidated balance sheet with a zero value, unless the Group is obliged to give it financial support.

Note 12.2 provides information on the most significant acquisitions, disposals and movements of associates that took place in 2022 .

Relevant information on these companies is provided in Annex V.

2.2 Financial instruments

A financial instrument is a contract that simultaneously generates a financial asset in one company and a financial liability or equity instrument in another one.

An equity instrument is a legal business arrangement that demonstrates a residual interest in the assets of the issuing entity after deducting all of its liabilities.

A financial derivative is a financial instrument the value of which changes in response to a change in an observable market variable (such as an interest rate, exchange rate, financial instrument price or market index) and the initial investment of which is very small compared to other financial instruments with a similar response to changes in market factors, and which is generally settled at a future date.

Hybrid financial instruments are contracts that simultaneously include a main contract that is not a derivative together with a financial derivative, called an embedded derivative that is not individually transferable and means that some cash flows of the hybrid contract vary in the same way as the embedded derivative would do on its own.

Compound financial instruments are contracts that allow the issuer to simultaneously create a financial liability and an equity instrument, (such as, for example, convertible bonds which grant the holder the right to convert them into equity instruments for the issuing entity).

The following transactions are not treated as financial instruments for accounting purposes: (i) investments in joint ventures and associates, (ii) rights and obligations arising from employee benefit plans, (iii) financial assets and liabilities arising from lease agreements except those arising from sale and leaseback transactions.

2.2.1 Classification of financial assets

Financial assets are classified on the basis of the following aspects:

- In the case of debt instruments:

  - The business models approved by the Group for the management of these assets.

    The business model for the management of financial assets is the mechanism whereby the Group jointly manages the groups of financial assets to generate cash flows. This model may consist in holding onto these financial assets so as to receive their contractual cash flows, selling these assets or a combination of both objectives.

  - Compliance or non-compliance, in accordance with the contractual flows of the asset, with the so-called "SPPI test" (Solely Payment of Principal and Interest, i.e. contracts that only generate payment of principal and interest), described later in this same note to the consolidated financial statements.

- In the case of equity instruments, it depends on the Group's irrevocable decision to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that, being within the scope of IFRS 9, is not held for trading.

As a consequence of these aspects, debt instruments will be included, for valuation purposes, in one of the following portfolios: financial assets at amortized cost, financial assets at fair value through other comprehensive income or financial assets measured at fair value through profit or loss.

The classification of debt securities in an amortized cost or fair value category must pass two tests: the business model and the SPPI test. The purpose of the test is to determine whether, in accordance with the contractual characteristics of the instrument, cash flows are representative of only the repayment of the principal and interest, essentially understood as being the compensation for the time value of money and the credit risk of the debtor.

- A financial instrument will be classified in the amortized cost portfolio when it is managed under a business model whose objective is to hold financial assets to receive contractual cash flows, and also meets the SPPI test.

- A financial instrument shall be classified in the financial asset portfolio at fair value through other comprehensive income if it is managed under a business model whose objective combines the perception of contractual cash flows and sales, and also meets the SPPI test.

- A financial instrument is classified at fair value through profit or loss whenever, due to the Group's business model for its management or the characteristics of its contractual cash flows, it is not appropriate to classify it in any of the portfolios described above.

With regard to the assessment of the business model whose objective is to hold financial assets to receive contractual cash flows, this does not depend on the intentions for an individual financial instrument, but is determined for a group of instruments, taking into consideration the frequency, amount and timing of sales in previous years, the reasons for such sales and expectations regarding future sales. Infrequent or insignificant sales, those close to the maturity of the asset and those motivated by increases in the credit risk of financial assets, among others, may be compatible with the model of holding assets to receive contractual cash flows.

The Group segments the financial instruments portfolio for SPPI testing purposes, differentiating those products with standard contracts (all instruments have the same contractual features), for which the Group performs the SPPI test by reviewing the standard master contract and the particular contractual features. For its part, financial instruments with specific contractual characteristics are analyzed individually.

Financial assets that do no comply with the SPPI test are not accounted for based on the characteristics of the business model in which they are located, but are recorded at fair value through profit or loss.

Criteria used for SPPI tests

The Unicaja Banco Group has an accounting policy for the classification of financial assets, which establishes the criteria to be applied in the SPPI tests, considering the information available in the corporate databases, the contractual documentation of the transactions and the quantitative and qualitative conclusions of the individualized analyses. The information used is subject to the controls of the Bank's information systems and to the reviews of the second and third lines of defense. Among the controls applied, data quality checks are carried out.

In this accounting policy, the Group defines the fair value of the financial asset at initial recognition as principal. This amount may change during the life of the financial asset, for example, if there is amortization of principal.

With regard to interest, understood as the implicit and explicit yields paid as consideration for a transfer of principal, the Group considers the following items:

- Time value of money: is the element of interest that considers only the passage of time, without regard to other risks or costs associated with holding the financial asset. In assessing whether the item considers only the passage of time, the judgment of the Group's management is applied and relevant factors such as the currency in which the financial asset is presented and the period for which the interest rate is fixed are considered.

- Credit risk: can be defined as the loss that would result from the possible non-payment or loss of solvency of a debtor, i.e., the probability that, when the collection right is due, it will not be met.

- Other basic risks and costs: incorporates risks such as liquidity or administration costs.

- Profit margin: the additional margin charged by the creditor for a credit operation.

Based on the above, the Group assesses the contractual and financial characteristics of financial assets to analyze compliance with the definitions of principal and interest, assessing factors such as the time value of modified cash, contractual terms that may change the timing or amount of cash flows, the linkage of contractual flows to specific projects or assets rather than to the borrower's ability to return, and the effects of contractually linked instruments.

To complete the analysis and reach the final conclusion, the Group assesses the effect of these factors on the contract and defines a tolerance threshold through the consideration of the "de minimis" effect, establishing a level of acceptable percentage difference on the overall flows (section B4.1.9C of IFRS 9), and of the "non-genuine" effect (section B4.1.18 of IFRS 9), which becomes apparent when it is estimated that the probability of the clause or financial effect materializing is remote (in the terms of section B4.1.18 mentioned above, remote should be understood as meaning that it would be an extremely exceptional, highly anomalous and highly improbable event).

In this regard, the Group considers that the impact of a clause that is not aligned with the requirements linked to the SPPI test will have a material impact on the contractual cash flows of the transaction when the difference with the cash flows of the same transaction without such default being greater than 5%.

2.2.2 Classification of financial liabilities

Financial liabilities are included for valuation purposes in the following categories: financial liabilities at amortized cost, financial liabilities held for trading and financial liabilities designated at fair value with changes in income.

- The portfolio of financial liabilities held for trading includes all financial liabilities that meet any of the following characteristics: (i) have been issued with the intention of repurchasing them in the near future, (ii) are short positions of securities, (iii) are part of a portfolio of identified and jointly managed financial instruments for which there is evidence of recent actions to obtain short-term gains, or (iv) are derivative instruments that do not meet the definition of a financial guarantee contract and have not been designated as hedging instruments. The fact that a financial liability is used to finance trading activities does not in itself imply its inclusion in this category.

- The financial liabilities portfolio designated at fair value with changes in income includes financial liabilities that meet any of the following characteristics: (i) have been irrevocably designated upon initial recognition by the Group, or (ii) have been designated upon initial recognition or subsequently by the Group as a hedged item for credit risk management through the use of a credit derivative measured at fair value through profit or loss.

- If the conditions described above are not met, financial liabilities are classified in the portfolio of financial liabilities at amortized cost.

2.2.3 Initial valuation of financial instruments

Upon initial recognition, all financial instruments are recorded at fair value. For financial instruments that are not recorded at fair value through profit or loss, the fair value amount is adjusted by adding or deducting transaction costs directly attributable to their acquisition or issue. In the case of financial instruments at fair value through profit or loss, directly attributable transaction costs are recognized immediately in the consolidated income statement.

In the absence of evidence to the contrary, the fair value at initial recognition is the transaction price, which is equivalent to the fair value of the consideration given.

As an exception, on initial recognition, the Group records trade receivables that do not have a significant financing component at the transaction price. For these purposes, trade receivables are considered to be those arising from the delivery of goods and the rendering of services by the Group other than the granting of financing.

2.2.4 Subsequent valuation of financial instruments

After initial recognition, the Group measures financial instruments at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss.

In the same way, following their initial recognition, the Group values financial liabilities: at amortized cost or at fair value through profit or loss. Financial liabilities held for trading or designated at fair value through profit or loss are subsequently measured at fair value.

The accounting treatment of changes in valuation for each of the financial instrument portfolios held by the Group is as follows:

- **Financial assets and liabilities at fair value through profit or loss:** this category includes the following financial instruments: (i) assets and liabilities held for trading, (ii) non-trading financial assets mandatorily measured at fair value through profit or loss, and (iii) financial assets and liabilities designated at fair value through profit or loss.

  Financial instruments classified at fair value through profit or loss are initially measured at fair value, with directly attributable transaction costs recognized immediately in the profit and loss account.

  Income and expenses of financial instruments at fair value through profit or loss are recognized in accordance with the following criteria:

  - Changes in fair value are recorded directly in the consolidated income statement, distinguishing, for instruments other than derivatives, between the portion attributable to accrued returns on the instrument, which are recorded as interest or dividends depending on their nature, and the remainder, which is recorded as gains/losses on financial transactions with a balancing entry under "Gains/losses on financial assets and liabilities held for trading (net)", "Gains/losses on financial assets not held for trading mandatorily measured at fair value through profit or loss (net)" and "Gains/losses on financial assets and liabilities designated at fair value through profit or loss (net)" in the consolidated income statement.

  - Accrued interest on debt instruments is calculated using the effective interest rate method.

- **Financial assets at fair value through other comprehensive income:** Instruments included in this category are initially measured at fair value, adjusted by the amount of transaction costs that are directly attributable to the acquisition of the financial asset. Subsequent to acquisition, financial assets included in this category are measured at fair value through other comprehensive income.

Income and expenses from financial assets at fair value through other comprehensive income are recognized in accordance with the following criteria:

- Accrued interest or, when applicable, accrued dividends are recognized in the consolidated income statement.

- Exchange differences are recognized in the consolidated income statement in the case of monetary financial assets, and in other comprehensive income, net of the tax effect, in the case of non-monetary financial assets.

- In the case of debt instruments, impairment losses or gains on subsequent recovery are recognized in the consolidated income statement.

- Other changes in value are recognized, net of the tax effect, in other comprehensive income.

When a debt instrument at fair value through other comprehensive income is derecognized from the balance sheet, the cumulative gain or loss in accumulated other comprehensive income is reclassified to profit or loss for the period. On the other hand, when an equity instrument at fair value through other comprehensive income is derecognized, the amount of the gain or loss recorded in accumulated other comprehensive income is not reclassified to the income statement, but to a reserve item.

- **Financial assets at amortized cost:** Financial assets included in this category are initially measured at fair value, adjusted by the amount of transaction costs that are directly attributable to the acquisition of the financial asset. Subsequent to acquisition, assets included in this category are measured at amortized cost using the effective interest method.

  Income and expenses of financial instruments at amortized cost are recognized using the following criteria:

  - Accrued interest is recorded under "Interest income" in the consolidated income statement, using the effective interest rate of the gross book amount transaction (except in the case of doubtful assets, which is applied to the net book value).

  - Other changes in value are recognized as income or expense when the financial instrument is removed from the balance sheet; when it is reclassified; and when there are impairment losses or gains on subsequent recovery.

- **Financial liabilities at amortized cost:** The financial liabilities included in this category are valued at amortized cost, calculated by applying the effective interest rate method. Accrued interest on these securities, calculated using the interest method, is recorded under "Interest expense" in the consolidated income statement.

  As part of financial liabilities at amortized cost, "Other financial liabilities" includes trade payables, which are those financial liabilities arising from the purchase of goods and services for transactions carried out by the Group with deferred payment.

2.2.5 Fair value and amortized cost of financial instruments

The fair value of a financial instrument on a specified date is the amount for which it could be bought or sold on that date by two duly informed knowledgeable parties in an arm's length transaction. The most objective and common reference for the fair value of a financial instrument is the price that would be paid in an organized, transparent and deep market ("quoted price" or "market price").

When no market price is available for a given financial instrument, fair value is estimated on the basis of recent arm’s length transactions in similar instruments or, where such information is unavailable, on the basis of valuation methodologies generally accepted by the financial community, taking into account the specific characteristics of the instrument to be valued and, in particular, the different types of risk associated with the instrument.

Specifically, the fair value of financial derivatives traded on organized, transparent and deep markets included in the trading portfolios is assimilated to their daily quotation and if, for exceptional reasons, it is not possible to establish their quotation on a given date, they are valued using methods similar to those used to value derivatives not traded on organized markets.

The fair value of derivatives not traded on organized markets or traded on shallow or transparent organized markets is assimilated to the sum of the future cash flows originating from the instrument, discounted at the valuation date (“present value” or “theoretical closing”), using methods recognized by the financial markets in the valuation process: "net present value", option pricing models, etc.

All investments in equity instruments and contracts on these instruments are valued at fair value. However, in certain circumstances the Group believes that cost is an appropriate estimate of the fair value of these instruments, when recent available information is insufficient to determine fair value or when there are a number of possible valuations for which cost represents the best estimate.

Amortized cost is the amount at which a financial asset or liability is measured at initial recognition, adjusted for principal repayments and the cumulative amortization of any difference between the initial amount and the maturity amount of such financial instruments, using the effective interest rate method. In the case of financial assets, the amortized cost also includes corrections to their value due to impairment losses.

The effective interest rate is the discount rate that equals the gross book amount of a financial asset or the book amount of a financial liability to the estimated cash flows over the expected life of the instrument, based on its contractual terms, without considering expected credit losses. For fixed rate financial instruments, the effective interest rate coincides with the contractual interest rate established at the time of acquisition, adjusted, where appropriate, for fees and transaction costs which, in accordance with current regulations, form an integral part of the effective yield or cost of the instrument and must therefore be included in the calculation of the effective interest rate. For floating rate financial instruments, the effective interest rate is estimated in a manner similar to fixed rate transactions and is recalculated at each contractual interest rate reset date of the transaction based on changes in the future cash flows of the transaction.

2.2.6 Reclassification of financial instruments

Exclusively when the Group changes its business model for financial asset management, it reclassifies all affected financial assets in accordance with the following guidelines.

Such reclassification is made prospectively from the date of reclassification, without restatement of previously recognized gains, losses or interest. Generally, the business model is not changed very often.

- When the Group reclassifies a debt instrument from amortized cost to fair value through profit or loss, the Group estimates its fair value at the reclassification date. Any gain or loss arising from the difference between the previous amortized cost and the fair value is recognized in the consolidated income statement for the corresponding period.

- When the Group reclassifies a debt instrument from the fair value portfolio through profit or loss to amortized cost, the fair value of the asset at the reclassification date becomes its new gross book amount.

- When the Group reclassifies a debt instrument from the amortized cost portfolio to fair value through other comprehensive income, the Group estimates its fair value at the reclassification date. Any gain or loss arising from differences between the previous amortized cost and fair value is recognized in other comprehensive income. The effective interest rate and the estimate of expected credit losses are not adjusted as a result of the reclassification.

- When the Group reclassifies a debt instrument from the fair value portfolio through other comprehensive income to amortized cost, the financial asset is reclassified at fair value at the reclassification date. The cumulative gain or loss at the date of reclassification to accumulated other comprehensive income in net equity is reversed using the book amount of the asset at the date of reclassification as the balancing entry. Thus, the debt instrument is valued at the reclassification date as if it had always been valued at amortized cost. The effective interest rate and the estimate of expected credit losses are not adjusted as a result of the reclassification.

- When the Group reclassifies a debt instrument from the fair value portfolio through profit and loss to fair value through other comprehensive income, the financial asset continues to be measured at fair value, without any change in the accounting for changes in value previously recorded.

- When the Group reclassifies a debt instrument from the fair value portfolio through profit and loss to fair value through other comprehensive income, the financial asset continues to be valued at fair value. The cumulative gain or loss previously accumulated under "Other cumulative overall income" in net equity is transferred to profit or loss of the period at the date of reclassification.

2.2.7 Derecognition of financial instruments

A financial asset is derecognized from the consolidated balance sheet when one of the following circumstances occurs:

- The contractual rights on the cash flow from the financial asset expire; or
- the financial asset is transferred and substantially all its risks and rewards are transferred.

For its part, a financial liability is derecognized from the balance sheet when the obligations it generates have been extinguished or when it is reacquired by the Group.

In this regard, IFRS 9 establishes that regular way purchases or sales of financial assets shall be recognized and derecognized according to the trade date or settlement date. The Unicaja Banco Group has opted to make such registration on the settlement date.

2.3 Accounting hedges and risk mitigation

In trying to align accounting with economic risk management, IFRS 9 allows the application of hedge accounting to a greater variety of risk and hedging instruments. The standard does not address the accounting of so-called macro-hedging strategies. In order to avoid any conflict between the current macro hedge accounting and the general system of hedge accounting, IFRS 9 includes an accounting policy option to continue to apply hedge accounting according to IAS 39.

The governing bodies of the Unicaja Banco Group have analyzed the accounting implications of IFRS 9 on hedge accounting and have decided, for the time being, to maintain the accounting of these financial instruments in accordance with IAS 39.

The Group uses financial derivatives as part of its strategy to reduce its exposure to interest rate, market and foreign currency exchange rate risks, among others. When these transactions meet certain requirements stipulated in IAS 39, they qualify for hedge accounting.

When the Group designates a transaction as a hedge, it does so from the initial date of the transactions or instruments included in the hedge, and the hedging transaction is documented appropriately. The hedge accounting documentation includes identification of the hedged item(s) and the hedging instrument(s), the nature of the risk to be hedged and the criteria or methods used by the Group to assess the effectiveness of the hedge over its entire lifespan, taking into account the risk to be hedged.

The Group only applies hedge accounting for hedges that are considered to be highly effective over their entire term. A hedge is considered to be highly effective if, during its expected lifespan, the changes in fair value or cash flows of the hedged item that are attributable to the risk hedged in the hedging of the financial instrument(s) are almost completely offset by changes in the fair value or cash flows, as appropriate, of the hedging instrument(s).

To measure the effectiveness of hedges designated as such, the Group analyses whether, from the beginning to the end of the term defined for the hedge, it can expect, prospectively, that the changes in the fair value or cash flows of the hedged item that are attributable to the hedged risk will be almost fully offset by changes in the fair value or cash flows, as appropriate, of the hedging instrument and, retrospectively, that the actual results of the hedge will have been within a range of 80% to 125% of the results of the hedged item.

The hedge transactions performed by the Group are classified as follows:

- Fair value hedges: these hedge the exposure to changes in the fair value of financial assets or liabilities or as yet unrecognized firm commitments, or of an identified portion of such assets, liabilities, or firm commitments that is attributable to a particular risk, provided it affects the consolidated income statement.

- Cash flow hedges: these hedge the changes of cash flows attributed to a specific risk related to a financial asset or liability or a highly probable transaction, as long as it may affect the consolidated financial statement.

In the specific case of financial instruments designated as hedged items or qualifying for hedge accounting, gains and losses are recorded according to the following criteria:

- In fair value hedges, the gains or losses arising on both the hedging instrument and the hedged item attributable to the type of risk being hedged are recognized directly in the consolidated income statement.

  In fair value hedges of the interest rate risk of a portfolio of financial instruments, gains or losses arising as a result of the valuation of the hedging instrument are recognized directly in the consolidated income statement with a balancing entry under "Derivatives - Hedge accounting" on the asset or liability side of the consolidated balance sheet, as appropriate.

  Gains or losses arising from changes in the fair value of the hedged item are recognized under "Gains (losses) arising from hedge accounting, net" in the consolidated income statement, with a balancing entry under "Changes in fair value of hedged items in a portfolio hedged for interest rate risk" on the asset or liability side of the consolidated balance sheet, as appropriate.

  In cash flow hedges, valuation differences arising on the effective hedging portion of the hedged items are recognized temporarily in equity under "Other accumulated other comprehensive income - Items that may be reclassified to profit or loss - Hedging derivatives". Cash flow hedges (effective position)". The financial instruments hedged in this type of hedging transactions are recorded in accordance with the criteria explained in Note 2.2 without any modification in them due to the fact that they have been considered as such hedged instruments.

  In cash flow hedgings, in general, differences in valuation of hedging instruments, in the effective portion of the hedge, are not recognized as income in the consolidated income statement until the gains or losses on the hedged item are recognized in income or, if the hedge relates to a highly probable forecast transaction that will result in the recognition of a non-financial liability asset, they are recognized as part of the acquisition or issue cost when the asset is acquired or assumed.

Differences in valuation of the hedging instrument corresponding to the ineffective portion of cash flow hedges are recognized directly in gains (losses) on financial assets and liabilities in the consolidated income statement.

The Group discontinues accounting for hedging transactions as such when the hedging instrument expires or is sold, when the hedging transaction ceases to meet the requirements to be considered as such, or the consideration of the transaction as a hedge is revoked.

When, in accordance with the provisions of the preceding paragraph, the fair value hedging transaction is discontinued, in the case of hedged items measured at amortized cost, the adjustments to their value made as a result of the application of hedge accounting described above are taken to the consolidated income statement until maturity of the hedged instruments, applying the effective interest rate recalculated at the date of discontinuation of the hedging transaction.

In the event that a cash flow hedging transaction is discontinued, the cumulative gain or loss on the hedging instrument recorded under "Net Equity - Accumulated other comprehensive income" in net equity in the consolidated balance sheet will remain recorded under that heading until the forecast hedged transaction occurs, at which time it will be charged to the income statement, or the acquisition cost of the asset or liability to be recorded will be adjusted, if the hedged item is a forecast transaction that culminates in the recording of a non-financial asset or liability.

2.4 Foreign currency transactions

2.4.1 Functional currency

The Group's functional currency is the Euro. Consequently, all balances and transactions denominated in currencies other than the Euro are considered to be denominated in a foreign currency.

The Euro equivalent value of total foreign currency assets and liabilities held by the Group at December 31, 2022 amounts to €1,613,147 thousand and €1,709,433 thousand, respectively (€1,010,613 thousand and €1,005,016 thousand, respectively, at December 31, 2021). 91% and 90%, respectively, at December 31, 2022 correspond to the U.S. dollar (86% and 80%, respectively, at December 31, 2021), 7% and 10%, respectively, at December 31, 2022 correspond to the Swiss franc (13% and 19%, respectively, at Friday, December 31, 2021), and the remainder are all other currencies traded on the Spanish market.

2.4.2 Conversion criteria for foreign currency balances

Transactions in foreign currencies carried out by the Group are initially recorded in the financial statements at the equivalent Euro value resulting from applying the exchange rates in effect on the dates on which the transactions are carried out. Subsequently, the Group translates monetary balances in foreign currencies into its functional currency using the year-end exchange rate. Likewise:

- Non-monetary items measured at historical cost are translated to the functional currency at the exchange rate on the date of acquisition.

- Non-monetary items measured at fair value are translated to the functional currency at the exchange rate on the date on which the fair value was determined.

2.4.3 Applied exchange rates

The exchange rates used by the Group to translate balances denominated in foreign currencies into Euros for the purpose of preparing the consolidated financial statements are the market rates as of December 31, 2022 and 2021, as published by the European Central Bank at each of those dates.

2.4.4 Recognition of exchange differences

Exchange differences arising on the conversion of foreign currency balances to the functional currency of consolidated companies are generally recognized at their net value under "Net exchange differences (gain or loss)", in the consolidated income statement, except for exchange differences arising in financial instruments classified at fair value through profit or loss, which are recorded in the consolidated income statement without distinguishing these from other variations at their fair value under “Gains or losses on financial assets and liabilities at fair value through the net profit or loss” in the consolidated income statement.

During the 2022 financial year, the amount of exchange differences recorded in the Group's consolidated income statement amounted to EUR 9,546 thousand of gain (net), while during the 2021 financial year it amounted to EUR 3,996 thousand of gain (net).

However, in the case of financial instruments classified in the "Financial assets at fair value with changes in other comprehensive income" portfolio, the treatment is as follows:

- In the case of debt securities (monetary items), adjustments for exchange differences are recognized directly in the consolidated income statement under "Exchange differences (profit or loss), net".

- In the case of equity instruments (non-monetary items), adjustments for exchange differences are recognized in other comprehensive income and are not reclassified to profit or loss when realized, but are adjusted directly against net equity reserves, without going through the consolidated income statement.

During the financial year 2022, the net amount of exchange differences that have been charged in the consolidated statement of recognized income and expense as "Foreign currency translation" amounts to 117 thousand Euros (net) loss, while during the financial year 2021 it amounted to 64 thousand Euros (net) loss.

2.5 Recognition of Income and Expense

The most significant accounting criteria used by the Group to recognize its income and expenses are summarized below:

2.5.1 Income and expenses for interest, dividends and similar concepts

In general, interest income, interest expense and similar items are recognized on an accrual basis using the effective interest method as defined in IFRS 9.

Dividends received from other companies are recognized as income when the consolidated companies' right to receive them arises.

2.5.2 Commissions, fees and similar concepts

Income and expenses from commissions and similar fees, which should not form part of the calculation of the effective interest rate of transactions and/or which do not form part of the acquisition cost of financial assets or liabilities other than those classified as at fair value through profit or loss, are recognized in the consolidated income statement using different criteria depending on their nature. The most significant are:

- Those related to the acquisition of financial assets and liabilities measured at fair value through losses and gains, which are recognized in the consolidated income statement at the time of payment.

- Those arising from transactions or services that are prolonged over time, which are recorded in the consolidated income statement over the life of such transactions or services.

- Those arising from a single act, which are charged to the consolidated income statement when the act giving rise to them occurs.

2.5.3 Non-financial income and expenses

They are recognized in accounting according to the accrual criterion.

2.5.4. Contributions to the Deposit Guarantee Fund for Credit Institutions (FGDEC) and the Single Resolution Fund (FUR)

In accordance with IFRIC 21 "Liens", the event that generates the obligation that gives rise to a liability to pay a lien is the activity that produces the payment of the lien, in the terms established by law. Consequently, the recognition of the expense and payment obligation in the case of contributions to the Deposit Guarantee Fund for Credit Institutions (FGDEC) and the Single Resolution Fund (FUR) is made upon receipt of the payment notification.

2.5.5. Temporary levy on banks

In accordance with the provisions of IFRIC 21 "Levies", the event that generates the obligation that gives rise to a liability to pay this temporary levy is the development of the activity that produces the payment of the levy itself (activity of a credit institution or financial credit establishment carried out in Spanish territory), with the tax accruing if the entity meets these conditions, and activity size limits, as of January 1, 2023 and 2024. Consequently, the recognition of the expense and the obligation to pay this levy occurs on the first day of the year in question (2023 or 2024, respectively).

2.6 Offsetting of balances

Asset and liability balances are offset, i.e., reported on the consolidated balance sheet at their net amount, when, and only when, they arise from transactions in which a contractual or legal right to offset exists and the Group intends to settle these on a net basis, or simultaneously realize the asset and settle the liability.

In this regard, the presentation according to the IFRS-EU of these consolidated annual accounts regarding the financial assets subject to valuation adjustments due to amortization or impairment, net of these concepts, is not considered "offsetting".

2.7 Impairment of value of financial assets

The criteria described in this section are applicable both to debt instruments (loans and advances, and debt securities) valued at amortized cost or at fair value with changes in other comprehensive income, as well as to other exposures that carry credit risk (loan commitments granted, financial guarantees granted and other commitments granted).

For this purpose, and in accordance with IFRS 9, the Bank has developed its own methodologies to make individualized estimates on significant borrowers, internal models for the collective estimation of provisions and internal models for the estimation of cutbacks on the reference values of real estate collateral and awarded assets.

Impairment losses on debt instruments at amortized cost are recognized against an allowance account that reduces the book amount of the asset. Impairment losses recorded on these instruments in each period are recognized as an expense under the heading “Impairment or reversal of impairment in value of financial assets not measured at fair value through profit or loss and net gains or losses due to modification ” of the consolidated income statement.

Impairment losses on debt instruments at fair value through other comprehensive income are also recognized as an expense under "Impairment or reversal of impairment of financial assets not valued at fair value through profit or loss and net gains or losses on modification" in the consolidated income statement.

Hedging for impairment losses on other exposures that entail credit risk other than debt instruments are recorded as a provision under "Provisions - Commitments and guarantees granted" on the liability side of the consolidated balance sheet. Provisions and reversals of these hedges are recorded under "Provisions or reversal of provisions" on the consolidated income statement.

When the recovery of any recorded amount is considered unlikely, this amount is removed from the consolidated balance sheet and kept on the memorandum accounts until its rights have been definitively extinguished, either due to the expiry of the statute of limitations period, debt forgiveness, or other causes.

The Group recognizes expected credit losses on transactions for the purpose of recording impairment loss coverage. Distinction is made between:

- Expected credit losses over the life of the transaction: are the expected credit losses resulting from all possible default events during the entire expected life of the transaction.

- Twelve-month expected credit losses: are the portion of the expected credit losses during the life of the transaction that corresponds to the expected credit losses resulting from events of default that may occur in the transaction in the twelve months following the reference date.

Credit losses correspond to the difference between all contractual cash flows due to the Group under the financial asset contract and all cash flows expected to be received by the Group (i.e. the entire cash flow shortfall), discounted at the original effective interest rate or, for financial assets purchased or originated with credit impairment, at the effective interest rate adjusted for credit quality financial assets purchased or originated with credit deterioration, at the effective interest rate adjusted for credit quality.

In the case of commitments for loans granted, a comparison is made between the contractual cash flows that would be due to the Group in the event of drawdown of the loan commitment and the cash flows that the Group expects to receive if the commitment is drawn down. In the case of financial guarantees granted, the payments that the Group expects to make are considered less the cash flows that it expects to receive from the guaranteed holder.

The Group estimates the cash flows of the transaction over its expected life taking into account all contractual terms and conditions of the transaction (such as early amortization, extension, redemption and similar options). It is assumed that the expected life of an operation can be reliably estimated. However, in exceptional cases where it is not possible to estimate it reliably, the Group uses the remaining contractual term of the transaction, including extension options. Among the cash flows taken into account, the Group includes cash flows from the sale of collateral received or other credit enhancements that form an integral part of the contractual terms, such as financial guarantees received.

Credit exposures are classified, based on credit risk, in the following categories:

- Normal risk (Stage 1). Comprises those transactions for which their credit risk has not increased significantly since their initial recognition. Impairment hedging is equal to the expected credit losses over twelve months. This category includes transactions identified as having a low credit risk, as defined in this note.

- Normal risk in special surveillance (Stage 2). Includes those transactions for which the credit risk has increased significantly since initial recognition, but do not present a default event. Impairment hedging is equal to the expected credit losses over the life of the transaction.

- Doubtful risk (Stage 3). Includes those transactions with credit impairment, i.e., those that present an event of default. Hedging is equal to the expected credit losses over the life of the transaction.

- Write-offs. This category includes transactions for which there are no reasonable expectations of recovery. This classification reflects a recognition of losses for the book amount of the transaction and the write-off of the assets.

The amount of the allowance for impairment losses is calculated based on their classification according to credit risk and whether or not an event of default has occurred. Thus, the hedging for impairment losses on transactions is equal to:

- Expected credit losses in twelve months, when the risk is classified as "Normal risk" (Stage 1).
- Expected credit losses over the life of the operation, if the risk is classified as "Normal risk under special surveillance" (Stage 2).
- Expected credit losses over the life of the transaction, when a default event has occurred and has therefore been classified as "Doubtful risk" (Stage 3).

As an exception to the above, the impairment of trade receivables without a significant financing component, initially valued at the transaction price (see Note 2.2.3), is calculated, when the transactions are not classified as doubtful risk, as the expected credit losses over the life of the transaction.

Likewise, in the context of the business combination derived from the merger by absorption of Liberbank, S.A. (as the absorbed entity) by Unicaja Banco, S.A. (as the absorbed entity) described in Note 1.14, the Unicaja Banco Group considers financial assets purchased or originated with credit impairment (hereinafter, POCIs) to be those assets acquired at a significant discount reflecting credit losses incurred at the time of the transaction. Since such discount reflects incurred losses, no separate hedge for credit risk is recorded at initial recognition of the POCIs. Subsequently, changes in expected losses over the life of the transaction from initial recognition are recognized as hedges for credit risk of the POCIs. Income from interest on these assets is calculated by applying the effective interest rate adjusted for credit quality to the amortized cost of the financial asset.

Criteria for classifying transactions based on credit risk

With regard to the classification of financial assets, Unicaja Banco Group has developed automatic classification criteria that form part of the classification algorithm and which enable it to identify situations of objective default (i.e. transactions with amounts overdue more than 90 days), bankruptcy, refinancing criteria, as well as the carry-forward effect (whereby all transactions of a holder are considered doubtful when the amounts overdue more than 90 days are greater than 20% of the amounts pending collection). In addition, the Group has established individual and collective triggers that allow early identification of weaknesses and objective evidence of impairment.

In this regard, the Group has implemented objective criteria for the classification in Stage 3 (doubtful risk) of debt instruments and other credit exposures in which any of the following circumstances are present:

- Risks with defaults of more than 90 days (plus the so-called "carryforward effect").
- A 50% drop in the Shareholders' equity as a result of losses in the last financial year or negative net equity.
- Continued losses or material decline, or significantly inadequate economic-financial structure.
- Generalized delay of payments or insufficient cash flows.
- Credit rating by a specialized company showing that the borrower is in default or close to default.
- Overdue commitments to public agencies or employees.
- Balances claimed or that it has been decided to claim their reimbursement judicially.
- Creditors in insolvency proceedings.

Based on the collective classification indicators that the Group has developed within the framework of the internal methodologies for estimating provisions, debt instruments that do not meet the criteria to be classified as doubtful risk or write-off, but for which there has been a significant increase in risk since they were granted, are considered to be part of Stage 2 (normal risk under special surveillance).

Significant increase in credit risk

To determine the significant increase in risk, the Group uses both automatic triggers, which involve direct classification in the category of normal risk in special surveillance (or doubtful), and synthetic triggers, which may involve objective indications or evidence that a significant increase in risk or an impairment event has occurred (the latter may occur independently by the application of a trigger or in combination by the joint action of several triggers).

In addition to the automatic reclassification indicator from stage 1 (normal risk) to stage 2 (normal risk under special surveillance) for defaults older than 30 days, the Group has a robust system of automatic triggers in line with the provisions of IFRS 9, which allow reclassifying transactions as soon as indications or evidence of a significant increase in risk are identified.

Among these automatic triggers held by the Unicaja Banco Group as of December 31, 2022, the following are noteworthy due to their relevance:

- **Trigger based on the probability of default**: Identifies those transactions of individuals, self-employed and companies that present a significant increase in risk, comparing the probability of default (PD) at the date of origination of the transaction and at the reporting date. Measurements of PD Lifetime (i.e., for the entire life of the operation) increments are used both in relative and absolute terms. Although they depend on each portfolio, the thresholds used by the Unicaja Banco Group at December 31, 2022 do not exceed 0.8% in absolute terms and 200% in relative terms.

- **Accredited Triggers**: A set of indicators at the accredited level for both individuals and legal entities that adjusts its classification based on the combination of one or more main and complementary indicators and is based on the information available on them. These indicators are classified into the following categories:

- Main triggers: Essential triggers for the reclassification of the borrower's operations (e.g., for legal entities, the company's negative EBITDA, for individuals the score).

- Complementary triggers: Additional indications such as the borrower's payment behavior or creditworthiness (e.g. borrowers with defaults of more than 30 days on other loan transactions of significant amount).

- **Failed risk triggers**: This involves the automatic reclassification of the operations of a borrower whose risk in default is greater than 500 euros.

- **Expert analysis trigger**: Indicator activated according to the analyses performed by Unicaja Banco's Credit Risk Monitoring and Control Department on certain borrowers, portfolios and groups based on expert criteria and in response to temporary situations of weakness that may arise. This trigger of expert analysis arose as a consequence of the situation caused by Covid-19, and within this trigger some of the specific portfolio analyses that have been carried out since the beginning of the Covid-19 crisis and that continue to be carried out today as part of the monitoring tasks to detect any significant increase in risk.

Low credit risk

In accordance with paragraph 5.5.10 of IFRS 9, the Group considers that the credit risk of an instrument has not increased significantly since initial recognition if the credit risk of that instrument at the reporting date is determined to be low.

Unless there are specific circumstances that cause this rating to change, the Unicaja Banco Group considers that transactions with low credit risk correspond to:

a) transactions with central banks;
b) transactions with Public Administration Bodies of European Union countries, including those derived from reverse repurchase loans of debt securities of public debt;
c) transactions with Central Administrations of countries classified in Group 1 for country-risk purposes according to the sector regulations applicable to Spanish credit institutions;
d) transactions on behalf of deposit guarantee funds and resolution funds, provided that they are comparable in terms of credit quality to those of the European Union;
e) transactions in the name of credit institutions and financial credit institutions of European Union countries and, in general, of countries classified in Group 1 for country-risk purposes;
f) transactions with Spanish mutual guarantee companies and with public agencies or companies of other countries classified in Group 1 for country-risk purposes whose main activity is the underwriting or guaranteeing of credit;
g) transactions with non-financial corporations that are considered to be in the public sector;
h) advances on pensions and payrolls corresponding to the following month, provided that the paying entity is a public administration body and they are domiciled in the company; and
i) advances other than loans.

In all these cases, the Unicaja Banco Group considers that the definition of low credit risk established in paragraph B5.5.22 of IFRS 9 is met, which indicates that the credit risk of a financial instrument is considered low if the financial instrument has a low risk of default, the borrower has a strong ability to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the long term may reduce, but not necessarily reduce, the borrower's ability to meet its contractual cash flow obligations.

On the other hand, it should be noted that, for debt securities that are not rated as low credit risk, the Group considers that there has been a significant increase in credit risk, classifying the exposure as stage 2 or normal risk under special surveillance, if the following triggers are present at the reference date:

a) The external rating of the issue or of the issuer suffers a significant decrease with respect to the origin or with respect to the previous year (decrease of 3 or more rating steps), or is below investment grade (that is, when it goes from BBB- to BB+ on the Fitch and S&P rating scale or when it goes from Baa- to Ba+ on the Moody's rating scale).

b) That the securities suffer a drop in valuation (share price) with respect to the previous year or since initial recognition equal to or greater than 20% (if greater than 40%, they would be classified in Stage 3).

c) The price of the CDS on the security decreases, with a significant deterioration with respect to the previous year or with respect to the origin, with a decrease equal to or greater than 60% or that exceeds the threshold set at 400 basis points (inclusive).

Estimated impairment losses

Impairment is calculated by the Group: (i) on an individual basis for those exposures that, showing evidence of impairment or significant increase in risk, are held with individually significant borrowers, (ii) on a collective basis for the main modelable portfolios and (iii) by methodologies based on sector parameters, obtained on the basis of the experience and information that the Bank of Spain has on the Spanish banking sector, for the rest of the exposures. For these purposes, transactions are grouped based on shared credit risk characteristics, indicative of the ability of the holders to pay all amounts, principal and interest, in accordance with the contractual terms.

- Hedges are estimated on a case-by-case basis using discounted future cash flow techniques. For this purpose, the Group has updated and reliable information on the solvency and payment capacity of the holders or guarantors. In the individualized es estimation of coverage for non-performing loans, not only credit losses (LGD) but also probabilities of default (PD) are taken into account. When the estimate of the contractual cash flows receivable from the holders or guarantors is highly uncertain, the individualized estimation of coverage of doubtful transactions is made by estimating the amounts to be recovered from the effective collateral received.

- The collective estimation of coverage is performed using models based on the following parameters: PD (probability of default), LGD (loss given default) and EAD (exposure at default). The methodology and assumptions used to estimate expected credit losses through these models are periodically reviewed by the Group to reduce any differences that may exist between estimated and actual losses.

The Unicaja Banco Group estimates the coverage of credit exposures through internal models for those borrowers that are not individually significant and that belong to segments in which the Group's experience and depth of information is deemed sufficient to calculate the necessary coverage based on models. These are the segments of: (i) microenterprises, (ii) small enterprises, (iii) medium-sized enterprises, (iv) self-employed, (v) mortgage portfolio for home purchase, (vi) mortgage portfolio for other purposes, (vii) loans with personal guarantees, and (viii) credit cards and accounts.

The Unicaja Banco Group applies methodologies based on the sector experience of the Bank of Spain for those borrowers that are not individually significant and belong to segments in which the Group's experience and depth of information is less. In this regard, in accordance with the applicable regulations, the internal methodologies must meet certain specific requirements, among others, have a history of reliability and consistency in the estimation of individualized coverage, demonstrated by periodically contrasting their results, using retrospective tests, and base the estimates on the historical experience of observed losses. Based on the foregoing, the portfolios not modeled by the Unicaja Banco Group are as follows: (i) development and land, (ii) civil works, (iii) other specialized financing, and (iv) large companies.

The Unicaja Banco Group considers that the methodologies based on the sector experience of the Bank of Spain comply with the requirements established in paragraph B5.5.51 of IFRS 9, insofar as they are based on reasonable and sustainable information available to the Group without disproportionate effort or cost, and which is relevant for estimating expected credit losses, since it reflects the behavior of credit risk exposures at the financial sector level in Spain, which is the geographical area in which practically all of the Unicaja Banco Group's lending activity is concentrated.

In this Unicaja Banco Group has defined its system of thresholds to consider a transaction as significant for the purposes of classification analysis and estimation of coverage. According to this system, a transaction is considered significant when it exceeds any of the following thresholds:

- Creditors classified as doubtful, those with an exposure of more than 2 million Euros (or 5% of the Company's equity) and provided that their doubtful risk accounts for more than 20% of their total exposure.

- Accredited classified as normal in special surveillance, those not doubtful with an exposure of more than 3 million Euros (or 5% of the Company's equity) and provided that their normal risk in special surveillance and/or doubtful accounts for more than 20% of their total exposure.

- Creditors classified as normal, those with a total exposure of more than 5 million Euros (or 5% of the Company's equity) and provided they are not in any of the two previous categories.

The Group estimates the expected credit losses of a transaction so that these losses reflect: (i) a weighted, unbiased amount determined by evaluating a range of possible outcomes; (ii) the time value of money; and (iii) reasonable and supportable information that is available at the reporting date, without unreasonable cost or effort, about past events, current conditions and forecasts of future economic conditions.

In addition, to determine impairment allowances for exposures with low credit risk, the Unicaja Banco Group applies individualized estimation methodologies, calculating the allowance as the difference between the gross book amount of the exposure and the present value of the estimated cash flows expected to be collected, multiplied by the estimated probability of default of the exposure and discounted using the effective interest rate.

In application of paragraph 5.5.18 of IFRS 9, in this estimate the Unicaja Banco Group always reflects the possibility of a credit loss occurring or not occurring, even if the most likely outcome is that there will be no credit loss, and discarding only remote scenarios. In this regard, the Group reserves the application of the 0% hedge percentage for those exceptional cases in which its use is duly justified.

Estimates of changes in future cash flows reflect and are consistent with expected changes in observable variables. The variables on which forecasts were made were selected on the basis of their explanatory power for the behavior of the volumes and prices of the main balance sheet items: loans and credit for customers, fixed rate and equity portfolios, liquid assets and other assets. Based on the above, the variables fall into two groups: (i) representative of the context of the Spanish economy; (ii) referring to the financial environment.

With regard to the variables representative of the economic context, the Group starts from the macroeconomic picture published by the main national and European organizations. To avoid potential problems of over-parameterization in the projections, we chose those which, taking as a reference the statistical information available for Spanish deposit institutions as a whole published by the Bank of Spain, show a higher correlation and explain, for the most part (by means of principal component and regression analysis), the variance of the financial losses of the credit investment portfolio: (i) year-on-year variation rate of Gross Domestic Product (GDP), measured in terms of trend-adjusted chained volume index, (ii) unemployment rate, defined in terms of "Unemployed Population/Labor Force", and (iii) year-on-year rate of change of the Harmonized General Index of Consumer Prices (HICP). Likewise, due to its relevance in the evolution of credit investments with collateral, the inter annual variation rate of the General Index of Housing Prices (IGPV) has been added. The remaining variables are considered as instrumental and control variables to capture the occurrence of idiosyncratic events and improve the goodness of fit, or they are discarded once they have been found to be statistically insignificant or if they result in autocorrelation problems.

With regard to the variables referring to the financial environment, the following are selected (expressed in percentage terms) relating to interest rates: European Central Bank Intervention interest rate, 1-month Euribor, 3-month Euribor, 6-month Euribor, 12-month Euribor, 3-year Spanish government bonds, 5-year Spanish government bonds and 10-year Spanish government bonds.

In addition to the base scenario, based on the results obtained, two complementary scenarios are defined: adverse scenario and optimistic scenario.

In this regard, it should be noted that the main source used by the Advanced Analytics Department to determine the macroeconomic projections of the base scenario is the information published by the Bank of Spain and the INE in relation to the different variables mentioned above.

Based on the results obtained by estimating Bayesian vector autoregressive (BVAR) models, aligned with those used by the European Central Bank (ECB), the European Systemic Risk Board (ESRB) and the Bank of Spain, the values of the selected variables are projected, using a dynamic stochastic model, applying Bootstrap with replacement with 10,000 iterations and a confidence level of 80%, where the mean value corresponds to the base scenario (best available estimate), the lower tail to the adverse scenario (as a stressed case) and the upper tail to the optimistic scenario (as the most positive forecast).

With regard to the effect of macroeconomic variables once the projection time horizon (generally three years) has expired, the calculation of the projections on probabilities of default (PDs) for the different scenarios is made by means of regression models obtained in the development of the PD models and the values of the macroeconomic magnitudes involved in them. For the first three years of the projection, the PD parameters are taken from the projections made by Unicaja Banco's Advanced Analytics Department. Once the three PD values are obtained through regression, a reversion of the values towards the central tendency is carried out, which is reached in year six. In this respect, the central tendency reflects the average value of the default rate associated with a complete economic cycle.

In view of the current situation of uncertainty caused by the escalation of inflation and the rise in interest rates in recent months, and in the context derived from the war between Russia and Ukraine and the shortage of certain products and materials, which is generating added uncertainty on the evolution of the main macroeconomic variables and on the capacity of the real economy and households to meet their debt payments, the Unicaja Banco Group has decided to apply an adjustment to the results of its internal collective estimation models for credit risk hedging, in order to reflect the potential credit deterioration that could be caused by the above-mentioned situation.

To determine this posterior adjustment to the models, an estimation of the correlation between the inflation/interest rate variables (specifically, CPI, 3-month Euribor and 10-year Spanish bond yield) and the observed/estimated *default* frequency (equated to the PD parameter) was performed on the available historical database. The purpose of estimating these models is to make the portfolio's PD parameter sensitive to inflation. The macroeconomic scenario used for this projection, updated at December 31, 2022, is as follows:

			%
	2022	**2023**	**2024**
Real GDP (% year-on-year change, annual average)	4.6%	1.1%	1.5%
Unemployment rate (%, annual average, EPA)	12.7%	13.0%	12.8%
CPI (%, annual average)	9.8%	7.4%	3.1%
Housing prices (% year-on-year change, end of period)	5.8%	2.7%	2.4%
3-month Euribor (%)	0.45%	3.02%	2.74%
Spanish 10-year bond yields (%)	2.19%	3.03%	3.17%

As of December 31, 2022, the adjustment subsequent to the expected loss estimate for the models amounts to €148.5 million.

The Unicaja Banco Group considers that it is reasonable to treat these circumstances through a subsequent adjustment to the models, since the historical information available to the Group does not show such high levels of inflation as are currently occurring, and it is not possible to find an internal model that is capable of incorporating these circumstances with sufficient accuracy, and therefore, a subsequent adjustment to the models is required to reflect the uncertainty generated by this extraordinary situation.

With regard to the consideration of climate change risk and other environmental risks, although these risks constitute a potential impact factor in the estimation of credit risk, it is considered that their impact on the determination of expected credit losses does not have a material impact in the short term, as evidenced in the Climate Stress Test exercise carried out in 2022. In this sense, the impacts derived from physical risk or transition risk (with very long-term decarbonization paths) would already be reflected in the macroeconomic expectations used and, in the event of any significant risk derived from climate change in the short term, it would also be reflected at an idiosyncratic level through the financial information of borrowers with individually significant exposures. The Unicaja Banco Group plans in the medium/long term, to the extent that this risk factor may become significant and is not incorporated with the current measurement tools, to incorporate specific methodologies to determine potential additional adjustments in this respect.

2.8 Financial guarantees and provisions established thereon

Guarantees granted are defined as contracts whereby an entity undertakes to make specific payments on behalf of a third party if the latter fails to do so, irrespective of the various legal forms they may take such as deposits, financial guarantees, irrevocable documentary credits issued or confirmed by the entity, etc.

In accordance with EU-IFRS, the Group generally considers financial guarantee contracts provided to third parties as financial instruments within the scope of IFRS 9.

On initial recognition, the Group recognizes financial guarantees provided on the liability side of the consolidated balance sheet at their fair value plus directly attributable transaction costs, which is generally equal to the amount of the premium received plus, where applicable, the current value of the fees and commissions receivable on these contracts over their term, with a balancing entry, on the asset side of the consolidated balance sheet, of the amount of fees and similar income collected at inception of the transactions and receivables for the current value of the fees and commissions receivable. Subsequently, these contracts are recognized on the liability side of the consolidated balance sheet at the higher of the following two amounts:

- The amount determined in accordance with IAS 37. In this regard, financial guarantees, regardless of their ownership, instrumentation or other circumstances, are analyzed periodically in order to determine the credit risk to which they are exposed and, where appropriate, to estimate the need to establish a provision for them, which is determined by applying criteria similar to those established for quantifying impairment losses on debt instruments measured at amortized cost.

- The amount initially recognized for these instruments, less the amortization of this amount, which is taken on a straight-line basis over the term of these contracts to the consolidated income statement.

Provisions, if any, for these instruments are recognized under "Provisions - Commitments and guarantees given" on the liability side of the consolidated balance sheet. The provisioning and recovery of such provisions is recognized with a balancing entry under "Provisions or reversal of provisions" in the consolidated income statement.

In the event that, in accordance with the above, a provision is required for these financial guarantees, the unearned commissions associated with these transactions, which are recognized under "Financial liabilities at amortized cost - Other financial liabilities" on the liability side of the consolidated balance sheet, are reclassified to the corresponding provision.

2.9. Entering into the accounts of lease transactions

2.9.1 When consolidated entities act as lessors

In the lessor's accounting treatment, a lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, whereas a lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

When the consolidated entities act as lessors in operating leases, they present the acquisition cost of the leased assets under "Tangible assets", either as "Investment property" or "Loaned under operating lease", depending on the nature of the leased assets. These assets are depreciated in accordance with the policies adopted for similar property, plant and equipment for own use and income from lease contracts is recognized in the consolidated income statement on a straight-line basis under "Other operating income".

In the case of finance leases in which the consolidated entities act as lessors, the Group recognizes the assets held under such finance leases in its consolidated balance sheet and presents them as a receivable under "Financial assets at amortized cost" in the consolidated balance sheet. Subsequent to initial recognition, the Group uses the interest rate implicit in the lease to measure the net investment in the lease and recognizes financial income over the lease term using the effective interest rate method, recording such income under "Interest income" in the consolidated income statement.

2.9.2 When consolidated entities act as lessees

When the consolidated companies act as lessees in leasing transactions, and after the entry into force of IFRS 16, the accounting principles and valuation standards adopted by the Group are those described below:

- *Lease term*: The lease term is equal to the noncancellable period of a lease, plus the periods covered by the option to extend the lease, if it is reasonably certain that the lessee will exercise that option, and the periods covered by the option to terminate the lease, if it is reasonably certain that the lessee will not exercise that option.

- *General recognition criteria*: Assets and liabilities arising from leases are recognized at the lease commencement date, which is the date on which the lessor makes the leased asset available for use by the lessee.

- *Initial valuation of lease liabilities*: At the lease commencement date, the Group recognizes a lease liability for the present value of the lease payments that are not paid at that date.

  To calculate the present value of these payments, the discount rate is taken as the interest rate that the lessee would have to pay to borrow, with a similar term and collateral, the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment (additional financing rate).

  These liabilities are recorded under "Financial liabilities at amortized cost - Other financial liabilities" in the consolidated balance sheet.

- *Initial valuation of the right-of-use asset*: At the contract inception date, the Group recognizes a right of use asset which is measured at cost, comprising:

  a) The amount of the initial valuation of lease liabilities, as described above.

  b) Any lease payments made on or before the commencement date, less any payments received from the lessor (such as inducements received for signing the lease).

  c) The initial direct costs borne by the lessee. These include, among others, those costs directly related to the location of a tangible asset in the place and under the conditions necessary for the lessee to operate it.

  d) Costs estimated to be incurred to dismantle and dispose of the leased property, rehabilitate the site on which it is located or return the property to the condition required under the lease, except if such costs are incurred for the production of inventories. These costs are recognized as part of the cost of the right of use asset when the Group acquires the obligation to bear them.

  For presentation purposes, right of use assets are classified as tangible or intangible assets depending on the nature of the leased asset.

- *Subsequent valuation of lease liabilities*: Subsequent to initial recognition, the Group values the lease liability for:

  a) Increase its book amount by reflecting accrued interest, which is calculated by applying the interest rate used in the initial valuation to the balance of the liability.

  b) Reduce its book amount by reflecting lease payments made.

c) Reflect the update of: (i) the lease term as a result of a change in the assessment of the exercise of options to extend or terminate the lease, (ii) the lease term and lease payments as a result of a change in the assessment of the exercise of the option to purchase the leased property, (iii) the lease payments as a result of a change in the assessment of the amounts expected to be paid under the residual value guarantee, (iv) the amounts of future variable lease payments that depend on an index or rate, as a result of a change in the latter.

d) To reflect any modification of the lease.

e) To reflect lease payments that had not been considered unavoidable, such as those that depend on events whose occurrence was previously uncertain, but which at the reporting date are considered to be fixed in substance because they are unavoidable.

Variable lease payments not included in the valuation of the lease liability are recognized in profit and loss account for the year in which the event or circumstance giving rise to such payments occurs.

- *Subsequent valuation of the right of use asset*: Subsequent to initial recognition, the Bank measures the right of use asset at cost:

  a) Less accumulated amortization and any accumulated impairment losses. If ownership of the leased asset is transferred at the end of the lease term or if the initial measurement of the cost of the right of use asset reflects that the lessee will exercise the purchase option, the right-of-use asset is depreciated over the useful life of the leased asset. In all other cases, amortization is provided over the shorter of the useful life of the asset or the lease term.

  b) Adjusted to reflect changes in the present value of lease payments to be made in accordance with the above.

- *Simplified treatment for recognition and valuation*: The Bank records as expenses lease payments for:

  a) Short term leases (understood as those with a term of twelve months or less at the commencement date), provided that they do not include a purchase option.

b) Leases in which the leased property is of low value, provided that the property can be used without relying heavily on (or being closely related to) other property and the lessee can derive benefits from using the property alone (or in conjunction with other readily accessible resources). The value appraisal of the leased asset is made in absolute terms based on its value as new.

In both cases, they are charged to the consolidated income statement on a straight-line basis over the term of the lease.

- *Modification of the lease*: The Bank accounts for the modification of a lease by separately recording a new lease if such modification expands the scope of the lease (by adding one or more leased assets) in exchange for an increase in the consideration in an amount similar to the specific price that would be paid if a separate lease were made on the assets added to the lease.

  In the event that these requirements are not met, on the date on which the parties agree to the amendment, the Bank: (a) allocates the modified lease consideration between the lease and nonlease components, (b) determines the term of the modified lease, (c) remeasures the lease liability, discounting the revised lease payments using a revised discount rate determined for the remaining lease term and at the date of the modification, and (d) accounts for the remeasurement of the lease liability.

2.10 Assets under management

Assets under management by consolidated companies that are owned by third parties are not included in the consolidated balance sheet. Commissions generated by this activity are included in the balance of the "Fee revenue" caption in the consolidated income statement. Note 31.4 provides information on third-party assets managed by the Group as of December 31, 2022 and 2021.

2.11 Investment and pension funds managed by the Group

The mutual funds and pension funds managed by the consolidated companies are not shown in the Group's consolidated balance sheet, as their assets are owned by third parties. The fees accrued in the year for the services rendered by the Group companies to these funds (asset management and custody services, etc.) are recognized under the heading "Fee and commission income" on the consolidated income statement.

2.12 Commitments to employees

2.12.1 Post-employment commitments

2.12.1.1 General description of commitments

In accordance with the prevailing labor agreement, the Group must supplement the social security payments due to its employees, or their beneficiaries, in the event of retirement, widowhood, orphanhood, permanent disability or severe disability.

During 2002, Unicaja reached an agreement with its employees to modify and transform the complementary social welfare system existing up to that date, with respect to retirement contingencies and their derivatives and activity risk contingencies. As a result of this agreement, an occupational pension plan was formalized, which was externalized in Unifondo Pensiones V Pension Fund, of part of the pension commitments accrued with the personnel. The remaining pension commitments included in the internal funds at December 31, 2001 were insured by policies during 2004 and 2005 (Note 41.1).

The fundamental terms of this agreement are based on the transition to a mixed model of social welfare by contemplating defined contribution and defined benefit groups. Consequently, the Plan contemplated by the aforementioned agreement comprises six groups of employees according to their seniority, relationship and the Collective Bargaining Agreement to which they are subject. Depending on each of the groups, the benefits are minimum guaranteed benefit for death and disability contingencies and defined contribution or defined benefit for retirement contingencies.

As a consequence of the merger of Monte de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga and Antequera (now Fundación Bancaria Unicaja) and Caja Provincial de Ahorros de Jaén (Caja de Jaén), on April 13, 2011 the "Labor Agreement for the Integration of the Employment Pension Plans in Monte de Piedad and Caja de Ahorros de Ronda, Cadiz, Almeria, Malaga, Antequera and Jaen", which was complied with through the "Labor Agreement on the Procedure for the Integration of the Employment Pension Plans in Monte de Piedad y Caja de Ahorros de Ronda, Cadiz, Almeria, Malaga, Antequera and Jaen" dated July 26, 2011.

The purpose of this agreement was to establish the bases regulating the Employment Pension Plan that governs all Unicaja employees as a result of the merger and the procedure for the unification of the Employment Plans existing in both entities, carried out through the integration into the Unicaja Employees' Pension Plan of the Employees' Pension Plan of Caja de Jaén, which has led to the termination and liquidation of the latter, creating a new group composed of the employees of the aforementioned entity.

On September 20, 2011, the Control Committee of the Unicaja Employees' Pension Plan approved the modification of the Pension Plan Specifications adjusted to the wording established in the labor agreement described above, immediately accepting the integration of the participants and their vested rights and of the beneficiaries from the Caja de Jaén Employees' Pension Plan, who were registered on October 26, 2011.

On the other hand, on the occasion of Unicaja's bankarization process, the Control Committee of the Unicaja Employees' Pension Plan agreed to modify this plan into a Joint Promotion Plan whose specifications were updated in November 2016.

During 2014, the Unicaja Banco Group acquired a majority shareholding in the capital of Banco de Caja España de Inversiones, Salamanca y Soria, S.A. (EspañaDuero), which, in accordance with the corresponding labor agreements in force, must supplement the social security benefits corresponding to its employees, or their beneficiaries, in the event of retirement, widowhood, orphanhood, permanent disability or severe disability. The Group's post-employment commitments maintained by EspañaDuero with its employees are considered “Defined contribution commitments” when it makes pre-determined contributions to a separate entity and has no legal or constructive obligation to make further contributions if the separate entity is unable to pay the employee remuneration relating to the service rendered in the current and prior periods. Post-employment commitments that do not meet the above conditions are considered as "Defined benefit commitments".

During 2021, as a result of the merger by absorption of Liberbank, S.A. into Unicaja Banco, S.A. (Note 1.14), a series of post-employment commitments are contributed to the Unicaja Banco Group depending on the entity in which they originated, as described below:

Commitments from Caja de Ahorros de Asturias (Cajastur):

- On August 24, 1989, the Board of Directors of Caja de Ahorros de Asturias resolved to apply Pension Plan Act 8/1987, of June 8, and integrate its pension fund into an external one.
- For that purpose, in 1990, a pension plan was created called Caja de Ahorros de Asturias Employees' Pension Plan, PECAJASTUR, where Caja de Ahorros de Asturias was the sponsor. This pension plan joined the Fondo de Pensiones de Empleados de la Caja de Ahorros de Asturias (FPCAJASTUR). The plan was underwritten by Caser Ahorrovida, Compañía de Seguros y Reaseguros, S.A.
- The PECAJASTUR Plan had three subplans. Employees who joined before May 30, 1986, belonged to Subplan I and those who joined after May 29, 1986 belonged to Subplan II. Employees who had freely decided to belong to Subplan I or II before December 16, 2011, also belonged to Subplan III.
- Subplan II, for the retirement contingency, and Subplan III are defined contribution. Subplan I was defined benefit and Subplan II, for the other contingencies, is defined benefit.
- On September 16, 2013, Liberbank,S.A., and the workers' representatives of Caja de Ahorros de Asturias signed a collective bargaining agreement to transform the commitments of the pension plans for employees of Caja de Ahorros de Asturias– Pecajastur from a defined benefit retirement system for the Subplan I assets to a defined contribution model, and the risks were changed in accordance with the signed agreements. This agreement also states that, after deducting the agreed allocations for plans II and III, the surplus existing at the time of the transformation will be used to finance the Bank's future defined contribution commitments with the plan's participants.

Commitments from Caja de Ahorros y Monte de Piedad de Extremadura:

- On January 15, 2002, Caja de Ahorros y Monte de Piedad de Extremadura and the workers' legal representation signed the "Company Collective Bargaining Agreement for the Replacement of the Current System of Complementary Social Provisions and for the Adaptation of the Workforce of Employees of Caja de Extremadura", ratified by the Pension Plan Control Committee on January 31, 2002.
- The specifications of said Pension Plan establish a mixed system of defined contributions for retirement contingencies and minimum defined benefits for death and disability contingencies.

Commitments from Caja de Ahorros de Santander y Cantabria:

- In the 2002 Company Pact, Caja de Ahorros de Santander y Cantabria and the workers' legal representation agreed to replace the established employee benefit model, moving to a mixed system for the participants involved at that time.

- Said system is defined contribution for the retirement contingencies and defined benefit for the contingencies of disability, survivors' pensions, and orphanhood. Additionally, the plan also includes the beneficiaries of income from annuities generated previously (defined benefit) for whom the plan itself contracts insurance for these benefits. .

Commitments from Banco de Castilla-La Mancha, S.A. (BCLM). (BCLM):

- On September 16, 2003, Caja de Ahorros de Castilla La Mancha signed a new Collective Bargaining Agreement with its employees for a welfare provision system with the aim of outsourcing the pension commitments arising from complying with the collective bargaining agreement in force.
- By virtue of this agreement, a new supplementary social welfare system was created, established for all BCLM employees, defining the contribution to the retirement plan as a single percentage of each employee's actual salary. The benefits for the risk contingencies were also defined to protect against situations arising as a result of the death or disability of BCLM employees.

On the other hand, and as regards the assumptions applied in the accounting quantification of the Unicaja Banco Group's pension commitments, these are based both on the provisions of the Collective Bargaining Agreement for savings banks and financial institutions in articles 42 and 71 relating to salary growth and pension growth, respectively, and on the stipulations for each of the pension commitments, insofar as they are linked either to the CPI without further ado or to the provisions of the agreement.

In this regard, and depending on the origin of the aforementioned pension commitments, these are linked to the variables indicated, as follows:

- The Group's commitment regarding the revaluation of annuity beneficiaries' pensions, depending on their origin, is linked to the CPI (groups from Unicaja Banco and Banco Castilla La Mancha externalized in the pension plan, as well as a small group from Duero) or is linked to that specified in the aforementioned agreement (other commitments from various sources). In both cases, these are long-term commitments.

- With respect to the salary variable and its future growth, this affects a small number of employees who have not yet retired and are in the defined benefit retirement mode, taking the employee's pensionable salary as the basis for its calculation (all of them from Unicaja Banco). Additionally, it affects the commitment called "loyalty award" and the group called "early retirees group 13".

At the present time, at the close of fiscal year 2022, observing the behavior of the CPI applicable in said fiscal year, observing the forecasts of the same for fiscal year 2023, while taking into account the stipulations of the agreement and the possible future forecasts with respect to salary growth for the next fiscal year, some changes have been made in the calculation hypotheses related to the projection of the salary and pension variable, with the following nuances:

- Pension revaluation rate for commitments linked to the CPI: for 2023 an additional rate has been considered in addition to the 1.5% annual rate set as a hypothesis for future years (1.6% for Castilla la Mancha), based on the CPI estimates known last November, which entails a sufficient additional provision to be able to meet the growth of these pensions in 2023 as of January 1, 2022.

- Pension revaluation rate for commitments linked to collective bargaining agreements: 2% per annum, except for commitments with Liberbank whose rate is set at 1%.

- Salary growth rate: between 2.5% and 3.5%, the latter for "loyalty bonuses" and commitments derived from pre-retirement agreements for those benefits based on the employee's salary.

When estimating this additional increase to be applied that will affect the revaluation of CPI-linked pensions, the Bank's specific commitment has been taken into account in each case, depending on its origin:

1) In Unicaja's own commitments linked to CPI, an additional estimated increase has been applied for the year 2023 to complete a revision percentage equivalent to 70% of the estimated CPI, with a minimum of 4%.

2) In Banco Castilla-La Mancha's commitments linked to CPI, an additional estimated increase has been applied for the year 2023 to complete a revision percentage equivalent to 80% of the estimated CPI, with a minimum of 6%.

3) In Duero's commitments linked to CPI, an estimated increase has been applied for the year 2023 to complete a revision percentage equivalent to 100% of the estimated CPI.

However, on an ongoing basis, year by year, it will be necessary to analyze whether this behavior of the CPI in 2022 and 2023 will continue in future years, in order to determine whether the consistency of the accounting assumptions is maintained, or whether any adjustments should be made to them.

Considering that both the commitments related to pension growth are linked either to the CPI or to an agreement and are life annuities, i.e. long-term commitments, the negative deviations of a year will be offset by the positive deviations that have occurred in past years, and their net effect will be recorded under "Actuarial gains and losses" in consolidated shareholders' net equity.

Finally, with regard to the biometric tables applied in 2022 in the accounting quantification of pension commitments, it should be noted that these tables are the PER 2020 1st order tables, as indicated in the Resolution of December 17, 2020, of the Directorate General of Insurance of Pension Plans and Funds, for each and every one of the commitments, regardless of their origin. These tables were already applicable in fiscal year 2021.

As of December 31, 2022 and 2021 the calculations of the accounting obligation included in the actuarial calculations for the defined benefit plans have been made using the following assumptions:

Plan 1 Unicaja Banco	**2022**	**2021**
Salary growth	2.5%	2.5%
Growth in Social Security coverage (Contribution bases)	0%	0%
Pension review rate	1.5% (**)	1.5% (**)
Mortality tables	PER 2020 1st Order	PER 2020 1st Order

(**) For 2023, the above rate has been increased to 70% of the estimated CPI with a minimum of 4%.

Plan 2 Unicaja Banco	**2022**	**2021**
Salary growth	0% (*)	0% (*)
Growth in Social Security coverage (Contribution bases)	0% (*)	0% (*)
Pension review rate	1.5% (**)	1.5% (**)
Mortality tables	PERMF 2020 1st Order	PERMF 2020 1st Order

(*) As of December 31, 2022 and 2021, there is no group of assets in this Plan, so the effect of salary growth and Social Security coverage is nil.
(**) For 2023, the pension revaluation rate set in assumptions has been increased to 70% of the estimated CPI with a minimum of 4%.

Plan 1 España Duero	**2022**	**2021**
Salary growth	0% (*)	0% (*)
Growth in Social Security coverage (Contribution bases)	0% (*)	0% (*)
Pension review rate	2% (**)	2% (**)
Mortality tables	PERMF 2020 1st Order	PERMF 2020 1st Order

(*) As of December 31, 2022 and there is no group of assets in this Plan whose benefits are affected by salary growth and Social Security coverage.
(**) For 2023, the pension revaluation rate set in the assumptions has been increased to 100% of the estimated CPI for a small group. Remaining revaluation based on the stipulated in the agreement).

Plan 2 España Duero	**2022**	**2021**
Salary growth	0% (*)	0% (*)
Growth in Social Security coverage (Contribution bases)	0% (*)	0% (*)
Pension review rate	2%	2%
Mortality tables	PERMF 2020 1st Order	PERMF 2020 1st Order

(*) As of December 31, 2022 and there is no group of assets in this Plan whose benefits are affected by salary growth and Social Security coverage.

Liberbank Origin Plans	**2022**	**2021**
Salary growth	0% (*)	0% (*)
Growth in Social Security coverage (Contribution bases)	0% (*)	0% (*)
Pension review rate	1%,1.6%,2%	(**)
Mortality tables	PERMF 2020 1st Order	PERMF 2020 1st Order

(*) As of December 31, 2022 and there is no group of assets in this Plan whose benefits are affected by salary growth and Social Security coverage.
(**) In 2021 the revisable pension growth rate was 0.75% for 2022 and 1% for the following years for all commitments originating from Liberbank, except for plans originating from Banco Castilla-La Mancha whose rate is set at 1.6% or for some policies external to the pension plans which was 2%. In 2023 this rate was 1% (1.6% for BCM origins not linked to the CPI or 2% for some policies external to the pension plans), except for annuity pensions from Banco Castilla la Mancha whose revaluation is linked to the CPI; in this case, for 2023, the *pension revaluation rate set in hypothesis has been increased to 80% of the estimated CPI with a minimum of 6%*.

The commitments accrued by Unicaja Banco's personnel liabilities at December 31, 2022 and 2021 are externalized in Unifondo Pensiones V Pension Fund and are covered by an insurance policy taken out based on an insured interest rate of 1.43% and the PERMF 2020 first-order mortality tables. In 2022, a supplement has been issued to cover the CPI at 1%.

As of December 31, 2022 and 2021, the commitments accrued by the personnel liabilities originating from Liberbank are externalized, taking into account their originating entity, as follows:

- The employees with origin Caja de Ahorros de Asturias (Cajastur) are externalized in the Caja de Ahorros de Asturias employee pension plan, covered in policies 14785 and 55060 contracted with for subplans 1 and 2, with life annuities revalued at 1.5% per year, and in the policies contracted with CCM and Vida Caixa Mediación, Sociedad de Agencia de Seguros Vinculada, for subplan 3, with constant insured life annuities.

- Employees with Caja de Ahorros y Monte de Piedad de Extremadura origins generated under the defined benefit plan because they were hired before January 1, 2002, are covered by the Caja de Ahorros de Extremadura Employees' Pension Plan through two insurance policies taken out in which the insured interest rates range from 0.54% to 6%.

- The employees of Caja de Ahorros de Santander y Cantabria are externalized in the Caja Cantabria Employees' Pension Plan, P.P. This plan, in order to insure the risk derived from the group of beneficiaries under the defined benefit plan, has taken out insurance policy 52493.

- The commitments accrued by retired personnel with origin Banco de Castilla-La Mancha, S.A. are supported by the Employment Pension Plan of Caja de Ahorros de Castilla-La Mancha. It is a mixed defined contribution plan for retirement and defined benefit for risk. It is also instrumented in an excess policy that includes the commitments of the contributions exceeding the legal maximum limit of the C.C.M. Employment Plan, contracted on the basis of an insured interest rate of 0.8%.

- Defined contribution commitments

The contribution accrued during the financial year for this item is recorded under "Administrative expenses - Personnel expenses" in the consolidated income statement.

As of December 31, 2022 and 2021, there were no outstanding amounts to be contributed to external defined contribution plans.

- Defined benefit commitments

The Group recognizes under "Provisions - Pensions and other post-employment defined benefit obligations" on the liability side of the consolidated balance sheet (or on the asset side, under "Other assets - Insurance contracts linked to pensions" depending on the sign of the difference and provided that the conditions established in IAS 19 and IFRIC 14 are met, for their recording) the present value of the defined benefit pension obligations, net, as explained below, of the fair value of the assets that meet the requirements to be considered as "Plan assets" and of the "Past service cost".

"Plan assets" are considered to be those linked to a specific defined benefit obligation with which these obligations will be directly settled and which meet each and every one of the following conditions:

- They are not owned by the Group, but by a legally separate third party that is not a related party of the Group.
- They are only available to pay or finance post-employment remuneration of employees.
- They cannot be returned to the Group, except when the assets remaining in the plan are sufficient to meet all of the plan's or entity's obligations related to current or past employee benefits or to reimburse employee benefits already paid by the Group.
- They are not non-transferable financial instruments issued by the Group.

If the Group can require an insurer to pay some or all of the expenditure required to settle a defined benefit obligation and it is virtually certain that the insurer will reimburse some or all of the expenditure required to settle the obligation, but the insurance policy does not qualify as a plan asset, the Group records its right to reimbursement on the asset side of the consolidated balance sheet under "Other assets - Insurance contracts linked to pensions", which is otherwise treated as a plan asset.

"Actuarial gains or losses" are considered to be those arising from differences between previous actuarial assumptions and reality, as well as changes in the actuarial assumptions used.

In accordance with IAS 19, the Group records the actuarial gains or losses that may arise in relation to its post-employment obligations to employees in the year in which they arise, through the corresponding charge or credit to the consolidated statement of recognized income and expense, under "Actuarial gains (losses) on defined benefit pension plans", which are treated for these purposes as items that will not be reclassified to profit or loss.

Past service cost, which arises from changes in existing post-employment remuneration or the introduction of new benefits, is the cost of improved benefits corresponding to the years of service rendered by each employee on a straight-line basis using the projected unit credit method, which is recognized immediately in the consolidated income statement in the year in which it is incurred.

Post-employment remuneration is recognized in the consolidated income statement as follows:

- Costs of these obligations are recognized on the consolidated income statement and include the following components:

    - Cost of services for the current period, defined as the increase in the present value of the obligations arising from services rendered during the year by employees, under the "Administrative expenses - Personnel expenses" caption in the consolidated income statement.

- The cost of past services, arising from amendments to the existing post-employment benefits or the introduction of new benefits and includes the reduction costs recognized under “Provisions or reversal of provisions”.

- Any gain or loss arising from a settlement of the plan is recognized under the caption "Provisions or reversal of provisions".

- The interest cost, understood as the increase in the current value of the obligations during the year as a result of the passage of time, is recorded under "Interest expense" in the consolidated income statement. When the obligations are presented as liabilities, net of plan assets, the cost of the liabilities recognized in the profit and loss account will be exclusively that corresponding to the obligations recorded as liabilities.

- The expected return on the assets allocated to hedge the commitments and the consolidated profit or loss on their value, less any costs arising from their administration and taxes affecting them, is recorded under "Interest income" in the consolidated income statement.

- The recalculation of the net liability (asset) for defined benefits is recognized under the "Other accumulated comprehensive income" item of the consolidated net equity and includes:

    - Actuarial gains and losses generated in the year arising from differences between actuarial forecasts and actual performance and changes in the actuarial assumptions used.

    - The return on the plan assets, excluding the amounts included in the net interest on the liability (asset) for defined benefits

    - Any change in the effects of the asset limit, excluding the amounts included in the net interest on the liability (asset) for defined benefits.

2.12.1.2 Criteria used for post-employment remuneration

Regarding the criteria used and the method for determining the discount rates applied for post-employment remuneration, the following should be considered:

- **For insured commitments**: The criteria used are those set forth in IAS 19 and in Bank of Spain regulations, specifically, for the determination of the update rate, the criteria set forth in letter d) of point 14 of Rule Thirty-Fifth of Bank of Spain Circular 4/2017. At the end of the fiscal years 2022 and 2021, for the insured commitments in insurance policies, the fair value of the assets and obligations has been calculated by applying a discount rate based on the average duration of the commitments.

- **For insured commitments**: The market reference rate used is that corresponding to highly rated corporate bond and debenture issues, taking as a reference the IBOXX AA Corporate curve (i.e., that corresponding to highly rated corporate bonds in the Euro Zone) as of December 31, 2022.

2.12.1.3 Defined post-employment benefit obligations

The defined benefit post-employment obligations held by Unicaja Banco at the end of 2022 are grouped into the following plans:

Plan 1 Unicaja Banco

a) Defined post-employment remuneration benefits externalized through a pension plan of the employment system called "Joint Promotion Pension Plan for the employees of Unicaja Banco S.A. and Fundación Bancaria Unicaja", including both active personnel and beneficiary personnel who are already receiving the post-employment benefit. The Plan has taken out insurance policies for all defined benefit commitments, passing the financial and actuarial risk to the insurer. The insurance company is Unicorp Vida, S.A.

b) Defined post-employment remuneration benefits externalized through an insurance policy suitable for the externalization of commitments according to Royal Decree 1588/1999, to the extent that the legal limits on contributions to pension plans do not allow their financing within the Pension Plan itself. The insurance company for this policy is Unicorp Vida, S.A.

Plan 2 Unicaja Banco

a) Defined post-employment remuneration benefits externalized through an insurance policy suitable for the externalization of commitments in accordance with Royal Decree 1588/1999, to cover pension commitments arising from the Collective Agreement of Savings Banks and the Collective Agreement of Private Banking corresponding to employees who are not members of the "Joint Promotion Pension Plan for Employees of Unicaja Banco, S.A. and Fundación Bancaria Unicaja". The insurance company for this policy is Unicorp Vida, S.A.

b) Defined post-employment remuneration benefits externalized through an insurance policies suitable for the externalization of commitments according to Royal Decree 1588/1999, to cover pension commitments corresponding to different groups of beneficiaries receiving life annuities. The insurance company for these policies is Unicorp Vida, S.A.

Plan 1 EspañaDuero

All of the commitments under this plan come from Caja de Ahorros de Salamanca y Soria.

a) Defined post-employment remuneration benefits externalized through a pension plan of the employment system for employees of Caja de Ahorros de Salamanca y Soria, called "Pension Plan for Employees of Caja de Ahorros de Salamanca y Soria", including both active personnel and beneficiary personnel who are already receiving post-employment benefits. The Plan has taken out insurance policies for some defined benefit commitments, passing the financial and actuarial risk to the insurer. The insurance company is UNION DUERO Compañía de Seguros Vida, S.A.

b) Defined post-employment remuneration benefits externalized through an insurance policy suitable for the externalization of commitments according to Royal Decree 1588/1999, to the extent that the legal limits on contributions to pension plans do not allow their financing within the Pension Plan itself. The insurance company is UNION DUERO Compañía de Seguros Vida, S.A.

Plan 2 EspañaDuero

Caja de Ahorros de Salamanca y Soria commitments:

a) Defined post-employment remuneration benefits externalized through insurance policies suitable for the externalization of commitments according to Royal Decree 1588/1999, for personnel who are not members of the Pension Plan as well as for groups of beneficiaries receiving life annuities already accrued. The insurance company for these policies is UNION DUERO Compañía de Seguros Vida, S.A.

b) Defined post-employment remuneration benefits in internal fund for annuity liabilities.

Commitments from Caja España de Inversiones, Caja de Ahorros y Monte de Piedad:

a) Defined post-employment remuneration benefits externalized through insurance policies for the externalization of commitments according to Royal Decree 1588/1999. These are two policies whose insurance companies are CASER de Seguros y Reaseguros, S.A. and MEDVIDA PARTNERS de Seguros y Reaseguros, S.A.

Defined post-employment commitments held by Liberbank are grouped into the following accounting plans:

Caja de Ahorros de Asturias Employees' Pension Plan

a) Defined post-employment remuneration benefits externalized through a pension plan of the employment system called "Caja de Ahorros de Asturias Employees' Pension Plan" The Plan has taken out insurance policies for all defined benefit commitments, passing the financial and actuarial risk to the insurer. Their insurance companies are CASER, Vida y pensiones, S.A.

Caja de Ahorros de Extremadura Employees' Pension Plan

a) Defined post-employment remuneration benefits externalized through a pension plan of the employment system called "Caja de Ahorros de Extremadura Employees' Pension Plan". All of these salaries correspond to beneficiary personnel who are already receiving post-employment benefits. The Plan has taken out insurance policies for all defined benefit commitments, passing the financial and actuarial risk to the insurer. The insurance companies of these companies is MEDVIDA PARTNERS de Seguros y Reaseguros, S.A.

b) Defined post-employment remuneration benefits externalized through insurance policies for the externalization of commitments according to Royal Decree 1588/1999. These are two policies whose insurers are CASER de Seguros y Reaseguros, S.A.

Caja Cantabria Employees' Pension Plan

a) Defined post-employment remuneration benefits externalized through a pension plan of the employment system called "Caja Cantabria Employees' Pension Plan". All of these salaries correspond to beneficiary personnel who are already receiving post-employment benefits. The Plan has taken out an insurance policy for all defined benefit commitments, passing the financial and actuarial risk to the insurer. The insurance company is CASER, de Seguros y reaseguros, S.A.

b) Defined post remuneration benefits externalized through insurance policies for the externalization of commitments according to Royal Decree 1588/1999. These are two policies whose insurers are CASER de Seguros y Reaseguros, S.A.

Caja de Ahorros de Castilla-La Mancha Employment Pension Plan

a) Defined post-employment remuneration benefits externalized through a pension plan of the employment system called "Caja de Ahorros de Castilla La Mancha Employment Pension Plan" including both active personnel and beneficiaries who have already received post-employment benefits. The Plan has taken out an insurance policy for all defined benefit commitments, passing the financial and actuarial risk to the insurer. The insurance company is CCM Vida y Pensiones, S.A.

b) Defined post-employment remuneration benefits externalized through an insurance policy suitable for the externalization of commitments in accordance with Royal Decree 1588/1999, to the extent that the legal limits on contributions to pension plans do not allow their financing within the Caja de Ahorros de Castilla La Mancha Employment Pension Plan. The insurance company is CCM Vida y Pensiones, S.A.

2.12.2 Other long-term remuneration

During fiscal years 2022 and 2021, the Group reached a series of individual agreements consisting mainly of early retirements through contract terminations, whose commitments are adequately covered at each of the dates mentioned.

In calculating the commitments to employees arising from these agreements, the Group has based itself on assumptions applied in accordance with market conditions and the characteristics of the group covered.

2.12.3 Termination benefits

Termination benefits are payments that are made as a result of either the entity's decision to terminate an employee's contract before the normal retirement age or the employee's decision to voluntarily accept the termination of their employment relationship in exchange for these benefits. The event giving rise to the payment obligation is the termination of the contract, rather than the employee's years of service. Therefore, in accordance with IAS 19, an entity should recognize termination benefits when, and only when, it has made a clear commitment to terminate the employment of an employee or group of employees before the normal retirement dates, or to pay termination benefits as a result of an offer made to employees to voluntarily terminate their employment contracts. Severance indemnities do not imply for the entity the obtainment of economic benefits in the future, so they should be recognized as an expense immediately.

2.12.4 Voluntary severance plans

Plans for employees with Unicaja Banco origin

On December 21, 2015, Unicaja Banco implemented a voluntary severance plan, which contemplates the continuity of the existing early retirement scheme, as well as the possibility of leaving the Bank by mutual agreement. The voluntary severance plan is voluntary for Unicaja Banco employees. In the case of early retirements, Unicaja Banco employees who reach the age of 58 years or older within two years as from January 1, 2016 are eligible. In the event of termination of the employment contract by mutual agreement, employees who, for reasons of age, are unable to apply for early retirement may be eligible.

On December 17, 2018, Unicaja Banco reached an agreement with the majority of the Workers' Legal Representation, which regulates a voluntary and progressive process of voluntary and progressive voluntary severance through compensated resignations and early retirements with termination of contract until December 31, 2021, with the same conditions as those included in the previous plan, and which affects the whole of the Bank's workforce.

On September 30, 2020, Unicaja Banco launched a new voluntary early retirement plan, which is open to employees who reach the age of 58 years or older on December 31, 2022 and are not covered by any of the current severance plans.

Voluntary severance indemnities of employees with Liberbank origin

On June 21, 2017, Liberbank, S.A. and Banco de Castilla-La Mancha, S.A. signed a labor agreement with the majority of the trade union for the purpose of addressing a restructuring process allowing for a leaner, more agile and efficient structure. One of the main measures agreed in this agreement was to establish a voluntary severance plan for a maximum of 525 workers and a reduction in working hours for all workers.

At December 31, 2021, the Group has recorded a provision for this commitment amounting to 464 thousand Euros, which is recognized under "Provisions - Pensions and other post-employment defined benefit obligations".

2.12.5 Other employee termination plans

On December 3, 2021, the consultation period for the collective dismissal, geographic mobility and substantial modification of working conditions, provided for in Articles 51, 40 and 41 of the Workers' Statute at Unicaja Banco, S.A., was concluded with the agreement between the Management and the Workers' Representatives, whereby a restructuring process was initiated, mainly derived from the need to resolve the duplicities and overlaps resulting from the process of merger by absorption of Liberbank by Unicaja Banco. To cover the effect of this agreement, the Unicaja Banco Group made a provision of 368 million Euro during financial year 2021 (see Note 18).

2.12.6 Death and disability

The commitments assumed by the Group to cover the contingencies of death and disability of employees during the period in which they remain in active service and which are covered by insurance policies underwritten by the Pension Plan (Note 2.12.1) taken out with Unicorp Vida, Compañía de Seguros y Reaseguros, S.A. and with Caja de Seguros Reunidos, Compañía de Seguros y Reaseguros, S.A. (Caser), are recorded in the consolidated income statement for an amount equal to the amount of the premiums of such insurance policies accrued in each year.

2.12.7 Seniority awards

Unicaja Banco has undertaken with its employees the commitment to pay a benefit of 1,680.56 Euros and 2,081.19 Euros, in the event that the employee reaches 20 and 35 years of service in the Bank, respectively.

Commitments for seniority awards or loyalty bonuses are treated for accounting purposes, in all applicable aspects, using the same criteria as those explained above for defined benefit commitments.

2.13 Income tax

The Bank, as the parent company of the Tax Group, is taxed under the tax consolidation regime contemplated in Title VII of Law 27/2014, of November 27, on Corporate Income Tax. The criterion applied by the Group is to record, for each entity taxed under this regime, the income tax expense that would have corresponded had it filed its tax return individually, adjusted by the amount of the tax loss carryforwards, deductions or allowances generated by each company that are used by other Group companies, considering the tax consolidation adjustments to be made.

Income tax expense is recognized on the consolidated income statement, unless it arises from a transaction the result of which is recognized directly in net equity, in which case the income tax is also recognized with a charge or credit to the Group's net equity.

The income tax expense for the financial year is calculated as the tax payable with respect to the taxable income for the year, adjusted by the amount of the changes during the year in the recognized assets and liabilities arising from temporary differences, tax credits and tax relief and possible tax loss carryforwards (Note 24).

The Group considers that there is a temporary difference when there is a difference between the carrying amount of an asset or liability and its tax base. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes. A taxable temporary difference is one that will generate a future obligation for the Group to make a payment to the related authorities. A deductible temporary difference is one that will generate a right for the Group to a refund or a reduction in the tax charge in the future.

Tax credits and tax loss carryforwards are amounts that, after performance of the activity or obtainment of the profit or loss giving entitlement to these, are not used for tax purposes on the related tax return until the conditions for doing so established in the tax regulations are met, and the Group considers it probable that they will be used in future periods.

Current tax assets and liabilities are the taxes that are expected to be recoverable from or payable to the related tax authorities within 12 months from the date they are recognized. Deferred tax assets and liabilities are the taxes that are expected to be recoverable from or payable to, respectively, the corresponding tax authorities in future years.

Deferred tax liabilities are recognized for all the taxable time differences. Notwithstanding the foregoing, no deferred tax liabilities arising from the recognition of goodwill are recorded.

The Group only recognizes deferred tax assets arising from deductible temporary differences and from tax credits and tax loss carryforwards when the following conditions are met:

- Deferred tax assets are only recognized if it is considered probable that the consolidated companies will have sufficient future taxable profits against which they can be utilized; or they are guaranteed in accordance with the provisions of Royal Decree Law 14/2013, of November 20, on urgent measures for the amendment of Spanish law to comply with European Union regulations on the supervision and solvency of financial institutions, as detailed below; and

- in the case of deferred tax assets due to tax loss carryforwards, the tax losses result from identified causes that are unlikely to recur.

On November 30, 2013, Royal Decree-Law 14/2013, of November 29, on urgent measures for the adaptation of Spanish law to European Union regulations on the supervision and solvency of financial institutions was published in the Official State Gazette, which, among other aspects, introduced amendments to the revised text of the Corporate Income Tax Law approved by Royal Legislative Decree 4/2004, of March 5, establishing, for tax periods beginning on or after January 1, 2011, a new treatment relating to the inclusion in the tax bases, with certain limits, for tax periods beginning in or after 2014, certain temporary differences arising from provisions for impairment of loans or other assets deriving from possible insolvencies of debtors not related to the taxpayer and those corresponding to provisions for contributions to social welfare systems and, where applicable, pre-retirement, it also establishes the possibility, in addition, that these temporary differences may be exchanged for government debt securities and deferred tax assets once the period for offsetting tax loss carryforwards established in the applicable regulations has elapsed.

Deferred tax assets and liabilities are reviewed at the end of each reporting period to check that they are still effective, and the appropriate adjustments are made on the basis of the results of the review.

2.14 Tangible assets

2.14.1 Tangible fixed assets for own use

Tangible fixed assets for own use include those assets, owned or acquired under finance leases, as well as rights of use that meet the conditions established in IFRS 16, which the Group has for current or future use for administrative purposes other than those of the Welfare Projects or for the production or supply of goods and which are expected to be used for more than one financial year. This category includes, inter alia, tangible assets received by the consolidated entities in full or partial satisfaction of financial assets representing receivables from third parties, where these assets are intended to be held for continuing own use.

Tangible fixed assets for own use, excluding rights of use, are stated in the consolidated balance sheet at acquisition cost, consisting of the fair value of any consideration given plus all cash payments made or committed, less accumulated amortization and, if applicable, estimated impairment losses (carrying amount higher than recoverable amount). The acquisition cost of tangible fixed assets for own use includes the valuation made at January 1, 2004 at fair value. This fair value as at January 1, 2004 was obtained based on appraisals performed by independent experts. The rights of use are valued in accordance with Note 2.9.2. on operating leases.

For this purpose, the acquisition cost of assets form foreclosure, included in the Group's tangible fixed assets for own use, is the same as the carrying amount of the financial assets settled through foreclosure.

Amortization is calculated, applying the straight-line method, on the acquisition cost of the assets less their residual value; it being understood that the land on which the buildings and other constructions stand have an indefinite life and, therefore, are not subject to amortization.

The annual provisions for amortization of tangible assets are made with a balancing entry under "Amortization" of the consolidated income statement and, basically, are equivalent to the following amortization percentages (determined based on the years of the estimated useful life, as an average, of the different elements):

	Annual percentage
Real Estate	1% a 5%
Furniture and fixtures	8% a 15%
Machinery and electronic equipment	13% a 27%
Others	10% a 16%

The annual allowance for leasehold rights of use is calculated as described in Note 2.9.2.

At the end of each reporting period, the consolidated companies analyze whether there is any internal or external indication that the book amount of their tangible fixed assets exceeds their recoverable amount (Note 2.14.4); if so, they reduce the carrying amount of the asset concerned to its recoverable amount and adjust future amortization charges in proportion to their adjusted book amount and to their new remaining useful life, if it is necessary to re-estimate it. This reduction in the book value of tangible assets for own use is charged, if necessary, under "Impairment or reversal of impairment of non-financial assets - Tangible assets" in the consolidated income statement.

Similarly, when there is an indication of a recovery in the value of an impaired tangible asset, the consolidated companies record the reversal of the impairment loss recognized in prior periods with a corresponding credit to “Impairment losses or reversal of impairment losses of non-financial assets - tangible assets” in the consolidated income statement and adjust the future amortization charges accordingly. In no case may the reversal of an impairment loss on an asset raise its carrying amount above that which it would have had if no impairment losses had been recognized in prior years.

The estimated useful lives of tangible fixed assets for own use are reviewed at least once a year with a view to detecting significant changes therein. If changes are detected, the useful lives of the assets are adjusted by correcting the amortization charge to be recognized on the consolidated income statement in future years on the basis of the new useful lives.

Maintenance and upkeep expenses for tangible assets for own use are charged against profit or loss for the financial year in which they are incurred under “Administrative expenses - other general administrative expenses” on the consolidated income statement. Finance costs incurred as a result of the financing of tangible fixed assets for own use are charged to the consolidated income statement as they accrue and are not included in their acquisition cost.

Tangible assets that require more than twelve months to be readied for use include as part of their acquisition or production cost the borrowing costs incurred before the assets are ready for use and which have been charged by the supplier or relate to loans or other types of borrowings directly attributable to their acquisition, production or construction. Capitalization of borrowing costs is suspended, if appropriate, during periods in which the development of the assets is interrupted, and ceases when substantially all the activities necessary to prepare the asset for its intended use are complete.

2.14.2 Investment property

The "Investment Property" caption in the consolidated balance sheet includes the net values of land, buildings and other structures held either to operate them on a rental basis or to obtain a capital gain on their sale as a result of future increases in their respective market prices.

The criteria applied for the recognition of the acquisition cost of investment property, for its amortization, for the estimation of their respective useful lives coincide with those described in relation to tangible assets for own use (Note 2.14.1).

2.14.3 Tangible assets - Leased under operating leases

The heading "Tangible assets - Loaned under operating leases" in the consolidated balance sheet includes the net values of tangible assets other than land and real estate leased by the Group under operating leases.

The criteria applied for recognizing the acquisition cost of leased assets, for their amortization, for estimating their respective useful lives and for recording possible impairment losses coincide with those described in relation to property, plant and equipment for own use (Note 2.14.1).

2.14.4 Recoverable amount of tangible assets

Both tangible fixed assets for own use and investment property are valued at acquisition cost, recording valuation adjustments due to impairment in the event that the recoverable amount of the assets is lower than such cost.

In accordance with IAS 36, the recoverable amount is the higher of the fair value less costs to sell and the value in use of the assets. When a reliable measure of fair value is not available, the recoverable amount is taken to be the "value in use" of such assets, which involves estimating the future cash inflows and outflows arising from their continuing operation and from their disposal and applying an appropriate discount rate to these cash flows.

In accordance with IAS 36, the following general guidelines should be followed to determine the value in use of an asset:

- Projections of future cash flows should be based on reasonable and supportable assumptions that represent management's best estimate of the overall economic conditions that will exist over the remaining useful life of the asset and on the most recent financial budgets or forecasts approved by management, excluding any estimated future cash inflows or outflows expected to arise from future restructuring or improvements on originally planned return on assets. Estimates based on these budgets or forecasts shall cover a maximum period of five years, unless a longer period can be justified.

- Cash flow projections beyond the period covered by the most recent budgets or financial forecasts, up to the end of the useful life of the asset, should be estimated by extrapolating the aforementioned projections, using a constant or decreasing growth rate, unless the use of an increasing rate can be justified, which in any case should not exceed the long-term average growth rate for the products or industries, as well as for the country in which the entity operates and for the market in which the asset is used, unless a higher growth rate can be justified.

The discount rate used is a pre-tax rate that reflects the current market assessment of the time value of money and the specific risks of the asset that have not already been adjusted for in the estimates of future cash flows.

In this regard, a rate that reflects the current market assessment of the time value of money and the specific risks of the asset is considered to be the return that investors would demand if they were to choose an investment that generates cash flows of amounts, timing and risk profile equivalent to those that the Group expects to obtain from the asset in question. This discount rate is estimated based on the rate implicit in current market transactions for similar assets. When the discount rate for a specific asset is not available directly from the market, surrogates are used to estimate the discount rate.

2.15 Intangible assets

Intangible assets are identifiable non-monetary assets, although without physical appearance, that arise as a result of a legal transaction or have been developed internally by consolidated companies. Only intangible assets the cost of which can be estimated in a reasonably objective manner and from which the consolidated companies believe they will likely obtain future economic benefits are recognized.

Intangible assets, other than goodwill, are initially recognized in the consolidated balance sheet at acquisition or production cost and subsequently measured at cost less, as appropriate any accumulated amortization and any accumulated impairment losses.

Intangible assets may have an "indefinite useful life" when, based on an analysis of all relevant factors, it is concluded that there is no foreseeable limit to the period over which they are expected to generate net cash flows for the consolidated companies, or a "finite useful life" in other cases (using a period generally not exceeding 5 years).

Intangible assets with indefinite useful lives are not amortized; however, at each balance sheet date, the consolidated companies review their respective remaining useful lives to ensure that they continue to be indefinite or, if not, to proceed accordingly.

Intangible assets with a defined life are amortized based on it, applying criteria similar to those adopted for the amortization of tangible assets. The annual amortization of intangible assets with finite useful lives is recorded under "Amortization - Intangible assets" in the consolidated statement of income.

At each reporting date, consolidated entities test for indications, either internal or external, that the carrying amount of its intangible assets exceeds their recoverable value. If so, the carrying amount of the asset is reduced to its recoverable value and the future depreciation expense is reduced to take account of its new value and, where necessary, its revised useful life. When necessary, the book value of intangible assets is reduced with a charge to “Impairment losses or reversal of impairment losses of non-financial assets - intangible assets” on the consolidated income statement

Similarly, if there is an indication of a recovery in the value of an impaired intangible asset item, the consolidated entities recognize the reversal of the impairment loss recognized in prior periods by crediting “Impairment losses or reversal of impairment losses of non-financial assets - intangible assets” on the consolidated income statement and adjusting the future depreciation charges accordingly. In no case may the reversal of an impairment loss on an asset raise its carrying amount above that which it would have had if no impairment losses had been recognized in prior years.

The criteria for recognizing impairment losses on these assets and, if applicable, recoveries of impairment losses recorded in prior years are similar to those applied to property, plant and equipment for own use (Note 2.14.1).

2.16 Goodwill

Positive differences between the cost of equity investments in consolidated companies accounted for by the equity method and the corresponding underlying book values acquired, adjusted at the date of first consolidation, are recognized as follows:

- If they are allocable to specific assets and liabilities of the acquired companies, by increasing the value of the assets (or reducing the value of the liabilities) whose fair values are higher (lower) than the net book values at which they appear in the balance sheets of the acquired companies.

- If they are allocable to specific intangible assets, recognizing them explicitly in the consolidated balance sheet provided that their fair value at the date of acquisition can be reliably determined.

- The remaining differences are recorded as goodwill, which is allocated to one or more specific cash generating units.

Goodwill, which is only recorded when acquired for consideration, therefore represents prepayments made by the acquiring company for future economic benefits derived from the assets of the acquired company that are not individually and separately identifiable and recognizable.

On the occasion of each accounting closing, it is proceeded to estimate whether any impairment has occurred that reduces its recoverable value to an amount lower than the recorded net cost and, if so, its appropriate write-down is carried out, charged to the heading " Impairment of value or reversal of the impairment of the value of non-financial assets - Intangible assets” of the consolidated profit and loss account.

Impairment losses related to goodwill are not subject to subsequent reversal.

2.17 Inventories

This item on the consolidated balance sheet includes non-financial assets held by the consolidated companies:

-held for sale in the ordinary course of business,
-in the process of production, construction, or development for sale, or
-scheduled to be consumed in the production process or in the rendering of services.

Consequently, inventories include land and other property held for sale or for inclusion in a property development.

Inventories are measured at the lower amount between their cost, which comprises all purchase costs, conversion costs, and direct and indirect costs incurred in bringing the inventories to their present location and condition, as well as the directly attributable borrowing costs, provided the inventories require more than one year to be sold, taking into account the criteria set forth above for the capitalization of borrowing costs relating to tangible fixed assets for own use, and their "net realizable value". The net realizable value of the inventories is understood as the estimated price of their sale during the ordinary course of business, minus the estimated costs to finish the production thereof and those inherent in the sale thereof.

Any write-downs of the carrying amount of inventories to net realizable value and any subsequent reversals of write-downs are recognized under “Impairment losses or reversal of impairment losses of non-financial assets - others” on the consolidated income statement for the year in which the write-down or reversal occurs.

Assets acquired by the Group through foreclosure, which are deemed to be the assets received by the Group from its borrowers or other debtors as total or partial payment for financial assets representing receivables from them, regardless of how they were acquired, and which, on the basis of their nature and intended purpose, are classified as inventories by the Group, are initially recognized at acquisition cost, which is the carrying amount of the liability incurred to acquire the asset, which is calculated in accordance with the legislation applicable to the Group. Subsequently, the foreclosed assets are subject to the estimation of the corresponding impairment losses that may occur on them, calculated in accordance with the criteria described in Note 2.20.

2.18 Provisions and contingent liabilities

At the time of preparing the consolidated annual accounts, the Group differentiates between:

-Provisions: credit balances that cover present obligations at the date of the consolidated balance sheet arising as a result of past events that may give rise to financial losses for the companies, which are considered probable in terms of their occurrence; specific as to their nature, but undetermined as to their amount and/or time of cancellation.

-Contingent liabilities: possible obligations arising as a result of past events, the materialization of which is conditional on the occurrence, or not, of one or more future events independent of the will of the consolidated companies.

The Group's consolidated financial statements include all the material provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognized on the consolidated annual financial statements, but are disclosed, as required by IAS 37 (Note 18).

Provisions are measured based on the best information available regarding the consequences of the events giving rise to them and re-measured at each balance sheet date. They are used to meet the specific obligations for which they were originally recognized, and may be wholly or partly reversed if these obligations cease to exist or diminish.

The appropriation and release of provisions that are considered necessary according to the above criteria are recorded with a charge or credit to the “Provisions or reversal of provisions” caption in the consolidated income statement.

At the end of the fiscal years 2022 and 2021, various legal proceedings and claims filed against the consolidated companies arising from the normal development of their activities were in progress. Both the Group's legal advisors and its Directors understand that the conclusion of these procedures and claims will not have a significant effect on the consolidated annual accounts for the years in which they end.

Paragraph 92 of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" allows that, in cases where the disclosure in the financial statements of detailed information on certain provisions or contingent liabilities for disputes with third parties could affect them or seriously prejudice the position of the Entity, the Entity may choose not to disclose such information in detail.

2.19 Transfers of financial assets

The accounting treatment of transfers of financial assets depends on the extent to which the risks and rewards associated with the transferred assets are transferred to third parties:

- If the risks and rewards of the transferred assets are substantially transferred to third parties - case of unconditional sales, sales with a repurchase agreement for their fair value on the date of repurchase, sales of financial assets with a purchase option acquired or sale issued deeply out-of-the-money, of asset securitizations in which the assignor does not retain subordinated financing or grant any type of credit enhancement to the new holders and other similar cases -, similar -, the transferred financial asset is given removed from the balance sheet, consolidated balance sheet, simultaneously recognizing any right or obligation retained or created as a result of the transfer.

- If the group retains substantially all the risks and rewards associated with the financial asset transferred (such as in the sale of financial assets under an agreement to repurchase them at a fixed price or at the sale price plus interest, a securities lending agreement in which the borrower undertakes to return the same or similar assets, securitization of financial assets in which subordinated debts or other types of credit enhancement are retained that absorb substantially all the expected credit losses for the securitized assets, and other similar cases), the financial asset transferred is not derecognized and continues to be measured by the same criteria as those used before the transfer. However, the following items are recognized, without offsetting:

  - An associated financial liability, for an amount equal to the consideration received; this liability is subsequently measured at amortized cost, or at fair value if the aforementioned requirements are met for classification as other financial liabilities at fair value through profit or loss, in accordance with the aforementioned criteria for this type of financial liability.

  - The income from the financial asset transferred, but not derecognized, and any expense incurred on the new financial liability.

- If the Group neither transfers nor retains substantially all the risks and rewards associated with the financial asset transferred – sale of financial assets with a purchased call option or issued put option that is not considerably in or out-of-the-money, securitization of financial assets in which the transferor retains a subordinated debt or other type of credit enhancement for a portion of the transferred asset, and other similar cases – the following distinction is made:

  - If the transferring entity does not retain control of the transferred financial asset: in this case, the transferred asset is removed from the balance sheet and any right or obligation retained or created as a result of the transfer is recognized.

- If the transferor retains control: it continues to recognize the transferred financial asset on the consolidated balance sheet for an amount equal to its exposure to changes in value and recognizes a financial liability associated with the transferred financial asset. The net amount of the asset transferred and the associated liability will be the amortized cost of the rights and obligations retained, if the asset transferred is measured at amortized cost, or the fair value of the rights and obligations retained, if the asset transferred is measured at fair value.

In accordance with the foregoing, financial assets are only derecognized from the balance sheet when the cash flows they generate have been extinguished or when the implicit risks and benefits have been substantially transferred to third parties.

2.20 Non-current assets and liabilities included in disposal groups of items that have been classified as held for sale

The heading "Non-current assets and disposal groups that have been classified as held for sale" in the consolidated balance sheet includes the book value of the items, individual or integrated in a set, "disposal group", or that form part of a business unit that is intended to be disposed of “interrupted operations”, the sale of which is highly likely to take place, in the conditions in which such assets are currently found, within a period of one year from the date to which the referred to in these consolidated annual accounts.

Shareholdings in associates and joint ventures that meet the conditions set forth in the foregoing paragraph are also considered to be non-current assets and disposal groups that have been classified as held for sale.

Therefore, the carrying amount of these items, which can be of a financial nature or otherwise, will foreseeably be recovered from sale rather than from continuing use.

Specifically, the real estate assets or other non-current assets received by the consolidated companies to satisfy, in whole or in part, their debtors' payment obligations to them are considered non-current assets held for sale; unless the Group has decided, based on their nature and the use to which these assets will be put, to make continued use of those assets (Note 15).

Symmetrically, the heading "Liabilities included in disposal groups of items classified as held for sale" in the consolidated balance sheet includes, if any, the balances payable associated with disposal groups or discontinued operations that the Group may have.

In general, assets classified as non-current assets held for sale are initially measured at the lower of their carrying amount at the time they are considered as such and their fair value, net of estimated costs to sell. To determine these values, the Group has developed certain internal methodologies, which allow estimating the fair value of the assets at the present time, based on the latest appraisals received, the Group's sales experience and expected sales costs. This estimate is made by the Group separately for each type of asset, separating them into relevant segments. While they remain classified in this category, assets are not amortized.

After initial recognition, these real estate assets foreclosed or received in payment of debts, classified as "Non-current assets and disposal groups of items that have been classified as held for sale" and the liabilities included in said groups are valued at the lower amount between: its updated fair value less the estimated cost of its sale and its book value, being able to recognize an impairment or reversal of impairment for the difference, which will be included in the heading "Gains or losses from non-current assets and groups disposal of items classified as held for sale not admissible as discontinued operations” of the consolidated profit and loss account.

The results from the sale of non-current assets held for sale are presented under the heading "Gains or losses from non-current assets and disposal groups of items classified as held for sale not eligible as discontinued operations" of the income statement and consolidated earnings.

Notwithstanding the foregoing, financial assets, assets from employee benefits, deferred tax assets and assets from insurance contracts that are part of a disposal group or a discontinued operation are not valued in accordance with the provisions of the preceding paragraphs, but in accordance with the principles and rules applicable to these items, which have been explained in the preceding sections of Note 2.

2.21 Insurance or reinsurance contracts

The accounting policies applied by the Unicaja Banco Group on assets and liabilities covered by insurance or reinsurance contracts are as follows:

- *Assets covered by insurance or reinsurance contracts*: Amounts that the Group is entitled to receive under insurance or reinsurance contracts are recorded under assets as "Assets covered by insurance or reinsurance contracts". The Group tests whether such assets are impaired, in which case it recognizes the related loss in the consolidated statement of income directly against such assets. In this sense, the Group understands that an asset or group of assets under insurance or reinsurance contracts is impaired if there is objective evidence, as a result of an event occurring after the initial recognition of such asset, that the entity may not receive all the amounts established in the terms of the contract, and the amount that will not be received can be reliably quantified.

- *Liabilities covered by insurance or reinsurance contracts*: A distinction is made between technical provisions (which include provisions for life insurance, provision for benefits and provision for profit sharing and returns) and liabilities for accounting mismatches.

    - *Provisions for life insurance*: A distinction is made between provisions for unearned premiums, provisions for unexpired risks, mathematical provisions and life insurance provisions when the investment risk is borne by the policyholder.

        - *Provisions for unearned premiums*: This includes the portion of the premium allocated to the fulfillment of future obligations not extinguished at the end of the current fiscal year. The provision for unearned premiums is calculated for each type of insurance, based on the premium rates earned during the year and taking a uniform distribution of claims. The Group uses the "policy-to-policy" procedure to calculate the provision in those modalities that generate it.

        - *Provisions for risks in progress*: The provision for unexpired risks supplements the provision for unearned premiums to the extent that its amount is not sufficient to reflect the valuation of all risks and expenses to be covered corresponding to the period of coverage not elapsed at the year-end date. As of December 31, 2022 and 2021, no significant provisions had to be recorded for this item, since the provisions for unearned premiums were sufficient.

        - *Mathematical provisions*: They represent the value of the Group's obligations net of the policyholder's life insurance obligations at the closing date of each fiscal year. Life insurance provisions for insurance policies with a coverage period of one year or less are shown as "Provision for unearned premiums" and for all other policies under the heading "Mathematical provisions".

The mathematical provision represents the difference between the actuarial present value of the Group's future obligations and those of the policyholder or, if applicable, the insured. The calculation is made "policy by policy", based on the formulas, mortality tables and technical interest rates specified in the technical notes for each type of policy. The basis for calculating the mathematical provision is the inventory premium accrued in each year.

- *Life insurance provisions when the investment risk is assumed by the policyholder*: Provisions for life insurance policies in which it has been contractually stipulated that the investment risk will be borne entirely by the policyholder, are calculated on a "policy by policy" basis and are valued on the basis of the assets specifically earmarked to determine the value of the rights.

- *Provision for benefits*: They represent the best estimate of the total amounts of the Group's outstanding obligations arising from claims incurred prior to the closing date of each year, which is equal to the difference between their total estimated or certain cost, including external and internal expenses for the management and administration of the files, and the total amounts already paid in respect of such claims.

  In order to determine the amount, claims are classified by years of occurrence and by insurance lines, and each claim is valued individually. These provisions are divided into those pending settlement or payment, those pending declaration and those for internal claims settlement expenses.

  - The calculation of the provision for claims pending reporting is based on the information and experience of previous years of the Group's insurance companies. Its calculation is made by multiplying the average number of claims pending declaration by the average cost thereof referred to the last fiscal year and estimated in accordance with the regulations.

  - The purpose of the provision for internal claims settlement expenses is to allocate a sufficient amount to cover the internal expenses of the Group's insurance companies necessary for the full settlement of claims to be included in the provision for benefits.

- *Provision for profit sharing and returns*: This provision includes the amount of benefits accrued in favor of policyholders, insured persons or beneficiaries, and the amount of premiums to be refunded to policyholders or insured persons. The calculation is made in accordance with the provisions of Article 38 of the Regulations for the Organization and Supervision of Private Insurance, approved by Royal Decree 2486/1998, of November 20. It also includes the amount of the policies' participation in the yields obtained from the investments used to cover the provisions. The calculation is made in accordance with the specific terms of each contract.

- *Liabilities for accounting asymmetries*: In order to mitigate accounting asymmetries resulting from the application of different valuation methods for certain assets and liabilities, losses or gains recognized in the income statement or in shareholders' equity from certain financial assets valued at fair value and assigned to certain insurance operations are recognized symmetrically in the income statement or in shareholders' equity with a balancing entry in the valuation of technical provisions or in the "Liabilities under insurance or reinsurance contracts - Liabilities due to accounting asymmetries" account.

In general, income and expenses from insurance or reinsurance contracts are recorded for accounting purposes by the Group on an accrual basis, being recorded on the basis of the actual flow of goods and services they represent and regardless of the model in which the monetary or financial flow derived therefrom is produced, taking into account the correlation between the income generated and the corresponding expenses. Insurance and reinsurance premiums are accounted for on an accrual basis, including premiums earned and ceded during the year and changes in the corresponding technical provisions for unearned premiums. Technical expenses for claims, which are recorded on an accrual basis, reflect the payments for benefits derived from insurance contracts and the expenses paid attributable to the settlement of such contracts; they also include the variations in the corresponding technical provisions for benefits.

2.22 Gains/losses after tax from discontinued operations

Income and expenses, whatever their nature, including those relating to impairment losses, generated in the year by the operations of a Group component which have been classified as discontinued operations, even if they were generated prior to such classification, are presented, net of the tax effect, in the consolidated income statement as a single amount under "Profit/loss after tax from discontinued operations," whether the component remains in the consolidated balance sheet or has been removed from it, also including in this item the results obtained on its sale or disposal.

During the fiscal years 2022 and 2021, the Group did not have any gains/losses from discontinued operations that should be recorded under this caption in the consolidated statement of income.

2.23 Business combinations

Business combinations are considered to be those transactions by which two or more entities or economic units are merged into a single entity or group of companies.

Business combinations carried out after January 1, 2004 by which the Group acquires control of an entity are accounted for as follows:

-The Group estimates the cost of the business combination, defined as the fair value of the assets delivered, the liabilities incurred and the equity instruments issued, if any, by the acquirer.

-The fair value of the assets, liabilities and contingent liabilities of the acquired entity is estimated, including those intangible assets that may not be recorded by the acquired entity, which are included in the consolidated balance sheet at those values.

- The difference between the net fair value of the assets, liabilities and contingent liabilities of the acquired entity or economic unit and the cost of the business combination is recorded in the consolidated financial statements as follows:

- If the difference between the net fair value of the assets, liabilities and contingent liabilities of the entity or economic unit acquired and the cost of the business combination is negative, it will be recognized in the consolidated income statement as income, under "Negative goodwill recognized in income", after reassessing the fair values assigned to all the assets and liabilities and the cost of the business combination.

- If the difference between the net fair value of the net fair value of the assets, liabilities and contingent liabilities of the entity or economic unit acquired and the cost of the business combination is positive, goodwill in consolidation will be recorded, which in no case will be amortized, but will be subject to the impairment analysis established in International Financial Reporting Standards on an annual basis.

In acquisitions of staged participations in a certain entity, whereby, by virtue of one of the purchases made, control over the investee is acquired, the following accounting criteria are applied by the Group:

-The cost of the business combination is the sum of the cost of each of the individual transactions.

-For each of the acquisitions of shareholdings made up to the time that control over the acquired entity is acquired, goodwill or the negative consolidation difference is calculated separately for each transaction, applying the procedure described earlier in this Note.

-The difference that may exist between the fair value of the acquired entity's assets and liabilities at each successive acquisition date and their fair value at the date on which control over such interest is acquired is recorded as a revaluation of such assets and liabilities.

2.24 Net equity

The accounting policies considered by the Unicaja Banco Group for net equity that have not been described in other sections of this note are included below:

- Issued capital: The "Capital" heading in the consolidated balance sheet includes the amount of capital issued and subscribed, paid-up or required to be paid by the Parent Company's shareholders. The breakdown of this caption is as follows:

    - Paid-up capital: Includes the amount of paid-up capital.

    - Non paid-up capital required: Comprises the amount of issued and subscribed capital called up from shareholders and pending payment.

    - Pro memoria: uncalled capital: Includes the amount of issued and subscribed capital that has not been required from shareholders. This heading has no impact on the Group's net worth.

- Share premium: Includes the amount paid in by members or shareholders in capital issues above the nominal amount.

- Equity instruments issued other than share capital: This item is broken down as follows:

    - Net equity component of compound financial instruments: Includes the amount of the segregated net equity component of compound financial instruments, as described in Note 2.2.

    - Other equity instruments issued: Includes equity instruments that are financial instruments other than "equity" and "equity component of compound financial instruments".

- Other elements of net equity: Comprises all equity instruments that are not financial instruments, including, but not limited to, transactions with payments based on equity instruments.

- Accumulated earnings: The net amount of retained earnings (profit or loss) recognized in prior years through the condensed consolidated income statement that are pending distribution or that, in the distribution of profit, were allocated to equity. Therefore, it includes legal, statutory and voluntary reserves arising from the distribution of profits.

- Revaluation reserves: This includes the amount of reserves resulting from the first application of Bank of Spain Circular 4/2004, of December 22, 2004, to credit institutions, on public and confidential financial reporting standards and financial statement formats, which have not been transferred to other types of reserves.

- Other reserves: This item is broken down in the consolidated balance sheet as follows:

    - Cumulative reserves or losses on investments in joint ventures and associates: Includes the net amount of accumulated profit or loss from previous years by companies accounted for using the equity method and recognized on the consolidated income statement.

- Others: Includes the amount of reserves not included in other items, such as amounts arising from permanent adjustments made directly in equity as a result of expenses in the issuance or reduction of own equity instruments, disposals of own equity instruments and the retrospective restatement of financial statements due to errors and changes in accounting criteria, net, if applicable, of the tax effect.

- Own shares: Includes the amount of financial instruments (shares or other equity instruments), which have the characteristics of equity, and which have been repurchased by the Parent Company or any other Group entity.

  In this sense, the value of equity instruments issued by Unicaja Banco and in the possession of the Bank and/or Group entities is recorded, net of consolidated equity, under “Shareholders’ equity – treasury shares” of the consolidated balance sheet. These own equity instruments are recorded at acquisition cost and gains and losses generated on disposal are credited or debited, as appropriate, to “Shareholders' equity - Other reserves” in the consolidated balance sheet. Changes in the value of instruments classified as shareholders' equity are not recorded in the financial statements.

- Profit attributable to the owners of the parent company: This item includes the amount of the profit generated in the year attributable to the shareholders or owners of the parent company recorded through the income statement.

- Interim dividends: Includes the amount of dividends agreed or paid on account of income for the year.

  Regarding the accounting treatment of dividends, these are recorded as distributions of net equity at the time they are approved by the Parent Company's Shareholders' Meeting, recording a liability until the time of payment. When interim dividends are distributed, they are recorded as a deduction from equity under "Interim dividends" in the consolidated balance sheet until the distribution of income is approved by the Shareholders' Meeting.

- Other cumulative overall income: “Accumulated other comprehensive income" in the consolidated balance sheet includes the cumulative amounts, net of the tax effect, of adjustments made to assets and liabilities whose changes in value are recorded in other comprehensive income. Items included in this category are broken down, based on their type, into "Items that will not be reclassified to profit or loss" and "Items that may be reclassified to profit or loss".

- Minority interest: The heading "Minority interests [non-controlling interests]" in the consolidated balance sheet includes the net amount of the equity of the subsidiaries attributed to the external partners of the group (i.e. the amount that has not been attributed, directly or indirectly, to the owners of the parent company), including the amount, in the part corresponding to them, of the profit or loss for the year. This item consists of the following entries:

  - Accumulated other comprehensive income: includes amounts attributed to minority interests, net of the tax effect, of accumulated gains and losses recognized directly in equity through the statement of recognized income and expense.

  - Other items: includes the remaining equity attributable to minority interests in the group, including the income for the year attributable to them.

2.25 Balances and transactions with related parties

A party is considered to be related to the entity if such party:

a) directly, or indirectly through one or more intermediaries: (i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and other subsidiaries of the same parent); (ii) has an interest in the entity that gives it significant influence over the entity; or (iii) has joint control over the entity;

b) is an associated entity (as defined in Note 2.1.3);

c) is a joint venture (as defined in Note 2.1.2);

d) is key management personnel of the entity or its parent company;

e) is a close relative of a person falling under (a) or (d);

f) is an entity over which any of the persons in (d) or (e) exercises control, joint control or significant influence, or has, directly or indirectly, significant voting power; or

g) is a post-employment benefit plan for employees, whether they are employees of the entity itself or of another related party.

A related party transaction is any transfer of resources, services or obligations between related parties, whether or not a price is charged. When considering each potential related party relationship, attention must be paid to the substance of the relationship, not just its legal form.

2.26 Consolidated statement of recognized income and expense

This financial statement presents the income and expenses generated by the Group as a result of its activity during the year, distinguishing those recorded as results in the consolidated profit and loss account for the year and the other income and expenses recorded, in accordance with the provided for in the current regulations, directly in the consolidated equity, distinguishing between the latter, in turn, between those items that may be reclassified to results in accordance with the provisions of the applicable regulations and those that cannot. Accordingly, this statement presents:

a) The consolidated profit or loss for the year.
b) The net amount of income and expenses recognized directly and temporarily during the year as "Accumulated other comprehensive income" in shareholders' equity.
c) The net amount of income and expenses recognized during the year directly and definitively recorded in shareholders' equity as "Accumulated other comprehensive income".
d) Income tax accrued for the items indicated in letters b) and c) above, except for valuation adjustments originating from shares in associated companies or joint ventures valued using the equity method, which are presented in net terms.
e) The transfer to the consolidated income statement of income and expenses recognized temporarily under "Accumulated other comprehensive income".
f) Total recognized income and expenses, calculated as the sum of letters a) to d) above, showing separately the amount attributed to the parent company and the amount corresponding to minority interests.

The amount of income and expenses corresponding to entities accounted for using the equity method recorded directly against consolidated equity is presented in this statement, whatever its nature, under the heading "Share in other recognized income and expenses of investments in joint ventures and associates.”

Variations in income and expenses recognized in equity as "Accumulated other comprehensive income" temporarily until their reversal in the profit and loss account are broken down into:

-Gains (losses) from valuation: includes the amount of income, net of expenses originating in the year, recognized directly in equity. The amounts recognized in the year as "Other accumulated comprehensive income" are recorded in this item, even if in the same year they are transferred to the consolidated profit and loss account, at the initial value of other assets or liabilities or are reclassified to another item.

-Amounts transferred to the consolidated profit and loss account: includes the amount of valuation gains or losses previously recognized in consolidated equity, even in the same year, which are recognized in the consolidated profit and loss account for the year.

-Amounts transferred to the initial value of the hedged items: this comprises the revaluation gains and losses previously recognized in consolidated equity, even in the same period, which are recognized in the initial carrying amount of the assets and liabilities as a result of cash flow hedges.

-Other reclassifications: includes the amount of the transfers made in the year between items of "Accumulated other comprehensive income" in accordance with the criteria established in current regulations.

The amounts of these items are presented by their gross amount, showing their corresponding tax effect in the “Income Tax” headings of the state.

2.27 Consolidated statement of changes in total net equity

The consolidated statement of changes in total net equity presents all changes in equity, including those originating from changes in accounting criteria and corrections of errors. This statement thus shows a reconciliation of the book value at the beginning and at the end of the year of all the items that make up the equity, grouping the movements according to their nature in the following items:

-Effects of the correction of errors and changes in accounting policies: which includes changes in equity that arise as a result of the retrospective restatement of the balances of the financial statements originating from changes in accounting criteria or in the error correction.

-Total comprehensive income for the year: includes, in aggregate, the total of the previously indicated items recorded in the statement of recognized income and expenses.

-Other changes in equity: includes the rest of the items recorded in equity, such as the distribution of results, operations with own equity instruments, payments with equity instruments, transfers between equity items and any other increase or decrease in net worth.

2.28 Consolidated cash flow hedges statement

“Cash” includes both cash and demand bank deposits. “Cash equivalents” are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

In the Group's consolidated statements of cash flows for the years 2022 and 2021, the following expressions are used in the following senses:

- Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value and, exclusively, since they form part of cash management, bank overdrafts repayable on demand, which reduce the amount of cash and cash equivalents.

-Operating activities: the typical activities of credit institutions, as well as other activities that cannot be classified as investment or financing. Interest paid on any financing received, even if considered as financing activities, is also considered as operating activities.

-Investment activities: activities that involve the acquisition, sale or disposal by other means of long-term assets and other investments that are not considered to be cash and cash equivalents.

-Financing activities: activities that cause changes to the size and composition of the net equity and liabilities that are not considered operating activities, such as subordinated liabilities.

Certain adjustments are included as part of the cash flows from operating activities in order to obtain the amount of such cash flows from the consolidated income for the year. As of December 31, 2022 and 2021, in addition to amortization, "Other adjustments" are included, which correspond to items in the consolidated income statement that do not generate cash flows.

In preparing the consolidated cash flow statements, “Cash and cash equivalents” were considered to be short-term, highly liquid investments that are subject to a negligible risk of changes in value. In this way, the Unicaja Banco Group considers cash or cash equivalents, the following financial assets and liabilities:

-Cash owned by the Group, which is recorded under "Cash, cash balances at central banks and other demand deposits" in the consolidated balance sheet. The amount of cash owned by the Group at Saturday, December 31, 2022 amounts to 494,083 thousand Euros (581,804 Euros as of December 31, 2021) (Note 7).

- The balances held with central banks, which are recorded under "Cash, cash balances at central banks and other demand deposits" in the consolidated balance sheet, which at December 31, 2022 amounted to 4,071,871 thousand Euros (20,560,121 thousand Euros as of December 31, 2021) (Note 7).

-Demand balances held with credit institutions, other than balances held with Central Banks and except for mutual accounts. Demand debit balances held with credit institutions other than central banks are recorded, among other items, under the heading "Cash, cash balances in central banks and other demand deposits" of the consolidated balance sheet, increasing their amount as of December 31, 2022 to 95,872 thousand Euros (155,578 thousand Euros as of December 31, 2021) (Note 7).

In accordance with paragraph 48 of IAS 7, the Group is required to disclose in its consolidated financial statements, with appropriate explanations, any material amounts of its cash and cash equivalents that are not available for use by the Group.

2.29 Segment reporting

In accordance with IFRS 8, an operating segment is a component of an entity: (a) that engages in business activities from which it may earn revenues from ordinary activities and incur expenses (including revenues from ordinary activities and expenses for transactions with other components of the same entity), (b) whose operating results are regularly reviewed by the chief operating decision maker of the entity to decide on the resources to be allocated to the segment and to evaluate its performance; and (c) for which discrete financial information is available.

An operating segment may comprise business activities from which revenues are not yet earned, for example, newly created businesses may be operating segments before revenues are earned from their ordinary activities.

An entity must disclose information about each operating segment separately: (a) has been identified in accordance with the above criteria or results from the aggregation of two or more of these segments, and (b) exceeds the following quantitative thresholds:

- Its reported revenues from ordinary activities, including both sales to external customers and inter-segment sales or transfers, are equal to or greater than 10 percent of the combined revenues from ordinary activities, internal and external, of all operating segments.
- The absolute amount of its reported results is, in absolute terms, equal to or greater than 10 percent of the greater of (i) the combined profit reported by all operating segments that have not presented losses; (ii) the combined loss reported by all operating segments that have presented losses.
- Its assets are equal to or greater than 10 percent of the combined assets of all operating segments.

2.30 Earnings per share

“Basic earnings per share” is intended to provide a measure of the parent entity's share of the parent entity's performance for the reporting period. The Group calculates basic earnings per share on the profit for the year attributable to ordinary equity holders of the parent entity and, if applicable, on the profit for the year from operations or activities other than restructuring due to discontinuance or cessation of one of the components of the entity, or continuing operations, attributable to such equity holders. Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary equity holders of the parent company (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the year.

“Diluted earnings per share” are intended to provide a measure of the participation of each common share in the entity's performance, but taking into account the dilutive effects inherent in the potential common shares outstanding during the period. As a result of the above:

(a) income for the year attributable to holders of common equity instruments shall be increased by the amount of dividends and interest, after tax, recognized in the period in respect of the dilutive potential common shares, and adjusted for any other changes in income and expense that may result from the conversion of the dilutive potential common shares; and

(b) the weighted average number of ordinary shares outstanding will be increased by the weighted average number of additional ordinary shares that would have been outstanding if all potential ordinary shares had been converted on a dilutive basis.

The Group calculates diluted earning amounts per share amounts for the profit or loss attributable to ordinary equity holders of the parent company and, if applicable, the profit or loss from continuing operations attributable to such equity holders. To calculate diluted earnings per share, the Group adjusts the profit for the year attributable to holders of ordinary equity instruments and the weighted average number of shares outstanding for all dilutive effects inherent to potential ordinary shares.

To calculate diluted earnings per share, the Group adjusts the profit for the year attributable to ordinary equity holders of the parent entity for the effect, net of tax, of the following: (a) the amount of dividends, or other items associated with the dilutive potential ordinary shares, deducted in arriving at profit or loss attributable to ordinary equity holders of the parent; (b) any rights recognized in the period associated with the dilutive potential ordinary shares; and (c) any other changes in income or expense for the period that would result from the conversion of the dilutive potential ordinary shares.

3. Distribution of Parent Company's results and earnings per share

3.1 Distribution of Parent Company's income (loss)

The Parent Entity's net profit distribution proposal for financial year 2022 that its Board of Directors will submit to the approval of the General Shareholders' Meeting, together with the one already approved for financial year 2021, is as follows:

	Thousands of Euros	
	Proposal 2022	**Approved 2021**
Dividends - Dividend assets	128,576	67,338
Reserves - Voluntary reserves	106,483	1,017,507
Net income for the year	**235,059**	**1,084,845**

The proposed distribution of the profit for 2022 includes an active dividend of 128,576 thousand euros, which represents a dividend of 0.0484 euros per share. The proposed distribution of the 2021 profit included an active dividend of 67,338 thousand euros, representing a dividend of 0.0254 euros per share.

In accordance with Royal Legislative Decree 1/2010, of July 2, which approves the Consolidated Text of the Capital Companies Law, entities that obtain profits in a financial year must provide 10% of the profit for the year to the legal reserve. These allocations must be made until the legal reserve reaches at least 20% of the paid-up share capital. The legal reserve may be used to increase the capital stock in the part of its balance that exceeds 10% of the capital stock already increased. As long as it does not exceed 20% of the capital stock, the legal reserve may only be used to offset losses, provided that sufficient other reserves are not available for this purpose. In the proposal for the distribution of the profit for the years 2022 and 2021, the allocation of the legal reserve is not proposed as 20% of the paid-up capital stock was already reached.

3.2 Earnings per share

The basic profit per share is determined by dividing the net income for the year attributed to the Bank by the weighted average number of shares outstanding during that year, excluding the average number of treasury shares held throughout the year.

Diluted earnings per share are determined similarly to basic earnings per share, but the weighted average number of shares outstanding is adjusted to take into account the potential dilutive effect of stock options, warrants and convertible debt outstanding at year-end.

The basic and diluted earnings per share of the Unicaja Banco Group for the years ended December 31, 2022 and 2021 are presented below:

	2022	2021
Profit/loss attributed to the parent company (in thousands of Euros)	259,677	1,113,202
Adjustments: Remuneration of contingently convertible instruments (thousands of Euros)	(6,850)	(6,850)
Adjusted income (in thousands of Euros)	252,827	1,106,352
Of which: Income (loss) from continuing operations (in thousands of Euros)	*252,827*	*1,106,352*
Of which: Income (loss) from discontinued operations (in thousands of Euros)		-
Weighted average number of common shares outstanding minus the weighted average number of common shares outstanding for treasury stock (in thousands)	2,653,106	2,033,709
Basic earnings per share in continuing operations (in Euros)	0.095	0.544
Basic earnings per share in discontinued operations (in Euros)	-	-
Total basic earnings per share (in Euros)	**0.095**	**0.544**

	2022	2021
Profit/loss attributed to the parent company (in thousands of Euros)	259,677	1,113,202
Adjustments: Remuneration of contingently convertible instruments (thousands of Euros)	(6,850)	(6,850)
Adjusted income (in thousands of Euros)	252,827	1,106,352
Of which: Income from continuing operations (net of minority interests)	*252,827*	*1,106,352*
Of which: Income from discontinued operations (net of minority interests)	-	-
Weighted average number of common shares outstanding reduced by treasury stock (in thousands)	2,653,106	2,033,709
Average number of shares resulting from conversion of bonds (in thousands)	-	-
Adjusted average total number of shares for the calculation of the benefit diluted per share (in thousands)	2,653,106	2,033,709
Diluted earnings per share from continuing operations (in Euros)	0.095	0.544
Diluted earnings per share in discontinued operations (in Euros)	-	-
Total diluted earnings per share (in Euros)	**0.095**	**0.544**

At December 31, 2022 and 2021, the Unicaja Banco Group has issued Perpetual Contingent Convertible Bonds (PeCoCos) recorded under the caption "Equity instruments issued other than capital" whose discretionary remuneration is conditioned to the fulfillment of a series of conditions (Note 22.2).

In application of IAS 33 "Earnings per share", the average number of shares outstanding during fiscal years 2022 and 2021 has been used.

Contingent Convertible Perpetual Debentures (PeCoCos) have no impact on the calculation of diluted earnings as their conversion is remote. In the event of considering the convertibility of these instruments, at Saturday, December 31, 2022 they would have an anti-dilutive effect, as earnings per share would be increased to €0.096 per share in the event of conversion of PeCoCos into shares (at Friday, December 31, 2021 they would have a dilutive effect, as earnings per share would have been reduced to €0.537 per share).

3.3 Dividends paid

Based on the foregoing, the dividends paid by Unicaja Banco, S.A. during the years ended December 31, 2022 and 2021 are as follows:

	Thousands of Euros					
			2022			**2021**
	% of nominal	**Euros per share**	**Amount**	**% of nominal**	**Euros per share**	**Amount**
Ordinary shares	10.15%	0.0254	67,338	1.07%	0.0107	16,909
Other shares (with no vote, redeemable, etc.)	-	-	-	-	-	-
Total dividends paid	**10.15%**	**0.0254**	**67,338**	**1.07%**	**0.0107**	**16,909**
a) Dividends charged to profit or loss			67,338			16,909
b) Dividends charged to reserves or issue premium			-			-
c) Dividends in kind			-			-

The above calculation has been made taking into account the number of shares existing at the date on which the distribution of income occurred, without taking into account convertible instruments with dilutive effect.

In addition, discretionary distributions on the Contingent Convertible Perpetual Bonds (PeCoCos) were agreed and paid in 2022 for a total amount of 6,850 thousand euros (6,850 thousand euros in 2021) (see Note 22.2). 24,373 thousand of discretionary remuneration was paid in relation to the Contingently Redeemable Preferred Participations in 2022 (see Note 22.2).

4. Goodwill in entities accounted for using the equity method

At December 31, 2022 and 2021, the Bank held goodwill in entities accounted for using the equity method amounting to €53,104 thousand and €53,708 thousand respectively. This goodwill was generated mainly on the basis of the comparison with the net fair value of the assets, liabilities and contingent liabilities acquired by the Entity in the acquisition of the ownership interest in Hidralia, Gestión Integral de Aguas de Andalucía, S.A., Liberbank Vida y Pensiones, Seguros y Reaseguros, S.A. and CCM Vida y Pensiones de Seguros y Reaseguros, S.A.

As of December 31, 2022 and 2021, goodwill is recorded as part of the acquisition cost of the acquired entities under "Investments in joint ventures and associates" in the consolidated balance sheet. The amounts pending impairment in each of the years are based on the profits of the acquired entities expected by the Parent Company's directors, considering the strength of its customer base and the average revenue per customer figures.

Pursuant to Note 2.16, the goodwill in the company "Hidralia, Gestión Integral de Aguas de Andalucía, S.A." has been impaired by 604 thousand Euros in 2022 and 2021, being recorded under the heading "Impairment or reversal of non-financial assets - Intangible assets" in the consolidated income statement (Note 42).

Below is a table showing the initial recognition date of goodwill in these companies and its initial gross amount, as well as the amounts impaired since their origin (accumulated write-downs) and the net amount of goodwill as of December 31, 2022 and 2021:

			Thousands of Euros			
			Accumulated write-downs		Net amount	
	Initial amount	Initial registration date	2022	2021	2022	2021
Hidralia, Gestión Integral de Aguas de Andalucía, S.A.	20,467	Sep. 2005	19,651	19,047	816	1,420
Vida y Pensiones, Seguros y Reaseguros, S.A.	7,752	Jul. 2021	-	-	7,752	7,752
CCM Vida y Pensiones de Seguros y Reaseguros, S.A.	44,536	Jul. 2021	-	-	44,536	44,536
	72,755		**19,651**	**19,047**	**53,104**	**53,708**

In the case of Hidralia, Gestión Integral de Aguas de Andalucía, S.A., since the goodwill is linked to administrative concessions and licenses of the acquired entity for a certain period of time, the Bank's directors consider that, unless there is other evidence of impairment, the recoverable amount of the goodwill recorded is reduced in proportion to the number of years remaining until the end of the administrative concession or license. In this regard, the Group performs a periodic valuation of goodwill, based on its recoverable amount, in order to verify whether an additional impairment is necessary over time, in accordance with IAS 36.

In the case of Liberbank Vida y Pensiones, Seguros y Reaseguros, S.A. and CCM Vida y Pensiones de Seguros y Reaseguros, S.A., the implicit goodwill is subject to periodic valuation by the Group, in order to determine the recoverable amount and verify whether it is necessary to make value corrections for impairment on the shareholding.

5. Segment reporting

The Group's main activity is retail banking, carrying out practically all of its activity in Spain, and the Directors consider that the type of customers is similar throughout its territorial scope of action. Therefore, in accordance with the provisions of the regulations, it is considered that the information corresponding to the segmentation of the Group's operations into different business lines and geographic segments is not relevant.

The information is reported using these segments, in line with the definition of operating segments in IFRS 8, and because it is considered to be the most relevant information in terms of providing the information required under IFRS 8.

The following segments identified were used as the basis upon which to report the information required under IFRS 8:

- Credit and insurance entities: these are the activities of the Bank and other Group companies that carry out financial services activities, as well as other activities of an ancillary nature carried out by the Group and for non-relevant amounts, and central or general services that are not have been allocated to any segment.

- Other entities, which includes the activities carried out by the rest of the Group companies that have not been included in the previous section.

Information by sector (products and services)

The following is the consolidated balance sheet of the Unicaja Banco Group with a breakdown by sector as of December 31, 2022 and 2021, with the same breakdown as the sector information reported to the Bank of Spain.

As of December 31, 2022 and 2021, the credit institutions and insurance sector accounts for almost all of total consolidated assets and consolidated equity.

a) Consolidated balance as of December 31, 2022:

	Distribution (thousands of Euros)			
ASSETS	**Total**	**Entities credit and insurance**	**Other entities**	**Adjustments and deletions**
Cash, cash balances with central banks and other deposits at a glance	4,661,826	4,675,799	-	(13,973)
Financial assets held for trading	57,101	57,101	-	-
Non-trading financial assets mandatorily valued at fair value through income	146,549	146,549	-	-
Financial assets designated at fair value with changes in profit or loss	-	-	-	-
Financial assets at fair value with changes in other results global	1,031,186	1,035,360	1,746	(5,920)
Financial assets at amortized cost	82,182,807	82,183,913	33,171	(34,277)
Derivatives - Hedge accounting	1,812,887	1,812,887	-	-
Changes in the fair value of the items covered in a portfolio with interest rate risk coverage	(237,836)	(237,836)	-	-
Investment in joint ventures and associates	976,478	1,012,624	-	(36,146)
Assets covered by insurance and reinsurance contracts	1,829	1,829	-	-
Tangible assets	1,995,541	1,995,534	50,036	(50,029)
Intangible assets	74,750	42,586	5,066	27,098
Tax assets	5,077,733	5,076,641	15,407	(14,315)
Other assets	663,780	661,655	7,590	(5,465)
Non-current assets and disposable groups of items classified as held for sale	558,422	558,422	7,818	(7,818)
Total assets	**99,003,053**	**99,023,064**	**120,834**	**(140,845)**

	Distribution (thousands of Euros)			
LIABILITIES AND NET EQUITY	**Total**	**Entities credit and insurance**	**Other entities**	**Adjustments and deletions**
Financial liabilities held for trading	53,174	53,174	15,255	(15,255)
Financial liabilities at amortized cost	88,936,640	88,942,139	71,933	(77,432)
Derivatives - Hedge accounting	1,081,824	1,081,824	-	-
Liabilities covered by insurance or reinsurance contracts	504,893	504,893	-	-
Provisions	1,085,330	1,084,556	2,279	(1,505)
Tax liabilities	366,157	366,157	7,979	(7,979)
Other liabilities	511,086	514,381	3,883	(7,178)
Total liabilities	**92,539,104**	**92,547,124**	**101,329**	**(109,349)**
Shareholders' equity	6,616,701	6,634,140	24,524	(41,963)
Other cumulative overall income	(153,197)	(158,200)	(5,019)	10,022
Non-controlling interests (non-significant holdings)	445	-	-	445
Total net equity	**6,463,949**	**6,475,940**	**19,505**	**(31,496)**
Total liabilities and net equity	**99,003,053**	**99,023,064**	**120,834**	**(140,845)**

b) Consolidated balance as of December 31, 2021:

ASSETS	Distribution (thousands of Euros) Total	Entities credit and insurance	Other entities	Adjustments and deletions
Cash, cash balances with central banks and other deposits at a glance	21,297,503	21,307,227	3,702	(13,426)
Financial assets held for trading	44,741	44,741	-	-
Non-trading financial assets mandatorily valued at fair value through income	228,227	228,227	-	-
Financial assets designated at fair value with changes in profit or loss	-	-	-	-
Financial assets at fair value with changes in other results global	1,297,820	1,299,221	205	(1,606)
Financial assets at amortized cost	81,991,738	82,020,152	44,542	(72,956)
Derivatives - Hedge accounting	815,044	815,044	-	-
Changes in the fair value of the items covered in a portfolio with interest rate risk coverage	99,301	99,301	-	-
Investment in joint ventures and associates	1,052,033	1,255,104	-	(203,071)
Assets covered by insurance and reinsurance contracts	1,949	1,949	-	-
Tangible assets	2,249,296	2,157,955	90,433	908
Intangible assets	79,806	35,833	5,640	38,333
Tax assets	5,250,087	5,241,522	7,877	688
Other assets	442,359	440,055	7,902	(5,598)
Non-current assets and disposable groups of items classified as held for sale	700,089	700,089	-	-
Total assets	**115,549,993**	**115,646,420**	**160,301**	**(256,728)**

LIABILITIES AND NET EQUITY	Distribution (thousands of Euros) Total	Entities credit and insurance	Other entities	Adjustments and deletions
Financial liabilities held for trading	31,123	31,122	-	1
Financial liabilities at amortized cost	105,475,581	105,483,805	60,138	(68,362)
Derivatives - Hedge accounting	999,690	999,690	-	-
Liabilities covered by insurance or reinsurance contracts	580,053	567,400	-	12,653
Provisions	1,428,127	1,427,249	2,146	(1,268)
Tax liabilities	389,104	389,048	56	-
Other liabilities	320,274	337,446	1,541	(18,713)
Total liabilities	**109,223,952**	**109,235,760**	**63,881**	**(75,689)**
Shareholders' equity	6,415,719	6,440,638	96,420	(121,339)
Other cumulative overall income	(90,104)	(29,978)	-	(60,126)
Non-controlling interests (non-significant holdings)	426	-	-	426
Total net equity	**6,326,041**	**6,410,660**	**96,420**	**(181,039)**
Total liabilities and net equity	**115,549,993**	**115,646,420**	**160,301**	**(256,728)**

Information on products or services

The Unicaja Banco Group understands that the information required by paragraph 32 of IFRS 8, which requires a breakdown of revenues from ordinary activities from external customers for each product and service, or for each group of similar products and services, is already included in the breakdowns in the notes on "Interest income" (Note 32) and "Fee and commission income" (Note 36) of this report, where detailed information is presented by major groups of products/services.

Information on geographical areas

The Unicaja Banco Group operates in Spain, with similar customer typology throughout the country. Therefore, the Group considers a single geographical segment for its operations, and the breakdown of the information required in paragraph 33 of IFRS 8 is not applicable.

For illustrative purposes, the distribution of interest income by geographic area for the years ending December 31, 2022 and 2021 is presented below.

	Thousands of Euros			
	Distribution of interest income by geographic area			
	Individual		**Consolidated**	
	2022	**2021**	**2022**	**2021**
Domestic market	1,260,632	864,515	1,259,780	852,123
Export				
European Union	-	-	-	-
OECD countries	-	-	-	-
Other countries	-	-	-	-
Total	**1,260,632**	**864,515**	**1,259,780**	**852,123**

Although the entire amount of interest income has been allocated to the domestic market, because the transactions are all recorded in the accounting records of Group entities domiciled in Spain (mainly Unicaja Banco, S.A.), it is noted that the amount of interest income obtained in 2022 from customers domiciled outside Spain amounts to 4,286 thousand euros, while the commission income obtained in 2022 from these same customers amounts to 123 thousand euros.

Information on main customers

The Unicaja Banco Group is mainly engaged in the retail banking business and there are no customers that account for more than 10 percent of the Group's ordinary revenues, so the Group considers that the disclosure required by paragraph 34 of IFRS 8 is not applicable.

6. Remuneration of the Board of Directors and Senior Management

6.1 Remuneration to the Parent Company's Board of Directors

The following table shows a detail of the remuneration accrued in favor of the members of the Board of Directors of the Parent Company, Unicaja Banco, S.A., exclusively in their capacity as Board Members during the fiscal years 2022 and 2021, which correspond to the amounts accrued as attendance fees, as well as fixed remuneration solely for their condition as Board Members.

	Thousands of Euros	
	2022	**2021**
Manuel Azuaga Moreno	60	60
Ángel Rodríguez de Gracia	-	34
Juan Fraile Cantón	87	87
Victorio Valle Sanchez	-	62
Isabel Martín Castellá	-	59
Teresa Sáez Ponte	89	89
Ana Bolado Valle	13	90
Manuel Conthe Gutiérrez	10	85
Petra Mateos-Aparicio Morales	79	80
Agustin Molina Morales	-	48
Manuel Muela Martín-Buitrago	76	79
María Luisa Arjonilla López	109	84
Jorge Delclaux Bravo	86	37
Felipe Fernández Fernández	75	31
María Garaña Corces	102	33
Manuel González Cid	19	35
Manuel Menéndez Menéndez	60	25
Ernesto Luis Tinajero Flores	53	28
David Vaamonde Juanatey	-	-
María Teresa Costa Campi	5	-
Rafael Domínguez de la Maza	27	-
Carolina Martínez Caro	39	-
Isidoro Unda Urzaiz	26	-

6.2 Remuneration of the Parent Company's Senior Management

For the purpose of preparing the 2022 financial statements, Unicaja Banco's Senior Management has been considered to include twenty-one people (twenty-five in 2021), including two Executive Board Members (three in 2021). The remuneration received by the members of this group in 2022 and 2021 amounted to 5,390 and 4,419 thousand Euros, respectively. On the other hand, the obligations incurred, based on the aforementioned schemes, in respect of post-employment benefits, arising exclusively from their status as employees or executives of the Bank, amounted 547 thousand Euros in 2022, with 570 thousand Euros having been charged in 2021, amounts fully covered by the related funds.

6.3 Other operations carried out with the members of the Board of Directors and with Senior Management

Note 45 "Related parties" includes the asset and liability balances as of December 31, 2022 and 2021 corresponding to transactions with the members of the Board of Directors and the Bank's Senior Management indicated above, as well as the detail of the income and expenses recorded in the income statement for both years for transactions carried out by these groups with the Bank, other than those included in Notes 6.1 and 6.2.

6.4 Post-employment benefits of former members of the Parent Company's Board of Directors and Senior Management

No charge has been made in the consolidated statement of income for 2022 and 2021 for pension commitments and similar obligations held by the Bank with former members of the Board of Directors and Senior Management of the Bank, since such commitments were fully covered in previous years through insurance policies.

7. Cash, cash balances with central banks, and other demand deposits

The breakdown of the balance of this heading in the consolidated balance sheets as of December 31, 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	**2021**
Cash	494,083	581,804
Deposits at the Bank of Spain	4,071,871	20,560,121
Other demand deposits	94,964	155,578
Valuation adjustments - accrued interest	908	-
	4,661,826	**21,297,503**

The interest accrued during the 2022 fiscal years on the Deposits at the Bank of Spain amounted to 32,641 thousand Euros, and was recorded under “Interest Income” of the consolidated income statement (Note 32). No interest has been accrued on these balances during fiscal year 2021.

8. Financial assets and liabilities at fair value through profit or loss

8.1 Financial assets and liabilities held for trading

8.1.1 Composition of the balance and maximum credit risk - debit balances

Below is a breakdown of the financial assets included in this category as of December 31, 2022 and 2021, classified by class of counterparty and type of instrument:

	Thousands of Euros	
	2022	**2021**
By types of counterparties -		
Credit institutions	45,465	32,149
Resident Public Administrations	-	-
Non-Resident Public Administrations	-	-
Other resident sectors	11,636	12,592
Other non-resident sectors	-	-
	57,101	**44,741**
By instrument type -		
Listed shares	9,387	12,592
Obligations and listed bonds	-	1,015
Derivatives traded in organized markets	-	-
Derivatives not traded in organized markets	47,714	31,134
	57,101	**44,741**

The carrying value recorded in the above table represents the Group's level of exposure to credit risk at the end of those years in relation to the financial instruments included therein.

The interest accrued during the years 2022 and 2021 for the debt instruments classified in the portfolio of financial assets held for trading were 20 thousand Euros and 36 thousand Euros respectively, and are included under the heading "Interest income" of the consolidated profit and loss account (Note 32).

The average effective interest rate of the debt instruments classified in this portfolio and in the rest of the portfolios at fair value through profit or loss as of December 31, 2022 was 0.08%(2.77% as of December 31, 2021).

The negative cash flow included in the consolidated statement of cash flows for the 2022 fiscal year for the debit balances of the portfolio of financial assets held for trading amounts to 12,360 thousand Euros (positive cash flow of 149,979 thousand Euros in the 2021 fiscal year).

8.1.2 Composition of the balance - credit balances

Below is a breakdown of the financial liabilities included in this category as of December 31, 2022 and 2021, classified by class of counterparty and type of instrument:

	Thousands of Euros	
	2022	**2021**
By types of counterparties -		
Credit institutions	38,442	20,596
Other resident sectors	14,732	10,527
	53,174	**31,123**
By instrument type -		
Derivatives traded in organized markets	21,691	-
Derivatives not traded in organized markets	31,483	31,123
	53,174	**31,123**

The positive flow included in the consolidated statement of cash flows for the year 2022 for the credit balances of the portfolio of financial liabilities held for trading amounts to 22,051 thousand Euros (positive flow of 17,900 thousand Euros in the year 2021).

8.1.3 Financial derivatives held for trading

Below is a breakdown, by derivative class, of the fair value of the Group's financial derivatives held for trading, as well as their notional value (amount based on which future payments and receipts of these derivatives are calculated) as of December 31, 2022 and 2021:

								Thousands of Euros
				2022				**2021**
		Receivables		**Payables**		**Receivables**		**Payables**
	Fair value	**Notional Amount**	**Fair value**	**Notional Amount**	**Fair value**	**Notional Amount**	**Fair value**	**Notional Amount**
Purchase and sale of unexpired foreign currency:	**394**	**30,017**	**379**	**30,018**	**748**	**30,475**	**872**	**91,064**
Purchases of foreign currencies against Euros	394	-	-	30,018	-	1,119	723	29,346
Sales of foreign currencies against Euros	-	30,017	379	-	748	29,356	149	61,718
Securities and interest rate futures:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Purchased	-	-	-	-	-	-	-	-
Sold	-	-	-	-	-	-	-	-
Security options:	**-**	**-**	**223**	**416,393**	**-**	**-**	**956**	**748,316**
Purchased	-	-	-	-	-	-	-	-
Issued	-	-	223	416,393	-	-	956	748,316
Interest rate options:	**2,557**	**34,507**	**2,628**	**78,853**	**48**	**14,628**	**119**	**57,330**
Purchases	2,557	34,507	-	9,084	48	14,628	-	-
Sales	-	-	2,628	69,769	-	-	119	57,330
Other Securities Operations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial swaps on securities	-	-	-	-	-	-	-	-
Term operations	-	-	-	-	-	-	-	-
Currency options	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Purchased	-	-	-	-	-	-	-	-
Issued	-	-	-	-	-	-	-	-
Other foreign exchange operations	**-**	**-**	**-**	**-**				
Currency swaps	-	-	-	-	-	-	-	-
Other interest rate transactions	**44,763**	**126,813**	**49,944**	**399,576**	**30,338**	**131,404**	**29,176**	**132,103**
Financial swaps on interest rates Interest (IRS)	44,763	126,813	49,944	399,576	30,338	131,404	29,176	132,103
Other products	**-**	**-**	**-**	**-**	-	-	-	-
	47,714	**191,337**	**53,174**	**924,840**	**31,134**	**176,507**	**31,123**	**1,028,813**

The notional amount of the contracts entered into does not reflect the actual risk assumed by the Group, since the net position in these financial instruments is the result of offsetting and/or combining these.

The methods applied by the Group in the valuation of financial instruments classified in this category are detailed in Note 11.

8.2 Financial assets not held for trading compulsorily valued at fair value through profit or loss

Below is a breakdown of the financial assets included in this category as of December 31, 2022 and 2021, classified by class of counterparty and type of instrument:

	Thousands of Euros	
	2022	**2021**
By types of counterparties -		
Credit institutions	31,418	81,737
Resident Public Administrations	-	18,108
Non-Resident Public Administrations	-	-
Other resident sectors	106,267	129,191
Other non-resident sectors	-	2,823
(Impairment losses)	(507)	(19,031)
Other valuation adjustments	9,371	15,399
	146,549	**228,227**
By instrument type -		
Debt securities:	33,522	93,822
Spanish public debt	-	-
Treasury Bills	-	-
Government bonds	-	-
Other Spanish public administrations	-	18,108
Foreign Public debt	-	-
Issued by financial institutions	31,418	81,737
Other fixed-income securities	2,104	12,085
(Impairment losses)	-	(18,108)
Other valuation adjustments	-	-
Loans and receivables	112,986	134,364
Loans and advances to customers	*104,122*	*119,888*
(Impairment losses)	*(507)*	*(923)*
Other valuation adjustments	*9,371*	*15,399*
Equity instruments:	41	41
Shares of listed Spanish companies	-	-
Shares of unlisted Spanish companies	41	41
Shares of listed foreign companies	-	-
Shares of unlisted foreign companies	-	-
Other investments	-	-
		-
	146,549	**228,227**

The interest accrued on the debt securities classified in this portfolio of financial assets during the years 2022 and 2021 amounted to 3,670 thousand Euros and 3,210 thousand Euros, respectively, which are recorded under the heading "Interest income" of the consolidated profit and loss account (Note 32).

The average effective interest rate of the debt instruments classified in this portfolio and in the rest of the portfolios at fair value through profit or loss as of December 31, 2022 and 2021 was 2.13% and 2.55% respectively.

The positive flow included in the consolidated statement of cash flows for the year 2022 for the debit balances of the portfolio of financial assets not intended for trading, valued compulsorily at fair value through profit or loss, amounts to 81,678 thousand Euros (positive flow of 2,557 thousand Euros in the 2021 financial year).

9. Financial assets at fair value through other comprehensive income

9.1 Composition of balance and maximum credit risk

Below is a breakdown of the financial assets included in this category as of December 31, 2022 and 2021, classified by class of counterparty and type of instrument:

	Thousands of Euros	
	2022	**2021**
By types of counterparties -		
Credit institutions	228,093	52,608
Resident Public Administrations	380,078	587,443
Non-Resident Public Administrations	37,223	24,999
Other resident sectors	332,486	548,389
Other non-resident sectors	53,306	84,381
(Impairment losses) (*)	-	-
Other valuation adjustments	-	-
	1,031,186	**1,297,820**
By instrument type -		
Debt securities:	667,986	670,701
Spanish public debt	405,381	555,374
Treasury Bills	-	-
Government bonds	*405,381*	*555,374*
Other Spanish public administrations	11,920	18,189
Foreign Public debt	-	24,999
Issued by financial institutions	211,624	50,769
Other fixed-income securities	39,061	21,370
(Impairment losses)	-	-
Other valuation adjustments	-	-
Equity instruments:	363,200	627,119
Shares of listed Spanish companies	79,144	29,207
Shares of unlisted Spanish companies	262,578	501,348
Shares of listed foreign companies	-	-
Shares of unlisted foreign companies	-	-
Other investments	21,478	96,564
	1,031,186	**1,297,820**

The carrying value recorded in the above table represents the Group's level of exposure to credit risk at the end of those years in relation to the financial instruments included therein.

All debt instruments at fair value through other comprehensive income are classified as normal risk (Stage 1) for credit risk purposes.

In 2022, the most significant movements in the portfolio of equity instruments classified as financial assets at fair value through other comprehensive income include the following transactions by the Group:

- Acquisition of 178,000 shares of Lyxor MSCI EMU Value (DR) UCITS ETF for 19,992 thousand Euros.
- Acquisition of 22,600,000 shares of STOXX Europe 600 Basic Resources UCITS ETF for 15,000 thousand Euros.
- Acquisition of 337,500 shares of NN Group NV for 14,793 thousand Euros.
- Acquisition of 158,400 shares of Sanofi S.A. for 14,523 thousand Euros.
- Acquisition of 672,000 securities of SPDR® S&P Euro Dividend Aristocrats UCITS ETF (EUR) | EUDI for 13,937 thousand Euros.
- Disposal of 1,540,300 securities of Invesco AT1 Capital Bond UCITS ETF EUR Hedged Dist amounting to 30,723 thousand Euros, which generated a positive result of 2,649 thousand Euros.
- Disposal of 221,120 securities of Invesco iShares J.P. Morgan $ EM Bond EUR Hedged UCITS ETF (Dist), amounting to 19,987 thousand Euros, which has generated a negative result of 2,463 thousand Euros.

It should also be noted that, on June 27, 2022, Unicaja Banco signed with Helvetia Schweizerische Versicherungsgesellchaft AG (hereinafter, Helvetia) a contract for the purchase and sale of shares of Caja de Seguros Reunidos, Compañía de Seguros y Reaseguros, S.A. (hereinafter, Caser), whereby Unicaja Banco transfers 718,661 shares of Caser, equivalent to 9.99% of the capital of this company, for a price of 122,519 thousand Euros, equivalent to 170.48 Euros per share. On the same date, June 27, 2022, the deed of elevation to public deed and execution of the purchase and sale agreement was executed. This sale transaction has led to a reclassification of the heading "Other cumulative overall income" to "Reserves" in the amount of 44,937 thousand Euros (of which 7,345 thousand Euros represent an increase in equity for the Unicaja Banco Group in financial year 2022), since it is an equity instrument classified in the portfolio of financial assets at fair value with changes in other comprehensive income. As a result, Unicaja Banco's stake in Caser at year-end 2022 amounts to 9.99%, down from 19.97% at year-end 2021.

In 2021, the most significant movements in the portfolio of equity instruments classified as financial assets at fair value through other comprehensive income include the following transactions by the Group:

-Acquisition of 718,661 shares of Caser Seguros, S.A. for 115,177,000 Euros. (*)
-Acquisition of 1 share of CECA Association Shares in the amount of 62,609,000 Euros. (*)
-Acquisition of 888,958 shares of Cecabank, S.A. for an amount of 6,674,000 Euros. (*)
-Acquisition of 1,674,550,313 shares of Corporación Alimentaria Peñasanta, S.A. for 39,682,000 Euros. (*)
-Acquisition of 598,000 securities of iShares Core Euro Stoxx 50 UCITS ETF EUR in the amount of 24,237,000 Euros.
-Acquisition of 162,800 shares of Sanofi, S.A, for an amount of 13,992,000 Euros.
-Acquisition of 212,000 shares of Lyxor MSCI EMU Value (DR) UCITS ETF for 24,263,000 Euros.
-Acquisition of 410,000 shares of Deutsche Telekom AG for 7,020,000 Euros.
-Acquisition of 239,000 AT1 Capital Bond UCITS ETF Acc shares for 5,016,000 Euros.
- Acquisition of 261,000 Euro Stoxx Quality Dividend UCITS ETF 1D securities for 5,014,000 Euros.
- Acquisition of 56,240 securities of iShares JP Morgan JP Morgan $ EM Bond EUR Hedged UCITS ETF (Dist) for 5,001,000 Euros.
- Disposal of 1,355,877 shares of Deutsche Telekom AG for EUR 21,012,000 which gave rise to a gain of EUR 694,000.
- Disposal of 306,360 shares of Bayer AG, amounting to EUR 20,374,000, which gave rise to a loss of EUR 5,052,000.
- Disposal of 2,345,380 Euro Stoxx Quality Dividend UCITS ETF 1D securities, amounting to 42,716,000 Euros, which generated a positive result of 5,684,000 Euros.
- Disposal of 4,703 securities of Cajas Españolas de Ahorros SICAV Class IV Distribution, amounting to EUR 28,078,000 which gave rise to a loss of EUR 6,078,000.
- Disposal of 107,300 shares of Sanofi S.A., for an amount of 9,222,000 Euros, which generated a positive result of 156,000 Euros.
- Disposal of 280,281 Total Energies SE shares for 12,621,000 Euros, which generated a negative result of 652,000 Euros.

(*) These shares arise from the merger by absorption of Liberbank (Note 1.14).

In 2022 and 2021 the results generated by sales of equity instruments have not been recorded in the consolidated income statement, in accordance with the provisions of IFRS 9 in this regard. Instead, they have been transferred from the "Accumulated other comprehensive income" section directly to the equity reserves caption.

The interest accrued during the years 2022 and 2021 for the debt instruments classified in this portfolio amounted to 2,539 thousand Euros and 3,334 thousand Euros, respectively, and is included under the heading "Interest income" in the income statement and consolidated earnings (Note 32).

The average effective interest rate of debt securities in this portfolio as at December 31, 2022, was 3%(1.00% as at December 31, 2021).

The positive flow included in the consolidated statement of cash flows for the 2022 financial year for the financial assets classified in this portfolio amounts to 266,634thousand Euros (positive flow of 529,378 thousand Euros in the 2021 financial year).

9.2 Accumulated other comprehensive income - Items that may be reclassified to earnings

The reconciliation of the opening and closing balances of accumulated other comprehensive income for the portion that refers to this portfolio, and for the items that can be reclassified to profit or loss, of equity in the consolidated balance sheet for the years 2022 and 2021, with the amounts recorded in the consolidated statement of income as income from financial transactions and impairment losses on financial assets, and to the amounts recorded in the consolidated statement of recognized income and expense, is presented below.

	Thousands of Euros	
	2022	**2021**
Accumulated other comprehensive income - Items that can be reclassified as results - Balance at the end of the previous year	**26,757**	**48,147**
Transfers to results	**-**	**4,669**
Portion allocated in the consolidated profit and loss account	-	4,669
Variation in the fair value of the securities sold in the year from January 1 or from the date of purchase to the date of sale thereof	-	-
Fair value changes	**(92,761)**	**(35,226)**
Other changes	**-**	**-**
Income tax	**27,828**	**9,167**
Accumulated other comprehensive income - Items that can be reclassified as results - Balance at the end of the current fiscal year	**(38,176)**	**26,757**

The breakdown of transfers to income recognized in the consolidated income statement in 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	2021
Results of financial operations (Note 38)	-	4,669
Cash flow hedging due to revenue recognition	-	-
Exchange differences	-	-
Impairment of financial assets at fair value with changes in other comprehensive income	-	-
	-	**4,669**

9.3 Other accumulated comprehensive income - Items that cannot be reclassified in results

The reconciliation of the opening and closing balances of accumulated other comprehensive income - Items that cannot be reclassified to profit or loss - Financial assets at fair value through other comprehensive income to equity in the consolidated balance sheet for the years 2022 and 2021, based on the amounts recorded in the consolidated statement of recognized income and expense, is presented below.

	Thousands of Euros	
	2022	2021
Accumulated other comprehensive income - Items that cannot be reclassified as results - Balance at the end of the previous year	**83,927**	**66,327**
Fair value changes	(140,104)	25,143
Other changes	-	-
Income tax	42,031	(7,543)
Accumulated other comprehensive income - Items that cannot be reclassified as results - Balance at the end of the current fiscal year	**(14,146)**	**83,927**

10. Financial assets at amortized cost

Below is a breakdown of the financial assets included in this category as of December 31, 2022 and 2021, by nature of exposure:

	Thousands of Euros	
	2022	2021
Debt securities	26,867,077	24,849,659
Loans and advances	55,315,730	57,142,079
Central banks	-	-
Credit institutions	*989,977*	1,118,984
Customers	*54,325,753*	56,023,095
	82,182,807	**81,991,738**

10.1 Composition of balance and maximum credit risk

Below is a breakdown of the financial assets included in this category as of December 31, 2022 and 2021, classified by class of counterparty and type of instrument:

	Thousands of Euros	
	2022	**2021**
By types of counterparties -		
Credit institutions	2,157,290	2,813,587
Resident Public Administrations	23,151,913	19,830,831
Non-Resident Public Administrations	9,782,922	8,699,767
Other resident sectors	48,948,593	50,891,769
Other non-resident sectors	700,260	918,365
(Impairment losses)	(1,303,817)	(1,366,660)
Other valuation adjustments	(1,254,354)	204,079
Accrued interest	*105,312*	73,996
Micro hedge operations	*(1,702,376)*	(170,770)
Commissions pending accrual	*(58,318)*	(69,580)
Other products and discounts in assumption	*401,028*	370,433
	82,182,807	**81,991,738**
By instrument type -		
Credits and loans at variable interest rate	26,713,603	30,844,980
Credits and loans at a fixed interest rate	28,073,518	24,517,731
Debt securities	28,510,928	25,093,354
Temporary acquisitions of assets	300,000	971,306
Term deposits with credit institutions	29,775	27,818
Other deposits into credit institutions	72	-
Other financial assets	1,113,082	1,699,130
(Impairment losses)	(1,303,817)	(1,366,660)
Other valuation adjustments	(1,254,354)	204,079
	82,182,807	**81,991,738**

The carrying value recorded in the above table represents the Group's level of exposure to credit risk at the end of those years in relation to the financial instruments included therein.

Loans and advances with credit institutions, consisting mainly of deposits with these types of institutions, are classified entirely at normal risk (Stage 1). The breakdown by stages of the remaining exposures under this caption is detailed in Notes 10.2 and 10.3.

The interest accrued during the years 2022 and 2021 for the credit to customers has been 821,052 thousand Euros and 559,393 thousand Euros, respectively (including doubtful), and is included in the heading of "Interest income" of the consolidated income statement (Note 32). Likewise, the interest accrued by deposits in credit institutions totaled 2,545 thousand Euros and 1,275 thousand Euros respectively, and are also included under the "Interest Income" caption in the accompanying statement of income (Note 32).

The interest accrued during the years 2022 and 2021 on the debt securities classified in the portfolio of financial assets at amortized cost was 1,042,544thousand Euros and 427,651 thousand Euros, respectively, and is included under the heading "Interest income ” of the consolidated profit and loss account (Note 32).

The average effective interest rate on debt instruments classified in this portfolio at December 31, 2022 for loans and advances to customers was 1.43% (0.98% at December 31, 2021) and for deposits with credit institutions was 0.25% (0.19% at December 31, 2021).

The negative cash flow included in the consolidated cash flow statement for 2022 from financial assets at amortized cost recorded under this heading amounts to 285,258 thousand Euros (positive cash flow of 7,627,786 thousand Euros in 2021).

10.2 Loans and advances

The breakdown by counterparty of the gross amount of loans and advances recorded at amortized cost as of December 31, 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	**2021**
Credit institutions	989,036	1,118,531
Resident Public Administrations	5,680,817	5,476,555
Non-Resident Public Administrations	100,000	100,000
Other resident sectors	48,818,492	50,673,155
Other non-resident sectors	641,706	692,724
	56,230,051	**58,060,965**

The movement during 2022 of loans and advances recorded at amortized cost classified by credit risk levels (stages) (excluding impairment losses and other valuation adjustments) is as follows:

	Thousands of Euros				
	Stage 1	**Stage 2**	**Stage 3**	**POCI (*)**	**Total**
Balance at beginning of year	**52,507,427**	**3,567,930**	**1,980,413**	**5,195**	**58,060,965**
Transfers between stages:	(1,162,090)	725,967	436,123	-	-
At normal risk (stage 1)	484,164	(474,900)	(9,264)	-	-
To special surveillance (stage 2)	(1,393,552)	1,504,067	(110,515)	-	-
A doubtful (stage 3)	(252,702)	(303,200)	555,902	-	-
Additions of new financial assets	14,785,396	-	-	-	14,785,396
Write-downs of financial assets (excluding bad debts)	(15,527,530)	(622,469)	(187,048)	(5,195)	(16,342,242)
Reclassification to write-downs	-	-	(181,646)	-	(181,646)
Asset Foreclosures	-	-	(92,422)	-	(92,422)
Other changes	-	-	-	-	-
Closing balance	**50,603,203**	**3,671,428**	**1,955,420**	**-**	**56,230,051**

(*) POCIs should be understood as financial assets purchased or originated with credit impairment as described in Note 2.7.

The movement during financial year 2021 was as follows:

	Thousands of Euros				
	Stage 1	**Stage 2**	**Stage 3**	**POCI (*)**	**Total**
Balance at beginning of year	**27,117,969**	**1,779,007**	**1,181,041**	**-**	**30,078,017**
Effect of the merger by absorption of Liberbank (Note 1.14)	26,038,250	1,887,312	738,960	5,201	28,669,723
Transfers between stages:	(696,850)	240,375	456,475	-	-
At normal risk (stage 1)	402,322	(387,712)	(14,610)	-	-
To special surveillance (stage 2)	(902,972)	952,961	(49,989)	-	-
A doubtful (stage 3)	(196,200)	(324,874)	521,074	-	-
Additions of new financial assets	7,838,761	35,945	5,149	-	7,879,855
Write-downs of financial assets (excluding bad debts)	(7,790,716)	(374,739)	(178,498)	(336)	(8,344,289)
Reclassification to write-downs	13	30	(102,074)	(484)	(102,515)
Asset Foreclosures	-	-	(117,449)	-	(117,449)
Other changes	-	-	(3,191)	814	(2,377)
Closing balance	**52,507,427**	**3,567,930**	**1,980,413**	**5,195**	**58,060,965**

(*) POCIs should be understood as financial assets purchased or originated with credit impairment as described in Note 2.7.

10.3 Debt securities

The breakdown by counterparty and type of issue of debt securities recorded at amortized cost as of December 31, 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	**2021**
By types of counterparties -		
Credit institutions	1,158,602	1,694,520
Resident Public Administrations	16,057,231	14,151,211
Non-Resident Public Administrations	9,474,173	8,561,795
Other resident sectors	119,839	216,835
Other non-resident sectors	57,232	225,298
	26,867,077	**24,849,659**
By instrument type -		
Spanish public debt	11,560,932	9,319,782
Treasury Bills	-	-
Government bonds	*11,560,932*	*9,319,782*
Other Spanish public administrations	4,496,299	4,831,429
Foreign Public debt	9,474,173	8,561,795
Issued by financial institutions	1,158,602	1,694,520
Other fixed-income securities	177,071	442,133
	26,867,077	**24,849,659**

The breakdown of debt securities recorded under this caption as of December 31, 2022 based on the credit rating of the issue and the level of credit risk (excluding valuation adjustments) is as follows:

	Thousands of Euros		
	Stage 1	**Stage 2**	**Stage 3 (*)**
Rating Aaa	1,301,167	-	-
Rating Aa1-Aa3	138,570	-	-
Rating A1-A3	16,159,186	-	-
Rating Baa1-Baa3	9,192,299	-	-
Rating Ba1-Ba3 (**)	75,855	-	-
Rating B1-C	-	-	-
No credit rating	-	-	-
	26,867,077	**-**	**-**

(*) No debt securities have been identified as purchased or originated financial assets with credit impairment (POCIs).

(**) Debt securities with a rating between Ba1 and Ba3 correspond in their entirety to exposures with low credit risk (no appreciable risk) and for this reason it has not been considered that there has been a significant increase in credit risk and continue to be classified as normal risk (stage 1).

The breakdown of debt securities recorded under this caption as of Friday December 31, 2021 (excluding valuation adjustments) is as follows:

	Thousands of Euros		
	Stage 1	**Stage 2**	**Stage 3 (*)**
Rating Aaa	639,303	-	-
Rating Aa1-Aa3	213,504	-	-
Rating A1-A3	14,518,738	-	-
Rating Baa1-Baa3	9,378,134	-	-
Rating Ba1-Ba3 (**)	99,980	-	-
Rating B1-C	-	-	-
No credit rating	-	-	-
	24,849,659	**-**	**-**

(*) No debt securities have been identified as purchased or originated financial assets with credit impairment (POCIs).

(**) Debt securities with a rating between Ba1 and Ba3 correspond in their entirety to exposures with low credit risk (no appreciable risk) and for this reason it has not been considered that there has been a significant increase in credit risk and continue to be classified as normal risk (stage 1).

10.4 Refinancing, refinanced and restructured operations

The balances of refinancing and restructuring as of December 31, 2022 and 2021 are as follows:

	Thousands of Euros			
	2022		2021	
	Total	Of which: Stage 3 (*)	Total	Of which: Stage 3
Gross	**1,316,385**	**732,768**	**1,409,910**	**816,447**
Value corrections due to the impairment of assets	**596,764**	**388,623**	**480,566**	**413,660**
Of which: collective	425,609	246,710	311,251	269,506
Of which: individual	171,155	141,913	169,315	144,154
Net amount	**719,621**	**344,145**	**929,344**	**402,787**
Of which: granted to the customers	719,621	344,145	929,344	402,787
Maximum value of guarantees received	**906,928**	**537,586**	**1,002,638**	**611,779**
Of which: value of guarantees	891,534	537,389	967,324	608,798
Of which: value of other guarantees	15,394	197	35,314	2,981

(*) No refinanced transactions have been identified as purchased or originated financial assets with credit impairment (POCIs).

On the other hand, the reconciliation of the carrying value of refinanced and restructured operations as of December 31, 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	2021
Opening balance	**929,344**	**719,312**
Effect of the merger by absorption of Liberbank	-	218,012
Refinancing and restructuring for the period	305,913	148,850
Debt repayments	(118,766)	(102,258)
Asset Foreclosures	(3,082)	(2,553)
Derecognition from balance sheet (reclassification to non-performing)	(12,474)	(45)
Other changes	(381,314)	(51,974)
Of which: Changes in the gross balance	*(61,074)*	*(48,623)*
Of which: Variations in credit loss coverage	*(320,240)*	*(3,351)*
Balance at the end of the period	**719,621**	**929,344**

The changes in the gross balance of the "Other changes" caption correspond mainly to derecognitions of the inventory of refinanced transactions as a result of the application of the cure criteria described below. The effect on provisions is not significant since most of these transactions were classified in the normal risk category, and only the refinancing mark has been eliminated, in compliance with the cure criteria indicated below.

As of December 31, 2022, the detail of refinanced and restructured operations is as follows:

	Thousands of Euros						
	Saturday, December 31, 2022						
	Total						
	Secured				Unsecured		
			Maximum amount of collateral that may be considered				
	No. of operations	Gross	Real estate guarantee	Other guarantees	No. of operations	Gross	Accumulated impairment or fair value losses due to credit risk
Credit institutions	-	-	-	-	-	-	-
Public Administration Bodies	9	10,087	-	10,087	5	1,747	(171)
Other financial companies and individual employers (business activity financial)	2	82	82	-	7	2,753	(2,755)
Non-financial corporations and individual employers (business activity not financial)	2,043	518,439	386,147	5,151	1,537	229,739	(355,968)
Of which: financing of the construction and development real estate (including land)	*331*	*124,207*	*106,419*	*1,158*	*38*	*14,596*	*(66,114)*
Other household	7,641	539,459	505,305	156	1,584	14,079	(237,870)
	9,695	**1,068,067**	**891,534**	**15,394**	**3,133**	**248,318**	**(596,764)**
Additional information							
Financing classified as non-current assets and groups disposable items that have been classified as held for sale	29	3,742	3,455	-	2	230	(2,691)

	Thousands of Euros						
	Saturday, December 31, 2022						
	Of which: Doubtful (Stage 3)						
	Secured				Unsecured		
			Maximum amount of collateral that may be considered				
	No. of operations	Gross	Real estate guarantee	Other guarantees	No. of operations	Gross	Accumulated impairment or fair value losses due to credit risk
Credit institutions	-	-	-	-	-	-	-
Public Administration Bodies	5	1	-	-	-	-	-
Other financial companies and individual employers (business activity financial)	2	82	82	-	3	2,522	(2,242)
Non-financial corporations and individual employers (business activity not financial)	1,243	288,709	228,071	197	671	100,793	(218,362)
Of which: financing of the construction and development real estate (including land)	*211*	*82,898*	*66,365*	*197*	*22*	*10,554*	*(61,240)*
Other household	4,536	332,982	309,236	-	877	7,679	(168,019)
	5,786	**621,774**	**537,389**	**197**	**1,551**	**110,994**	**(388,623)**
Additional information							
Financing classified as non-current assets and groups disposable items that have been classified as held for sale	29	3,742	3,455	-	2	230	(2,691)

As of Friday December 31, 2021, the detail of refinanced and restructured operations was as follows:

	Thousands of Euros						
	Friday, December 31, 2021						
	Total						
	Secured				Unsecured		
			Maximum amount of collateral that may be considered				
	No. of operations	Gross	Real estate guarantee	Other guarantees	No. of operations	Gross	Accumulated impairment or fair value losses due to credit risk
Credit institutions	-	-	-	-	-	-	-
Public Administration Bodies	11	15,741	5,307	10,434	6	8,403	(795)
Other financial companies and individual employers (business activity financial)	4	189	136	-	4	2,531	(2,129)
Non-financial corporations and individual employers (business activity not financial)	2,266	557,200	449,767	24,844	1,508	255,661	(269,267)
Of which: financing of the construction and development real estate (including land)	354	112,709	92,189	8,993	29	12,458	(55,824)
Other household	7,485	554,450	512,114	36	1,808	15,736	(208,375)
	9,766	**1,127,580**	**967,324**	**35,314**	**3,326**	**282,330**	**(480,566)**
Additional information							
Financing classified as non-current assets and groups disposable items that have been classified as held for sale	11	3,134	2,908	-	-	-	(1,512)

	Thousands of Euros						
	Friday, December 31, 2021						
	Of which: Doubtful (Stage 3)						
	Secured				Unsecured		
			Maximum amount of collateral that may be considered				
	No. of operations	Gross	Real estate guarantee	Other guarantees	No. of operations	Gross	Accumulated impairment or fair value losses due to credit risk
Credit institutions	-	-	-	-	-	-	-
Public Administration Bodies	5	8	8	-	-	-	-
Other financial companies and individual employers (business activity financial)	3	133	80	-	4	2,531	(2,129)
Non-financial corporations and individual employers (business activity not financial)	1,413	335,386	287,116	2,968	754	86,842	(224,267)
Of which: financing of the construction and development real estate (including land)	234	77,619	66,544	195	17	10,366	(51,866)
Other household	4,534	382,968	321,594	13	1,102	8,579	(187,264)
	5,955	**718,495**	**608,798**	**2,981**	**1,860**	**97,952**	**(413,660)**
Additional information							
Financing classified as non-current assets and groups disposable items that have been classified as held for sale	11	3,134	2,908	-	-	-	(1,512)

The Group has a policy of refinancing, restructuring, renewal and renegotiation of operations, which details the requirements, conditions and situations under which a range of measures are offered to assist the entity's customers who are experiencing financial difficulties.

In general terms, these renegotiated transactions do not include modifications of conditions considered substantial, other than extensions of the terms thereof, inclusions or extensions of grace periods, or improvements in the guarantees associated with such transactions, and therefore, for accounting purposes, they do not entail the derecognition of the original assets and the subsequent recognition of new assets at their fair value.

The policies and procedures applied in risk management allow for individual monitoring of credit operations. In this regard, any transaction that may require modifications in its conditions as a result of deterioration in the borrower's creditworthiness, already has, at the date of novation, the corresponding provision for impairment. Therefore, since the transactions are correctly valued, no additional impairment provision requirements are evidenced on the refinanced loans.

Renegotiated or refinanced assets are classified according to their risk based on aspects such as the determination of the borrowers' ability to pay, the updated valuation of the collateral provided and, additionally, other factors such as the grace periods of the transactions or the number of times a transaction has been restructured.

Subsequent to the initial rating, there are prudent cure criteria, so that the subsequent development of the operations may allow their reclassification to normal risk. These criteria are based on the effective repayment of the refinanced transactions, so that doubts about collection are removed, taking into account both the amount repaid and the length of time the borrower has been in compliance with its payment obligations.

The Group's refinancing cure criteria are consistent with what is indicated in IFRS 9, in the European Banking Authority (EBA) Guidelines and in Annex 9 of Bank of Spain Circular 4/2017after its amendment by Bank of Spain Circular 3/2020. A summary of these criteria is presented below:

To reclassify the exposure from doubtful risk (stage 3) to normal risk in special surveillance (stage 2):

- That all the criteria that, in general, determine the classification of transactions in this category are verified (Note 2.7).

- A period of one year has elapsed since the date of refinancing or restructuring.

- The borrower must have settled the principal and interest, reducing the renegotiated principal, since the date on which the restructuring or refinancing transaction was formalized or, if this was subsequent, since the date on which it was reclassified to non-performing. As a result, the operation must not show any amounts overdue. Additionally, it will be necessary that the holder has paid through regular payments an amount equivalent to all the amounts, principal and interest, that were due at the date of the restructuring or refinancing operation, or that were written off as a consequence thereof, or when it is more appropriate in view of the characteristics of the operations, that other objective criteria have been verified that demonstrate the holder's payment capacity.

- The borrower must not have any operation with amounts overdue by more than 90 days on the date of reclassification of the refinancing, refinanced, or restructured operation to the underperforming category.

To reclassify the exposure from normal risk in special surveillance (stage 2) to normal risk (stage 1):

- As long as they remain identified as such, refinancing, refinanced or restructured transactions that should not be classified as doubtful risk shall be included in the normal risk category under special surveillance, unless it is justified that no significant increase in their credit risk has been identified since initial recognition, in which case the transaction shall be classified as normal risk.

For the exposure to cease to be considered as a refinancing, refinanced or restructured transaction:

- That it has been concluded, after an exhaustive review of the holder's assets and financial situation, that it is not foreseeable that they may have financial difficulties and that, therefore, it is highly probable that they will be able to meet their obligations to the entity on time and in the correct form.

- That a minimum period of two years has elapsed from the date of formalization of the restructuring or refinancing operation or, if later, from the date of reclassification from the doubtful risk category.

- That the holder has paid the accrued installments of principal and interest from the date on which the restructuring or refinancing operation was formalized or, if later, from the date of reclassification from the doubtful category. In addition, the holder must have paid through regular payments an amount equivalent to all the amounts (principal and interest) that were due or written off on the date of the restructuring or refinancing operation, or that were written off as a result of itor that were written off as a result of the restructuring or refinancing operationor, when more appropriate in view of the characteristics of the transactions, that other objective criteria have been verified to demonstrate the holder's ability to pay.

- The holder has no other transaction with amounts overdue by more than 30 days at the end of the trial period.

10.5 Legal and sectorial payment moratoriums and financing operations with State Guarantee

On March 18, 2020, Royal Decree-Law 8/2020 on urgent measures to deal with the economic and social impact of Covid-19.

One of the measures of said Royal Decree-law is aimed at ensuring the protection of mortgage debtors in a situation of vulnerability, establishing a moratorium on the payment of their mortgage on their primary residence. The scope of application was extended with the publication on April 1, 2020 of Royal Decree-Law 11/2020, so that, in addition to contracts entered into for the purchase of a primary residence, loan contracts secured by real estate used for economic activity and those secured by housing that was intended for rental purposes and in which the debtor has ceased to receive rent due to the COVID-19 situation are also included. Likewise, the scope of the moratorium is extended to include loan and credit agreements without mortgage guarantee, including those intended for consumption. Finally, the legislative moratoriums were extended to the tourism sector through Royal Decree-Law 25/2020 and to the transport sector (Royal Decree-Law 26/2020).

In addition, the measures adopted in these Royal Decrees seek to address the difficult economic situation that both companies and the self-employed will have to face as a result of the healthcare crisis. One of the measures is the creation of a line of guarantees of 100 billion on behalf of the State to guarantee part of the financing that credit institutions grant to companies and the self-employed to meet their liquidity needs. This line is managed by the Official Credit Institute (ICO, initials in Spanish) and its objective is to facilitate the granting of sufficient liquidity to maintain employment and mitigate the economic effects of COVID-19.

With regard to financing that has guarantees from the ICO COVID-19 Line, until December 31, 2022, the guarantee lines that have been activated by the Government constitute the full amount of the guarantee line, which is divided into four lines, approved by Agreement of the Council of Ministers on March 24, April 10, May 5, May 19, 2020 and June 16, whose total amounts are allocated 67.5 billion Euros to SMEs and the self-employed and 25 billion Euros to non-SME companies, 4 billion Euros to cover promissory notes from the Alternative Fixed Income Market (MARF), 2.5 billion Euros for the self-employed and SMEs in the tourism sector and related activities, 500 million Euros to reinforce the guarantees granted by the Spanish Reguarantee Company (Compañía Española de Reafianzamiento, CERSA) and 500 million Euros for the self-employed and companies for the acquisition or operating financial lease of road transport motor vehicles used professionally.

In addition to the aforementioned guarantees, Royal Decree-Law 25/2020, dated July 3, approved a 40 billion Euro Guarantee Line, from the Ministry of Economic Affairs and Digital Transformation, with the purpose of guaranteeing the financing granted to companies and the self-employed to mainly meet their financial needs arising from the implementation of new investments. Part of this line was approved by resolutions of the Council of Ministers on July 28, 2020 and November 24, 2020.

In this context, the Unicaja Banco Group has been granting its customers both public moratoriums included in the aforementioned Royal Decrees, as well as sector moratoriums, under the sector agreement signed by the entities associated with the Spanish Confederation of Savings Banks (CECA) on April 16, 2020. In addition, since March 2020, the Group has been granting operations for which it has received guarantees from the ICO COVID-19 line and for which certain commissions are paid to the ICO depending on the characteristics of the operation: applicable aid scheme, type of borrower and term.

Additionally, through Royal Decree-Law 6/2022, of March 29, adopting urgent measures within the framework of the National Plan of response to the economic and social consequences of the war in Ukraine, a new line of guarantees of 10 billion Euros has been approved on behalf of the State for companies and the self-employed. This new line, as State aid aimed at mitigating the economic consequences of the Russian invasion of Ukraine, has been authorized by the European Commission and has been defined through different agreements of the Council of Ministers where the applicable conditions and requirements will be established, as well as the recovery and collection regime of these new guarantees. The Line is subject to the European Union's State aid regulations and, in this regard, in October 2022 the European Commission extended the validity of the Temporary State Aid Framework until December 2023.

Payment moratoriums

The detail of the operations with moratorium in effect as of December 31, 2022 is as follows:

	Thousands of Euros				
	Total data		Breakdown of outstanding balance by risk stages (*)		
	Number of operations granted	**Outstanding balance**	**Stage 1**	**Stage 2**	**Stage 3**
Legal moratorium	**-**	**-**	**-**	**-**	**-**
Households	-	-	-	-	-
Small and medium-sized companies	-	-	-	-	-
Sector moratorium	**5**	**335**	**-**	**141**	**194**
Households	5	335	-	141	194
Small and medium-sized companies	-	-	-	-	-

(*) No operations with current moratoriums have been identified that have the status of purchased or originated financial assets with credit impairment (POCIs).

The detail of the operations with moratoriums in effect as of Friday, December 31, 2021 was as follows:

					Thousands of Euros
	Total data		Breakdown of outstanding balance by risk stages (*)		
	Number of operations granted	Outstanding balance	Stage 1	Stage 2	Stage 3
Legal moratorium	**127**	**14,991**	**6,233**	**2,001**	**6,757**
Households	107	7,552	1,931	1,439	4,182
Small and medium-sized companies	20	7,439	4,302	562	2,575
Sector moratorium	**177**	**11,892**	**9,389**	**1,869**	**634**
Households	177	11,892	9,389	1,869	634
Small and medium-sized companies	-	-	-	-	-

(*) No operations with current moratoriums have been identified that have the status of purchased or originated financial assets with credit impairment (POCIs).

At December 31, 2022, there are no legislative moratorium measures in force, with 127 transactions and an outstanding balance of €14,991 thousand at Friday, December 31, 2021.

No new legislative moratorium measures have been granted during fiscal 2022. The legislative moratorium measures granted during financial year 2021 had an impact of 439 thousand Euros under the heading "Impairment or reversal of impairment of financial assets not measured at fair value through profit or loss and net gains or losses on modification - Financial assets at amortized cost" in the consolidated income statement.

The sectoral moratorium applies to borrowers who cannot take advantage of the moratorium established by the Government (legislative moratorium) and whose financial situation has deteriorated as a result of COVID-19. In these cases, under the provisions of the sector agreement signed on April 16, 2020, and with the commitment to support them, the Group facilitates their payments by temporarily reducing them for both mortgage loans and personal loans. Under the terms of the sector agreement, the borrower could not have transactions with defaults of more than two receipts or installments on March 14, 2020. The term of the moratorium is a maximum of 12 months for loans or credits with mortgage guarantee, and a maximum of 6 months for personal loans or credits (with the possibility of extension after modification of the sectoral agreement).

On June 22, 2020, considering the new directives of the European Banking Authority (EBA), the sectoral agreement to which the Bank subscribes was modified, extending the term of this sectoral agreement until September 29, 2020. Also, on December 15, 2020, an addendum was signed providing for the possibility of requesting new moratoriums until March 31, 2021 at the latest, with a maximum term equivalent to nine months for mortgage loans or credits and six months for personal loans or credits.

In this case, the effect of the deferral only affects the repayment of the loan principal during the term of the moratorium. On December 31, 2022, the sector moratorium measures in force affected 5 transactions, with an outstanding balance of 355 thousand Euros (177 transactions, with an outstanding balance of 11,892 thousand Euros on Friday, December 31, 2021). The effect of the changes on the Group's consolidated statement of income was not significant.

- Transactions secured by the Government

The detail of operations with Government guarantee as of December 31, 2022 is as follows:

	Thousands of Euros						
				Total data	Breakdown of outstanding balance by risk stages (*)		
	Number of operations granted	Funded limit	Amount guaranteed	Outstanding Balance	Stage 1	Stage 2	Stage 3
State guarantees	**49,586**	**3,215,254**	**1,562,894**	**2,044,825**	**1,054,506**	**737,935**	**252,384**
Self-employed	12,172	282,554	156,468	195,769	132,484	52,765	10,520
Small and medium-sized companies	31,642	1,874,354	1,050,251	1,324,195	665,282	527,247	131,666
Other Companies	5,772	1,058,346	356,175	524,861	256,740	157,923	110,198

(*) No transactions have been identified with Government guarantees that have the status of purchased or originated financial assets with credit impairment (POCIs).

For its part, the detail of the operations with Government guarantee as of Friday, Friday, December 31, 2021 was as follows:

	Thousands of Euros						
				Total data	Breakdown of outstanding balance by risk stages (*)		
	Number of operations granted	Funded limit	Amount guaranteed	Outstanding Balance	Stage 1	Stage 2	Stage 3
State guarantees	**45,167**	**3,261,703**	**1,917,764**	**2,519,645**	**1,810,078**	**565,335**	**144,232**
Self-employed	12,697	307,179	197,150	246,773	196,175	42,737	7,862
Small and medium-sized companies	30,159	2,089,906	1,352,493	1,710,871	1,234,848	392,176	83,847
Other Companies	2,311	864,618	368,121	562,001	379,055	130,422	52,523

(*) No transactions have been identified with Government guarantees that have the status of purchased or originated financial assets with credit impairment (POCIs).

The Group considers that the Government guarantees are substantially part of the secured financing (integral guarantee), since they are in all cases new operations or renewals of existing credit lines with substantial modifications to the original conditions. Therefore, the accounting treatment applied to them is based on the following premises: (i) the commission paid by the Bank to the ICO (as guarantee manager) is incorporated as an incremental cost in the calculation of the effective interest rate of the transaction as indicated in paragraph B5.4.1 of IFRS 9, and (ii) the flows expected to be obtained as a result of the execution of the guarantee are taken into account in the calculation of the expected loss of the transaction as indicated in paragraph B5.5.55 of IFRS 9.

With regard to the accounting policy for derecognizing loans with ICO Covid-19 Guarantee, the Unicaja Banco Group applies the provisions of section 3.2 of IFRS 9, which requires that, in order to derecognize a financial asset (or part thereof), the transfer of its cash flows and the substantial transfer of its risks and rewards must take place. In turn, according to the rules of this same section of IFRS 9, the transfer of the cash flows of the asset occurs either when the contractual rights to receive them are transferred, or when these rights are retained, but the entity undertakes to pay (without significant delay) the amounts received and the recipient assumes the losses for amounts not collected. Applying these criteria to the particular case of loans with ICO Covid-19 guarantees, the Unicaja Banco Group considers that the transfer of the guaranteed amounts from the lender to the guarantor occurs as the guarantee is executed, or in the event of total or partial subrogation of the ICO in the guaranteed loan. The derecognition of the transferred guaranteed amounts in the balance sheet would entail the recognition of a collection right against the ICO for their fair value.

It should be noted that, in accordance with the Agreement of the Council of Ministers of June 21, 2022 and the Decision of the European Commission of June 30, 2022, the ICO has proceeded to enable, in collaboration with the financial institutions operating the ICO Covid-19 Guarantee Lines, the possibility of extending the maturity of the guarantees managed on behalf of the State. The purpose is to facilitate the extensions of the maturity of the financing granted to companies and self-employed guaranteed under Royal Decree Law 8/2020, of March 17 and Royal Decree Law 25/2020, of July 3, once its validity expires on June 30, 2022, and in accordance with the European Temporary Framework for State Aid, regarding the aid measures to support the economy in the context of the Covid-19 pandemic. The extension of the guarantee will be carried out when, at the request of the debtor, the financial institution decides to extend the maturity of the financing granted.

10.6 Past due and impaired assets

Below is a detail of those financial assets classified as financial assets at amortized cost and considered as impaired due to their credit risk at December 31, 2022 and 2021, as well as those which, without being considered as impaired, have an amount past due at those dates, classified by counterparty, as well as according to the period elapsed since the maturity of the oldest past due amount of each transaction:

Impaired assets as of December 31, 2022

	Thousands of Euros				
	Up to 180 days	**Between 180 days and 1 year**	**Between 1 and 2 years**	**More than 2 years**	**Total**
By classes of counterparties -					
Public Administration Bodies	769	112	1	13,053	13,935
Credit institutions	14	67	-	16	97
Other financial corporations	46	-	7	2,495	2,548
Non-financial corporations	517,557	58,036	59,370	167,903	802,866
Households	465,832	124,073	111,840	434,229	1,135,974
	984,218	**182,288**	**171,218**	**617,696**	**1,955,420**

Impaired assets as of Friday, December 31, 2021 (*)

	Thousands of Euros				
	Up to 180 days	Between 180 days and 1 year	Between 1 and 2 years	More than 2 years	Total
By classes of counterparties -					
Public Administration Bodies	620	-	-	13,684	14,304
Credit institutions	-	-	1	13	14
Other financial corporations	32,230	-	4	2,521	34,755
Non-financial corporations	499,724	41,962	58,140	211,512	811,338
Households	442,853	84,236	94,821	503,287	1,125,197
	975,427	**126,198**	**152,966**	**731,017**	**1,985,608**

(*) The amount of impaired assets included purchased or originated credit-impaired financial assets (POCIs) for an amount of 5,195,000 Euros from the business combination resulting from the merger by absorption of Liberbank, S.A. (as absorbed entity) by Unicaja Banco, S.A. (as absorbing entity) (Note 10.2).

Unimpaired past due assets as of December 31, 2022

	Thousands of Euros			
	Less than one month	Between 1 and 3 months	More than 3 months	Total
By classes of counterparties -				
Public Administration Bodies	6,998	122	-	7,120
Credit institutions	-	-	-	-
Other financial corporations	9,834	-	-	9,834
Non-financial corporations	452,287	14,841	-	467,128
Households	518,806	115,940	-	634,746
	987,925	**130,903**	**-**	**1,118,828**

Unimpaired past due assets as of December 31, 2021

	Thousands of Euros			
	Less than one month	Between 1 and 3 months	More than 3 months	Total
By classes of counterparties -				
Public Administration Bodies	2,923	12	-	2,935
Credit institutions	6	-	-	6
Other financial corporations	276	2	-	278
Non-financial corporations	174,631	23,272	-	197,903
Households	490,928	106,547	-	597,475
	668,764	**129,833**	**-**	**798,597**

10.7 Credit risk hedging

The movement in impairment losses recorded to hedge credit risk and the cumulative amount thereof at the beginning and end of 2022 and 2021 of those debt instruments classified as loans and receivables are presented below.

The movement in impairment losses for each of the levels (stages) in which the Group's credit risk exposures are classified for the year 2022 is as follows:

	Thousands of Euros				
	2022				
	Stage 1	Stage 2	Stage 3	POCI (*)	Total
Balance at the beginning of the period	**128,118**	**318,311**	**916,440**	**3,153**	**1,366,022**
Transfers between stages:	48,707	(49,389)	682	-	-
At normal risk (stage 1)	57,332	(55,674)	(1,658)	-	-
To special surveillance (stage 2)	(6,116)	24,654	(18,538)	-	-
A doubtful (stage 3)	(2,509)	(18,369)	20,878	-	-
For additions of new financial assets	26,109	-	-	-	26,109
Changes in parameters	47,271	(40,819)	187,351	-	193,803
Changes in methodologies	(1,852)	8,130	14,929	-	21,207
Write-downs of financial assets (excluding bad debts)	(31,630)	(22,010)	(17,064)	-	(70,704)
Reclassifications to bad debts	-	-	(129,760)	(3,153)	(132,913)
Awarded	-	-	(52,283)	-	(52,283)
Other changes	-	-	(47,772)	-	(47,772)
Balance at the end of the period	**216,723**	**214,223**	**872,523**	**-**	**1,303,469**
Of which:					
Individually determined	172	37,011	204,259	-	241,442
Collectively determined	216,551	177,212	668,264	-	1,062,027
	216,723	**214,223**	**872,523**	**-**	**1,303,469**

(*) POCIs should be understood as financial assets purchased or originated with credit impairment as described in Note 2.7.

The changes in impairment losses for 2021 are as follows:

	Thousands of Euros				
	2021				
	Stage 1	Stage 2	Stage 3	POCI (*)	Total
Balance at the beginning of the period	**59,634**	**195,061**	**541,792**	**-**	**796,487**
Effect of the merger by absorption of Liberbank (**)	117,656	156,541	336,228	-	610,425
Transfers between stages:	(1,019)	11,819	(10,800)	-	-
At normal risk (stage 1)	14,904	(13,076)	(1,828)	-	-
To special surveillance (stage 2)	(6,318)	47,202	(40,884)	-	-
A doubtful (stage 3)	(9,605)	(22,307)	31,912	-	-
For additions of new financial assets	25,405	-	-	-	25,405
Changes in parameters	(64,209)	(26,494)	259,203	3,254	171,754
Changes in methodologies	882	(196)	1,052	-	1,738
Write-downs of financial assets (excluding bad debts)	(17,593)	(8,350)	(42,466)	-	(68,409)
Reclassifications to bad debts	-	-	(80,231)	(98)	(80,329)
Awarded	-	-	(67,358)	-	(67,358)
Other changes	7,362	(10,070)	(20,980)	(3)	(23,691)
Balance at the end of the period	**128,118**	**318,311**	**916,440**	**3,153**	**1,366,022**
Of which:					
Individually determined	729	44,457	192,150	1	237,337
Collectively determined	127,389	273,854	724,290	3,152	1,128,685
	128,118	**318,311**	**916,440**	**3,153**	**1,366,022**

(*) POCIs should be understood as financial assets purchased or originated with credit impairment as described in Note 2.7.

(**) The amount of the heading "Effect of the merger by absorption of Liberbank" includes the effect of the fair value adjustments of the loans and advances to customers as described in Note 1.14.

11. Derivatives - Hedge accounting (accounts receivable and accounts payable)

As of December 31, 2022 and 2021, the derivatives contracted designated as hedging items and their hedged items were mainly the following:

- Interest Rate Swaps, which hedge mortgage bonds issued by the Entity and bonds issued by third parties acquired by the Group.

- Futures and options on listed securities, which hedge changes in the market price of securities prior to the sale of such securities.

The Group applies fair value hedge accounting mainly to those transactions that are exposed to changes in the fair value of certain assets and liabilities that are sensitive to changes in interest rates, i.e. mainly assets and liabilities referenced to a fixed interest rate, which are converted to a floating interest rate through the corresponding hedging instruments. Cash flow hedges are generally contracted to exchange a variable interest rate for a fixed interest rate.

The valuation methods used to determine the fair values of OTC derivatives were the discounted cash flow method for interest rate derivative valuations and the Monte Carlo simulation technique for valuations of structured products with an optional component. For those transactions admitted to official listing, the quoted price has been considered as an indicator of their fair value.

The Group has performed an analysis to assess the extent to which volatility in the financial markets may have had an effect on the effectiveness of the accounting hedges recorded in the consolidated financial statements as of December 31, 2022 in accordance with IAS 39.

The Group has not identified any accounting hedges that should be modified due to the effect of the volatility of the financial markets.

The following is a detail of the maturities of the notional amounts of the hedging instruments used by the Group as of December 31, 2022:

	Thousands of Euros					
	2022					
	Up to 1 month	Between 1 and 3 months	Between 3 months and 1 year	Between 1 and 5 years	More than 5 years	Total
Fair value hedge:	**6,236,615**	**307,133**	**450,500**	**4,685,025**	**10,253,879**	**21,933,152**
Futures on securities and types of interest	**-**	**-**	**-**	**-**	**-**	**-**
Future sales on interest rates	-	-	-	-	-	-
Other Securities Operations	**6,236,615**	**307,133**	**-**	**-**	**-**	**6,543,748**
Financial swaps on securities	-	-	-	-	-	-
Security options	-	-	-	-	-	-
Term operations	6,236,615	307,133	-	-	-	6,543,748
Currency options	**-**	**-**	**-**	**-**	**-**	**-**
Currency options issued	-	-	-	-	-	-
Other operations on types of interest	**-**	**-**	**450,500**	**4,685,025**	**10,253,879**	**15,389,404**
Interest rate swaps (IRS bonds)	-	-	450,000	1,892,051	1,600,000	3,942,051
Interest rate swaps (Senior Bonds)	-	-	-	1,660,000	-	1,660,000
Interest rate swaps (IRS Customer loans)	-	-	-	-	-	-
Interest rate swaps (IRS loan portfolio)	-	-	500	500,000	3,051,186	3,551,686
Interest rate swaps (Securitizations)	-	-.	-	-	202,096	202,096
Interest rate swaps (IRS central bank deposits)	-	-	-	-	-	-
Subordinated liabilities	-	-	-	600,000	-	600,000
Interest rate swaps (IRS fixed income)	-	-	-	32,974	5,400,597	5,433,571
Interest rate swaps (Structured Terms)	-	-	-	-	-	-
Cash flow hedging:	**67**	**100,000**	**2,766,667**	**2,538,419**	**1,823,675**	**7,228,828**
Other operations on types of interest	**67**	**100,000**	**2,766,667**	**2,538,419**	**1,823,675**	**7,228,828**
Interest rate swaps (IRS loan portfolio)	67	100,000	2,066,667	523,419	63,196	2,753,349
Interest rate swaps (IRS deposits in banks central)	-	-	-	-	-	-
Interest rate swaps (IRS fixed income)	-	-	700,000	2,015,000	1,760,479	4,475,479
Total	**6,236,682**	**407,133**	**3,217,167**	**7,223,444**	**12,077,554**	**29,161,980**

The detail of maturities of the notional amounts of the hedging instruments used by the Group as of Friday, December 31, 2021 was as follows:

	Thousands of Euros					
	2021					
	Up to 1 month	Between 1 and 3 months	Between 3 months and 1 year	Between 1 and 5 years	More than 5 years	Total
Fair value hedge:	**5,758,413**	**-**	**-**	**3,101,703**	**7,962,721**	**16,822,837**
Futures on securities and types of interest	**-**	**-**	**-**	**-**	**-**	**-**
Future sales on interest rates	-	-	-	-	-	-
Other Securities Operations	**5,758,413**	**-**	**-**	**-**	**-**	**5,758,413**
Financial swaps on securities	-	-	-	-	-	-
Security options	-	-	-	-	-	-
Term operations	5,758,413	-	-	-	-	5,758,413
Currency options	**-**	**-**	**-**	**-**	**-**	**-**
Currency options issued	-	-	-	-	-	-
Other operations on types of interest	**-**	**-**	**-**	**3,101,703**	**7,962,721**	**11,064,424**
Interest rate swaps (IRS bonds)	-	-	-	2,743,903	1,910,000	4,653,903
Interest rate swaps (IRS Customer loans)	-	-	-	57,800	290,000	347,800
Interest rate swaps (IRS loan portfolio)	-	-	-	-	1,424,864	1,424,864
Interest rate swaps (IRS central bank deposits)	-	-	-	-	-	-
Subordinated liabilities	-	-	-	300,000	-	300,000
Interest rate swaps (IRS fixed income)	-	-	-	-	4,337,857	4,337,857
Cash flow hedging:	**67**	**400,000**	**-**	**3,220,406**	**3,687,801**	**7,308,274**
Other operations on types of interest	**67**	**400,000**	**-**	**3,220,406**	**3,687,801**	**7,308,274**
Interest rate swaps (IRS loan portfolio)	67	-	-	555,406	65,792	621,265
Interest rate swaps (IRS deposits in banks central)	-	-	-	-	-	-
Interest rate swaps (IRS fixed income)	-	400,000	-	2,665,000	3,622,009	6,687,009
Total	**5,758,480**	**400,000**	**-**	**6,322,109**	**11,650,522**	**24,131,111**

As of December 31, 2022 and 2021, the Unicaja Banco Group has not recorded any financial instruments that should be classified as hedges of the net investment in foreign businesses.

The following is a detail of the detail of the fair value and cash flow and hedging instruments used by the Group as of December 31, 2022:

					2022
	Debtor fair value	**Creditor fair value**	**Notional Amount**	**Change in fair value used to calculate hedge ineffectiveness**	**Hedged item**
Fair value hedge:	**1,733,820**	**478,211**	**21,933,152**	**1,255,609**	
Futures on securities and interest types	**-**	**-**	**-**	**-**	
Future sales on interest rates	-	-	-	-	
Other Securities Operations	**268,773**	**-**	**6,543,748**	**268,773**	
Financial swaps on securities	-	-	-	-	
Security options	-	-	-	-	
Term operations	268,773	-	6,543,748	268,773	Debt securities
Currency options	**-**	**-**	**-**	**-**	
Purchased currency options	-	-	-	-	
Currency options issued	-	-	-	-	
Other operations on types of interest	**1,465,047**	**478,211**	**15,389,404**	**986,836**	
Interest rate swaps (IRS bonds)	60,323	232,055	3,942,051	(171,732)	Issued bonds and securities
Interest rate swaps (Senior Bonds)	-	75,873	1,660,000	(75,873)	Loans and advances
Interest rate swaps (IRS IPF customers)	-	-	-	-	Loans to customers
Interest rate swaps (IRS loan portfolio)	57,611	706	3,551,686	56,905	Loan portfolio
Interest rate swaps (Securitizations)	242,190	-	202,096	242,190	Asset-backed securities
Interest rate swaps (IRS on IPF)	-	-	-	-	
Subordinated liabilities	-	55,932	600,000	(55,932)	Subordinated issue
Interest rate swaps (IRS fixed income)	1,104,923	113,645	5,433,571	991,278	Debt securities
Interest rate swaps (Structured Terms)	-	-	-	-	
Cash flow hedging:	**79,067**	**603,613**	**7,228,828**	**(524,546)**	
Other Securities Operations	**-**	**-**	**-**	**-**	
Financial swaps on securities	-	-	-	-	
Security options	-	-	-	-	
Term operations	-	-	-	-	
Other operations on types of interest	**79,067**	**603,613**	**7,228,828**	**(524,546)**	
Interest rate swaps (IRS loan portfolio)	-	28,851	2,753,349	(28,851)	Coverage of loans to customers
Interest rate swaps (IRS deposits in central banks)	-	-	-	-	
Interest rate swaps (IRS fixed income)	79,067	574,762	4,475,479	(495,695)	Debt securities
Total	**1,812,887**	**1,081,824**	**29,161,980**	**731,063**	

The detail of the fair value and cash flow hedging instruments used by the Group as of Friday, December 31, 2021 is as follows:

					2021
	Debtor fair value	Creditor fair value	Notional Amount	Change in fair value used to calculate hedge ineffectiveness	Hedged item
Fair value hedge:	**711,568**	**303,600**	**16,822,837**	**407,968**	
Futures on securities and interest types	**-**	**-**	**-**	**-**	
Future sales on interest rates	-	-	-	-	
Other Securities Operations	**65,946**	**35,823**	**5,758,413**	**30,123**	
Financial swaps on securities	-	-	-	-	
Security options	-	-	-	-	
Term operations	65,946	35,823	5,758,413	30,123	Debt securities
Currency options	**-**	**-**	**-**	**-**	
Purchased currency options	-	-	-		
Currency options issued	-	-	-	-	
Other operations on types of interest	**645,622**	**267,777**	**11,064,424**	**377,845**	
Interest rate swaps (IRS bonds)	447,048	1,798	4,653,903	445,250	Issued bonds and securities
Interest rate swaps (IRS IPF customers)	424	79,105	347,800	(78,681)	Loans and advances
Interest rate swaps (IRS loan portfolio)	520	103,221	1,424,864	(102,701)	Loan portfolio
Interest rate swaps (IRS on IPF)	-	-	-	-	
Subordinated liabilities	-	401	300,000	(401)	Subordinated issue
Interest rate swaps (IRS fixed income)	197,630	83,252	4,337,857	114,378	Debt securities
Interest rate swaps (Structured Terms)	-	-	-	-	
Cash flow hedging:	**103,476**	**696,090**	**7,308,274**	**(592,614)**	
Other Securities Operations	-	-	-	-	
Financial swaps on securities	-	-	-	-	
Security options	-	-	-	-	
Term operations	-	-	-	-	
Other operations on types of interest	**103,476**	**696,090**	**7,308,274**	**(592,614)**	
Interest rate swaps (IRS loan portfolio)	106	15,184	621,265	(15,078)	Coverage of loans to customers
Interest rate swaps (IRS deposits in central banks)	-	-	-	-	
Interest rate swaps (IRS fixed income)	103,370	680,906	6,687,009	(577,536)	Debt securities
Total	**815,044**	**999,690**	**24,131,111**	**(184,646)**	

The following is the detail of the items covered by the Group as of December 31, 2022through the hedging instruments detailed above:

						2022
	Carrying amount of the hedged instrument		**Accumulated fair value adjustment on the hedged instrument**		**Change in fair value used to calculate hedge effectiveness**	**Cash flow hedge reserve**
	Assets	**Liabilities**	**Assets**	**Liabilities**		
Fair value hedge	**11,351,489**	**5,915,971**	**(1,702,376)**	**(399,027)**	**(1,302,054)**	**-**
Debt securities	11,048,928	-	(268,773)	-	(268,773)	-
Balances in foreign currency	(857)	-	-	-	-	-
Issued bonds and securities	-	6,200,997	-	(395,511)	397,601	-
Customer deposits	-	-	-	(3,516)	3,516	-
Deposits from credit institutions	-	(285,026)	-	-	-	-
Loans to customers	303,418	-	(1,433,603)	-	(1,434,398)	-
Cash flow hedging	**10,047,830**	**-**	**-**	**-**	**113,832**	**(113,832)**
Deposits with credit institutions	10,042,506	-	-	-	108,508	(108,508)
Debt securities	5,324	-	-	-	5,324	(5,324)
Total	**21,399,319**	**5,915,971**	**(1,702,376)**	**(399,027)**	**(1,188,222)**	**(113,832)**

The detail of the items hedged by the Group as of Friday, December 31, 2021 through the hedging instruments described above is as follows:

						2021
	Carrying amount of the hedged instrument		**Accumulated fair value adjustment on the hedged instrument**		**Change in fair value used to calculate hedge effectiveness**	**Cash flow hedge reserve**
	Assets	**Liabilities**	**Assets**	**Liabilities**		
Fair value hedge	**11,046,077**	**5,546,788**	**(240,036)**	**587,865**	**(402,557)**	**-**
Debt securities	10,609,581	-	(35,823)	65,946	(243,225)	-
Balances in foreign currency	857	-	-	-	-	-
Issued bonds and securities	-	5,253,082	(21,387)	301,981	(324,722)	-
Customer deposits	-	-	-	-	-	-
Deposits from credit institutions	-	293,706	-	-	(6,365)	-
Loans to customers	435,639	-	(182,826)	219,938	171,755	-
					-	-
Cash flow hedging	**50,204,591**	**-**	**456,060**	**11,772**	**444,288**	**(444,288)**
Deposits with credit institutions	-	-	-	-	-	-
Debt securities	50,204,591	-	456,060	11,772	444,288	(444,288)
Total	**61,250,668**	**5,546,788**	**216,024**	**599,637**	**41,731**	**(444,288)**

The Unicaja Banco Group considers as “hedging operations” only those that are considered highly effective throughout their duration. A hedge is considered highly effective if, during the expected term of the hedge, the variations that occur in the fair value or in the cash flows attributed to the hedged risk in the hedging operation of the hedged financial instruments are compensated in almost entirely due to variations in the fair value or in the cash flows, as the case may be, of the hedging instruments.

The balance of the caption "Changes in fair value of hedged items in a portfolio hedged for interest rate risk" includes the accumulated valuation adjustments corresponding to the portfolio of loans and receivables that are hedged through macro hedges to mitigate interest rate risk, amounting at December 31, 2022 the balance of this caption to a negative balance of 237,836 thousand Euros (positive balance of 99,301 thousand Euros at Friday, December 31, 2021).

The breakdown of the heading "Changes in the fair value of the items covered in a portfolio with interest rate risk coverage" at 31 December 2022 is as follows:

				Thousands of Euros	
Counterparty	**Interest paid**	**Interest charged**	**Maturity**	**Notional amount**	**Changes in the fair value of the hedged item**
J.P. Morgan Securities	1.69%	6-month Euribor	Monday, April 27, 2048	531,638	(52,099)
J.P. Morgan Securities	1.57%	6-month Euribor	Sunday, April 26, 2048	144,548	(13,748)
BNP Paribas	2.39%	6-month Euribor	Tuesday, December 28, 2027	250,000	(21,588)
Banco Santander	2.39%	6-month Euribor	Tuesday, December 28, 2027	250,000	(21,588)
BBVA	1.14%	6-month Euribor	Sunday, April 25, 2032	630,000	(76,229)
BBVA	1.17%	6-month Euribor	Tuesday, May 25, 2032	273,000	(31,934)
BBVA	1.43%	6-month Euribor	Thursday, June 17, 2032	39,000	(1,782)
BBVA	1.63%	6-month Euribor	Thursday, September 16, 2032	178,000	(8,078)
BBVA	1.57%	6-month Euribor	Friday, October 27, 2034	262,000	(199)
BBVA	1.79%	6-month Euribor	Wednesday, November 22, 2034	376,000	(11,171)
BBVA	2.12%	6-month Euribor	Wednesday, December 27, 2034	227,000	580
				3,161,186	**(237,836)**

The breakdown as of Friday, December 31, 2021 was as follows:

				Thousands of Euros	
Counterparty	**Interest paid**	**Interest charged**	**Maturity**	**Notional amount**	**Changes in the fair value of the hedged item**
J.P. Morgan Securities	1.69%	6-month Euribor	Monday, April 27, 2048	538,975	53,616
J.P. Morgan Securities	1.57%	6-month Euribor	Sunday, April 26, 2048	154,245	13,519
BNP Paribas	2.39%	6-month Euribor	Tuesday, December 28, 2027	250,000	16,083
Banco Santander	2.39%	6-month Euribor	Tuesday, December 28, 2027	250,000	16,083
				1,193,220	**99,301**

In all cases of macro hedging transactions, the hedging instrument is an Interest Rate Swap (IRS), in which a fixed interest is charged and a variable interest is paid, the hedged instrument consists of loans and advances at amortized cost, the hedging relationship is fair value and the risk being hedged is the interest rate risk of the aforementioned loans and advances.

Hedges designated as "fair value hedges" are those that hedge exposure to changes in the fair value of financial assets and liabilities or firm commitments not yet recognized, or of an identified portion of such assets, liabilities or commitments in firm, attributable to a particular risk and provided that they may affect the consolidated profit and loss account. The information required by paragraph 24 of IFRS 7 in relation to these fair value hedges is presented below:

- Profit and loss of the hedging instrument: See table below for a breakdown of the gains and losses for 2022 and 2021 associated with the hedging instrument.
- Gains and losses on the hedged item that are attributable to the hedged risk: See table below for a breakdown of the gains and losses for 2022 and 2021 associated with hedged instruments that are effectively attributable to the hedged risk.

Hedges designated as "cash flow hedges" are those that hedge the variation in cash flows that is attributed to a particular risk associated with a financial asset or liability or a highly probable forecast transaction, provided that it may affect the account. consolidated profit and loss. The information required by paragraph 23 of IFRS 7 in relation to these cash flow hedges is presented below:

- Exercises in which the flows are expected to occur: The flows associated with the debt securities will occur until November 2030.
- Years in which it is expected to affect the results for the year: They coincide with the years in which the cash flows are expected to occur.
- Amount recognized during the last fiscal year under "Interest income" in the consolidated statement of income as an adjustment to income from hedging transactions: negative adjustment of 703,805thousand Euros (negative adjustment of 239,584 thousand Euros in 2021) (Note 32).
- Amount recognized during the last financial year under the heading "Interest expenses" in the consolidated income statement as rectification of expenses for hedging operations: negative rectification of 59,458 thousand Euros (negative rectification of 89,232 Euros in 2021) (Note 33).
- Ineffectiveness recognized in income for the year arising from cash flow hedges: No inefficiencies have been recorded during fiscal years 2022 and 2021.

In both cases, the Group contemplates that the sources of ineffectiveness of fair value or cash flow hedges may be as follows:

- Possible economic events affecting the Entity (e.g., defaults).
- Possible movements or differences relative to the market in the collateralized and uncollateralized curves used in the valuation of derivatives and hedged items.
- Possible differences between the nominal value, settlement/repricing dates and credit risk of the hedged item and the hedged item.

The following table presents the detail of the impact on the consolidated statement of income and on the consolidated statement of recognized income and expense of the hedging relationships designated by the Group as of December 31, 2022 and 2021:

Fair value hedges

								Thousands of Euros
	2022				2021			
	Results in hedging instruments		Results on covered instruments		Results in hedging instruments		Results on covered instruments	
	Losses	Benefit	Losses	Benefit	Losses	Benefit	Losses	Benefit
Futures on securities and types of interest	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Futures sales on interest rates interest	-	-	-	-	-	-	-	-
Currency options	**-**	**-**	**-**	**-**	**-**	**-**	**424**	**70,945**
Currency options issued	-	-	-	-	-	-	424	70,945
Other operations on interest types	**772,237**	**1,925,172**	**1,918,042**	**765,107**	**292,096**	**426,880**	**416,226**	**210,921**
Financial swaps on interest rates (IRS bonds)	722,454	1,781	1,215	721,888	163,690	-	566	162,376
Financial swaps on interest rates (IRS deposits credit institutions)	-	73,348	73,348	-	70,422	991	-	-
Financial swaps on interest rates (IRS of IPF customers)	-	400,032	400,032	-	48,545	-	-	48,545
Financial swaps on interest rates (IRS fixed income)	-	1,154,984	1,154,984	-	-	360,195	132,376	
Options on types of interest (fixed income)	49,783	295,027	288,463	43,219	9,439	65,694	283,284	-
	772,237	**1,925,172**	**1,918,042**	**765,107**	**292,096**	**426,880**	**416,650**	**281,866**

Cash flow hedging

	2022			2021		
	Change in the value of the hedged item recognized in other comprehensive income	Amount reclassified from equity to income		Change in the value of the hedged item recognized in other comprehensive income	Amount reclassified from equity to income	
		Coverage interruption	Recognition in income of the hedged transaction		Coverage interruption	Recognition in income of the hedged transaction
Other transactions on types of interest	**(143,646)**	-	**(422,579)**	**(437,693)**	-	**(219,629)**
Swaps on interest types (IRS deposits in central banks)	-	-	-	-	-	-
Swaps on interest types (IRS fixed income)	(143,646)	-	(422,579)	(437,693)	-	(219,629)
Total	**(143,646)**	**-**	**(422,579)**	**(437,693)**	**-**	**(219,629)**

Thousands of Euros

12. Investment in joint ventures and associates

12.1 Participation in entities valued by the equity method

Exhibits IV and V show a detail of the interests in joint ventures and associates as of December 31, 2022 and 2021, and recorded in the consolidated financial statements using the equity method, together with other relevant information thereon.

The contribution of the main entities accounted for using the equity method to the balance of "Investments in joint ventures and associates" in the consolidated balance sheet as of December 31, 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	**2021**
Unicorp Vida, Compañía de Seguros y Reaseguros, S.A.	183,156	223,167
Hidralia, Gestión Integral de Aguas de Andalucía, S.A.	18,773	19,266
Propco Eos, S.L.	11,401	15,698
Madrigal Participaciones, S.A.	16,790	16,853
Propco Epsilon, S.L.	10,006	11,483
Sociedad Municipal de Aparcamientos y Servicios, S.A.	11,673	11,070
Propco Malagueta, S.L.	1,239	3,667
Muelle Uno-Puerto de Málaga, S.A.	10,088	9,499
Ingeniería de Suelos y Explotación de Recursos, S.A.	12,463	10,780
Parque Científico-Tecnológico de Almería, S.A.	8,801	8,085
Proyecto Lima, S.L.	803	2,661
Propco Orange 1, S.L.	4,571	4,665
Espacio Medina, S.L.	3,138	4,266
Sociedad de Gestión San Carlos, S.A.	3,694	4,073
Participaciones Estratégicas del Sur, S.L.	4,399	3,800
Lico Leasing, S.A. (*)	4,543	5,124
Liberbank Vida y Pensiones, Seguros y Reaseguros, S.A. (*)	30,513	37,043
Hostelería Asturiana, S.A. (*)	2,271	2,286
Sociedad Regional de Promoción del Principado de Asturias, S.A. (*)	18,305	18,277
Global Berbice, S.L. (*)	6,423	9,302
Oppidum Capital, S.L. (*)	419,480	431,294
CCM Vida y Pensiones de Seguros y Reaseguros, S.A. (*)	79,012	79,181
Sociedad de Gestión y Promoción de Activos, S.L. (*)	30,393	33,807
Experiencia Peñíscola, S.L. (*)	4,564	4,563
Desarrollos Inmobiliarios Peña Vieja, S.L. (*)	13,954	14,197
Convivenzia Projet, S.L. (*)	2,928	2,860
Zedant Desarrollos, S.L. (*)	2,922	3,148
Cartera de activos H&L, S.L. (*)	1,642	1,681
Druet Real Estate, S.L. (*)	8,061	8,062
Griffin Real Estate Developments, S.L. (*)	3,863	3,920
Desarrollos Inmobiliarios Ronda Sur, S.L. (*)	2,583	2,543
Pryconsa Ahijones, S.L. (*)	16,700	16,659
Desarrollos Inmobiliarios Navalcan, S.L. (*)	4,553	4,636
Baraka Home 20, S.L. (*)	4,431	4,429
Azoe Inmuebles, S.L. (*)	5,354	5,536
Other entities	12,988	14,452
	976,478	**1,052,033**

(*) Holdings from the merger by absorption of Liberbank (Note 1.14).

A reconciliation between the opening and closing balance of "Investments in joint ventures and associates" in the consolidated balance sheet for the years 2022 and 2021 is presented below:

	Thousands of Euros	
	2022	**2021**
Net book value as of January 1	**1,052,033**	**361,830**
Effect of the take-over merger of Liberbank (*)	-	633,394
Recognitions in the year	3,968	7,311
Losses from the fiscal year	(3,373)	(2,109)
Income from companies accounted for by the equity method	71,075	40,270
Impairment of investments in joint ventures or associates (Note 42)	(535)	213
Dividends distributed	(46,543)	(22,222)
Valuation adjustment differences	(88,814)	56,336
Other changes	(11,333)	(22,990)
Net fair value as at 31 December	**976,478**	**1,052,033**

(*) The amount of the heading "Effect of the merger by absorption of Liberbank" includes the effect of the fair value adjustments of the portfolio of investments in joint ventures and associates as described in Note 1.14.

The detail of dividends received from joint ventures and associates during 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	**2021**
Andalucía Económica, S.A.	11	-
Euro 6000, S.A.	184	-
Hidralia, Gestión Integral de Aguas de Andalucía, S.A.	2,351	1,622
Ingeniería de Suelos y Explotación de Recursos, S.A.	900	600
Oppidum Capital, S.L.	18,097	-
Unicorp Vida, Compañía de Seguros y Reaseguros, S.A.	25,000	20,000
	46,543	**22,222**

The net impairment charges recorded in 2022 amount to 535 thousand euros (net recoveries of 213 thousand euros in 2021) (Note 42). These endowments and recoveries are recorded under “Impairment or reversal of investments in joint ventures or associated companies” in the consolidated income statement.

The caption "Other changes" includes mainly capital increases and reductions in joint ventures and associates, which are not computed as additions or disposals for the purposes of this caption if the percentage of ownership in the company does not change.

The balance of "Investments in joint ventures and associates" in the consolidated balance sheets at December 31, 2022 and 2021 includes 53,104thousand Euros and 53,708 thousand Euros, respectively, relating to goodwill associated with these types of investments. Various disclosures relating to these goodwill are provided in Note 4.

12.2 Notifications on acquisition and disposal of equity investments

The following are the notifications on the acquisition and sale of shares in the capital of Group, multi-group and associated companies, in compliance with the provisions of the Capital Companies Act and article 53 of Law 24/1988, on the Securities Market.

During 2022 and 2021, the main acquisitions and disposals of investments in subsidiaries and entities accounted for using the equity method were as follows:

Acquisitions of equity interests during 2022

Name of the entity	Category	Date operation effective	Net cost of acquisition	% of voting rights acquired	% of total voting rights in the entity after the acquisition
			Thousands of Euros		
Sedes, S.A.	Associated	02.02.2022	2,489	0.05%	39.90%
Kenta Capital Investment Management, S.A.	Associated	22.04.2022	2,881	36.00%	36.00%

Acquisitions of equity interests during 2021

Name of the entity	Category	Date operation effective	Net cost of acquisition	% of voting rights acquired	% of total voting rights in the entity after the acquisition
			Thousands of Euros		
Administradora Valtenas, S.L.U.	Group	7/31/2021	248	100.00%	100.00%
Análisis y Gestión de Innovación Tecnológica, S.L.U.	Group	7/31/2021	4,588	100.00%	100.00%
Arco Explotaciones, S.L.U.	Group	7/31/2021	23,238	100.00%	100.00%
Asturiana de Administración de Valores Mobiliarios, S.L.U.	Group	7/31/2021	429	100.00%	100.00%
Banco de Castilla La Mancha Mediación, Operador de Banca Seguros Vinculado, S.A.U.	Group	7/31/2021	-	100.00%	100.00%
Briareo Gestión, S.A.U.	Group	7/31/2021	10,201	100.00%	100.00%
Caja Castilla La Mancha Conecta, S.A.U.	Group	7/31/2021	123	100.00%	100.00%
Caja Castilla La Mancha Iniciativas Industriales, S.L.U.	Group	7/31/2021	3,953	100.00%	100.00%
Caja Castilla La Mancha Finance, S.A.U.	Group	7/31/2021	9,668	100.00%	100.00%
Camín de la Mesa, S.A.U.	Group	7/31/2021	62	100.00%	100.00%
Camping Alto Gallego, S.L.U.	Group	7/31/2021	2,239	100.00%	100.00%
Cánovas Explotaciones, S.L.U.	Group	7/31/2021	2,312	100.00%	100.00%
Cantábrica de Inversiones de Cartera, S.L.U.	Group	7/31/2021	1,903	100.00%	100.00%
CCM Brokers 2007, Correduría de Seguros, S.A.U.	Group	7/31/2021	71	100.00%	100.00%
Concejo Explotaciones, S.L.U.	Group	7/31/2021	3,426	100.00%	100.00%
Corporación Empresarial Caja Extremadura, S.L.U.	Group	7/31/2021	17,171	100.00%	100.00%
Ercávica Desarrollos, S.L.U.	Group	7/31/2021	5	100.00%	100.00%
Explotaciones Forestales y Cinegéticas Alta- Baja, S.A.U.	Group	7/31/2021	4,125	100.00%	100.00%
Explotaciones Santa Isabel, S.L.U.	Group	7/31/2021	3,864	100.00%	100.00%
Factoría de Transformación de Operaciones y Servicios, S.L.U.	Group	7/31/2021	6,903	100.00%	100.00%
Finca Las Huelgas, S.A.U.	Group	7/31/2021	89	100.00%	100.00%
Grafton Investments, S.L.U.	Group	7/31/2021	35,872	100.00%	100.00%
Hoteles Layos, S.L.	Group	7/31/2021	13,499	100.00%	100.00%
Instituto de Economía y Empresa, S.L.U.	Group	7/31/2021	39	100.00%	100.00%
Liberbank Capital, S.A.U.	Group	7/31/2021	260,672	100.00%	100.00%
Liberbank Contact, S.L.U.	Group	7/31/2021	-	100.00%	100.00%
Liberbank Digital, S.L.U.	Group	7/31/2021	167	100.00%	100.00%
Liberbank Ebusiness, S.L.U.	Group	7/31/2021	264	100.00%	100.00%
Liberbank Gestión, S.G.I.I.C., S.A.U.	Group	7/31/2021	7,953	100.00%	100.00%
Liberbank I.T., S.L.U.	Group	7/31/2021	6,971	100.00%	100.00%
Liberbank Mediación, Operador de Banca-Seguros Vinculado, S.L.U.	Group	7/31/2021	-	100.00%	100.00%
Liberbank Pensiones, Sociedad Gestora de Fondos de Pensiones, S.A.U.	Group	7/31/2021	1,929	100.00%	100.00%
Liberbank Servicios Auxiliares Bancaseguros, A.I.E.	Group	7/31/2021	600	100.00%	100.00%

Name of the entity	Category	Date operation effective	Net cost of acquisition	% of voting rights acquired	% of total voting rights in the entity after the acquisition
					Thousands of Euros
Liberbank Servicios Financieros, S.A.U.	Group	7/31/2021	16,687	100.00%	100.00%
Lisson Directorship, S.L.U.	Group	7/31/2021	2,884	100.00%	100.00%
Midamarta, S.L.U.	Group	7/31/2021	65,371	100.00%	100.00%
Mosacata, S.L.U.	Group	7/31/2021	67,642	100.00%	100.00%
Norteña Patrimonial, S.L.U.	Group	7/31/2021	601	100.00%	100.00%
Peña Rueda, S.L.U.	Group	7/31/2021	18	100.00%	100.00%
Pico Cortés, S.L.U.	Group	7/31/2021	444	100.00%	100.00%
Pico Miravalles, S.L.U.	Group	7/31/2021	38	100.00%	100.00%
Planes e Inversiones CLM, S.A.U.	Group	7/31/2021	71	100.00%	100.00%
Pomarada Gestión, S.L.U.	Group	7/31/2021	15	100.00%	100.00%
Procesa Recuperación de Activos, S.A.U.	Group	7/31/2021	7,690	100.00%	100.00%
Promociones Miralsur, S.L.U.	Group	7/31/2021	3	100.00%	100.00%
Puertu Maravio, S.L.U.	Group	7/31/2021	52	100.00%	100.00%
Puntida, S.L.U.	Group	7/31/2021	8,066	100.00%	100.00%
Segóbriga Desarrollos, S.L.U.	Group	7/31/2021	4	100.00%	100.00%
Sierra del Acebo, S.L.U.	Group	7/31/2021	89	100.00%	100.00%
Tiatordos, S.A.U.	Group	7/31/2021	114	100.00%	100.00%
Urbe Cantabria, S.L.U.	Group	7/31/2021	1,063	100.00%	100.00%
Viacava – Incós de Energía, S.A.U.	Group	7/31/2021	500	100.00%	100.00%
Parque Industrial Humilladero, S.L.	Group	12/28/2021	-	2.23%	92.00%
Instituto de Medicina Oncológica y Molecular de Asturias, S.A.	Multigroup	7/31/2021	3,325	33.33%	33.33%
Vida y Pensiones , Seguros y Reaseguros, S.A.	Multigroup	7/31/2021	37,231	50.00%	50.00%
Polígono Romica, S.A.	Multigroup	7/31/2021	1,090	50.00%	50.00%
Promociones 2020 San Lázaro, S.L.	Multigroup	7/31/2021	1	20.00%	20.00%
Sociedad de Gestión San Carlos, S.A.	Multigroup	7/23/2021	-	0.54%	62.20%
Alanja Desarrollos, S.L.U.	Associated	7/31/2021	413	20.00%	20.00%
Área Logística Oeste, S.L.	Associated	7/31/2021	3,277	27.28%	27.28%
Azoe Inmuebles, S.L.	Associated	7/31/2021	5,676	48.40%	48.40%
Baraka Home 20, S.L.	Associated	7/31/2021	4,504	29.96%	29.96%
Cantabria Capital S.G.E.I.C. S.A.	Associated	7/31/2021	64	20.00%	20.00%
Cartera de Activos H&L, S.L.	Associated	7/31/2021	1,743	27.54%	27.54%
CCM Vida y Pensiones de Seguros y Reaseguros, S.A.	Associated	7/31/2021	77,417	50.00%	50.00%
Convivenzia Projet, S.L.	Associated	7/31/2021	2,919	49.94%	49.94%
Desarrollos Inmobiliarios Navalcan, S.L.	Associated	7/31/2021	4,627	48.79%	48.79%
Desarrollos Inmobiliarios Peña Vieja, S.L.	Associated	7/31/2021	14,641	48.94%	48.94%
Desarrollos Inmobiliarios Ronda Sur, S.L.	Associated	7/31/2021	2,545	37.14%	37.14%
Druet Real Estate, S.L.	Associated	7/31/2021	8,062	49.23%	49.23%
Electra de Malvana, S.A.	Associated	7/31/2021	232	20.00%	20.00%
Electra de Sierra de San Pedro, S.A.	Associated	7/31/2021	300	20.00%	20.00%
Euro 6000, S.A.	Associated	7/31/2021	-	23.20%	23.20%
Experiencia Peñíscola, S.L.	Associated	7/31/2021	4,587	47.63%	47.63%
Fitex Ilunion, S.A.	Associated	7/31/2021	156	25.00%	25.00%
Global Berbice, S.L.	Associated	7/31/2021	12,645	20.00%	20.00%
Griffin Real Estate Developments, S.L.	Associated	7/31/2021	4,004	40.83%	40.83%
Hormigones y Áridos Aricam, S.L. (b)	Associated	7/31/2021	-	25.00%	25.00%
Hostelería Asturiana, S.A.	Associated	7/31/2021	2,343	40.42%	40.42%
Industrializaciones Estratégicas, S.A.	Associated	7/31/2021	3,481	35.00%	35.00%
Leche de Occidente de Asturias, S.A.	Associated	7/31/2021	-	33.34%	33.34%
Lico Leasing, S.A.	Associated	7/31/2021	-	34.16%	34.16%
Mastercajas, S.A.	Associated	4/28/2021	333	10.17%	42.64%
Mastercajas, S.A.	Associated	7/31/2021	994	30.11%	72.75%
Oppidum Capital, S.L.	Associated	7/31/2021	376,711	44.13%	44.13%
Pryconsa- Ahijones, S.L.	Associated	7/31/2021	16,659	32.94%	32.94%
Sedes, S.A.	Associated	7/31/2021	822	39.85%	39.85%
Sociedad Astur-Castellano Leonesa de Navegación, S.A.	Associated	7/31/2021	-	23.05%	23.05%
Sociedad de Gestión General y Promoción de Activos, S.L.	Associated	7/31/2021	24,027	49.73%	49.73%
Sociedad Regional de Promoción del Principado de Asturias, S.A.	Associated	7/31/2021	18,385	29.33%	29.33%

			Thousands of Euros		
Name of the entity	**Category**	**Date operation effective**	**Net cost of acquisition**	**% of voting rights acquired**	**% of total voting rights in the entity after the acquisition**
World Trade Center Santander, S.A.	Associated	7/31/2021	-	31.50%	31.50%
Zedant Desarrollos, S.L.	Associated	7/31/2021	3,180	45.11%	45.11%

Disposals of investments during 2022

			Thousands of Euros		
Name of the entity	**Category**	**Date operation effective**	**% of voting rights disposed of or canceled**	**% of total voting rights in the entity after disposal**	**Profit/ (loss) generated**
Explotaciones Forestales y Cinegéticas Alta- Baja, S.A.U.	Group	25.02.2022	100.00%	0.00%	2,098
Caja Castilla La Mancha Conecta, S.A. Combined administrative services	Group	27.06.2022	100.00%	0.00%	(3)
Liberbank Servicios Auxiliares Bancaseguros, A.I.E.	Group	19.05.2022	100.00%	0.00%	(78)
Caja Castilla La Mancha Finance, S.A.U.	Group	28.06.2022	100.00%	0.00%	42
Banco de Castilla La Mancha Mediación Operador de Banca Seguros Vinculado, S.A.U.v (*)	Group	01.06.2022	100.00%	0.00%	-
Liberbank Mediación, Operador de Banca-Seguros Vinculado, S.L.U. (*)	Group	01.06.2022	100.00%	0.00%	-
Fitex Ilunion, S.A:	Associated	Thursday, July	25.00%	0.00%	(32)
Liberbank Gestión, S.G.I.I.C, S.A.U.(*)	Group	Tuesday,	100.00%	0.00%	-

(*) Holdings that have been divested as a result of a merger by absorption between Group companies.

Disposals of investments during 2021

			Thousands of Euros		
Name of the entity	**Category**	**Date operation effective**	**% of voting rights disposed of or canceled**	**% of total voting rights in the entity after disposal**	**Profit/ (loss) generated**
Ahorro Andaluz, S.A.	Associated	4/21/2021	50.00%	0.00%	-
Creation of Soils and	Associated	6/7/2021	24.98%	0.00%	-

Infrastructures, S.L.					
Electra de Sierra de San Pedro, S.A.	Associated	12/30/2021	20.00%	0.00%	-
Engineering and Advanced Integration, S.A.	Associated	7/13/2021	40.00%	0.00%	1,789

These changes in the composition of the Group have not had a significant impact on the consolidated financial statements for 2022. In 2021 there was a significant change in the composition of the Unicaja Banco Group due to the merger by absorption of Liberbank, the effects of which on the comparability of the financial information are explained in Note 1.5.2.

Additionally, it should be noted that on May 23, 2022, Unicaja Banco reached an agreement with Santa Lucía, S.A., Compañía de Seguros y Reaseguros ("Santa Lucía") to extend its joint banking and insurance alliance in the life risk, savings, accident and pension plan lines following the merger of Unicaja Banco with Liberbank (Note 1.14). According to the said agreement, Santa Lucía will acquire 50% of CCM Vida y Pensiones de Seguros y Reaseguros, S.A. ("CCM Vida") and Liberbank Vida y Pensiones, Seguros y Reaseguros, S.A. ("Liberbank Vida"), with Unicaja Banco keeping the remaining percentage and extending the current alliance with Santa Lucía.

As previous steps to the extension of the alliance:

- On October 10, 2022, Unicaja Banco acquired from Mapfre Vida, Sociedad Anónima de Seguros y Reaseguros sobre la Vida Humana (Mapfre) 50% of the shares of CCM Vida for 131.4 million euros, thus terminating the alliance with Mapfre for the banking and insurance business from Banco de Castilla-La Mancha, S.A. ("BCLM"), which was part of the Liberbank Group.

- On October 14, 2022, Unicaja Banco acquired from Aegon España, S.A. de Seguros y Reaseguros (Aegon) 50% of the shares of Liberbank Vida for 176.5 million euros, thus terminating the alliance with Aegon for the banking and insurance business from Liberbank, S.A. ("Liberbank"), which was also part of the Liberbank Group.

- For urging Mapfre and Aegon to terminate the banking and insurance alliances that were in force, Unicaja Banco has been charged a penalty of 41 million euros, which is part of the purchase price of the CCM Vida and Liberbank Vida participations. The Unicaja Banco Group had set up a provision for this item amounting to 65 million euros, for which the corresponding provisions have been used and an amount of 24 million euros has been recovered under the heading "Provisions or reversal of provisions" in the consolidated income statement for the year 2022.

After executing the previous steps and receiving the corresponding regulatory and administrative authorizations, on November 2, 2022, Unicaja Banco has materialized the sale to Santa Lucía of 50% of CCM Vida and Liberbank Vida, extending the banking and insurance alliance from that moment onwards, receiving a consideration consisting of a fixed amount of 318 million euros, of which 295 million correspond to the sale price of the insurance companies, and 23 million corresponds to the complementary consideration linked to the novation of the insurance distribution agreement through Unicorp Vida, Compañía de Seguros y Reaseguros, S. A. ("Unicorp Vida"), in which there was a previous alliance with Santa Lucía.

As a result of the materialization of the sale of the insurance companies to Santa Lucía, a total capital gain of 36 million euros has been generated, of which 17 million euros have been recorded under the heading "Gains/losses from non-current assets and disposal groups classified as held for sale not eligible as discontinued operations" in the consolidated income statement for 2022 (Note 44), and the remaining 19 million euros are expected to be recorded as the performance obligations associated with this amount are fulfilled.

23 million associated with the novation of the insurance distribution agreement through Unicorp Vida will be recognized in future years as the associated performance obligations are fulfilled, as required by IFRS 15.

Finally, the agreements reached with Santa Lucía also include a variable amount of up to 40 million euros to be received by the Unicaja Banco Group based on the level of compliance with certain business objectives over the next 10 years. This amount will be recognized in future periods based on compliance with the agreed Business Plan, considering the information available at each moment (historical, current and projected), as required by paragraphs 50 to 54 of IFRS 15.

It should be noted that the Unicaja Banco Group had made a provision to cover the penalties that the Group had to assume in the repurchase of its holdings in the insurance companies CCM Vida and Liberbank Vida. Following the agreements reached, part of this provision, amounting to 24 million Euros, has been released. This release has been recorded under "Provisions or reversal of provisions" in the consolidated statement of income.

13. Tangible assets

13.1 Tangible fixed assets

The breakdown of the balance of this line item in the consolidated balance sheets as at December 31, 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	**2021**
Tangible fixed assets	1,286,647	1,392,916
Own use	1,286,647	1,392,916
Loaned under operating lease	-	-
Of which: Leasehold rights of use	*65,312*	*90,747*
Investment property	708,894	856,380
	1,995,541	**2,249,296**

13.1.1 Movement in property, plant and equipment

The movement in the heading "Property, plant and equipment" of the Group's consolidated balance sheet during the years 2022 and 2021 has been as follows:

	Thousands of Euros		
	Own use	**Investment property**	**Total**
Cost			
Balances as at December 31, 2021	**2,828,921**	**1,533,713**	**4,362,634**
Other additions	44,450	1,104	45,554
Additions for leasehold rights of use	7,012	-	7,012
Disposals due to other means	(106,649)	(174,588)	(281,237)
Disposals of leasehold rights of use	(25,117)	-	(25,117)
Other transfers and other movements	(32,734)	(105,443)	(138,177)
Balances as at Friday, December 31, 2022	**2,715,883**	**1,254,786**	**3,970,669**
Accumulated amortization:			
Balances as at Friday, December 31, 2021	**(1,384,799)**	**(182,758)**	**(1,567,557)**
Disposals due to other means	69,953	(21,511)	48,442
Endowments	(47,125)	(17,318)	(64,443)
Allocations for leasehold use rights	(9,400)	-	(9,400)
Other transfers and other movements	22,811	53,841	76,652
Balances as at December 31, 2022	**(1,348,560)**	**(167,746)**	**(1,516,306)**
Impairment losses			
As at December 31, 2022	**(80,676)**	**(378,146)**	**(458,822)**
Net tangible fixed assets			
Balances as at December 31, 2022	**1,286,647**	**708,894**	**1,995,541**

	Thousands of Euros		
	Own use	Investment property	Total
Cost			
Balances as at Thursday, December 31, 2020	**1,777,818**	**515,005**	**2,292,823**
Effect of the merger by absorption of Liberbank	1,096,168	1,011,014	2,107,182
Other additions	15,867	2,865	18,732
Additions for leasehold rights of use	30,155	-	30,155
Disposals due to other means	(25,717)	(40,284)	(66,001)
Disposals of leasehold rights of use	(34,940)	-	(34,940)
Other transfers and other movements	(30,430)	45,113	14,683
Balances as at Friday, December 31, 2021	**2,828,921**	**1,533,713**	**4,362,634**
Accumulated amortization:			
Balances as at Thursday, December 31, 2020	**(909,027)**	**(90,404)**	**(999,431)**
Effect of the merger by absorption of Liberbank	(462,454)	(77,105)	(539,559)
Disposals due to other means	23,057	2,575	25,632
Endowments	(34,962)	(11,898)	(46,860)
Allocations for leasehold use rights	(8,953)	-	(8,953)
Other transfers and other movements	7,540	(5,926)	1,614
Balances as at Friday, December 31, 2021	**(1,384,799)**	**(182,758)**	**(1,567,557)**
Impairment losses			
As at December 31, 2021	**(51,206)**	**(494,575)**	**(545,781)**
Net tangible fixed assets			
Balances as at Friday, December 31, 2021	**1,392,916**	**856,380**	**2,249,296**

The above tables identify "Other transfers and other movements" are identified in both the cost and accumulated depreciation of assets. The breakdown by nature of these movements for fiscal years 2022 and 2021 is as follows:

	Thousands of Euros			
	2022		2021	
	Own use	Investment property	Own use	Investment property
Transfers between non-current assets held for sale and real estate investments (*) (Note 16)	-	(59,153)	-	16,067
Transfers between own use and real estate investments	(7,550)	7,550	(23,095)	23,095
Transfers from stock	-	-	-	25
Other changes	(2,373)	-	205	-
	(9,923)	**(51,603)**	**(22,890)**	**39,187**

(*) These transfers are due to changes in the intention to lease/sell the assets that have taken place during the year 2022 by the Unicaja Banco Group. Specifically, the transfers from investment property to non-current assets held for sale are due to a change in the management strategy for certain groups of assets to be held for sale.

The Group has contracted several insurance policies to cover the risks to which its property, plant and equipment are subject. The coverage of these policies is considered sufficient.

As of December 31, 2022 and 2021, there are property, plant and equipment for own use and property investments that were fully depreciated for a gross amount of 940,335thousand Euros and 963,055 thousand Euros, respectively.

Net collections recorded in the consolidated statement of cash flows for 2022 for tangible assets recorded under this caption amount to 253,955 thousand Euros (net collections of 21,637 thousand Euros in 2021).

13.1.2 Property, plant and equipment for own use

The breakdown of the items that make up the ban ace of this item of the consolidated balance sheets as at December 31, 2022 and 2021, is as follows:

	Thousands of Euros			
	Cost	**Accumulated amortization:**	**Impairment losses**	**Net balance**
Computer hardware and installations	239,785	(146,465)	-	93,320
Furniture, vehicles, and other fixtures	880,292	(816,535)	-	63,757
Buildings	1,288,482	(309,289)	(61,223)	917,970
Construction in progress	6,082	-	-	6,082
Others	301,242	(76,271)	(19,453)	205,518
Balances as at December 31, 2022	**2,715,883**	**(1,348,560)**	**(80,676)**	**1,286,647**

	Thousands of Euros			
	Cost	**Accumulated amortization:**	**Impairment losses**	**Net balance**
Computer hardware and installations	226,848	(176,999)	-	49,849
Furniture, vehicles, and other fixtures	892,363	(822,373)	-	69,990
Buildings	1,521,477	(334,622)	(31,908)	1,154,947
Construction in progress	5,595	-	-	5,595
Others	182,638	(50,805)	(19,298)	112,535
Balances as at Friday, December 31, 2021	**2,828,921**	**(1,384,799)**	**(51,206)**	**1,392,916**

As part of the net balance at December 31, 2022 and 2021 shown in the table above, there are no items of net value corresponding to property, plant and equipment that the Group companies are acquiring under finance leases.

13.2 Investment property

The "Investment property" heading of the consolidated balance sheet generally includes the net value of the land, buildings and other constructions that are held for rental purposes. Investment property is stated in the consolidated balance sheet at acquisition cost, consisting of the fair value of any consideration given plus all cash payments made or committed, less the related accumulated depreciation and, if applicable, estimated losses resulting from comparing the net value of each item with its corresponding recoverable amount. In accordance with IAS 36, the recoverable amount is the higher of the fair value less costs to sell and the value in use of the assets.

Since these are assets that generate rental income and their value in use can be estimated, the Group does not follow the same criteria for updating appraisals as is required for irregular properties that are intended exclusively for sale. The Group calculates the recoverable amount of investment property based on the value in use derived from the income generated by the assets.

Unicaja Banco Group does not have a reliable measure of the fair value of real estate investments. In the absence of a reliable measure of the fair value of investment property, the Group does not report the requirements of paragraph 75 (d) and (e) of IAS 40.

The expenses recorded in the consolidated income statements for 2022 and 2021 for direct operating expenses (including repairs and maintenance) associated with investment property, with a separation between those that generate income and those that do not, are as follows:

	Thousands of Euros	
	2022	2021
Expenses associated with investment property that generates income (Note 39.2)	8,710	6,720
Expenses associated with real estate investments that do not generate income	5,617	1,500
	14,327	**8,220**

With respect to real estate investments in which the Group acts as lessor, the conditions of the regulations applicable to each lease are respected, especially with respect to Law 29/1994, of November 24, 1994, on Urban Leases, and Law 4/2013, of June 4, 2013, on measures to make the housing rental market more flexible and promote it.

Rental income from investment property owned by Group companies in 2022 and 2021 amounted to 38,871 thousand Euros and 25,316 thousand Euros, respectively, and was recorded under "Other operating income" (Note 39.1).

For the valuation of the Unicaja Banco Group's investment property, the accounting criteria set forth in IAS 40 "Investment Property" are followed, specifically in section 53 thereof, which establishes that the entity shall value the assets of the investment property portfolio by applying the cost model provided in IAS 16 "Property, Plant and Equipment" until the time of sale or disposal of the investment property, when certain conditions are met, including that the property becomes investment property after a change in use. In this sense, the investment property held by the Group is either properties for its own use or properties acquired in debt recovery.

Investment property is stated in the consolidated balance sheet at acquisition cost, consisting of the fair value of any consideration given plus all cash payments made or committed, less the related accumulated depreciation and, if applicable, estimated losses resulting from comparing the net value of each item with its corresponding recoverable amount. In accordance with IAS 36 "Impairment of assets," the recoverable amount is either the fair value less sales costs or the value-in-use of the assets, whichever is less. As these are assets that primarily generate rental income, the Group calculates the recoverable amount of investment property based on the value-in-use derived from the rents generated by the assets and does not have a reliable measure of the fair value of investment property.

In any case, as of December 31, 2022 and 2021, the following is a breakdown of investment property according to its nature, indicating its carrying value and the best estimate that the Group can reach of its fair value at that same date:

					Thousands of Euros
Saturday, December 31, 2022	**Gross carrying amount**	**Accumulated amortization:**	**Valuation adjustments due to impairment**	**Carrying amount**	**Estimated fair value**
Premises and warehouses	609,397	(109,626)	(124,567)	375,204	427,549
Completed housing	484,108	(29,748)	(196,049)	258,311	407,878
Parking and storage rooms	20,451	(1,687)	(9,025)	9,739	14,943
Developed plots	8,934	(5)	(4,221)	4,708	8,005
Rural properties	8,442	(287)	(3,107)	5,048	12,423
Others	123,454	(26,393)	(41,177)	55,884	81,630
Total	**1,254,786**	**(167,746)**	**(378,146)**	**708,894**	**952,428**

Friday, December 31, 2021	Gross carrying amount	Accumulated amortization:	Valuation adjustments due to impairment	Carrying amount	Estimated fair value
					Thousands of Euros
Premises and warehouses	688,358	(126,909)	(149,184)	412,265	445,557
Completed housing	661,408	(29,875)	(276,884)	354,649	441,292
Parking and storage rooms	50,185	(2,767)	(21,067)	26,351	31,848
Developed plots	14,848	(3)	(5,602)	9,243	12,113
Rural properties	14,556	(272)	(4,397)	9,887	14,313
Others	104,358	(22,932)	(37,441)	43,985	59,019
Total	**1,533,713**	**(182,758)**	**(494,575)**	**856,380**	**1,004,142**

The fair value was estimated mainly based on the latest appraisal reports received for each of the assets included under “Investment property”.

In this regard, the Unicaja Banco Group has a corporate policy that guarantees the professional competence, independence, and objectivity of the external measurement companies, in accordance with the regulations, which requires the appraisal companies to comply with neutrality and credibility requirements so that the use of their estimates does not undermine the reliability of their measurements. This policy states that all the appraisal companies with which the Unicaja Banco Group works in Spain must be registered in the Official Register of the Bank of Spain and their measurements must be carried out following the methodology established in Ministry of Economy Order ECO/805/2003 of March 27 on measurement standards for real property and specific rights for certain financial purposes.

13.3 Valuation adjustments due to impairment of tangible assets

A summary of the movements that affected the valuation adjustments due to impairment of these line items in 2022 and 2021 is shown below:

	Own use	Investment property	Total
			Thousands of Euros
Balances as at December 31, 2020	**31,731**	**117,160**	**148,891**
Effect of the take-over merger of Liberbank (*)	21,394	383,028	404,422
Endowments	-	4,637	4,637
Recoveries on sales	(1,082)	(14,043)	(15,125)
Other recoveries	(335)	-	(335)
Remaining transfers and reclassifications	(502)	3,793	3,291
Balances as at Friday, December 31, 2021	**51,206**	**494,575**	**545,781**
Endowments	32,884	9,974	42,858
Recoveries on sales	-	(65,548)	(65,548)
Other recoveries	-	(4,015)	(4,015)
Remaining transfers and reclassifications	(3,414)	(56,840)	(60,254)
Balances as at December 31, 2022	**80,676**	**378,146**	**458,822**

(*) The amount of the heading “Effect of the take-over merger of Liberbank” includes the effect of the fair value adjustments of the tangible asset portfolio as described in Note 1.14.

The endowments made are recorded under “Impairment or reversal of non-financial assets” in the consolidated income statement.

13.4 Rights of use by lease

The Group holds rights of use by lease mainly on buildings, premises and offices for carrying out its business, as well as, to a lesser extent, vehicles, information processing equipment and parking lots.

The following is a breakdown of rights of use by lease and the movements thereunder during the fiscal years 2022 and 2021:

	Thousands of Euros		
	Land and buildings	Others	Total
Balances as at January 1, 2021	**40,833**	**-**	**40,833**
Effect of the merger by absorption of Liberbank	56,730	2,447	59,177
Recognitions	29,617	538	30,155
Write-downs	(34,365)	(574)	(34,939)
Amortization	(8,868)	(85)	(8,953)
Other changes	4,474	-	4,474
Balances as at Friday, December 31, 2021	**88,421**	**2,326**	**90,747**
Recognitions	6,839	-	6,839
Write-downs	(25,067)	-	(25,067)
Amortization	(9,400)	-	(9,400)
Other changes	4,519	(2,326)	2,193
Balances as at December 31, 2022	**65,312**	**-**	**65,312**

With respect to the lease liabilities associated with the rights of use (which are recorded under “Financial liabilities at amortized cost”), the details of the balances as of December 31, 2022 and 2021 are presented below:

	Thousands of Euros	
	2022	2021
Lease liabilities:		
Current leases	1,702	1,842
Non-current leases	68,769	60,926
	70,471	**62,768**

The following is a breakdown by maturity of the lease payments expected by the Group, in terms of contractual (undiscounted) cash flows:

	Thousands of Euros					
	Up to 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years
Lease liabilities	243	1,684	4,240	1,539	2,573	60,191

On the other hand, the impact on the consolidated income statement for the Group's rights of use by lease as of December 31, 2022 and 2021 is:

	Thousands of Euros	
	2022	**2021**
Expenses for amortization of rights of use	(9,400)	8,953
Land and buildings	*(9,400)*	*8,868*
Others	-	*85*
Interest expense on lease liabilities	(1,140)	1,132
	(10,540)	**10,085**

Finally, the Group has made exceptions to the general treatment of leases for those contracts for 12 months or less, as well as those contracts where the value of the leased item is low. Although these exceptions were not for a significant amount, their impact on the Group's income statement as of December 31, 2022 and 2021 is presented below:

	Thousands of Euros	
	2022	**2021**
Short-term lease expenses	112	146
Expenses for low-value leases	805	396
	917	**542**

14. Intangible assets

As of December 31, 2022 and 2021, the breakdown by item of "Intangible assets" in the consolidated balance sheet is as follows:

	Thousands of Euros	
	2022	**2021**
Goodwill	32,164	38,333
Other intangible assets	42,586	41,473
	74,750	**79,806**

"Other intangible assets" includes mainly computer software used in the development of the activities of the Unicaja Banco Group companies.

The movements under “Intangible assets” in the consolidated balance sheet during the years ended December 31, 2022 and 2021 are as follows:

	Thousands of Euros			
	Cost	Accumulated amortization:	Valuation adjustments due to impairment	Carrying amount
Balance as at Thursday, December 31, 2020	**104,066**	**(11,464)**	**(18,507)**	**74,095**
Effect of the take-over merger of Liberbank (*)	9,509	(2,217)	-	7,292
Additions	18,970	(13,109)	(6,169)	(308)
Write-downs	(1,273)	-	-	(1,273)
Other changes	-	-	-	-
Balance as at Friday, December 31, 2021	**131,272**	**(26,790)**	**(24,676)**	**79,806**
Additions	17,670	(16,557)	(6,169)	(5,056)
Write-downs	-	-	-	-
Other changes	-	-	-	-
Balance as at December 31, 2022	**148,942**	**(43,347)**	**(30,845)**	**74,750**

(*) The amount of the heading “Effect of the take-over merger of Liberbank” includes the effect of the fair value adjustments of the intangible assets as described in Note 1.14.

The amounts recorded under “Amortization” in the consolidated income statement amount to 16,558 thousand Euros in the year ended December 31, 2022 (13,109 thousand Euros in the year ended December 31, 2021).

The amount of fully amortized intangible assets in use as of December 31, 2022 and 2021 totals 1,767thousand Euros and 2,188 thousand Euros, respectively.

Net payments recorded in the consolidated statement of cash flows for 2022 for intangible assets recorded under this line item amount to 11,564 thousand Euros (net payments of 11,527 thousand Euros in 2021).

The breakdown of “Goodwill” at December 31, 2022 and 2021, by each of the companies generating goodwill, is as follows:

	Thousands of Euros	
	2022	2021
Unión del Duero, Compañía de Seguros de Vida, S.A.U.	32,164	38,333
	32,164	**38,333**

Detailed information on goodwill is presented below:

			Thousands of Euros			
			Accumulated write-downs		Net amount	
	Initial amount	Initial registration date	2022	2021	2022	2021
Unión del Duero, Company de Seguros de Vida, S.A.U.	63,009	March 2018	(30,845)	(24,676)	32,164	38,333

The goodwill recorded in Unión del Duero, Compañía de Seguros de Vida, S.A.U. corresponds to the price paid in the acquisition of a 50% stake in this company and in Duero Pensiones, E.G.F.P., S.A.U. (subsequently absorbed by the former) in March 2018, in relation to a portfolio of insurance contracts that is in "run-off". In order to compare the value of this goodwill, the Group performs a periodic analysis of the fair value of the business, considering, among other factors, the average financial duration of such contracts at the year-end date.

The impairment of this goodwill in 2022 and 2021 amounts to 6,169 thousand Euros in both years. These amounts are recorded under "Impairment or reversal of non-financial assets - Intangible assets" in the consolidated income statement (Note 42).

15. Other assets

The breakdown of this line item in the consolidated balance sheets as at December 31, 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	**2021**
Insurance contracts linked to pensions	23,167	31,060
Inventories	129,212	159,261
Others	511,401	252,038
	663,780	**442,359**

At December 31, 2022 and 2021, the "Insurance contracts linked to pensions" line item on the asset side of the consolidated balance sheet amounted to 23.167 thousand Euros and 31,060 thousand Euros, respectively, relating to post-employment benefits (Note 41).

At December 31, 2022 and 2021, the item "Other" in this line of the consolidated balance sheet mainly includes asset accrual accounts.

The "Inventories" line in the consolidated balance sheet includes the non-financial assets that the consolidated companies hold for sale in the ordinary course of their business, have in process of production, construction or development for such purpose, or expect to consume in the production process or in the rendering of services. Consequently, inventories include land and other property held for sale or for inclusion in a property development.

Inventories are measured at the either their cost (which comprises all purchase costs, conversion costs, and direct and indirect costs incurred in bringing the inventories to their present location and condition, as well as the directly attributable finance costs, provided the inventories require more than one year to be sold) or their net realizable value, whichever is less. The net realizable value of the inventories is understood as the estimated price of their sale during the ordinary course of business, minus the estimated costs to finish the production thereof and those inherent in the sale thereof.

Pursuant to section 36 of IAS 2 on "Inventories," any write-downs of the carrying amount of inventories to net realizable value and any subsequent reversals of write-downs are recognized under -"Impairment losses or reversal of impairment losses of non-financial assets - Other" in the consolidated income statement for the year in which the write-down or reversal occurs.

The breakdown by company of the balance of “Inventories” in the consolidated balance sheet as at December 31, 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	2021
Gestión de Inmuebles Adquiridos, S.L.U.	118,554	145,057
Mosacata, S.L.U.	5,818	9,502
Parque Industrial Humilladero, S.L.	4,348	4,210
Other companies	492	492
	129,212	**159,261**

Movements under “Inventories” in the consolidated balance sheet during the fiscal years 2022 and 2021 are as follows:

	Thousands of Euros	
	2022	2021
Net book value as of January 1	**159,261**	**185,138**
Effect of the take-over merger of Liberbank (*)	-	23,193
Recognitions in the year	12,389	13,102
Derecognitions for disposals or other transfers	(116,385)	(78,781)
Investment property transfers	-	(25)
Transfers from non-current assets held for sale (Note 16)	(10,673)	(14,624)
Transfers of fixed assets for own use	-	-
Change in impairment adjustments	86,399	30,878
Other changes	(1,779)	380
Net fair value as at 31 December	**129,212**	**159,261**

(*) The amount of the heading “Effect of the take-over merger of Liberbank” includes the effect of the fair value adjustments of the inventories portfolio as described in Note 1.14.

Impairment losses associated with the “Inventories” line are recorded under “Impairment or reversal of non-financial assets - Other” in the consolidated income statement.

The following is a breakdown of the sales of inventories made during fiscal years 2022 and 2021 by the Unicaja Banco Group, indicating the sales price, cost of sales, use of impairment and other items:

	Thousands of Euros	
	2022	2021
Sales price	45,524	48,630
Cost of sales	(116,385)	(78,781)
Use of impairments	12,306	1,251
Commissions on sales	(1,178)	(1,260)
	(59,733)	**(30,160)**

With respect to the appraisals of the properties recorded under “Inventories,” in accordance with the provisions of the regulations in force on the use of appraisal values, the policy followed by the Unicaja Banco Group on the appraisal of real property is based on the following criteria:

- In general, appraisals used by the Bank and its Group, both for real property used to secure credit transactions and for foreclosed assets or assets received in payment of debts, must be performed by an appraisal company approved by the Bank of Spain and in accordance with the requirements established in Order ECO/805/2003, of March 27.

- As a general rule, the Bank requests appraisals when granting transactions, providing the necessary documentation for all the assets used as collateral for the transaction.

- The Unicaja Banco Group has a procedure for the selection of appraisal companies that restricts appraisal assignments, among other requirements, to those that are made exclusively by telematic means and that have an internal code of conduct with the requirements established in the regulations in force.

- As regards the review of the quality of the appraisals, the Unicaja Banco Group has established procedures that allow the appraisal report to be reviewed, especially with respect to the conditions and, if there are doubts as to the appraisal value and/or its conditions, same is compared with that recently obtained in properties with similar characteristics and/or in the same area. Internal controls have also been implemented to review the consistency and adequacy of the valuations made by each appraiser.

- Within the framework of the professional relationship with the appraisal companies, and in order to safeguard the independence of the appraisers and avoid conflicts of interest, the Group has developed sufficient mechanisms and barriers to prevent the possibility that their activity may be influenced, for purposes other than ensuring the quality of the appraisal, by the Bank’s operating units or its subsidiaries.

- With regard to the frequency of review of appraisals, we proceed to update, in compliance with the requirements of Bank of Spain Circular 4/2017, based on the status of the transaction and the type of asset, the value of assets subject to mortgage collateral, foreclosed assets and those received in payment of debts by the Group.

- For appraisals that do not have to comply with the requirements of Circular 4/2017, the Credit Committee is responsible for establishing a procedure that can combine appraisals under Order ECO 805/2003 without an interior visit to the property and the appraisal value estimate using statistical methods or others covered in regulations.

Finally, as of December 31, 2022 and 2021, the Unicaja Banco Group has no inventories in the consolidated balance sheet that are pledged to guarantee the fulfillment of debts.

16. Non-current assets and disposable groups of items classified as held for sale

The details of “Non-current assets and disposal groups classified as held for sale” in the consolidated balance sheet, which includes the carrying amount of assets that do not form part of the Group’s operating activities and whose carrying amount will foreseeably be recovered through the price obtained on disposal, are as follows. The amount of these assets at December 31, 2022 amounts to 558,422 thousand Euros (700,089 thousand Euros at December 31, 2021).

The breakdown of non-current assets held for sale classified according to their purpose at the end of 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	**2021**
Residential assets	**280,005**	**194,039**
Finished properties	**76,618**	**227,984**
Housing	50,430	101,295
Others	26,188	126,689
Properties under construction	**54,748**	**72,998**
Housing	47,416	62,126
Others	7,332	10,872
Land	**140,828**	**192,759**
Other assets	**6,223**	**12,309**
Loans and advances	6,223	12,259
Equity instruments	-	-
Non-property assets and other	-	50
	558,422	**700,089**

During fiscal years 2022 and 2021 there were no gains/losses recorded in the consolidated statement of recognized income and expense for equity instruments classified as non-current assets held for sale.

A reconciliation between the opening and closing balances of property assets classified under "Non-current assets and disposal groups classified as held for sale" in the balance sheet for 2022 and 2021 is presented below:

	Thousands of Euros		
	Gross	Valuation adjustments due to impairment	Carrying amount
Balances as at Thursday, December 31, 2020	**289,732**	**(45,414)**	**244,318**
Effect of the take-over merger of Liberbank (*)	1,474,435	(978,179)	496,256
Recognitions in the year	133,236	(57,988)	75,248
Derecognitions for disposals or other transfers	(183,316)	109,710	(73,606)
Charge to income (Note 44)	-	(34,518)	(34,518)
Transfers to inventories (Note 15)	29,558	(14,934)	14,624
Transfers between non-current assets held for sale and and investment property (Note 13.1.1)	(38,736)	22,669	(16,067)
Transfers to own use	-	-	-
Changes in accounting classification (Note 12.1)	-	-	-
Other changes	(14,553)	(3,922)	(18,475)
Balances as at December 31, 2021	**1,690,356**	**(1,002,576)**	**687,780**
Recognitions in the year	94,189	(44,310)	49,879
Derecognitions for disposals or other transfers	(478,954)	299,946	(179,008)
Charge to income (Note 42 and 44)	-	(64,131)	(64,131)
Transfers to inventories (Note 15)	31,229	(20,556)	10,673
Transfers between non-current assets held for sale and and investment property (Note 13.1.1) (**)	104,293	(45,140)	59,153
Transfers to own use	-	-	-
Changes in accounting classification (Note 12.1)	-	-	-
Other changes	(1,288)	(10,859)	(12,147)
Balances as at December 31, 2022	**1,439,825**	**(887,626)**	**552,199**

(*) The amount of the heading "Effect of the take-over merger of Liberbank" includes the effect of the fair value adjustments of the portfolio of non-current assets held for sale as described in Note 1.14.

(**) These transfers are due to changes in the intention to lease/sell the assets that have taken place during the year 2022 by the Unicaja Banco Group. Specifically, the transfers from investment property to non-current assets held for sale are due to a change in the management strategy for certain groups of assets to be held for sale.

The endowments made on non-current assets under this line are recorded under "Gains (losses) on non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations" in the consolidated income statement.

Net collections recorded in the statement of cash flows for 2022 for non-current assets held for sale recorded under this line item amounted to 179,008thousand Euros (net collections recorded in 2021 amounted to 190,204 thousand Euros)

The impairment losses recognized in the consolidated income statements for 2022 and 2021 for the hedging of non-current assets held for sale amount to 16,828 thousand Euros and 34,518 thousand Euros, respectively, which have been recognized under "Gains (losses) on non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations" (Note 44).

Fair value hierarchy

With regard to the valuation of "Non-current assets and disposal groups classified as held for sale", the Unicaja Banco Group establishes the fair value hierarchy levels indicated in section 93 of IFRS 13 "Fair value measurement". Thus, residential assets and finished properties, which form the majority of non-current assets held for sale, were considered Level 2 in the fair value hierarchy established by IFRS 13, characterized by the use of observable variables in market data, such as the price per square meter of comparable assets, while properties under construction and land were considered Level 3, since they use unobservable variables.

In this regard, the Unicaja Banco Group has a corporate policy that guarantees the professional competence, independence, and objectivity of the external measurement companies, in accordance with the regulations, which requires the appraisal companies to comply with neutrality and credibility requirements so that the use of their estimates does not undermine the reliability of their measurements. This policy states that all the appraisal companies with which the Group works in Spain must be registered in the Official Register of the Bank of Spain and their measurements must be carried out following the methodology established in Order ECO/805/2003 of March 27.

The measurement criteria used by the appraisal companies for properties under construction and land, which are classified in Level 3 in the fair value hierarchy, are those established in Order ECO/805/2003, using the methods indicated in Article 15 of the Order, depending on the assets' situation. In order to determine the appraised value, the necessary verifications are made to ascertain the characteristics and real situation of the asset, which include, according to Article 7 of the Order: (i) physical identification of the property, by means of its location and visual inspection, verifying the surface area and other observable characteristics, the existence of visible easements and its apparent state of construction or conservation, (ii) the state of occupancy of the property and the use or exploitation for which it is intended, (iii) the public and architectural protection regime, and (iv) the degree to which the property is adapted to the urban planning in force, and if applicable, the existence of the right to the urban development that is being valued. It must be pointed out that in the specific case of properties under construction, the measurement is carried out considering the property's current situation and not its final value.

In accordance with Order ECO/805/2003, the appraiser may apply the following methods:

- Cost method: The cost method is applicable to the valuation of all types of buildings and building elements, whether they are under design, under construction, being rehabilitated or completed. Using this method, a technical value is calculated, which is called the replacement value. Such value may be gross or net. To calculate the gross replacement value, the following investments are added together: (i) the value of the land on which the building is located or that of the building to be rehabilitated, (ii) the cost of the building or of the rehabilitation work, and (iii) the expenses necessary to carry out the replacement. To calculate the net replacement value, the physical and functional depreciation of the finished building is subtracted from the gross replacement value.

- Comparison method: The comparison method is applicable to the valuation of all types of real property provided the requirements established in Article 21 of Order ECO/805/2003 are met: (i) a representative market exists for comparable properties, (ii) sufficient data is available on transactions or offers to allow, in the area in question, the identification of adequate parameters to carry out the homogenization of comparable properties, and (iii) sufficient information is available on at least six transactions or offers of comparable properties that adequately reflect the current situation of such market. The following general rules are used to calculate the value by comparison:

    - The qualities and characteristics of the appraised property that influence its value are established. In the case of buildings of historic or artistic character, in order to establish such qualities and characteristics, the particular value of the elements of the building that confers such character shall also be taken into account.

- The comparable property market segment is analyzed and, based on concrete information on actual transactions and firm offers appropriately corrected where appropriate, current purchase and sales prices of such properties are obtained.

- A representative sample of the prices obtained after the analysis described above is selected from those corresponding to comparable properties, to which the necessary homogenization procedure is applied. In the aforementioned selection, those prices that are abnormal are previously contrasted in order to identify and eliminate both those from transactions and offers that do not meet the conditions required in the definition of market value of the assets concerned and, in the case of a valuation for the purpose set forth in Order ECO/805/2003, those that may include speculative elements.

- The comparable properties are homogenized using the criteria, coefficients and/or weightings that are appropriate for the property in question.

- The value of the property, net of marketing expenses, is assigned on the basis of the homogenized prices, after deducting the easements and limitations of the domain that apply to it that were not taken into account in the application of the preceding rules.

- Income restatement method: The income restatement method is applicable, provided that the requirements established in Article 25 of Order ECO/805/2003 are met, to the valuation of all types of properties capable of producing income. At least one of the following requirements must be met in order to use the restatement method: (i) a rental market exists that is representative of the comparable properties, (ii) there is a lease contract on the property being valued, or (iii) the property being valued is producing or is likely to produce income as a property linked to an economic activity and there is also sufficient accounting data from the operation or adequate information on average structural ratios of the corresponding branch of activity. The calculation of the restatement value requires the appraiser to estimate the cash flows, estimate the value of the reversal, choose the restatement rate and apply the calculation formula for discounting the estimated cash flows.

- Residual method: The value by the residual method is calculated using one of the following procedures: investment analysis procedure with expected values (dynamic residual method) or investment analysis procedure with present values (static residual method). The residual method can be applied by the dynamic procedure to the following properties: urban or developable land, whether or not built on, or buildings under design, construction or rehabilitation, even if the work is at a standstill. The residual method can only be applied by means of the static procedure to lots and properties under rehabilitation in which construction or rehabilitation can begin within a period of no more than one year, as well as to built-up lots. To calculate the residual value using the dynamic calculation procedure, the following steps are followed: the cash flows are estimated, the restatement rate is chosen and the calculation formula is applied. The following are taken as cash flows: the collections and, if applicable, the loan payments expected to be obtained from the sale of the property to be developed; and the payments expected to be made for the various costs and expenses during construction or rehabilitation, including the payments for the loans granted. Such collections and payments are applied on the scheduled dates for the commercialization and construction of the property.

The main appraisal company that issues reports on the assets of the Unicaja Banco Group is Tasaciones Inmobiliarias, S.A. (Tinsa). Other companies that issue appraisal reports on these assets are mainly UVE Valoraciones, S.A., Instituto de Valoraciones, S.A., Tasaciones Andaluzas, S.A. (Tasa), Aesval, Lógica de Valoraciones, S.A., Sociedad de Tasación, S.A. and Técnicos en Tasación, S.A. (Tecnicasa). In this regard, the Unicaja Banco Group complies with the requirements of independence and rotation of appraisal companies indicated in points 78 and 166 of Annex 9 of Bank of Spain Circular 4/2017.

17. Financial liabilities at amortized cost

17.1 Deposits from central banks

The breakdown of the balances of this line item in the consolidated balance sheets as at December 31, 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	**2021**
Other central banks	5,422,080	10,447,180
Valuation adjustments	(101,191)	(155,478)
	5,320,889	**10,291,702**

At December 31, 2022 and 2021, the amounts recorded under “Other central banks” relate to financing taken by the Group through the third series of targeted longer-term refinancing operations (TLTROs III).

On June 6, 2019, the European Central Bank announced a new program of targeted longer-term refinancing operations (TLTROs III). On April 30, 2020, the Governing Council of the European Central Bank made a number of amendments to the terms and conditions of these financing operations in order to further support the provision of credit to households and businesses in the face of the current economic turmoil and increased uncertainty. These amendments reduce the interest rate on transactions by 25 basis points to -0.5% from June 2020 to June 2021, and provide that, for entities meeting a certain volume of eligible loans, the interest rate may be -1% for the period from June 2020 to June 2021. In addition, these conditions were extended on December 10, 2020 for operations contracted between October 1, 2020 and December 31, 2021, including the option to cancel or reduce the amount of financing prior to maturity in windows coinciding with interest rate review and adjustment periods.

Section B5.4.4 of IFRS 9 indicates that, for the recording of amortized cost, an entity shall use a shorter period when fees, basis points paid or received, transaction costs, premiums or discounts relate to it, this being the case when the variable to which the fees, basis points paid or received, transaction costs, discounts or premiums relate is adjusted to market rates prior to the expected maturity of the financial instrument. In this case, the appropriate amortization period is the period until the next adjustment date.

In this case, the applicable interest rate of 1% applicable from June 24, 2020 to June 23, 2021 (resulting from the April 2020 program amendment) and from June 24, 2021 to June 23, 2022 (resulting from the December 2020 program amendment) corresponds to a specific period after which the funding is adjusted to market rates (namely the average rate applied in the Eurosystem’s main financing operations) and should therefore be accrued until the next adjustment date. The early repayment windows of this financing program are substantive conditions, given that, at that moment of adjustment of the cost of the financing to the market, the entity may opt for renewal or cancellation and obtain new financing at more favorable terms.

In view of this situation, the Unicaja Banco Group opted to accrue interest in accordance with the specific periods of adjustment to market rates, so that the interest corresponding to that period (i.e. 1%) was recorded in the consolidated income statement in the period from June 24, 2020 to June 23, 2022, considering compliance with the threshold of eligible loans that gives rise to the extra rate has been met.

As of June 24, 2022, TLTRO III issues accrue interest at a rate equal to the average rate of the marginal deposit facility for the life of the corresponding issue (including both past periods since issuance and future periods to maturity). In this case, the Unicaja Banco Group, in accordance with the provisions of the Decisions of the European Central Bank, accrues interest on TLTRO III issues by calculating an average interest rate. In the determination of this average interest rate, no assumptions on the evolution of future interest rates are incorporated and, in application of paragraph B5.4.5 of IFRS 9, with each change that occurs in the marginal deposit facility, the interest rate to be accrued during the remaining period to maturity is recalculated.

On November 7, 2022, Decision (EU) 2022/2128 of October 27, 2022 amending Decision (EU) 2019/1311 on the third series of targeted longer-term refinancing operations (TLTROs III) was published in the Official Journal of the European Union (OJEU), amending the interest accrual conditions of the TLTROs III by adding a final interest rate period starting on November 23, 2022, which divides what was until now the main interest period into two parts (discarding the special interest rate period described above). Likewise, several voluntary early repayment dates have been added.

Thus, from June 24, 2022 through November 22, 2022, interest accrues based on the average deposit facility from the inception of the issue until November 22, 2022 itself, and from November 23, 2022 onwards, until the maturity of the issue, interest accrues based on the average deposit facility over that period. This change is considered a substantial modification of the conditions of the financial liability associated with the TLTROs III, and therefore the previous liability has been derecognized and a new liability has been recorded at its fair value, the difference of which has generated a positive amount of 8,907 thousand euros, recorded under "Interest income" in the consolidated statement of income for 2022.

It should also be noted that, taking advantage of the additional voluntary early repayment dates defined by the European Central Bank in its modification of the conditions of the TLTROs dated October 27, 2022, the Unicaja Banco Group repaid on November 23, 2022 an amount of 5,025,100 thousand euros of TLTRO III issues.

During 2022, these operations have accrued total income of 55,150 thousand Euros, which corresponds to the interest accrued on TLTROs III issues (in 2021, the income accrued on this type of issues amounted to 76,612 thousand Euros), included under “Interest income - Deposits at Central Banks” in the consolidated income statement (Note 32).

17.2 Deposits from credit institutions

The breakdown of the balances included in this item of the consolidated balance sheets as at December 31, 2022 and 2021, in accordance with the nature of the operations, is as follows:

	Thousands of Euros	
	2022	**2021**
Mutual accounts	-	-
Term deposits	647,253	449,519
Temporary assignment of assets	2,553,514	6,146,001
Other accounts	217,144	76,128
Valuation adjustments	52	(6,623)
	3,417,963	**6,665,025**

The interest accrued during the fiscal years 2022 and 2021 on these deposits amounted to 28,244 thousand Euros and 2,381 thousand Euros, respectively, and was recorded under "Interest expense" of the consolidated income statement (Note 33).

The average effective interest rate of debt securities in this item as at December 31, 2022 was 0.37% (0.07% as at December 31, 2021).

17.3. Customer deposits

The breakdown of the balance included in this item of the consolidated balance sheets as at December 31, 2022 and 2021, in accordance with the nature of the counterparties of the operations, is as follows:

	Thousands of Euros	
	2022	**2021**
By type -		
Current accounts	28,502,719	24,316,100
Savings accounts	34,951,840	43,149,427
Term deposits	10,954,404	10,870,988
Temporary asset transfers	20,141	4,714,680
Others	57,533	658,010
Valuation adjustments	(100,165)	445,005
Of which:		
Micro hedge transactions	*(250,845)*	*325,881*
Accrued interest	*153,639*	*206,274*
Other adjustments	*(2,959)*	*(87,150)*
	74,386,472	**84,154,210**
By counterparty -		
Resident Public Administrations	6,888,235	9,258,995
Other resident sectors	67,215,024	74,218,175
Other non-resident sectors	383,378	232,035
Valuation adjustments	(100,165)	445,005
Of which:		
Micro hedge transactions	*(250,845)*	*325,881*
Accrued interest	*153,639*	*206,274*
Other adjustments	*(2,959)*	*(87,150)*
	74,386,472	**84,154,210**

The interest accrued during the fiscal years 2022 and 2021 on these deposits amounted to 154,527 thousand Euros and 161,392 thousand Euros, respectively, and was recorded under “Interest expense” of the consolidated income statement (Note 33).

The average effective interest rate of debt securities in this item as at December 31, 2022 was 0.20% (0.15% as at December 31, 2021).

The "Time deposits" caption includes singular mortgage bonds issued by the Unicaja Banco Group, as follows:

			Thousands of Euros	
Issue date	**Maturity date**	**Nominal interest rate**	**Nominal 12.31.2022**	**Nominal 12/31/2021**
05.18.2005	5/21/2025	(a) 3.875%	200,000	200,000
5/18/2005	5/21/2025	3.875%	300,000	300,000
06/28/2005	6/28/2025	(a) 3.754%	76,923	76,923
6/28/2005	6/28/2025	(b) 3.754%	76,923	76,923
6/28/2005	6/28/2025	3.754%	128,205	128,205
11/16/2005	5/21/2025	(a) 3.875%	200,000	200,000
11/16/2005	5/21/2025	3.875%	300,000	300,000
12/12/2005	12/12/2022	(a) 3.754%	-	51,852
12/12/2005	12/12/2022	(b) 3.754%	-	100,000
12/12/2005	12/12/2022	3.754%	-	32,407
12/12/2005	12/12/2022	3.754%	-	77,778
Thursday, April 06, 2006	4/8/2031	4.250%	300,000	300,000
10/23/2006	10/23/2023	(b) 4.254%	200,000	200,000
10/23/2006	10/23/2023	4.254%	100,000	100,000
10/23/2006	10/23/2023	4.254%	150,000	150,000
11/23/2006	4/8/2031	4.250%	300,000	300,000
11/23/2006	4/8/2031	4.250%	100,000	100,000
3/23/2007	3/26/2027	(b) 4.250%	150,000	150,000
3/23/2007	3/26/2027	4.250%	350,000	350,000
Friday, March 23, 2007	4/8/2031	4.250%	100,000	100,000
3/23/2007	4/8/2031	4.250%	250,000	250,000
Wednesday, May 23, 2007	5/23/2027	(a) 4.755%	50,000	50,000
5/23/2007	5/23/2027	(b) 4.755%	100,000	100,000
5/23/2007	5/23/2027	(a) 4.755%	50,000	50,000
5/23/2007	5/23/2027	4.755%	200,000	200,000
6/29/2007	4/8/2031	(a) 4.250%	400,000	400,000
7/17/2007	7/18/2022	5.135%	-	200,000
7/20/2007	3/26/2027	4.250%	100,000	100,000
10/19/2007	3/26/2027	4.250%	110,000	110,000
10/19/2007	4/8/2031	4.250%	180,000	180,000
			4,472,051	**4,934,088**

(a) The fixed interest rate borne by the Group was converted to a variable rate by contracting financial swaps on the nominal amount.

(b) The fixed interest rate borne by the Group was converted to a variable rate by contracting financial swaps on the nominal amount. These financial swaps have subsequently been canceled.

17.4 Debt securities issued

The breakdown of the balance of this line item in the consolidated balance sheets as at December 31, 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	2021
Mortgage bonds	4,684,516	4,714,516
Non-convertible subordinated debt	599,142	607,421
Other non-convertible bonds	1,658,610	659,944
Treasury shares	(3,500,000)	(3,500,000)
Valuation adjustments - accrued interest	25,715	19,859
Valuation adjustments - micro-hedges	(132,636)	(1,159)
Valuation adjustments - Other	(5,993)	(2,826)
	3,329,354	**2,497,755**

The interest accrued during 2022 and 2021 on the debt securities issued amounts to 50,201 thousand Euros and 19,176 thousand Euros, respectively. This interest is recorded under “Interest expense” in the consolidated income statement (Note 33).

The average effective interest rate of debt securities classified under this item as at December 31, 2022 was 1.80%(4.14% as at December 31, 2021).

The details and movement of issues, repurchases or repayments of debt securities, including convertible subordinated liabilities, carried out in 2022, both by the Parent Company itself and by other Group companies, are as follows:

	Thousands of Euros				
	Balance as at January 01, 2022	**Issuances**	**Repurchases/repayments**	**Exchange rate and other adjustments**	**Balance as at December 31, 2022**
Debt securities issued in a member state of the European Union that required the filing of a prospectus informative	2,497,755	1,298,199	(337,421)	(129,179)	3,329,354
Debt securities issued in a member state of the European Union that did not require the registration of a prospectus informative	-	-	-	-	-
Other debt securities not issued in a member state of the European Union	-	-	-	-	-
	2,497,755	**1,298,199**	**(337,421)**	**(129,179)**	**3,329,354**

The details and movement of issues, repurchases or repayments of debt securities, including convertible subordinated liabilities, carried out in 2021, both by the Parent Company itself and by other Group companies, are as follows:

	Thousands of Euros				
	Balance as at 1/1/2021	**Issues and effect of the merger**	**Repurchases/ repayments**	**Exchange rate and other adjustments**	**Balance as at 12/31/2021**
Debt securities issued in a member state of the European Union that required the filing of a prospectus informative	362,926	2,118,955	-	15,874	2,497,755
Debt securities issued in a member state of the European Union that did not require the registration of a prospectus informative	-	-	-	-	-
Other debt securities not issued in a member state of the European Union	-	-	-	-	-
	362,926	**2,118,955**	**-**	**15,874**	**2,497,755**

In the 2021 financial year no debt securities were issued by associates or jointly-controlled entities accounted for using the equity method or by entities outside of the Group that are not secured by a Group company.

Mortgage bonds

The details of mortgage securities (mainly mortgage bonds) issued by the Unicaja Banco Group as of December 31, 2022 and 2021 are as follows:

			Thousands of Euros				
Issue	**ISIN Code**	**Issue date**	**Issue amount**	**Balance as at December 31, 2022**	**Balance as at December 31, 2021**	**Maturity date**	**Interest rate**
3rd Issue Unicaja	ES0458759026	11/22/2010	30,000	-	30,000	11/22/2022	Euribor 6m + 2.00%
Liberbank – July 2017	ES0468675014	7/25/2017	2,000,000	2,000,000	2,000,000	7/25/2024	Euribor 3M + 0.35%
Liberbank - December 2018	ES0468675022	12/19/2018	1,500,000	1,500,000	1,500,000	12/19/2025	Euribor 3M + 0.65%
Liberbank - September 2019	ES0468675030	9/25/2019	1,000,000	987,096	987,096	Tuesday, September 25, 2029	0.25%
Liberbank - September 2019 (1st extension)	ES0468675030	6/2/2020	50,000	49,355	49,355	Tuesday, September 25, 2029	0.25%
Liberbank - September 2019 (2nd extension)	ES0468675030	6/3/2020	150,000	148,065	148,065	Tuesday, September 25, 2029	0.25%
				4,684,516	**4,714,516**		

These issues are admitted to trading on the AIAF fixed-income market and are secured by mortgages on all issues that at any time are registered in favor of the issuing entity and are not subject to mortgage bond issues, or are mobilized through mortgage participations or mortgage transfer certificates, without prejudice to the issuer's universal asset liability.

As of December 31, 2022 and 2021, the amount of mortgage securities issues repurchased by the Group amounted to 3,500,000 thousand Euros, corresponding to the "Liberbank July 2017" and "Liberbank December 2018" mortgage bond issues.

Non-convertible subordinated debt

The details of outstanding bonds and debentures issued by the Unicaja Banco Group as of December 31, 2021 are as follows:

			Thousands of Euros				
Issue	ISIN Code	Issue date	Issue amount	Balance as at December 31, 2022	Balance as at December 31, 2021	Maturity date	Interest rate
Unicaja Banco - Subordinated debentures (January 2022)	ES0280907025	Wednesday, January 19, 2022	300,000	299,142	-	Monday, July 19, 2032	3.125%
Unicaja Banco - Subordinated debentures (November 2019)	ES0280907017	11/13/2019	300,000	300,000	300,000	11/13/2029	2.875%
Liberbank - Subordinated debentures	ES0268675032	3/14/2017	300,000	-	307,421	3/14/2027	6.875%
				599,142	**607,421**		

The first issue of subordinated debentures of Unicaja Banco was issued on November 13, 2019, in the amount of 300,000 thousand Euros, which coincides with their nominal value. As described in the terms and conditions of the issue prospectus, unless previously redeemed, the debentures will be repaid at their principal amount on November 13, 2029. The Bank may choose to repay the debentures in full, at their outstanding principal amount, together with any accrued and unpaid interest, subject to a number of conditions including, among others, obtaining prior approval from the supervisory authority, upon the occurrence of any of the events described in the issue prospectus linked to tax events or capital events. In addition, subject to the conditions set forth in the prospectus, which also include obtaining prior regulatory approval, the Bank may choose to redeem all of the debentures on a reset date (set for November 13, 2024), at their outstanding principal amount, together with any accrued and unpaid interest to that date. Unicaja Banco's subordinated debentures accrue interest on their outstanding principal: (i) at a fixed interest rate of 2.875% per annum from the date of issue until the reset date, payable annually on November 13 of each year, with the first interest payment date set for November 13, 2020, and (ii) from the reset date (November 13, 2024), at the reset interest rate (5-year Mid-Swap plus a margin of 3.107% per annum), payable annually on November 13 of each year, with the first interest payment date after the reset date set on November 13, 2025.

The second issue of subordinated debentures of Unicaja Banco was issued on January 19, 2022 for an amount of 300,000 thousand Euros, at a price equivalent to 99.714% of their nominal value, the unit nominal value of the bonds being 100 thousand Euros. Subordinated debt bonds are listed on the Spanish AIAF fixed income market. Its maturity is set for July 19, 2032, with the possibility of early redemption at the Bank's discretion at any given time between January 19, 2027 and June 19, 2027. In this regard, the bonds may be redeemed at the Bank's discretion, in full, together with any accrued and unpaid interest, subject to the conditions set forth in the prospectus, which include the prior approval of the competent authority, upon the occurrence of certain circumstances relating to tax events, capital events or events disqualifying the bonds for their computability for MREL purposes. Likewise, the Bank has the option, subject to the conditions set forth in the prospectus and the prior authorization of the competent authority, to redeem the bonds in full, at any given time between January 19, 2027 and July 19, 2027, for their outstanding principal amount and any interest accrued and unpaid thereby. Bonds yield an interest at a rate of 3.125% per annum until July 19, 2027, and thereafter (said date inclusive), the Bonds will yield an interest at an annual rate equal to the 5-year Mid-Swap rate plus a margin of 3.050% per annum. Interest is payable annually for interest periods due on July 19 of each year.

In turn, the issue of subordinated debentures from Liberbank recorded in the consolidated financial statements of the Unicaja Banco Group on the date of accounting effects of the take-over merger (Note 1.14), was carried out on March 14, 2017, for an amount of 300,000 thousand Euros, which is the nominal value thereof. Unless previously redeemed, the subordinated debentures will be redeemed at maturity on March 14, 2027. In this regard, the Bank may choose to repay the debentures in full at their outstanding principal amount, based on a number of conditions set forth in the prospectus, which require the prior approval of the Regulatory Authority, upon the occurrence of any of the events described in the prospectus linked to tax events or capital events. In addition, subject to the terms and conditions set forth in the prospectus and to the prior approval of the Regulator, the Bank may choose to redeem the debentures in full on the reset date (March 14, 2022) for the outstanding principal and any accrued and outstanding interest at that date. The subordinated debentures from Liberbank accrue the following: (i) a fixed interest rate of 6.875% per annum from issuance until the reset date (March 14, 2022), payable annually on March 14 of each year, with the first interest payment date set on March 14, 2018, and (ii) an interest rate equal to the 5-year Mid-Swap plus a margin of 6.701% per annum, payable annually on March 14 of each year, with the first interest payment date after the reset date set on March 14, 2023. On February 7, 2022, Unicaja Banco communicated its irrevocable decision to redeem this subordinated debenture issue early and in full, in accordance with the terms and conditions set forth in the Prospectus and after receiving the mandatory authorization from the European Central Bank. The total early redemption was made on March 14, 2022 and the redemption price of each debenture was 100% of its nominal amount, with payment of the accrued and unpaid coupon, as applicable, in accordance with the terms and conditions of the issue.

Other non-convertible bonds

The details of “Other non-convertible securities” issued by the Unicaja Banco Group as of December 31, 2022 and 2021 are as follows:

			Thousands of Euros				
Issue	**ISIN Code**	**Issue date**	**Issue amount**	**Balance as at December 31, 2022**	**Balance as at December 31, 2021**	**Maturity date**	**Interest rate**
Unicaja Banco - Senior Debt Dec. 2026	ES0380907040	12/1/2021	600,000	599,646	600,000	12/1/2026	1.000%
Unicaja Banco - Senior Debt Dec. 2026 (Extension)	ES0380907040	12/22/2021	60,000	59,944	59,944	12/1/2026	1.000%
Unicaja Banco - Medium Term Senior Preferred Debt Jun. 2022 (EMTN Program)	ES0380907057	30.06.2021	500,000	499,775	-	30/06/2025	4.500%
Unicaja Banco - Medium Term Senior Non-Preferred Debt Nov. 2022 (EMTN Program)	ES0380907065	Tuesday, November 15, 2022	500,000	499,245	-	Monday, November 15, 2027	7.250%
				1,658,610	**659,944**		

On December 1, 2021, Unicaja Banco issued senior debt in the amount of 600,000 thousand Euros. Subsequently, on December 22, 2021, Unicaja Banco increased this issue by an additional 60,000 thousand Euros, subject to the same issue conditions. The unit nominal value of the bonds is 100 thousand Euros each. These bonds are listed on the Spanish AIAF fixed income market.

As described in the terms and conditions of the issue prospectus, unless previously redeemed, the senior bonds will be redeemed at maturity on December 1, 2026. In this regard, the Bank has the option of redeeming the entire outstanding principal of the bonds, together with any accrued and unpaid interest, upon the occurrence of certain circumstances related to tax events or disqualification events associated with the treatment of the issue for MREL purposes, provided that certain conditions are met and regulatory approvals are obtained. In addition, the Bank has the option to redeem the bonds, on the same terms and subject to the required regulatory approval, on the reset date (December 1, 2025).

The senior debt bonds issued by Unicaja Banco in December 2021 accrue: (i) a fixed interest rate of 1.00% per annum from the date of issuance until the reset date, payable annually on December 1 of each year, with the first interest payment date being December 1, 2022, and (ii) from the reset date, an interest rate equal to the 1-year Mid-Swap plus a margin of 1.15% per annum, payable on December 1, 2016.

On the other hand, on May 26, 2022, Unicaja Banco has registered with the Spanish National Securities Market Commission (CNMV) a medium-term debt issuance program (EMTN) up to a limit of 3.5 billion Euros. The bonds to be issued under this program will have a unit face value of 100,000 Euros, and the final terms will be determined for each tranche of the issue, which may be referenced to a fixed or variable interest rate (or even with a zero coupon), and may be issued with different levels of payment priority, as senior debt, simple debt or subordinated debt. Under the terms of the program, the maturity of the bonds will never exceed 50 years from the date of issuance.

Within the framework of this program:

- On June 30, 2022, Unicaja Banco has made a first issue of 500,000 thousand Euros in preferred senior debt bonds at a fixed interest rate, with a term of three years, and which are rated as "green bonds". This is a single series of bonds, belonging to a single tranche, consisting of 5,000 bonds with equal terms and conditions and with a unit face value of 100,000 Euros. The bonds were issued at a price of 99.955% of their nominal value, i.e. for an amount of 499,775 thousand Euros. The maturity date is set for June 30, 2025 (three years from the issue date), with Unicaja Banco having a voluntary redemption option on June 30, 2024 (two years from the issue date) or if an event of disqualification of the bonds occurs for MREL computation purposes. The interest rate on the bonds is fixed at 4.500% per annum. These bonds are listed on the Spanish AIAF fixed income market.

- On November 15, 2022, Unicaja Banco has made a second issue of 500,000 thousand Euros in non-preferred senior debt bonds at a fixed interest rate, with a term of five years, and which are rated as "green bonds". This is a single series of bonds, belonging to a single tranche, consisting of 5,000 bonds with equal terms and conditions and with a unit face value of 100,000 Euros. The bonds were issued at a price of 99.849% of their nominal value, i.e. for an amount of 499,245 thousand Euros. The maturity date is set for November 15, 2017 (five years from the issue date), with Unicaja Banco having a voluntary redemption option on November 15, 2026 (four years from the issue date) or if an event of disqualification of the bonds occurs for MREL computation purposes. The interest rate on the bonds is fixed at 7.250% per annum. These bonds are listed on the Spanish AIAF fixed income market.

17.5 Other financial liabilities

The breakdown of the balance of this line item in the consolidated balance sheets as at December 31, 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	**2021**
Debentures to be paid (*)	312,031	301,028
Tax collection accounts	737,945	622,214
Special accounts	413,519	359,640
Financial guarantees	2,538	4,411
Deposits received and other	1,015,929	579,596
	2,481,962	**1,866,889**

(*) Includes a balance of 87,665 thousand euros as of December 31, 2022 corresponding to the balance pending ordinary contributions, and no extraordinary contributions had been made as of December 31, 2022 to the Deposit Guarantee Fund (Note 1.10) (94,184 thousand Euros as of December 31, 2021 corresponding to the balance pending ordinary and extraordinary contributions).

The amount recorded by the Group as of December 31, 2022 and 2021 under “Deposits received and other” includes guarantees in favor of the Group deposited with other financial institutions as a result of its operations with derivative instruments and simultaneous transactions.

The negative cash flow included in the consolidated cash flow statement for 2022 for financial liabilities at amortized cost amounts to 17,001,319 thousand Euros (positive cash flow of 7,302,038 thousand Euros in 2021).

18. Provisions

The movements in 2022 and 2021 and the purpose of the provisions recorded under these headings in the consolidated balance sheet as of December 31, 2022 and 2021 are shown below:

	Thousands of Euros				
	Provision for pensions and similar obligations	**Other long-term employee benefits**	**Provisions for commitments and guarantees granted**	**Remaining provisions**	**Total**
Balances as at December 31, 2020	**56,633**	**176,619**	**119,629**	**445,741**	**798,622**
Effect of the take-over merger of Liberbank (**)	2,778	2,933	25,706	395,829	427,246
Endowment charged to profit or loss:	141,579	(1,051)	20,747	479,105	640,380
Endowments to provisions (*)	*141,601*	*(742)*	*20,747*	*479,105*	*640,711*
Interest cost (Note 33)	*(22)*	*(309)*	-	-	*(331)*
Recovery charged to profit or loss	(105)	-	(18,255)	(153,560)	(171,920)
Use of funds	(20,680)	(44,540)	-	(196,910)	(262,130)
Other changes	(1,407)	54,605	(41,479)	(15,790)	(4,071)
Balances as at Friday, December 31, 2021	**178,798**	**188,566**	**106,348**	**954,415**	**1,428,127**
Endowment charged to profit or loss:	148	1,211	29,901	120,518	151,778
Endowments to provisions (*)	-	*1,262*	*29,901*	*120,518*	*151,681*
Interest cost (Note 33)	*148*	*(51)*	-	-	*97*
Recovery charged to profit or loss	*(7,197)*	*(7,878)*	*(9,900)*	*(32,787)*	*(57,762)*
Use of funds	(36,699)	(49,411)	-	(346,758)	(432,868)
Other changes	(7,511)	208	(734)	4,092	(3,945)
Balances as at December 31, 2022	**127,539**	**132,696**	**125,615**	**699,480**	**1,085,330**

(*) See Note 2.12 in relation to endowments for pension funds and similar obligations.

(**) The amount of the heading “Effect of the take-over merger of Liberbank” includes the effect of the fair value adjustments in the provisions for contingencies as described in Note 1.14.

The provisions recorded by the Group represent the best estimate of future obligations. The Bank’s directors believe there is no significant risk that the materialization of these estimates, taking into account the amount of these provisions, will result in a material adjustment to the carrying amounts of the Group’s assets and liabilities in the next accounting period. The estimated financial effect on the calculation of provisions was not significant during fiscal years 2022 and 2021.

The Group measures provisions based on the best information available regarding the consequences of the events giving rise to them and re-measured at each balance sheet date. They are used to meet the specific obligations for which they were originally recognized, and may be wholly or partly reversed if these obligations cease to exist or decrease.

The Group regularly reassesses the risks to which its business is exposed in accordance with the economic context in which it operates. Once the valuation and initial recording of the provisions have been made, they are reviewed at each balance sheet date and adjusted, if necessary, to reflect the best estimate existing at that time.

Recorded provisions are used to meet the specific obligations for which they were originally recognized and are reversed, in whole or in part, when such obligations cease to exist or decrease.

Pensions and other benefit obligations defined as post-employment

This heading corresponds to the amount of the commitments assumed by the Group with its employees as described in Notes 2.12 and 41.1.

Provisions for commitments and guarantees granted

This line item in the consolidated balance sheet includes the amount of provisions recorded to hedge contingent commitments, defined as those transactions in which the Group guarantees obligations of a third party, arising as a result of financial guarantees granted or other types of contracts, and contingent commitments, defined as irrevocable commitments that may give rise to the recognition of financial assets.

The details by nature of the balances recorded under “Provisions for commitments and guarantees granted” as of December 31, 2022 and 2021 are as follows:

	Thousands of Euros	
	2022	**2021**
Provisions for contingent liabilities	112,665	99,802
Provisions for contingent commitments	12,950	6,546
	125,615	**106,348**

The item “Provisions for contingent liabilities” includes the amount of provisions made to hedge contingent liabilities, defined as those transactions in which the Group guarantees obligations of a third party, arising as a result of financial guarantees granted or other types of contracts, while the item “Provisions for contingent commitments” includes provisions to hedge irrevocable commitments that may give rise to the recognition of financial assets.

Remaining provisions

The detail by nature of the balances recorded under “Other provisions” as of December 31, 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	**2021**
Hedges for legal and similar contingencies	239,335	309,365
Hedges associated with investees	9,257	8,824
Hedges for other contingencies	450,888	636,226
	699,480	**954,415**

The main items included in “Other provisions” are as follows:

- “Hedges for legal and similar contingencies”: This item includes provisions for legal proceedings, as well as others of a similar nature, in which the Group is considered likely to have to dispose of resources including profit. This item mainly hedges customer claims and other litigation. The final date of the outflow of resources depends on each of the contingencies, so that, in some cases, the obligations do not have a fixed settlement date and, in others, they depend on the legal proceedings in progress. The amounts to be provisioned are calculated according to the best estimate of the amount necessary to settle the claim in question, based, among others, on the individualized analysis of the facts and legal opinions of internal and external advisors.

In this respect, the heading "Hedges for legal and similar contingencies" includes hedges for litigation and claims related to agreements to limit interest rate fluctuations to 114 million Euros. In the opinion of the Group's management, at year-end the necessary hedges were in place to hedge the risks and contingencies that could arise from these processes.

- "Hedges associated with investees" Includes contingencies related to the Group's investment portfolio that are not due to impairment due to a decrease in the fair value or recoverable amount of the investments, but to other types of contingencies that may arise from the holding of such investments. The timing of the outflow of resources depends on each particular contingency and is estimated by Group management based on the best information available at the year-end date.

- "Hedges for other contingencies": This includes hedges of miscellaneous risks, for which provisions have been created to hedge unresolved issues for which the Group estimates a probable disbursement, as well as hedges of probable disbursements that the Group estimates it will have to face as a result of its normal business activity. The amounts to be provisioned are calculated based on the best estimate of the economic resources that the Group will have to use to meet the identified contingencies, taking into account the estimated timing of the outflows of resources that the obligation is expected to produce.

  As of December 31, 2022 and 2021, this item includes the provisions recorded by the Unicaja Group following the agreement reached on December 3, 2021 with the legal representatives of the employees in connection with a collective dismissal, geographic mobility, and substantial modification of working conditions. In accordance with the provisions of this labor agreement, the maximum number of workers affected by the collective dismissal was 1,513 people. In general, the term of execution of the measures provided for in the agreement is until December 31, 2024. As a result of this agreement, the Unicaja Banco Group made provisions during the 2021 fiscal year in the amount of 368 million euros, as well as 88 million euros for the remaining estimated costs of the restructuring process, associated with the technological integration and the reorganization of the network after the merger with Liberbank. At December 31, 2022, the amount of provisions recorded in the Group's consolidated balance sheet for these items amounted to 280 million euros.

Agreements to limit interest rate fluctuations

In relation to the Unicaja Banco Group's credit operations in the retail mortgage segment that have interest rate fluctuation limits, consideration should be given to the rulings that are taking place at different judicial instances regarding the validity of these agreements with respect to specific entities following the Supreme Court ruling dated May 9, 2013 and following the rulings of said Court dated July 16, 2014 and March 25, 2015. According to these rulings, once declared null and void by means of a court judgment, under those agreements limiting the interest rate fluctuations that lack transparency, the borrower shall be reimbursed the interest differential paid under such agreement as from the date of publication of the ruling of May 2013.

In particular, we should consider, on the one hand, the ruling of Madrid Commercial Court No. 11, dated April 7, 2016, following the class action filed on November 11, 2010 by the Association of Users of Banks, Savings Banks and Insurance Companies of Spain (ADICAE) and a large number of additional plaintiffs, against practically all the entities of the financial system (including Unicaja Banco, directly and as a consequence of the EspañaDuero merger) that included this type of agreements in their mortgage loan contracts with individuals, which obliges financial institutions to eliminate certain interest rate fluctuation limits that are not transparent, due to their being unfair, and to return to consumers the amounts unduly paid as from the date of publication of the Supreme Court's Ruling of May 9, 2013, with the legally applicable interest. On the other hand, consideration should be given to the judgment of April 13, 2016, now final, of the Provincial Court of León, following the collective action that, by the Association of Users of Banking Services (AUSBANC), is followed against EspañaDuero in relation to this type of agreements included in the mortgage loan contracts formalized at the time by Caja España de Inversiones and which requires the certain interest rate fluctuation limits contained in the loan contracts signed by Caja España de Inversiones be annulled, due to a lack of transparency.

These rulings corroborated the criterion that, once a certain agreement limiting interest rate fluctuations has been declared null and void, restitution to the borrower must be made for the interest differential from the date of publication of the Supreme Court ruling of May 2013. However, on December 21, 2016, the Court of Justice of the European Union issued a judgment stating, contrary to the doctrine of the Supreme Court, that the time limit on the effects of the declaration of nullity of the floor clauses deprives Spanish consumers who entered into a mortgage loan contract before the date of the pronouncement of the judgment of the Supreme Court of the right to obtain restitution of the amounts they unduly paid to the banks.

These rulings of the Madrid and Leon Courts were appealed before their corresponding Provincial Courts and, in the case of the Leon Court, confirmed before the Supreme Court, with the Madrid Court ruling still pending before said Court.

In any case, regarding the scope of the judgments issued in proceedings in which a class action is exercised, the contents of the judgments of the Constitutional Court of September 19, 2016 and December 12, 2016 must be pointed out. These judgments indicate that the automatic extension of a *res judicata* effect of upholding a class action, in addition to not being provided for in the rules regulating such collective action, may go so far as to infringe on the autonomy of the will of the consumer who does not wish such nullity in his contract, or curtail the possibilities of his individual challenge if the class action were to be dismissed. Therefore, in order to effectively reimburse the affected consumers, they must take direct action against the entity and obtain the corresponding judicial resolution.

Without prejudice to the aforementioned rulings, the Unicaja Banco Group generally believes that the agreements in its mortgage loan deeds that establish interest rate fluctuation limits are fully in accordance with the law and, in any case, may be analyzed in terms of transparency of the contract, on a case by case basis.

On January 21, 2017, Royal Decree-Law 1/2017, dated January 20, was published in the Official State Gazette, establishing measures aimed at protecting consumers with interest rate fluctuation limits in their mortgage loan contracts, with the aim of facilitating agreements with credit institutions that resolve disputes that may arise as a result of the latest judicial pronouncements on this matter. These are measures are in addition to those established in the legal system, which provide for an out-of-court settlement procedure to which consumers may voluntarily submit themselves, without incurring additional costs. The Unicaja Banco Group effectively availed itself of this option.

On July 9, 2020, the Court of Justice of the European Union (CJEU) passed judgment in relation to preliminary matters raised by various courts of first instance regarding the validity private agreements for the removal of floor clauses. The sentence in question, in line with the argument made by the General Attorney, establishes that it is illegal for a clause of an agreement signed between a professional and a consumer, the unfair nature of which can be legally declared, to constitute the object of a novation agreement between said professional and said consumer. Additionally, said Sentence determines that a clause that includes the mutual waiving of the right to exercise any legal action, in the framework of an agreement the purpose of which is the resolution of a dispute regarding the validity of the clause of an agreement that binds the two parties, can constitute the main object of the agreement and, as a result, not be taken into account in the consideration of its possible abusive nature, provided it is set out clearly and comprehensively.

Following the ruling of the CJEU, the Supreme Court passed several sentences dated November 5, 2020, November 11, 2020, and December 15, 2020, that confirm the validity of the novation agreements reached by the entities with their customers, classifying these as transitional when there is a waiver in relation to the claims arising from the interest rate limits, provided the consumer has been made sufficiently aware of the economic and legal consequences of their waiver.

As of December 31, 2022, the provisions deemed necessary to cover possible losses on assets and to cover the outcome of risks and contingencies that could affect the Group have been recorded. In this respect, the Group has set up a provision of 114 million Euros at December 31, 2022 (161 million Euros at December 31, 2021).

IRPH clause

The Unicaja Banco Group maintains a portfolio of mortgage loan contracts indexed to the Mortgage Loan Reference Index (IRPH), an official index published by the Bank of Spain, in accordance with article 27 of Order EHA/2899/2011, of October 28, on banking service transparency and customer protection and with Bank of Spain Circular 5/2012, of June 27, to credit institutions and payment service providers, on transparency of banking services and responsibility in the granting of loans.

In this regard, several proceedings have been initiated against most Spanish credit institutions, alleging that the clauses linking the interest rate of mortgage loan transactions to the IRPH did not comply with European transparency regulations. In Ruling 669/2017, dated December 14, 2017, the Supreme Court confirmed the validity of these clauses as it is an official index and, therefore, not subject to transparency control.

Following the submission of several questions for preliminary rulings by Spanish Courts, the Court of Justice of the European Union (CJEU) decided to open Case C-125/18. In said case the most important milestones include the issuance of a report by the European Commission, dated May 31, 2018, where it proposes to the CJEU to answer the questions referred for a preliminary ruling, upholding the possibility of analyzing the use of the index in terms of unfairness (Directive 93/12), as well as the opinion of the Advocate General of the CJEU, dated September 10, 2018, which considers that the clause incorporating the IRPH is subject to an unfairness check.

On March 3, 2020, the CJEU issued a judgment in the aforementioned Case C-125/18, which states, in line with previous reports, that the clauses incorporating the IRPH in mortgage loan contracts entered into with consumers fall within the scope of application of the Unfair Terms Directive, indicating in turn that the Spanish courts must verify that the clauses of these characteristics are of a clear and understandable nature, and that they do not involve a significant imbalance for the consumer (unfairness). If these courts conclude that these clauses are unfair, they may replace them with a statutory index applicable on a supplementary basis, in order to protect the consumers in question from the particularly harmful consequences that could result from the annulment of the loan contract.

On November 12, 2020, the First Chamber of the Supreme Court issued several rulings resolving four cassation appeals in relation to the IRPH index, and whose matters were deliberated in the Plenary Session of the Supreme Court on October 21, 2020, the date on which the ruling was handed down. In these rulings, the Plenary Session analyzed the CJEU ruling of March 3, 2020 and found that the preliminary question raised by the 38th Court of First Instance of Barcelona, which gave rise to that ruling, erroneously transferred the meaning of the case law of the First Chamber to the CJEU. Contrary to what was upheld in the request for a preliminary ruling, this chamber had upheld both the contractual nature of the clause establishing the IRPH as the reference rate of the loan and the need to apply the transparency control to said clause. Therefore, the fact that the CJEU affirms that the clause in question is not excluded from Directive 93/13 does not imply that the case law of the court, which was in line with that ruling, should be modified.

In the analysis of the impact of the CJEU ruling on the control of the transparency of the clauses in question, the Plenary Session starts from the fact that the CJEU considered that the publication of the IRPH in the BOE allowed the average consumer to understand that the referred index was calculated according to the average rate of mortgage loans over three years for the purchase of a home, thus including the differentials and expenses applied by such entities, so that this publication meets, in all cases, the transparency requirements in terms of the composition and calculation of the IRPH.

The second transparency parameter established by the CJEU is the information provided by the lender to the consumer on the past evolution of the index. In the event that the lack of direct information on the evolution of the IRPH in the two previous years determines the lack of transparency of the clause in question, such lack of transparency does not necessarily determine its nullity. According to settled case law of the CJEU, the effect of the lack of transparency of the clauses defining the main subject matter of the contract is not its nullity, but the possibility of making the judgment of unfairness, that is, it allows for the assessment of whether it is a clause that, contrary to the requirements of good faith, causes, to the detriment of the consumer and user, a significant imbalance of the rights and obligations of the parties arising from the contract.

The Chamber, in making this judgment of unfairness in accordance with the parameters of the CJEU, considers that the offer by the bank of an official index, approved by the banking authority, cannot in itself violate good faith. In addition, the Central Government and several regional governments have been considering, through regulatory standards, that the IRPH index was the most appropriate index to use as a reference index in the area of financing subsidized housing, so it is illogical to consider the incorporation of this same index to loans arranged outside this area of official financing an action contrary to good faith.

Therefore, as of December 31, 2022, the Unicaja Banco Group does not expect any contingencies in relation to litigation and potential IRPH claims.

Revolving credit cards

On March 4, 2020, Court No. 1 of the Supreme Court passed sentence number 149/2020, dismissing the appeal for reversal submitted by a credit entity (not belonging to the Unicaja Banco Group) against a sentence that had declared the nullity of a revolving credit contract because it considered the remunerative interest to be extortionate. The Group’s management and directors have assessed the potential impact of the aforementioned ruling on the portfolio of products of this nature held by the Unicaja Banco Group at December 31, 2022, concluding that the potential losses from lawsuits that may be filed against the Group regarding this matter are not significant.

Mortgage loan origination fees

On December 23, 2015, the Plenary Session of the Civil Chamber of the Supreme Court issued a Ruling in relation, among other aspects, to the attribution to the consumer of certain expenses of a mortgage loan transaction based on what is indicated in one of the clauses of the contract. From that moment on, non-significant claims were filed against the Unicaja Banco Group before the Customer Service Department and lawsuits were filed, seeking the refund of expenses and taxes borne by the customers when creating the mortgage.

Subsequently, various rulings have been issued by national and European courts, including the Supreme Court Rulings of March 15, 2018, January 23, 2019 and January 27, 2021, and the Judgment of the Court of Justice of the European Union (CJEU) of July 16, 2020.

In its latest Ruling of January 27, 2021, the Supreme Court ruled on the consequences of the nullity of clauses that impose mortgage loan origination fees on consumers. This doctrine means that consumers are entitled to restitution of all expenses paid for property registration, agency and appraisal fees, as well as half of notary fees. Only the Tax on Documented Legal Acts, in which the tax regulations establish that the main taxpayer is the borrower, is borne by consumers.

As of December 31, 2022, the Unicaja Banco Group has provisions to cover all the claims and complaints received from customers for this concept.

19. Other liabilities

The breakdown of the balance of this line item in the consolidated balance sheets as at December 31, 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	**2021**
Accrued expenses	291,289	109,028
Operations underway	113,847	129,143
Others	105,950	82,103
	511,086	**320,274**

As of December 31, 2022 and 2021, “Other” in this heading in the consolidated balance sheet mainly includes liability accrual accounts.

20. Assets and liabilities covered by insurance or reinsurance contracts

At December 31, 2022 and 2021, the Group has balances recorded under “Assets covered by insurance or reinsurance contracts” on the asset side of the consolidated balance sheet amounting to 1,829 thousand Euros and 1,949 thousand Euros, respectively.

The breakdown of the balance of "Liabilities under insurance or reinsurance contracts" in the consolidated balance sheets as of December 31, 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	2021
Provisions for life insurance	477,461	500,957
Provision for benefits	14,255	13,687
Provision for profit sharing and rebates	465	506
Provision for accounting mismatches	12,712	53,169
Others	-	11,734
	504,893	**580,053**

At December 31, 2022 and 2021, "Other" includes the amount corresponding to insurance or reinsurance contracts as defined in the applicable accounting regulatory framework.

21. Minority interests and income attributable to minority interests

The detail, by consolidated company, of the balance of "Minority interests (Non-controlling interests)" in the consolidated balance sheet as of December 31, 2022 and 2021 and "Income for the year attributable to minority interests (Non-controlling interests)" in the consolidated income statement for 2022 and 2021 is as follows:

	Thousands of Euros			
	2022		2021	
	Minority interest	Income attributable to minority interest	Minority interest	Income attributable to minority interest
Parque Industrial Humilladero, S.L.	445	(3)	426	(4)
	445	**(3)**	**426**	**(4)**

With regard to section B10 of IFRS 12, the Group defines significant non-controlling interests as those that generate minority interests of more than 0.5% of consolidated equity, i.e. more than 32,320 thousand Euros at December 31, 2022 (31,630 thousand Euros at December 31, 2021).

As of December 31, 2022 and 2021, there are no significant non-controlling interests.

During 2022 and 2021, Parque Industrial Humilladero, S.L. did not distribute any dividends.

22. Capital, issue premium and other equity instruments issued

The details and movement recorded under "Equity" in the consolidated balance sheet during the years ended December 31, 2022 and 2021 is presented in the accompanying total consolidated statements of changes in equity, with an explanation of all the movements therein during such years.

22.1 Capital and share premium

At December 31, 2022 and 2021, the Bank's capital stock amounted to 663,708 thousand Euros, consisting of 2,654,833,479 fully subscribed and paid-up ordinary shares with a par value of 0.25 Euros.

As of December 31, 2020, the Bank's capital stock amounted to 1,579,761 thousand Euros, consisting of 1,579,761,024 fully subscribed and paid-in ordinary shares with a par value of 1 Euro. At that date, 50.81% of the share capital corresponded to Fundación Bancaria Unicaja.

On July 30, 2021, as a result of the take-over merger of Liberbank, Unicaja Banco increased the number of ordinary shares by 1,075,072,455 shares, which were fully subscribed by holders of Liberbank shares (Note 1.14).

On the other hand, on December 14, 2021, the share capital, which amounted to 2,654,833 thousand Euros, divided into 2,654,833,479 shares with a par value of 1 Euro, was set at 663,708 thousand Euros, divided into 2,654,833,479 shares with a par value of 0.25 Euros per share, and the amount of the capital reduction (1,991,125 thousand Euros) was used to increase the Company's voluntary reserves, creating an unavailable voluntary reserve that can only be used in accordance with the requirements for share capital decreases. This capital decrease was registered with the Commercial Registry on January 13, 2022.

The share premium at December 31, 2022 and 2021 amounts to 1,209,423 thousand Euros in both years.

Since June 30, 2017, all of the Bank's shares have been admitted to official trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, and are included in the Sistema de Interconexión Bursátil (S.I.B.E. or Continuous Market).

As of December 31, 2022 and 2021, 30.24% of the Bank's share capital belongs to Fundación Bancaria Unicaja, an entity resulting from the transformation into a banking foundation of Monte de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga, Antequera y Jaén (Unicaja), having ceased to be the Bank's parent entity as a result of the merger process between Unicaja Banco, S.A. and Liberbank S.A. (Note 1.14).

22.2 Equity instruments issued other than share capital

The line item "Equity instruments issued other than capital" at December 31, 2022 includes the outstanding balance of the issues of Perpetual Contingently Convertible Bonds (PeCoCos) and Contingently Redeemable Preferred Stock of Unicaja Banco (in 2021 it only included the first of the issues). The breakdown of these issuances as at December 31, 2022 and 2021 is as follows:

		2022			2021				
			Euros	Thousands of Euros		Euros	Thousands of Euros		
Issue	ISIN Code	Number of securities issued	Nominal amount Total	Closing balance	Number of securities issued	Nominal amount Total	Closing balance	Nominal interest	Maturity
Perpetual Contingently Convertible Bonds (PeCoCos)	ES0280907009	47,384,678	47,384,678	47,385	47,384,678	47,384,678	47,385	13.8824%	Perpetual
Contingently Redeemable Preferred Stock	ES0880907003	2,500	500,000,000	500,000	2,500	500,000,000	500,000	4.875%	Perpetual
				547,385			547,385		

Perpetual Contingently Convertible Bonds (PeCoCos)

PeCoCos are bonds convertible into common shares of Unicaja Banco, belonging to a single class and series, represented by book entries. The conversion ratio of these bonds will be the result of the quotient between the unit par value of each of the bond issues and the value attributed to the common shares of Unicaja Banco, which is set at 1.18827 Euros per share, with the difference between the par value of the bonds to be converted and the par value of the shares received as consideration being considered the issue premium. As of December 31, 2022 and 2021, this issue is not listed for trading on any secondary market.

The bonds entitle their holders to discretionary, predetermined and non-cumulative remuneration, to conversion into common shares of Unicaja Banco, subject to certain conversion assumptions and to the political rights deriving from membership in the respective bondholders' syndicates. The shares into which the aforementioned bonds are eventually converted will grant their holders the same rights as the shares of Unicaja Banco currently in circulation.

The accrual of discretionary compensation is conditional upon the simultaneous fulfillment of the following four conditions: (i) the existence of distributable profit, once the provisions set forth by law and the Bylaws of Unicaja Banco have been covered; (ii) there are no limitations imposed by current or future applicable Spanish or European equity regulations; (iii) the Board of Directors of Unicaja Banco, at its sole discretion, taking into account the solvency situation of Unicaja Banco or the Unicaja Banco Group, has not decided to declare a of non-remuneration scenario, deeming it necessary not to proceed with the payment of remuneration for an unlimited period of time, considering in any case that the unpaid interest shall not be cumulative; and (iv) the Bank of Spain has not demanded the cancellation of the payment of the remuneration based on the financial and solvency situation of Unicaja Banco or the Unicaja Banco Group, in accordance with the applicable regulations. In the event that the conditions set forth in Sections (i) to (iv) above are partially applicable, Unicaja Banco may proceed, at its sole discretion, to pay the remuneration partially or to declare a scenario of non-remuneration. If for any reason all or part of the remuneration is not paid to the bondholders on a payment date, the bondholders will not have the possibility to claim such remuneration.

PeCoCos will be necessarily converted into shares, in their entirety, in the cases indicated hereinafter, and partially, in the amount necessary to recover, if applicable, the equity balance in the amount established by the competent authority, in the remaining cases:

- Total mandatory early conversion: The bonds will be converted into shares in the following cases: (i) if Unicaja Banco adopts any measure tending to its dissolution and liquidation, voluntary or involuntary, or if it is declared bankrupt, or (ii) if Unicaja Banco adopts any measure that results in the approval of a reduction of capital stock in accordance with the provisions of Articles 320 and following of the Capital Companies Act, or Article 343 by reference to Article 418.3 of the Capital Companies Act.

- Contingency events: The bonds will be converted into shares in those cases in which the capital ratios of the Unicaja Banco Group, calculated on a quarterly basis, are below the limits indicated in the securities note related to the issuance of these instruments.

- Feasibility events: The bonds will be converted into shares in the following cases: (i) if the Bank of Spain determines that, without the conversion of the instrument, the Entity would not be viable, or (ii) if a decision is adopted to inject public capital or any other financial support measure, without which the Entity would not be viable.

- Regulatory event: The bonds will be converted into shares in the following cases: (i) if with the entry into force and in application of the Basel III capital eligibility rules (CRD IV/ CRR) in 2014, the bonds would cease to be eligible at least as Additional Tier 1 capital; (ii) if the bonds would cease to be eligible as principal capital; or (iii) if the bonds would cease to be eligible as common equity.

In view of the foregoing, the Parent Company's directors believe that these convertible instruments do not represent an unconditional contractual obligation to deliver cash or other financial asset, or to exchange financial assets or financial liabilities on terms that are potentially unfavorable to the Group and that therefore they should be classified as equity instruments and recorded in full in equity under "Equity instruments issued other than equity" in the consolidated balance sheet. The discretionary remuneration of the PeCoCos is recorded directly against the Group's equity.

On February 25, 2022, the Board of Directors of Unicaja Banco, after verifying compliance with the conditions set forth in the issue prospectus, agreed to make the payment of the discretionary remuneration of the Contingently Convertible Perpetual Bonds (PeCoCos) issued by the Bank, for a total gross amount of 6,850 thousand Euros, for the period from March 2021 to March 2022, being paid on March 28, 2022 (total gross amount of €6,850 thousand for the period from March 2020 to March 2021, which were approved by the Board of Directors on February 25, 2021 and paid on March 28, 2021).

Contingently Redeemable Preferred Stock

On November 18, 2021, Unicaja Banco issued Contingently Redeemable Preferred Stock for an amount of 500,000 thousand Euros, which is the nominal value thereof. The Preferred Stock has a unit par value of 200 thousand Euros. These bonds are listed on the Spanish AIAF fixed income market. The issue qualifies as an Additional Tier 1 Capital Instrument (AT1) for regulatory capital purposes.

As described in the issue prospectus, the Preferred Stock accrues a discretionary remuneration on their outstanding principal amount consisting of: (i) a rate of 4.875% per annum until the first reset date (May 18, 2027), and (ii) a rate equivalent to the sum of the 5-year Mid-Swap rate plus an initial margin of 5.020% as from that date. Subject to the fulfillment of certain conditions, this remuneration will be payable quarterly on February 18, May 18, August 18 and November 18 of each year, with the first distribution scheduled for February 18, 2022.

In connection with the remuneration of the Preferred Stock described above, the Bank may, in its sole and absolute discretion, cancel the payment of the remuneration, in whole or in part, at any time it deems necessary or desirable, and for any reason whatsoever. In addition, without prejudice to the Bank's right to cancel payments of any distribution: (a) distribution payments will only be made to the extent that there are sufficient "Distributable Items", (b) if the Competent Authority requires the Bank to cancel any distribution, in whole or in part, the Bank will not pay it or will pay it only in part, (c) the Bank may make a partial, or as the case may be, no distribution payment if, and to the extent that, the payment of any distribution would exceed the Maximum Distributable Amount, and (d) if a "trigger event" occurs, any accrued and unpaid distribution will be automatically canceled.

A "Trigger Event" occurs if, at any time, as determined by the Bank or the Competent Authority (or any other agent designated for such purpose by the Competent Authority), the CET1 ratio of the Bank and/or the Group is less than 5.125%. If a trigger event occurs, the Bank: (i) will immediately notify the Competent Authority; (ii) as soon as reasonably practicable, will deliver a Notice of Amortization to the Holders; (iii) will cancel any accrued and unpaid Distributions; and (iv) irrevocably and obligatorily (and without the need for the Holders' consent) without delay, and no later than one month after the occurrence of the relevant Trigger Event, will reduce the then outstanding principal amount of each Preferred Stock by the relevant amortization amount as set forth in the Prospectus (known as a loss absorption mechanism). The outstanding principal of the Preferred Stock may be subsequently reinstated, in whole or in part, at the Bank's sole and absolute discretion, subject to certain conditions, and provided that both the Bank and its Group record a Net Positive Profit.

In view of the foregoing, the Parent Company's directors believe that the Contingently Redeemable Preferred Stock do not represent an unconditional contractual obligation to deliver cash or other financial asset, or to exchange financial assets or financial liabilities on terms that are potentially unfavorable to the Group and that therefore they should be classified as equity instruments and recorded in full in equity under "Equity instruments issued other than equity" in the consolidated balance sheet. The discretionary remuneration of the Preferred Stock is recorded directly against the Group's equity.

During 2022 discretionary remuneration was paid in relation to Contingently Redeemable Preferred Participations in the amount of 24,373 thousand euros.

22.3 Own shares

As of December 31, 2022, the Group held 285,063 own shares (4,418,125 own shares as of Friday, December 31, 2021) amounting to 235 thousands of Euros (3,446 thousand of Euros as of Friday, December 31, 2021). The cumulative portion of this treasury stock which was directly acquired by Unicaja Banco amounted as of December 31, 2022 to 198,770 own shares (4,331,832 own shares as of December 31, 2021).

The breakdown of own Shares as of December 31, 2022 and 2021 is as follows:

	2022		2021	
	Number of Shares	**Thousands of Euros**	**Number of shares**	**Thousands of Euros**
Balance of Own Shares at the Beginning of the Period	**4,418,125**	**3,446**	**178,589**	**179**
Effect of the merger by absorption of Liberbank	-	-	4,155,646	3,227
Unicaja Banco's direct acquisitions	62,346	15	99,020	55
Unicaja Banco's direct sales	(4,195,408)	(3,226)	(15,130)	(15)
Balance of Own Shares at the Beginning of the Period	**285,063**	**235**	**4,418,125**	**3,446**

The net acquisitions of treasury stock made by Unicaja Banco during 2022 were made for a total negative price (net sale) of 3,211 thousand Euros, while during 2021 they were made for a total positive price (net purchase) of 40 thousand Euros.

23. Other net equity items

23.1 Retained earnings and other reserves

The breakdown of retained earnings and other reserves as of December 31, 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	**2021**
Accumulated earnings	3,790,062	2,743,437
Revaluation reserves	-	-
Other reserves	146,681	142,010
Cumulative reserves or losses on investments in joint ventures and associates	*(114,240)*	*(109,517)*
Other reserves	*260,921*	*251,527*
	3,936,743	**2,885,447**

“Retained Earnings” includes the net amount of retained earnings (profit or loss) recognized in prior years through the consolidated income statement that, in the distribution of the Parent Company’s profit or that of the other Group companies, were allocated to equity. Therefore, it includes legal, statutory and voluntary reserves arising from the distribution of profits.

“Other reserves” includes reserves or accumulated losses from investments in entities accounted for using the equity method (joint ventures and associates), as well as other reserves not included in other equity items.

The breakdown of these headings according to the origin and nature of the reserves is as follows:

	Thousands of Euros	
	2022	**2021**
Parent company reserves	4,154,486	3,122,988
Legal reserve	*132,742*	*132,742*
Reserves for regularizations and restatements	*31,301*	*31,301*
Capitalization reserve	*1,991,125*	*1,991,125*
Unrestricted reserves	*1,999,318*	*967,820*
Consolidation reserves attributable to the parent company, to consolidated companies and to investments in joint ventures and associates	(217,743)	(237,541)
	3,936,743	**2,885,447**

23.2 Other income and expenses recognized in investments in joint ventures and associates

The breakdown of the balance in the consolidated balance sheet as of December 31, 2022 and 2021 of the share in other recognized income and expense in investments in joint ventures and associates included in the consolidated balance sheet and in the consolidated statement of recognized income and expense for 2022 and 2021 due to the effect of entities accounted for using the equity method is as follows:

	Thousands of Euros			
	Balance on consolidated balance sheet		**Gains (losses) by valuation**	
	2022	**2021**	**2022**	**2021**
Unicorp Vida, Compañía de Seguros y Reaseguros, S.A.	(9,988)	45,781	(79,670)	10,564
Oppidum Capital, S.L.	44,033	54,133	(14,428)	77,332
Vida y Pensiones, Seguros y Reaseguros, S.A.	(22,084)	(3,390)	(26,707)	(4,844)
CCM Vida y Pensiones de Seguros y Reaseguros, S.A.	(12,302)	(1,930)	(14,817)	(2,757)
Hidralia, Gestión Integral de Aguas de Andalucía, S.A.	-	-	-	-
	(341)	**94,594**	**(135,622)**	**80,295**

24. Tax situation

24.1 Consolidated Tax Group

Unicaja Banco, S.A., is the parent entity of Tax Consolidation Group number 660/10, taxed for Corporation Tax purposes under the Special Tax Consolidation Regime, regulated in Chapter VI of Title VII of Law 27/2014, of November 27, on Corporation Tax (hereinafter, “LIS”).

24.2 Years open to review by the tax authorities

At the date of preparation of these financial statements, the consolidated tax group of Unicaja Banco has all its tax obligations of state management for the years 2017 to 2022, both inclusive, subject to verification by the tax authorities.

Also, as a result of the take-over merger of Liberbank (Note 1.14), Unicaja Banco assumed all tax obligations and took over the exercise of all tax rights and actions corresponding to the absorbed entity. Liberbank and the companies of the consolidated Tax Group that will be extinguished with the aforementioned merger, maintain the years 2011 to 2021 open to inspection for Corporation Tax, except for the aspects that were deemed compliant by the State Tax Administration Inspection in the verification actions carried out on the Corporation Tax returns for the years 2011 to 2015.

In the case of regional and local taxes, the obligations for the years 2019 to 2022, also inclusive, would be subject to verification.

Due to the different interpretations that can be made of the tax regulations applicable to the transactions carried out by different Group entities, the results of future audits by the tax authorities for the years subject to verification may give rise to tax liabilities, the amount of which cannot be objectively quantified at the present time. However, the opinion of the Directors and the Group's tax advisors is that the possibility of material liabilities arising from this matter, in addition to those recorded, is remote.

During the 2021 financial year, having completed the audit procedure mentioned in Note 24.2 of the notes to the consolidated financial statements for the year ended December 31, 2020, the main tax assessments in respect of the taxes applicable to the tax group during the 2014 to 2016 fiscal years were regularized. The regularized items were included in the conformity assessments, except for one related to the reduction in the deduction, against which an Economic-Administrative Claim was filed before the Central Economic-Administrative Court. The regularization of the aforementioned tax assessments for the years 2014 to 2016, derived from the aforementioned conformity and non-conformity assessments, did not have a significant impact on the consolidated income statement.

Also, on March 26, 2021, the Entity received notification of the opening of partial verification proceedings in respect of Corporation Tax for 2017 and 2018, limited to the verification of tax loss carryforwards and other tax credits transferred to the Unicaja tax group, as a result of the acquisition and subsequent merger of Banco de Caja España de Inversiones, Salamanca y Soria S.A. (EspañaDuero).

As a result of this verification, the inspection team of the State Tax Administration Agency notified a proposal for regularization resulted in the derecognition of deferred tax credits from tax loss carryforwards of Banco de Caja España de Inversiones, Salamanca y Soria S.A. ("EspañaDuero") amounting to 68,204 thousand Euros, against which the Bank filed allegations with the Technical Office of the AEAT.

On June 13, 2022, the Technical Office of the State Tax Administration Agency ("AEAT") issued a Settlement Agreement whereby the allegations made by the Bank were fully upheld and the proposal for regularization included by the AEAT in the Disagreement Report signed to document the conclusion of the partial verification and investigation actions carried out by the Central Office of the State Tax Administration Agency ("AEAT") was declared inadmissible, by the Central Delegation of Large Taxpayers of the AEAT, in relation to Corporate Income Tax for the years 2017 and 2018, which resulted in the derecognition of the deferred tax credits referred to above.

Thus, the AEAT's own Technical Office confirms that the Bank's treatment of the transfer of EspañaDuero's tax credits in the aforementioned corporate income tax returns was correct.

The aforementioned settlement agreement does not have any effect on the accompanying financial statements, since Unicaja Banco had not recorded the derecognition of the deferred tax assets arising from the tax loss carryforwards that were the subject of the dispute.

On July 22, 2022, Unicaja Banco filed a corrective corporate income tax return of the Tax Group for 2017, in order to regularize certain off-balance sheet adjustments to the taxable income and certain deductions in the tax liability, with respect to items that were subject to regularization by the AEAT in said Assessments and Consolidation Diligence, but which also had effects - favorable to the taxpayer - in fiscal years subsequent to those included in the scope of the verification actions initiated, the Tax Authorities, instead of carrying out ex officio the full regularization of the tax situation of the entities referred to, expressly recognized the right of these entities to impute for tax purposes.

On November 30, 2022, the Entity received notification of the opening of partial verification proceedings in relation to the aforementioned rectification of the 2017 corporate income tax return. This proceeding is open at the date of preparation of these consolidated financial statements, the opinion of the Directors and the Group's tax advisors is that the possibility of material liabilities arising from this matter, in addition to those recorded, is remote.

24.3 Reconciliation of accounting profit/(loss) to tax profit/(tax loss)

The reconciliation between the income tax expense resulting from applying the general tax rate in force in Spain and the income tax expense recorded in 2022 and 2021 is presented below:

	Thousands of Euros	
	2022	**2021**
Profit (loss) before tax	361,214	1,021,433
Income tax (30%)	108,364	306,430
Due to eliminations in the consolidation process	(21,157)	(10,435)
For permanent positive differences	22,560	3,828
For permanent negative differences	(9,764)	(393,295)
Effect of Royal Decree-Law 3/2016	1,912	2,025
Deductions and tax credits		
Other deductions	(376)	(316)
Income tax expense/(income)	**101,540**	**(91,765)**

Permanent negative differences include the partial exemption regime for dividends and capital gains from qualifying holdings, regulated by Law 27/2014, of November 27, on Corporation Tax.

As regards the breakdown of the main components of the income tax expense, the entire amount recorded in the consolidated income statements for 2022 and 2021 for this item (amounting to 101,540 thousand Euros of expense in 2022 and 91,765 thousand of Euros of income in 2021) corresponds to the current income for the year. No amounts are recorded for current or deferred tax adjustments for the current or prior years, or for other circumstances provided for in tax regulations.

The components of income tax expense/(income) recorded in the Bank's consolidated income statements for the years 2022 and 2021 are as follows:

	Thousands of Euros	
	2022	2021
Expense/ (income) from the creation of temporary differences	76,947	(176,429)
Expense/ (income) from negative tax bases to be offset	22,545	84,347
Expense/ (income) for deductions credited and not applied	2,048	317
Total income tax expense/ (income)	**101,540**	**(91,765)**

With regard to the income tax recorded in the consolidated statements of recognized income and expense for 2022 and 2021, the Group has charged to its consolidated equity an amount of 27,039 thousand Euros and a negative amount of 40,378 thousand Euros, respectively, for the following items:

	Thousands of Euros	
	2022	2021
Actuarial gains and losses in defined benefit plans	4,673	(2,797)
Measurement of financial assets at fair value through other comprehensive income	69,859	1,624
other comprehensive income		
Valuation of cash flow hedging derivatives	(88,214)	65,640
Measurement of exchange differences	35	19
Measurement of non-current assets held for sale	-	-
Valuation of entities accounted for using the equity method	40,686	(24,088)
Total income/ (expense) for income tax	**27,039**	**40,398**

No lower rate has been applied in any of the aforementioned adjustments. After the merger with Liberbank, tax loss carryforwards amounting to EUR 225,000 thousand were written off, and in 2022 tax credits for technological innovation amounting to EUR 10,861 thousand were written off.

24.4 Temporary differences

In the consolidated balance sheets at December 31, 2022 and 2021, deferred tax receivables amount to 4,615,849 thousand Euros and 4,767,643 thousand Euros, respectively, and deferred tax payables amount to 329,644 thousand Euros and 369,437 thousand Euros, respectively.

In application of the regulatory framework, deferred tax assets and liabilities are quantified by applying to the temporary difference or credit, the tax rate at which it is expected to be recovered or settled, which is currently 30%.

Details of current and deferred tax assets and liabilities recorded in the consolidated balance sheet as of December 31, 2022 and 2021 are as follows:

	Thousands of Euros			
	2022		2021	
	Assets	Liabilities	Assets	Liabilities
Current taxes	**461,884**	**36,513**	**482,444**	**19,667**
Deferred taxes	**4,615,849**	**329,644**	**4,767,643**	**369,437**
For tax loss carryforwards	1,149,312	-	1,126,767	-
Outstanding deductions	23,132	-	32,656	-
Temporary differences - insolvencies	2,544,096	-	2,569,373	-
Temporary differences - pensions	128,272	-	128,276	-
Temporary differences - foreclosed	9,461	-	9,461	-
Other	761,576	-	901,110	-
Revaluations	-	329,644	-	369,437
	5,077,733	**366,157**	**5,250,087**	**389,104**

The above table includes uncertain liabilities recorded under IFRIC 23 as tax liabilities. The impact on the Unicaja Banco Group is currently limited to the procedure for the recovery of state aid from the "Tax Lease" for ship financing by the European Commission described in Note 24.7 (8,908 thousand) and the treatment of the deductions for technological innovation described later in this note (5,137 thousand).

In accordance with IFRIC 23, the amounts affected by these uncertainties were classified under “Current tax liabilities” in the Group’s consolidated balance sheet.

The Group’s directors consider that the deferred tax assets recorded will be realized in future years to the extent that the tax group to which it belongs obtains taxable income, as is expected to occur in the next few years. Most of the tax loss carryforwards pending offset by the Group are due to losses recorded in prior years by credit institutions that were absorbed by Unicaja Banco. These losses were extraordinary and non-recurring, mainly due to the write-off of loans and property assets. In accordance with the Strategic Plan of the Unicaja Banco Group, and in accordance with the projections of tax results derived from said Strategic Plan, as well as the forecast of absorption of deferred tax assets adjusted to the latest changes in tax regulations, the Bank and its tax group will obtain tax gains in the coming years that allow their recovery in a reasonably short period of time (no more than 14 years), with no risk of forfeiture of the right to use the deferred tax assets for tax loss carryforwards, as the maximum compensation period has been eliminated.

The evaluation of the recoverability of deferred tax assets is based on the most relevant estimates: (i) the expected income before taxes for each of the years included in the forecasts, which are consistent with the various reports used by the Group for its internal management and for reporting to supervisors, and (ii) the reversibility of the main tax assets recorded in the consolidated balance sheet, taking into account current tax regulations and especially the provisions of Section 5 of Article 130 of the Corporation Tax Law. The macroeconomic projections considered for the financial forecasts of the Unicaja Banco Group’s Strategic Plan are in line with the base scenario used in the models for estimating the credit losses described in Note 2.7.

The entry into force of Royal Decree-Law 14/2013, of November 29, on urgent measures for the adaptation of Spanish law to European Union regulations on the supervision and solvency of financial institutions, basically means that certain deferred tax assets recorded in the accompanying consolidated balance sheet may, under certain conditions, become receivables from the tax authorities.

Effective as of 2016, continuity has been given to this regime through the introduction of an equity benefit that will basically entail the payment of an annual amount of 1.5% of the assets susceptible to be guaranteed by the Spanish State generated prior to 2016.

On December 3, 2016, Royal Decree-Law 3/2016 of December 2 was published, adopting certain tax measures, including a new limit on the offsetting of tax losses for large companies with net sales of at least 20 million Euros, the reversal of impairment losses on holdings that were tax deductible in tax periods prior to 2013 and the non-deductibility of losses realized on the transfer of holdings in entities.

The Unicaja Banco Group has made an initial estimate of the amount of deferred tax assets susceptible of becoming a receivable from the tax authorities and which are, therefore, guaranteed by the Spanish authorities, resulting in an amount of 2,681,830 thousand Euros at December 31, 2022 (2,707,105 thousand Euros at December 31, 2021). The asset benefit accrued by the Group in 2022 and 2021 in relation to the monetization of these deferred tax assets amounts to 25,429 thousand Euros and 19,317 thousand Euros, respectively, and is recorded under “Other operating expenses” (Note 39.2).

In relation to the deduction for technological innovation in corporate income tax, in the financial sector, two rulings of the Spanish High Court have recently been published which imply the modification of the criterion previously expressed in its rulings of May and July 2021, then favorable to the possibility of applying the technological innovation deduction to expenses incurred in the development of computer applications. The Spanish Hight Court considers that the projects in dispute are not covered by Article 35.2.b of the Consolidated Text of the Corporate Income Tax Law, and therefore cannot generate a deduction for tax purposes. Although these rulings are not yet final, since they are being appealed against before the Supreme Court, the Unicaja Banco Group has estimated the tax risk associated with the application of these new criteria in the amount of 5,137 thousand Euros at December 31, 2022, recording it as an uncertain tax liability based on IFRIC 23. In addition, the Group has derecognized deferred tax assets amounting to 10,861 thousand Euros, corresponding to deductions for technological innovation pending application. These two amounts have been recorded with a charge to "Income tax expense/income from continuing operations" in the consolidated income statement for 2022.

24.5 Information obligations arising from segregation

a) Information on the Special Tax Regime for Segregations in Corporation Tax

In 2011, the General Assembly of Monte de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga, Antequera y Jaén (Unicaja), which agreed the indirect exercise of its financial activity through Unicaja Banco S.A. and its incorporation by segregation of part of its assets, adopted the resolution to submit the segregation transaction to the Special Regime for Mergers, Divisions, Asset Contributions and Exchange of Securities, regulated in Chapter VII of Title VII of the Corporation Tax Law (previously, at the time of its application, Chapter VIII of Title VII of the Consolidated Text of the Corporation Tax Law).

The option for the Special Tax Regime was notified to the State Tax Administration Agency, in accordance with the provisions of Article 42 of the Corporation Tax Regulations.

b) Accounting obligations

The Bank acted as the acquiring entity in respect of the aforementioned corporate restructuring transaction subject to the special regime for mergers, divisions, contributions of assets and exchange of securities provided for in Chapter VII of Title VII of the Spanish Corporation Tax Law. The information requirements established by the aforementioned standard are included in the notes to the 2011 financial statements of the entities involved.

24.6 Transactions under Chapter VII of Title VII of the Corporation Tax Law

The General Shareholders' Meetings of Unicaja Banco, S.A. and Liberbank, S.A. held on March 31, 2021, agreed to the take-over merger between Unicaja Banco, S.A. (as the absorbing company) and Liberbank, S.A. (as the absorbing company). Unicaja Banco, S.A. and Liberbank, S.A. adopted the resolution to submit the transaction to the Special Tax Regime established in Chapter VII of Title VII of Law 27/2014, of 27 November, on Corporation Tax.

The accounting information obligations established in Article 86 of Law 27/2014, of November 27, on Corporation Tax are incorporated in Appendix VI of Unicaja Banco's individual financial statements for fiscal year 2021.

Information relating to transactions subject to the special tax regime in prior years is included in the tax notes to the Bank's financial statements for prior years.

Information relating to transactions subject to the special tax regime in prior years is included in the tax notes to the financial statements of EspañaDuero and Liberbank for the corresponding years.

On April 26 and 27, 2018, the General Shareholders' Meetings of EspañaDuero and Unicaja Banco, respectively, agreed to the take-over merger of Banco de Caja España de Inversiones, Salamanca y Soria, S.A. (as the absorbed entity) by Unicaja Banco, S.A. (as the absorbing entity). EspañaDuero and Unicaja Banco adopted the agreement to submit the transaction to the Special Tax Regime established in Chapter VII of Title VII of Law 27/2014, of November 27, on Corporation Tax.

With respect to the accounting information obligations established by Article 86 of Law 27/2014, of November 27, on Corporation Tax, this information is included in the individual financial statements of Unicaja Banco, S.A. for the 2018 fiscal year.

24.7 Information on the procedure for recovery of State Aid from the "Tax Lease" of Ship Financing by the European Commission

On October 30, 2013, the Bank received formal notification from the Directorate General for Competition of the European Commission, informing Unicaja Banco of the final decision adopted on July 17, 2013 on the tax regime applicable to certain financial leasing contracts, also known as the Spanish tax leasing system, classifying such regime as "State Aid" and urging the Kingdom of Spain to take steps to repay such aid among the beneficiaries, including Unicaja Banco.

The Bank, together with the Kingdom of Spain and other affected institutions, filed an appeal against this decision before the Court of Justice of the European Union, which is pending resolution.

The General Court of the European Union, in a judgment of December 17, 2015, annulled the decision of the European Commission regarding the consideration of the Spanish Tax Lease tax regime for the financing of ships as "State Aid". This judgment was appealed by the European Commission to the High Court of Justice of the European Union.

On July 25, 2018, the Court of Justice of the European Union, issued a judgment regarding the cassation appeal brought by the European Commission against the Judgment of the General Court of December 17, 2015, and proceeded to cassate and annul the judgment of the General Court of the European Union of December 17, 2015, sending the case back to the General Court of the European Union to examine the grounds for annulment raised, which it did not analyze at the time.

With the Judgment of the General Court of the European Union annulled, the European Commission's decision on the Tax Lease regains its validity, which has led to the reactivation of the State aid recovery procedures by the Tax Agency, which were interrupted in 2015 by the Judgment of the General Court of the European Union.

The State Tax Administration Agency initiated the procedures for the recovery of the aforementioned State Aid, with inspection reports on the structured entities, and the amount of the repayment of the State Aid corresponds to the amount provisioned by the Bank.

On February 2, 2023, the Court of Justice of the European Union (CJEU), in a ruling on the State aid scheme in the Tax Lease structures, partially annulled the 2013 Commission Decision that declared it a State aid scheme and ordered to recover the aid exclusively from the investors. It has therefore also annulled the previous Judgment of the General Court that had confirmed the legality of the Decision, which means that it has partially upheld the appeal of Unicaja Banco, together with a syndicate of investors and the Kingdom of Spain.

From a legal point of view, the Judgment - which confirms that the "Spanish tax lease system" was State aid - could lead to a new decision by the European Commission ordering recovery from all beneficiaries. For this reason, the Group's directors and tax advisors have opted to keep an amount recorded in the accounts under the heading “Tax liabilities with uncertainty” to cover this possible risk, amounting to 8,908 thousand Euros.

25. Financial instrument liquidity risk

The Assets and Liabilities Committee (COAP) manages the liquidity risk inherent in the Group’s business activity and financial instruments in order to ensure that it will always have sufficient liquidity to meet the payment commitments associated with the settlement of its liabilities, at their respective maturity dates, without compromising the Group’s capacity to respond quickly to strategic market opportunities.

The Group uses a decentralized approach to liquidity risk management, applying integrated IT tools to perform liquidity risk analyses based on the cash flows estimated by the Group for its assets and liabilities, as well as any additional guarantees or instruments available to secure additional sources of liquidity that may be required (for example, liquidity lines not used by the Group). The Group’s liquidity risk position is established on the basis of various scenario analyses. The analyses of various scenarios take into account not only normal market situations, but also extreme conditions that may arise and that could affect the flow of collections and payments, due to market factors or internal Group factors.

Regarding compliance with the disclosure requirements of IFRS 7 “Financial Instruments: Disclosures”, below, is a table on maturities consolidated as of December 31, 2021, which includes the actual remaining contractual cash flows, principal and interest based on the various contracts and agreements signed by the Unicaja Banco Group:

	On demand	Up to one month	Between one and three months	Between three months and one year	Between one and two years	Between two and five years	More than 5 years	Total balance
NEW RECOGNITIONS	**4,886,697**	**465,620**	**5,338,854**	**7,230,479**	**7,057,004**	**17,459,257**	**55,473,943**	**97,911,854**
Reverse repurchase agreements and securities lending (borrower)	**100,710**	-	-	**205,069**	-	-	-	**305,779**
Loans and advances	**4,785,951**	**463,484**	**1,526,833**	**5,133,348**	**5,289,037**	**13,185,272**	**34,495,549**	**64,879,474**
Retailers	1,246,825	375,269	855,266	3,232,381	3,827,200	9,181,548	30,306,084	49,024,573
Non-financial customers including public administrations	63,078	77,720	218,455	851,275	788,688	2,338,822	1,049,926	5,387,964
Credit institutions and other financial institutions	94,617	758	4,206	53,009	12,308	67,165	329,524	561,587
Central banks	3,377,234	-	-	-	-	-	-	3,377,234
Others	4,197	9,737	448,906	996,683	660,841	1,597,737	2,810,015	6,528,116
Asset derivatives	**-**	**-**	**330**	**1,040**	**1,374**	**1,437**	**37**	**4,218**
Settlement of securities portfolio	**36**	**2,136**	**3,810,582**	**1,877,856**	**1,766,593**	**4,272,548**	**20,978,357**	**32,708,108**
Other new recognitions	**-**	**-**	**1,109**	**13,166**	**-**	**-**	**-**	**14,275**
DERECOGNITIONS	**63,900,153**	**1,718,520**	**2,301,843**	**9,464,479**	**1,887,516**	**5,199,121**	**4,405,526**	**88,877,158**
Issues of securities	**-**	**9,375**	**47,475**	**672,031**	**260,051**	**4,712,360**	**4,386,814**	**10,088,106**
Unsecured bonds and issues	-	9,375	4,975	37,825	52,177	1,852,192	1,258,971	3,215,515
Bonds	-	-	42,500	634,206	207,874	2,860,168	3,124,805	6,869,553
Securitizations	-	-	-	-	-	-	3,038	3,038
Financing with securities collateral	**100,660**	**694,158**	**1,249,175**	**4,911,835**	**973,576**	**-**	**1,781**	**7,931,185**
Customer deposits not included in the preceding categories	**63,799,493**	**1,012,989**	**969,785**	**3,756,011**	**653,889**	**486,761**	**16,931**	**70,695,859**
Stable retail deposits	41,407,719	321,220	599,864	2,039,951	242,306	13,093	1,124	44,625,277
Other retail deposits	10,630,594	177,687	308,697	996,666	148,640	15,095	302	12,277,681
Wholesale operating deposits	6,953,066	-	-	-	-	-	-	6,953,066
Non-operating deposits	4,808,114	514,082	61,224	719,394	262,943	458,573	15,505	6,839,835
Liability derivatives	**-**	**-**	**266**	**11**	**-**	**-**	**-**	**277**
Other derecognitions	**-**	**1,998**	**35,142**	**124,591**	**-**	**-**	**-**	**161,731**
GAP	**(59,013,456)**	**(1,252,900)**	**3,037,011**	**(2,234,000)**	**5,169,488**	**12,260,136**	**51,068,417**	**9,034,696**
ACCUMULATED GAP	**(59,013,456)**	**(60,266,356)**	**(57,229,345)**	**(59,463,345)**	**(54,293,857)**	**(42,033,721)**	**9,034,696**	**-**
PRO MEMORIA								
Derecognitions resulting from committed facilities	1,618,718	18,649	150,775	894,906	220,074	444,112	894,700	4,241,934
TOTAL CONTINGENT LIABILITIES AVAILABLE FOR THIRD PARTIES	**1,618,718**	**18,649**	**150,775**	**894,906**	**220,074**	**444,112**	**894,700**	**4,241,934**

The following is a maturity matrix consolidated as of December 31, 2021 which includes the actual remaining contractual cash flows, principal and interest, based on the various contracts and agreements signed by the Unicaja Banco Group:

	On demand	Up to one month	Between one and three months	Between three months and one year	Between one and two years	Between two and five years	More than 5 years	Total balance
NEW RECOGNITIONS	**21,277,861**	**1,146,919**	**3,649,297**	**5,397,326**	**10,421,189**	**18,325,966**	**47,989,742**	**108,208,300**
Reverse repurchase agreements and securities lending (borrower)	**92,660**	**557,620**	**221,686**	**100,000**	**-**	**-**	**-**	**971,966**
Loans and advances	**21,185,165**	**492,121**	**1,377,881**	**4,663,338**	**6,282,006**	**13,464,346**	**32,309,264**	**79,774,121**
Retailers	1,211,461	321,537	746,548	2,919,801	3,527,523	8,962,935	27,605,773	45,295,578
Non-financial customers including public administrations	11,194	60,693	157,913	480,791	852,830	2,281,853	1,085,871	4,931,145
Credit institutions and other financial institutions	111,164	14,538	12,761	33,175	97,251	78,567	383,816	731,272
Central banks	19,832,384	-	-	-	-	-	-	19,832,384
Others	18,962	95,353	460,659	1,229,571	1,804,402	2,140,991	3,233,804	8,983,742
Asset derivatives	**-**	**-**	**438**	**1,222**	**1,655**	**3,672**	**83**	**7,070**
Settlement of securities portfolio	**36**	**77,886**	**2,042,659**	**575,869**	**4,136,411**	**4,857,948**	**15,680,395**	**27,371,204**
Other new recognitions	**-**	**19,292**	**6,633**	**56,897**	**1,117**	**-**	**-**	**83,939**
DERECOGNITIONS	**67,735,216**	**9,588,932**	**2,143,571**	**5,208,527**	**11,648,357**	**2,932,971**	**5,595,148**	**104,852,722**
Issues of securities	**-**	**54,815**	**49,396**	**640,907**	**689,367**	**2,559,091**	**5,577,976**	**9,571,552**
Unsecured bonds and issues	-	-	8,622	34,491	39,578	778,734	1,212,838	2,074,263
Bonds	-	54,815	40,774	606,416	649,789	1,780,357	4,357,077	7,489,228
Securitizations	-	-	-	-	-	-	8,061	8,061
Financing with securities collateral	**92,038**	**8,787,530**	**831,332**	**650,000**	**10,428,295**	**-**	**-**	**20,789,195**
Customer deposits not included in the preceding categories	**67,643,178**	**744,636**	**1,258,226**	**3,755,303**	**530,695**	**373,880**	**17,172**	**74,323,090**
Stable retail deposits	41,629,873	416,612	808,871	2,432,988	298,277	18,066	317	45,605,004
Other retail deposits	9,577,361	175,567	351,128	993,426	144,734	11,641	1,161	11,255,018
Wholesale operating deposits	10,271,035	-	-	-	-	-	-	10,271,035
Non-operating deposits	6,164,909	152,457	98,227	328,889	87,684	344,173	15,694	7,192,033
Liability derivatives	**-**	**-**	**152**	**-**	**-**	**-**	**-**	**152**
Other derecognitions	**-**	**1,951**	**4,465**	**162,317**	**-**	**-**	**-**	**168,733**
GAP	**(46,457,355)**	**(8,442,013)**	**1,505,726**	**188,799**	**-1,227,168**	**15,392,995**	**42,394,594**	**3,355,578**
ACCUMULATED GAP	**(46,457,355)**	**(54,899,368)**	**(53,393,642)**	**(53,204,843)**	**(54,432,011)**	**(39,039,016)**	**3,355,578**	**-**
PRO MEMORIA								
Derecognitions resulting from committed facilities	954,604	13,833	857,950	883,323	236,796	692,363	1,078,689	4,717,558
TOTAL CONTINGENT LIABILITIES AVAILABLE FOR THIRD PARTIES	**954,604**	**13,833**	**857,950**	**883,323**	**236,796**	**692,363**	**1,078,689**	**4,717,558**

The detail of the contractual maturities of derivative and non-derivative financial liabilities at the end of 2022 and 2021, using accounting data is as follows:

							Thousands of Euros
Saturday, December 31, 2022	**On demand**	**Up to one month**	**Between one and three months**	**Between three months and one year**	**Between one and five years**	**More than 5 years**	**Total**
Non-derivative financial liabilities	**64,327,568**	**1,762,552**	**2,269,185**	**9,269,828.0**	**7,029,811**	**4,403,310**	**89,062,254**
Financial liabilities at amortized cost (including embedded derivatives)	64,219,241	1,761,992	2,268,445	9,262,890.0	7,024,807	4,399,265	88,936,640
Financial guarantees issued	108,327	560	740	6,938.0	5,004	4,045	125,614
Derivative financial liabilities	**-**	**-**	**-**	**259,131**	**335,685**	**540,182**	**1,134,998**
	64,327,568	**1,762,552**	**2,269,185**	**9,528,959**	**7,365,496**	**4,943,492**	**90,197,252**

Friday, December 31, 2021	On demand	Up to one month	Between one and three months	Between three months and one year	Between one and five years	More than 5 years	Total
							Thousands of Euros
Non-derivative financial liabilities	**69,297,756**	**9,588,936**	**2,145,079**	**5,127,372**	**14,585,152**	**4,837,634**	**105,581,929**
Financial liabilities at amortized cost (including embedded derivatives)	69,203,338	9,588,933	2,143,570	5,126,529	14,581,332	4,831,879	105,475,581
Financial guarantees issued	94,418	3	1,509	843	3,820	5,755	106,348
Derivative financial liabilities	**38,195**	**2**	**276**	**5,468**	**240,179**	**746,693**	**1,030,813**
	69,335,951	**9,588,938**	**2,145,355**	**5,132,840**	**14,825,331**	**5,584,327**	**106,612,742**

The criteria on which these maturity statements are presented are as follows:

- The data presented are static and do not take into consideration scenarios of business growth, early cancellations or renewal of operations. They only incorporate the contractual flows of operations currently contracted and recorded for accounting purposes in the consolidated balance sheet.
- The data presented correspond to actual remaining contractual cash flows, i.e. they systematically reflect the cash flows of the operation.
- The cash outflows indicated in the maturity table are those established in contracts.
- The Unicaja Banco Group incorporates, within the framework of its liquidity management, certain assumptions regarding the disposal of available balances by third parties, but, based on historical experience, this does not significantly affect the Group's structural maturity profile.

The Group manages its liquidity risk to ensure compliance with its payment commitments by adequately controlling its cash flows and the assets available to meet possible liquidity shortfalls. For this reason, the Group considers the aforementioned maturity tables to be the most relevant presentation of its liquidity statement as of a given date.

The Entity establishes prudent policies and objectives that contemplate not only normal market conditions but also contingency plans for stress or crisis situations, both its own and those of the market. To meet its objectives, three fundamental aspects are combined:

- Asset management: maturity analysis, possibility of sale, degree of liquidity, potential use as collateral, among others.
- Liability management: maturity analysis, diversification of business sources, maturities different from contractual maturities, behavior in the face of interest rate movements, etc.
- Access to markets: financing capacity in wholesale markets and time required to obtain financing, among others.

The Group maintains a significant volume of liquid assets on the assets side of its consolidated balance sheet, which allows it to comfortably manage liquidity risk, the main ones being as follows:

- Demand balances with central banks and credit institutions.
- Short-term temporary acquisitions of assets.
- Discountable fixed-income securities at the European Central Bank.
- Listed equity securities.

In addition, it should be noted that the Group has the capacity to issue mortgage and land bonds, which would enable it to raise new funds if needed.

26. Fair value

26.1 Fair value of financial assets and liabilities not recorded at fair value

As of December 31, 2022 and 2021, the fair value of financial assets and liabilities shown in the balance sheet at amortized cost is estimated by the Entity as follows:

- For those financial assets and liabilities referenced to variable interest rates, the Group has estimated that their carrying amount does not differ significantly from their fair value since the initial credit risk conditions of the counterparties have not been significantly modified.

- In the case of financial assets and liabilities at fixed interest rates that are not hedged, the fair value for each of the years was obtained through cash flow discounting techniques, using the risk-free interest rate (corresponding to the Spanish Public Debt) as the discount rate at all maturities, adjusted by the credit spread corresponding to the element. Considering the maturity and the relative balance of these instruments, the difference between the amortized cost and the fair value of these products is not significant at December 31, 2022 and 2021.

- In the case of the “Loans and Advances” caption, it is estimated that there are no significant differences between their carrying amount and their fair value, since the Group has quantified the level of provisions for credit risk for its credit risk portfolio in accordance with the applicable accounting standards, which is considered sufficient to cover such credit risk.

However, in the current context and given that there is no market for such financial assets, the amount for which such assets could be exchanged between interested parties could differ from their net recorded value.

26.2 Instruments at amortized cost admitted to trading in markets

The estimate at December 31, 2022 and 2021 of the fair value of financial assets and liabilities that are measured at amortized cost in the balance sheet but are admitted to trading in markets does not differ significantly from the carrying amount of the instruments.

The details as of December 31, 2022 and 2021 of the carrying amount and fair value of the Unicaja Banco Group’s financial instruments valued at amortized cost that are admitted to trading in markets are as follows:

		Thousands of Euros			
			2022		2021
Balance sheet heading	**Type of instrument**	**Book value**	**Fair value**	**Book value**	**Fair value**
Financial assets at amortized cost amortized cost	Debt securities securities	26,867,077	25,395,460	24,849,659	25,688,366
Financial liabilities at amortized cost amortized cost	Marketable debt securities securities	3,329,354	3,329,354	2,497,755	2,497,755

26.3 Information on equity instruments

At the end of fiscal years 2022 and 2021, there are no listed equity instruments for which the quoted price has not been taken as a reference for their fair value.

26.4 Fair value of financial assets and liabilities recorded at fair value

The following is a breakdown of the fair values of the consolidated balance sheet headings as of December 31, 2022 and 2021 by class of assets and liabilities and at the following levels.

- Level 1: Financial instruments whose fair value is determined by taking quoted prices in active markets or that correspond to recent transactions (last 12 months) that have been restated to current conditions.

- Level 2: Financial instruments the fair value of which is estimated through reference to quoted prices on organized markets for similar instruments or using other valuation techniques in which all the significant inputs are based on directly or indirectly observable market data.

- Level 3: Financial instruments the fair value of which is estimated by using valuation techniques in which at least one input is not based on observable market data.

Financial instruments at fair value and determined by published prices in active markets (i.e. those classified in Level 1 of the fair value hierarchy) comprise government debt, private debt, exchange-traded derivatives, securitized assets, shares, short positions and issued fixed income.

In cases where quotations cannot be observed, Group management makes its best estimate of the price that the market would set using its own internal models. In most cases, these internal models use data based on observable market parameters as significant inputs (Level 2) and sometimes use significant unobservable inputs in market data (Level 3). Various techniques are used to make this estimate, including the extrapolation of observable market data. The best evidence of the fair value of a financial instrument at the initial time is the transaction price, unless the value of such instrument can be obtained from other transactions carried out in the market with the same or a similar instrument, or valued using a valuation technique where the variables used include only data observable in the market, mainly interest rates.

When a financial instrument can no longer be measured using Level 1 or 2 criteria, it is moved to the next level of the fair value hierarchy. Likewise, when the instruments begin to be quoted in active securities markets or when observable market inputs are obtained, the instruments move from Level 3 to lower levels of the fair value hierarchy. Detailed information on the classification of financial instruments by level of the fair value hierarchy as of December 31, 2022 and 2021 is included below.

	Thousands of Euros				
	2022				
	Carrying	Fair value			
	amount	Total	Level 1	Level 2	Level 3
Assets					
Financial assets held for trading negotiate	57,101	57,101	9,387	47,714	-
Debt securities	47,714	47,714	-	47,714	-
Equity instruments	9,387	9,387	9,387	-	-
Derivatives	-	-	-	-	-
Non-trading financial assets mandatorily at fair value through profit or loss	146,549	146,549	25,539	7,983	113,027
Equity instruments	41	41	-	-	41
Debt securities	33,522	33,522	25,539	7,983	-
Loans and advances	112,986	112,986	-	-	112,986
Financial assets at fair value through through other comprehensive income	1,031,186	1,031,186	767,855	212,240	51,091
Equity instruments	363,200	363,200	99,869	212,240	51,091
Debt securities	667,986	667,986	667,986	-	-
Hedging derivatives	1,812,887	1,812,887	-	1,812,887	-
Liabilities					
Financial liabilities held for trading negotiate	53,174	53,174	-	53,174	-
Derivatives	53,174	53,174	-	53,174	-
Hedging derivatives	1,081,824	1,081,824	-	1,081,824	-

	Thousands of Euros				
	2021				
	Carrying amount	Fair value			
		Total	Level 1	Level 2	Level 3
Assets					
Financial assets held for trading negotiate	44,741	44,741	13,607	31,134	-
Debt securities	1,015	1,015	1,015	-	-
Equity instruments	12,592	12,592	12,592	-	-
Derivatives	31,134	31,134	-	31,134	-
Non-trading financial assets mandatorily at fair value through profit or loss	228,227	228,227	84,368	9,454	134,405
Equity instruments	41	41	-	-	41
Debt securities	93,822	93,822	84,368	9,454	-
Loans and advances	134,364	134,364	-	-	134,364
Financial assets at fair value through through other comprehensive income	1,297,820	1,193,539	835,457	230,348	127,734
Equity instruments	627,119	522,838	164,756	230,348	127,734
Debt securities	670,701	670,701	670,701	-	-
Hedging derivatives	815,044	815,044	-	815,044	-
Liabilities					
Financial liabilities held for trading negotiate	31,123	31,123	-	31,123	-
Derivatives	31,123	31,123	-	31,123	-
Hedging derivatives	999,690	999,690	-	999,690	-

The following table presents the movement during 2022 and 2021 of the fair value of the different types of financial instruments classified in Level 3 under IFRS 13:

	Thousands of Euros				
	Non-trading financial assets mandatorily at fair value through profit or loss			Financial assets at fair value through other comprehensive income	
	Equity instruments	Debt securities	Loans and advances	Equity instruments	Debt securities
Balance as at December 31, 2021	**41**	**-**	**134,364**	**127,734**	**-**
Instrument recognitions	-	-	7,028	377	-
Instrument derecognitions	-	-	(39,410)	(6,467)	-
Changes in fair value recognized in profit or loss	-	-	(3,996)	-	-
Changes in fair value recognized in equity	-	-	-	(70,553)	-
Inter level transfers	-	-	-	-	-
Transfer to loans and receivables	-	-	15,000	-	-
Transfer to investments held until maturity	-	-	-	-	-
Effect of take-over merger of Liberbank	-	-	-	-	-
Balance as at December 31, 2022	**41**	**-**	**112,986**	**51,091**	**-**

	Thousands of Euros				
	Non-trading financial assets mandatorily at fair value through profit or loss			Financial assets at fair value through other comprehensive income	
	Equity instruments	Debt securities	Loans and advances	Equity instruments	Debt securities
Balance as at 12/31/2020	**-**	**-**	**-**	**-**	**-**
Instrument recognitions	-	-	-	-	-
Instrument derecognitions	-	-	-	-	-
Changes in fair value recognized in profit or loss	-	-	-	-	-
Changes in fair value recognized in equity	-	-	-	-	-
Inter level transfers	-	-	-	-	-
Transfer to loans and receivables	-	-	-	-	-
Transfer to investments held until maturity	-	-	-	-	-
Effect of take-over merger of Liberbank	41	-	134,364	127,734	-
Balance as at 12/31/2021	**41**	**-**	**134,364**	**127,734**	**-**

Changes in fair value recognized in profit or loss are recorded in the consolidated income statement under gains/losses on financial transactions, while fair value adjustments recognized in equity are recorded in the consolidated statement of recognized income and expense.

For the valuation of Level 3 financial instruments in the fair value hierarchy, characterized because they use unobservable inputs in market data, the Bank uses models and methods that are generally accepted as standard among credit institutions, notably including the Hull & White Model, the Longstaff and Schwartz Method, the Monte Carlo Method and the Black-Scholes Model.

These theoretical valuation models are largely fed with data directly observed from the market through connections with Bloomberg and Reuters, in relation to the volatility of the underlying assets, interest rate curves, correlations between the underlying assets, dividends and CDS (Credit Default Swaps), etc. Regarding unobservable data, the Group uses assumptions generally accepted in the market for their estimation, which include, among others:

- Use implied volatilities obtained from stock options.
- Determine the zero coupon curves from the deposits and swaps quoted in each currency using a bootstrapping process.
- Obtain the discount factors or implicit rates required for valuations under an Absence of Opportunity to Arbitrage (AOA) assumption.
- Use historical data for the evaluation of correlations, generally using weekly returns of the underlying assets over a historical period between 1 and 4 years.
- Construct the estimated dividend curve from the asset’s dividend futures if they are listed and liquid.
- Estimate dividends based on the implied dividends in the options on that asset (stock or index) listed in the market.
- Use dividends forecast by market providers (Bloomberg, Reuters or DataStream) if there are no dividend futures or option quotes on the asset.

When measuring Level 3 financial instruments, the effect on their fair value of a variation, within a reasonable range, in the assumptions used in the valuation is measured. In all cases the conclusion was that the sensitivity of the fair value to changes in unobservable variables is not significant at December 31, 2022 and 2021. Therefore, the disclosures in the notes on reasonably possible alternative assumptions in the valuation are not applicable.

26.5 Valuation methods used

The methods used by the Unicaja Banco Group to calculate the fair value of the main financial instruments recognized in the balance sheet are as follows:

- **Debt securities**: The fair value of listed debt instruments is determined on the basis of quoted prices in official markets (Central de Anotaciones de Banco de España), AIAF, AIAF panels (credit institutions) or by applying prices obtained from information service providers, mainly Bloomberg and Reuters, which construct their prices on the basis of prices reported by contributors.

- **Equity instruments**: The fair value of listed equity instruments has been determined based on official market listings. For unlisted securities, their fair value has been determined taking into account valuations by independent experts. Said valuation used the following, among others:

    - Discounted cash flows (free cash flows from operations or dividends), discounted at a rate associated with the operating and financial risk of each investee, calculated based on the risk-free rate and incorporating a risk premium.

    - Multiplier of comparable listed companies (EV/EBITDA, PER, Price/Book Value, Price/Premium), less a discount for illiquidity.

- NAV (Adjusted Net Asset Value): It is calculated by the adding accounting own funds and capital gains, the latter being the difference between the market value of the assets and their carrying amount. For venture capital entities, the NAV was calculated by the managers and estimated, generally, taking into account the rules of the European Venture Capital Association and the provisions of Circular 5/2000, dated September 19, of the Comisión Nacional del Mercado de Valores (Spanish Securities and Exchange Commission).

- Price resulting from market transactions or acquisition offers, made or received at a time close to the valuation date.

- **Derivative instruments**: The fair value of interest rate derivatives is determined, for financial instruments without optional conditions, mainly swaps, by discounting future cash flows using the implicit money market curves and the swap curve, and for optional interest rate derivatives, using generally accepted valuation methods based on the Black-Scholes model and implied volatility matrices. For derivatives on equity instruments or stock market indexes contracted to hedge the risk of structured customer deposits containing an embedded derivative, and for currency derivatives without optional components, the fair value has been obtained by discounting cash flows estimated from the forward curves of the respective underlying instruments listed in the market, and for options, using generally accepted methods based on the Black-Scholes model, which allow, by means of a closed formula and using exclusively market inputs, the valuation of options on these underlying instruments. Where applicable, models and severities in line with the market have been used to calculate the CVA and DVA. In order to obtain the proprietary spread, generic spread vs. swap curves by rating of different debt issues of Spanish financial institutions with different seniority levels, including senior debt, are calibrated on a recurring basis.

26.6 Fair value of tangible assets

On January 1, 2004, the Group applied the provisions of IFRS 1 "First-time Adoption of International Financial Reporting Standards," by virtue of which it revalued most of its property assets, generating a gross capital gain of 227,811 thousand Euros.

Subsequently, on June 21, 2013, revaluation reserves recorded upon the entry into force of Bank of Spain Circular 4/2004, corresponding to 516 properties for own use, with an associated revaluation of 54,850 thousand Euros, already recorded in shareholders' equity, were granted tax efficiency.

As of December 31, 2022 and 2021, the Group estimates that there are no significant differences between the carrying amount and fair value of the tangible assets.

27. Credit risk exposure

Credit risk represents the losses that the Group would suffer if a customer or counterparty were to default on its contractual payment obligations. This risk is inherent to the financial system in the traditional banking products of the entities (loans, credits, financial guarantees provided, etc.), as well as in other types of financial assets.

Credit risk affects both financial assets carried at amortized cost in the financial statements and assets carried at fair value in the financial statements. Regardless of the accounting criteria by which the financial assets of the Unicaja Banco Group have been recorded in these financial statements, the Group applies the same credit risk control policies and procedures to them.

The Group's policies, methods and procedures related to credit risk control are approved by the Parent Company's Board of Directors. The Audit and Regulatory Compliance Committee, the Risk Committee, the Internal Audit Department and the Global Risk Control Department of Unicaja Banco are responsible for making sure that these policies, methods and procedures are properly complied with, ensuring that they are adequate, effectively implemented and regularly reviewed.

Credit risk control activities in the Parent Company are carried out by the Global Risk Control Department, dependent upon the General Directorate Assigned to the Chairman, Control and Relations with Unicaja Banco Supervisors. This unit is responsible for implementing the credit risk control policies, methods and procedures approved by the Bank's Board of Directors. It performs counterparty risk tasks, in accordance with the Parent Company's internal policies and the regulations that apply thereto. This unit is also responsible for applying Unicaja Banco's risk concentration limits, approved by the Board of Directors.

The Unicaja Banco Group has policies and procedures that limit the concentration of credit risk by counterparties, both individually and by economic groups. The Group establishes risk concentration limits taking into account factors such as the activities in which the counterparties are engaged, their rating, as well as other common characteristics to them. The Group performs sensitivity analyses to estimate the effects of possible variations in the delinquency rates of the different risk concentration groups.

The Group has no major risk concentrations as of December 31, 2022 and 2021. The total risk held by the Group with mortgage guarantee with the private sector of residents in Spain amounts to 35,638,924 thousand Euros and 35,549,124 thousand Euros at December 31, 2022 and 2021, respectively.

The Unicaja Banco Group also has tools that allow for an adequate risk classification. These are Scoring and Rating models that enable admission and follow-up processes. PD, LGD and EAD estimates, as part of the expected loss calculation, are involved in efficient risk management. The Parent Company's Governing Bodies and Senior Management approve the criteria on which these models and estimates are based, with the necessary review systems in place to make sure that they are always appropriately updated.

The maximum credit risk to which the Group is exposed is measured at nominal or fair value based on the accounting valuation of financial assets. In measuring the maximum credit risk to which the Group is exposed, the existence of certain netting agreements entered into by and between the Group and certain counterparties has been considered.

Information on the maximum credit risk to which the Group is exposed is provided in Notes 8, 9 and 10. It should be noted that, since the information provided in these Notes on the credit risk to which the Group is exposed does not consider the existence of guarantees received, credit derivatives contracted to hedge this risk and other similar hedges, these data differ from the analysis of the Group's internal credit risk exposure.

The Group internally classifies financial assets subject to credit risk based on the characteristics of the transactions, considering, among other factors, the counterparties with which the transactions have been contracted and the guarantees provided by the transaction.

The cumulative amount of past-due and uncollected financial assets that, in accordance with the criteria explained in Note 2.7, have not been accrued for accounting purposes at Saturday, December 31, 2022 and 2021, amounts to 67,558 thousand Euros and 38,835 thousand Euros, respectively.

Responsible consumer lending and credit practices

Order EHA/2899/2011 of October 28, on transparency and protection of customers of banking services, develops the general principles set forth in Law 2/2011 on Sustainable Economy with regard to the responsible granting of loans and credits to consumers, such that the corresponding obligations are introduced so that the Spanish financial system, for the benefit of customers and market stability, improves prudential levels when granting these types of transactions.

Banco de España Circular 5/2012, dated June 27, develops the concept of "responsible lending," establishing the responsible lending policies and procedures summarized below:

- When offering and granting loans or credits to customers, institutions must act honestly, impartially and professionally, taking into account their customers personal and financial situation and preferences and objectives.

- Entities that grant loans or credits to clients referred to in Rule Two of Circular 5/2012 must have specific policies, methods and procedures for studying and granting loans or credits to such customers, properly documented and justified, approved by the entity's Board of Directors or equivalent body, which integrate the general principles mentioned in Annex 6 of said Circular. The aforementioned duly updated policies, methods and procedures, as well as the documents justifying them and the accreditation of their approval by the institution's Board of Directors or equivalent body, must be kept at the disposal of Banco de España at all times.

- The general principles referred to in the preceding paragraph must be responsibly applied by institutions and understood by their customers, such that the latter is responsible for providing the former with complete and truthful information on their financial situation and on their wishes and needs in relation to the purpose, amount and other conditions of the loan or credit. In turn, institutions must inform their customers appropriately about the characteristics of those of their products that are suitable for what they have requested.

In this regard, Unicaja Banco has detailed policies, methods and procedures to ensure the responsible granting of loans and credit to consumers. The principles developed for this purpose are aligned with the "Manual of credit risk policies, functions and procedures" approved by the Bank's Board of Directors on December 29, 2017, and with the regulatory requirements established by the Banco de España, including the points listed below:

- The granting criteria associated with the debtor's ability to pay.
- A transaction amortization plan that is adapted to the customer.
- A prudent ratio of the amount of the transaction to the value of its collateral.
- An transaction marketing policy.
- A collateral valuation policy.
- Considering the interest rate and exchange rate variability in the granting of loans denominated in foreign currency.
- The Interest rate risk cover.
- The exceptions policy on the terms and conditions of transactions.
- A warning to the customer about their failure to compliance with their payment obligations.
- A debt renegotiation policy.
- Information on the cost of services related to the granting of the credit transaction.
- The obligation to provide information to home buyers by subrogation of a developer loan.
- Other aspects of responsible lending policies and procedures.

In order to ensure compliance with these principles and criteria, the Group has implemented various control procedures in its risk management, of particular importance being the existence of different sanction areas that ensure adequate levels of contrast in decisions based on the complexity of transactions, and the correct evaluation of the client's risk profile and payment capacity.

Code of Good Practice on Mortgage Financing

Through Royal Decree-Law 6/2012, of March 9, on urgent measures for the protection of mortgage debtors without resources, a Code of Good Practices (hereinafter, CBP 2012) was approved to which credit institutions and other entities that, in a professional manner, carry out the activity of granting mortgage loans or credits may voluntarily adhere, under the supervision of the Ministry of Economy and Competitiveness, the Bank of Spain, the National Securities Market Commission and the Spanish Mortgage Association.

On the other hand, on November 24, 2022, Royal Decree-Law 19/2022, dated November 22, 2022, was published in the Official State Gazette (BOE), which establishes a Code of Good Practices to alleviate the rise in interest rates on mortgage loans on primary residence, amends Royal Decree-Law 6/2012 (regarding the CBP 2012), and adopts other structural measures for the improvement of the mortgage loan market. Through this Royal Decree, the CBP 2012 is extended to cover those vulnerable debtors affected by interest rate increases that reach excessive mortgage stress levels, in the event of any increase in mortgage stress, and certain measures are modified to more effectively protect this group. In addition, a new Code of Best Practices of a transitory nature (hereinafter, "CBP 2022"), with a duration of two years, is established to alleviate the financial burden of middle-class mortgagors at risk of vulnerability due to rising interest rates. Borrowers who meet the eligibility requirements established by the Agreement of the Council of Ministers dated November 22, 2022, referring to the level of income and the increase in the mortgage effort associated with the increase in interest rates, may apply.

Unicaja Banco is adhered as a credit institution to both codes of good practices (CBP 2012 and CBP 2022) and follows the measures established in both codes for all customers with mortgage loans on primary residences that comply with the conditions established in the aforementioned Royal Decrees, as well as in the rest of the applicable regulations in force at any given time. The impact on the consolidated financial statements of the Unicaja Banco Group of the CBP 2022, as well as the amendment and extension of the CBP 2012, is not significant as of December 31, 2022.

Sovereign risk exposure

With respect to sovereign risk, the breakdown of credit risk exposures to central governments held by the Group as of December 31, 2022 and 2021, is as follows:

				Thousands of Euros
				2022
	Financial assets held for trading	**Other financial instruments at fair value through profit or loss**	**Financial assets at fair value through other comprehensive income**	**Financial assets at amortized cost**
Spain	-	-	392,671	16,057,231
Italy	-	-	15,188	8,016,659
United States	-	-	-	1,300,986
Portugal	-	-	1,936	156,528
Others	-	-	7,505	-
	-	**-**	**417,300**	**25,531,404**

	Thousands of Euros			
	2021			
	Financial assets held for trading	Other financial instruments at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortized cost
Spain	-	-	556,980	14,151,211
Italy	-	-	38,777	7,692,920
United States	-	-	-	639,081
Portugal	-	-	2,117	209,670
Others	-	-	689	20,123
	-	**-**	**598,563**	**22,713,005**

Credit quality of debt securities

The accounting classification of the Unicaja Banco Group's debt securities at December 31, 2022 and 2021, classified in the different accounting portfolios, is listed below:

	Thousands of Euros	
	2022	2021
Financial assets held for trading (Note 8.1)	-	1,015
Non-trading financial assets that must be valued at fair value through profit or loss (Note 8.2)	33,522	93,822
Financial assets valued at fair value with changes in income	-	-
Financial assets at fair value through other comprehensive income (Note 9.1)	667,986	670,701
Financial assets at amortized cost (note 10)	26,867,077	24,849,659
	27,568,585	**25,615,197**

At December 31, 2022 and 2021, the balances included in the table above were not classified as doubtful, having recorded valuation adjustments due to impairment amounting to 372thousand Euros and 18,578 thousand Euros, respectively.

The classification of these securities by rating tranches as of December 31, 2022 and 2021, is as follows:

	Thousands of Euros	
	2022	2021
Rating Aaa	1,308,284	639,993
Rating Aa1-Aa3	185,575	227,493
Rating A1-A3	16,583,540	15,073,071
Rating Baa1-Baa3	9,343,674	9,504,953
Rating Ba1-Ba3	117,886	155,191
Rating B1-C	27,402	11,225
No Credit Rating	2,224	3,271
	27,568,585	**25,615,197**

Quality of loans to customers

The Unicaja Banco Group determines the credit quality of loans and advances to customers mainly on the basis of accounting classification, sectorization, the existence of defaults, the level of coverage, the guarantees received and their relation to the amount of debt (LTV ratio).

The credit quality of the portfolio of loans and receivables from customers as of December 31, 2022 and 2021, is detailedbelow:

	Thousands of Euros			
	2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross	**50,106,166**	**3,688,176**	**1,955,937**	**55,750,279**
Value corrections due to the impairment of assets	**215,611**	**235,880**	**860,049**	**1,311,540**
Of which: calculated collectively	215,439	198,869	655,790	1,070,098
Of which: calculated individually	172	37011	204259	241,442
Net amount	**49,890,555**	**3,452,296**	**1,095,888**	**54,438,739**

(*) POCIs should be understood as financial assets purchased or originated with credit impairment as described in Note 2.7.

	Thousands of Euros				
	2021				
	Stage 1	**Stage 2**	**Stage 3**	**POCI (*)**	**Total**
Gross	**51,959,780**	**3,581,269**	**1,978,014**	**5,366**	**57,524,429**
Value corrections due to the impairment of assets	**128,837**	**318,369**	**916,440**	**3,324**	**1,366,970**
Of which: calculated collectively	128,254	273,912	724,290	3,323	1,129,779
Of which: calculated individually	583	44,457	192,150	1	237,191
Net amount	**51,830,943**	**3,262,900**	**1,061,574**	**2,042**	**56,157,459**

(*) POCIs should be understood as financial assets purchased or originated with credit impairment as described in Note 2.7.

On the other hand, as of December 31, 2022 and 2021, the guarantees received and the financial guarantees grantedare detailed below:

Guarantees received	Thousands of Euros 2022	2021
Value of collateral	35,606,499	35,197,961
Of which: Guarantees doubtful risks	*982,576*	*1,017,110*
Value of other guarantees	1,530,383	3,482,358
Of which: Guarantees doubtful risks	*172,926*	*190,170*
Total value of guarantees received	**37,136,882**	**38,680,319**

Financial guarantees granted	Thousands of Euros 2022	2021
Loan commitments granted	4,241,941	5,051,447
Of which: amount classified as doubtful	*14,888*	*13,897*
Amount recorded as a liability on the balance sheet	*12,740*	*6,541*
Financial guarantees granted	59,137	214,717
Of which amount classified as doubtful	-	*12,591*
Amount recorded as a liability on the balance sheet	*2,918*	*12,264*
Other commitments granted	4,719,335	6,027,588
Of which: amount classified as doubtful	*313,385*	*336,117*
Amount recorded as a liability on the balance sheet	*109,957*	*87,535*
Total value of financial guarantees granted	**9,020,413**	**11,293,752**

Risk concentration by activity and geographical area

The carrying value of the Unicaja Banco Group's total financing granted to its customers as of December 31, 2022 and 2021, excluding exposures held with public administrations, broken down by type of counterparty, type of guarantee and LTV ratio, is presented below.

	Thousands of Euros							
				LTV ratio of collateralized loans (e)				
Saturday, December 31, 2022	**Total (a)**	**Of which: Real estate guarantee (d)**	**Of which: Other collateral (d)**	**Less than or equal to 40%**	**More than 40% and less than or equal to 60%**	**More than 60% and less than or equal to 80%**	**More than 80% and less than or equal to 100%**	**More than 100%**
Financial Institutions	444,194	64,920	19,082	57,831	13,373	12,585	127	86
Non-financial corporations and individual employers	12,167,338	3,013,801	447,147	1,734,201	1,114,078	411,256	101,604	99,809
Construction and development real estate (b)	733,909	558,860	56,903	318,809	167,434	85,042	26,280	18,198
Civil engineering construction	112,639	3,789	1,803	2,586	2,987	19	-	-
Other purposes	11,320,790	2,451,152	388,441	1,412,806	943,657	326,195	75,324	81,611
Large companies (c)	5,599,380	111,711	143,650	177,348	55,146	14,324	39	8,504
SMEs and individual employers (c)	5,721,410	2,339,441	244,791	1,235,458	888,511	311,871	75,285	73,107
Other homes and ISFLSH	35,582,718	32,560,203	57,428	7,913,626	9,567,766	14,183,783	610,663	341,793
Housing	32,098,722	31,732,256	9,231	7,447,082	9,338,318	14,078,318	578,165	299,604
Consumption	1,042,551	28,688	6,571	25,781	5,300	2,852	1,101	225
Other purposes	2,441,445	799,259	41,626	440,763	224,148	102,613	31,397	41,964
Total	**48,194,250**	**35,638,924**	**523,657**	**9,705,658**	**10,695,217**	**14,607,624**	**712,394**	**441,688**
Pro memoria: Refinancing refinanced and restructured transactions	**697,965**	**538,347**	**69,361**	**258,840**	**180,270**	**137,166**	**56,617**	**19,815**

								Thousands of Euros
				LTV ratio of collateralized loans (e)				
Friday, December 31, 2021	**Total (a)**	**Of which: Real estate guarantee (d)**	**Of which: Other collateral (d)**	**Less than or equal to 40%**	**More than 40% and less than or equal to 60%**	**More than 60% and less than or equal to 80%**	**More than 80% and less than or equal to 100%**	**More than 100%**
Financial Institutions	1,366,603	89,355	823,783	76,683	16,572	24,259	169	795,455
Non-financial corporations and individual employers	13,637,094	3,640,133	537,366	1,559,311	1,316,684	577,547	157,139	566,818
Construction and development real estate (b)	712,398	570,079	49,995	232,255	186,575	121,995	43,647	35,602
Civil engineering construction	99,396	1,535	34	180	399	990		
Other purposes	12,825,300	3,068,519	487,337	1,326,876	1,129,710	454,562	113,492	531,216
Large companies (c)	5,651,958	357,600	126,272	96,225	65,262	20,621	696	301,068
SMEs and individual employers (c)	7,173,342	2,710,919	361,065	1,230,651	1,064,448	433,941	112,796	230,148
Other homes and ISFLSH	34,804,908	31,819,636	63,395	7,975,808	9,997,674	12,828,465	682,797	398,287
Housing	31,268,333	30,876,011	6,404	7,472,002	9,732,579	12,686,203	647,159	344,472
Consumption	1,113,865	35,604	8,251	25,720	9,799	3,841	2,649	1,846
Other purposes	2,422,710	908,021	48,740	478,086	255,296	138,421	32,989	51,969
Total	**49,808,605**	**35,549,124**	**1,424,544**	**9,611,802**	**11,330,930**	**13,430,271**	**840,105**	**1,760,560**
Pro memoria: Refinancing refinanced and restructured transactions	**910,312**	**709,744**	**53,620**	**212,155**	**212,861**	**155,508**	**71,307**	**111,533**

(a) The definition of loans and advances to customers and the scope of the information in this table are those used in the preparation of the balance sheet. The amount shown is the carrying amount of the transactions, i.e., after deducting the value adjustments made to hedge the specific transactions.

(b) This item includes all activities related to construction and property development, including that related to the financing of land for property development.

(c) Non-financial companies are classified as "Large companies" and "SMEs" according to the definition applicable to the latter for the purposes of calculating shareholders' equity. The activity of individual employers is considered to be that which is carried out by individuals in exercising their business activities.

(d) The book value of all transactions with real estate and other collateral, regardless of their loan to value are included.

(e) The loan to value is the ratio resulting from dividing the book value of transactions at the date of the statement by the amount of the latest available appraisal or valuation of the collateral.

Below is aggregate information as of December 31, 2022 and 2021, on the risk concentration of the Unicaja Banco Group, broken down by geographical area of action and activity segment, excluding exposures held with public administrations.

					Thousands of Euros
Saturday, December 31, 2022	**Total (a)**	**Spain**	**Other EU countries**	**The Americas**	**Rest of the world**
Credit institutions	8,229,611	7,241,910	665,289	259,931	62,481
Other financial institutions	1,119,772	932,091	162,965	-	24,716
Non-financial corporations and individual employers	15,075,166	14,685,504	338,857	31,043	19,762
Construction and development real estate (b)	882,982	882,982	-	-	-
Civil engineering construction	209,671	209,671	-	-	-
Other purposes	13,982,513	13,592,851	338,857	31,043	19,762
Large companies (c)	7,669,456	7,332,393	319,626	4,536	12,901
SMEs and individual employers (c)	6,313,057	6,260,458	19,231	26,507	6,861
Other homes and ISFLSH	35,642,714	35,462,269	82,927	33,426	64,092
Housing	32,109,073	31,932,483	81,765	32,749	62,076
Consumption	1,043,022	1,041,839	376	86	721
Other purposes	2,490,619	2,487,947	786	591	1,295
	60,067,263	**58,321,774**	**1,250,038**	**324,400**	**171,051**

Friday, December 31, 2021	Total (a)	Spain	Other EU countries	The Americas	Rest of the world
					Thousands of Euros
Credit institutions	24,279,641	22,878,358	1,005,571	311,013	84,699
Other financial institutions	3,223,645	2,818,960	353,596	83	51,006
Non-financial corporations and individual employers	17,282,824	16,788,780	336,727	133,280	24,037
Construction and development real estate (b)	845,424	845,419	-	-	5
Civil engineering construction	194,634	194,634	-	-	-
Other purposes	16,242,766	15,748,727	336,727	133,280	24,032
Large companies (c)	8,337,859	7,877,413	321,013	125,627	13,806
SMEs and individual employers (c)	7,904,907	7,871,314	15,714	7,653	10,226
Other homes and ISFLSH	35,067,214	34,891,416	77,282	35,022	63,494
Housing	31,271,301	31,099,082	76,021	34,130	62,068
Consumption	1,113,885	1,112,799	620	182	284
Other purposes	2,682,028	2,679,535	641	710	1,142
	79,853,324	**77,377,514**	**1,773,176**	**479,398**	**223,236**

(a) The risk definition includes the following balance sheet items: Deposits with credit institutions, Loans and advances to customers, Debt securities, Equity instruments, Trading derivatives, Hedging derivatives, Participating interests and Contingent liabilities. The amount shown for assets is the carrying amount of the transactions, i.e., after deducting the value adjustments made to hedge the specific transactions. The distribution of activity by geographical area is based on the country or autonomous community of residence of the borrowers, issuers of securities and counterparties to derivatives and contingent risks.

(b) This item includes all activities related to construction and property development, including that related to the financing of land for property development.

(c) Non-financial companies are classified as “Large companies” and “SMEs” according to the definition applicable to the latter for the purposes of calculating shareholders’ equity. The activity of individual employers is considered to be that which is carried out by individuals in exercising their business activities.

Below is a breakdown of Unicaja Banco Group’s loans and advances to customers at December 31, 2022 and 2021, by autonomous community and by business segment, excluding exposures to public administrations.

Saturday, December 31, 2022	Total (a)	Andalusia	Madrid	Castilla (*)	Levante (*)	Asturias	Other autonomous communities
							Thousands of Euros
Credit institutions	7,241,910	65,596	7,176,221	-	93	-	-
Other financial institutions	932,091	488,691	311,853	27,250	218	94,131	9,948
Non-financial corporations and individual employers	14,685,504	6,646,262	2,721,508	2,054,316	760,717	760,585	1,742,116
Construction and development real estate (b)	882,982	432,222	164,140	106,484	23,464	97,759	58,913
Civil engineering construction	209,671	46,538	92,108	27,841	2,955	19,226	21,003
Other purposes	13,592,851	6,167,502	2,465,260	1,919,991	734,298	643,600	1,662,200
Large companies (c)	7,332,393	3,770,268	1,951,344	317,226	489,763	219,157	584,635
SMEs and individual employers (c)	6,260,458	2,397,234	513,916	1,602,765	244,535	424,443	1,077,565
Other homes and ISFLSH	35,462,269	10,438,985	10,404,365	7,023,442	1,597,837	1,908,860	4,088,780
Housing	31,932,483	8,800,898	10,062,607	6,222,615	1,545,956	1,649,372	3,651,035
Consumption	1,041,839	290,362	126,731	272,537	22,346	139,573	190,290
Other purposes	2,487,947	1,347,725	215,027	528,290	29,535	119,915	247,455
	58,321,774	**17,639,534**	**20,613,947**	**9,105,008**	**2,358,865**	**2,763,576**	**5,840,844**

Friday, December 31, 2021	Total (a)	Andalusia	Madrid	Castilla (*)	Levante (*)	Asturias	Other autonomous communities
							Thousands of Euros
Credit institutions	22,878,358	-	22,877,303	-	1,044	-	11
Other financial institutions	2,818,960	704,100	1,959,669	95,720	1,295	52,058	6,118
Non-financial corporations and individual employers	16,788,780	4,216,429	5,378,326	2,335,702	1,202,729	1,431,324	2,224,270
Construction and development real estate (b)	845,419	438,718	153,652	123,401	28,579	38,616	62,453
Civil engineering construction	194,634	38,691	118,931	15,653	3,170	2,107	16,082
Other purposes	15,748,727	3,739,020	5,105,743	2,196,648	1,170,980	1,390,601	2,145,735
Large companies (c)	7,877,413	1,528,461	3,692,738	272,692	830,606	801,994	750,922
SMEs and individual employers (c)	7,871,314	2,210,559	1,413,005	1,923,956	340,374	588,607	1,394,813
Other homes and ISFLSH	34,891,416	10,230,934	7,145,091	7,451,570	2,868,321	2,265,554	4,929,946
Housing	31,099,082	8,745,634	6,881,271	6,532,933	2,788,018	1,838,141	4,313,085
Consumption	1,112,799	280,722	79,211	302,568	39,322	179,346	231,630
Other purposes	2,679,535	1,204,578	184,609	616,069	40,981	248,067	385,231
	77,377,514	**15,151,463**	**37,360,389**	**9,882,992**	**4,073,389**	**3,748,936**	**7,160,345**

(*) The geographical area identified as "Castilla" corresponds to the autonomous communities of Castilla-La Mancha and Castilla y León, while the geographical area of "Levante" includes the autonomous communities of Cataluña, Comunidad Valenciana and Murcia.

(a) The risk definition includes the following balance sheet items: Deposits with credit institutions, Loans and advances to customers, Debt securities, Equity instruments, Trading derivatives, Hedging derivatives, Participating interests and Contingent liabilities. The amount shown for assets is the carrying amount of the transactions, i.e., after deducting the value adjustments made to hedge the specific transactions. The distribution of activity by geographical area is based on the country or autonomous community of residence of the borrowers, issuers of securities and counterparties to derivatives and contingent risks.

(b) This item includes all activities related to construction and property development, including that related to the financing of land for property development.

(c) Non-financial companies are classified as "Large companies" and "SMEs" according to the definition applicable to the latter for the purposes of calculating shareholders' equity. The activity of individual employers is considered to be that which is carried out by individuals in exercising their business activities.

Leasing transactions

In relation to Unicaja Banco's leasing activity, quantitative information as of December 31, 2022 and 2021, is detailed below:

(i) The reconciliation between the gross investment (including the purchase option, if any) and the present value as of December 31, 2022 and 2021, is as follows:

	Thousands of Euros	
	2022	2021
Nominal value of accounts receivable	151,519	188,848
Nominal value of purchase transactions	13,165	16,407
Total nominal value at closing	164,684	205,255
Unearned financial income	9,853	3,158
Present value at closing	**174,537**	**208,413**

(ii) The present value of the minimum payments as of December 31, 2022 and 2021, and their distribution by residual terms, is as follows:

	Thousands of Euros	
	2022	2021
Less than 1 year	56,663	6,553
Between 1 and 5 years	94,120	131,543
More than 5 years	23,754	70,317
	174,537	**208,413**

(iii) Unsecured residual values in favor of the lessor amount to 13,165thousand Euros at December 31, 2022 (16,407 thousand Euros at December 31, 2021).

(iv) The accumulated value adjustments for bad debts on minimum outstanding receivables at December 31, 2022, amount to 10,271 thousand Euros (10,136 thousand Euros at December 31, 2021).

Financial assets written off from the balance sheet

The movement during 2022 and 2021 of the Unicaja Banco Group's impaired financial assets that are not recorded in the consolidated balance sheet because there is no reasonable expectation of recovery, although the Group has not discontinued actions to recover the amounts owed, is shown below.

	Thousands of Euros	
	2022	**2021**
Balance of financial assets written off from the balance sheet as of January 1	**2,636,990**	**784,622**
Effect of the merger by absorption of Liberbank	**-**	**1,588,612**
Additions	**663,726**	**402,455**
Charged to value adjustments due to the impairment of assets	220,144	120,161
Charged to direct restructuring on the income statement	55,882	72,975
Uncollected past-due products	286,700	169,387
Other	101,000	39,932
Recoveries	**(46,147)**	**(61,184)**
Balances recovered during the year from cash collections	(44,379)	(50,130)
For adjudication of assets	(1,768)	(11,054)
		-
Write-downs	**(431,660)**	**(77,515)**
For sale of bad debts	(300,695)	(18,971)
For other reasons	(130,965)	(58,544)
Balance of financial assets written off from the balance sheet as of December 31	**2,822,909**	**2,636,990**

During the 2022 financial year, the Bank formalized the sales of bad debt amounting to 309,920 thousand Euros, arranged with individuals and small and medium-sized companies (this amount does not include non-manageable bad debts not recorded as bad debts for accounting purposes). The unrecovered portion is included as "write-downs of bad debts," while the collections recorded for these sales are included under the caption "balances recovered during the year for cash collections."

In 2021, the Group sold 11,059 thousand Euros of bad debts to individuals and small and medium-sized companies (this amount included unmanageable bad debts amounting to 295 thousand Euros that were not recorded as bad debts for accounting purposes). The unrecovered portion was included as "write-downs of bad debts," while the collections recorded for these sales are included under the caption "balances recovered during the year for cash collections."

The net amount included in the consolidated income statement for 2022 and 2021 as a result of the changes in these assets amounts to a negative amount of 11,503 thousand Euros (a negative amount of 20,858 thousand Euros in 2021). These amounts are mainly due to:

- Transactions that have been classified in the period as “written-off assets” and which did not have a sufficient allowance for this purpose, and therefore their removal from the consolidated balance sheet is taken directly to the income statement, with a negative effect of 55,882thousand Euros and 61,126 thousand Euros in 2022 and 2021, respectively.

- Transactions that in the previous period were classified as “written-off assets” and on which collections have been made, with a positive effect of 44,379thousand Euros and 40,268 thousand Euros in 2022 and 2021, respectively.

With respect to the criteria used to write off transactions from the inventory of written-down assets, the Unicaja Banco Group records these write-downs when there are no chances of recovering them. For this purpose, there are a series of attributions that depend on the type and volume of the transactions involved. The Group periodically monitors these balances to determine whether the requirements for write-off have been met, and to evaluate whether there are new circumstances that change the recoverability of the balances.

In the fiscal years of 2022 and 2021, the write-off movement identified as “for other reasons” mainly includes transactions that are no longer recorded as written-off assets, since the Group has rejected any possibility of recovery (concept known as “unmanageable”).

28. Interest rate risk exposure

Balance-sheet interest rate risk is the risk of variations in market interest rates negatively affecting the financial situation of the Group. Essentially, this risk derives from interest rate sensitivity of the assets and liabilities spread based on their maturity period, impacting on all the sensitive financial assets and liabilities on the Group’s balance sheet and any operations off the consolidated balance sheet acting as hedges.

Interest rate risk management is carried out in an integrated manner by the Assets and Liabilities Committee (ALCO). This committee is responsible for implementing the procedures to ensure that the Unicaja Banco Group complies at all times with the interest rate risk control and management policies established by the Board of Directors.

In the analysis, measurement and control of the interest rate risk assumed by the Group, sensitivity measurement techniques and analysis of scenarios that could significantly affect it are used.

The Group uses hedging operations for the global management of the interest rate risk of all those financial instruments that can significantly expose it to this risk, thus reducing this type of risk.

The following table shows a matrix of maturities or revisions grouping the carrying amounts of financial assets and liabilities according to the interest rate revision or maturity dates, depending on which is closer in time, corresponding to the balances of the Group's main entities at December 31, 2022 and 2021.

Saturday, December 31, 2022								**Thousands of Euros**
Assets	**Up to 1 month**	**Between 1 and 3 months**	**Between 3 and 12 months**	**Between 1 and 2 years**	**Between 2 and 3 years**	**Between 3 and 4 years**	**Between 4 and 5 years**	**More than 5 years**
Financial assets	16,146,642	11,535,401	20,723,324	5,322,747	2,997,368	4,176,496	2,137,862	24,938,686
After hedge adjustments	17,335,730	11,648,271	25,253,908	5,940,715	4,521,294	4,335,709	2,356,928	17,697,230

Saturday, December 31, 2022								**Thousands of Euros**
Liabilities (*)	**Up to 1 month**	**Between 1 and 3 months**	**Between 3 and 12 months**	**Between 1 and 2 years**	**Between 2 and 3 years**	**Between 3 and 4 years**	**Between 4 and 5 years**	**More than 5 years**
Financial liabilities	9,665,047	1,878,904	4,696,447	704,711	2,061,585	1,263,368	1,203,169	3,451,970
After hedge adjustments	9,265,047	1,668,904	(445,604)	1,704,711	4,003,636	1,863,368	1,813,169	5,051,970

(*) Also includes the portion corresponding to interest rate swaps.

Friday, December 31, 2021								**Thousands of Euros**
Assets	**Up to 1 month**	**Between 1 and 3 months**	**Between 3 and 12 months**	**Between 1 and 2 years**	**Between 2 and 3 years**	**Between 3 and 4 years**	**Between 4 and 5 years**	**More than 5 years**
Financial assets	29,788,213	11,295,918	15,686,696	7,829,729	5,308,331	3,753,434	4,772,056	26,678,850
After hedge adjustments	30,409,270	11,905,318	17,390,403	9,781,304	6,068,484	5,449,204	4,865,342	19,956,827

Friday, December 31, 2021								**Thousands of Euros**
Liabilities	**Up to 1 month**	**Between 1 and 3 months**	**Between 3 and 12 months**	**Between 1 and 2 years**	**Between 2 and 3 years**	**Between 3 and 4 years**	**Between 4 and 5 years**	**More than 5 years**
Financial liabilities	13,571,437	2,475,926	5,248,233	11,111,690	1,468,359	320,165	2,386,842	4,945,900
After hedge adjustments	13,471,437	2,265,926	656,182	11,561,690	1,968,359	2,262,216	2,486,842	6,855,900

The tables above show, for each of the maturities, the adjustments to the fixed-rate items arising from hedges of such items made with derivative instruments by the Group, in order to reflect the overall exposure to interest rate fluctuations.

At December 31, 2022 and 2021, the sensitivity of the entity's balance sheet to an unfavorable parallel shift of the yield curve by 100 basis points and in a no balance sheet scenario is as follows:

	2022	**2021**
Expected 12-month net interest margin	Less than 8%	Less than 11%
Economic value	Less than 3%	Less than 2%

29. Exposure to other market risks

29.1 Market risk

The market risk represents the losses that the Group would suffer due to the change in value of positions in the portfolios of financial assets and liabilities held for trading, non-trading financial assets mandatorily at fair value through profit or loss, financial assets at fair value with changes in other comprehensive income and financial assets at fair value through other comprehensive income as a result of adverse movements in market price levels or in the volatility thereof, or due to changes in currency exchange rates.

This risk essentially materializes when the Group acts on its own account in the financial markets, using financial instruments, either equity instruments (shares or ownership interest), debt securities (fixed-income securities), or derivative instruments.

These changes in value will sometimes be defined on the basis of their primary drivers, such as credit risk and interest rates for the price of fixed-income instruments. As for options, there will be several risk factors to take into account, volatility being one of the fundamental ones.

The Group's policy, methods and procedures related to market risk control are approved by the Parent Company's Board of Directors. The functions of the Parent Company's Global Risk Control Department include ensuring proper compliance with the group's risk control policies, methods and procedures, ensuring that they are adequate, effectively implemented and regularly reviewed.

The unit responsible for monitoring and controlling financial risks is the Global Risk Control Department, which is mainly in charge of making sure that the risks taken are correctly identified, analyzed, valued and reported, using appropriate risk management tools, improving the position valuation models so that they are adjusted in the most appropriate way to the reality of the markets and controlling the consumption of defined risk limits. It also carries out a permanent and systematic control and follow-up of the Treasury and Capital Markets transactions.

For adequate market risk management, the Group has tools that allow the definition, calculation and monitoring of market risks and the limits authorized for the same, in particular "Value at Risk" (VaR) and operating limits for credit/counterparty risk that affect the Unicaja Banco Group's operations in capital markets.

In this regard, the Unicaja Banco Group monitors the evolution of the value of the portfolio with a confidence level of 99% and a time horizon of 1 day or 10 days, as a result of the variations in the risk factors that determine the price of financial assets through the VaR indicator.

VaR is calculated using different methodologies:

- The parametric VaR assumes normality of the relative variations of the risk factors for the calculation of the expected loss of the portfolio given a confidence level of 99% and a time horizon (1 day or 10 days).
- The diversified parametric VaR takes into account the diversification offered by the correlations of the risk factors (interest rates, exchange rates, share prices, etc.) It is the standard VaR measure.
- The non-diversified parametric VaR assumes no diversification between these factors (correlations equal to 1 or -1 depending on the case), and is useful in periods of stress or changes in the correlations of the risk factors.
- The VaR Historical Simulation uses the last year's relative realized variations of the risk factors to generate scenarios in which the potential loss of the portfolio is evaluated given a 99% confidence level and a time horizon.

In any case, the impact in absolute terms of VaR is relative to shareholders' equity.

As of December 31, 2022, the VaR measurement at Group level, using a confidence level of 99%, presents the following values:

	Thousands of Euros	
	Time horizon 1 day	Time horizon 10 days
Diversified Parametric VaR	(1,315)	(4,157)
Diversified Parametric VaR (bps on Equity)	(0.4)	(1.3)
Non-Diversified Parametric VaR	(3,374)	(10,668)
Non Diversified Parametric VaR (bps on Equity)	(1.1)	(3.4)
Parametric VaR Historical Simulation	(962)	(3,041)
Parametric VaR Historical Simulation (bp on Equity)	(0.3)	(1)

29.2 Risk of the price of equity instruments

Price risk is the risk that the fair value of equity instruments will change as a result of changes in index or share prices. Price risk arises on positions classified in the portfolio of financial assets and liabilities 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 and financial assets at fair value through other comprehensive income.

The following is a sensitivity analysis of the price risk arising from the Group's equity instruments in the financial markets as of December 31, 2022 and 2021:

	Thousands of Euros		
Drop in market price (quote)	**Impact on profit and loss**	**Impact on other comprehensive income**	**Impact on total net equity**
Impact as of December 31, 2022, of a 1% drop in the market price	94	415	509
Impact as of December 31, 2021, of a 1% drop in the market price	126	1,192	1,318

A variation of 1% in the relevant risk variables of price variation of equity instruments has been considered because this "impact" is a standard measure, both in the financial industry and in the Unicaja Banco Group, allowing us to know the level of exposure to risk.

In the current context of high market volatility, it is very difficult to determine what constitutes a "reasonably possible change" in risk variables. However, we have considered it appropriate to report the sensitivity to a 1% "impact" so that users of public information can rescale this effect according to their market expectations.

29.3 Exchange rate risk

The structural exchange rate risk arises mainly from exposure to changes in exchange rates arising from investments in securities in currencies other than the Euro.

The structural exchange rate risk management in the Unicaja Banco Group is aimed at minimizing the potential negative impacts derived from exchange rate fluctuations on solvency ratios and on the contribution to results of foreign currency investments.

At December 31, 2022 and 2021, the exchange rate risk in the Unicaja Banco Group is not significant, since there are no assets or liabilities of significant volume in the consolidated balance sheet that are denominated in currencies other than the Euro. In this regard, the Euro equivalent value of total foreign currency assets and liabilities held by the Group as of December 31, 2022 and 2021, is as follows:

	Thousands of Euros	
	2022	**2021**
Equivalent value of foreign currency assets	**1,613,147**	**1,010,613**
Of which: % in U.S. dollars	91%	86%
Of which: in Swiss francs	7%	13%
Of which: % in other currencies traded in the Spanish market	2%	1%
Equivalent value of foreign currency liabilities	**1,709,433**	**1,005,016**
Of which: % in U.S. dollars	90%	80%
Of which: in Swiss francs	10%	19%
Of which: % in other currencies traded in the Spanish market	0%	1%

The Euro equivalent of foreign currency assets represents 1.63% and 0.18% of total consolidated assets at December 31, 2022 and 2021, respectively, while the Euro equivalent of foreign currency liabilities represents 1.85% and 0.92% of total consolidated liabilities at each respective date.

30. Duties of loyalty of the Parent Company's Directors

In accordance with the provisions set forth in Article 229 of Law 31/2014, of December 3, amending the Consolidated Text of the Capital Companies Act to improve corporate governance, and in order to strengthen the transparency of public limited companies, the directors have notified the entity that, during the 2021 financial year, they or their affiliates, as defined in Article 231 of the Consolidated Text of the Capital Companies Act:

a) They have not carried out transactions with the entity, without taking into account ordinary transactions, carried out under standard conditions for customers and of little relevance, understood as those whose information is not necessary to express the true image of equity, the financial situation and earnings of the entity.

b) They have not used the name of the entity or invoked their status as administrators to unduly influence the performance of private transactions.

c) They have not made use of corporate assets, including the entity's confidential information, for private purposes.

d) They have not taken advantage of the entity's business opportunities.

e) They have not obtained advantages or remuneration from third parties other than the Company and the group thereof due to their performance in their position, except for actions taken out of mere courtesy.

f) They have not carried out activities on their own account or on behalf of third parties that entail effective competition, either specific or potential, with the entity or that, in any other manner, place them in a permanent conflict of interest with the entity.

31. Other significant information

31.1 Financial guarantees and other commitments granted

The financial guarantees and other commitments granted at the end of 2022 and 2021, whose nominal value is recorded in memorandum accounts, is broken down below:

	Thousands of Euros	
	2022	2021
Financial guarantees granted	**59,137**	**214,717**
Financial endorsements	59,137	214,717
Other commitments granted	**4,717,927**	**6,023,042**
Technical endorsements	1,468,661	1,422,175
Irrevocable documentary credits	16,535	32,731
Other commitments	3,232,731	4,568,136
	4,777,064	**6,237,759**

As of December 31, 2022 and 2021, “Other commitments” mainly includes commitments for simultaneous transactions and transactions in organized markets within market parameters that have not yet been formalized. Likewise, during fiscal years 2022 and 2021, debit orders received from customers who are within the reimbursement period allowed by the SEPA regulation amounting to 861,089 thousand Euros and 2,715,110 thousand Euros, respectively, are also collected. Pursuant to Article 43 of Royal Decree-Law 19/2018, of November 23, on payment services and other urgent financial measures, the maximum return period is 13 months from the debit date.

A significant portion of these guarantees under this heading will expire without any payment obligation materializing for the consolidated entities. Therefore, the aggregate balance of these commitments cannot be considered as an actual future need for financing or liquidity to be provided by the Group to third parties.

Income from guarantee instruments is recognized under “Fee income” and “Interest income” (at the amount relating to the revalued commission income) on the consolidated income statement for 2022 and 2021 is calculated by applying the rate established in the related contract to the nominal amount of the guarantee.

The provisions recorded to cover these guarantees provided, which have been calculated applying criteria similar to those applied to calculate the impairment of financial assets valued at their amortized cost, have been recorded under the heading "Provisions - Commitments and guarantees granted” of the consolidated balance sheet (Note 18).

31.2 Assets assigned and received as collateral

As of December 31, 2022 and 2021, assets owned by the Group guaranteed transactions carried out by the Group, as well as various liabilities and contingent liabilities assumed by the Group. At both dates, the carrying value of the Group's financial assets pledged as collateral for such liabilities or contingent and similar liabilities was as follows:

	Thousands of Euros	
	2022	**2021**
Pledging of securities	8,330,313	10,959,036
Pledging of non-mortgage loans	-	-
	8,330,313	**10,959,036**

At December 31, 2022 and 2021 these amounts correspond, for the most part, to pledging of securities and non-mortgage loans, through a Banco de España policy, as a pledge to obtain long-term financing maturing in 2022 and 2021.

With respect to the terms and conditions of the pledge, the guarantees constituted by the Group in favor of Banco de España shall not be affected, and are extended, as expressly and irrevocably agreed by the parties, to any extensions, renewals or novations of any kind, tacit or express, that may occur in the guaranteed obligations and shall remain in force until the total cancellation of these and any others that may replace or substitute them.

The Group has not received assets as collateral for which it is authorized to sell or pledge them regardless of whether the owner of the assets has defaulted on payment. Therefore, the disclosure required by paragraph 15 of IFRS 7 is not applicable.

31.3 Drawable by third parties

As of December 31, 2022 and 2021, the limits of financing contracts granted and the amounts drawn from said financing contracts for which the Group had assumed a credit commitment greater than the amount recorded in the assets of the consolidated balance sheet at those dates were the following:

	Thousands of Euros			
	2022		**2021**	
	Amount to be drawn down	**Limit granted**	**Amount to be drawn down**	**Limit granted**
Immediate availability	**3,038,554**	**4,060,655**	**3,481,899**	**5,290,731**
Credit institutions	768	782	140	146
Public Administration Sector	468,532	581,978	645,476	1,027,648
Other sectors	2,569,254	3,477,895	2,836,283	4,262,937
Conditional availability	**1,203,327**	**2,007,287**	**1,568,303**	**2,266,255**
Public Administration Sector	200,777	213,472	298,385	362,489
Other sectors	1,002,550	1,793,815	1,269,918	1,903,766
	4,241,881	**6,067,942**	**5,050,202**	**7,556,986**

31.4 Third-party funds managed and marketed by the Group and by a custodian of securities

The breakdown of the off-balance-sheet funds managed and marketed by the Group as at December 31, 2022 and 2021, is as follows:

	Thousands of Euros	
	2022	**2021**
Mutual fund portfolios	8,939,498	9,978,457
Portfolios of other collective investment schemes	115,036	125,898
Other financial instruments	2,010,409	1,273,360
Assets under management	1,049,717	1,049,272
	12,114,660	**12,426,987**

Below is a detail of the off-balance sheet customer funds that have been marketed, but not managed, by the Group in 2022 and 2021:

	Thousands of Euros	
	2022	**2021**
Real Estate Investment Funds portfolios	11,133,469	12,260,252
Other Collective Investment Schemes	115,036	125,898
Pension fund portfolios	3,682,241	4,032,898
Assets under management	1,049,717	1,049,272
Insurance products	4,268,096	4,545,982
	20,248,559	**22,014,302**

In addition, below is a detail of the fair value of third-party funds deposited with the Group as of December 31, 2022 and 2021:

	Thousands of Euros	
	2022	**2021**
Debt securities and equity instruments	6,568,074	8,223,570
Other financial instruments	20,838	7,114
	6,588,912	**8,230,684**

31.5. Reclassifications of financial instruments

During the fiscal years of 2022 and 2021, the Group has not made reclassifications between portfolios of financial instruments.

31.6 Asset securitization

Since, as a result of the conditions agreed upon for the transfer of assets, the Group retains substantial risks and rewards of the securitized assets, these were not written off from the consolidated balance sheet, and an associated financial liability was recognized, as established by the regulations, for an amount equal to the consideration received, which is measured at amortized cost. Also, the Group recognizes the bonds issued for the asset securitization funds arranged in each of these transactions, net of the aforementioned financial liability.

Below is a breakdown of the amounts recorded on the balance sheet of the Group as at December 31, 2022 and 2021, of the assets transferred in these transactions, together with the debt securities issued by the securitization funds owned by the Group and shown on the consolidated balance sheet at such date, decreasing the amount of recognized financial liabilities by the consideration received:

	Thousands of Euros	
	2022	**2021**
Securitized assets:		
Loans and advances - customers	528,591	596,907
Associated liabilities:		
Financial liabilities at amortized cost – customer deposits	526,550	591,614

Below is the effective amount held by the Group in the bond portfolio issued as a result of the securitization funds recognized in full on the balance sheet. This amount is presented by offsetting the "Investments issued" under the heading "Financial liabilities at amortized cost - customer deposits" on the consolidated balance sheet:

	Thousands of Euros	
	2022	**2021**
Singular securitizations:		
AyT CajaCantabria Maturity 2048 Sr A	59,260	69,391
AyT CajaCantabria Maturity 2048 Sr B	10,019	9,954
AyT CajaCantabria Maturity 2048 Sr C	8,141	8,079
AyT CajaCantabria Maturity 2048 Sr D	2,770	2,741
IM CajAstur MBS Maturity 2052 Sr A	124,551	141,489
IM CajAstur MBS Maturity 2052 Sr B	83,042	94,326
AyT CCM I. E/12-07 SR. A	154,601	181,634
AyT CCM I. E/12-07 SR. B	45,668	45,600
AyT CCM I. E/12-07 SR. C	28,065	28,000
AyT CCM I. E/12-07 SR. D	10,433	10,400
	526,550	**591,614**

Additionally, there are securitized assets written off due to the significant transfer of the risks and benefits related thereto. As at December 31, 2022 and 2021, the outstanding balance of the securitized assets derecognized from the consolidated balance sheet amounted to 28,614 thousand Euros and 34,612 thousand Euros, respectively.

31.7 Compensation agreements and guarantees

In addition to the amounts that can be offset for accounting purposes in accordance with IAS 32, there are other netting agreements and guarantees that, although they do not entail accounting netting because they do not meet the necessary criteria, represent an effective reduction in credit risk.

Below is a detail as of December 31, 2022 and 2021 of the derivative financial instruments (Note 11) that are in the described situation, with a separate breakdown of the effects of these agreements, as well as the collateral received and/or delivered by the Group.

	Thousands of Euros			
	2022		2021	
Derivative financial instruments	**Financial**	**Liabilities**	**Financial**	**Liabilities**
Gross exposure (book value)	**1,845,658**	**1,119,743**	**829,544**	**1,015,045**
Compensation agreements and guarantees	**(696,633)**	**(402,380)**	**(320,900)**	**(956,295)**
Compensation agreements	-	-	-	-
Collateral received/delivered	(696,633)	(402,380)	(320,900)	(956,295)
Net exposure	**1,149,025**	**717,363**	**508,644**	**58,750**

Gross exposure includes the carrying value of asset and liability derivative financial instruments held by the Group, while netting and collateral agreements include guarantees, deposits and other collateral associated with such asset and liability exposures (i.e., liability guarantees are included in the asset column and vice versa).

The amounts related to cash collateral and financial instruments reflect their fair values. Offsetting rights relate to collateral in cash and financial instruments and depend on the default of the counterparty.

In addition, within the framework of the acquisition and repurchase transactions carried out by the Group, there are other agreements that have involved the receipt and/or delivery of the following guarantees in addition to those implicit in such transactions:

	Thousands of Euros			
	2022		2021	
Guarantees associated with temporary asset acquisitions and disposals	**Delivered**	**Received**	**Delivered**	**Received**
Cash	41,330	9,551	158,805	9,035
In securities	157,801	-	300,660	-
	199,131	**9,551**	**459,465**	**9,035**

32. Interest income

The breakdown by source of interest income accrued by the Group in 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	2021
Deposits with central banks (Note 7)	32,641	-
Deposits into credit institutions (Note 10.1)	2,545	1,275
Loans to customers (Note 10.1)	794,513	544,296
Doubtful assets (Note 10.1)	26,539	15,097
Debt securities at amortized cost (Note 10.1)	1,042,544	427,651
Deposits from central banks (see Note 17.1)	55,150	76,612
Rectification of income as a result of hedge accounting (Note 11)	(703,805)	(239,584)
Pension insurance yields linked to pensions and similar obligations	3	1
Other returns	9,650	26,775
	1,259,780	**852,123**

Likewise, below is a breakdown of the amounts recorded under the heading "Interest income" of the consolidated profit and loss accounts for the fiscal years of 2022 and 2021, classified according to the portfolio of financial instruments that have originated them:

	Thousands of Euros	
	2022	**2021**
Financial assets held for trading (Note 8.1)	20	36
Non-trading financial assets that must be valued at fair value through profit or loss (Note 8.2)	3,670	3,210
Financial assets at fair value with changes in other comprehensive income (Note 9.1)	2,539	3,334
Financial assets at amortized cost (note 10)	1,949,853	988,319
Rectification of income as a result of hedge accounting (Note 11)	(703,805)	(239,584)
Other returns	7,503	96,808
	1,259,780	**852,123**

33. Interest expense

The breakdown of the balance of this heading on the consolidated income statements for 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	**2021**
Deposits into credit institutions (Note 17.2)	28,244	2,381
Customer deposits (Note 17.3)	154,527	161,392
Subordinated liabilities (Note 17.4)	21,942	1,738
Others marketable debt securities (Note 17.4)	28,259	17,438
Rectification of costs as a result of hedge accounting (Note 11)	(59,458)	(89,232)
Cost attributable to pension funds established (Note 18)	97	(331)
Other interest	27,986	28,618
	201,597	**122,004**

Likewise, below is a breakdown of the amounts recorded under the heading "Interest Expenses" of the consolidated profit and loss accounts for the fiscal years of 2022 and 2021, classified according to the portfolio of financial instruments that have originated them:

	Thousands of Euros	
	2022	**2021**
Financial liabilities at amortized cost	232,972	182,949
Rectification of costs as a result of hedge accounting	(59,458)	(89,232)
Others	28,083	28,287
	201,597	**122,004**

34. Dividend income

The breakdown of the balance of this heading in the consolidated profit and loss accounts for the years 2022 and 2021 by portfolio and by nature of the financial instruments is as follows:

	Thousands of Euros	
	2022	**2021**
Equity instruments classified as:		
Financial assets held for trading	-	-
Financial assets at fair value through other comprehensive income	18,167	19,298
	18,167	**19,298**
Equity instruments in the nature of:		
Shares	18,163	19,298
Other equity instruments	4	-
	18,167	**19,298**

35. Profit or loss of entities accounted for using the equity method

The breakdown by companies of the balance of this heading on the consolidated income statements for 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	**2021**
Unicorp Vida, Compañía de Seguros y Reaseguros, S.A.	27,225	30,961
Oppidum Capital, S.L.	18,058	449
Liberbank Vida y Pensiones Seguros y Reaseguros, S.A.	12,170	3,203
CCM Vida y Pensiones de Seguros y Reaseguros, S.A.	10,203	3,694
Hidralia, Gestión Integral de Aguas de Andalucía, S.A.	2,239	2,295
Ingeniería de Suelos y Explotación de Recursos, S.A.	2,930	2,734
Sociedad Municipal de Aparcamientos y Servicios, S.A.	767	273
Propco Malagueta, S.L.	(1,114)	(2,045)
Proyecto Lima, S.L.	(932)	(1,839)
Propco Eos, S.L.	480	528
Propco Orange 1, S.L.	468	690
Espacio Medina, S.L.	(52)	1,076
Sociedad de Gestión General y Promoción de Activos, S.L.	(245)	(460)
Sedes, S.A.	(328)	(113)
Global Berbice, S.L.	(364)	(120)
Other entities	(430)	(1,056)
	71,075	**40,270**

36. Fee revenue

Below is the amount of fee income accrued in the years 2022 and 2021, classified according to the main concepts for which they originated, as well as the headings of the consolidated profit and loss accounts of said fiscal years in which have been counted:

	Thousands of Euros	
	2022	**2021**
Interest income		
Study and opening fees	30,642	24,872
	30,642	**24,872**
Fee revenue		
Fees for contingent liabilities	14,963	11,450
Fees for contingent commitments	3,299	2,729
Fees for collection and payment services	298,141	222,799
Fees for securities services	110,964	46,417
Foreign exchange and currency exchange fees	252	116
Fees for marketing of non-banking financial products	135,387	104,516
Other	10,238	7,647
	573,244	**395,674**
Other operating income		
Compensation fees for direct costs (Note 39)	3,646	2,511
	3,646	**2,511**

37. Fee expenses

Below is the amount of fee expense accrued in the years 2022 and 2021, classified according to the main concepts for which they originated, as well as the headings of the consolidated profit and loss accounts of said fiscal years in which have been counted:

	Thousands of Euros	
	2022	**2021**
Interest expense		
Commissions assigned to intermediaries	5,318	2,514
Other fees and commissions	79	89
	5,397	**2,603**
Fee expenses		
Active and passive transactions	2,510	4,184
Commissions assigned to other entities and correspondents	15,540	11,692
Commissions paid on securities transactions	3,659	3,189
Other fees and commissions	26,503	14,143
	48,212	**33,208**

38. Gains and losses on financial transactions

The breakdown of the balance of these headings of the consolidated profit and loss accounts corresponding to the fiscal years of 2022 and 2021, based on the portfolios of financial instruments that originate them, is as follows:

	Thousands of Euros	
	2022	2021
Gains or losses on write off of financial assets and liabilities not measured at fair value through profit or loss (net)	36,292	38,967
Financial assets at amortized cost (*)	36,292	43,636
Financial assets at fair value through comprehensive income (Note 9.2)	-	(4,669)
Net gains or losses on financial assets and liabilities held for trading (net)	14,680	12,687
Reclassification of financial assets at fair value through other comprehensive income	-	-
Reclassification of financial assets at amortized cost	-	-
Other profit and loss	14,680	12,687
Gains or losses on financial assets not held for trading compulsorily measured at fair value through profit or loss (net)	(9,216)	(2,014)
Reclassification of financial assets at fair value through other comprehensive income	-	-
Reclassification of financial assets at amortized cost	-	337
Other profit and loss	(9,216)	(2,351)
Gains or losses on financial assets and liabilities at fair value through profit and loss (net)	-	-
Net gains or losses resulting from hedge accounting (net)	5,512	(1,403)
	47,268	**48,237**

(*) The sales of financial assets at amortized cost made during fiscal years 2022 and 2021 comply with the provisions of the Unicaja Banco Group’s policies to consider them as infrequent sales and/or of insignificant value.

39. Other operating income and others expenses

39.1 Other operating income

The breakdown of the balance of this heading on the consolidated income statements for 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	2021
Income from investment properties (Note 13.2)	38,871	25,316
Compensation fees for direct costs (Note 36)	3,646	2,511
Sales and income from the provision of non-financial services	12,126	9,647
Compensation income from insurance companies	3,727	3,130
Revenue from insurance companies	420	671
Other	23,944	20,474
	82,734	**61,749**

The “Other items” caption includes other income from operating activities not included in other captions under this caption, such as compensation for certain expenses, indemnities received, income from various services rendered by the Bank or the Group’s subsidiaries, etc.

39.2 Other operating expense

The breakdown of the balance of this heading on the consolidated income statements for 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	**2021**
Expense associated with investment property (Note 13.2)	8,710	6,720
Contribution to the Deposit Guarantee Fund (Note 1.10)	87,665	88,688
Contribution to the Single Resolution Fund (Note 1.11)	24,149	16,036
Expenses of companies with real estate activity	53,311	16,022
Other	67,478	60,795
	241,313	**188,261**

In 2022 and 2021, “Other items” includes the equity benefit accrued by the Group for the monetization of deferred tax assets, amounting to 25,429 thousand Euros and 19,317 thousand Euros, respectively (Note 24.4).

40. Income and expenses from insurance or reinsurance contracts

The breakdown of the balance of these headings on the consolidated income statements for 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	**2021**
Income from insurance or reinsurance contracts	**51,685**	**63,004**
Insurance and reinsurance premiums collected	26,278	29,849
Reinsurance income	-	-
Financial income	25,407	33,155
Expenses from insurance or reinsurance contracts	**(38,035)**	**(41,560)**
Benefits paid	(66,222)	(68,804)
Net allocations to technical provisions	27,394	26,310
Insurance and reinsurance premiums paid	793	934
	13,650	**21,444**

41. Administrative expenses

41.1 Personnel expenses

The composition of the heading "Personnel expenses" in the consolidated profit and loss accounts for the years 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	**2021**
Wages and salaries	367,666	320,381
Social security	106,753	88,365
Provisions allocated to defined benefit pension plans	93	108
Provisions to defined contribution pension plans	18,820	17,921
Indemnities	3,655	166
Training expenses	612	647
Other personnel expenses	8,519	9,874
	506,118	**437,462**

The average number of employees of the Group, distributed by professional category, as of December 31, 2022 and 2021, is as follows:

	Average number of people			
	2022		2021	
	Men	**Women**	**Men**	**Women**
Group 1	**3,505**	**3,960**	**3,416**	**3,643**
Level I	27	8	26	6
Level II	53	17	48	13
Level III	236	82	236	80
Level IV	491	210	480	194
Level V	1,096	804	1,085	720
Level VI	133	140	149	134
Level VII	493	783	487	702
Level VIII	523	956	472	888
Level IX	224	525	154	349
Level X	167	338	193	419
Level XI	46	69	63	107
Level XII	14	23	18	25
Level XIII	2	4	5	5
Level XIV	-	1	-	1
Group 2	**18**	**12**	**20**	**9**
Level I	-	-	-	-
Level II	16	12	19	9
Level III	2	-	1	-
Level IV	-	-	-	-
Level V	-	-	-	-
Cleaning personnel	-	**1**	**-**	**3**
Others	**4**	**4**	**-**	**-**
Total Parent Company	**3,527**	**3,977**	**3,436**	**3,655**
Other Group companies	**381**	**531**	**290**	**347**
Total Unicaja Banco Group	**3,908**	**4,508**	**3,726**	**4,002**

Note: At December 31, 2022, "Other" includes the average number of employees from Liberbank Contact, S.L. who have been transferred as employees of the parent company subject to the 17th State Collective Bargaining Agreement for consulting and market and public opinion research companies.

The following is a breakdown by item of the amounts recorded under “Provisions - Pensions and other post-employment defined benefit obligations,” “Provisions - Other long-term employee benefits” and “Insurance contracts linked to pensions” in the consolidated balance sheets as of December 31, 2022 and 2021:

	Thousands of Euros	
	2022	**2021**
Provisions - Provisions for pensions and similar obligations (Notes 18)	**260,235**	**367,364**
Pensions and other benefit obligations defined as post-employment	127,539	178,798
Other long-term employee benefits	132,696	188,566
Insurance contracts linked to pensions (Notes 15)	**23,167**	**31,060**
Post-employment benefits	23,167	31,060

The changes in provisions recorded by the Group during the fiscal years ended December 31, 2022 and 2021 are detailed in Note 18.

41.1.1 Post-employment commitments

During 2002, the Parent Company reached an agreement with its employees for the modification and transformation of its complementary social welfare system into a mixed defined contribution and defined benefit model, whereby an occupational pension plan externalized in Unifondo Pensiones V Pension Fund was formalized. In order to carry out this modification and transformation, the entity rescinded the insurance policies that, at that time, covered the actuarial liabilities. Simultaneously, an endowment was made to the internal pension fund and a portion of the endowment amount was subsequently contributed to Unifondo Pensiones V Pension Fund.

At December 31, 2022 and 2021, the position account of Unifondo Pensiones V Pension Fund amounted to 262,986thousand Euros and 291,963 thousand Euros, respectively. This amount includes both the defined contribution and defined benefit requirements which were calculated according to the criteria indicated in Note 2.12.

Those corresponding to Caja Cantabria employees are externalized in the Caja Cantabria Employees’ Pension Plan, P.P. This plan, in order to insure the risk derived from the group of beneficiaries under a defined benefit scheme, has taken out insurance policy 52493 with an insured interest rate with a range between 0.35% and 5.9%

During 2014, the Unicaja Banco Group acquired a majority shareholding in the capital of Banco de Caja España de Inversiones, Salamanca y Soria, S.A. (EspañaDuero), which, in accordance with the corresponding labor agreements in force, must supplement the social security benefits corresponding to its employees, or their beneficiaries, in the event of retirement, widowhood, orphanhood, permanent disability or severe disability.

During the fiscal year of 2021, as a result of the merger by absorption of Liberbank, S.A. by Unicaja Banco, S.A. (Note 1.14), a series of post-employment commitments and long-term remuneration will be contributed to the Unicaja Banco Group, which are detailed in the following sections of this note.

41.1.1.1 General information on post-employment commitments

Below is a detail of the various defined benefit and defined contribution post-employment obligations assumed by the Group:

Defined contribution plans

The contributions made by the Unicaja Banco Group in 2022 to the external pension fund amounted to 18,820 thousand Euros (17,921 thousand Euros in 2021), which are recognized under “Administrative Expenses - Personnel Expenses” in the consolidated income statements for those fiscal years.

Defined benefit plans

The current value of the commitments has been determined by qualified actuaries, who have applied the following criteria to quantify them:

- Valuation method: “projected unit credit method,” which sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately.

- Actuarial assumptions used: unbiased and mutually compatible. The most significant actuarial assumptions used in the calculations are outlined in Note 2.12

- Estimated retirement age of employees: which is calculated for each employee based on the best information available at the date of the financial statements.

The fair value of the assets used to cover unaffected pension commitments includes the fair value of the insurance policies contracted by the Group with Unicorp Vida, Compañía de Seguros y Reaseguros, S.A. and with Caja de Seguros Reunidos, Compañía de Seguros y Reaseguros, S.A. -CASER- CCM Vida y Pensiones de Seguros y Reaseguros, S.A. and Vida Caixa Mediación, Sociedad de Agencia de Seguros Vinculada, to cover the commitments assumed with employees who are guaranteed a supplementary benefit at the time of their retirement, as explained above. These insurance policies, since they are contracted with a company that is related to the Entity (Note 12), are recorded at fair value under “Insurance contracts linked to pensions” on the asset side of the balance sheet, since they are not considered to be an “asset assigned” for accounting purposes. The fair value of these policies has been calculated using actuarial methods, discounting the payment flows foreseen in the policy at the corresponding discount rate according to the IBOXX AA Corporate curve, based on the financial duration of the commitments.

As of December 31, 2022 and 2021, the fair value of the assets assigned to the post-employment compensation hedge was broken down as follows:

	Thousands of Euros	
	2022	**2021**
Nature of the Assets subject to Commitment Coverage		
Plan assets covered by insurance policy	376,690	458,544
Insurance policies contracted by the Plan linked to the coverage of defined benefit obligations	23,167	31,060
External defined contribution pension plan	701,854	772,456
	1,101,711	**1,262,060**

41.1.1.2 Information on defined contribution post-employment benefit obligations

Pension commitments materialized in defined contribution plans are settled by means of annual payments made by the Group to the beneficiaries of these plans, almost exclusively active employees of the Group. These contributions are accrued with a charge to the consolidated income statement for the year (Note 2.12.1) and, therefore, do not give rise to the recognition of a liability in this connection in the accompanying consolidated balance sheets.

The amounts recorded in the accompanying consolidated income statements for the contributions made to these plans in 2022 and 2021 amount to 18,737 thousand Euros and 17,921 thousand Euros, respectively (Note 41.1).

41.1.1.3 Information on defined benefit post-employment benefit plans

The total amount of actuarial gains and losses recognized in the consolidated statement of recognized income and expense for 2022 that will not be reclassified to profit or loss amounts to 17,614 thousand Euros gross income (9,323 thousand Euros gross loss in 2021), which after the related tax effect amounts to 12,330 thousand Euros net loss (6,526 thousand Euros net loss in 2021).

The reconciliation between the opening and closing balances of the present value of the Unicaja Banco Group's defined benefit obligation for 2022 and 2021 is presented below:

2022	Plan 1 Unicaja	Plan 2 Unicaja	Plan 1 Spain Duero	Plan 2 Spain Duero	Plans BCLM	Cantabria Plans	Extremadura Plans	Cajastur Plans	Total
									Thousands of Euros
Present value of obligations as of Saturday, January 1, 2022	**76,947**	**26,841**	**5,807**	**72,064**	**35,136**	**40,126**	**11,818**	**151,530**	**420,269**
Effect of the merger by absorption of Liberbank	-	-	-	-	-	-	-	-	-
(i) Service cost for the current year	-	-	-	-	-	-	-	-	-
(ii) Interest cost	192	77	13	172	300	341	100	1,291	2,486
(iii) Contributions made by participants	-	-	-	-	-	-	-	-	-
(iv) Actuarial gains and losses	(12,664)	(4,724)	(960)	(16,141)	(1,209)	(6,063)	(1,646)	(8,866)	(52,273)
iv.1. Due to changes in assumptions (demographics)	(1,474)	365	330	(554)	(1,634)	1,015	153	25,374	23,575
iv.2. Due to changes in assumptions (financial)	(11,190)	(5,089)	(1,290)	(15,587)	425	(7,078)	(1,799)	(34,240)	(75,848)
iv.3. Experience Adjustments	-	-	-	-	-	-	-	-	-
(v) Exchange rate changes	-	-	-	-	-	-	-	-	-
(vi) Benefits paid	(5,043)	(1,467)	(394)	(4,887)	(3,991)	(2,940)	(1,051)	(10,597)	(30,370)
(vii) Cost of past services	-	-	-	-	-	-	-	-	-
(viii) Business combinations	(1,576)	-	(302)	730	20,597	-	-	-	19,449
(ix) Reductions	-	-	-	-	-	-	-	-	-
(x) Plan settlements	-	-	-	-	-	-	-	-	-
Present value of obligations as of Saturday, December 31, 2022	**57,856**	**20,727**	**4,164**	**51,938**	**50,833**	**31,464**	**9,221**	**133,358**	**359,561**

Thousands of Euros

2021	Plan 1 Unicaja	Plan 2 Unicaja	Plan 1 Spain Duero	Plan 2 Spain Duero	Plans BCLM	Cantabria Plans	Extremadura Plans	Cajastur Plans	Total
Present value of obligations as of Friday, January 1, 2021	**83,818**	**28,116**	**6,796**	**75,267**	**-**	**-**	**-**	**-**	**193,997**
Effect of the merger by absorption of Liberbank	-	-	-	-	36,272	44,230	11,773	151,258	243,533
(i) Service cost for the current year	10	-	-	-	-	-	-	-	10
(ii) Interest cost	202	80	15	165	135	156	44	544	1,341
(iii) Contributions made by participants	-	-	-	-	-	-	-	-	-
(iv) Actuarial gains and losses	378	4	(317)	1,578	459	(2,941)	564	5,926	5,651
iv.1. Due to changes in assumptions (demographics)	1,705	458	(212)	2,869	1,597	1,489	569	4,363	12,838
iv.2. Due to changes in assumptions (financial)	(1,327)	(454)	(105)	(1,291)	(192)	(223)	(64)	(938)	(4,594)
iv.3. Experience Adjustments	-	-	-	-	(946)	(4,207)	59	2,501	(2,593)
(v) Exchange rate changes	-	-	-	-	-	-	-	-	-
(vi) Benefits paid	(5,269)	(1,359)	(461)	(5,172)	(1,730)	(1,319)	(563)	(6,198)	(22,071)
(vii) Cost of past services	-	-	-	-	-	-	-	-	-
(viii) Business combinations	14	-	(226)	226	-	-	-	-	14
(ix) Reductions	(2,206)	-	-	-	-	-	-	-	(2,206)
(x) Plan settlements	-	-	-	-	-	-	-	-	-
Present value of obligations as of December 31, 2021	**76,947**	**26,841**	**5,807**	**72,064**	**35,136**	**40,126**	**11,818**	**151,530**	**420,269**

The reconciliation between the opening and closing balances of the fair value of plan assets and the opening and closing balances of any reimbursement rights recognized as assets by the Unicaja Banco Group for fiscal years 2022 and 2021 is presented below:

									Thousands of Euros
2022	**Plan 1 Unicaja**	**Plan 2 Unicaja**	**Plan 1 Spain Duero**	**Plan 2 Spain Duero**	**Plans BCLM**	**Cantabria Plans**	**Extremadura Plans**	**Cajastur Plans**	**Total**
Fair value of assets as of January 01, 2022	**77,710**	**26,205**	**5,830**	**58,822**	**34,146**	**52,430**	**15,451**	**200,119**	**470,713**
Effect of the merger by absorption of Liberbank	-	-	-	-	-	-	-	-	-
(i) Service cost for the current year (contributions)	-	-	-	-	-	-	-	-	-
(ii) Interest cost (expected profitability of assets)	170	75	(237)	139	292	410	132	1,555	2,536
(iii) Contributions made by participants	79	290	-	273	2,336	-	-	-	2,978
(iv) Actuarial gains and losses	(15,937)	(6,160)	(716)	(11,585)	(6,776)	(7,582)	(1,159)	(16,940)	(66,855)
iv.1. Due to changes in assumptions (demographics)	(1,293)	22	98	(160)	(1,433)	686	577	25,271	23,768
iv.2. Due to changes in assumptions (financial)	(14,644)	(6,182)	(814)	(11,425)	(5,343)	(8,268)	(1,736)	(42,211)	(90,623)
iv.3. Experience Adjustments									
(v) Exchange rate changes	-	-	-	-	-	-	-	-	-
(vi) Benefits paid	(5,043)	(1,467)	(394)	(3,496)	(3,976)	(2,940)	(1,051)	(10,597)	(28,964)
(vii) Cost of past services	-	-	-	-	-	-	-	-	-
(viii) Business combinations	(1,576)	-	-	428	20,597	-	-	-	19,449
(ix) Reductions	-	-	-	-	-	-	-	-	-
(x) Plan settlements	-	-	-	-	-	-	-	-	-
Fair value of assets as of December 31, 2022	**55,403**	**18,943**	**4,483**	**44,581**	**46,619**	**42,318**	**13,373**	**174,137**	**399,857**

2021	Plan 1 Unicaja	Plan 2 Unicaja	Plan 1 Spain Duero	Plan 2 Spain Duero	Plans BCLM	Cantabria Plans	Extremadura Plans	Cajastur Plans	Thousands of Euros Total
Fair value of assets as of Friday, January 1, 2021	**83,398**	**27,207**	**5,955**	**60,137**	**-**	**-**	**-**	**-**	**176,697**
Effect of the merger by absorption of Liberbank	-	-	-	-	34,909	51,777	15,220	201,122	303,028
(i) Service cost for the current year (contributions)	-	-	-	-	-	-	-	-	-
(ii) Interest cost (expected profitability of assets)	174	76	121	132	128	173	59	650	1,513
(iii) Contributions made by participants	204	-	-	164	-	-	-	-	368
(iv) Actuarial gains and losses	1,409	281	215	2,135	831	1,798	735	7,538	14,942
iv.1. Due to changes in assumptions (demographics)	2,338	332	274	2,684	1,420	1,952	825	5,740	15,565
iv.2. Due to changes in assumptions (financial)	(929)	(51)	(59)	(549)	(173)	(314)	(91)	(1,196)	(3,362)
iv.3. Experience Adjustments	-	-	-	-	(416)	160	1	2,994	2,739
(v) Exchange rate changes	-	-	-	-	-	-	-	-	-
(vi) Benefits paid	(5,269)	(1,359)	(461)	(3,746)	(1,722)	(1,318)	(563)	(9,191)	(23,629)
(vii) Cost of past services	-	-	-	-	-	-	-	-	-
(viii) Business combinations	-	-	-	-	-	-	-	-	-
(ix) Reductions	(2,206)	-	-	-	-	-	-	-	(2,206)
(x) Plan settlements	-	-	-	-	-	-	-	-	-
Fair value of assets as of December 31, 2021	**77,710**	**26,205**	**5,830**	**58,822**	**34,146**	**52,430**	**15,451**	**200,119**	**470,713**

The reconciliation of the present value of the defined benefit post-employment obligation and the fair value of the related assets (excluding insurance contracts linked to pensions) to the assets and liabilities recognized in the consolidated balance sheet of the Unicaja Banco Group at December 31, 2022 and 2021 is presented below:

									Thousands of Euros
2022	**Plan 1 Unicaja**	**Plan 2 Unicaja**	**Plan 1 Spain Duero**	**Plan 2 Spain Duero**	**Plans BCLM**	**Cantabria Plans**	**Extremadura Plans**	**Cajastur Plans**	**Total**
Present value of obligations as of Saturday, December 31, 2022	**57,856**	**20,727**	**4,164**	**51,938**	**50,833**	**31,464**	**9,221**	**133,358**	**359,561**
(i) Cost of past services not rendered in the balance sheet	-	-	-	-	-	-	-	-	**-**
(ii) Any amount not recognized as assets	-	-	-	4,909	-	-	4,151	-	**9,060**
(iii) Fair value of any right of reimbursement recognized as an asset	-	-	204	2,418	-	10,854	-	40,780	54,256
(iv) Other amounts recognized in the balance sheet	(2,708)	(20,727)	-	(18,377)	(4,374)	-	-	-	(46,186)
Fair value of assets as of December 31, 2022	**55,148**	**-**	**4,368**	**40,888**	**46,459**	**42,318**	**13,372**	**174,138**	**376,691**

									Thousands of Euros
2021	**Plan 1 Unicaja**	**Plan 2 Unicaja**	**Plan 1 Spain Duero**	**Plan 2 Spain Duero**	**Plans BCLM**	**Cantabria Plans**	**Extremadura Plans**	**Cajastur Plans**	**Total**
Present value of obligations as of December 31, 2021	**76. 947**	**26,841**	**5,807**	**72,064**	**35,136**	**40,126**	**11,818**	**151,530**	**420,269**
(i) Cost of past services not rendered in the balance sheet	-	-	-	-	-	-	-	-	-
(ii) Any amount not recognized as assets	-	-	-	6,017	-	-	-	-	6,017
(iii) Fair value of any right of reimbursement recognized as an asset	269	-	-	2,401	(17)	-	-	-	2,653
(iv) Other amounts recognized in the balance sheet	-	(26,841)	(103)	(25,495)	(1,371)	12,304	3,633	48,589	10,716
Fair value of assets as of December 31, 2021	**77,216**	**-**	**5,704**	**54,987**	**33,748**	**52,430**	**15,451**	**200,119**	**439,655**

The amounts for the year 2022, and for the four preceding annual periods, are presented below for the present value of the defined benefit obligation, the fair value of plan assets and the experience adjustments arising from plan assets and liabilities.

	Thousands of Euros								
	Current value of obligations								
	Plan 1 Unicaja	Plan 2 Unicaja	Plan 1 Spain Duero	Plan 2 Spain Duero	Plans BCLM	Cantabria Plans	Extremadura Plans	Cajastur Plans	Total
2018 financial year									
Experience Adjustments	-	-	-	-	-	-	-	-	-
Value as of Monday, December 31, 2018	85,469	32,143	6,432	82,500	-	-	-	-	206,544
2019 financial year									
Experience Adjustments	-	-	-	-	-	-	-	-	-
Value as of Tuesday, December 31, 2019	85,854	33,919	6,145	82,717	-	-	-	-	208,635
2020 financial year									
Experience Adjustments	-	-	-	-	-	-	-	-	-
Value as of Thursday, December 31, 2020	83,818	28,116	6,796	75,266	-	-	-	-	193,996
2021 financial year									
Experience Adjustments	-	-	-	-	(946)	(4,207)	59	2,501	(2,593)
Value as of Friday, December 31, 2021	76,947	26,841	5,807	72,064	35,136	40,126	11,818	151,530	420,269
2022									
Experience Adjustments	-	-	-	-	-	-	-	-	-
Value as of December 31, 2022	57,856	20,727	4,164	51,938	50,833	31,464	9,221	133,358	359,561

	Thousands of Euros								
	Fair value of assets								
	Plan 1 Unicaja	Plan 2 Unicaja	Plan 1 Spain Duero	Plan 2 Spain Duero	Plans BCLM	Cantabria Plans	Extremadura Plans	Cajastur Plans	Total
2018 financial year									
Experience Adjustments	-	-	-	-	-	-	-	-	-
Value as of Monday, December 31, 2018	87,386	25,834	6,298	62,059	-	-	-	-	181,577
2019 financial year									
Experience Adjustments	-	-	-	-	-	-	-	-	-
Value as of Tuesday, December 31, 2019	86,684	27,219	6,421	62,588	-	-	-	-	182,912
2020 financial year									
Experience Adjustments	-	-	-	-	-	-	-	-	-
Value as of Thursday, December 31, 2020	83,398	27,207	5,955	60,137	-	-	-	-	176,697
2021 financial year									
Experience Adjustments	-	-	-	-	(416)	160	1	2,994	2,739
Value as of Friday, December 31, 2021	77,710	26,205	5,830	58,822	34,146	52,430	15,451	200,119	470,713
2022									
Experience Adjustments	-	-	-	-	-	-	-	-	-
Value as of December 31, 2022	55,404	18,943	4,483	44,582	46,618	42,318	13,372	174,138	399,858

Below is a detail of the total expense recognized in shareholders' equity in 2022 and 2021, and the items in which they have been included.

Definition	**Income statement item**
a) Service cost for the current year	Personnel expenses
b) Interest cost	Interest expense
c) Expected return on assets	Interest income
d) Cost of past service recognized in the year	Provisions/ reversal

Thousands of Euros

2022	**Plan 1 Unicaja**	**Plan 2 Unicaja**	**Plan 1 Spain Duero**	**Plan 2 Spain Duero**	**Liberbank Origin Plans**	**Total**
a) Service cost for the current year	-	-	-	-	-	-
b) Interest cost	23	77	1	59	12	**172**
c) Expected return on assets	(1)	(75)	250	(14)	(369)	**(209)**
d) Gains and losses recognized during the year	3,273	1,436	(244)	(5,676)	18,825	**17,614**
e) Past service cost recognized in the year	-	-	-	-	-	-

Thousands of Euros

2021	**Plan 1 Unicaja**	**Plan 2 Unicaja**	**Plan 1 Spain Duero**	**Plan 2 Spain Duero**	**Liberbank Origin Plans**	**Total**
a) Service cost for the current year	10	-	-	-	-	10
b) Interest cost	27	80	1	54	879	1,041
c) Expected return on assets	(1)	(77)	(107)	(10)	(1,009)	(1,204)
d) Gains and losses recognized during the year	(1,031)	(277)	(533)	(557)	(6,969)	(9,367)
e) Past service cost recognized in the year	14	-	-	-	-	14

The main actuarial assumptions used by the Unicaja Banco Group as of December 31, 2022 are presented below.

Actuarial assumptions of Plan 1 Unicaja Banco:

- Updated tables: PERMF 2020 first order
- Type of update:
  - Market rate according to the financial duration of the commitment flows and according to the IBOXX AA Corporate curve as of November 30, 2022, corresponding to Euro Zone high credit rating corporate bonds.
  - The duration for each commitment ranges from 15.27 to 7.83 years for bonds and 11.72 to 1.31 years for assets.
  - The rates applied for each commitment range from 3.1450% to 3.1207% for bonds and 3.1380% to 3.0373% for assets.
- Rate of increase in salaries: 2.5%
- Type of pension revaluation: 1.5%
- Type of expected return on plan assets:
  - For assets subject to the coverage of obligations insured in the Collective III policy (Defined Benefit). Employees from Banco Urquijo), the rate applied is 0.3560%.
  - For assets assigned to the coverage of obligations insured in the Collective VI policy (Plan Beneficiaries) with cash-flow matching, the rate applied is 0.2507%.
  - For the assets assigned to the coverage of insured obligations in the policy of the Beneficiaries from Collective I (Mixed). General System), II and III that enjoy actuarial annuities, the rate applied is 0.3077%.
  - For assets assigned to the coverage of insured obligations in the policy corresponding to benefits not financed by the Plan due to contribution limits, the rate applied is 0.2802%.
- Rate of return on any recognized reimbursement rights: 0

- Estimated retirement age: 65 years of age, except for participants for whom the anticipated retirement age is known.
- Rotation: No

Actuarial assumptions of Plan 2 Unicaja Banco:

- Updated tables: PERMF 2020 first order.
- Type of update:
    - Market rate according to the financial duration of the commitment flows and according to the IBOXX AA Corporate curve as of November 30, 2022, corresponding to Euro Zone high credit rating corporate bonds.
    - The duration for each commitment ranges from 11.65 to 6.52 years for both bonds and assets.
    - The rates applied for each commitment range from 3.1381% to 3.1103% for both bonds and assets.
- Type of pension revaluation: 1.5%
- Type of expected return on plan assets:
    - For assets used to cover obligations insured under the policy covering commitments arising from the Savings Banks and Banks Collective Bargaining Agreements, the rate applied is 0.3351%
    - For the assets assigned to the coverage of obligations insured in the policy for the early retirees' group (liabilities), the rate applied is 0.2949%.
    - The rate applied to the assets assigned to the coverage of insured obligations in the policy for the early retiree group (risk) is 0.2970%
    - For assets assigned to the coverage of obligations insured in the annuity policy, the rate applied is 0.2050%.
- Rate of return on any recognized reimbursement rights: 0%
- Estimated retirement age: 65 years.
- Rotation: No

Actuarial assumptions of Plan 1 EspañaDuero:

- Updated tables: PERMF 2020 first order.
- Type of update:
    - Market rate according to the financial duration of the commitment flows and according to the IBOXX AA Corporate curve as of November 30, 2022, corresponding to Euro Zone high credit rating corporate bonds.
    - The interest rates and financial durations of each group are as follows:
        - For beneficiary benefits covered under the Plan and not insured 3.1014% and 5.73 years respectively.
        - For beneficiary benefits covered under the Plan and insured under policy RV81 12000017, 3.1382% and 11.86 years, respectively.
        - For benefits of participants and beneficiaries 3.1363% and 11.01 years respectively for the obligations and assets of the Pension Plan and the insured capital in policy respectively for the assets.
- Rate of increase in salaries: 0%
- Growth rate of Social Security pensions: 0%
- Growth rate of contribution bases: 0%
- Pension revaluation rate: between 1.5% and 2%
- Type of expected return on plan assets:
    - For plan assets and liabilities -9.36%
    - For liabilities insured within the plan 0.3398%
    - For plan participants: 0%
    - For the Plan Excess Policy 0%
- Estimated retirement age: 65 years
- Rotation: No

Actuarial assumptions of Plan 2 EspañaDuero:

Commitments from Caja Duero:

- Updated tables: PERMF 2020 first order.
- Discount rate:
    - Market rate according to the financial duration of the commitment flows and according to the IBOXX AA Corporate curve as of November 30, 2022, corresponding to Euro Zone high credit rating corporate bonds.
    - The interest rates and financial durations of each group are as follows:
        - For benefits of assets not adhered to the Pension Plan of the Caja Duero employment system, in reference to the rates applied 3.1414% for bonds and 2.9360% for assets, as well as a financial duration of 13.04 years for bonds and 0.81 years for assets.
        - For the benefits of liability policy 02/02, with reference to the rates applied 3.1382% for bonds and 3.1088% for assets, as well as a financial duration for both of 6.37 years.
        - For liability policy benefits 144001 3.1060% and 5.96 years respectively.
        - Internal Fund at 3.1496% and a financial duration of 7.32 years.
- Rate of increase in salaries: 0%
- Growth rate of Social Security pensions: 0%
- Growth rate of contribution bases: 0%
- Type of pension revaluation: 2%.
- Type of expected return on plan assets:
    - For non-plan assets -0.2582%
    - For policy 02/02 0.1951%
    - For liability policy 1440001: 0.1776%
- Estimated retirement age: 65 years
- Rotation: No

Commitments from Caja España:

- Updated tables: PERMF 2020 first order
- Discount rate:
    - Market rate according to the financial duration of the commitment flows and according to the IBOXX AA Corporate curve as of November 30, 2022, corresponding to Euro Zone high credit rating corporate bonds.
    - The interest rates and financial durations of each group are as follows:
        - Beneficiary benefits policy 8.118: 3.1228% (financial duration of 8.11 years).
        - Beneficiary benefits policy PCP-1.001: 3.1120% (financial duration of 6.70 years).
- Rate of increase in salaries: 0%
- Type of pension revaluation: 2.0%
- Type of expected return on plan assets:
    - For the assets subject to policy 8,118, it contemplates cash flow matching at a rate of 0.2130%
    - For the assets subject to policy 1,001, it contemplates cash flow matching at a rate of 0.2604%
- Estimated retirement age: 65 years
- Rotation: No

Actuarial assumptions of the Origen Liberbank Plans:

Commitments from Cajastur - Plan 1 (No. 14785):

- Updated tables: PERMF 2020 first order
- Discount rate:

- Market rate according to the financial duration of the commitment flows and according to the IBOXX AA Corporate curve as of November 30, 2022, corresponding to Euro Zone high credit rating corporate bonds.
- The duration for each commitment is 9.23 years for both bonds and assets.
- The rate applied for each commitment is 3.1291% for both bonds and assets.

- The duration for each commitment is 9.23 years for both bonds and assets.
- Type of pension revaluation: 1.0%
- Expected rate of return on the accounting asset: 0.8800%
- Rate of return on any recognized reimbursement rights: 0%
- Estimated retirement age: 65 years.
- Rotation: No

Commitments from Extremadura - Plan 1:

- Updated tables: PERMF 2020 first order.
- Type of update:
    - Market rate according to the financial duration of the commitment flows and according to the IBOXX AA Corporate curve as of November 30, 2022, corresponding to Euro Zone high credit rating corporate bonds.
    - The interest rates and financial durations of each group are as follows:
        - Number 1035: 3.1164% and 7.24 years respectively for both bonds and assets.
        - Number 1002: 3.1135% and 6.81 years respectively for both bonds and assets.
        - Number 53579: 3.1117% and 6.69 years respectively for both bonds and assets.
        - Number 54282: 3.1480% and 19.49 years respectively for both bonds and assets.
- Pension revaluation rate: no revaluation for number 54282, 2% for number 53579 and 1% for numbers 1035 and 1002.
- Expected rate of return on the accounting asset: 0.8800%
- Rate of return on any recognized reimbursement rights: 0%
- Estimated retirement age: 65 years.
- Rotation: No

Commitments from Cantabria - Plan 1:

- Updated tables: PERMF 2020 first order.
- Type of update:
  - Market rate according to the financial duration of the commitment flows and according to the IBOXX AA Corporate curve as of November 30, 2022, corresponding to Euro Zone high credit rating corporate bonds.
  - The interest rates and financial durations of each group are as follows:
    - Number 52493: 3.1148% and 7.03 years respectively for both bonds and assets.
    - Number 52907: 3.1217% and 7.92 years respectively for both bonds and assets.
    - Number 53083 (deferred): 3.14597% and 16.23 years respectively for both bonds and assets.
- Type of pension revaluation: 2% for number 53083 (deferred) and 1% for numbers 52493 and 52907.
- Expected rate of return on the accounting asset: 0.8800%
- Rate of return on any recognized reimbursement rights: 0%
- Estimated retirement age: 65 years.
- Rotation: No

Commitments from BCM - Plan 1:

- Updated tables: PERMF 2020 first order.
- Type of update:
  - Market rate according to the financial duration of the commitment flows and according to the IBOXX AA Corporate curve as of November 30, 2022, corresponding to Euro Zone high credit rating corporate bonds.
  - The interest rates and financial durations of each group are as follows:
    - Number 303 and other insured liabilities: 3.1314% and 10.01 years respectively for both bonds and assets.
    - Self-insured: 3.1314% and 10.01 years respectively for both bonds and assets.
    - Additions 2021/2022 (pending assurance): 3.1314% and 10.01 years respectively for both bonds and assets.
    - Internal Fund: 3.1049% and 6.12 years respectively for both bonds and assets.
- Type of pension revaluation: 1.6%
- Expected rate of return on the accounting asset: 0.8800%
- Rate of return on any recognized reimbursement rights: 0%
- Estimated retirement age: 65 years.
- Rotation: No

Sensitivity data on the present value of the obligations at December 31, 2022 with respect to changes in the interest rate and salary growth are as follows:

	Percentage variation	
Fiscal Year 2022 - Unicaja Banco Plans	**Increase**	**Decrease**
Change in the present value of obligations due to a 0.5% variation in salaries	0.01%	(0.01%)
Change in the present value of obligations due to a 50 b.p. variation in the interest rate	(4.03%)	4.34%

Fiscal year 2022 - EspañaDuero Plans	Percentage variation	
	Increase	Decrease
Change in the present value of obligations due to a 0.5% variation in salaries	0.00%	0.00%
Change in the present value of obligations due to a 50 b.p. variation in the interest rate	(3.94%)	4.04%

Fiscal Year 2022 - BCLM Plans	Percentage variation	
	Increase	Decrease
Change in the present value of obligations due to a 0.5% variation in salaries	0.00%	0.00%
Change in the present value of obligations due to a 50 b.p. variation in the interest rate	(4.80%)	5.28%

Fiscal Year 2022 - Cantabria Plans	Percentage variation	
	Increase	Decrease
Change in the present value of obligations due to a 0.5% variation in salaries	0.00%	0.00%
Change in the present value of obligations due to a 50 b.p. variation in the interest rate	(3.94%)	4.26%

Fiscal Year 2022 - Extremadura Plans	Percentage variation	
	Increase	Decrease
Change in the present value of obligations due to a 0.5% variation in salaries	0.00%	0.00%
Change in the present value of obligations due to a 50 b.p. variation in the interest rate	(3.47%)	3.73%

Fiscal year 2022 - Cajastur Plans	Percentage variation	
	Increase	Decrease
Change in the present value of obligations due to a 0.5% variation in salaries	0.00%	0.00%
Change in the present value of obligations due to a 50 b.p. variation in the interest rate	(4.45%)	4.82%

Data on the sensitivity of the present value of the obligations as of December 31, 2021 to changes in the interest rate and salary growth are as follows:

Fiscal Year 2021 - Unicaja Banco Plans	Percentage variation	
	Increase	Decrease
Change in the present value of obligations due to a 0.5% variation in salaries	0.02%	(0.02%)
Change in the present value of obligations due to a 50 b.p. variation in the interest rate	(5.04%)	5.51%

Fiscal year 2021 - EspañaDuero Plans	Percentage variation Increase	Decrease
Change in the present value of obligations due to a 0.5% variation in salaries	0.00%	0.00%
Change in the present value of obligations due to a 50 b.p. variation in the interest rate	(4.73%)	5.14%

Fiscal Year 2021 - BCLM Plans	Percentage variation Increase	Decrease
Change in the present value of obligations due to a 0.5% variation in salaries	0.00%	0.00%
Change in the present value of obligations due to a 50 b.p. variation in the interest rate	(4.17%)	4.51%

Fiscal Year 2021 - Cantabria Plans	Percentage variation Increase	Decrease
Change in the present value of obligations due to a 0.5% variation in salaries	0.00%	0.00%
Change in the present value of obligations due to a 50 b.p. variation in the interest rate	(4.76%)	5.21%

Fiscal Year 2021 - Extremadura Plans	Percentage variation Increase	Decrease
Change in the present value of obligations due to a 0.5% variation in salaries	0.00%	0.00%
Change in the present value of obligations due to a 50 b.p. variation in the interest rate	(4.26%)	4.18%

Fiscal year 2021 - Cajastur Plans	Percentage variation Increase	Decrease
Change in the present value of obligations due to a 0.5% variation in salaries	0.00%	0.00%
Change in the present value of obligations due to a 50 b.p. variation in the interest rate	(4.76%)	5.18%

At year-end 2022, based on the mortality tables used, the estimated life expectancy for a person retiring at year-end 2022 is 28.05 years for women and 24.32 years for men.

At the end of 2021 for Unicaja and EspañaDuero Plans, the estimated life expectancy for a person retiring at the end of 2021 was 27.97 years for women and 24.18 years for men, while for Liberbank Plans it was 28.37 years and 24.64 years respectively.

At the end of 2022, for Unicaja and EspañaDuero Plans, the life expectancy since retirement for a person who would retire 20 years after the end of the 2022 financial year is 30.41 years in the case of women and 26.87 years in the case of men.

At the end of 2021 for Unicaja and EspañaDuero Plans, life expectancy since retirement for a person retiring 20 years after the end of 2021 was 30.30 years in the case of women and 26.75 years in the case of men, while for Liberbank Plans it was 30.76 years and 27.21 years respectively.

The estimated payment of the various post-employment benefits for the next ten years is as follows:

						Thousands of Euros
Unicaja Banco	**2023**	**2024**	**2025**	**2026**	**2027**	**2028-2032**
Post-employment benefits	6,858	6,705	6,541	6,345	6,135	26,984
Other long-term benefits	42,607	36,788	28,023	18,086	8,437	3,187
Total benefits	**49,465**	**43,493**	**34,564**	**24,431**	**14,572**	**30,171**

						Thousands of Euros
EspañaDuero	**2023**	**2024**	**2025**	**2026**	**2027**	**2028-2032**
Post-employment benefits	5,327	4,952	4,778	4,591	4,390	18,226
Other long-term benefits	853	44	-	-	-	-
Total benefits	**6,180**	**4,996**	**4,778**	**4,591**	**4,390**	**18,226**

						Thousands of Euros
Liberbank	**2023**	**2024**	**2025**	**2026**	**2027**	**2028-2032**
Post-employment benefits	18,678	18,172	17,635	17,051	16,430	71,845
Other long-term benefits	31,974	22,412	16,032	10,350	3,983	-
Total benefits	**50,652**	**40,584**	**33,667**	**27,401**	**20,413**	**71,845**

In relation to the estimated benefits for the following fiscal year:

- For the defined benefit retirement benefit, the amount of the contributions will be equal to the normal and supplementary cost, if any, resulting from the last actuarial valuation made by the Plan's Actuary at the close of the previous year.

- For the defined disability, widowhood and orphanhood benefits of the Defined Benefit groups, the amount equivalent to the annual premium required for coverage will be contributed through a Group Life Insurance Policy, the amount of which is budgeted on the basis of the amounts paid in the previous year.

- For the defined disability, widowhood and orphanhood benefits of the Defined Contribution groups, the cost of the insurance premium corresponding to these risk benefits established for this purpose with the Insurance Company will be contributed, in the part necessary to achieve said benefits, deducting the capitalization funds constituted. Generally, they are estimated based on the amounts paid in the previous year.

41.1.2 Death and disability

The amount of premiums paid for insurance policies covering death and disability of employees in 2022 amounted to 3,654 thousand Euros (4,867 thousand Euros in 2021) and is recorded under "Administrative Expenses - Personnel Expenses" in the consolidated income statement (Note 2.12.3 and Note 41.1).

41.1.3 Seniority awards

The amounts recorded for the commitments reached with employees in the event that they reach 20 and 35 years of service with the Entity at the end of 2022 and 2021 amount to 4,804 thousand Euros and 6,101 thousand Euros, and are recorded under "Provisions - Pensions and post-employment defined benefit obligations" in the consolidated balance sheets at those dates.

Pursuant to the labor agreement dated December 3, 2021, Liberbank personnel who have been granted a dedication or loyalty award for length of service will be paid in the January 2022 payroll the amount accrued according to the period of service elapsed until December 31, 2021. At December 31, 2021, the Group had recorded a liability to meet this obligation in the amount of €2,969,000 under "Financial liabilities at amortized cost" in the consolidated balance sheet. From that moment on, they begin to accrue the loyalty reward regulated by Unicaja Banco.

41.1.4 Agreed Compensated Leaves of Absence (EPC)

On June 1, 2016, Liberbank, S.A. reached a labor agreement with the union majority, with the aim of establishing the conditions so that the workers could take advantage of the agreed compensated leave of absence (hereinafter, EPC) or a compensated voluntary leave plan. Active employees born between 1956 and 1964 may avail themselves of the first modality. The situation would last until the end of the calendar year in which it arises, where such situation can be extended by mutual agreement for a calendar year and up to the age of 63, or before this age where this was an entitlement to retirement benefits. The employee would receive compensation as monthly amounts equal to 60% of the current gross salary, being limited to a minimum of 75% and a maximum of 80% of the net salary, where the resulting gross amount cannot exceed €50,000 per year or the proportionate part thereof for shorter periods.

The agreement contemplated the possibility of reincorporating the employees under this modality to the Bank, either at Liberbank's request due to organizational needs or at the employee's own will.

This agreement incorporated a guarantee clause in the event of a relevant change in the shareholding of Liberbank, S.A. Specifically, the clause states that should there be a major change in ownership of the Bank, active employees reinstated at the Bank's request after taking the mutually agreed paid leave of absence may terminate their employment relationship under the same economic terms envisaged in the agreement to suspend the contract for the time remaining until they are 63 years of age. As stated in the aforementioned guarantee clause, it was understood that there would be a loss of control when, as a result of a corporate operation, the shareholders that existed at that time (banking foundations) did not appoint the largest number of representatives on the Board from among the Sundays.

Prior to the merger of Liberbank with Unicaja Banco, a total of 636 employees of the Liberbank Group had taken this type of compensated leave of absence, while another 90 employees who had previously been on leave of absence had returned to work due to organizational needs.

The provision that the Unicaja Banco Group has recorded for this concept as of Saturday, December 31, 2022 and 2021 amounts to 81,353thousand Euros and 124,507 thousand Euros, respectively, which is the unused amount to date of the 142,572 thousand Euros allocated by the Liberbank Group prior to the date of accounting effects of the merger, considering the new scenario generated by the approval of the merger with Unicaja Banco, and the staff sizing needs, which made the need to reinstate the aforementioned group highly unlikely, and which covered the future cost of the 636 employees on compensated leave of absence, as well as the costs of termination of the contractual relationship of the 90 employees who were reinstated as active employees at the request of Liberbank.

41.1.5 Assumptions used in other long-term commitments

The amount of the commitments has been determined by qualified actuaries, who have applied the following criteria to quantify them:

Criteria for Unicaja Banco:

- Actuarial assumptions used: to calculate the commitments to employees arising from the aforementioned agreement, the Entity has applied the market rate according to the financial duration of the commitment flows and according to the IBOXX AA Corporate curve at November 30, 2022, corresponding to high credit rating corporate bonds in the Euro Zone.
- The duration for each commitment ranges from 9.07 years to 0.41 years.
- The rates applied for each commitment range from 3.1334% to 2.9437%.
- The estimated retirement age of each employee is as agreed.

Criteria for Spain Douro:

- Actuarial assumptions used: to calculate the commitments to employees arising from the aforementioned agreement, the Entity has applied the market rate according to the financial duration of the commitment flows and according to the IBOXX AA Corporate curve at November 30, 2022, corresponding to high credit rating corporate bonds in the Euro Zone.
- The duration for each commitment is 0.44 years.
- The rates applied for each commitment are 2.9448%.
- The estimated retirement age of each employee is as agreed.

Criteria for Liberbank:

- Actuarial assumptions used: to calculate the commitments to employees arising from the aforementioned agreement, the Entity has applied the market rate according to the financial duration of the commitment flows and according to the IBOXX AA Corporate curve at November 30, 2022, corresponding to high credit rating corporate bonds in the Euro Zone.
- The rate and duration associated with the Long-Term commitments from Liberbank for the Compensated Agreed Leave (EPC) group is 2.9774% and 1.61 years, respectively.
- The special agreement growth rate is 3.00%
- The estimated retirement age of each employee is as agreed.

41.2 Other administration expenses

The breakdown of the balance of this heading on the consolidated income statements for 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	**2021**
Real estate and facilities	34,243	21,161
Leasing	2,212	1,713
Computing	66,744	51,872
Communications	21,974	17,987
Advertising	14,707	10,408
Legal expenses	1,900	1,001
Technical reports	29,544	15,694
Surveillance services	11,692	8,615
Insurance premiums	1,592	1,432
By governing bodies	2,706	4,629
Representation expenses	3,008	4,268
Association dues	15,062	9,212
Outsourced services	8,939	2,991
Taxes	37,191	32,216
Other	13,786	17,243
	265,300	**200,442**

The fees paid by the Unicaja Banco Group to PricewaterhouseCoopers Auditores, S.L. for audit services in 2022 amount to 2,413 thousand Euros (2,450 thousand Euros for audit services in 2021). In addition, in 2022, fees for services provided to the Group by companies using the PricewaterhouseCoopers brand in relation to other accounting and regulatory verification work amount to 967 thousand Euros (923 thousand Euros in 2021), and other services amounting to 10 thousand Euros (9 thousand Euros in 2021).

42. Impairment in value or reversal of impairment in value of investments in joint ventures or associates and non-financial assets

The composition of these chapters of the consolidated profit and loss accounts for the years 2022 and 2021, is as follows:

	Thousands of Euros	
	2022	**2021**
Impairment of value or reversal of investments in joint ventures or associated companies (Note 12)	**(535)**	**213**
Impairment of value or reversal of non-financial assets	**(70,545)**	**(11,847)**
Goodwill (Notes 4 and 14)	(6,773)	(6,773)
Other assets	(63,772)	(5,074)
	(71,080)	**(11,634)**

The following is a detail, by consolidated balance sheet line item, of "Impairment or reversal of non-financial assets - Other assets" for the years 2022 and 2021:

	Thousands of Euros	
	2022	2021
Impairment losses of property, plant and equipment	(32,968)	1,816
Impairment losses on investment property (Note 16)	(9,890)	(6,453)
Impairment losses on inventories (Note 16)	(37,413)	(2,785)
Impairment losses on other assets	16,499	2,348
	(63,772)	**(5,074)**

43. Gains or losses when derecognizing non-financial assets and participations in accounts

The breakdown of the balance of this heading on the consolidated income statements for 2022 and 2021 is as follows:

	Thousands of Euros			
	2022		2021	
	Profit	Loss	Profit	Loss
For sale of tangible assets	5,848	(1,839)	4,456	(373)
For sale of investments	3,503	(429)	4,621	(1,782)
Other	1,436	(171)	-	-
	10,787	**(2,439)**	**9,077**	**(2,155)**

44. Gains or losses on non-current assets and disposable groups of items classified as held for sale and not eligible for sale as discontinued operations

The breakdown of the balance of this heading on the consolidated income statements for 2022 and 2021 is as follows:

	Thousands of Euros			
	2022		2021	
	Profit	Loss	Profit	Loss
From disposal of non-current assets held for sale	21,940	(12,541)	24,934	(9,014)
Provisions for value adjustments due to impairment of non-current assets held for sale (Note 16)	-	(16,828)	-	(34,518)
Other concepts (Note 12.2)	17,000	(27)	1,835	(133)
	38,940	**(29,396)**	**26,769**	**(43,665)**

45. Linked parties

In addition to the information presented in Note 6 in relation to the balances and operations carried out with the members of the Board of Directors of the Parent Entity and with its Senior Management, the rest of the balances recorded in the consolidated balance sheets as of Saturday, December 31, 2022 and 2021 and the transactions recorded in the consolidated profit and loss accounts for the years 2022 and 2021 originating from transactions with related parties:

					Thousands of Euros
					2022
	Significant shareholders	Administrators and Managers	Individuals, companies or group entities	Other associates	Total
Expenses					
Financial expense	-	(9)	(213)	(43)	(265)
Management or collaboration contracts	(1,464)	-	(918)	-	(2,382)
R&D transfers and licensing agreements	-	-	-	-	-
Leasing	-	-	(19)	-	(19)
Reception of services	-	-	-	-	-
Purchase of goods (finished or in process)	-	-	-	-	-
Valuation allowances for doubtful or bad debts	-	-	-	-	-
Losses due to write-downs or disposal of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
Total Expenses	**(1,464)**	**(9)**	**(1,150)**	**(43)**	**(2,666)**
Income					
Financial income	-	6	3,586	398	3,990
Management or collaboration contracts	-	-	3	-	3
R&D transfers and licensing agreements	-	-	-	-	-
Dividends received	-	-	-	-	-
Leasing	-	-	52	-	52
Provision of services	-	-	-	-	-
Sale of goods (finished or in process)	-	-	-	-	-
Gains on retirement or disposal of assets	-	-	-	-	-
Other income	-	-	-	-	-
Total Earnings	**-**	**6**	**3,641**	**398**	**4,045**
Financial					
Purchase of tangible, intangible or other assets	-	-	8,250	-	8,250
Financing agreements: credits and contributions from capital (lender)	-	1,414	172,643	23,418	197,475
Other transactions	-	-	-	-	-
Total assets	**-**	**1,414**	**180,893**	**23,418**	**205,725**
Liabilities					
Financing agreements, loans and contributions from capital (borrower)	54,505	8,198	215,363	15,675	293,741
Dividends payable	20,391	-	-	-	20,391
Total liabilities	**74,896**	**8,198**	**215,363**	**15,675**	**314,132**
Guarantees and commitments					
Guarantees and collateral provided	-	213	61,259	1,755	63,227
Financing commitments	-	-	-	-	-
Total guarantees and commitments	**-**	**213**	**61,259**	**1,755**	**63,227**

	Significant shareholders	Administrators and Managers	Individuals, companies or group entities	Other associates	Total
					Thousands of Euros
					2021
Expenses					
Financial expense	-	(80)	(280)	(113)	(473)
Management or collaboration contracts	(983)	-	(1,627)	-	(2,610)
R&D transfers and licensing agreements	-	-	-	-	-
Leasing	-	-	-	-	-
Reception of services	-	-	(856)	(2,491)	(3,347)
Purchase of goods (finished or in process)	-	-	-	-	-
Valuation allowances for doubtful or bad debts	-	-	-	-	-
Losses due to write-downs or disposal of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
Total Expenses	**(983)**	**(80)**	**(2,763)**	**(2,604)**	**(6,430)**
Income					
Financial income	-	4	3,083	884	3,971
Management or collaboration contracts	251	-	-	-	251
R&D transfers and licensing agreements	-	-	-	-	-
Dividends received	-	-	-	-	-
Leasing	-	-	49	-	49
Provision of services	-	-	-	-	-
Sale of goods (finished or in process)	-	-	-	-	-
Gains on retirement or disposal of assets	-	-	-	-	-
Other income	-	-	-	-	-
Total Earnings	**251**	**4**	**3,132**	**884**	**4,271**
Financial					
Purchase of tangible, intangible or other assets	-	-	10,131	21	10,152
Financing agreements: credits and contributions from capital (lender)	-	1,873	235,585	121,759	359,217
Other transactions	-	-	2,489	34	2,523
Total assets	**-**	**1,873**	**271,424**	**29,067**	**371,892**
Liabilities					
Financing agreements, loans and contributions from capital (borrower)	46,650	9,148	271,424	29,067	356,289
Dividends payable	7,471	-	-	-	7,471
Total liabilities	**54,121**	**9,148**	**271,424**	**29,067**	**363,760**
Guarantees and commitments					
Guarantees and collateral provided	-	62	22,325	7,874	30,261
Financing commitments	-	92	18,339	18,155	36,586
Total guarantees and commitments	**-**	**154**	**40,664**	**26,029**	**66,847**

The information in the above table has been presented on an aggregate basis since, in all cases, related party transactions are not significant in terms of amount or relevance for a proper understanding of the financial information provided.

Transactions with related parties have been carried out under normal market conditions.

46. Mortgage market information

Article 21 of Royal Decree 716/2009, of April 24, 2009, establishes that the entities issuing mortgage bonds or covered bonds shall keep a special accounting record of the mortgage loans and credits that serve as collateral for such issues, of the replacement assets backing them and of the derivative financial instruments linked to each issue. This special accounting record must also indicate whether or not the mortgage loans and credits are eligible in accordance with Article 3 of the aforementioned Royal Decree 716/2009. The Bank of Spain will determine the essential data of the aforementioned record that must be incorporated into the annual accounts of the issuing entity, having defined several statements of public information on the mortgage market in Bank of Spain Circular 4/2017.

The Board of Directors states that the Group has express policies and procedures that cover all the activities carried out in the field of mortgage market issues that guarantee strict compliance with the mortgage market regulations applicable to these activities.

The policies and procedures referred to include the following criteria:

- Relationship between the amount of the loan and the appraised value of the mortgaged property, as well as the influence of other guarantees and the selection of appraisal entities.

- Relationship between the debt and the income of the borrower, as well as the verification of the information provided by the borrower and its solvency.

- Avoid imbalances between the flows from the hedging portfolio and those derived from paying attention to the payments due on the securities issued.

Article 3 of Law 41/2007, of December 7, 2007, establishes that appraisal companies that provide their services to credit institutions of the same group must, provided that any of these credit institutions has issued and has mortgage securities in circulation, have adequate mechanisms to favor the independence of the appraisal activity and avoid conflicts of interest.

As of December 31, 2022 and 2021, the Unicaja Banco Group does not have an interest in any appraisal company.

As issuer of covered bonds and mortgage bonds, certain relevant information is presented below at the Unicaja Banco Group level in compliance with mortgage market regulations:

A) Active transactions

As of December 31, 2022 and 2021, the detail of the nominal value of mortgage loans and credits backing the issuance of mortgage bonds and covered bonds or that have been mobilized through mortgage participations or mortgage transfer certificates, is as follows:

	Thousands of Euros	
	2022	**2021**
Loans held as assets transferred	**557,205**	**631,519**
Mortgage participations	59,657	69,868
Mortgage transfer certificates	497,548	561,651
Mortgage loans pledged as security for financing received	**-**	**-**
Loans that back the issuance of bonds and mortgage bonds	**35,991,669**	**35,684,169**
Non-eligible loans	4,516,206	4,572,484
Meet the requirements for eligibility, except for the limit of article 5.1 of the Royal Decree 716/2009	1,497,104	2,985,873
Others	3,019,102	1,586,611
Eligible loans	31,475,463	31,111,685
Non-eligible amounts	152,484	37,620
Eligible amounts	31,322,979	31,074,065
Loans covering mortgage bond issues	-	*110,203*
Loans eligible for mortgage-backed securities coverage	*31,322,979*	*30,963,862*
	36,548,874	**36,315,688**

As of December 31, 2022 and 2021, the outstanding nominal value of the loans and mortgage loans backing the issuance of bonds and mortgage bonds amounts to 35,991,669 thousand Euros and 35,684,169 thousand Euros, respectively, and the outstanding nominal value of the loans and mortgage loans that meet the characteristics of being eligible for the purpose of backing the issue of these mortgage bonds amounts to 31,475,463 thousand Euros and 31,111,685 thousand Euros, respectively.

The nominal value of all non-eligible mortgage loans and credits that do not comply with the limits established in Article 5.1 of Royal Decree 716/2009 but nevertheless comply with the other requirements for eligible loans and credits, as indicated in Article 4 of said regulation, amounts to 1,497,104 thousand Euros and 2,985,873 thousand Euros at December 31, 2022 and 2021, respectively.

Below is a detail of the loans backing the issuance of bonds and mortgage bonds, classified according to different criteria, as of December 31, 2022 and 2021.

	Thousands of Euros	
	2022	
	Loans that back the issuance of bonds and mortgage bonds	Of which: Eligible loans
Nominal value of all loans and credits outstanding mortgages	**35,991,669**	**31,475,463**
According to origin:	35,991,669	31,475,463
- Arising from the Entity	35,891,926	31,389,060
- Subrogated from other entities	99,743	86,403
- Others	-	-
Depending on the currency:	35,991,669	31,475,463
- In Euros	35,968,808	31,452,930
- Other currencies	22,861	22,533
Depending on the payment situation:	35,991,669	31,475,463
- Normal payment situation	35,535,719	31,475,463
- Other situations	455,950	-
Based on average residual maturity:	35,991,669	31,475,463
- Up to 10 years	13,474,582	11,136,970
- More than 10 years and up to 20 years	10,144,242	9,306,054
- More than 20 years and up to 30 years	11,918,034	11,032,439
- More than 30 years	454,811	-
Depending on the type of interest:	35,991,669	31,475,463
- Fixed rate	1,439,403	1,076,437
- Variable rate	34,552,266	30,399,026
- A mixed type	-	-
Depending on holders:	35,991,669	31,475,463
- Legal entities and individual employers	3,784,657	2,396,426
Of which: real estate development	*380,113*	*227,885*
- Households	32,207,012	29,079,037
Depending on the type of guarantee:	35,991,669	31,475,463
- Assets/buildings and other completed constructions	33,884,673	30,088,088
- Residential	32,630,415	29,281,794
Of which: government-subsidized housing units	*998,286*	*944,590*
- Commercial	1,003,033	637,383
- Others	251,225	168,911
- Assets/ buildings and other construction in progress	515,538	413,306
- Residential	487,280	399,734
Of which: government-subsidized housing units	*1,772*	*1,772*
- Commercial	28,050	13,364
- Others	208	208
- Land	1,591,458	974,068
- Consolidated urban land	459,386	205,492
- Others	1,132,072	768,576

	Thousands of Euros	
	2021	
	Loans that back the issuance of bonds and mortgage bonds	Of which: Eligible loans
Nominal value of all loans and credits outstanding mortgages	**35,684,169**	**31,111,685**
According to origin:	35,684,169	31,111,685
- Arising from the Entity	32,604,319	28,316,673
- Subrogated from other entities	2,803,149	2,680,438
- Others	276,701	114,574
Depending on the currency:	35,684,169	31,111,685
- In Euros	35,661,651	31,089,248
- Other currencies	22,518	22,437
Depending on the payment situation:	35,684,169	31,111,685
- Normal payment situation	34,685,540	30,663,220
- Other situations	998,629	448,465
Based on average residual maturity:	35,684,169	31,111,685
- Up to 10 years	10,647,670	8,841,790
- More than 10 years and up to 20 years	11,495,884	10,473,822
- More than 20 years and up to 30 years	12,634,592	11,708,720
- More than 30 years	906,023	87,353
Depending on the type of interest:	35,684,169	31,111,685
- Fixed rate	8,000,375	7,533,558
- Variable rate	24,302,323	21,144,950
- A mixed type	3,381,471	2,433,177
Depending on holders:	35,684,169	31,111,685
- Legal entities and individual employers	5,910,128	4,266,852
Of which: real estate development	*513,050*	*224,640*
- Households	29,774,041	26,844,833
Depending on the type of guarantee:	35,684,169	31,111,685
- Assets/buildings and other completed constructions	33,936,184	30,110,053
- Residential	31,877,863	28,591,337
Of which: government-subsidized housing units	*719,708*	*680,150*
- Commercial	1,827,398	1,371,192
- Others	230,923	147,524
- Assets/ buildings and other construction in progress	459,001	282,989
- Residential	302,627	166,521
Of which: government-subsidized housing units	*2,321*	*2,321*
- Commercial	131,130	91,697
- Others	25,244	24,771
- Land	1,288,984	718,643
- Consolidated urban land	464,582	179,994
- Others	824,402	538,649

As of December 31, 2022 and 2021, the breakdown of the nominal value of all eligible mortgage loans and credits, based on the percentages reached by the ratio between the amount of the transactions and the appraisal values corresponding to the latest available appraisal of the respective mortgaged assets, is as follows:

	Thousands of Euros 2022				
	Less than or equal to 40%	More than 40% and less than or equal to 60%	More than 60% and less than or equal to 80%	More than 80%.	Total
Eligible loans					
- On housing	7,781,659	9,115,090	12,784,780	-	29,681,529
- On other assets	953,375	805,039	35,520	-	1,793,934
	8,735,034	**9,920,129**	**12,820,300**	**-**	**31,475,463**

	Thousands of Euros 2021				
	Less than or equal to 40%	More than 40% and less than or equal to 60%	More than 60% and less than or equal to 80%	More than 80%.	Total
Eligible loans					
- On housing	7,692,612	9,426,185	11,352,687	-	28,471,484
- On other assets	1,351,344	1,159,404	129,453	-	2,640,201
	9,043,956	**10,585,589**	**11,482,140**	**-**	**31,111,685**

The following is information regarding the nominal value of loans and mortgage loans that have been written off or added to the portfolio in fiscal years 2022 and 2021:

	Thousands of Euros 2022		2021	
	Eligible loans	Non-eligible loans	Eligible loans	Non-eligible loans
Beginning balance for the fiscal year	**31,111,685**	**4,572,484**	**15,220,890**	**3,103,731**
Write-downs in the period	**(1,793,987)**	**(627,775)**	**(2,099,168)**	**(802,164)**
Settlements on maturity	(63,014)	(3,770)	(115,810)	(48,373)
Early settlement	(579,147)	(111,186)	(693,072)	(184,673)
Subrogations from other entities	(14,809)	(1,592)	(13,102)	(848)
Others	(1,137,017)	(511,227)	(1,277,184)	(568,270)
Additions in the period	**2,157,765**	**571,497**	**17,989,963**	**2,270,917**
Effect of the merger by absorption of Liberbank	-	-	15,443,002	1,909,594
Arising from the Entity	610,417	273,223	972,750	71,055
Subrogations from other entities	-	-	-	105
Others	1,547,348	298,274	1,574,211	290,163
Closing balance for the fiscal year	**31,475,463**	**4,516,206**	**31,111,685**	**4,572,484**

The movements included under “Other,” in the case of movements associated with “Disposals in the period,” mainly correspond to the following flows that generate a variation in the nominal balance in both eligible and non-eligible transactions and which are applicable to movements in both fiscal years 2022 and 2021:

- Transfers between the eligible and ineligible portfolio, such that they are additions to the “eligible loans” item and deletions to the “ineligible loans” portfolio or vice versa. This variation is common with the movements associated with “Additions in the period” (with opposite sign). Transfers are due to changes in compliance with eligibility requirements in accordance with applicable regulations (mainly due to change in LTV ratio due to loan drawdown/amortization or appraisal review/update).

- Amortization of transactions that are still outstanding with respect to the amount declared in the previous period and that, therefore, are not computed as cancellations at maturity or early cancellations.

On the other hand, the movements included under “Other,” in the case of movements associated with “Additions in the period,” mainly correspond to the following flows that generate a variation in the nominal balance in both eligible and ineligible transactions and are applicable to the movements of both fiscal years 2022 and 2021:

- Transfers between the eligible and ineligible portfolio, such that they are additions to the “eligible loans” item and deletions to the “ineligible loans” portfolio or vice versa. This variation is common with the movements associated with “Divestitures in the period” (with opposite sign). Transfers are due to changes in compliance with eligibility requirements in accordance with applicable regulations (mainly due to change in LTV ratio due to loan drawdown/amortization or appraisal review/update).

The available balance of the mortgage loans that support the issuance of mortgage bonds and covered bonds as of December 31, 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	**2021**
Potentially eligible	529,642	419,589
Non-eligible	97,148	260,915
	626,790	**680,504**

The nominal value of the available amounts (undrawn committed amounts) of all potentially eligible loans and mortgage loans at December 31, 2022 and 2021 corresponds to 529,642 thousand Euros and 419,589 thousand Euros, respectively, while those potentially ineligible amount to 97,148 thousand Euros and 260,915 thousand Euros, respectively.

As of December 31, 2022 and 2021, the Group does not have any replacement assets related to mortgage bonds and mortgage bonds issues.

B) Passive transactions

The breakdown as of December 31, 2022 and 2021 of the aggregate nominal value of outstanding mortgage bonds issued by the Group and of mortgage participations and mortgage transfer certificates outstanding at that date, based on their residual maturity, is as follows:

	Thousands of Euros	
	2022	**2021**
Outstanding mortgage bonds	**-**	**-**
Mortgage-backed securities issued	**9,172,051**	**9,664,088**
Issued through a public offering	-	-
- Residual maturity up to one year	-	-
- Residual maturity greater than 1 year and up to 2 years	-	-
- Residual maturity greater than 2 years and up to 3 years	-	-
- Residual maturity greater than 3 years and up to 5 years	-	-
- Residual maturity greater than 5 years and up to 10 years	-	-
- Residual maturity greater than 10 years	-	-
Other issuances	4,700,000	4,730,000
- Residual maturity up to one year	-	30,000
- Residual maturity greater than 1 year and up to 2 years	2,000,000	-
- Residual maturity greater than 2 years and up to 3 years	1,500,000	2,000,000
- Residual maturity greater than 3 years and up to 5 years	-	1,500,000
- Residual maturity greater than 5 years and up to 10 years	1,200,000	1,200,000
- Residual maturity greater than 10 years		-
Deposits	4,472,051	4,934,088
- Residual maturity up to one year	450,000	462,037
- Residual maturity greater than 1 year and up to 2 years	-	450,000
- Residual maturity greater than 2 years and up to 3 years	1,282,051	-
- Residual maturity greater than 3 years and up to 5 years	1,110,000	1,282,051
- Residual maturity greater than 5 years and up to 10 years	1,630,000	2,740,000
- Residual maturity greater than 10 years	.	-
Mortgage participations issued	**59,657**	**69,868**
Issued through a public offering		-
Other issuances	59,657	69,868
Mortgage transfer certificates Issued	**497,548**	**561,651**
Issued through a public offering		-
Other issuances	497,548	561,651
	9,729,256	**10,295,607**

47. Transparency regarding financing for construction, real estate development, financing for home purchases and assets acquired in payment of debts

47.1 Qualitative information

In relation to the minimum information to be disclosed by consolidated groups of credit institutions and by individual credit institutions that are not included in any of them, the following considerations should be taken into account:

- In relation to the financing of construction and real estate development, it is requested that the policies and strategies established by the entities to deal with the problematic assets of this sector, both in the short term and in the medium and long term, be made public. In addition, these exposures must be assessed in the context of the stress tests published before the summer, if the entities had participated in them.

- An assessment of the financing needs in the markets must be included, as well as the short, medium and long-term strategies implemented in this respect (without prejudice to the Banco de España being able to provide, at a later date, the details of the minimum information on financing and liquidity needs).

The Unicaja Banco Group, as part of its risk policy, and in particular that relating to construction and real estate development, has established a series of specific policies and strategies focused on favoring compliance with borrowers' obligations and mitigating the risks to which the Group is exposed. In this sense, alternatives are sought that allow the completion and sale of the projects, analyzing the renegotiation of the risks if the Group's credit position improves and with the basic purpose of allowing the borrower to maintain its business activity.

This takes into account previous experience with the borrower, the borrower's history of compliance, the borrower's manifest willingness to pay, the capacity to generate cash flow or the provision of new guarantees, before over-indebting the current ones.

In the first place, provided that there is a certain payment capacity and after having exhausted all possibilities for the recovery of the defaulted debt, the possibility of granting capital grace periods to allow the development of the financed land, the completion of the ongoing developments and the marketing of the finished units is studied. The analysis carried out prioritizes the viability of the projects, so that an increase in investment is avoided for those real estate assets for which a clear possibility of future sales is foreseen.

In the event that the support measures are not possible or sufficient, other alternatives are sought, such as giving in payment or the purchase of assets, the last option being the judicial claim and the subsequent adjudication of the properties by foreclosure of the mortgage guarantees. All irregular assets that become part of the Group's consolidated balance sheet are managed with the ultimate purpose of divesting or leasing them.

For this purpose, the Unicaja Banco Group has instrumental companies specialized in the management of urban development projects, real estate marketing and leasing of real estate assets. On the other hand, the Group has specific units to develop these strategies and coordinate the actions of the instrumental subsidiaries, the network of offices and the rest of the agents involved. Finally, the Group's website *www.unicajainmuebles.com*is one of the main tools used to inform the public interested in these assets.

47.2 Quantitative information

As of December 31, 2022 and 2021, the detail of financing for construction and real estate development and its hedges (1) is as follows:

	Thousands of Euros 2022			
	Gross book value (2)	Excess on the value of collateral (3)	Accumulated impairment losses (4)	Net amount
Financing for construction and property development (including land) (business in Spain)	**976,041**	**252,512**	**(95,906)**	**880,135**
Of which: Doubtful/ Stage 3	145,488	54,988	(84,372)	61,116
Pro-memoria				
Non-performing assets (5)	394,633			

	Thousands of Euros 2021			
	Gross book value (2)	Excess on the value of collateral (3)	Accumulated impairment losses (4)	Net amount
Financing for construction and property development (including land) (business in Spain)	**956,788**	**225,018**	**(88,047)**	**868,741**
Of which: Doubtful/ Stage 3	139,867	55,199	(72,087)	67,780
Pro-memoria				
Non-performing assets (5)	349,790			

Pro-memoria: Consolidated group data	Book value	
	2022	**2021**
Loans to customers, excluding general government (business in Spain) (carrying amount) (6)	48,312,348	48,969,592
Total consolidated assets (total business) (carrying amount) (7)	99,003,053	115,549,993
Impairment and provisions for normal classified exposures (total business) (8)	429,935	446,429

(1) The classification of financing in this statement will be made according to its purpose, and not according to the debtor's CNAE. This implies, for example, that if the debtor is: a) a real estate company, but devotes the financing granted to a purpose other than construction or real estate development, it will not be included in this statement, and b) a company whose principal activity is not construction or real estate development, but the credit is for the financing of real estate intended for real estate development, it will be included in this statement.

(2) Amount before deducting, if applicable, value adjustments for asset impairment.

(3) This is the amount of the excess of the gross carrying amount of each transaction over the value of any rights in rem received as collateral, calculated in accordance with the provisions of Circular 4/2017. Therefore, the value of the rights in rem is the result of weighting the lower of the cost of the assets and their appraisal value in their current condition weighted by the percentages corresponding to them according to the nature of the mortgaged assets.

(4) Amount allocated by the entity to cover construction and real estate development financing transactions.

(5) Gross amount of financing for construction and real estate development (business in Spain) written off as a result of having been classified as write-off.

(6) Includes all financing, in the form of loans, with or without mortgage guarantee, and debt securities, for construction and real estate development, corresponding to the activity in Spain (business in Spain).

(7) Amount recorded on the asset side of the balance sheet after deducting, if applicable, the amounts set up for hedging purposes.

(8) Total amount of value adjustments and provisions having the nature of generic coverage for credit risk constituted for risks classified as normal as indicated in Circular 4/2017, corresponding to its total activity (total business).

The breakdown of the caption of financing for construction and real estate development, transactions recorded by credit institutions (business in Spain), as of December 31, 2022 and 2021 is as follows:

	Thousands of Euros	
	Gross book value (6)	
	2022	2021
Without real estate guarantee (*)	330,326	286,989
With real estate guarantee (1)	645,715	669,799
Finished buildings and other constructions (2)	357,778	365,880
Housing	259,525	266,165
Others	98,253	99,715
Buildings and other constructions under construction (3)	154,410	134,307
Housing	127,605	123,857
Others	26,805	10,450
Land	133,527	169,612
Consolidated urban land	64,341	72,912
Other land	69,186	96,700
Total (4)	**976,041**	**956,788**

(*) As of December 31, 2022, the carrying amount of financing identified as "Without real estate collateral" includes 209.205 thousand Euros corresponding to real estate collateralized transactions that do not fully cover the exposure (173,766 thousand Euros as of December 31, 2021) In addition, it includes secured transactions with public authorities amounting to165,038 thousand Euros (166,542 thousand Euros as of December 31, 2021).

(1) Amount before deducting accumulated impairment losses, if any.

(2) All transactions with real estate collateral are included, regardless of the form in which the collateral is instrumented, regardless of the percentage that the amount of the transaction represents of the amount of the latest available appraisal *(loan to value)*.

(3) If a building has both residential (housing) and other purposes, the financing is included in the category of the predominant purpose.

(4) This amount coincides with the gross carrying amount of the row "Construction and real estate development financing (including land) (business in Spain)" of statement PC 7-1.

Below is a detail of the guarantees received and financial guarantees granted in connection with financing for construction and real estate development, in the transactions recorded by credit institutions (business in Spain) as of December 31, 2022 and 2021:

	Thousands of Euros	
Guarantees received	**2022**	**2021**
Value of collateral	627,597	739,791
Of which: Non-compliant/ Doubtful	92,176	66,832
Value of other guarantees	-	-
Of which: Non-compliant/ Doubtful	-	-
Total value of guarantees received	**627,597**	**739,791**

Financial guarantees granted	**Thousands of Euros**	
	2022	**2021**
Financial guarantees granted in relation to real estate construction and development	96	324
Amount recorded as a liability on the balance sheet	-	3

As of December 31, 2022 and 2021, the breakdown of loans to households for home purchases, transactions recorded by credit institutions (business in Spain), is as follows:

	Thousands of Euros			
	2022		**2021**	
	Gross amount (2)	**Of which: Non-compliant/ Doubtful**	**Gross amount (2)**	**Of which: Non-compliant/ Doubtful**
Home purchase loans (1)	31,848,805	827,373	31,021,565	787,799
No real estate mortgage	189,499	2,405	209,311	2,637
With real estate mortgage (3)	31,659,306	824,968	30,812,254	785,162

(1) Loans, with or without real estate mortgage guarantee, to households for home purchases corresponding to businesses in Spain.

(2) Amount before deducting accumulated impairment losses, if any.

(3) All transactions secured by real estate mortgages are included, regardless of the percentage of the amount of the last available appraisal.

The breakdown of mortgage-backed loans to households for home purchases according to the percentage of the total risk of the amount of the last available valuation (LTV), transactions registered by credit institutions (business in Spain) as of December 31, 2022 and 2021 is as follows:

						December 31, 2022 (1)
	LTV≤40%	**40%<LTV≤60%**	**60%<LTV≤80%**	**80%<LTV≤100%**	**LTV>100%**	**Total**
Gross book value (2)	**7,182,197**	**9,266,260**	**14,096,594**	**632,268**	**481,987**	**31,659,306**
Of which: Non-compliant / Doubtful (2)	111,334	160,311	247,463	119,099	186,761	824,968

						December 31, 2021 (1)
	LTV≤40%	**40%<LTV≤60%**	**60%<LTV≤80%**	**80%<LTV≤100%**	**LTV>100%**	**Total**
Gross book value (2)	**7,177,890**	**9,654,503**	**12,720,520**	**696,955**	**562,385**	**30,812,253**
Of which: Non-compliant / Doubtful (2)	97,621	150,721	213,058	113,401	210,361	785,162

(1) Loan to value is the ratio resulting from dividing the gross carrying amount of the transaction at the reporting date by the amount of the latest available appraisal.

(2) Amount before deducting accumulated impairment losses, if any. The amounts reported in the “Total” column for the “Carrying amount” and “Of which: doubtful” lines of this statement match the amounts reported in the “With real estate mortgage” line of statement PC 7-3.

The detail of assets foreclosed to consolidated group entities (businesses in Spain) (1) as of December 31, 2022 and 2021 is as follows:

	Thousands of Euros					
	2022			2021		
	Gross book value (2)	Accumulated impairment losses	Net amount	Gross book value (2)	Accumulated impairment losses	Net amount
Property awarded or received in payment of debts	**1,833,068**	**(1,174,712)**	**658,356**	**2,208,423**	**(1,384,525)**	**823,898**
Real estate assets from financing for construction and real estate development companies (3)	1,136,099	(777,363)	358,736	1,367,240	(908,171)	459,069
Finished buildings and other constructions	214,313	(136,050)	78,263	264,722	(155,371)	109,351
Housing	155,191	(102,873)	52,318	201,867	(118,642)	83,225
Others	59,122	(33,177)	25,945	62,855	(36,729)	26,126
Buildings and other constructions under construction	230,809	(161,211)	69,598	262,499	(169,730)	92,769
Housing	202,056	(141,974)	60,082	230,533	(148,568)	81,965
Others	28,753	(19,237)	9,516	31,966	(21,162)	10,804
Land	690,977	(480,102)	210,875	840,019	(583,070)	256,949
Consolidated urban land	597,149	(405,228)	191,921	462,477	(343,477)	119,000
Other land	93,828	(74,874)	18,954	377,542	(239,593)	137,949
Real estate assets from mortgage financing to households for house purchase	361,864	(192,792)	169,072	418,295	(224,023)	194,272
Rest of real estate assets foreclosed or received in payment of debts (4)	335,105	(204,557)	130,548	422,888	(252,331)	170,557
Equity instruments awarded or received in payment of debts	**8,768**	**(4,319)**	**4,449**	**30,945**	**(23,397)**	**7,548**
Investments in real estate entities	**195,655**	**(3,616)**	**192,039**	**166,232**	**(228)**	**166,004**
Equity instruments of entities holding real estate assets foreclosed or received in payment of debts (5)	143,253	-	143,253	115,619	-	115,619
Financing to entities holding real estate assets foreclosed or received in payment of debts (5)	52,402	(3,616)	48,786	50,613	(228)	50,385
	2,037,491	**(1,182,647)**	**854,844**	**2,405,600**	**(1,408,150)**	**997,450**

(1) This includes real estate assets foreclosed or received in payment of debts from financing granted in relation to businesses in Spain, as well as equity investments and financing to entities holding such assets, regardless of how ownership was acquired and the balance sheet item in which they are classified, except for those classified as property, plant and equipment for own use.

(2) Amount at which the assets are recorded in the consolidated balance sheet, as established in point 164 of Annex 9 of Circular 4/2017 of November 27, before deducting accumulated impairment.

(3) This includes all real estate assets from financing for construction and real estate development, regardless of the sector and main economic activity of the company or individual entrepreneur that delivered the asset.

(4) This includes real estate assets that do not derive from financing for construction and real estate development or mortgage financing to households for the acquisition of housing.

(5) All participations in the capital and financing to entities holding real estate assets awarded or received in payment of debts will be recorded.

As can be seen in the table above, at December 31, 2022 the gross acquisition cost of foreclosed real estate, therefore excluding equity instruments and investments in real estate entities, amounts to 1,833,069 thousand Euros, with a total coverage of provisions of 1,174,712 thousand Euros, representing a coverage level over the gross acquisition cost of 59% (2,208,423 thousand Euros at December 31, 2021, with a total coverage of 1,384,525 thousand Euros, which represented a coverage level of 63%).

48. Information on payment deferrals made to suppliers. Third additional provision - Duty of information of Law 15/2010, of July 5

In compliance with the provisions of Law 15/2010, of July 5, amending Law 3/2004, of December 29, establishing measures to combat late payment in commercial transactions, which has been developed by the Resolution of December 29, of the Spanish Accounting and Auditing Institute (ICAC), on the information to be included in the notes to the financial statements in relation to deferrals of payment to suppliers in commercial transactions, we hereby state that:

- In view of the activities in which the Group is basically engaged, the information relating to debt deferrals relates basically to payments to suppliers for the rendering of services and sundry supplies, other than payments to depositors and holders of securities issued by the Group, which were made in all cases in strict compliance with the contractual and legal deadlines established for each of them, whether they were payable on demand or with deferred payment.

- Payments made by the Unicaja Banco Group to suppliers exclusively for the rendering of services and the supply of sundry services in 2022 amounted to 1,225,343 thousand Euros (569,543 thousand Euros in 2021), which were made within the legally and contractually established deadlines. The balance pending payment to suppliers as of December 31, 2022 and 2021 had a shorter term than the one established by Law 15/2010, of July 5.

In accordance with the provisions of the second final provision of Law 31/2014, of December 3, amending the third additional provision of Law 15/2010, and in relation to the information to be included in the notes to the consolidated financial statements on deferrals of payment to suppliers in commercial transactions calculated based on the provisions of the Resolution of January 29, 2016, of the Spanish Accounting and Audit Institute, the average payment period to suppliers of the Group for the years 2022 and 2021 is 14.14 days and 12.99 days, respectively, while the ratio of transactions paid for those years amounts to 14.10 days and 12.04 days, respectively, and the ratio of transactions pending payment amounts to 26.74 days and 16.83 days, respectively.

The average payment period was within the legal limits set in the regulations, so the inclusion in the management report of the measures provided for in Section 1 of Article 262 of the Consolidated Text of the Capital Companies Act does not apply.

Additionally, Law 18/2022 requires trading companies to provide additional information as of 2022 regarding the monetary volume and number of invoices paid in a period shorter than the maximum legally established (30 days), as well as the percentage they represent of the total. In this regard, Unicaja Banco paid a total of 198,832 invoices during 2022, of which 164,903 invoices were paid within the legal maximum term (82.94% of the total). In terms of monetary volume, Unicaja Banco has paid a total of 435,177 thousand Euros during 2022, of which 366,997 thousand Euros have been paid in a term lower than the legal maximum (84.33% of the total).

49. Customer Service

In compliance with the provisions of Article 17.2 of Order ECO/734/2004, of March 11, on customers service departments and services and the ombudsman of financial institutions, it should be noted from the contents of the report of the Bank’s Customer Service Department that 87.88%of the complaints and claims received in 2022 were resolved in that period (87.86% in 2021). The rest, pending at the end of 2022, are expected to be resolved within the maximum term established in the Regulations and in the Bank’s Customer Protection Regulations, depending on their type.

APPENDIX I
INDIVIDUAL FINANCIAL STATEMENTS OF UNICAJA BANCO

Individual balance sheets as of December 31, 2022 and December 31, 2021.

	Thousands of Euros	
	2022	2021
Cash, cash balances with central banks, and other demand deposits	4,660,517	21,295,899
Financial assets held for trading	32,771	15,514
Financial assets not held for trading compulsorily measured at fair value through profit or loss	146,549	228,227
Financial assets valued at fair value with changes in income	-	-
Financial assets at fair value through other comprehensive income	485,658	566,099
Financial assets at amortized cost	83,585,076	83,906,848
Derivatives – Hedge accounting	1,812,887	815,044
Changes in the fair value of hedged items in a portfolio hedged against interest rate risk	(237,836)	99,301
Investments in subsidiaries, joint ventures and associates	1,722,996	1,682,612
Tangible assets	1,610,012	1,683,156
Intangible assets	37,418	35,939
Tax assets	4,876,970	5,022,357
Other assets	576,453	329,329
Non-current assets and disposable groups of items classified as held for sale	171,418	282,874
Total assets	**99,480,889**	**115,963,199**
Financial liabilities held for trading	37,919	15,355
Financial liabilities valued at fair value with changes in income	-	-
Financial liabilities at amortized cost	89,594,738	106,238,850
Derivatives – Hedge accounting	1,081,824	999,690
Changes in the fair value of hedged items in a portfolio hedged against interest rate risk	-	-
Provisions	1,071,953	1,528,710
Tax liabilities	349,400	339,215
Share capital repayable on demand	-	-
Other liabilities	601,106	370,800
Liabilities included in disposal groups that have been classified as held for sale	-	-
Total liabilities	**92,736,940**	**109,492,620**
Own funds:	6,863,131	6,679,258
Capital or endowment fund	663,708	663,708
Share premium	1,322,995	1,322,995
Equity instruments issued other than share capital	547,385	547,385
Accumulated earnings	3,832,350	2,803,600
Revaluation reserves	-	-
Other reserves	261,682	260,084
Less: Own shares	(148)	(3,359)
Profit or loss for the year	235,059	1,084,845
Less: Interim dividends	-	-
Other cumulative overall income:	(119,082)	(208,679)
Elements that will not be reclassified as income	(18,694)	95,596
Items that can be reclassified as income	(100,388)	(304,275)
Total net equity	**6,743,949**	**6,470,579**
Total liabilities and net equity	**99,480,889**	**115,963,199**
Commitments for loans granted	4,521,265	5,351,395
Financial guarantees granted	67,888	248,973
Other commitments granted	4,753,333	6,038,273

(*) Information presented, solely and exclusively, for comparative purposes.

APPENDIX I
INDIVIDUAL FINANCIAL STATEMENTS OF UNICAJA BANCO

Individual profit and loss accounts for the years 2022 and 2021:

	Thousands of Euros	
	2022	2021
Interest income	1,260,632	864,515
Interest expense	(201,503)	(121,900)
Net interest margin	**1,059,129**	**742,615**
Dividend income	92,779	46,715
Fee revenue	519,176	366,617
Fee expenses	(50,771)	(32,999)
Gains/losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	36,292	38,967
Gains/losses on financial assets and liabilities held for trading, net	14,404	12,661
Gains or (losses) on financial assets not held for trading measured at fair value through profit or loss, net	(3,918)	(1,987)
Gains/losses on financial assets and liabilities designated at fair value through profit or loss, net	(5,022)	-
Gains/losses resulting from hedge accounting, net	5,512	(1,403)
Gains/losses on write-off of non-financial asset accounts, net	-	-
Exchange differences/losses, net	9,546	3,998
Other operating income	38,229	35,188
Other operating expense	(178,306)	(172,094)
Gross margin	**1,537,050**	**1,038,278**
Administrative expenses	(737,042)	(609,633)
Amortization	(78,759)	(62,074)
(Provisions or reversal of provisions)	(94,283)	(498,720)
(Impairment or reversal of impairment of financial assets not measured at fair value through profit or loss and net gains or losses from modification)	(210,426)	(178,605)
Profit or loss from operating activities	**416,540**	**(310,754)**
Impairment of value or reversal of investments in joint ventures or associated companies	(109,240)	(4,167)
Impairment of value or reversal of non-financial assets	12,832	(2,769)
Gains/ losses when writing off non-financial assets and participations in accounts, Net	7,704	5,130
Negative goodwill recognized in profit or loss	-	1,301,333
Gains/losses from non-current assets and disposal groups of items classified as held for sale not eligible as discontinued operations	7,057	(5,994)
Profit/loss before tax from continuing operations	**334,893**	**982,779**
Income/expenses for taxes on profits from continuing activities	(99,834)	102,066
Profit/loss after tax from continuing operations	**235,059**	**1,084,845**
Profit/loss after tax from discontinued operations	-	-
Profit or loss for the year	**235,059**	**1,084,845**

(*) Information presented, solely and exclusively, for comparative purposes.

APPENDIX I
INDIVIDUAL FINANCIAL STATEMENTS OF UNICAJA BANCO

Individual statements of recognized income and expense for fiscal years 2022 and 2021:

	Thousands of Euros	
	2022	**2021**
Profit or loss for the year	**235,059**	**1,084,845**
Other comprehensive income	**89,596**	**(129,977)**
Elements that will not be reclassified as income	**(114,291)**	**23,308**
Actuarial gains (losses) on defined benefit pension plans	(15,576)	9,321
Non-current assets and disposal groups classified as held for sale	-	-
Fair value changes of equity instruments measuring at fair value through other comprehensive income	(105,755)	23,977
Gains or (losses) resulting from accounting for hedges of equity instruments valued at fair value with changes in other comprehensive income, net	-	-
Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in credit risk	-	-
Other valuation adjustments	-	-
Tax on gains related to the items that will not be reclassified	7,040	(9,990)
Items that can be reclassified as income	**203,887**	**(153,285)**
Hedges of net investments in foreign transactions (effective part)	-	-
Conversion of foreign currency	-	-
Cash flow hedging (efficient part)	294,047	(218,799)
Hedging instruments (non-designated elements)	-	-
Debt instruments at fair value through other comprehensive income	(2,780)	(180)
Non-current assets and disposal groups classified as held for sale	-	-
Income tax in relation to the items that may be reclassified in gains or losses	(87,380)	65,694
Total overall profit or loss for the year	**324,655**	**954,868**

(*) Information presented, solely and exclusively, for comparative purposes.

APPENDIX I
INDIVIDUAL FINANCIAL STATEMENTS OF UNICAJA BANCO

Individual statements of changes in shareholders' equity for fiscal years 2022 and 2021:

	Capital and Additional paid-in capital	Equity instruments issued other than share capital	Accumulated earnings	Other reserves	Own shares	Profit or loss for the year	Other cumulative overall income	Total
Opening balance as of 12.31.2021	**1,986,703**	**547,385**	**2,803,600**	**260,084**	**(3,359)**	**1,084,845**	**(208,679)**	**6,470,579**
Effects of error correction	-	-	-	-	-	-	-	-
Effects of changes to accounting policies	-	-	-	-	-	-	-	-
Opening balance at 01/01/2021	**1,986,703**	**547,385**	**2,803,600**	**260,084**	**(3,359)**	**1,084,845**	**(208,679)**	**6,470,579**
Total overall profit or loss for the year	**-**	**-**	**-**	**-**	**-**	**235,059**	**89,597**	**324,656**
Other changes in net equity	**-**	**-**	**1,028,750**	**1,598**	**3,211**	**(1,084,845)**	**-**	**(51,286)**
Issue of common shares	-	-	-	-	-	-	-	-
Issue of preferred shares	-	-	-	-	-	-	-	-
Issue of other equity instruments	-	-	-	-	-	-	-	-
Exercising or expiry of other equity instruments issued	-	-	-	-	-	-	-	-
Conversion of debt into net equity	-	-	-	-	-	-	-	-
Share capital decrease	-	-	-	-	-	-	-	-
Dividends (or remuneration of shareholders)	-	-	(98,291)	-	-	-	-	(98,291)
Purchase of own shares	-	-	-	-	(15)	-	-	(15)
Sale or cancellation of own shares	-	-	507	-	3,226	-	-	3,733
Reclassification of financial instruments from net equity to liabilities	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liabilities to net equity	-	-	-	-	-	-	-	-
Transfers between components of net equity	-	-	1,084,845	-	-	(1,084,845)	-	-
Increase (decrease) in equity resulting from business combinations	-	-	-	-	-	-	-	-
Stock-based payments	-	-	-	-	-	-	-	-
Other increases (decreases) in net equity	-	-	41,689	1,598	-	-	-	43,287
Closing balance at 31.12.2022	**1,986,703**	**547,385**	**3,832,350**	**261,682**	**(148)**	**235,059**	**(119,082)**	**6,743,949**

(*) Information presented, solely and exclusively, for comparative purposes.

	Capital and Additional paid-in capital	Equity instruments issued other than share capital	Accumulated earnings	Other reserves	Own shares	Profit or loss for the year	Other cumulative overall income	Total
Opening balance at 12/31/2020	**2,902,756**	**47,429**	**917,786**	**261,485**	**(92)**	**163,927**	**(78,702)**	**4,214,589**
Effects of error correction	-	-	-	-	-	-	-	-
Effects of changes to accounting policies	-	-	-	-	-	-	-	-
Opening balance at 01/01/2021	**2,902,756**	**47,429**	**917,786**	**261,485**	**(92)**	**163,927**	**(78,702)**	**4,214,589**
Total overall profit or loss for the year	**-**	**-**	**-**	**-**	**-**	**1,084,845**	**(129,977)**	**954,868**
Other changes in net equity	**(916,053)**	**499,956**	**1,883,537**	**(1,401)**	**(3)**	**(163,927)**	**-**	**1,301,121**
Issue of common shares	1,075,072	-	(244,579)	(3,061)	-	-	-	827,432
Issue of preferred shares	-	-	-	-	-	-	-	-
Issue of other equity instruments	-	500,000	-	-	-	-	-	**500,000**
Exercising or expiry of other equity instruments issued	-	-	-	-	-	-	-	-
Conversion of debt into net equity	-	-	-	-	-	-	-	-
Share capital decrease	(1,991,125)	-	1,991,125	-	-	-	-	-
Dividends (or remuneration of shareholders)	-	-	(23,492)	-	-	-	-	(23,492)
Purchase of own shares	-	-	-	-	(3,282)	-	-	**(3,282)**
Sale or cancellation of own shares	-	-	-	-	15	-	-	15
Reclassification of financial instruments from net equity to liabilities	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liabilities to net equity	-	-	-	-	-	-	-	-
Transfers between components of net equity	-	-	163,927	-	-	(163,927)	-	-
Increase (decrease) in equity resulting from business combinations	-	-	-	1,652	-	-	-	1,652
Stock-based payments	-	-	-	-	-	-	-	-
Other increases (decreases) in net equity	-	(44)	(1,167)	8	-	-	-	(1,203)
Closing balance at 12/31/2021	**1,986,703**	**547,385**	**2,803,600**	**260,084**	**(3,359)**	**1,084,845**	**(208,679)**	**6,470,579**

(*) Information presented, solely and exclusively, for comparative purposes.

APPENDIX I
INDIVIDUAL FINANCIAL STATEMENTS OF UNICAJA BANCO

Statements of individual cash flows corresponding to the years 2022 and 2021:

	Thousands of Euros	
	2022	**2021**
Cash flows from operating activities	**(16,845,022)**	**13,963,284**
Profit or loss for the year	235,059	1,084,845
Adjustments to obtain the cash flows from operating activities	629,981	1,124,518
Increase/decrease net of operating assets	(457,971)	4,372,159
Increase/decrease net of operating liabilities	(17,228,244)	7,772,928
Income tax collections/(payments)	(23,847)	(391,166)
Cash flows from investment activities	**(157,657)**	**189,391**
Payments	(640,969)	(47,851)
Collections	483,312	237,242
Cash flows from financing activities	**367,297**	**476,424**
Payments	(432,206)	(23,591)
Collections	799,503	500,015
Effect of exchange rate variations	**-**	**-**
Net increase/ decrease in cash and cash equivalents	**(16,635,382)**	**14,629,099**
Cash and equivalents at the beginning of the period	21,295,899	6,666,800
Cash and cash equivalents at the end of the period	4,660,517	21,295,899

(*) Information presented, solely and exclusively, for comparative purposes.

APPENDIX II
AGENCY AGREEMENTS AS AT December 31, 2022

FINANCIAL AGENTS	GEOGRAPHIC SCOPE OF ACTION
A&C TIERRA SUR INVERSIONES, S.L.	RAMBLA (LA)
ABAD PEREZ, GUILLERMO	COVALEDA
ABELLAN BERRUEZO, MARIA DOLORES	MOJACAR
ACOSTA GONZALEZ, RAUL	CANDELEDA
ACTIVIDADES FINANCIERAS Y SERVICIOS MJ, S.L.	SPAIN
AGENCIA FINANCIERA FJ RAMIREZ, S.L.	VELEZ-RUBIO*MARIA*VELEZ-BLANCO
AGUDO ROMERO, ANA	BAÑOS DE LA ENCINA
ALAMO ESCALADA, MARIA DEL PILAR	SPAIN
ALBARRACIN GARRIDO, ISABEL MARIA	TURRE
ALCARAZ FORTE, JOSE MANUEL	RAGOL
ALFONSO Y CHEMA ASESORES, S.L.	LAHIGUERA
ALGABA MACIAS, GEMA	SPAIN
ALONSO ARIENZA, ELENA	GRADEFES
ALONSO CRUZ, MARIA ISABEL	VIATOR
ALONSO GARCIA, AITOR	CARRIZO
ALONSO SALCEDO, PATRICIA	SPAIN
ALQIMAT OPORTUNIDADES DE NEGOCIO, S.L.	POZOBLANCO
ALVAREZ DEVESA, DAVID	VIANA DE CEGA
ALVAREZ MUÑIZ, MARIA	SPAIN
AMADOR ROJO, CAROLINA	VALDERRUEDA
ANTUNEZ CABELLO, LUIS SALVADOR	ANTEQUERA
ANTUNEZ PEREIRA, MARIA	SPAIN
APARICIO COB, VICTOR MANUEL	LANGA DE DUERO
APLAGEST CONSULTING, S.L.	CAMPO DE CRIPTANA
ARAGON JIMENEZ, JOSE MANUEL	ZAHARA
ARDINES BLANCO, ALBA	SPAIN
ARES LOZANO, MARIA	CARBAJOSA DE LA SAGRADA
ARGUDO ATIENZA, LUCIA	SPAIN
ARREGUI CUEVAS, JOAQUIN	OSUNA
ARROYO BLANCO, JUAN ANGEL	VILLAMANRIQUE*COZAR
ARROYO PANIAGUA, MARIA CRISTINA	SPAIN
ASENJO ISABEL, JULIO	SPAIN
ASENSIO AGUILA, MARIA DOLORES	BAYARCAL
ASESORIA FISCAL FERNANDEZ LOPEZ, S.L.	VILCHES
ASESORIA TREMP, S.L	FREGENAL DE LA SIERRA
ASISTENCIA TRIBUTARIA KOGARASHI, S.L.	SPAIN
ATEEX SEGURIDAD, S.L.	SPAIN
AYALA LOPEZ, GEMA	ALHABIA
AYALA SALGUERO, DOLORES	PRUNA
AYUSO SERRANO, ANTONIO	TORRE DE JUAN ABAD
AZUER INSURANCE, S.L.	MEMBRILLA
BALLESTEROS ENCINAS, MARIA DEL CARMEN	SPAIN
BARBA CIUDAD, CRISTINA	TORRALBA DE CALATRAVA
BARBA REDONDO, ESMERALDA	SACERUELA
BARBERO MERINO, CESAR	VILLAMAYOR
BAREA JIMENEZ, ISMAEL	VILLALUENGA DEL ROSARIO
BARRA SALAS, SEBASTIANA	SPAIN
BARRERA BODES, RAMON	CASAR DE CACERES
BECERRA TABUYO, BLANCA	MONTEJAQUE
BELTRAN PEREZ, MIGUEL ANGEL	PRADO DEL REY
BENITEZ MONTERO, MARIA LUZ	ZAHARA
BENZADONMUÑOZ, S.L.	YUNQUERA*BURGO (EL)
BERNABEU TORRECILLAS, TEODORO	CARBONEROS
BERNARDO FAUS, DANIEL	ASTORGA
BERRON HERNANDEZ, JOSE MIGUEL	MUÑANA
BESANA GESTION S.L.	SPAIN
BLANCO DEL RIO, JAVIER	MATALLANA DE TORIO
BLANCO MACIAS, LIDIA	LINARES DE RIOFRIO
BLANCO SAN EMETERIO, BARBARA	SPAIN
BONIFACIO SANCHEZ, JULIO	SPAIN
BOTELLO BARRERO, ROSA MARIA	OLIVENZA
BRAVO FERNANDEZ, VICTOR ALONSO	SPAIN
BRETON SOLUCIONES FINANCIERAS, S.L.	SPAIN
BRUNA CEREZO, JOSE MANUEL	LOPERA
C.L.T. ASESORES, S.L.	SPAIN
CABRERO BENEITEZ, LUIS FERNANDO	FERMOSELLE
CACHOLAS SERVICIOS FINANCIEROS, S.L.	SPAIN

APPENDIX II
AGENCY AGREEMENTS AS AT December 31, 2022

FINANCIAL AGENTS	GEOGRAPHIC SCOPE OF ACTION
CALDERON CORDERO, MARIA TERESA	ALARAZ
CALDERON ZAPATA, JOSE ANTONIO	SPAIN
CAMACHO CAMPOY, ANDRES	SPAIN
CAMPAYO OLEA, JOSE ANDRES	TORREPEROGIL
CAMPIÑA ASESORES, S.R.L.	VILLANUEVA DE LOS CASTILLEJOS*BEAS
CANIEGO MONREAL, CARLOS	SPAIN
CANO ACEITUNO, ANTONIO JESUS	FRAILES
CANUTO ALAMO, VICENTE	VISO DEL MARQUES
CARNERO SALVADOR, MARIA ISABEL	VILLANUEVA DEL CAMPO
CARO ROYON, CESAR EMILIO	SPAIN
CARRETERO MADRID, JAVIER	SPAIN
CARRION CORRAL, MARIA DEL PILAR	PURCHENA
CARRION MARTINEZ, JUAN CARLOS	SPAIN
CARTAS HUESO, ISABEL MARIA	RUS
CASTELLANO YESTE, ANTONIA	SERON
CASTRO BARBERO, MARIA PEÑAS ALBAS	SPAIN
CASTRO EXTREMERA, MARIA	VALDEPEÑAS DE JAEN
CAVAR MEDIACION S.L.	PEÑARROYA-PUEBLONUEVO
CAYFRA AGENTES FINANCIEROS, S.L.	SPAIN
CEBRIAN MONTEAGUDO, MARIA ENCARNACION	SPAIN
CELDRAN CANALES, JESUS JAVIER	SPAIN
CHECA GARRIDO, PALOMA	VINUESA
CHICA JIMENEZ, ANA	PEGALAJAR
COLLADO FERNANDEZ, ENRIQUE	SPAIN
COLLADO SAINZ, MARIA	SPAIN
CONSTRUC.Y PROM.TABERNO GESTI.INMOLIBILIARIAS,S.L	VELEZ-RUBIO
CORCHERO RETORTILLO, JESUS CARLOS	SPAIN
CORCHERO RETORTILLO, JULIO PEDRO	SPAIN
CORRAL PEREIRA, SOFIA	SAN EMILIANO
COUSIDO SANDOVAL, RAQUEL	TORRES DE ALBANCHEZ
CRIADO BUENO, GERARDO VICENTE	MATILLA DE LOS CAÑOS DEL RIO*ROLLAN
CSP 2020 AGENTE FINANCIERO, S.L.	SPAIN
CUESTA CALVO, RAQUEL	RENEDO DE ESGUEVA
CUESTA LOPEZ, SANTOS	SPAIN
DE ARRIBA ALONSO, BEATRIZ	BARRUECOPARDO
DE FUENTE CUERVO, MARIA DEL SOL	VECILLA (LA)*VEGAS DEL CONDADO
DE LA ROSA GARCIA, JULIAN	SPAIN
DE LUIS GARCIA, ELIAS	SPAIN
DEFERRE CONSULTING, S.L.	MAYORGA
DIAZ FERNANDEZ, JESUS	SPAIN
DIAZ SILVA, NANCY	PARAMO DEL SIL
DIAZ TABUENCA, MARIA TERESA	SPAIN
DIGES INES, NIEVES	SPAIN
DINAMEDIA ASISTENCIA DE GESTION TRIBUTARIA, S.L.	SPAIN
DOBLE ZETA EUROPA, S.L.	SPAIN
DOMINGUEZ CASTRILLO, MARTIN ANGEL	ALMANZA
DOMINGUEZ HOYAS, RODRIGO	DELEITOSA
DOMINGUEZ Y PERRINO, S.L.	FUENTES DE OÑORO
DURAN LOPEZ, LAURA	VEGA DE ESPINAREDA
ECN SERVICIOS DE CAPITAL FINANCIERO, S.L.	SPAIN
ENCABO OBREGON, BENJAMIN BORJA	CABEZON DE PISUERGA
ENCABO SANTOS, NATALIA	SPAIN
ESCANDELL&ESCRIHUELA, S.L.	SPAIN
ESCRIBANO RODRIGUEZ, NELSON	SPAIN
ESTEBAN RODRIGUEZ, CECILIO	MAYA (LA)
ESTEVEZ HERNANDEZ, CARLOS	SOTOSERRANO*LEDRADA
EXPOSITO ORCERA, TANYA	CHICLANA DE SEGURA
FERNANDEZ ARROYO, ERNESTO JAVIER	CASTELLAR DE SANTIAGO
FERNANDEZ CARBAJOSA, ALBERTO	SPAIN
FERNANDEZ CORDERA, JOSE MAXIMINO	SPAIN
FERNANDEZ CORRAL, OSCAR PEDRO	QUINTANA DEL PUENTE
FERNANDEZ ENRIQUEZ, PABLO	ALCOLEA
FERNANDEZ GIRALDO, MARIA INMACULADA	SPAIN
FERNANDEZ LARA, JESUS	SPAIN
FERNANDEZ LLORENTE, NATALIA	ADRADA (LA)
FERNANDEZ MARQUEZ, DANIEL	BOVEDA DE TORO (LA)*LAGUNA DE NEGRILLOS
FERNANDEZ RAMOS, AMELIA	SPAIN

APPENDIX II
AGENCY AGREEMENTS AS AT December 31, 2022

FINANCIAL AGENTS	GEOGRAPHIC SCOPE OF ACTION
FERNANDEZ REDONDO, JESUS	FUENCALIENTE
FERNANDEZ RIVERA, PABLO	FONDON
FERNANDEZ SALVADOR, JESUS	MANGANESES DE LA LAMPREANA
FERNANDEZ SANCHEZ, ANTONIO JOSE	ALMOGIA
FIDALGO VELASCO, MARIA DEL CAMINO	BECERRIL DE CAMPOS
FINANCAJA PELIGROS, S.L.	PELIGROS
FINANCECO 3006, S.L.	SPAIN
FINANCIAL SERVICES NORTH OF SPAIN,S.L.	CISTERNIGA
FINANZASCORROTO, S.L.	SPAIN
FINISTROSA MONTES, YENNIFER	RIAÑO
FRAILE GARCIA, MARIA CARMEN	SPAIN
FRESNEDA CASTRO, ALICIA	VILLANUEVA DE LA FUENTE
GALERA MASEGOSA, ENCARNACION MARIA	ARBOLEAS
GALLEGO SANCHEZ, ANTONIA	SAN CARLOS DEL VALLE
GARCIA ALVAREZ, SANDRA OFELIA	SPAIN
GARCIA CABAS, RHUT SEHILA	SPAIN
GARCIA CABRERO, JORGE MANUEL	CAMPASPERO
GARCIA CASERO, IRENE	ALCOLEA DE CALATRAVA
GARCIA DIEZ, VICTOR	QUINTANILLA DE ONESIMO
GARCIA DOMINGUEZ, FRANCISCA	SETENIL DE LAS BODEGAS
GARCIA FERNANDEZ, ENRIQUE	SPAIN
GARCIA GOMEZ, CARLOS	VILLAFRANCA DEL BIERZO
GARCIA GONZALEZ, ALVARO	VALDERAS
GARCIA HERNANDEZ, VANESA	SAN PEDRO MANRIQUE
GARCIA MAROTO FERNANDEZ, SONIA	SPAIN
GARCIA MERINO, BENITO JAVIER	SPAIN
GARCIA MONTOYA, JOSE MANUEL	GUARROMAN
GARCIA PRIETO, ALICIA	BRAZATORTAS
GARCIA PRIETO, RAQUEL	VALDEPOLO
GARCIA RUIZ, YOLANDA	SPAIN
GARCIA SANCHO, CRISTINA	SPAIN
GARCIA SERRANO, JAVIER ENRIQUE	SPAIN
GARDUÑO CALVO, JOSE	SERRADA
GARRIDO SOLANA, CESAR	SPAIN
GESTION 3 ULEILA, S.L.	SORBAS*ULEILA DEL CAMPO
GESTORES FINANCIEROS Y TRIBUTARIOS FEGO 2021,S.L.	BENAVIDES*VILLAQUILAMBRE
GESTORIA INTERCAZORLA,S.L	IRUELA (LA)
GIL PRIETO, CARLOS ANTONIO	SPAIN
GJA FRESBAN, S.L.	SPAIN
GOMEZ ASENSIO, LUIS DANIEL	POZUELO DE CALATRAVA
GOMEZ COLLAZOS, ANA ISABEL	SPAIN
GOMEZ COLLAZOS, JOSE VIDAL	SPAIN
GOMEZ QUIRCE, ALEJANDRO	FUENTES DE NAVA
GOMEZ SANCHEZ, FRANCISCO GUILLERMO	CANTALPINO
GONZALEZ ALCARAZ, MARIA DE LOS ANGELES	MOJONERA (LA)
GONZALEZ ARIAS, MARIA DEL MAR	OHANES
GONZALEZ CARCELEN, ANTONIO	SPAIN
GONZALEZ GARCIA, ANGEL	SPAIN
GONZALEZ GARCIA, ANTONIO	OJEN
GONZALEZ GONZALEZ, VANESA	SPAIN
GONZALEZ HERNANDEZ, DAVID	SPAIN
GONZALEZ IBAÑEZ, MANUEL	SPAIN
GONZALEZ MARTIN, CRISTINA	HERRERA DE PISUERGA
GONZALEZ MARTIN, JUDITH	CERVERA DE PISUERGA
GONZALEZ MARTINEZ, YASMINA	GENAVE*PUENTE DE GENAVE
GONZALEZ PLAZA, MARIA ISABEL	CALVARRASA DE ABAJO
GONZALEZ RODRIGUEZ, FRANCISCO	SPAIN
GONZALVEZ PEREZ, NEFTALI	SANTA FE DE MONDUJAR
GORDO MUÑOZ, MIGUEL	CORTEGANA
GRANADOS LOPEZ, MARIA DE LOS ANGELES	ALCALA LA REAL
GUTIERREZ ANTOLIN, ANA ISABEL	SPAIN
GUTIERREZ GARCIA, JAVIER	VILLAMURIEL DE CERRATO
GUTIERREZ MENENDEZ, FRANCISCO JAVIER	SPAIN
H&O RECURSOS ECONOMICOS,S.L	LUQUE
HARO RODRIGUEZ, DOMINGA PILAR	CARRIZOSA
HERNANDEZ NIEVES, JUAN CARLOS	SPAIN
HERRERA PEREZ, MOISES	NAVAS DE SAN JUAN

APPENDIX II
AGENCY AGREEMENTS AS AT December 31, 2022

FINANCIAL AGENTS	GEOGRAPHIC SCOPE OF ACTION
HERRERO HERRERO, RICARDO	SPAIN
IGLESIAS DIAZ, CARLA	SPAIN
INDA SERVICIOS FINANCIEROS, S.L.	SPAIN
INDALHOME INVERSIONES,S.L.	GALLARDOS (LOS)
INTERMEDIARIOS DE PRODUCTOS PARA EMPRESAS, S.L.	SPAIN
INVERSEG 2016, S.L.	SPAIN
INVERSIONES AGUADO MONTOZA, S.L.	OTURA
INVERSIONES E INTERMEDIACION 2022, S.L.	SPAIN
INVERSIONES TOMI 2020, S.L.	SPAIN
ISABENA CONSULTING, S.L.	SPAIN
IZQUIERDO SANTOS, BENITO	SPAIN
J.M.GESTION Y SERVICIOS,S.C.A	LAUJAR DE ANDARAX
JIMENEZ JIMENEZ, FRANCISCO	SPAIN
JIMENEZ ROMERO, FRANCISCO JESUS	GUARDIA DE JAEN (LA)
JIMENEZ SANCHEZ, ESTIVALIZ	SPAIN
JM MACHON82 INVERSIONES, S.L.	SPAIN
JODAR CASTRO, RAMON	CARBONERAS
JUAREZ PADILLA, MARIA ISABEL	RIOJA
LARA CORDOBA, BENITA	ARJONILLA
LEDESMA GUTIERREZ, JESUS	MUGA DE SAYAGO
LEON MINAYA, JESUS	ESCAÑUELA
LIEBANA JIMENEZ, JUAN	JAMILENA
LOGROSAN MORENO, SERGIO	SPAIN
LOMO SANCHEZ, SANTIAGO	ZARATAN
LOPEZ FELIX, LAURA	ALDEA DEL REY*VILLAMAYOR DE CALATRAVA
LOPEZ SANCHEZ, JUAN CARLOS	CABRERIZOS
LORENZO MACHO, LUIS ANGEL	ASTUDILLO*VILLARRAMIEL
LOZANO QUIJADA, CRISTOBAL	SPAIN
MACADALEO, S.L.	SPAIN
MACIAS RABANAL, MIGUEL ANGEL	VILLAMANIN*RIOSECO DE TAPIA
MAF GLOBAL XXI, S.L.	SPAIN
MANSO SANCHEZ, ANTONIA MARIA	TARIFA
MANUEL JESUS JIMENEZ LARA S.L	BRENES
MAQUEDA MUÑOZ, RAQUEL	SPAIN
MARCEM CONSULTORES, S.L.	SPAIN
MARCOS HERREZUELO, MARIA JOSE	MOJADOS
MARCOS SANCHEZ, SEVERO ENRIQUE	NAVA DEL REY
MARQUEÑO ROSA, JOSE MARIA	SPAIN
MARTIN HERNANDEZ, MARIA DE LOS ANGELES	SPAIN
MARTIN LANCHA, ROSA ESMERALDA	SPAIN
MARTIN LUCENA, VERONICA	ALMODOVAR DEL RIO
MARTIN MARTIN, MARIA ROCIO	TORQUEMADA
MARTIN RIVAS, BELEN	CORESES
MARTIN TORREJON, ANGEL	SPAIN
MARTINEZ ESCOBAR, ALFREDO	ARCOS DE JALON
MARTINEZ FERNANDEZ, LUIS	SERON
MARTINEZ GARCIA, CRISTINA ISABEL	SPAIN
MARTINEZ MORENO, MARIA DEL CARMEN	SPAIN
MARTINEZ ROMERO, EVANGELINA	IZNATORAF
MARTOS GARCIA, MARIA TERESA	ESPELUY
MARTOS MIRAS, MARIA DEL CARMEN	ALBANCHEZ
MARTOS PASTOR, MARIA AMALIA	ORIA
MARZAL LUJAN, CELIA	SPAIN
MASKIRONAVA, S.L.	SPAIN
MELENDEZ ROMAN, SONIA	TARIFA
MENDIOLA CONCHA, MARIA DE LOS ANGELES	VILLARTA DE SAN JUAN
MENENDEZ GONZALEZ, MARIA	SPAIN
MINGUEZ PEREZ, SONIA	OSORNO LA MAYOR
MOLINA ARTERO, PILAR	ARQUILLOS
MOLINA TORO, MONICA	VILLANUEVA DE TAPIA
MONTEJANO LOPEZ, FERNANDO JESUS	SPAIN
MONTERO CHACON, JORGE LUIS	CAMAS
MORA MALDALA,S.L.	BENAMARGOSA
MORENO ALCAÑIZ, JOSE LUIS	SPAIN
MORENO DE LA FUENTE, EMILIO JOSE	SPAIN
MORENO HERNANDEZ, JORGE FRANCISCO	SPAIN
MORENO MORENO, JESUS	IBROS

APPENDIX II
AGENCY AGREEMENTS AS AT December 31, 2022

FINANCIAL AGENTS	GEOGRAPHIC SCOPE OF ACTION
MORENO RUBIO, RAQUEL	SPAIN
MORENO SANCHEZ, PABLO JOSE	NIJAR
MOYA BALLESTEROS, MAIRENA	PUEBLA DEL PRINCIPE
MPF TORCAL,S.L.	ANTEQUERA*CUEVAS BAJAS
MUÑOZ MUÑOZ, CARLOS RUFINO	SPAIN
MUÑOZ MUÑOZ, JOSE	GAUCIN*JUBRIQUE
NAFORE GESTION FINANCIERA,S.L.U.	CORTIJOS (LOS)*PORZUNA
NARANJO FERNANDEZ, NATALIA	BOSQUE (EL)
NAVARRO LAO, FRANCISCA	GERGAL
NAVARRO LATORRE, ANTONIA	CUEVAS DEL ALMANZORA
NAVARRO MOLINA, FRANCISCO ALEJANDRO	GABIAS (LAS)*SALOBREÑA
NEVADO CHAMORRO, FRANCISCO MIGUEL	SPAIN
NEXION CONSULTORES, S.L.	CAMPONARAYA
NICODEMUS INVERSIONES, S.L.	SPAIN
NIETO JIMENEZ, MANUEL	FONTIVEROS
NOGUES & SORIANO, S.L.	SPAIN
NOVA GOMEZ, BEATRIZ	PUERTA DE SEGURA (LA)*ARROYO DEL OJANCO
NOVENTA Y TRES AFI INNOVATION, S.L.	SPAIN
OACHES, BIANCA IOANA	SPAIN
OJEDA CAZORLA, MARIA DEL SOL	SEGURA DE LA SIERRA
OMLOBE FINANCE, S.L.	SPAIN
OREJA MARTIN, PILAR	FUENTEGUINALDO
OROZCO PASTOR, JOSE MANUEL	CORIPE
ORTEGA BARREIRO, MARIA DE LA PAZ	VEGA DE VALCARCE
ORTIZ BERNABE, ALEJANDRO	ABLAFIÑANA
ORTIZ GOMEZ, MARIA ELENA	SPAIN
OVEJERO MARTIN, VICTOR	DUEÑAS
PABLOS SALGADO, JULIO CESAR	SPAIN
PADIAL PEREZ, MARIO	MARACENA
PADILLA TORRES, DAVID	BAENA
PAFISER, S.L.	SPAIN
PAYLITE, S.L.	SPAIN
PB ASESORES ECONOMIA Y EMPRESA, S.L.	CILLEROS
PEÑA BECERRA, ALEJANDRO	ESTEPONA
PEREZ ABRUÑA, MOISES	BURGANES DE VALVERDE
PEREZ ALARCON, PATRICIA	SPAIN
PEREZ GARCIA, MERCEDES	VILLABLINO
PEREZ GARCIA, RAQUEL	VILLANUEVA DE LAS MANZANAS
PEREZ GEMAR, FRANCISCO ANTONIO	CANILLAS DE ACEITUNO
PEREZ JIMENEZ, SONIA	BENALUP-CASAS VIEJAS
PEREZ LOPEZ, LAURIA	CANTORIA
PEREZ MORA, CRISTINA	ABENOJAR*BALLESTEROS DE CALATRAVA
PEREZ RAMOS, MARIA DE LA LUZ	TORRE DEL BIERZO
PEREZ RIVERA, JOSE JAVIER	SPAIN
PEREZ RUBIO, MARIA JESUS	SIERRO
PINAR MARTIN, S.L.	VILLANUEVA DE LA VERA
POMARES MOLINA, MARIA DEL CARMEN	GADOR
POZUELO DIAZ, OLGA	VILLADANGOS DEL PARAMO
PRIETO FERNANDEZ, DANIEL	VILLATURIEL
PRIETO MIGUEL, SONIA	CORRALES
PROFESSIONAL BANKING SERVICES S.L.	PEDRAJAS DE SAN ESTEBAN
PUENTE LEGUINA, ANGEL	SPAIN
PUERTAS MARTIN, ESTHER	ZARZA DE GRANADILLA
PUNTO EMPRESARIAL INTEGRAL MP, S.L.	SPAIN
QUESADA BLANCO, MARIA PILAR	CAMPILLO DE ARENAS
RAMIREZ CARMONA, MARIA DOLORES	CAROLINA (LA)
RAMIREZ SANCHEZ, FRANCISCO ANTONIO	VALLE DE ABDALAJIS
RANGEL TORRES, FRANCISCO JAVIER	CAZALILLA
RECIO ORTEGA, BEATRIZ	PERIANA
REDONDO MARCOS, JOSE LUIS	GOMARA
REQUEJO FERNANDEZ, BELEN	SPAIN
RIVAS DOMINGUEZ, MARIA DE LA PEÑA	SPAIN
RIVERO MANSILLA, ROSARIO	SPAIN
RIVERO ORTEGA, PATRICIA	ALCAUCIN
ROBLES GALLARDO, JOSE JESUS	ILLORA
RODRIGUEZ ALONSO, RENE	PUENTE DE DOMINGO FLOREZ
RODRIGUEZ ANGEL, MIRIAM	SPAIN

APPENDIX II
AGENCY AGREEMENTS AS AT December 31, 2022

FINANCIAL AGENTS	GEOGRAPHIC SCOPE OF ACTION
RODRIGUEZ CARTON, MARIA NIEVES	CASTROCONTRIGO
RODRIGUEZ GARCIA, JOSE MANUEL	JEREZ DE LOS CABALLEROS
RODRIGUEZ LAHIGUERA, EVANGELINA INES	VILLANUBLA
RODRIGUEZ MARTIN, SARA ALMUDENA	RIOFRIO DE ALISTE
RODRIGUEZ SAEZ, LAURA	SPAIN
RODRIGUEZ SANCHEZ, MAGALI	PEDROSO DE LA ARMUÑA (EL)
ROJAS TELLEZ, JOSEFA	JEREZ DE LA FRONTERA
ROJO FLORES, ALVARO	MOTA DEL MARQUES
ROJO FRUCTUOSO, CARLOS	VILLABRAGIMA
ROJO HERNANDEZ, MARIA CRUZ	SPAIN
ROMAN GARCIA, MARIA	FUENTE DE PIEDRA
ROMERA SORIA, MARIA EVA	SILES
ROMERO BALETA, EULALIA	SANTIAGO-PONTONES
ROSADO CHAPARRO, VERONICA	SPAIN
ROYUELA MORA, SARA	SPAIN
RUEDA VELASCO, FRANCISCO JOSE	BOLLULLOS DE LA MITACION
RUIZ LISBONA, CARMEN	ALMACHAR*BENAMOCARRA
RUIZ MORENO, JUAN	OLVEGA
RUIZ RODRIGUEZ, ANTONIO JAVIER	TOLOX
RUIZ SANCHEZ, JOSE MARIA	MESTANZA
SAINZ PASCUAL, CARLOS	BERLANGA DE DUERO
SAIZ DE LA PARTE, MURIEL	ALAR DEL REY
SALAMANQUES RANDO, MARIA CRISTINA	CASTRONUÑO
SALAS GARCIA, MARIA DEL PILAR	TORRE ALHAQUIME*GASTOR (EL)
SANCHEZ BARTOL, YOLANDA	ALDEADAVILA DE LA RIBERA
SANCHEZ BERJAGA, MARIA EUGENIA	ORCERA
SANCHEZ GARCIA, LUCIA	FRIGILIANA
SANCHEZ MENDEZ, MIGUEL	SPAIN
SANCHEZ MENENDEZ, FRANCISCO MANUEL	SPAIN
SANCHEZ MULAS, ALFONSA	CANTALAPIEDRA
SANCHEZ PEREZ, MIGUEL	OLMEDO
SANCHEZ RUIZ, ANTONIO	VILLARRODRIGO
SANCHEZ SANZ, DAVID	SAN PEDRO DEL ARROYO*MINGORRIA
SANCHO JIMENEZ, DAVID	SAUCEJO (EL)
SANDOVAL MARIN, FAUSTO	SPAIN
SANTAMARIA VIZAN, ANA BELEN	MORALEJA
SANTIAGO PEREZ, ALBERTO	GALENDE
SANTOS CLEMENTE, JESUS MARIA	SPAIN
SEGURA RODRIGUEZ, LUIS MIGUEL	BENATAE
SEGURADO HERNANDEZ, PABLO	CARBAJALES DE ALBA
SEGURSEÑORIO 2018, S.L.	SPAIN
SEGURTOJAR, S.L.	FUENTE-TOJAR
SERRANO ALONSO, ANDRES	RUEDA
SERRANO BIENER, SILVIA	SPAIN
SERRANO MARTIN, FRANCISCO JAVIER	SPAIN
SERVICIOS AGENCIADOS DEL NORTE, S.L.	SPAIN
SERVICIOS FINANCIEROS BAZA AGUADO,S.L.	ZARATAN
SERVICIOS FINANCIEROS MARTIN & ASOCIADOS, S.L.	SPAIN
SILIO Y CARREÑO, S.L.	SPAIN
SIMON & GARCIA SERVICIOS FINANCIEROS,S.L.	LUBRIN
SIÑERIZ DE PAZ, GONZALO	SPAIN
SOLA GARCIA, EMMA	CHIRIVEL
SOLIS FERRETE, DOLORES	CAÑETE LA REAL
SORIA ARROYO, PEDRO	MONTIEL
SUAREZ ALVAREZ, JUAN JOSE	SPAIN
TALAVERA GOMEZ, ANGEL	SPAIN
TAMARGO PELAEZ, MARIA JESUS	SPAIN
TAPIAS & BELLIDO INVESTMENT, S.L.	CUELLAR*CEBREROS
TEBA BARRAGAN, JOSE ANTONIO	PALMA DEL CONDADO (LA)
TEJERO JIMENEZ, FERNANDO	SPAIN
TERESA PEREZ, MARIA DEL CARMEN	SAN LEONARDO DE YAGÜE
TIRADOR GUTIERREZ, RAUL	SPAIN
TORAÑO FERNANDEZ, BORJA	SPAIN
TORRES TEJERINA, VICTOR MANUEL	ASPARIEGOS
TORRES TORRES, JUAN FRANCISCO	SPAIN
TRANDAL SWING, S.L.	ALMERIA
TROYANO GARCIA, JOSE RAFAEL	SIERRA DE YEGUAS

APPENDIX II
AGENCY AGREEMENTS AS AT December 31, 2022

FINANCIAL AGENTS	GEOGRAPHIC SCOPE OF ACTION
TRUJILLO CARMONA, FRANCISCO	ALOZAINA
TRUSAN GESTION FINANCIERA, S.L.	SPAIN
UREÑA ASENSIO, ANA MARIA	VALENZUELA DE CALATRAVA
V.R. FINANCIAL 3093, S.L.	SPAIN
VALDES MARTINEZ, MARIA DOLORES	SANTIBAÑEZ DE VIDRIALES
VALERO LOZANO, MARIA BELEN	FRESNO EL VIEJO
VALLEZ GOMEZ, ESMERALDA DE ZUQUECA	GRANATULA DE CALATRAVA
VALOR RODRIGUEZ, LORENA	SPAIN
VELASCO PALOMO, JOSE	CABEZARRUBIAS DEL PUERTO
VICENTE HERRERA, JOSE	CALZADA DE VALDUNCIEL
VICENTE HOLGADO, JUAN CARLOS	BABILAFUENTE
VIEJO RODRIGUEZ, CRISTINA	SPAIN
VIJANDE QUINTANA, MANUEL	SPAIN
VILLALABEITIA ELGUERO, MERCEDES	SPAIN
VILLAMOR RODRIGUEZ, ANGEL	PORTILLO
VILLAREJO BECERRA, INMACULADA	CUEVAS DEL BECERRO
VILLASCLARAS FERNANDEZ, JAVIER	ROBLA (LA)

APPENDIX III
GROUP ENTITIES AS AT December 31, 2022

Company Name	Tax ID Number	Registered Office	Activity	% of Capital Owned by The Group		
				% of Equity Interest		Total Holding
				Direct	Indirect	
Administradora Valtenas, S.L.U.	B33473737	Plaza de la Escandalera, 2, Oviedo	Business consulting	100.00%	0.00%	**100.00%**
Alqlunia Duero, S.L.U. (1)	B45541786	C/ Titán 8 - 2º, Madrid	Real estate development	100.00%	0.00%	**100.00%**
Análisis y Gestión de Innovación Tecnológica, S.L.U.	B91774422	Plaza de Santa María, 8, Cáceres	Parking lots	100.00%	0.00%	**100.00%**
Analistas Económicos de Andalucía, S.L.U.	B29714045	C/ San Juan de Dios, 1-2	Economic activity study and analysis	100.00%	0.00%	**100.00%**
Andaluza de Tramitaciones y Gestiones, S.A.U.	A29600178	C/ Angosta del Carmen 2 Entreplanta, Málaga	Management and settlement of documents and deeds	100.00%	0.00%	**100.00%**
Arco Explotaciones, S.L.U.	B10486348	Plaza de Santa María, 8, Cáceres	Farming	100.00%	0.00%	**100.00%**
Asturiana de Administración de Valores Mobiliarios, S.L.U.	B33473760	Plaza de la Escandalera, 2, Oviedo	Business consulting	100.00%	0.00%	**100.00%**
Banco Europeo de Finanzas, S.A.U.	A78963816	C/ La Bolsa, 4, piso 1 Málaga	Banking, financial activities	100.00%	0.00%	**100.00%**
Briareo Gestión, S.A.U.	A86081718	Camino Fuente de la Mora, 5, Madrid	Business consulting	100.00%	0.00%	**100.00%**
Caja Castilla La Mancha Iniciativas Industriales, S.L.U.	B45664224	Camino Fuente de la Mora, 5, Madrid	Holding company activities	100.00%	0.00%	**100.00%**
Camín de la Mesa, S.A.U.	A74014085	C/ San Francisco, 14, Planta 4, Oviedo	Business consulting	100.00%	0.00%	**100.00%**
Camping Alto Gallego, S.L.U.	B10488286	Plaza de Santa María, 8, Cáceres	Catering	0.00%	100.00%	**100.00%**
Cánovas Explotaciones, S.L.U.	B10488294	Plaza de Santa María, 8, Cáceres	Catering	100.00%	0.00%	**100.00%**
Cantábrica de Inversiones de Cartera, S.L.U.	B33473729	C/ Álvarez Garaya, 2, Planta 7, Gijón	Holding company activities	100.00%	0.00%	**100.00%**
CCM Brokers 2007 Correduría de Seguros, S.A.U.	A45652260	C/ Sillería, 18, Planta 3, Toledo	Insurance broker	100.00%	0.00%	**100.00%**
Concejo Explotaciones, S.L.U.	B10488328	Plaza de Santa María, 8, Cáceres	Catering	100.00%	0.00%	**100.00%**
Corporación Empresarial Caja Extremadura, S.L.U.	B10255404	Plaza de Santa María, 8, Cáceres	Consulting	100.00%	0.00%	**100.00%**
Ercávica Desarrollos, S.L.U.	B10490464	Plaza de Santa María, 8, Cáceres	Real estate development	100.00%	0.00%	**100.00%**
Explotaciones Santa Isabel, S.L.U.	B10485043	Plaza de Santa María, 8, Cáceres	Catering	100.00%	0.00%	**100.00%**
Factoría de Transformación de Operaciones y Servicios, S.L.U.	B45847837	C/ Ocaña, 1, Toledo	Other consulting activities	100.00%	0.00%	**100.00%**
Finca Las Huelgas, S.A.U.	A33363920	Villamayor, Piloña	Farming	100.00%	0.00%	**100.00%**
Gestión de Inmuebles Adquiridos, S.L.U.	B92954197	C/ Mauricio Moro Pareto nº 6, 6ª planta, Edf. Eurocom, Málaga	Real estate development	0.00%	100.00%	**100.00%**
Grafton Investments, S.L.U.	B87977476	Camino Fuente de la Mora, 5, Madrid	Catering	100.00%	0.00%	**100.00%**
Hoteles Layos, S.L.	B10485472	Plaza de Santa María, 8, Cáceres	Catering	46.22%	53.78%	**100.00%**
Instituto de Economía y Empresa, S.L.U.	B02109999	Camino Fuente de la Mora, 5, Madrid	Business consulting	100.00%	0.00%	**100.00%**

APPENDIX III
GROUP ENTITIES AS AT December 31, 2022

Company Name	Tax ID Number	Registered Office	Activity	% of Capital Owned by The Group		
				% of Equity Interest		Total Holding
				Direct	Indirect	
La Algara Sociedad de Gestión, S.L.U.	B91933523	C/ Mauricio Moro Pareto nº 6, 4ª, Edf. Eurocom, Málaga	Real estate development	0.00%	100.00%	**100.00%**
Liberbank Capital, S.A.U.	A74188988	C/ San Francisco, 14, Planta 4, Oviedo	Other activities auxiliary to financial services	100.00%	0.00%	**100.00%**
Liberbank Contact, S.L.U.	B02656924	Camino Fuente de la Mora, 5, Madrid	Call center activities	100.00%	0.00%	**100.00%**
Liberbank Digital, S.L.U.	B88074687	Camino Fuente de la Mora, 5, Madrid	IT services	100.00%	0.00%	**100.00%**
Liberbank Ebusiness, S.L.U.	B10490431	Camino Fuente de la Mora, 5, Madrid	Business consulting	100.00%	0.00%	**100.00%**
Liberbank I.T., S.L.U.	B74365115	C/ San Francisco, 14, Planta 4, Oviedo	IT Consulting	100.00%	0.00%	**100.00%**
Liberbank Pensiones, Sociedad Gestora de Fondos de Pensiones, S.A.U.	A81553398	Camino Fuente de la Mora, 5, Madrid	Pension fund manager	0.00%	100.00%	**100.00%**
Liberbank Servicios Financieros, S.A.U.	A81404592	Camino Fuente de la Mora, 5, Madrid	Other financial services	100.00%	0.00%	**100.00%**
Lisson Directorship, S.L.U.	B87977500	Camino Fuente de la Mora, 5, Madrid	Real estate development	100.00%	0.00%	**100.00%**
Midamarta, S.L.U.	B84921675	Camino Fuente de la Mora, 5, Madrid	Real estate development	100.00%	0.00%	**100.00%**
Mosacata, S.L.U.	B84921758	Camino Fuente de la Mora, 5, Madrid	Real estate development	100.00%	0.00%	**100.00%**
Norteña Patrimonial, S.L.U.	B33473745	Plaza de la Escandalera, 2, Oviedo	Business consulting	100.00%	0.00%	**100.00%**
Parque Industrial Humilladero, S. L.	B92503432	C/ Miguel Hernández, 1, Humilladero, Málaga	Real estate development	0.00%	92.00%	**92.00%**
Peña Rueda, S.L.U.	B74022872	C/ San Francisco, 14, Planta 4, Oviedo	Business consulting	100.00%	0.00%	**100.00%**
Pico Cortés, S.L.U.	B74022898	C/ San Francisco, 14, Planta 4, Oviedo	Business consulting	100.00%	0.00%	**100.00%**
Pico Miravalles, S.L.U.	B74022880	C/ San Francisco, 14, Planta 4, Oviedo	Business consulting	100.00%	0.00%	**100.00%**
Planes e Inversiones CLM, S.A.U.	A16144917	Camino Fuente de la Mora, 5, Madrid	Real estate development	100.00%	0.00%	**100.00%**
Pomarada Gestión, S.L.U.	B01800796	Camino Fuente de la Mora, 5, Madrid	Business consulting	100.00%	0.00%	**100.00%**
Procesa Recuperación de Activos, S.A.U.	A33516410	C/ San Francisco, 14, Planta 4, Oviedo	Legal activities	100.00%	0.00%	**100.00%**
Promociones Miralsur, S.L.U.	B84180330	Camino Fuente de la Mora, 5, Madrid	Real estate development	100.00%	0.00%	**100.00%**
Propco Blue 1, S.L.U.	B93597904	C/ Mauricio Moro Pareto nº 6, 6ª planta, Edf. Eurocom, Málaga	Real estate development	0.00%	100.00%	**100.00%**
Puertu Maravio, S.L.U.	B74014069	C/ San Francisco, 14, Planta 4, Oviedo	Business consulting	100.00%	0.00%	**100.00%**
Puntida, S.L.U.	B39557269	Pasaje Puntida, 1, Santander	Other professional, scientific and technical activities	100.00%	0.00%	**100.00%**
Segóbriga Desarrollos, S.L.U.	B10490449	Plaza de Santa María, 8, Cáceres	Catering	100.00%	0.00%	**100.00%**
Segurandalus Mediación, Correduría de Seguros, S.A.U.	A48484232	C/ Cuarteles nº 51 Ptl.1 Entreplanta Málaga	Insurance broker	100.00%	0.00%	**100.00%**
Sierra del Acebo, S.L.U.	B74014077	C/ San Francisco, 14, Planta 4, Oviedo	Business consulting	100.00%	0.00%	**100.00%**

APPENDIX III
GROUP ENTITIES AS AT December 31, 2022

Company Name	Tax ID Number	Registered Office	Activity	% of Capital Owned by The Group		
				% of Equity Interest		Total Holding
				Direct	Indirect	
Tiatordos, S.A.U.	A74022864	C/ San Francisco, 14, Planta 4, Oviedo	Business consulting	100.00%	0.00%	**100.00%**
Unicaja Gestión de Activos Inmobiliarios, S.A.U.	A93229516	Avda. Andalucía, 10-12, Málaga	Real estate development	100.00%	0.00%	**100.00%**
Unicartera Gestión de Activos, S.L.U.	B84537356	C/ Bolsa nº 4, planta 5ª, Málaga	Activities auxiliary to financial services	100.00%	0.00%	**100.00%**
Unicorp Patrimonio, Sociedad de Valores, S.A.U.	A92067131	C/ Bolsa, Nº 4, 1ª planta, Málaga	Asset management	100.00%	0.00%	**100.00%**
Unigest, S.G.I.I.C., S.A.U.	A29558798	Avda. Andalucía, 10-12, Málaga	Collective investment institution manager	100.00%	0.00%	**100.00%**
Unimediación Operador Banca Seguros, S.L.U.	B92802271	C/ Bolsa nº 4, planta 2, Málaga	Insurance broker	100.00%	0.00%	**100.00%**
Unión del Duero Seguros de Vida, S.A.U.	A37042975	C/ Titán 8-11, Madrid	Insurance	100.00%	0.00%	**100.00%**
Uniwindet, S.L.U.	B18602680	C/ Bolsa, Nº 4, 5ª planta, Málaga	Renewable energies	100.00%	0.00%	**100.00%**
Urbe Cantabria, S.L.U.	B39401179	Pasaje Puntida, 1, Santander	Real estate development	100.00%	0.00%	**100.00%**
Viacava – Incós de Energía, S.A.U.	A74235227	C/ San Francisco, 14, Planta 4, Oviedo	Catering	0.00%	100.00%	**100.00%**
Viproelco, S.A.U. (1)	A24501561	Av. Madrid 120, León	Real estate development	100.00%	0.00%	**100.00%**

(1) Company in liquidation.

APPENDIX IV
JOINTLY CONTROLLED ENTITIES AS AT December 31, 2022

Company Name	Tax ID Number	Registered Office	Activity	% of Capital Owned by The Group			Individual Results as of The Analysis Date	Non-current Asset	Current Asset	Non-current Liability	Current Liability	Total Earnings	Total Expenses
				% of Equity Interest		Total Holding							
				Direct	Indirect								
Dolun Viviendas Sociales, S.L. (1)	B91701854	C/ Muñoz Olivé 1, portal 1-1-C – Sevilla	Real estate development	0.00%	40.00%	40.00%	-	140	125	-	-	-	-
Espacio Medina, S.L. (3)	B85186526	Paseo del Club Deportivo (Ed.11), 1 – PQ.E – Pozuelo de Alarcón – Madrid	Real estate development	0.00%	30.00%	30.00%	(174)	3,124	9,733	1,073	1,325	204	(378)
Instituto de Medicina Oncológica y Molecular de Asturias, S.A. (3)	A74234709	Avenida Jose Maria Richard Grandio, S/N, Latores	Medicine	0.00%	33.33%	33.33%	(1,204)	1,031	723	84	1,359	1,568	(2,772)
Lares Val de Ebro, S.L. (5)	A84076975	Avda. Talgo 155 Madrid	Real estate development	33.33%	0.00%	33.33%	(292)	-	19,277	2	21,381	-	(292)
Liberbank Vida y Pensiones, Seguros y Reaseguros, S.A. (4)	A74087081	C/ Fruela, 8, Oviedo	Insurance	50.00%	0.00%	50.00%	24,340	275,869	2,165	264,978	1,408	32,114	(7,774)
Madrigal Participaciones, S.A. (1)	A47538301	Avda. Madrid, 120 Ed.El Portillo – León	Investment in assets, securities and financial companies	75.70%	0.00%	75.70%	(107)	2,035	20,206	-	62	-	(107)
Muelle Uno-Puerto Málaga, S.A. (3)	A92674522	Avda. de Andalucía 21- Entreplanta, Málaga	Real estate development	0.00%	39.74%	39.74%	1,037	38,907	8,004	19,665	2,053	7,920	(6,883)
Polígono Romica, S.A. (2)	A02182715	C/ Parque San Julián, 20, Cuenca	Real estate development	0.00%	50.00%	50.00%	(17)	1,016	-	-	-	13	(30)

APPENDIX IV
JOINTLY CONTROLLED ENTITIES AS AT December 31, 2022

Company Name	Tax ID Number	Registered Office	Activity	% of Capital Owned by The Group			Individual Results as of The Analysis Date	Non-current Asset	Current Asset	Non-current Liability	Current Liability	Total Earnings	Total Expenses
				% of Equity Interest									
				Direct	Indirect	Total Holding							
Promociones 2020 San Lázaro, S.L. (4)	B10488302	C/ López del Vallado, 2, Oviedo	Real estate development	0.00%	20.00%	20.00%	-	-	3,809	3,804	3	90	(90)
Rochduero, S.L. (6)	B11824430	C/ Armas 10-A Jerez de la Frontera (Cádiz)	Real estate development	54.09%	0.00%	54.09%	(359)	-	35,758	420	36,535	25	(385)
Sociedad de Gestión San Carlos, S.A. (2)	A11504842	Avda. San Juan Bosco,46. San Fernando – Cádiz	Real estate development	0.00%	62.20%	62.20%	(358)	-	14,300	-	8,299	-	(358)

(1) Financial data as of December 31, 2022.
(2) Financial data as of Friday, September 30, 2022.
(3) Financial data as of Wednesday, November 30, 2022.
(4) Financial data as of Saturday, December 31, 2022.
(5) Financial data as of Thursday, June 30, 2016. Company in liquidation.
(6) Financial data as of Wednesday, August 31, 2016. Company in liquidation.

Note: The financial information used for the equity method for the equity interest in the jointly controlled entities listed herein is the latest information available to the Bank as of the date of preparation of these consolidated financial statements. When this financial information does not correspond to Saturday, December 31, 2022, it is because information relating to a date very close to the end of 2022 has been used instead or because the jointly controlled entity has no relevant activity that could have a significant bearing on these consolidated financial statements (either because it is in liquidation or for other reasons with similar effects).

ANNEX V
ASSOCIATED COMPANIES AS AT December 31, 2022

Company name	Tax ID Number	Registered Office	Activity	% of Capital Owned by The Group			Financial Statements as of The Analysis Date				
				% of Equity Interest		Total Holding	Total Assets at End of Year	Equity	Company Results	Liabilities	Operating Income
				Direct	Indirect						
Ala Ingeniería y Obras, S.L. (16)	B85294536	Crta. de la Estación, naves 7 y 8 - Meco (Madrid)	Manufacture of metal structures	0.00%	26.49%	26.49%	8,889	(5,005)	(1,178)	13,894	(1,275)
Alanja Desarrollos, S.L. (3)	B10490191	C/ Albacete, 3, Planta 5, Cáceres	Real estate development	2.07%	17.93%	20.00%	1,325	1,181	(120)	144	(120)
Andalucía Económica, S.A. (3)	A41397514	C/ Diego de Riano nº 11, Piso 2º, Seville	Publishing, graphic arts and television	23.80%	0.00%	23.80%	648	598	82	50	82
Área Logística Oeste, S.L. (13)	B85273514	C/ Príncipe de Vergara, 15, Madrid	Real estate development	0.00%	27.28%	27.28%	4	(1,793)	(2,081)	1,797	(2,081)
Azoe Inmuebles, S.L. (6)	B09606005	C/ Alfonso XI, 18, Planta 5, Burgos	Real estate development	0.00%	48.40%	48.40%	17,193	11,061	(377)	6,132	(288)
B.I.C. Euronova, S.A. (2)	A29534765	Avenida Juan López Peñalver, 21 (Parque Tecnológico Andalucía), Campanillas, Málaga	Investment and promotion services	20.00%	0.00%	20.00%	1,728	1,355	66	373	90
Baraka Home 20, S.L. (6)	B01998855	Carretera de Fuencarral, Campus Tribeca, Edificio 6, Alcobendas	Real estate development	0.00%	29.96%	29.96%	17,866	14,790	(90)	17,776	(82)
Camping El Brao, S.A. (14)	A33357484	C/ Uría, 56 - 2 C, Oviedo (Asturias)	Camping	25.00%	0.00%	25.00%	5	(10)	(4)	15	(4)
Cantabria Capital S.G.E.I.C., S.A. (3)	A39548110	C/ Gándara, 6, Santander	Financial adviser	20.00%	0.00%	20.00%	394	4	(308)	390	(308)
Cartera de Activos H&L, S.L. (6)	B88625686	C/ Zurbano, 76, Planta 8, Madrid	Real estate development	5.69%	21.85%	27.54%	6,829	5,963	(26)	867	58
CCM Vida y Pensiones de Seguros y Reaseguros, S.A. (3)	A16029191	C/ Carretería, 5, Cuenca	Insurance	50.00%	0.00%	50.00%	641,733	68,952	20,406	572,781	20,406
Convivenzia Projet, S.L. (6)	B01993781	Plaza Nueva, 8, Planta 4, Sevilla	Real estate development	43.26%	6.68%	49.94%	6,121	5,863	(39)	258	(35)
Desarrollo Urbanísticos Cerro de Medianoche, S.L. (2)	B23532252	Plaza Jaén por la Paz, 2, Jaén	Real estate development	0.00%	24.72%	24.72%	3,502	3,432	5	71	7
Desarrollos Inmobiliarios Navalcan, S.L. (6)	B01674704	Carretera Nacional V, Kilometro 107.5, Toledo	Real estate development	0.00%	48.79%	48.79%	9,408	9,331	(196)	76	(196)
Desarrollos Inmobiliarios Peña Vieja, S.L. (6)	B39889258	Paseo Pereda, Planta 1, Santander	Real estate development	15.16%	33.78%	48.94%	33,752	28,513	4	5,238	61
Desarrollos Inmobiliarios Ronda Sur, S.L. (2)	B74469313	C/ López del Vallado, 9, Oviedo	Real estate development	0.00%	37.14%	37.14%	7,059	6,955	-	104	1
Druet Real Estate, S.L. (6)	B02871390	C/ Príncipe de Vergara, 15, Madrid	Real estate development	0.00%	49.23%	49.23%	29,937	16,374	-	13,563	219
Electra de Malvana, S.A. (7)	A10348100	C/ Periodista Sánchez Asensio, 1, Cáceres	Renewable energies	0.00%	20.00%	20.00%	19	15	(7)	4	(7)
Euro 6000, S.L. (2)	B87990552	C/ Alcalá 27, Madrid	Activities auxiliary to financial services	23.20%	0.00%	23.20%	4,443	2,866	523	1,577	525
Experiencia Peñíscola, S.L. (5)	B02975605	Avenida de España, 17, Peñíscola	Real estate development	47.63%	0.00%	47.63%	10,046	9,639	(377)	407	(377)
Gestión e Investigación de Activos, S.A. (4)	A79332367	Paseo General Martinez Campos, 46, 2ª planta, Madrid	Real estate sector	31.71%	18.29%	50.00%	494	490	17	4	(24)

ANNEX V
ASSOCIATED COMPANIES AS AT December 31, 2022

Company name	Tax ID Number	Registered Office	Activity	% of Capital Owned by The Group			Financial Statements as of The Analysis Date				
				% of Equity Interest		Total Holding	Total Assets at End of Year	Equity	Company Results	Liabilities	Operating Income
				Direct	Indirect						
Global Berbice, S.L. (3)	B87959219	C/ Albacete, 3, Madrid	Holding company	5.28%	14.72%	20.00%	35,055	32,114	(1,819)	2,941	(1,819)
Griffin Real Estate Developments, S.L. (6)	B52579299	C/ Alvarez Garaya, 12, Gijón	Real estate development	0.00%	40.83%	40.83%	10,142	9,461	(276)	680	(269)
Hidralia, Gestión Integral de Aguas de Andalucía, S.A. (2)	A41461856	C/ Alisios, Edf Ocaso, nº 1, Sevilla	Comprehensive water cycle management	20.00%	0.00%	20.00%	273,580	90,471	11,132	183,109	19,224
Hormigones y Áridos Aricam, S.L. (9)	B83221598	Carretera de Fuenlabrada, Kilometro 18.500, Pinto	Sand and gravel mining	25.00%	0.00%	25.00%	-	-	-	-	-
Hostelería Asturiana, S.A. (2)	A33013160	C/ Gil de Jaz ,16, Oviedo	Catering	40.42%	0.00%	40.42%	7,162	5,619	(33)	1,543	20
Industrializaciones Estratégicas, S.A. (9)	A45601580	Cuesta Carlos V, 5, Planta 2, Madrid	Real estate development	0.00%	35.00%	35.00%	3,789	2,367	(45)	1,422	(43)
Ingeniería de Suelos y Explotación de Recursos, S.A. (8)	A21102157	Paseo del Coso S/N, Minas de Riotinto, Huelva	Mining industry	30.00%	0.00%	30.00%	86,543	38,417	9,768	48,125	12,904
Inversiones Alaris, S.L. (3)	B31881055	Avda. Diagonal, 621, Barcelona	Share holdings	33.33%	0.00%	33.33%	7,695	5,327	55	2,368	55
Kenta Capital Investment Management, S.A. (2)	A10592426	C/ Miguel Ángel,11, Madrid	Activities auxiliary to financial services	36.00%	0.00%	36.00%	5,397	4,275	330	1,122	472
La Reserva de Selwo Golf, S.L. (10)	B18671784	Pasaje Linaje 3, Planta 1, Piso 1, Málaga	Real estate development	0.00%	35.00%	35.00%	63	(3,875)	-	3,938	-
Leche del Occidente de Asturias, S.A. (1)	A33411109	C/ Arguelles, 27, Oviedo	Food industry	33.34%	0.00%	33.34%	-	-	-	-	-
Lico Leasing, S.A. (3)	A28167799	Pº General Martínez Campos, 46 - 2, Madrid	Financial leasing	34.16%	0.00%	34.16%	28,167	13,299	(1,216)	14,868	(2,499)
Malagaport, S.L. (6)	B92635192	Muelle Canovas s/n, Edif. Inst. Estudios Portuarios del Puerto de Málaga, Málaga	Transportation and warehousing services	26.77%	0.00%	26.77%	316	230	(202)	86	(202)
Mastercajas, S.A. (2)	A81584369	C/ Alcalá 27, Madrid	Banking, financial activities	72.75%	0.00%	72.75%	3,592	3,567	113	25	124
Mejor Campo Abonos y Cereales, S.A. (14)	A24371866	Callejón de San Francisco, 1 - Bajo, Medina del Campo, Valladolid	Fertilizer and feed sales	27.00%	0.00%	27.00%	3	(58)	-	61	-
Oppidum Capital, S.L. (3)	B74341678	C/ Cimadevilla, 8, Oviedo	Holding company	44.13%	0.00%	44.13%	1,402,277	952,947	40,920	449,330	1,305
Parque Científico-Tecnológico de Almería S.A. (6)	A04418067	Avda. de la Innovación, nº 15, Edificio Pitágoras, Almería	Real estate development	0.00%	30.13%	30.13%	39,976	26,975	71	13,002	159
Participaciones Estratégicas del Sur, S.L. (2)	B90471350	C/ Luis Montoto Nº 65, 1º B	Other financial services	0.00%	30.00%	30.00%	16,625	12,699	1,965	1,962	-
Patrimonio Inmobiliario Empresarial, S.A. (15)	A83458067	C/ Santa Engracia, 69, Madrid	Real estate development	29.09%	0.00%	29.09%	26,857	(21,423)	(566)	48,280	-
Propco Eos, S.L.U. (3)	B93673291	C/ Goya, 6, 2ª planta, Madrid	Real estate development	0.00%	20.00%	20.00%	61,198	57,004	2,400	4,193	2,400
Propco Epsilon, S.L. (3)	B93673283	C/ Goya, 6, 2ª planta, Madrid	Real estate	0.00%	20.00%	20.00%	53,418	50,030	(20)	3,382	(20)

ANNEX V
ASSOCIATED COMPANIES AS AT December 31, 2022

Company name	Tax ID Number	Registered Office	Activity	% of Capital Owned by The Group			Financial Statements as of The Analysis Date				
				% of Equity Interest		Total Holding	Total Assets at End of Year	Equity	Company Results	Liabilities	Operating Income
				Direct	Indirect						
			development								
Propco Malagueta, S.L. (2)	B93562940	C/ Mauricio Moro Pareto (Edificio Eurocom Norte), 6, Málaga	Real estate development	0.00%	25.00%	25.00%	4,970	4,954	(4,457)	15	(2,928)
Propco Orange 1 S.L. (2)	B93597896	C/ Mauricio Moro Pareto (Edificio Eurocom Norte), 6, Málaga	Real estate development	0.00%	49.00%	49.00%	28,548	9,330	955	19,219	1,294
Proyecto Lima, S.L. (2)	B93562957	C/ Mauricio Moro Pareto (Edificio Eurocom Norte), 6, Málaga	Real estate sector	0.00%	25.00%	25.00%	3,439	3,213	(3,730)	226	(2,148)
Pryconsa- Ahijones, S.L. (6)	B88560768	Glorieta de Cuatro Caminos, 6, Madrid	Real estate business	0.00%	32.94%	32.94%	58,387	50,698	-	7,689	-
Santa Justa Residencial, S.L. (2)	B93514453	C/ Mauricio Moro Pareto (Edificio Eurocom Norte), 6, Málaga	Real estate development	0.00%	49.50%	49.50%	1,040	561	(4)	478	(5)
Sedes, S.A. (3)	A33002106	C/ Arquitecto Galán, 2, Oviedo	Real estate and construction	39.90%	0.00%	39.90%	35,931	7,343	(821)	28,588	(699)
Sociedad Astur-Castellano Leonesa de Navegación, S.A. (1)	A33685306	Puerto del Musel, Gijón	Maritime transportation	23.05%	0.00%	23.05%	-	-	-	-	-
Sociedad de Gestión y Promoción de Activos, S.L. (3)	B74453432	C/ Fruela, 5, Oviedo	Real estate business	8.96%	40.77%	49.73%	85,899	61,117	(493)	24,782	(378)
Sociedad Municipal de Aparcamientos y Servicios, S.A. (3)	A29178902	Plaza Jesús "El Rico" 2-3, Málaga	Parking lots	24.50%	0.00%	24.50%	62,555	47,601	3,130	14,954	3,807
Sociedad Regional de Promoción del Principado de Asturias, S.A. (3)	A33055138	Parque Tecnológico de Asturias (Edificio Idepa), Llanera	Regional development company	29.33%	0.00%	29.33%	91,212	74,058	(360)	17,514	(25)

ANNEX V
ASSOCIATED COMPANIES AS AT December 31, 2022

Company name	Tax ID Number	Registered Office	Activity	% of Capital Owned by The Group			Financial Statements as of The Analysis Date				
				% of Equity Interest		Total Holding	Total Assets at End of Year	Equity	Company Results	Liabilities	Operating Income
				Direct	Indirect						
Uncro, S.L. (11)	B23545379	C/ Ibiza, 35, 5ª A, Madrid	Real estate development	0.00%	25.00%	25.00%	1,562	(8,784)	(2)	10,346	(2)
Unema Promotores Inmobiliarios, S.A. (12)	A92078013	C/ Strachan, 1, planta 1, Málaga	Real estate development	0.00%	40.00%	40.00%	37	(1,669)	-	1,706	-
Unicorp Vida, Compañía de Seguros y Reaseguros, S.A. (2)	A78804390	C/ Bolsa, 4, 3ª planta, Málaga	Insurance	50.00%	0.00%	50.00%	3,514,494	211,044	63,930	3,303,450	81,448
World Trade Center Santander, S.A. (17)	A39348156	C/ Carlos Haya, 23, Santander	Real estate development	31.50%	0.00%	31.50%	214	212	(12)	2	(13)
Zedant Desarrollos, S.L. (5)	B02865129	C/ Fernández de la Hoz, 62, Madrid	Real estate development	40.30%	4.81%	45.11%	11,213	6,477	(309)	4,736	(258)

(1) Company in liquidation.
(2) Financial data as of Saturday, December 31, 2022.
(3) Financial data as of Wednesday, November 30, 2022.
(4) Financial data as of Wednesday, November 30, 2022. Company in liquidation.
(5) Financial data as of Monday, October 31, 2022.
(6) Financial data as of Friday, September 30, 2022.
(7) Financial data as of Wednesday, August 31, 2022.
(8) Financial data as of Saturday, July 30, 2022.
(9) Financial data as of Friday, December 31, 2021. Company in liquidation.
(10) Financial data as of December 31, 2020. Company in liquidation.
(11) Financial data as of Tuesday, June 30, 2020. Company in liquidation.
(12) Financial data as of Saturday, September 30, 2017. Company in liquidation.
(13) Financial data as of Sunday, December 31, 2017. Company in liquidation.
(14) Financial data as of Saturday, December 31, 2016. Company in liquidation.
(15) Financial data as of Monday, March 31, 2014. Company in liquidation.
(16) Financial data as of Tuesday, December 31, 2013. Company in liquidation.
(17) Financial data as of Saturday, June 30, 2012. Company in liquidation.

Note: The financial information used for the equity method for the equity interest in the associates listed herein is the latest information available to the Bank as of the date of preparation of these consolidated financial statements. When this financial information does not correspond to December 31, 2022, it is because information relating to a date very close to the end of 2022 has been used instead or because the associate has no relevant activity that could have a significant bearing on these consolidated financial statements (either because it is in liquidation or for other reasons with similar effects).

ANNEX VI
ANNUAL BANKING REPORT FOR FISCAL YEAR 2022

Information for compliance with Article 89 of Directive 2013/36/EU of the European Parliament and its transposition into Spanish legal system by means of Law 10/2014

Pursuant to the provisions of Article 89 of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, and in accordance with the provisions of Article 87 of Law 10/2014, of June 26, on the regulation, supervision and solvency of credit institutions, which transposes this directive to the Spanish legal system, attached below is the information related to the annual banking report of Unicaja Banco Group for the fiscal year ended on December 31, 2022.

	Turnover (*) (thousands of Euros)	Number of Employees (**)	Income before Taxes (thousands of Euros)	Income tax (thousands of Euros)
Spain	1,584,342	8,416	361,214	101,540
Other EU countries	-	-	-	-
Rest of the world	-	-	-	-
Total	**1,584,342**	**8,416**	**361,214**	**101,540**

(*) Turnover is considered to be the gross margin of the consolidated income statement.
(**) Number of equivalent full-time employees obtained from the workforces of the Unicaja Banco Group companies operating in each jurisdiction.

As of December 31, 2022, the return of the Unicaja Banco Group's assets, calculated as the ratio of the "Consolidated profit for the year" in the consolidated income statement to the "Total assets" in the consolidated balance sheet was 0.26%.

Detailed information on the companies on the consolidation perimeter of the Unicaja Banco Group operating in each jurisdiction, including their name and geographical location and the nature of their activity, is available in Appendices III, IV and V hereto.

As can be seen in these appendices, almost all of the Group's business activity takes place in Spain and within the financial sector, with the commercial banking activity carried out by the Unicaja Banco credit institution being particularly important.

Unicaja Banco has not received any public subsidies or aid.

UNICAJA BANCO, S.A. AND SUBSIDIARIES (UNICAJA BANCO GROUP)

CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR 2022

1. Introduction

This Consolidated Management Report presents the data and facts which are relevant at year-end 2022 so that the situation of the Unicaja Banco Group (hereinafter, the Unicaja Banco Group, or the Group) and the evolution of its business may be ascertained. The consolidated financial statements for the 2022 fiscal year, which this Consolidated Management Report supplements, have been prepared according to the International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and take into consideration the Bank of Spain's Circular 4/2017 of November 27 and its subsequent amendments.

Unicaja Banco, S.A. (hereinafter, Unicaja Banco, the Parent Company, or the Bank) is a credit institution incorporated in Spain for an indefinite period of time on December 1, 2011. The start of its activity has its origin in the indirect performance, through a bank, of the financial activity of the Monte de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga, Antequera and Jaén savings bank and pawnbroker, i.e. Unicaja (currently, the Unicaja Bank Foundation), as a result of the entry into force of Law 26/2013, of December 27. Also, on July 31, 2021, the merger by absorption of Liberbank S.A. (as absorbed entity) by Unicaja Banco, S.A. (as absorbing entity) took place.

The Bank is an entity subject to the rules and regulations on banking entities operating in Spain. Other public information about the Bank is available both on its corporate website (www.unicajabanco.com) and at its registered office (Avenida de Andalucía, 10 y 12, Málaga).

The Bank's object is to carry out all kinds of activities, operations, acts, contracts and services typical of the banking business in general or which are directly or indirectly related or supplementary thereto or are carried out by it, provided that their performance is permitted or not forbidden by current legislation.

The Bank's object includes the provision of investment services and other auxiliary services, as well as the performance of activities typical of insurance agents, as an exclusive or linked operator, the simultaneous exercise of both not being admissible.

In accordance with its Bylaws, such activities, which meet the requirements of Law 10/2014, of June 26, on the regulation, supervision and solvency of credit institutions, and which comprise its object, may be carried out in part of in full, indirectly, in any of the forms permitted by law and, in particular, through the ownership of shares or equity interests in companies or through participation in other entities whose object is identical, similar or supplementary to its activities.

The Bank is registered in the Mercantile Registry of Málaga and, as a credit institution, in the Special Registry of the Bank of Spain under number 2103. The Bank also holds a license to carry out banking activity granted by the Ministry of Economy and Finance in accordance with the provisions of Article 1 and concordant provisions of Royal Decree 1245/1995, a rule that was replaced by the current Royal Decree 84/2015, of February 13, implementing Law 10/2014, of June 26, on the regulation, supervision and solvency of credit institutions.

Unicaja Banco, S.A. is the parent company of a group of subsidiaries engaged in various activities and which make up the Unicaja Banco Group.

Balance Sheet and Turnover	Millions of Euros Dec-22	Millions of Euros Dec-21	Annual Var. Millions of Euros	Annual Var. %
Total assets[1]	99,003	115,550	-16,547	-14.3%
Performing loans and advances to customers[2]	52,953	53,522	-569	-1.1%
Deposits– customers[3]	69,813	73,787	-3,975	-5.4%
Off-balance sheet funds raised and insurance	20,249	22,014	-1,765	-8.0%
Managed resources[4]	98,179	108,207	-10,028	-9.3%
Of which: retail customers (not market)[5]	*90,082*	*95,985*	-5,903	-6.1%

(1) Source: Consolidated Public Balance Sheet.
(2) Source: Loans and advances to customers of the Consolidated Public Balance Sheet, without valuation adjustments, active money market operations carried out through counterparties and other financial assets of other resident sectors.
(3) Source: Customer deposits from the Consolidated Public Balance Sheet, without valuation adjustments and mortgage bonds or repurchase agreements accounted for as deposits.
(4) Source: Customer deposits from the Consolidated Public Balance Sheet, plus debt securities issued, without valuation adjustments in both cases, plus off-balance sheet funds.
(5) Source: Customer deposits from the Consolidated Public Balance Sheet, excluding mortgage bonds counted as deposits and money market deposits made through counterparties, without valuation adjustments, plus off-balance sheet funds.

Income	Millions of Euros Dec-22	Millions of Euros Dec-21	Annual Var. Millions of Euros	Annual Var. %
Net interest margin*	1,058.2	1,028.1	30.1	2.9%
Gross margin*	1,584.3	1,516.8	67.6	4.5%
Operating margin *(before write-downs)**	722.5	580.1	142.4	24.6%
Write-downs and other results*	361.3	399.6	-38.3	-9.6%
Income before taxes*	361.2	180.5	180.7	100.1%
Consolidated income for the year*	259.7	137.5	122.2	88.9%
Profit/loss attributed to the dominant entity	259.7	137.5	122.2	88.9%

(*) The data for 2021 was calculated based on the pro-forma income statement, which includes the income generated by both Liberbank and Unicaja Banco throughout the year, discounting extraordinary merger adjustments and restructuring costs recorded by Liberbank prior to the merger.

Profitability and Efficiency	% Dec-22	% Dec-21	Annual Var. Millions of Euros	Annual Var. %
ROE (Net Income/Shareholders' Equity)	3.9%	2.1%	N/A	1.8 pp
ROTE (Net Income/Tangible Common Shareholders' Equity)	4.0%	2.3%	N/A	1.7 pp
ROA (Net Income/Average Total Assets)	0.3%	0.1%	N/A	0.1 pp
RORWA (Net income/APR)	0.8%	0.4%	N/A	0.4 pp
Efficiency Ratio (Operating Expenses with Amortization/Gross Margin)	54.4%	61.8%	N/A	-7.4 pp

	Millions of Euros or %		Annual Var.	
Solvency	**Dec-22**	**Dec-21**	**Millions of Euros**	**% ppt**
Net equity	6,464	6,326	138	2.2%
Total capital	5,818	5,936	-118	-2.0%
Common Equity Tier 1 (CET1) capital	4,659	4,802	-143	-3.0%
Additional Tier 1 capital	547	547	0	0.0%
Tier 2 capital	612	586	25	4.3%
Average Risk Weighted Assets	34,133	35,291	-1,158	-3.3%
Total capital ratio	17.0%	16.8%	N/A	0.2 pp
CET1 ratio	13.6%	13.6%	N/A	0.0 pp
Fully-loaded CET1 ratio	13.0%	12.5%	N/A	0.5 pp

	Millions of Euros or %		Annual Var.	
Risk Control	**Dec-22**	**Dec-21**	**Millions of Euros**	**% ppt**
Non-performing	1,938	1,961	-22.8	-1.2%
NPL ratio	3.5%	3.5%	N/A	0.0 pp
Non-performing loan coverage ratio	66.5%	68.5%	N/A	-2.0 pp
Cost of credit risk	0.39%	0.49%	N/A	-0.1 pp
Cost of recurring credit risk	0.24%	0.29%	N/A	0.0 pp
Foreclosed real estate available for sale (gross)	1,833	2,209	-375	-17.0%
Foreclosed real estate asset coverage ratio	64.1%	62.7%	N/A	1.4 pp

	Millions of Euros or %		Annual Var.	
Liquidity	**Dec-22**	**Dec-21**	**Millions of Euros**	**% ppt**
Gross liquid assets	31,921	49,841	-17,920	-36.0%
Net liquid assets	23,516	28,211	-4,695	-16.6%
Net Liquid Assets/Total Assets	23.8%	24.4%	N/A	-0.7 pp
LTD ratio	78.6%	75.0%	N/A	3.6 pp
Liquidity coverage ratio (LCR)	284%	307%	N/A	-22.7 pp
Net stable funding ratio (NSFR)	143%	142%	N/A	0.5 pp

	Units		Annual Var.	
Additional information	**Dec-22**	**Dec-21**	**Number**	**%**
Branches in Spain	968	1,368	-400	-29.2%
Automatic teller machines	2,469	2,679	-210	-7.8%
Average employees	8,416	9,604	-1,189	-12.4%

Credit Rating		**Dec-22**
Fitch	Short term	F3
	Long term	BBB-
	Perspective	Stable
	Senior preferred debt	BBB-
	Senior non-preferred debt	BB+
	Subordinated debt (Tier2)	BB
	Convertible contingent bonds (AT1)	B+
Moody's	Long-term deposits	Baa3
	Short term	Prime-3
	Perspective	Stable
	Mortgage-backed securities	Aa1
	Subordinated debt (Tier2)	Ba3

2. Economic and Financial Scenario

The world economy has experienced a significant loss of dynamism as a result of a series of adverse factors, which have led to a downward revision of economic growth estimates for 2022 and 2023.

The forecasts published by the International Monetary Fund in January confirm the expectations of a slowdown. In a context of extreme uncertainty, it is estimated that by 2022 the world economy will have recorded an increase in production of 3.4%, compared to 6.2% in the previous year. By 2023, the GDP growth rate is expected to moderate to 2.9%, rebounding to 3.1% in 2024. In the Eurozone, forecasts point to GDP growth of 3.5% in 2022 and 0.7% in 2023.

Inflation has played a major role in this economic slowdown. In both the U.S. and the Eurozone, price increases have reached 10%, although they have moderated in recent months. Rising energy prices and the war in Ukraine have been the main drivers of inflation growth.

European countries have tried to cushion the impact of the energy shock on households and companies through fiscal policy measures: fuel and electricity price subsidies, compensation for households and vulnerable sectors, consumption limitations and recommendations, reductions in public transport fares, etc. They have also made changes to the pricing mechanisms for the wholesale energy markets.

Central banks, in their attempt to anchor inflation expectations to their medium-term targets, have tightened monetary policy by raising interest rates. In the U.S., they are in the target range of 4.50-4.75%. In the European Union, the ECB's intervention rate reached 3.0%, while the marginal lending and deposit rates were 3.25% and 2.5%, respectively. The rise in interest rates has been accompanied by the withdrawal of stimulus through the end of net purchases under the PEPP and APP programs, and the introduction of changes in the remuneration of reserves and in the conditions applied in TLTRO III operations, which is having a decisive influence on financing conditions. At its February meeting, the ECB announced the features of the tapering of the Asset Purchase Program (APP), following the decision taken on July 1 to end net purchases and to stop reinvesting the principal of maturing securities.

The international context and inflationary pressures are also having a negative effect on the Spanish economy.

In the fourth quarter of 2022, quarter-on-quarter GDP growth was 0.2%, well below the 2.2% recorded in the second quarter. In year-on-year terms, growth stood at 2.7%, compared to 4.8% in the previous quarter, due to the deterioration in the contribution of external demand and the moderation in the growth of household consumption, which is partially supported by the savings accumulated during the pandemic. In 2022 as a whole, the increase was 5.5%.

Labor market indicators point in the same direction. In 2022 as a whole, employment has been created at a remarkable rate. In the month of January 2023, the number of registered workers increased in seasonally adjusted terms by more than 57,000, 12% less than in the same month of the previous year, while unemployment rose by around 71,000 compared to the previous month.

The various measures taken to contain inflation have helped to bring it down to 5.9% (in January 2023), the lowest among the Eurozone countries, although food prices have continued to rise, resulting in a sharp rebound in core inflation, which has reached 7.5% (in January 2023).

The housing market continues to show remarkable strength. However, in recent months there has been a certain slowdown, due to the exhaustion of the expansionary cycle and the rising cost of financing. The strength of demand and the limited supply has continued to be reflected in prices, which in the third quarter increased by 7.6% year-on-year (7.8% for used and 6.8% for new homes).

Against this backdrop, the financing granted to households and companies has remained stable. In December 2022 it increased in year-on-year terms by 0.6% in the case of households, with no changes for non-financial corporations. The rise in interest rates has not had a significant effect on the remuneration of deposits, which have changed, in year-on-year terms and using data up to December, by -1.8% in the corporate sector and +4.6% in households.

In this context, the Spanish economy grew by 5.5% in 2022, although the Bank of Spain forecasts a sharp slowdown to 1.3% by 2023, due to the lower contribution of external demand and household consumption, in the face of rising prices and interest rates. Although prices are expected to moderate gradually, average inflation will stand at 4.9% in 2023, and it will take until 2025 for it to stabilize again at 2%.

The recent evolution of activity and expectations point to an improvement in the results of financial institutions, given the change in the trend of interest rates, although everything will depend on the way in which macroeconomic risks may affect the financial positions of households and companies.

The repricing of the variable rate loan portfolios and the contracting of new operations at higher rates will result in an improvement in the income obtained by the entities, although other negative impacts, such as the following, must be taken into account: 1) the possible contraction of credit demand in an environment of economic slowdown and reduced real incomes in the private sector; 2) the increase in the cost of financing in the retail and wholesale markets; 3) the modification of the financial conditions of TLTRO III; 4) the downward revision of valuations of available-for-sale fixed-income portfolios; 5) the increase in operating costs, to the extent that high inflation will lead to wage updates and higher costs of current goods and services; 6) the increase in the cost of additional provisions to cover potential financial impairments; 7) the cost of the program adopted to alleviate financial pressure on vulnerable households or households at risk of vulnerability; and 8) the application of the temporary tax levy on interest and commission income.

In order to assess the resilience of banks in an environment as complex and uncertain as the current one, the EBA stress tests, which will be published in the summer of 2023, will be of particular importance.

3. Milestones in 2021

In 2022 the technological and operational integration of Liberbank into Unicaja Banco was completed, the 2022-2024 Strategic Plan was launched, and Unicaja Banca's shares were included in the IBEX 35

The Bank's strategic priorities in 2022 were the completion of the technological integration tasks following the merger with Liberbank and the implementation of the 2022-2024 Strategic Plan.

- The technological and operational integration of Liberbank into Unicaja Banco was completed in May as planned. This process involved the integration of 575 branches and centers, 1,249 ATMs, and 2,700 mobile devices (Smart PCs, tablets and cell phones) from Liberbank.

- The 2022-2024 Strategic Plan was launched with the aim of making Unicaja Banco a profitable, sustainable and multi-channel entity that maintains a low risk profile.

With the Strategic Plan as a guide, the Unicaja Banco Group recorded a net profit of 260 million Euros in fiscal year 2022, an increase of 88.9% with respect to fiscal year 2021.

The improvement in earnings is the result of an increase in ordinary revenues (with net interest income and net fee and commission income up 2.9% and 7.3%, respectively) and a reduction in administrative expenses (down 8.2%, following the realization of part of the synergies envisaged in the restructuring plans).

The volume of non-performing assets (NPAs) decreased by 9.6%, mainly due to sales of foreclosed assets of 584 million Euros, with positive results, which reduced the stock by 17.0% in the year. Coverage levels have remained among the highest in the sector (64.1%).

The implementation of new service capabilities in digital banking has been a priority. A new digital recruitment and marketing model has been implemented, while continuing to work on improving the user experience of these channels.

The bank's commitment to society has been reflected this year in a series of initiatives, including: adherence to the Code of Good Practices for urgent measures for mortgage debtors at risk of vulnerability, training actions aimed at the elderly and the disabled, the signing of an agreement with the Biodiversity Foundation (under the Ministry for Ecological Transition) for the early collection of European Next Generation funds and other subsidies, and the Edufinet financial education project.

On December 27, 2022, Unicaja Banco joined the selective IBEX 35 index, the main indicator of the Spanish stock market. It also became part of the new Standard Ethics Mid Spanish Sustainability Index, prepared by the sustainability rating agency Standard Ethics.

Finally, it should be noted that the insurance business restructuring process culminated in 2022, with the expansion of the Santalucía alliance. This alliance creates value for the bank and provides continuity to the Bank's life insurance and pension business.

Balance of the bank’s commercial activity in 2022

Customer funds under management (retail) fell by 6.2% during the year, in a financial year that was not very favorable for savings, marked by high inflation and the volatility of the financial markets.

Customer deposits (€74,467 million) constituted the bulk of the customer funds raised, of which €57,049 million were private-sector demand deposits, €10,529 were term deposits, including €4,655 million in mortgage bonds.

The funds managed through off-balance sheet instruments and savings insurance total €20,249 million, the main product being mutual funds (€11,249 million), followed by savings insurance (€4,268 million), pension funds (€3,682 million) and other managed assets (€1,050 million). Mutual funds suffered an annual depreciation of close to 9%, with net subscriptions close to zero for the year as a whole.

In terms of the origin of the funds, 91.8% corresponds to the retail business (€90,081 million), while the remaining 8.2% (€8,097 million) are funds raised in wholesale banking markets through issues, multi-seller covered bonds and temporary assignments of assets.

Unicaja Banco has made the first two green issues, of 500 million Euros each, in senior preferred and non-preferred bonds (recorded under the heading "Debt securities issued - Other non-convertible securities"), aimed at the materialization of the sustainable transition in the environmental aspect.

Additionally, a 300 million Tier 2 subordinated debt issue was carried out during the year (recorded under the caption "Debt securities issued - Non-convertible subordinated debt"), in order to comply with MREL sectoral regulatory requirements.

Funds Managed *Figures in millions of Euros without valuation adjustments*	**Dec-22**	**Compos.**	**Dec-21**	**Annual Var.**	**% Annual Var.**
Balance sheet funds	**77,930**	**79.4%**	**86,193**	**-8,263**	**-9.6%**
Customer deposits	**74,487**	**75.9%**	**83,710**	**-9,223**	**-11%**
Public Administration Bodies	**6,889**	**7.0%**	**9,259**	**-2,370**	**-25.6%**
Private sector	**67,598**	**68.9%**	**74,451**	**-6,853**	**-9.2%**
Demand deposits	57,049	58.1%	58,424	-1,375	-2.4%
Term deposits	10,529	10.7%	11,312	-783	-6.9%
Temporary assignment of assets	20	0.0%	4,715	-4,695	-99.6%
Issuances	**3,443**	**3.5%**	**2,483**	**960**	**38.7%**
Mortgage bonds	1,185	1.2%	1,215	-30	-2.5%
Other values	1,659	1.7%	660	999	151.4%
Subordinated liabilities	599	0.6%	608	-9	-1.5%
Off-balance sheet funds	**20,249**	**20.6%**	**22,014**	**-1,790**	**-8.0%**
TOTAL FUNDS MANAGED	**98,179**	**100.0%**	**108,207**	**-10,051**	**-9.3%**
Of which:					
Customer funds managed (retail)	**90,082**	**91.8%**	**95,985**	**-5,903**	**-6.1%**
On-balance sheet	*69,833*	*71.1%*	*73,969*	*-4,137*	*-5.6%*
Off-balance sheet	*20,249*	*20.6%*	*22,016*	*-1,767*	*-8.0%*
Markets	**8,097**	**8.2%**	**12,222**	**-4,125**	**-33.8%**

Performing loans (excluding reverse repurchase agreements) decreased -1.1% over the year and maintained a low risk profile, mortgages to individuals (60%) and loans to public administrations (11%) being significant.

Performing loans to individuals increased by 1.8% over the year driven by the mortgage portfolio (1.7%), which is made up of transactions financing first homes (93%), with low LTV ratios (95% of cases are below 80%). Nearly 60% of the individual mortgage portfolio is indexed to a variable rate, a proportion that rises to nearly 70% considering the existence of hedges.

Corporate lending is highly diversified by sector of activity. The Official Credit Institute (ICO) guarantees 15% of the corporate loan portfolio.

Loans and Advances to Customers *Figures in millions of Euros without valuation adjustments*	**Dec-22**	**Compos.**	**Dec-21**	**Annual Var.**	**% Annual Var.**
PERFORMING CREDIT	**53,788**	**100.0%**	**54,301**	**-513**	**-0.9%**
1. Credit to public administration bodies	**5,767**	**10.7%**	**5,563**	**204**	**3.7%**
2. Credit to the private sector	**47,186**	**87.7%**	**47,959**	**-773**	**-1.6%**
Companies	**12,695**	**23.6%**	**14,093**	**-1,398**	**-9.9%**
Real estate development and construction	663	1.2%	841	-178	-21.2%
SMEs and self-employed workers	6,233	11.6%	6,937	-704	-10.2%
Other companies	5,799	10.8%	6,315	-516	-8.2%
Individuals	**34,491**	**64.1%**	**33,866**	**626**	**1.8%**
Housing	31,617	58.8%	31,090	527	1.7%
Others	2,874	5.3%	2,776	98	3.5%
3. Temporary assignments of assets (TAAs)	**835**	**1.6%**	**779**	**56**	**7.1%**
PERFORMING CREDIT without TAAs	**52,953**	**98.4%**	**53,522**	**-569**	**-1.1%**
Pro memoria:					
TOTAL CREDIT without ATAS	**54,891**		**55,483**	**-592**	**-1.1%**

During the year, 10,049 million new loans and credits were granted, including 4,313 million mortgages and 3,511 million Euros of loans and credits for companies. Lending to companies has slowed down in 2022, mainly due to the liquidity stockpiling carried out by companies in 2021 thanks to ICO lines.

Improved balance sheet quality and maintenance of high coverage

Non-performing assets (which include *non-performing loans* and *foreclosed assets available for sale*) fell by 9.6% over the year and their degree of coverage stood at 65.3%, with barely any change over the last twelve months (-0.1 ppt.)

The Group has managed to continue reducing its doubtful assets, bringing the balance of doubtful assets to €1,938 million at the end of December 2022, down 1.2% on the previous year (down €23 million), having maintained a conservative and prudent approach to management (more than half of the entries in doubtful assets for the year are subjective markings, representing 35% of the doubtful portfolio). The default rate remained unchanged compared to the same period of the previous year at 3.5% and the NPL coverage ratio decreased by 2.0 percentage points year-on-year to 66.5%. Entries into default due to subjective marking reduce the coverage ratio, since these are transactions with no or insignificant defaults, which therefore require few provisions.

During the pandemic, extensions were granted to 5% of the mortgage portfolio—which have already expired, without this having led to an increase in the delinquency ratio (which remains at 3%).

Credit Investment *Figures in millions of Euros*	**Gross Value**	**Value Adjustments**	**Carrying Amount**	**Coverage (%)**
Stage 1	49,282	217	49,064	0.4%
Stage 2	3,671	214	3,457	5.8%
Stage 3	1,938	858	1,080	44.3%
TOTAL Credit investment	**54,891**	**1,289**	**53,602**	**66.5%**

Risks under special monitoring (stage 2) came to €3,671 million, i.e. 6.7% of the gross loan portfolio, with 5.8% coverages.

Foreclosed assets available for sale saw an annual decrease of 17% in gross terms and amounted to €658 million in net book value, which represents 0.7% of the balance sheet.

Provisions on foreclosed assets amounted to €1,175 million at year-end 2022, representing a coverage level of 64.1%, 1.4 ppt. higher than at year-end 2021.

Foreclosed assets *Figures in millions of Euros*	**Gross Value**	**Value Adjustments**	**Carrying Amount**	**Coverage (%)**
Homes under construction	251	175	76	69.8%
Finished homes	498	283	215	56.9%
Building land, rural properties and other land	868	599	269	69.0%
Offices, premises, warehouses and other	216	117	99	54.1%
TOTAL FORECLOSED ASSETS	**1,833**	**1,175**	**658**	**64.1%**

Note: The amount of the coverage includes both the impairment losses associated with the foreclosed assets and the coverage in place prior to their acquisition, which covered the impairment of the credit instruments which they stemmed from.

Most of these foreclosed assets are land (40.8% in terms of net book value) and finished houses (32.6%).

Sales of foreclosed assets during the year totaled 584 million Euros. 54% of the said sales correspond to housing, 34% to land and 12% to tertiary sector assets and construction work in progress, which have a positive impact on the income statement.

The decline in foreclosed assets during the year was moderated by the reclassification in December of a portfolio of 57 million Euros in net book value, of assets previously classified as investment property, which in the current interest rate environment have reduced their profitability and are to be put up for sale.

Increase in CET 1 fully loaded to 13.0% and strong liquidity position

The Group maintains an excellent liquidity position, with a loan-to-deposit (LTD) ratio of 78.6%, a liquidity coverage ratio (LCR) of 284% and a net stable financial ratio (NSFR) of 143%.

Bankable liquid assets at the European Central Bank—net assets of all assets used—amounted to €23,516 million, a sum that represents 24% of the balance sheet total.

Bankable Liquid Assets *Figures in millions of Euros*	**Dec-22**
Liquid Assets	
Short-term cash surplus (1)	3,235
Reverse purchase agreements of bankable assets	198
Fixed-income portfolio and other bankable assets at the ECB	28,488
Total liquid assets (discounted value at the ECB)	**31,921**
Liquid Assets Used	
Taken out at the ECB	5,321
Assets sold under temporary assignments of assets and other pledges	3,084
Total liquid assets used	**8,405**
Available bankable liquid assets	**23,516**

(1) Interbank deposits + surplus balance at the ECB and operating accounts

Short-term issuance maturities are not significant.

Upcoming market issuance maturities (*) *Figures in millions of Euros*	**2023**	**2024**	**2025**	**>2025**	
AT1	-	-	-	500	500
Tier 2	-	300	-	300	600
Senior preferred debt	-	500	660	-	1,160
Non-preferred senior debt	-	-	-	500	500
Mortgage-backed securities	450	-	1,282	3,940	5,672
TOTAL	**450**	**800**	**1,942**	**5,240**	**8,432**

(*) It includes multi-seller covered bonds.

The highest quality capital, CET 1 Common Equity Tier 1, in the phased-in transient period was 13.7%, the Level1 Capital ratio was 15.3% and the Total Capital ratio was 17.1%. These ratios represent some leeway above the bank's required levels of 5.4 ppt in CET 1 and 4.4 ppt in total capital. Capital ratios include net income, net of accrued dividends, computability pending approval by the European Central Bank.

In the fully loaded period, CET 1 Common Equity Tier 1 amounts to 13.0%, the Tier 1 Capital ratio to 14.6% and the Total Capital ratio to 16.4%.

Consolidated income for the year amounted to €260 million, 88.9% higher than in the previous year.

Aggregate Income Statement (pro-forma) **Unicaja Banco Group** *Figures in millions of Euros*	**Dec-22**	**Dec-21**	**V.Abs.**	**I.R.C.**
Net interest margin	**1,058.2**	**1,028.1**	**30.1**	**2.9%**
Commissions	525.0	489.1	35.9	7.3%
Dividends and other equity results	89.2	81.5	7.7	9.4%
Trading results + Exchange rate differences	56.8	46.7	10.1	21.6%
Other products/operating expenses	-144.9	-128.7	-16.2	12.6%
Gross margin	**1,584.3**	**1,516.8**	**67.6**	**4.5%**
Operating expenses	861.8	936.7	-74.9	-8.0%
Operating margin *(before write-downs)*	**722.5**	**580.1**	**142.4**	**24.6%**
Write-downs and other results	-361.3	-399.6	38.3	9.6%
Profit (loss) before tax	**361.2**	**180.5**	**180.7**	**100.1%**
Income tax	101.5	43.0	58.5	136.1%
Consolidated income for the year	**259.7**	**137.5**	**122.2**	**88.9%**
Pro memoria:				
Basic Income (Net Interest Margin + Fees and Commissions - Operating Expenses)	**721.4**	**580.5**	**140.9**	**24.3%**

Net *interest* income increased by 30.1 million Euros (2.9% year-on-year), due to new investments in fixed-income securities and the higher return on the variable-rate portfolio.

Commissions grew 7.3% year-on-year, with significant contributions in mutual funds (+32.8%) and credit cards (+17.4%). This income statement caption accounts for 33% of the gross margin.

Dividends and other results from investees amounted to 89 million Euros (7.7 million Euros higher than in the previous year) and came mainly from insurance companies and the position in Oppidum Capital (holding company of EDP shares).

Other operating income and expenses amounted to 144.9 million Euros. This item includes the contribution to the Deposit Guarantee Fund (88 million Euros), the annual contribution to the Single Resolution Fund (25 million Euros), the equity benefit for monetizable deferred tax assets (26 million Euros), commissions paid to agents (15 million)Euros, as well as other recurring and non-recurring income and expenses.

The Group has maintained its efforts to contain *operating expenses,* which have been reduced by 8.0% for the year as a whole, after the synergies derived from personnel departures and office closures (81% and 100% of the total planned, respectively). The efficiency ratio stood at 54.4%, an improvement of 7.4% compared to the previous year.

Finally, *write-downs and other results* amounted to €361 million. Of these, €214 million are loan loss provisions, and include €73 million for subsequent adjustments to internal credit risk models, mainly due to the environment of high inflation and volatility of the main macroeconomic variables, and other adjustments associated with the effectiveness of collateral for exposures with high default ages. Excluding these provisions, the annual cost of risk is 24 b.p.

Detail of Write-downs and Other Results *Figures in millions of Euros*	**Dec-22**	**Dec-21**	**V.Abs.**
Credit write-off	214.4	270.6	-144.5
Foreclosed asset write-off	79.7	21.1	58.6
Provisions and other results	67.4	108.0	-40.6
TOTAL WRITE-DOWNS AND OTHER RESULTS	**361.3**	**399.6**	**-162.7**

Income before taxes was €361 million and net income reached €260 million, an increase of 100.1% and 88.9%, respectively.

4. Branch Network

The Unicaja Banco Group operates exclusively in Spain, mainly in Andalusia, Asturias, Cantabria, Castilla y León, Castilla-La Mancha, Extremadura and Madrid.

The Unicaja Banco Group concentrates 90% of its branches in the regions of Andalusia (39%), Castilla y León (13%), Castilla-La Mancha (13%), Madrid (10%), Asturias (9%), and Extremadura (7%), with the provinces of Málaga (with 12%), Madrid (10%), Asturias (9%), and Toledo (6%) having the greatest specific weight.

As of December 31, 2022, the network comprised 969 branches: 968 branches in Spain and 1 foreign branch office in the U.K. (the branches are open to the public according to the criteria of the Bank of Spain, including itinerant customer service desks and offices open abroad).

DISTRIBUTION OF THE BUSINESS NETWORK

		Operational Branches as of 12.31.2022		Operational Branches as of 31.12.2021	
Country	**Autonomous Community**	**Number of Branches**	**Distribution (%)**	**Number of Branches**	**Distribution (%)**
SPAIN	Andalusia	374	38.6%	411	30.0%
	Aragón	2	0.2%	2	0.1%
	Asturias	85	8.8%	109	8.0%
	Cantabria	47	4.9%	74	5.4%
	Castilla y León	130	13.4%	225	16.4%
	Castilla-La Mancha	128	13.2%	268	19.6%
	Catalonia	9	0.9%	9	0.7%
	Ceuta	1	0.1%	1	0.1%
	Valencian Community	11	1.1%	11	0.8%
	Extremadura	65	6.7%	142	10.4%
	Galicia	10	1.0%	10	0.7%
	La Rioja	1	0.1%	1	0.1%
	Madrid	93	9.6%	93	6.8%
	Melilla	3	0.3%	3	0.2%
	Murcia	4	0.4%	4	0.3%
	Navarra	1	0.1%	1	0.1%
	Basque Country	4	0.4%	4	0.3%
Total Number of Offices in Spanish Territory		**968**	**99.9%**	**1,368**	**99.9%**

		Operational Branches as of 12.31.2022		Operational Branches as of 31.12.2021	
Country	**City**	**Number of Branches**	**Distribution (%)**	**Number of Branches**	**Distribution (%)**
U.K.	London	1	100%	1	100%
Total Number of Branches Abroad		**1**	**0.1%**	**1**	**0.1%**
TOTAL NUMBER OF BRANCHES		**969**		**1,369**	

As of September 30, 2022, according to Statement FI-132 published by the Bank of Spain, the market share of deposits to the private sector was 5.0% in the country as a whole, and as follows by autonomous community: Andalusia (11.9%), Asturias (21.6%), Cantabria (21.0%), Castilla y León (19.2%), Castilla-La Mancha (16.8%) and Extremadura (21.1%).

Regarding the share of credit to the private sector, according to Statement FI-132 published by the Bank of Spain, it amounted to 4.4% in the country as a whole and to 10.0% in Andalusia, 22.2% in Asturias, 24.0% in Cantabria, 11.6% in Castilla y León, 15.8% in Castilla-La Mancha and 15.0% in Extremadura.

With respect to branches, the Unicaja Banco Group's presence in Andalusia corresponded to 11.8% of its branches, in Asturias, 18.4%, in Cantabria, 22.2%, in Castilla y León, 10.6%, in Castilla-La Mancha, 11.7% and in Extremadura, 9.8%, according to the latest available information from the Bank of Spain as of September 30, 2022. Its branches in the country as a whole represented 5.4% of all branches from all banks.

5. Risk Management

The risk management and control system implemented by the Unicaja Banco Group is articulated along the following basic lines:

- A system of governance and organization of the risk function based on the active involvement and supervision of the Top Management, which approves the Entity's general policies and business strategies and lays down the overall risk management and control guidelines.
- A Risk Appetite Framework (RAF), which the Group considers a fundamental instrument for the implementation of its risk policy.
- A prudent risk exposure management model to which the Unicaja Banco Group pays close attention so as to keep a prudent, balanced risk profile at all times in order to meet its solvency, profitability and appropriate liquidity objectives, which translates into a solid, consistent risk culture.
- A selection of suitable methodologies for the identification, measurement, management and control of risks, which undergo a continuous process of improvement and are in line with regulatory requirements. At the same time, the Group matches its equity requirements to the level of actual risks stemming from its banking activity.
- A supervisory model based on three lines of defense, something which is in line with the expectations of regulatory and supervisory authorities.

The Unicaja Banco Group's overall risk management and control policies, methods and procedures are approved and periodically revised its Board of Directors.

Based on the current regulatory framework, Unicaja Banco's organizational structure includes an Overall Risk Control Unit, which is accountable to the Vice President's Office, which is in charge of controlling and relations with supervisors and is functionally independent from the departments that create exposures. One of the functions of this unit is to take control, from a global perspective, of all the risks for the Entity. The organization of the Unicaja Banco Group's Top Management has a well-defined internal structure that supports this unit and enables it to implement all the decisions it makes.

5.1. Risk Appetite Framework

The Group's risk management and control is arranged via, among others, the Risk Appetite Framework (RAF), which is approved by the Bank's Board of Directors.

The Unicaja Banco Group uses this RAF as an instrument for implementing its risk policy and as a key management and control tool that allows it to: (i) Formalize its risk appetite statement; (ii) specify its risk objectives in line with its corporate strategy, whereby it acts as a reference for guiding the activities that are carried out; (iii) formalize the risk supervision and monitoring mechanism so as to ensure compliance with its risk appetite; (iv) integrate all risk control and management processes into a common framework; and (v) strengthen and disseminate its risk culture.

Developing this Framework as the Group's general risk policy is a key aspect to the Entity's management and control, thus providing the Board of Directors and the Top Management with a comprehensive framework for determining the risks that the Entity is willing to assume.

Therefore, the main aim of Unicaja Banco's RAF is for a set of principles, procedures, controls and systems by means of which the Bank's risk appetite can be defined, communicated and monitored to be established.

Risk appetite is understood as the risk level or profile that Unicaja Banco is willing to assume and maintain, both in terms of its type and its quantity, as well as its tolerance level, and must be oriented towards achieving the objectives of its strategic plan in accordance with the lines of action established therein.

The main goal in managing the different risks is to achieve a risk profile that falls within the desired risk appetite level, which is defined on the basis of the established limits, those management measures that are considered most appropriate to achieve this being taken.

In addition, this Framework establishes different metrics for the quantification, control and monitoring of risks, which permit reacting to certain levels or situations. These metrics characterize the objective behavior of the Unicaja Banco Group, are cross-functional to the organization, and make it possible to convey the risk-prone culture to all levels in the organization in a systematized and understandable way. In turn, they summarize the Group's objectives and limits, can be communicated, where appropriate, to its stakeholders and are homogeneous since they are applied throughout the organization.

The Group has a process for identifying material risks, in which methodologies for the quantification of all risks to which the Entity is exposed are used. Likewise, it defines a criterion for selecting those risks which are material and hence must be managed and controlled more proactively. This management and control involves, among other things, the allocation of capital within a Internal Capital Adequacy Assessment Process (ICAAP) or, in the case of the liquidity risk, the allocation of a liquidity management buffer, which is assessed within a Internal Liquidity Adequacy Assessment Process (ILAAP). The process of quantification and identification of material risks is carried out on a recurring basis, which allows the Entity to identify emerging risks at all times.

Based on this process, within the Risk Appetite Framework, at least for each of the material risks, the appetite and tolerance is established through a qualitative statement, risk indicators or metrics are selected and a calibration methodology is defined to set target thresholds, early warnings and limits.

The Overall Risk Control Unit monitors compliance with the Risk Appetite Framework via the existing metrics for each type of risk. Moreover, it submits the results of its monitoring to the Top Management and its governing bodies.

The Entity has integrated its Risk Appetite Framework with its strategy, its ICAAP and ILAAP, its corporate risk policies and its Recovery Plan, among others. The Entity ensures the observance of the established risk culture through the approval of the management framework, the development of strategies and policies and the monitoring of the limits established for managing each type of risk.

5.2. Governance

The Bank's risk management and control model requires a robust and efficient organizational structure. This requires the effective involvement of the Board of Directors and the Top Management, as well as adequate coordination throughout the organization.

The following is a list of the bodies that are directly involved in Governance, their main functions and responsibilities as regards risk management and control being indicated, without prejudice to the other functions envisaged in the Law and in the Entity's Bylaws and regulations and manuals, where applicable.

The Board of Directors

The overall risk management and control policies, methods and procedures are approved by the Entity's Board of Directors. Thus, with respect to this area, the main functions conferred on this body are as follows:

- Approving the risk control and management policy, including tax risks, as well as periodically monitoring all internal information and control systems.
- Approving the RAF and its subsequent modifications, at the Risk Committee's proposal.
- Taking the RAF into consideration in the day-to-day management of the Entity and, especially, in the making of strategic decisions.
- Being informed, at least on a quarterly basis, of the monitoring of the RAF by the Risk Committee, without prejudice to the information that it may request of the latter at any given time.
- Taking all relevant corrective measures when deemed appropriate.
- Specifically approving, where appropriate, the maintenance of situations that involve an exceedance of a limit.

The Risk Committee

The following are among its main functions:

- Advising the Board of Directors on the Entity's overall risk appetite—current and future—and its strategy in this area and helping it to monitor the implementation of this strategy.
- Ensuring that all risk control and management systems work properly and, in particular, that any significant risks that affect the Company are properly identified, managed, and quantified.
- Ensuring that all risk control and management systems properly mitigate the risks within the framework of the policy defined by the Board of Directors.
- Actively taking part in drawing up the Company's risk management policy, ensuring that it identifies at least the following:
    - The different types of financial and non-financial risks (including, among others: operational, technological, legal, social, environmental, political and reputational) that the Company faces, contingent liabilities and other off-balance sheet risks being counted among the financial and economic risks.
    - The level of risk that the Company considers acceptable.
    - The measures envisaged to mitigate the impact of the risks identified, should they materialize.
    - The information and internal control systems that will be used to control and manage the aforementioned risks, including all contingent liabilities and off-balance sheet risks.
- In particular, within the RAF:
    - Proposing to the Board of Directors the approval of the RAF and its subsequent modifications.
    - Informing the Board of Directors, at least quarterly or at any time at it requests it, on the monitoring of the RAF.
    - Requesting, when it deems it convenient, information about the RAF from the various units.
    - Proposing suitable remedial measures according to the protocol that is place to deal with the surpassing of limits.
    - Proposing to the Board of Directors, where appropriate, the maintenance of situations that involve the exceedance of a limit.

<u>The Regulatory Audit and Compliance Committee</u>

This Commission has functions pertaining to:

- Information and internal control systems, supervising, among others, the effectiveness of the internal financial information control system (IFICS).
- Internal audits.
- Accounts audits.
- Observance of corporate governance rules.
- Regulatory compliance-
- Operations of corporate structural modifications that the entity plans to carry out.

Among these functions, the assessment of all matter concerning the company’s non-financial risks—including operational, technological, legal, social, environmental, political and reputational risks—stands out as far as risks are concerned.

<u>The Technology and Innovation Commission</u>

Among the functions conferred on this Commission is the monitoring of the technological risk in general.

<u>Sustainability Committee</u>

Among the functions attributed to this Committee is the monitoring of the processes of identification, evaluation, control and management of risks in the area of sustainability.

<u>The Steering Committee</u>

Among its functions, the following related to the RAF stand out:

- Validating and, where appropriate, submitting to the Governing Bodies proposals for documents relating to the Entity’s strategic planning, among which is the RAF.
- Conveying the RAF’s main criteria, whether they be the initial criteria or their subsequent adaptations, to the rest of the Entity, through the units that are in charge of each area, with the aim of having a solid “risk culture” at Unicaja Banco.
- Evaluating the implications of the RAF, in their respective areas of competence, in coordination with the Entity’s internal Committees, which will in turn inform the competent units of them if necessary.

5.3. Risk Control Model

The risk management and control model adopted by the Entity contemplates, among others, the following risks:

- Credit Risk and Concentration and Management of Nonperforming Loans
- Market risk.
- The interest rate risk in the banking book (IRRBB).
- The liquidity risk.
- Property Risk.
- The operational risk.
- Reputational risk
- Business and Strategic Risk
- Risks related to environmental, social and governance factors.

Credit Risk and Concentration and Management of Nonperforming Loans

Credit risk is defined as the risk of incurring losses as a result of a default on payments due to the Company. This risk is inherent to its operation.

Unicaja Banco has a document called Customer Credit Risk Policies, approved by the Board of Directors, which is established as a framework for the adequate control and management of the credit risks inherent to the Entity's credit investment.

It defines the mandatory risk policies and procedures, details the activities and tasks to be performed, delimits the responsibilities of the different areas involved in the processes of granting and monitoring operations, establishes the risk predisposition decided by the Company and its articulation through risk limits and types of operations, and documents in a structured and unified manner all of the general and specific aspects related to a large part of the credit investment operations.

Likewise, the Unicaja Banco Group has scoring and rating models integrated in its approval, monitoring and recovery processes. Estimates of PD (probability of default), LGD (loss given default) and EAD (exposure at default) are taken into account in different uses such as the granting of operations, the calculation of provisions or the classification of credit operations.

It should also be noted that, on June 28, 2021, Unicaja Banco received authorization from the European Central Bank to use internal models to calculate its solvency ratios. Specifically, the Governing Council of the European Central Bank granted Unicaja Banco the authorization to apply the A-IRB models to the calculation of capital requirements for credit risk of its retail portfolio (not SMEs), except for the part of the portfolio acquired through the merger with Liberbank.

Regarding the granting of credit transactions, Unicaja Banco has detailed policies, methods and procedures to ensure it grants loans and credit to consumers in a responsible manner.

The principles developed for this purpose are aligned with the Bank's current situation, through the Customer Credit Risk Policy document and with the regulatory requirements established by the regulations in force, including the following points:

- The granting criteria associated with the debtor's ability to pay.
- A transaction amortization plan that is adapted to the customer.
- A prudent ratio of the amount of the transaction to the value of its collateral.
- A collateral valuation policy.
- Granting of loans in foreign currency. Interest rate variability. The Interest rate risk cover.
- The exceptions policy on the terms and conditions of transactions.
- A warning to the customer about their failure to compliance with their payment obligations.
- A debt renegotiation policy.
- Information on the cost of services related to the granting of the credit transaction.
- The obligation to provide information to home buyers by subrogation of a developer loan.
- Other aspects of responsible lending policies and procedures.

On the other hand, the Unicaja Banco Group has implemented systems for compliance with Law 5/2015 on the promotion of business activity, which recognizes unwaivable rights for SMEs and the self-employed in those cases in which a credit institution decides to cancel or reduce the flow of finance.
In addition, the granting of credit operations must be subject, depending on their beneficiaries, nature, amount, term, guarantees and characteristics, to a decentralized approval process based on the joint powers of the following decision-making bodies:

- The Board of Directors
- Credit Risk Committee.
- Risk Admission Committee
- Corporate Banking and Specialized Financing Risk Analysis Committee.
- Individuals Analysis Committee

- Mortgage Analysis Committee
- Territorial Risk Committee
- Territorial Analysis Committee
- Office Risk Committee.

Likewise, the credit risk control functions and methodologies are applied both during the credit transaction approval phase and the credit transaction follow-up and recovery phases. Follow-up consists in monitoring the evolution of the risk of the transaction itself and of the customer or, where applicable, the economic group. Thus, various controls monitor and control the credit risk of the financial investment:

- The preventive supervision of operations and credit receivers.
- The supervision of all impaired, doubtful or unpaid transactions.

In accordance with the provisions of the regulations in force, the Unicaja Banco Group has a policy for refinancing, restructuring, renewing and renegotiating transactions.

In addition, it has methodologies, procedures, tools and rules of action for controlling and recovering irregular assets.

Unicaja Banco has adapted its policies, processes and tools for the identification and measurement of credit risk in the context derived from the (Covid-19) pandemic.

Market Risk

Market risk is defined as the possibility of the Entity incurring a loss from holding positions in the markets as a result of adverse movements of the financial variables or of risk factors that determine the value of such positions.

Even though market risk is assigned to trading positions for solvency purposes, the Unicaja Banco Group has developed policies, processes and tools for managing the market risk corresponding to its entire portfolio of securities entered at a fair value for accounting purposes.

In order to properly manage the market risk, the Structural and Non-Financial Risks Area, which is accountable to the Overall Risk Control Unit, has tools for measuring, calculating and controlling market risks, the limits set therefor by the Board of Directors, in particular the value at risk (VaR), and operating limits by credit/counterparty risk that affect the Unicaja Banco Group's operations in capital markets and which act as a means of diversification in order to avoid excessively concentrated exposures to market risk.

The Unicaja Banco Group carries out the measurement and control function by establishing a structure of quantitative limits and a system of powers in financial market operations. The Group has detailed information on the different subrisks and has assigned limits within its Risk Appetite Framework that allow it to adequate monitor and, if necessary, mitigate such risks.

The ultimate responsibility for risk identification and control lies with the Governing Bodies of the Unicaja Banco Group. Thus, the Top Management is responsible for and actively participates in the entire risk management process (planning, approval, assessment and control of all risks inherent in the positions taken by the Entity in financial markets).

Interest Rate Risk in The Banking Book (IRRBB)

Interest rate risk in the banking book (IRRBB) is defined as the current or future risk to both the earnings and economic value of the Entity arising from adverse interest rate fluctuations affecting interest rate sensitive instruments.

The control functions performed and methodologies employed by the Entity also include the control of the effectiveness of balance sheet coverages as mitigation instruments and the use of stress testing measures. Thus, in the analysis, measurement and control of the interest rate risk assumed by the Group, it uses sensitivity measurement and analysis techniques of a wide range of scenarios that could significantly affect it to capture the different sources of risk.

Based on the results of the structural interest rate risk exposure the Unicaja Banco Group obtained on each analysis date, a series of actions aimed at mitigating such exposure are implemented until it is brought back to the acceptable levels defined by the Group's risk profile, should this be necessary.

The Board of Directors approves the Entity's overall risk management strategy and laid down the general and control guidelines of this management.

The Assets and Liabilities Committee (ALC) develops the strategy within the framework and limits established by the Board of Directors.

Liquidity Risk

Liquidity risk can be defined differently since it is not a monodimensional concept. Typically liquidity risk has three different meanings, which we will define hereinbelow as:

- The cost of unwinding a position in a real or financial asset. It refers to the difficulties that may arise when unwinding or closing a position in the market, at a a particular point in time, without impacting the market price of the instruments or the cost of the transaction (market or asset liquidity).
- A mismatch between the degree of enforceability of liability operations and the degree of performance of asset operations (funding liquidity).
- A mismatch between the capabilities for growth of the investment activity arising from the impossibility of finding financing commensurate with the risk appetite to leverage asset growth strategies (strategic or structural liquidity).

The Group establishes prudent policies and goals that contemplate not only normal market conditions but also contingency plans for stress or crisis situations, both its own and of the market.

The Unicaja Banco Group has set limits to the liquidity risk to control its exposure thereto and maintain such exposure within authorized levels.

Generally speaking, liquidity is considered adequate if potentially liquid assets and funding capacity are greater than the needs arising from the business and the costs of refinancing in the markets. The greater this difference, the greater the available liquidity.

The Unicaja Banco Group also practices a diversification policy in order to avoid excessively concentrated exposures to the structural liquidity risk. Likewise, in its management of liabilities, it diversifies its sources of funding, ensuring that they are diversified by market, maturity and product, in order to steer away from difficulties at particular moments of crisis or of the markets.

Property Risk

This is the risk associated with the loss of value of real estate assets held on the Entity's balance sheet.

The Unicaja Banco Group sets limits to the real estate risk relating to assets received in payment for debts in order to control this exposure and keep it within adequate levels.

These assets are managed in the Entity with the ultimate purpose of divesting or leasing them. To this end, the Unicaja Banco Group has holding companies specializing in the management of urban development projects, the marketing of real estate and the leasing of real estate assets.

It also has specific units to develop these strategies and coordinate the actions of the instrumental subsidiaries.

In addition, the Group has a decentralized governance structure that, through a framework of attributions, ensures this risk is properly managed and controlled.

Operational risk

Operational risk is defined as the risk of suffering losses due to the unsuitability or failure of company procedures, people or systems or to external events, including the legal risk.

Unicaja Banco assumes the following types of operational risk, pursuant to Regulation 575/2013 (CRR), in order to maintain a uniform and parameterized management of risk, in accordance with the standards defined in the New Basel Capital Accord (NBCA):

- Internal fraud
- External fraud
- Employment and occupational health and safety practices
- Customers, products and business practices
- Damage to tangible physical assets
- Interruption of the activity and system failures
- Process execution, delivery and management

The emergence in recent years of new potential risks for financial institutions is driving the transition towards an Operational Risk management model in Unicaja Banco that contemplates an expanded taxonomy that addresses new emerging or potential risks, adapting its management perimeter to the more developed taxonomy that incorporates a greater number of risk typologies and which are listed below: people (human resources); internal fraud; external fraud; conduct; transactional processes; technology; physical asset security; information security (including cybersecurity); business continuity; regulatory compliance; financial crime; legal; suppliers/third parties; financial and tax reporting; data management and model.

The Unicaja Banco Group has established a series of procedures for capturing operational loss events.

These provide the Group with the necessary information to be able to implement the corresponding mitigation instruments of its operational risk management policy. Likewise, it has a Board of Directors-approved Operational Risk Framework.

The Group carries out an operational risk management that not only covers the recognition of loss-generating events and their correct accounting, but also promotes its control and active management facet with the purposes of minimizing and reducing all losses and negative impacts arising from this type of risk.

The Unicaja Banco Group uses other operational risk mitigation measures to manage the operational risk. These measures include (i) the performance of self-assessment exercises and (ii) the system of key risk indicators (KRI) for measuring the evolution of risk factors.

Since December 2017, the Group has been using the Standardized Approach as its methodology for the quantification of Operational risk in terms of capital, with the objective of improving its operational risk management, in line with the Group's risk culture.

Among the types of risks included within operational risk are technology risk, defined as the risk arising from system, network and hardware or software failures; and information security risk (including cybersecurity), which considers the risk arising from information security incidents, including the loss, theft or misuse of information (of all types, customers, employees, owned by the organization), as well as non-compliance with rules relating to information security. In relation to these risks, Unicaja Banco has a catalog of metrics for their quantification, control and monitoring within the Entity's Risk Appetite Framework. It also ensures the proper governance of these risks to provide resilient and quality services to its customers, shareholders, and other stakeholders.

Furthermore, model risk is also included, which includes losses arising as a consequence of decisions based mainly on the result of (internal) models, due to errors in the development, implementation or use of such models. The Models Committee is the governing body responsible for the supervision, approval and ratification of all those processes in the life cycle of the corporate models that require it.

Within operational risk there is also conduct risk, defined as risk caused by inadequate practices in the relationship of the Entity or its employees with its customers, the treatment and the products offered and their suitability. The Unicaja Banco Group ensures the correct creation, issuance and distribution of products and the proper provision of services while ensuring compliance with current legislation. One of the Bank's aims is to ensure that new products are subjected to the necessary analysis and review procedures in order to mitigate the risk of litigation as far as possible.

Reputational risk

Reputational risk is defined as the probability of incurring losses in value as a consequence of a deterioration in the perception that its main*stakeholders* have of its corporate reputation.

The Unicaja Banco Group has traditionally been very demanding as regards aspects relating to reputational risk management.

Customer satisfaction and the good image of the Entity are permanent goals of all its employees and of the Company's highest levels of governance and management.

This constant effort to maintain and reinforce it good image is rooted in its global culture and is embodied in, among other concrete manifestations:

- The Group's strategic objectives.
- The Code of Conduct, the Corporate Social Responsibility Policy, the Sustainability Policy, Environmental, the Energy and Climate Change Policy and the Criminal Risk Prevention Program approved by the Board of Directors.
- The actions of the three lines of defense.
- Compliance with the general regulatory framework and, in particular, with the regulations on markets in financial instruments and investor protection (“MiFID”) and on the protection of the user of financial services.
- The process of continuous training of employees in all areas in which they carry out their activities, which includes, specifically, training related to ethical aspects, as determined in the “Code of Conduct”.

Business and Strategic Risk

This is defined as the risk of incurring losses due to erroneous strategic decisions derived from an incorrect analysis of the market in which it operates, either due to a lack of knowledge of the market or the inability to achieve its objectives, which could threaten the viability and sustainability of the Group’s business model. It includes the risk of change management, understood as the risk derived from projects that do not meet their objectives, change their scope or undergo a transformation process in their operation.

In order to analyze the soundness of its business model, the Group analyzes potential vulnerabilities through sensitivities and stress exercises. In addition, through the Risk Appetite Framework, metrics related to business and strategic risk are defined and monitored on a recurring basis.

Risks related to environmental, social and governance factors.

Environmental, social and governance (ESG) factors may have a relevant impact on the Group’s financial or solvency development. The scope of these factors is extrapolated to those involved in the marketing of financial products and their exposure to the public, as well as to the Group’s own exposures.

The proper management of ESG factors by the Group is conditioned, from a risk perspective, by the economic activity and by the classification of its assets (such as the sector and geographical location of its counterparties or issues of financial instruments invested) and liabilities (such as issues of financial instruments or investment portfolio).

ESG factors can affect the Group’s financial performance by manifesting themselves in prudential financial or non-financial risks, such as credit, market, operational, liquidity and interest risk, or reputational or liability risk, respectively. Therefore, while ESG factors can have positive or negative impacts, ESG risks are defined from a prudential perspective, in the context of supervisory review, as the negative materialization (on the Company or on its counterparties) of ESG factors.

Climate-related and environmental risks (environmental ESG factor) are risks arising from the Group’s exposure to counterparties that might potentially contribute to or be adversely affected by environmental factors, including factors resulting from climate change and other types of environmental degradation. These risks are generally considered to comprise two main risk factors affecting economic activities, which, at the same time, have an impact on the financial system. These are:

- Physical risk, which refers to the financial impact of a changing climate, including more frequent extreme weather events and gradual changes in climate, as well as environmental degradation, such as air, water and land pollution, loss of biodiversity and deforestation.

  Physical risk is classified, in turn, as:

  - "Severe," when it arises from extreme events, such as droughts, floods and storms, and,
  - "Chronic," when it arises from gradual changes, such as rising temperatures, sea level rise, land use change, habitat destruction and resource scarcity.

  This can directly cause, for example, damage to goods or a decrease in productivity, and can also indirectly lead to further incidents, such as the disruption of supply chains.

- Transition risk refers to the Group's financial losses that may arise directly or indirectly from the process of adjusting to a lower carbon and more environmentally sustainable economy. This may be triggered, for example, by a relatively abrupt adoption of environmental policies, technological advances or changes in the market climate and consumer preferences.

Physical and transition risks can also trigger further damages arising directly or indirectly from legal claims (liability risk) Group loss of reputation if the public, counterparties or investors associate the Group or its customers—particularly corporate or institutional clients—with adverse environmental effects (reputational risk).

Accordingly, physical and transition risks are factors of the existing risk, in particular the credit risk, the operational risk, the market risk and the liquidity risk, as well as the risks outside Pillar 1, such as the migration risk, the credit spread risk in the investment portfolio, the real estate risk and the strategic risk.

For the proper management of ESG risks (which encompasses climate-related and environmental risks), the Group has begun a series of initiatives, including an Action Plan on Sustainable Finance, approved in June 2020 and reviewed in April and November 2021, which aim to measure in depth the impact of these risks on its financial structure, and to enable it to act efficiently in this area, in the medium and long term.

Likewise, the Group has availed itself of a structure for promoting sustainability, which currently comprises the ESG Business Unit and the Sustainability and Corporate Social Responsibility (CSR) Unit. The Sustainability and CSR Committee is the body that brings together, in addition to these two units, other Bank units with ESG factor management powers.

It should be noted that in fiscal year 2022 the Sustainability Committee has been established as a support committee of the Board of Directors, whose functions are as follows:

- Overseeing that the Company's practices related to sustainability are in line with the strategy, the policies established, and the commitments acquired.
- Informing the Sustainability Policies to be submitted to the Board of Directors for approval, in order to promote the inclusion of the corporate culture and fulfill the mission of promoting the social interest, taking into account the different stakeholders.

- Ensuring the integrity of the content of sustainability reports, as well as compliance with applicable regulations and international reference standards. Regarding the non-financial information contained in the annual management report, evaluating its content prior to its review and report by the Audit and Regulatory Compliance Committee, for its subsequent formulation by the Board of Directors.
- Monitoring the processes of identification, evaluation, control and management of risks in the area of sustainability.
- Evaluating the periodic sustainability reports submitted by the responsible areas of the Company.
- Being aware of the writings, reports or communications from supervisory bodies related to sustainability and issuing the corresponding reports and/or proposals, as the case may be.
- Advising the Board of Directors in decision-making on sustainability matters, as well as providing such assistance as may be required, within the framework of their respective competencies, by the Audit and Regulatory Compliance Committee and by the Risk Committee, and acting in coordination with both Committees.
- Making proposals to the Board of Directors on sustainability matters.

Also, the implementation of the aforementioned Sustainable Finance Action Plan was included in Axis 5 of the 2022-2024 Strategic Plan approved by the Group in December 2021. The new challenge of sustainability, in all its facets, is assumed by Unicaja Banco as an opportunity for development and improvement in its daily management, for which the Group will work on a renewed offer of products and services, on the reduction of its carbon footprint and, at the same time, promote the culture of sustainability, identification and management of climate and environmental risk, which denotes a holistic approach to the management of these risks.

The Group has included in the Risk Appetite Framework a series of climate-related and environmental risk metrics that constitute indicators of the level of climate and environmental risks.

Unicaja Banco considers that the appropriate management of ESG risks is part of a global work program, which analyzes the financial, marketing and good governance impacts, in order to position itself as a Company committed to sustainability and its derived impacts.

6. Post-Year-End Events

7. Research and Development

The Unicaja Banco Group did not carry out any research and development activities of any significant amount during the 2021 and 2022 fiscal years.

8. Environmental Impact

The Group's global operations are governed by laws relating to the protection of the environment (environmental laws). The Parent Company considers that it substantially complies with these laws and maintains procedures designed to ensure and promote their compliance.

The Parent Company considers that it has taken suitable measures in relation to the protection and improvement of the environment and the minimization, where applicable, of the environmental impact of its activities, thus complying with all applicable regulations. During 2021 and 2022 fiscal years the Group did not make any significant investments of an environmental nature or considered it necessary to record any provision for environmental risks and expenses, nor did it think that there were any significant contingencies related to the protection and improvement of the environment.

9. Own Shares

As of December 31, 2022, the Group held 285,063 own shares (4,418,125 own shares as of December 31, 2021) amounting to 235 thousand Euros (3,446 thousand Euros as of December 31, 2021). The cumulative portion of this treasury stock which was directly acquired by Unicaja Banco amounted as of December 31, 2022 to 198,770 own shares (4,331,832 own shares as of December 31, 2021).

The breakdown of own Shares as of December 31, 2022 and 2021 is as follows:

	2022		2021	
	Number of Shares	**Thousands of Euros**	**Number of shares**	**Thousands of Euros**
Balance of Own Shares at the Beginning of the Period	**4,418,125**	**3,446**	**178,589**	**179**
Effect of the merger by absorption of Liberbank	-	-	4,155,646	3,227
Unicaja Banco's direct acquisitions	62,346	15	99,020	55
Redemption of Unicaja Banco's own shares	-	-	-	-
Unicaja Banco's direct sales	(4,195,408)	(3,226)	(15,130)	(15)
Sales of other Group entities	-	-	-	-
Balance of Own Shares at the Beginning of the Period	**285,063**	**235**	**4,418,125**	**3,446**

The net acquisitions of treasury stock made by Unicaja Banco during 2022 were made for a total negative price (net sale) of 3,211 thousand Euros, while during 2021 they were made for a total positive price (net purchase) of 40 thousand Euros.

10. Deferral of Payments to Suppliers

Payments made by the Unicaja Banco Group to suppliers exclusively for the rendering of services and the supply of sundry services in 2022 amounted to 1,225,343 thousand Euros (569,543 thousand Euros in 2021), which were made within the legally and contractually established deadlines. The balance pending payment to suppliers as of December 31, 2022 and 2021 had a shorter term than the one established by Law 15/2010, of July 5.

In accordance with the provisions of the second final provision of Law 31/2014, of December 3, amending the third additional provision of Law 15/2010, and in relation to the information to be included in the notes to the consolidated financial statements on deferrals of payment to suppliers in commercial transactions calculated based on the provisions of the Resolution of January 29, 2016, of the Spanish Accounting and Audit Institute, the average payment period to suppliers of the Group for the years 2022 and 2021 is 14.14 days and 12.99 days, respectively, while the ratio of transactions paid for those years amounts to 14.10 days and 12.04 days, respectively, and the ratio of transactions pending payment amounts to 26.74 days and 16.83 days, respectively.

Additionally, Law 18/2022 requires trading companies to provide additional information as of 2022 regarding the monetary volume and number of invoices paid in a period shorter than the maximum legally established (30 days), as well as the percentage they represent of the total. In this regard, Unicaja Banco paid a total of 198,832 invoices during 2022, of which 164,903 invoices were paid within the legal maximum term (82.94% of the total). In terms of monetary volume, Unicaja Banco has paid a total of 435,177 thousand Euros during 2022, of which 366,997 thousand Euros have been paid in a term lower than the legal maximum (84.33% of the total).

The average payment period was within the legal limits set in the regulations, so the inclusion in the management report of the measures provided for in Section 1 of Article 262 of the Consolidated Text of the Capital Companies Act does not apply.

11. Consolidated Non-Financial Information Statement

Pursuant to the provisions of Law 11/2018, of December 28, which amends the Code of Commerce, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of July 2, and Law 22/2015, of July 20, on Auditing of Accounts, in terms of non-financial information and diversity, the Unicaja Banco Group has prepared the Consolidated Non-Financial Information Statement for the 2022 fiscal year, which, pursuant to the provisions of Article 44 of the Code of Commerce, is part of this consolidated management report and has been appended hereto as a separate document.

APPENDIX I
ALTERNATIVE PERFORMANCE MEASURES (APM)

The information contained herein has been prepared in accordance with International Financial Reporting Standards as adapted by the European Union (EU-IFRS). In addition, the Unicaja Banco Group considers that certain Alternative Performance Measures (APM), as defined in the Guideline on Alternative Performance Measures published by the European Securities Market Authority (ESMA) on October 5, 2015 (ESMA/2015/1415en), provide additional information that might be useful when analyzing the Group's financial performance.

The Group considers that the APMs included herein comply with said ESMA Guideline. These APMs have not been audited and under no circumstances replace the financial information prepared under the IFRSs. Likewise, the definition of these APMs that the Group uses may differ from similar measures calculated by other companies and therefore might not be comparable.

Following the recommendations of the aforementioned Guideline, the APMs used by the Unicaja Banco Group are listed below:

ALTERNATIVE PERFORMANCE MEASURES *(Millions of Euros)*		**Dec.22**	**Dec.21**
Loans and advances to customers (without valuation adjustments)	1. Non-trading financial assets mandatorily at fair value through income - Loans and advances to customers (Note 8.2)	113	134
	2. Financial assets at amortized cost - Loans and advances to customers (Note 10)	54,326	56,023
	3. Valuation adjustments	(892)	(881)
	4. Temporary acquisitions of assets	-	779
	5. Other financial assets	439	777
	Figure (1+2-3-4-5)	**54,891**	**55,483**
Objective: To know the total balance and evolution of credit risk in the field of loans and advances to customers.			
Performing credit	1. Loans and receivables portfolio. Gross	54,891	55,483
	2. Loans and receivables portfolio. Doubtful risk(1)	1,938	1,961
	Figure (1-2)	**52,953**	**53,522**
Objective: To know the total balance and evolution of the Group's healthy loans and advances (those in Stage 1 or Stage 2).			

(1) It excludes other nonperforming financial assets.

Managed resources	1. Financial liabilities at amortized cost. Customer deposits (without valuation adjustments)	74,487	83,710
	(+) Financial liabilities at amortized cost. Customer deposits (Note 17.3)	74,386	84,154
	(-) Valuation adjustments	101	-443
	2. Debt securities issued (without valuation adjustments)	3,443	2,483
	(+) Debt securities issued (Note 17.4)	3,329	2,498
	(-) Valuation adjustments	113	-15
	3. Funds managed through off-balance sheet instruments* (Note 31.4)	20,249	22,014
	Figure (1+2+3)	**98,179**	**108,207**
Objective: To know the total balance and the evolution of the funds managed by the Group, both on- and off-balance sheet.			

(*) This figure does not expressly appear in the consolidated financial statements or in the explanatory notes thereto but has instead been obtained from the records, databases or inventories of the Unicaja Banco Group.

ALTERNATIVE PERFORMANCE MEASURES		Dec.22	Dec.21
Managed resources. Customers (non-market)	1. Managed resources (see the specific APM)	98,179	108,207
	2. Individual mortgage bonds under the "Term Savings" item. Cash value. *Management figure (*)*	4,654	5,206
	3. Customer deposits. Repurchase agreements (without valuation adjustments) (Note 17.3)	20	4,715
	4. Debt securities issued (without valuation adjustments) (Note 17.4)	3,443	2,483
	5. Repurchase agreements of assets held by retail customers. *Management figure (*)*	20	182
	Figure (1-2-3-4+5)	**90,082**	**95,985**
<u>Objective</u>: Knowing the total balance and evolution of the funds managed by the Group, both on- and off-balance sheet, for the customer area, excluding market operations.			

(*) This figure does not expressly appear in the consolidated financial statements or in the explanatory notes thereto but has instead been obtained from the records, databases or inventories of the Unicaja Banco Group.

Managed resources (Markets)	1. Individual mortgage bonds under the "Term Savings" item. Cash value. *Management figure (*)*	4,654	5,206
	2. Customer deposits. Repurchase agreements (without valuation adjustments) (Note 17.3)	20	4,715
	3. Debt securities issued (without valuation adjustments) (Note 17.4)	3,443	2,483
	4. Repurchase agreements of assets held by retail customers. *Management figure (*)*	20	182
	Figure (1+2+3-4)	**8,097**	**12,222**
<u>Objective</u>: Knowing the total balance and the evolution of the funds managed by the Group for the market operations area.			

(*) This figure does not expressly appear in the consolidated financial statements or in the explanatory notes thereto but has instead been obtained from the records, databases or inventories of the Unicaja Banco Group.

Default rate	1. Loans and receivables portfolio. Doubtful risk	1,938	1,961
	2. Loans and receivables portfolio. Gross	54,891	55,483
	Ratio (1/2)	**3.5%**	**3.5%**
<u>Objective</u>: Measuring the quality of the loan portfolio, indicating the percentage of doubtful loans with respect to the total number of loans.			

Coverage of non-performing loans	1. Loans and receivables portfolio. Total number of valuation adjustments due to impairment of assets (Notes 10 and 27) ([2])	1,289	1,343
	2. Loans and receivables portfolio. Doubtful risk	1,938	1,961
	Ratio (1/2)	**66.5%**	**68.5%**
<u>Objective</u>: Knowing the percentage of the doubtful portfolio that is covered by loan loss provisions. It is an indicator of the expected recovery of such assets.			

(2) It excludes valuation adjustments due to the impairment of other financial assets.

Coverage of foreclosed assets	1. Accumulated impairment of assets foreclosed or received in payment of debts (Note 47.2)	1,175	1,385
	2. Gross carrying amount of assets foreclosed or received in payment of debts (Note 47.2)	1,833	2,209
	Ratio (1/2)	**64.1%**	**62.7%**
<u>Objective</u>: Showing the level of coverage of foreclosed assets classified for accounting purposes as available-for-sale assets or inventories.			

ALTERNATIVE PERFORMANCE MEASURES		Dec.22	Dec.21
ROE	1. Consolidated income for the year (pro-forma consolidated profit and loss statement)	259.7	137.5
	2. Shareholders' equity	6,617	6,416
	Ratio (1/2)	**3.9%**	**2.1%**
Objective: It measures the return obtained on funds invested/retained by/in the Group and hence is an indicator of ROE.			

ALTERNATIVE PERFORMANCE MEASURES		Dec.22	Dec.21
ROTE	1. Consolidated net income for the year, net of interest from equity instruments other than capital (2-3)	259.7	137.5
	2. Consolidated income for the year (pro-forma consolidated profit and loss statement)	259.7	137.5
	3. Interest from equity instruments other than capital (2-3)	22.6	4.6
	2. Tangible common shareholders' equity (3-4-5-6)	5,941	5,735
	3. Shareholders' equity	6,617	6,416
	4. Equity instruments issued other than share capital (AT1)	547	547
	5. Intangible assets	75	80
	6. Goodwill on investments	53	54
	Ratio (1/2)	**4.0%**	**2.3%**
Objective: Measuring the return obtained by the Group's tangible equity and, hence, the Group's ability to remunerate its shareholders on the equity they have invested in the Bank once intangible assets have been discounted.			

ROA	1. Consolidated income for the year (pro-forma consolidated profit and loss statement)	259.7	137.5
	2. Total assets (*)	99,003	115,550
	Ratio (1/2)	**0.3%**	**0.1%**
Objective: Measuring the profitability obtained by the Group's total assets, which reflects the Group's efficiency in generating profit with the assets to which it has applied its funds.			

RORWA (management)	1. Consolidated income for the year (pro-forma consolidated profit and loss statement)	259.7	137.5
	2. Risk-weighted assets (RWAs) (Note 1.9.1)	34,134	35,291
	Ratio (1/2)	**0.8%**	**0.4%**
Objective: RORWA is an evolution of ROA. It is used to measure the return obtained in relative terms on the total number of risk-weighted assets.			

Efficiency (operating expense/gross operating income)	1. Operating expenses (pro-forma consolidated profit and loss statement)	861.8	936.7
	2. Gross margin (pro-forma consolidated profit and loss statement)	1,584.3	1,516.8
	Ratio (1/2)	**54.4%**	**61.8%**
Objective: Knowing the percentage of funds used to generate the gross margin.			

Cost of risk	1. Impairment or (-) reversal of the impairment of the value of loans to and receivables from customers (pro-forma consolidated profit and loss statement)	214.2	270.6
	2. Balance at end of the period of loans and advances to customers (without valuation adjustments or TAAs)	54,891	55,483
	Ratio (1/2)	**0.39%**	**0.49%**
Objective: Knowing the Group's credit quality through the annual cost, in terms of impairment losses (write-downs of loans and receivables, entered in the accounts under the impairment of financial assets not valued at a fair value through income item) of each gross customer lending unit.			

ALTERNATIVE PERFORMANCE MEASURES		Dec.22	Dec.21
Cost of recurring risk	1. Impairment or (-) reversal of the impairment of the recurring value of loans to and receivables from customers (2-3)	**133.8**	**161.2**
	2. Impairment or (-) reversal of the impairment of the value of loans to and receivables from customers (pro-forma consolidated profit and loss statement)	214.2	270.6
	3. Impairment of value or (-) reversal of impairment of non-recurring value. Management Data	**80.4**	**109.4**
	4. Balance at end of the period of loans and advances to customers (without valuation adjustments or TAAs)	54,891	55,483
	Ratio (1/2)	**0.24%**	**0.29%**
	Objective: Provides information on the Group's credit quality through the annual recurring cost, in terms of impairment losses (write-downs of loans and receivables, entered in the accounts under the impairment of financial assets not valued at a fair value through income item) of each gross customer lending unit.		

Loan to Deposits (LtD)	**NUMERATOR: Loans and advances to customers without valuation adjustments**	**54,891**	**55,483**
	1. Financial liabilities at amortized cost. Customer deposits (without valuation adjustments) (Note 17.3)	74,488	83,709
	2. Individual mortgage bonds under the "Term Savings" item. Cash value. *Management figure (*)*	4,655	5,207
	3. Customer deposits. Repurchase agreements (without valuation adjustments) (Note 17.3)	20	4,715
	4. Repurchase agreements of assets held by retail customers. *Management figure (*)*	20	182
	(1-2-3+4) DENOMINATOR. Customer deposits without valuation adjustments-	**69,833**	**73,969**
	Ratio (NUMERATOR/DENOMINATOR)	**78.6%**	**75.0%**
Objective: Measuring the ratio of the funds the Group has in its customer deposits to the volume of loans and advances.			

Gross liquid assets	1. Short-term cash surplus (Interbank deposits + Excess balance in the ECB and operating accounts) (*)	3,235	19,812
	2. Reverse purchase agreements of bankable assets (Note 10.1)	198	795
	3. Fixed-income portfolio and other bankable assets at the ECB (*)	28,488	29,234
	Figure (1+2+3)	**31,921**	**49,841**
Sum of: *- The excess/deficit of deposits in the Bank of Spain with respect to the minimum reserve ratio in effect as of that date and the excess/deficit in operating accounts with credit institutions with respect to the average over the last 12 months.* *- The net position of interbank deposits with other credit institutions.* *- The discountable fixed-income portfolio at the ECB, both firm and by means of reverse repurchase agreements, including the Bank's own portfolio issued for use as collateral at the ECB and all pledged loans, all valued at the discounted value at the ECB.*			
Objective: Knowing the total balance and evolution of the Group's high quality liquidity assets (HQLA).			

Net liquid assets	1. Gross liquid assets (see APM above)	31,921	49,841
	2. Taken out at the ECB (Note 17.1)	5,321	10,292
	3. Temporary assignments of assets and other pledges (*)	3,084	11,338
	Figure (1-2-3)	**23,516**	**28,211**
Note: The portion of gross liquid assets that is being used as collateral for financing, either against the ECB, through temporary assignments of assets or other pledges, is deducted from the gross liquid assets.			
Objective: Knowing the total balance and evolution of the Group's high quality liquid assets (HQLA) by netting such assets that are being used as collateral for financing.			

APPENDIX II
SEPARATE REPORT ON NON-FINANCIAL INFORMATION

The separate report on non-financial information for the 2022 fiscal year corresponding to Unicaja Banco, S.A. and its subsidiaries (Unicaja Banco Group), which has been prepared pursuant to the provisions of the Code of Commerce and other applicable regulations, is included herein below. This report is an integral part of the consolidated management report.

APPENDIX III
ANNUAL CORPORATE GOVERNANCE REPORT

The Annual Corporate Governance Report of Unicaja Banco, S.A. for the fiscal year ended on December 31, 2022 has been appended hereto as an integral part hereof.

APPENDIX IV
ANNUAL REPORT ON DIRECTORS' REMUNERATION

The Annual Directors' Remuneration Report of Unicaja Banco, S.A. for the fiscal year ended on December 31, 2022 has been appended hereto as an integral part hereof.

UNICAJA BANCO, S.A. AND SUBSIDIARIES
(UNICAJA BANCO GROUP)

PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT FOR THE FISCAL YEAR 2022

Having the Board of Directors of Unicaja Banco, S.A. met at the registered office on Thursday, February 23, 2023, and in compliance with the requirements established in the legislation in force, said body resolves to prepare the Consolidated Annual Accounts of Unicaja Banco, S.A. and its subsidiaries (Unicaja Banco Group) for the 2022 fiscal year, which comprise the balance sheet as of Saturday, December 31, 2022, the profit and loss statement, the statement of recognized income and expenses, the statement of total changes in equity, the statement of cash flows and the report, all of them consolidated, corresponding to the fiscal year ended on said date. Likewise, the Board of Directors resolves to prepare the Consolidated Management Report for the 2022 fiscal year, which includes the Annual Corporate Governance Report, the Annual Directors' Remuneration Report and the Consolidated Non-Financial Information Statement. All of the foregoing is contained on the obverse of the pages of State stamped paper, numbered correlatively from [●] to [●], all inclusive, of Series [●], 8th Class, of 3 euro cents each.

To the best of our knowledge, the Consolidated Financial Statements corresponding the 2022 fiscal year give a true and fair view of the Group's net worth and financial position as of December 31, 2022, as well as of its consolidated results and cash flows for the year ended on said date, pursuant to International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions of the regulatory financial reporting framework applicable in Spain. Likewise, the Consolidated Management Report for the 2022 fiscal year includes a faithful analysis of the evolution, results and position of Unicaja Banco, S.A. and of the subsidiaries comprising the Unicaja Banco Group.

The resolution to prepare the Consolidated Financial Statements and the Consolidated Management Report for the 2022 fiscal year was adopted by the Board of Directors with the unanimous vote of all the directors, who are Manuel Azuaga Moreno (Executive Chairman), Manuel Menéndez Menéndez (Chief Executive Officer), Juan Fraile Cantón (Vice-Chairman), Carolina Martínez Caro (Coordinating Director), Teresa Sáez Ponte (Secretary), María Luisa Arjonilla López (Member), María Teresa Costa Campi (Board Member), Jorge Delclaux Bravo (Board Member), Jorge Delclaux Bravo (Board Member), Rafael Domínguez de la Maza (Board Member), Felipe Fernández Fernández (Board Member), María Garaña Corces (Board Member), Petra Mateos-Aparicio Morales (Board Member), Manuel Muela Martín-Buitrago (Board Member), Isidoro Unda Urzaiz (Board Member) and David Vaamonde Juanatey (Board Member).

Due to the fact that Carolina Martínez Caro, María Luisa Arjonilla López, Jorge Delclaux Bravo, María Garaña Corces, Petra Mateos-Aparicio Morales, Manuel Muela Martín-Buitrago and David Vaamonde Juanatey attended the meeting of the Board of Directors by telematic means and were therefor unable to sign the aforementioned Consolidated Financial Statements and Consolidated Management Report, they have given their approval by e-mail sent to the e-mail addresses of the Chairman of the Board of Directors, the Secretary of the Board of Directors and the Non-Director Vice-Secretary of the Board of Directors.

UNICAJA BANCO, S.A. AND SUBSIDIARIES
(UNICAJA BANCO GROUP)

PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT FOR THE FISCAL YEAR 2022

By means of the declaration of approval of the Board Members who attended the meeting telematically as indicated in the previous paragraph and the signature of this document by the Board Members who physically attended the meeting, which are Manuel Azuaga Moreno, Manuel Menéndez Menéndez, Juan Fraile Cantón, Teresa Sáez Ponte, María Teresa Costa Campi, Rafael Domínguez de la Maza, Felipe Fernández Fernández Fernández and Isidoro Unda Urzaiz, it is hereby certified that the Consolidated Financial Statements, in the terms indicated in folio number [●] of Series [●], Class 8, of the Consolidated Financial Statements of the Company, have been prepared in accordance with the terms indicated in folio number [●] of Series [●], Class 8. Isidoro Unda Urzaiz, certify the formulation, in the terms indicated on page number [●] of Series [●], Class 8, of the Consolidated Annual Accounts of Unicaja Banco, S.A. and subsidiaries (Unicaja Banco Group) for the year ended December 31, 2022, and the Consolidated Management Report for the year 2022 (which includes the Annual Corporate Governance Report, the Annual Directors' Remuneration Report and the Consolidated Statement of Non-Financial Information, both for the year 2022).

Málaga, February 23, 2023

Manuel Azuaga Moreno Executive Chairman	Manuel Menéndez Menéndez CEO
Juan Fraile Cantón Vice-Chairman	Teresa Sáez Ponte Board secretary
María Teresa Costa Campi Board member	Rafael Domínguez de la Maza Board member
Felipe Fernández Fernández Board member	Isidoro Unda Urzaiz Board member

CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT

2022

Unicaja Banco

CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT 2022

www.unicajabanco.com

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A letter from the Chairman

"Sustainability is part of Unicaja Banco's Strategic Plan for 2022-2024, complemented by CSR, inclusion and financial education, especially with regard to to the most vulnerable groups."

Manuel Azuaga Moreno
Executive Chairman

Through these brief introductory words I have the opportunity to present the Consolidated Non-Financial Information Statement of the Unicaja Banco Group, which reports on the main actions and indicators -qualitative and quantitative- in the environmental, social and governance (ESG) and Corporate Social Responsibility (CSR) areas, corresponding to 2022.

If the last few years have been singular as a result of the pandemic, 2022 has brought with it new uncertainties, associated with Russia's invasion of Ukraine, the energy crisis and a rise in prices unparalleled for decades. These elements have emerged when the consequences of the pandemic caused by COVID-19 seemed to have been overcome, once again testing the resilience of our society.

However, all of these difficulties have not slowed down the public authorities' mandate to achieve climate neutrality by 2050; rather they have accelerated it. The European Union maintains its target of reducing net greenhouse gas emissions by 55% of the emissions of the year 1990 by 2030. The European Central Bank has moved to consider climate change in corporate bond purchases, the collateral system, disclosure requirements and risk management, in line with its climate action plan.

Banking institutions have continued to play a crucial role in this fiscal year 2022, not only for the articulation of economic measures, but also for the development of social measures, in both cases, proposed by the public authorities. The revision of the "Strategic Protocol to Strengthen the Social and Sustainable Commitment of the Banking Sector", endorsed by the three banking employers' associations, with respect to the elderly and the disabled and the population of rural areas, or the "Code of Best Practices for urgent measures for mortgage debtors at risk of vulnerability", approved by the Government in the last weeks of 2022, are good examples of this.

The Group has voluntarily joined both initiatives, as a sign of its special sensitivity towards vulnerable groups, people and regions.

We agree that public and private efforts must be maintained to transform our society into one that is more inclusive and respectful of the natural environment, and that promotes sustainable, intelligent and inclusive growth.

As regards the structure of the Unicaja Banco Group, 2022 was the first full year after the integration of Liberbank into Unicaja Banco. Synergies are becoming visible, which is particularly noticeable in the area of sustainability.

The 2022-2024 Strategic Plan is committed to sustainability in all lines of business and to the reduction of the carbon footprint, both corporate and that of the credit and investment portfolios, with significant progress in the 2022 fiscal year, which is reported in this Statement of Non-Financial Information.

All this shows the unique and harmonious consideration of the financial and non-financial aspects, which allows us to evaluate the impact of the Group's activity on society, and of the dynamics of society in the Unicaja Banco Group, as a prior step to a financial quantification of the exposure to climate and environmental risks, on the one hand, and to social risks, on the other.

This vision is imposed by regulation and supervision, but also by the evolution of customers and other stakeholders, who place sustainability at the top of their list of preferences, to which the Group has been particularly proactive and receptive for years.

All of the above will only reinforce the Group's traditional commitment to CSR, inclusion and financial education. This increased relevance of sustainable finance does not separate us from the complementary perspectives of CSR or from adequately addressing the needs and expectations of all our stakeholders.

We continue to work on maintaining and expanding efficient and transparent relationship models with the various groups, which are increasingly based on technological development, while addressing the needs of various groups.

As I mentioned above, the year 2022 has represented an effort by the Group in terms of attention to the elderly and the disabled, which has resulted in the extension of the opening hours for cash services provided over the counter or at ATMs; in the development of specific training plans for employees and customers; in preferential telephone attention at no cost, through a personal interlocutor; and in the improvement of the accessibility and simplicity of the entire ATM network, among other measures.

Finally, I would like to thank all of the people and institutions that have placed their trust in the Group and those who have worked with us in the effective performance of our corporate mission and the exercise of our CSR. I sincerely hope that they will continue to do so in the future. We will devote our best efforts to merit the renewal of that trust and to meet the needs expressed by all our stakeholders. We believe that the Unicaja Banco Group can play the role that the emerging society demands of us, responding to the great changes that await us in the years to come.

Through all this, the Group also reaffirms its ties with the United Nations Global Compact and the Spanish Global Compact Network, thus demonstrating its support for the achievement of its goals, including the Sustainable Development Goals (SDGs) of the 2030 Agenda, which set out the path we must all follow.

(GRI 2.22)

Scope

SCOPE (GRI 2.3, GRI 2.4)

The purpose of this consolidated Non-Financial Information Statement is to provide an overview of the evolution of the Unicaja Banco Group in the 2022 fiscal year (from January 01, 2022 to December 31, 2022), of its management and its business model, as well as the exercise of its Corporate Social Responsibility (CSR) in its different areas. In view of the foregoing, this Non-Financial Information Statement contains the most relevant economic and financial information, as well as information related to environmental, social and governance (ESG) and CSR aspects.

This Statement also includes certain indicators in accordance with the provisions of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investments, in particular those indicated in Delegated Regulation (EU) 2021/2139 and Delegated Regulation (EU) 2021/2178, as amended.

In 2022, the first complete year after the integration of Liberbank into Unicaja Banco it is verified, that, in relation to the subsidiaries that make up the Unicaja Banco Group, the respective environmental and social impacts are material for the Group, so that the indicators reflect, in general, the activity of all of them.

It is also reported that no Group company is currently required to issue an individual statement of non-financial information due to the number of employees, total assets or annual net sales.

The Unicaja Banco Group complies with the provisions of Article 49 of the Code of Commerce regarding the dissemination of non-financial information, by virtue of the amendment made by Law 11/2018, of December 28, through the issuance of a separate report that forms part of the consolidated management report that is subject to the same criteria of approval, filing and publication as the aforementioned management report.

The information gathered comes from accounting and documentary records, regulations, procedures and rules approved by the Board of Directors or other competent bodies, as well as from its regular control and follow-up reports, such as, for example, the criteria established in the Policy for the preparation and disclosure of economic-financial, non-financial and corporate information, which were completed in January 2023 with the approval by the Sustainability and CSR Committee of Guidelines for the preparation and disclosure of non-financial information.

In order to ensure maximum transparency, information used by Group management is also provided in documents submitted to the Board of Directors, in communications sent to the National Securities Market Commission (CNMV), together with statements from the heads of the various general management departments, directorates and other departments.

The presentation of the economic, environmental, social and governance aspects was carried out using the conventional definitions used in this type of Report or Notes, or in those used by companies in the financial sector.

Giving continuity to the Non-Financial Information Statement of previous years, the 2022 statement, as discussed earlier, was prepared pursuant to the provisions derived from Law 11/2018 of December 28, on non-financial information and diversity, with the amendments operated by this Law on the Commercial Code, and follows the guidelines of the GRI Sustainability Reporting Standards (GRI Standards) and Financial Services Sector Supplement of the GRI G4 Guidelines.

The preparation of this Statement has taken into consideration the Non-Financial Reporting Guidelines, published in 2017, the European Commission's 2019 Supplement on Climate-Related Reporting, and the European Central Bank's Guidance on Climate-Related and Environmental Risks, November 2020, addressed to significant credit institutions. The aforementioned Supplement expressly integrates the recommendations, published in 2017, of the Task Force on Climate-related Financial Disclosures (TCFD), created by the G-20 Financial Stability Board, which are also considered by the European Central Bank in its Guidance.

In accordance with the provisions of the 2022-2024 Strategic Plan, and with the progress made in 2022 in the implementation of the Sustainable Finance Action Plan, for the first time in this Statement, the Group reports on the follow-up of the recommendations on climate information disclosure (TCFD) and management by the matrix, which will be further developed and specified in future years.

Additionally, the non-financial information has been externally reviewed, following the assurance requirements indicated in the revised international standard ISAE 3000, by an independent assurance service provider appointed by the Board of Directors at the proposal of the Audit and Regulatory Compliance Committee.

As required by GRI (Global Reporting Initiative) guidelines, in 2022 Unicaja Banco has prepared a new materiality analysis in the area of sustainability, in order to ascertain the general expectations of stakeholders, which was taken as a reference for the preparation of this Non-Financial Information Statement. The materiality study carried out identified the economic, environmental and social aspects that are significant for stakeholders and the importance attributed to these aspects by the Group.

The information contained in the Non-Financial Information Statement can be complemented with that reflected in the individual and consolidated Annual Financial Statements, the Information of Prudential Relevance (Pillar 3), the Annual Corporate Governance Report (IAGC) - which shows information on the governing bodies, related-party transactions and risk management, among other aspects - and the Annual Report on Remuneration of the Directors, as well as with updated information on the Group's activities and the communications sent to the CNMV for disclosure. The aforementioned reports are available on the Unicaja Banco corporate website (www.unicajabanco.com).

Regarding Information of Prudential Relevance, it expressly notes the expansion of the information to be disclosed as of 2023, as a result of the entry into force of Article 449 bis of Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions, which imposes new duties to disclose information, to be successively expanded, on environmental, social and governance risks (ESG risks), including physical and transition risks.

Finally, for any questions related to the report, the following email address has been provided: rsc@unicaja.es.

Significant changes during the period covered by the Non-Financial Information Statement to the organization's size, structure and ownership

Following the merger of Unicaja Banco and Liberbank in 2021, in 2022 there have been significant changes to the organization's size related to the ERE signed at the end of 2021 between Unicaja Banco and the workers' union representation. In order to optimize resources and adequately size the workforce, based on the agreement signed, a large number of employees left the Bank voluntarily, reducing the Bank's existing capacity, without reducing the quality of the service provided to customers.

On the other hand, there have been no significant changes to the organization's ownership structure.

Unicaja Banco is one of the leading banks in the Spanish financial system in terms of asset volume, with a broad and diversified presence in the national territory, being a market leader in six Autonomous Communities, with a solid and healthy balance sheet, subject to the highest quality standards in accordance with its status as a listed company.

Fundación Bancaria Unicaja also continues to hold the position of principal shareholder of Unicaja Banco at the end of the year. Its share in the capital stock slightly exceeds 30%.

This Non-Financial Information Statement includes the information of Unicaja Banco and its subsidiaries that make up the Unicaja Banco Group. Where the reported information refers not to the Group but to a part of it, this shall be stated explicitly.

In general terms, the non-financial information for fiscal year 2022 expresses Unicaja Banco's data, without references to the two originating entities, except when this is necessary for the correct interpretation of the information.

IDENTIFICATION OF MATERIAL ASPECTS (GRI 2.29, GRI 3.1, GRI 3.2, GRI 207-3)

The Unicaja Banco Group periodically performs an analysis to identify the aspects that, with regard to the guidelines of the GRI Standards, especially GRI 1 Fundamentals, GRI 2 General Contents and GRI 3 Material Topics, are more relevant to its various stakeholders. The aspects that influence the Group's capacity to generate value and that are of interest to the groups and people with whom it relates continue to be identified.

In 2020, the Unicaja Banco Group extended its method of data analysis in the determination of material aspects in the field of sustainability, using this extension for the development of the Non-Financial Information Statement for 2020 and 2021. In 2022, based on the previously identified material aspects, a new analysis has been carried out, as mentioned above, which expressly contemplates the 2030 Agenda (see the corresponding annex of this Statement). A new methodology is expected to be implemented in 2023, which will allow us to know the sustainability expectations of our stakeholders, and to anticipate the effectiveness of the new sustainability report as of fiscal year 2024. This will include the expectations of institutions that the Group regularly comes into contact with, such as CECA, Funcas, credit rating agencies, the media, non-governmental organizations, associations with different purposes (business, consumer and gender protection, for example), etc.

In addition to this effort, we will identify, in accordance with a commonly accepted methodology, the Sustainable Development Goals that are most closely related to the Group's activities.

To the 2022 double external-internal study (of the environment, in which significant public information regarding the economic, financial and social context is taken as a benchmark, subsequently contrasting it with the internal analysis), information has been added from the following sources:

- Provisions derived from the regulatory framework: Law 11/2018 of December 28, amending the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010 of July 2, 2010 and the Auditing of Accounts Act 22/2015 of July 20, 2015, in relation to non-financial information and diversity.

- Analysis of the main voluntary reporting frameworks (GRI Standards, GRI G4 Sector Disclosures Financial Services, GRI Sustainability Topics for Sectors).

- CSR materiality analysis of other comparable financial institutions.

As a consequence of the publication of Law 11/2018, this analysis has also been more clearly aligned with the non-financial risks identified in the Unicaja Banco Group, so that the matrix resulting from the identification of relevant aspects reflects which risks are more material both from an internal perspective and from the perspective of stakeholders.

For this purpose, the Non-Financial Risk Management and Materiality Procedure regulates the management of non-financial risks in the Unicaja Banco Group, providing criteria for decision-making and the establishment of continuous improvement objectives. This procedure aims to establish the principles, reference framework and processes necessary for Unicaja Banco's non-financial risk management, related to sustainability and CSR, although it is foreseeable that this non-financial framework will converge in the medium term, in general, with financial materiality; in fact, recital 7 of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, on sustainability reporting by companies, states that "A lot of stakeholders consider the term 'non-financial' to be inaccurate, mainly because it implies that the information in question lacks financial relevance. However, this information is becoming increasingly financially relevant".

To assess whether an issue is material in the context of sustainability, a combination of factors internal and external to the Unicaja Banco Group were considered. Any reference to materiality contained in this Non-Financial Information Statement has to be understood to be related to the field of sustainability and CSR, although regulation and supervisory expectations suggest a growing complementarity between the two spheres, as highlighted earlier.

The scope of non-financial risk management activities in the Unicaja Banco Group was determined by, among other requirements, those derived from Law 11/2018 and Directive 2014/95/EU, amending Directive 2013/34/EU, regarding the disclosure of non-financial information and information on diversity. This legislation seeks to identify risks to improve sustainability and increase the confidence of investors, consumers and society in general, increasing for this purpose the disclosure of non-financial information, including information related to social and environmental factors, as well as other purely financial information, related to the business model and sustainable financial products (European Union Environmental Taxonomy Regulation, mentioned above).

Non-financial risks analyzed (sustainability and CSR)

Sub-type	Definition
Type *ENVIRONMENT*	
Sub-type	Definition
1. Climate change	Risks associated with climate change and global warming, including physical risks (changes in ecosystems) and risks relating to carbon or transition (to a low-carbon economy). In financial institutions, the "regulatory risk" (changes in financial regulations to address the risk of climate change), among others, must also be considered
2. Sustainable use of resources. Circular economy	Risks related to the unsustainable use of natural resources (energy, raw materials) and of the waste generated
3. Environmental and social criteria in business	Risk linked to exposures that could have an adverse effect on the natural environment, the business communities or the bank itself and its workers, as a result of the activities that we invest in or finance. Managing environmental and social aspects reduces the risk of credit and investment portfolios, improves the transparency of transactions, adds value for customers and investors and generates new business opportunities
Type *SOCIAL AND STAFF-RELATED MATTERS*	
Sub-type	Definition
4. Employment and work organization	Risks associated with hiring practices and integral human resources management, including qualification, conciliation, promotion, work organization etc.
5. Health and safety	Risks linked to inadequate worker health and safety management practices based on both physical and psychological conditions
6. Talent management	Risks linked to poor talent management at all levels of the company, not being able to attract and retain productive professionals, which may lead to a decrease in competitiveness
7. Diversity. Equality and the work-life balance	Risks related to labor diversity management practices, including actions on equality and universal accessibility as an element of control against discrimination
Type *HUMAN RIGHTS*	
Sub-type	Definition
8. Human rights	Risks derived from the direct or indirect impact of the organization that may harm the fundamental and basic rights of people related to human rights
Type *ETHICS*	
Sub-type	Definition
9. Corruption and bribery	Ethics-related behavioral risk. Threats related to legal or internal policy violations that would generate negative consequences (e.g. bribery, corruption, money laundering etc.)
10. Transparency of information	The risk of not providing clear, concise and transparent information on the results and data presented by the entity or on public information on governance to stakeholders due to the legal consequences of non-compliance
11. Risk management and compliance	The risk of corporate and internal governance functions. This is the possibility of loss due to failures in the system (set of rules, relationships and internal organs) through which the management of a legal entity is directed and controlled

12. Adequate management of delinquency	Risk due to the possibility of non-repayment of the financing granted to the borrower under the conditions agreed with the borrower, as a consequence of the deterioration of the borrower's payment capacity
13. Profitability, solvency, stability	The risk of not having sufficient capital, in quantity or quality, to meet internal business objectives, regulatory requirements or market expectations
Type *POLICY*	
Sub-type	Definition
14. Policy	The risk of not achieving the objectives of a given economic action or of these affected, due to the changes made by and political decisions of governments
Type *SOCIETY*	
Sub-type	Definition
15. Commitment to sustainable development and SDGs	Risk related to the improvement or deterioration of economic, environmental and social conditions at a local, regional or international level. Organizational performance in the broader context of sustainability, including the 2030 Agenda
16. Subcontracting and suppliers	Risks linked to the impact arising as a consequence of inadequate management of sustainability aspects in the supply chain (suppliers, subcontractors)
17. Fiscal responsibility	Risks derived from the appearance of bad practices in the execution of the organization's fiscal responsibility, impacting its contribution to growth, macroeconomic stability and social equity
18. Financial education	The risk of a negative impact as a result of lack of information and financial education on the part of consumers/investors when using the financial products marketed by the organization
Type *CUSTOMERS*	
Sub-type	Definition
19. Safety and data protection	Risks arising from exposure to threats and the possibility of the threat materializing. These risks may affect data with the central focus on data integrity, availability and confidentiality, as well as risks associated with compliance with legal requirements
20. Responsible and transparent marketing	Risks linked to the negative impact that may occur at the consumer/financial user level due to inadequate management of the protection of their rights (security, transparency, after-sales liability etc.)
21. Digitalization and accessibility	Risks derived from not using the right technology, supplier relationships and the use of the right tools. This will avoid incurring risks in terms of cost, time, integration problems, incompatibility, cybersecurity, privacy and compliance. Risks arising from ceasing to provide services in sparsely populated areas in the face of advancing digitalization

Table 1. Non-financial risks

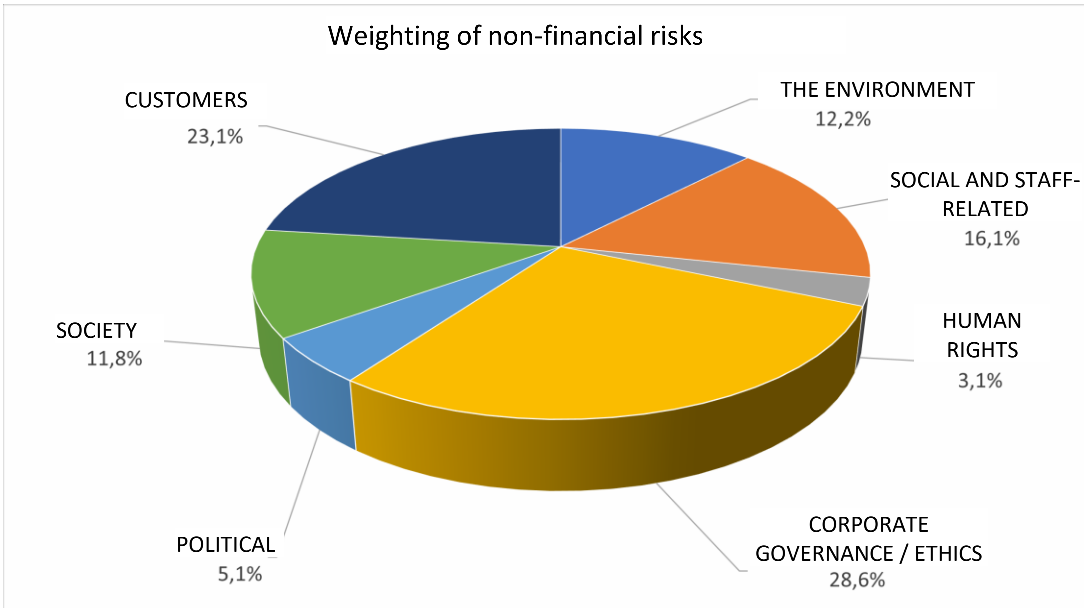
In order to identify the relevance in the financial sector, both the Organization's competitive strategy and the expectations expressed in international standards and sector-specific bibliographic references were taken into account.

This internal analysis was complemented by an external analysis taking into account the concerns expressed directly or indirectly by stakeholders. Both expectations from a broad societal perspective and the influence of the Unicaja Banco Group on upstream (suppliers) and downstream (customers and users of financial services) organizations were considered.

With respect to stakeholders, for the purposes of the Non-Financial Risk Management and Materiality Procedure, the main ones taken into account in the Bank are as follows: Customers and Users, Shareholders and Investors, Conduct Regulators, Supervisors, Social and Staff Related, Suppliers, Region/Society and Environment.

In order to develop this external analysis, the relevant departments of the Group were involved, based on the stakeholder group with which they preferably interact. Using an impact assessment methodology, information was obtained on the degree of stakeholder concern in relation to each of the 21 non-financial risks mentioned above.

The resulting weighting (distribution by weights of the importance of the different non-financial risks) is shown in the following chart:



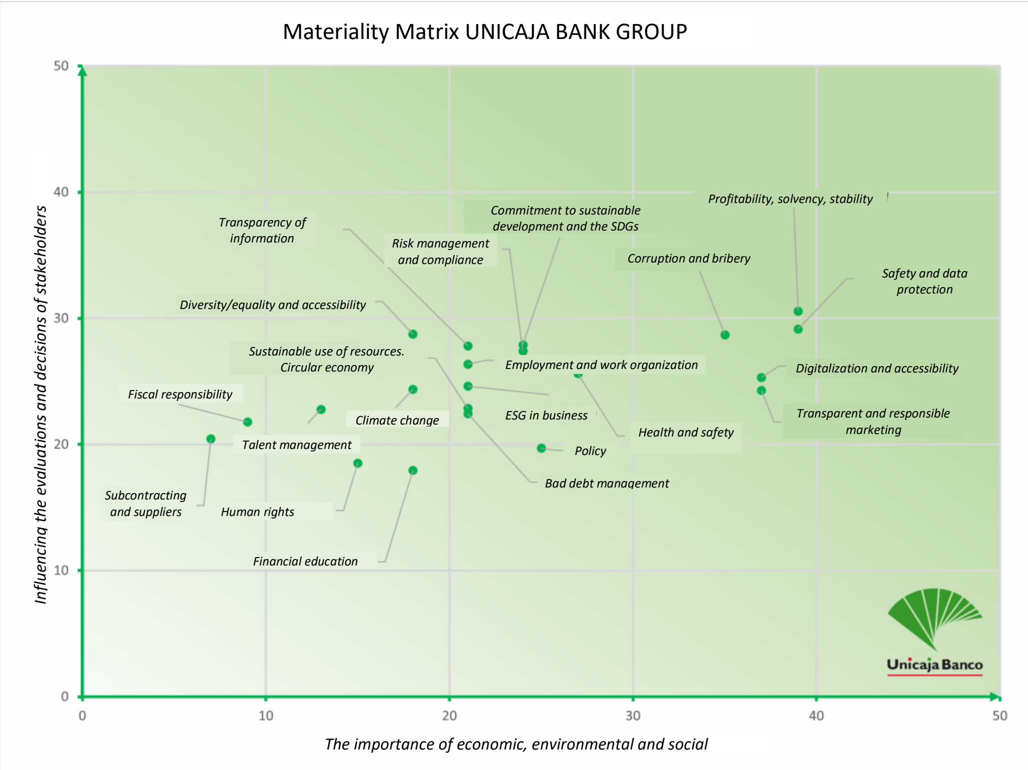
Graph 1. Weighting of non-financial risks

As can be seen in the graphs, the risk related to Corporate Governance and Ethics continues to be the most relevant, followed by that related to Customers, which displaces Social and Personnel risk in the analysis of this exercise. Human rights risks, despite increasing slightly, continue to occupy the final position, although, from a regulatory point of view, the attention paid to this matter is growing, particularly with regard to due diligence processes.

Graph 2. Importance of non-financial risks for stakeholders

The most relevant non-financial risks for stakeholders, which can influence their assessments and decisions more significantly, are those related to Profitability, solvency and stability, together with Security and data protection, Diversity/Equality, Accessibility and Corruption and Bribery, followed by Transparency of information and Commitment to Sustainable Development and SDGs (for more details see annexes). The most relevant non-financial risks for the Bank are those derived from Profitability, solvency and stability and Security and data protection, followed by Responsible and transparent marketing and Digitalization and accessibility.

When contrasting the result of this information with the internal analysis (importance of this potential impact on the Unicaja Banco Group), the following materiality matrix is obtained:



Graph 3. Materiality matrix of the Unicaja Banco Group (potential impact)

This materiality matrix has reached as a result of the non-financial risk assessment process (short-, medium- and long-term), with the participation of the external perspective of stakeholders.

As can be seen in the figure above, the following material issues are highlighted, among others, in relation to the Group's non-financial risks:

Material issues	Specific issues
Profitability, solvency, stability	Management model Business model Global risk management Corporate shareholdings
Safety and data protection	Data protection Digital Rights Assurance Information Security Digital Transformation Customer Service General Privacy Policy Definition of a governance model
Diversity/equality and accessibility	Equality Plan, harassment protocols, anti-discrimination policies, diversity, etc Universal accessibility for people with disabilities Work-Life Balance Plans
Corruption and bribery	Combating corruption and bribery Preventing illegal conduct Preventing money laundering Criminal compliance
Commitment to sustainable development and the SDGs	Impact on society (employment and local development, local populations and territory), relationship with local communities, partnership or sponsorship actions
Transparency of information	Communication plans Internal control systems Independent external verification of the information issued by the Bank
Risk management and compliance	Global risk management Sustainable finances
Employment and work organization	Labor practices and decent employment Efficiency of work time organization, absenteeism, work-life balance, training policies, dedication
Health and safety	Occupational health and safety conditions Healthy environment, risk prevention, preventive activity Business coordination
Digitalization and accessibility	Maintain control of business risks as digital transformation evolves. The impact of this transformation is generated in culture, skills, execution capacity and risk management capacity Facilitate access to quality financial products and services Financial inclusion
Environmental and social criteria (ESG) in business	Measures taken to reduce the risk of credit and investment portfolios. Sustainable financing and investment New products or services Sustainability policy/Sustainable finances
Climate change	Greenhouse Gas Emissions (GHG) generated as a result of the company's activities Measures taken to adapt to the consequences of climate change Environmentally sustainable financing Voluntary reduction targets established in the medium- and long-term to reduce greenhouse gas emissions and means implemented to that end

Transparent and responsible marketing	Product liability, measures to preserve consumer health/safety, complaints management
Sustainable use of resources. Circular economy	Raw Materials Consumption Energy Consumption Energy Efficiency

Table 2. Material issues

The list of material issues accurately reflects the most relevant aspects that were analyzed and reported herein.

The analysis model thus contemplates the two dimensions necessary to assess whether a subject is material:

- The importance of economic, environmental and social impacts (internal perspective).
- Influence on stakeholder' evaluations and decisions, measured as their interests and expectations (external perspective).

Comparison of non-financial risks analyzed in the period 2020/2022

Performing the materiality analysis in 2022, based on the same procedure used in 2020, allows us to carry out a comparative study of the relevance given by stakeholders to the different non-financial risks in the field of sustainability and CSR between the two years.

As can be seen in the following table, the risk Corruption and bribery drops from first position in the 2020 analysis to fourth position in the 2022 analysis, with the risk Profitability, solvency, stability occupying first position in 2022. The risk Security and data protection holds second place in both years. The risk in third position in 2020, Risk management and compliance, moves to seventh position in 2022, with third position being occupied in 2022 by Diversity/equality, accessibility.

Change in the relevance of non-financial risks to stakeholders between 2020/2022					
Non-financial risks	2022	2020	% Variation	Position 2022	Position 2020
Climate change	24.4	28.5	-14.47	12	11
Sustainable use of resources. Circular economy	22.9	31.0	-26.21	14	7
Environmental and social criteria (ESG) in business	24.6	24.0	2.60	11	15
Employment and work organization	26.4	23.8	11.05	8	17
Health and safety	25.6	22.3	15.17	9	18
Talent management	22.8	19.3	18.40	15	20
Diversity/equality and accessibility	28.8	31.8	-9.45	**3**	5
Human rights	18.5	17.5	6.0	20	21
Corruption and bribery	28.7	36.8	-21.88	4	**1**
Transparency of information	27.8	28.0	-0.60	6	12
Risk management and compliance	27.4	35.8	-23.31	7	**3**
Bad debt management	22.5	29.3	-23.22	16	10
Profitability, solvency, stability	30.6	30.8	-0.54	**1**	8
Policy	19.7	24.0	-17.88	19	16
Commitment to sustainable development and the SDGs	27.9	30.8	-9.21	5	9
Subcontracting and suppliers	20.5	21.3	-3.73	18	19

Fiscal responsibility	21.8	27.8	-21.47	17	13
Financial education	18.0	24.0	-25.17	21	14
Safety and data protection	29.2	36.5	-20.09	2	2
Transparent and responsible marketing	24.3	31.0	-21.64	13	6
Digitalization and accessibility	25.3	33.0	-23.23	10	4

Table 3. Change in the relevance of non-financial risks to stakeholders between 2020/2022

It should be noted that this year's materiality analysis is the first after the merger of Unicaja Banco and Liberbank. From the results, we note that the growth of the Bank in size, volume of assets, personnel and existing capacity reflects an evolution in the perception by stakeholders of non-financial risks. Additionally, given the current economic and social situation, the risks derived from profitability, solvency, stability or the risk of not having sufficient capital, in quantity or quality, to meet internal business objectives, regulatory requirements or market expectations, acquire greater importance, both internally and externally.

Presentation of the Group

ORGANIZATION AND STRUCTURE (GRI 2.1, GRI 2.2, FS6)

By the end of 2022, the Unicaja Banco Group will be the fifth largest private banking group in Spain.

Unicaja Banco is the Group's parent company. Its head office is located in Málaga, at Avenida de Andalucía, 10-12. As of December 31, 2022, the capital stock of Unicaja Banco amounted to 663,708,369.75 euros, divided into 2,654,833,479 shares with a par value of 0.25 euros each. The main shareholder of the Bank is Fundación Bancaria Unicaja, which owns 30.24% of the capital stock.

In order to carry out its activities, Unicaja Banco has a set of subsidiaries, belonging to relevant sectors in its territories of operation, which make up its business group.

The Bank's corporate purpose is to carry out all kinds of activities, operations, acts, contracts and services inherent to the banking business, in general or directly or indirectly related or complementary thereto or its development, provided that their performance is permitted or not prohibited by the legislation in force.

The Bank's object includes the provision of investment services and other auxiliary services, as well as the performance of activities typical of insurance agents, as an exclusive or linked operator, the simultaneous exercise of both not being admissible.

The Bank is registered in the Mercantile Registry of Málaga and, as a credit institution, in the Special Registry of the Bank of Spain under number 2103. It also holds a license for the exercise of banking activities granted by the Ministry of Economy and Finance under Royal Decree 1245/1995.

CORPORATE STRUCTURE AND MAIN SHAREHOLDERS OF THE UNICAJA BANCO GROUP

Unicaja Banco

Business Group

Unicaja Foundation	30,24%
Oceanwood Capital Management	7,41%
Cajastur Foundation	6,56%
Tomás Olivo López	5,18%
Indumenta Pueri, S.L.	5,00%

Figure 1. Corporate structure and main shareholders of the Unicaja Banco Group. Source: CNMV.

The companies that make up the Group, together with Unicaja Banco, as of Saturday, December 31, 2022, are as follows:

Company name	Activity
ADMINISTRADORA VALTENAS, S.L.U.	Representative company
ALQLUNIA DUERO, S.L.	Real estate development
ANALISTAS ECONÓMICOS DE ANDALUCÍA, S.L.U.	Study and analysis of the economic activity
ANDALUZA DE TRAMITACIONES Y GESTIONES, S.A.U.	Management and settlement of documents and deeds
ASTURIANA DE ADM. DE VALORES MOBILIARIO, S.L.U.	Representative company
BANCO EUROPEO DE FINANZAS, S.A.U.	Bank
BRIAREO GESTION, S.A.U.	Brokerage activities with securities and other assets
CAJA CASTILLA LA MANCHA INICIATIVAS INDUSTRIALES, S.L.U.	Holding company activities
CAMIN DE LA MESA, S.L.U.	Representative company
CANTABRICA DE INVERSIONES DE CARTERA, S.L.U.	Holding company activities
CCM BROKERS 2007CORREDURÍA DE SEGUROS, S.A.U.	Insurance brokerage
CONCEJO EXPLOTACIONES, S.L.U.	Tourism sector
CORPORACION EMPRESARIAL CAJA EXTREMADURA, S.L.U.	Holding company activities
EXPLOTACIONES SANTA ISABEL, S.L.U.	Tourism sector
FACTORIA DE TRANSFORMACIÓN DE OPERACIONES Y SERVICIOS, S.L.U.	Business management consulting activities
GESTIÓN DE INMUEBLES ADQUIRIDOS, S.L.	Real estate development
LA ALGARA SOCIEDAD DE GESTIÓN, S.L.U.	Tourism sector
LIBERBANK CAPITAL, S.A.U.	Financial services
LIBERBANK CONTACT, S.L.U.	Contact center activity
LIBERBANK DIGITAL, S.L.U.	Information technology services
LIBERBANK IT, S.L.U.	IT consulting activities
LIBERBANK PENSIONES, S.G.F.P., S.A.U.	Pension fund management company
LIBERBANK SERVICIOS FINANCIEROS, S.A.U.	Holding company activities
MIDAMARTA, S.L.U.	Real estate holding company
MOSACATA, S.L.U.	Real estate holding company
NORTEÑA PATRIMONIAL, S.L.U.	Representative company
PARQUE INDUSTRIAL HUMILLADERO, S.L.	Industrial land development
PEÑA RUEDA, S.L.U.	Representative company
PICO CORTES, S.L.U.	Representative company
PICO MIRAVALLES, S.L.U.	Representative company
PLANES E INVERSIONES CLM, S.A. (company in liquidation)	Real estate holding company
PROCESA RECUPERACIÓN DE ACTIVOS, S.A.U.	Legal activities PROPCO
BLUE 1, S.L.	Real estate development
PUERTU MARAVIO, S.L.U.	Representative company
PUNTIDA, S.L.U.	Holding company activities
SEGURANDALUS MEDIACIÓN CORREDURÍA DE SEGUROS, S.A.	Insurance brokerage

SIERRA DEL ACEBO, S.L.U.	Representative company
TIATORDOS, S.A.U.	Representation company
UNICAJA GESTIÓN DE ACTIVOS INMOBILIARIOS, S.A.U.	Real estate holding company
UNICARTERA GESTIÓN ACTIVOS, S.L.U.	Financial activity
UNICORP PATRIMONIO SOCIEDAD DE VALORES, S.A.U.	Asset management
UNIGEST, S.A., SGIIC	Collective investment management
UNIMEDIACIÓN, S.L.	Banking-insurance operator
UNIÓN DEL DUERO COMPAÑÍA DE SEGUROS DE VIDA, S.A.	Insurance company
UNIWINDET, S.L.	Wind energy
VIPROELCO, S.A.	Real estate promotion

Other entities other than those mentioned above can be identified in Annexes 2 and 3 of the Unicaja Banco Group's Consolidated Financial Statements.

During 2022, Liberbank Gestión SGIIC, S.A.U. was absorbed by Unigest, S.A., SGIIC. Likewise, Unimediación, S.L. absorbed Liberbank Mediación Operador de Banca Seguros Vinculado S.L. and Banco de Castilla-La Mancha Mediación, Operador de Banca Seguros Vinculados, S.A.U.

MISSION, VISION AND VALUES

The Unicaja Banco Group's social commitment is reflected in the performance of its activities, by maintaining its constant responsibility and attention to the needs of its customers, shareholders and other stakeholders, as well as the economic, environmental and social needs of the regions in which it operates.

As defined in the Corporate Social Responsibility Policy of the Unicaja Banco Group, the Group integrates CSR in the core of its business strategy, management instruments, in the marketing of financial products and services and in the development of its action plans, as reflected in its Mission, Vision, Values and Basic Principles, which mark the daily development of the activity of the Bank and the companies of its Group, as well as that of the medium- and long-term strategy.

Mission

The Unicaja Banco Group's CSR is based on a set of principles and actions aimed at contributing to the economic and social development of its sphere of activity, with full respect for the environment, considering the needs and expectations of the different stakeholders, with whom it wishes to maintain a constant flow of communication through the appropriate channels.

The promotion of these goals, criteria and behavior, both within the company and in society, is part of the goal to ensure economically efficient management that is capable of generating profits, within a framework of sustainable development that goes hand-in-hand with social progress and environmental protection.

The Unicaja Banco Group manages its activity in a responsible and efficient manner that is oriented towards the socioeconomic development of all the territories in which it operates, especially those of origin, with which it has long-standing ties.

In the pursuit of its mission, the Group's permanent objectives are to satisfy the needs of its customers, shareholders and investors and to preserve its good image and reputation in the broadest sense.

Vision

Unicaja Banco and the other companies through which it carries out its financial activity aspire to consolidate their position as benchmark institutions in their respective fields of activity by offering a wide and diverse range of quality financial products and services, providing a highly professional and qualified service that is adapted to the demands and requirements of the different customer segments. From the perspective of efficient business management, they seek to obtain profits and harmonize all of the foregoing with the purposes of the different stakeholders and those of society in general.

Values

The fulfillment of the Group's mission is based on a set of values, among which the following merit special mention:

1. Prudence, solvency and stability in the management of resources entrusted by customers, shareholders and investors.

2. Transparency, integrity, ethical commitment and corporate responsibility.

3. Business efficiency and continuous improvement of the business management model.

4. The provision of quality services in face-to-face and online formats that meet the needs and expectations of the clientèle.

5. Commitment to training, research and innovation as the basis for sustaining environmental, social and economic development over time.

6. Respect for the environment, with particular attention to climate change.

7. Commitment to sustainable finance and to the development and distribution of sustainable financial products and services.

8. Satisfaction of the needs of all stakeholders.

9. Pride in belonging to the Group and its project among employees, who are one of the Company's main assets and serve as a direct link with customers, shareholders and investors, and equal treatment in identical situations.

10. The connection with the territory and the socioeconomic development of the geographical areas of action, through the formalization, among other manifestations, of alliances with the most representative social and economic agents.

BASIC QUANTITIES (GRI 201-1)

Economic-financial activity (consolidated)	12/31/2022	12/31/2021
Income statement (millions of euros)		
Interest margin	1,058.2	730.1
Gross margin	1,584.3	1,099.3
Profit (loss) from operating activities before write-downs	723	392.5
Profit (loss) from operating activities	414.4	258.3
Income before taxes Consolidated	361.2	1,021.4
income for the year	259.7	1,113.2
Risk management		
NPL ratio (%)	3.5	3.5
NPL coverage ratio (%)	66.5	68.5

Added value. Distribution (consolidated)*	12/31/2022	12/31/2021
Distribution (millions of euros)		
Overhead, depreciation, amortization and other operating expenses. (excluding taxes)	448.5	377.8
Of those who contribute to the Deposit Guarantee Fund and the Resolution Fund	111.8	104.9
Staff costs (excluding social security)	400.5	350.4
Social security, taxes, fees and public benefits	393.6	116.7
Losses on assets and allowances	361.3	672.4
Consolidated profit (loss) for the year	259.7	1,113.2
TOTAL	**1,863.7**	**2,630.5**

*According to methodology proposed by SPI-Finance 2002

Complete information on the financial statements is available on the corporate website, in the "Economic and Financial Information" section

Significant information	12/31/2022	12/31/2021
Distribution network		
Offices	972	1,374
Automated teller machines	2,469	2,679
Cooperating agents	3,192	3,183
Financial agents*	419	-
Financial agencies*	541	-
Cards issued	3,106,712	3,257,630
Dataphones and POS	31,733	32,426
Electronic banking		
Number of users	3,106,712	3,021,612
Number of Univía operations	2,697,680,441	1,187,375,352

*Indicates new incorporation.

Environmental issues		
Electricity consumption (MWh)	38,251	33,628
Paper consumption (Kg)	291,260.35	341,673
Computer waste (Kg)	54,256	101,997
Inventory GHG Emissions Scope 1 (tn CO2-eq) *	1,086.38	411
GHG Emissions Inventory Scope 2 (tn CO2-eq)	169.96	3,365
GHG Emissions Intensity (tn CO2-eq /	0.16	0.41

Social and personnel issues		
Number of employees	7,853	9,264
Distribution of workforce (men/women) (%/total)	45.9/54.1	46.8/53.2
Average age of workforce (years)	47.3	47.2
Training hours	729,112.35	508,447
Absenteeism hours	718,933.29	630,322.14

Information relating to the fight against corruption and bribery		
Operations evaluated by the Criminal Risk Prevention Committee	635	246

Contributions		
Contribution to Foundations and NGOs (euros)	1,767,656	1,322,943

*The data have been expanded to obtain the Scope 1 footprint measurement.

Information about the Company

	UNICAJA BANCO GROUP 2022	UNICAJA BANCO GROUP 2021	
Customers			
Number	4,161,260	4,304,958	
NPS overall clientèle (%, measurement range between -100 and +100)*	22.75	26.6	
Average time for resolution of complaints and claims (days)	48.4	35.3	
Suppliers			
Average term of payment to suppliers (days)	14.22	17.97	
Total supplier turnover (millions of euros)	228.1	229.2 LBK	131.3 UB
Suppliers with turnover below 1.5 million euros (% of total) **	43.7	40.3 LBK	39.7 UB
Tax information			
Total tax contribution (millions of euros)	403.9	811.2	

*This model has been put on hold following the operational integration and will be reactivated in 2023.
**Data for fiscal year 2021 not aggregated.

Corporate Governance

GOVERNING BODIES (GRI 2.9)

BOARD OF DIRECTORS AND SUPPORT COMMITTEES

12/31/2022

Composition of the board(1)	Position	Category	Shareholders	Date of appointment	Gender
Manuel Azuaga Moreno	Chairman	Executive		December 01, 2011	Male
Manuel Menéndez Menéndez (2)	CEO	Executive		March 31, 2021	Male
Juan Fraile Cantón	Vice-Chairman	Proprietary director	Fundación Bancaria Unicaja	December 01, 2011	Male
Ms. Carolina Martínez Caro (2)	Coordinating Director	Independent		March 31, 2022	Female
Teresa Sáez Ponte	Board secretary	Proprietary director	Fundación Bancaria Unicaja	April 27, 2018	Female
María Luisa Arjonilla López	Board member	Independent		January 23, 2020	Female
María Teresa Costa Campí	Board member	Independent		July 27, 2022	Female
Jorge Delclaux Bravo	Board member	Independent		March 31, 2021	Male
Rafael Domínguez de la Maza	Board member	Proprietary director	Global Portfolio Investments, S.L.	March 31, 2022	Male
Felipe Fernández Fernández	Board member	Proprietary director	Fundación Bancaria Caja de Ahorros de Asturias	March 31, 2021	Male
Ms. María Garaña Corces	Board member	Independent		March 31, 2021	Female
Ms. Petra Mateos Aparicio Morales	Board member	Proprietary director	Fundación Bancaria Unicaja	January 30, 2014	Female
Manuel Muela Martín-Buitrago	Board member	Proprietary director	Fundación Bancaria Unicaja	February 21, 2018	Male
Isidoro Unda Urdaiz	Board member	Independent		April 29, 2022	Male
David Vaamonde Juanatey	Board member	Proprietary director	Oceanwood Capital Management LLP	March 31, 2021	Male

(1) The Board of Directors is currently composed of 15 members.

(2) The Board of Directors, in its meeting held on March 8, 2022, agreed to appoint María Luisa Arjonilla López as Coordinating Director, replacing Manuel González Cid, and at its meeting held on September 30, 2022, agreed to designate Carolina Martínez Caro as Coordinating Board Member in substitution of María Luisa Arjonilla López.

Vicente Orti Gisbert	Non-Director Vice-Secretary

The composition of the committees as of December 31, 2022 was as follows (there were no vacancies):

The Audit and Regulatory Compliance Committee	
Chairman	Jorge Delclaux Bravo
Board member	Carolina Martín Caro
Board member	Isidoro Unda Urdaiz
Board member	David Vaamonde Juanatey
Secretary	Manuel Muela Martín-Buitrago

The Risk Committee	
Chairman	Isidoro Unda Urdaiz
Board member	María Luisa Arjonilla López
Board member	Jorge Delclaux Bravo
Board member	David Vaamonde Juanatey
Secretary	Teresa Sáez Ponte

Appointments Committee	
Chairwoman	María Garaña Corces
Board member	Juan Fraile Cantón
Board member	Carolina Martínez Caro
Board member	Isidoro Unda Urzaiz
Secretary	Rafael Domínguez de la Maza

Remuneration Committee	
Chairwoman	María Garaña Corces
Board member	María Luisa Arjonilla López
Board member	Felipe Fernández Fernández
Board member	Carolina Martínez Caro
Secretary	Petra Mateos-Aparicio Morales

The Technology and Innovation Committee	
Chairwoman	María Luisa Arjonilla López
Board member	Rafael Domínguez de la Maza
Board member	María Garaña Corces
Board member	Teresa Sáez Ponte
Board member	María Teresa Costa Campí
Secretary	Petra Mateos-Aparicio Morales

Sustainability Committee (3)	
Chairwoman	María Teresa Costa Campí
Board member	Jorge Delclaux Bravo
Board member	Juan Fraile Cantón
Board member	Manuel Muela Martín-Buitrago
Secretary	Felipe Fernández Fernández

(3) Given its start-up in December 2022, this Committee has started its activity in January 2023.

The professional profile and a summary of the *Curriculum Vitae* of the Board Members can be consulted on the corporate website.

GOVERNANCE STRUCTURE

Appointment and selection of the highest governing body (GRI 2.10)

The General Shareholders' Meeting is the highest decision-making body of Unicaja Banco in matters within its competence. The General Shareholders' Meeting decides on matters attributed to it by law, by the Bylaws or by the General Meeting Regulations and on any other matter submitted to its decision by the Board of Directors or by the shareholders in the cases provided for by law.

Unicaja Banco's corporate website reflects corporate governance information, specifically in the section entitled Corporate Governance and Remuneration Policy. When the General Shareholders' Meeting is called, a direct access to all of the mandatory information is provided.

The Board of Directors is responsible for the management and representation of the Company under the terms established by law and in the Bylaws. The Board of Directors has the broadest powers for the administration and management of the Company and, except in matters legally or statutorily reserved to the competence of the General Shareholders' Meeting, is the highest decision-making body of the Company.

The Board of Directors shall be composed of a minimum of eight members and a maximum of 15 members, and the General Shareholders' Meeting shall determine the specific number of its members. The Extraordinary General Shareholders' Meeting held on March 31, 2021 resolved to set the number of members of the Board of Directors at 15, within the limit provided for in Article 16.1 of the Company's Bylaws.

The Board of Directors is composed of two executive directors, the Chairman and the Chief Executive Officer, six independent directors (in compliance with recommendation 17 of the Good Governance Code of Listed Companies of the National Securities Market Commission) and seven proprietary directors, four proposed by Fundación Bancaria Unicaja, one proposed by Fundación Bancaria Caja de Ahorros de Asturias, one proposed by Oceanwood Capital Management LLP and one proposed by Global Portfolio Investments, S. L.

Chairman of the highest governing body (GRI 2.11)

The Board of Directors appoints from among its members the Chair, who exercises the highest representation of the Company, and in the exercise of their office, in addition to the powers corresponding to them by law and by the Bylaws, they preside over the General Shareholders' Meeting, call and chair the meetings of the Board of Directors and execute the resolutions of the Board and the Committees, for which purpose they have the broadest powers of representation, among other functions.

The Board of Directors may delegate permanent executive powers to the Chairman under the terms set forth in the Bylaws. At present, the Executive Chairman has been delegated the highest powers for the management of the Bank and has been granted broad powers of representation.

The Board shall in all cases appoint a Chief Executive Officer, granting them whatever powers it considers appropriate, but not those reserved to the Board as a whole by law, the Bylaws or the Rules and Regulations of the Board. At present, the Chief Executive Officer has been delegated the highest powers for the management of the Bank and has been granted broad powers of representation.

The Board has appointed a Vice-Chairman to take over the duties of the Chairman in the event of illness or absence.

The Board has appointed a Coordinating Director who is especially empowered to request the convening of the Board of Directors or the inclusion of new items on the agenda of a Board meeting already convened; to chair the Board of Directors in the absence of the Chairman and Vice-Chairman; to coordinate and bring together the non-executive Directors and echo their concerns; to direct, as appropriate, the periodic evaluation of the Chairman of the Board of Directors; to coordinate the Chairman's succession plan; and to maintain contacts with investors and shareholders, among other functions.

Conflicts of interest (GRI 2.15)

The mechanisms for detecting, determining and resolving possible conflicts of interest between the Bank and its Directors or executives are regulated in the Bylaws, where the Board of Directors is entrusted with defining a corporate governance system that guarantees the sound and prudent management of the Company, including the appropriate distribution of functions in the organization and the prevention of conflicts of interest.

The Board of Directors has developed the internal regulations for the prevention of conflicts of interest in its own Regulations of the Board of Directors, reserving for the exclusive knowledge of the Board the transactions that the Company carries out with Directors, senior executives, significant shareholders or shareholders represented on the Board, or with persons related to it (related-party transactions), subject to a favorable report from the Audit and Regulatory Compliance Committee.

The Board has approved and effectively implemented a series of procedures that establish the bases of action to be followed in order to prevent and, if applicable, manage conflicts of interest that may arise between the members of the Board of Directors, customers, suppliers and the Company in general, and, if applicable, with other entities of its group, all in accordance with the provisions of current legislation and the Company's corporate governance system. Specifically, the Bank has the "Policy for the Identification and Management of Conflicts of Interest and Related-Party Transactions of Significant Shareholders, Board Members, Senior Executives and Other Related Parties", the purpose of which is to establish procedures for the identification, communication, evaluation and management of conflicts of interest, as well as to regulate the system of authorizations for transactions that the Company carries out with Directors, Significant Shareholders and Senior Management of the Company and with persons related to them.

The aforementioned Policy, and in compliance with the Capital Companies Act, establishes that the corporate bodies responsible for approving credit, guarantee or surety transactions to be granted to members of the Board of Directors and parties related to it shall be the General Shareholders' Meeting or the Board of Directors, depending on the amount of the transaction, in both cases, following a report from the Audit and Regulatory Compliance Committee which, among other elements, shall assess whether the transaction is fair and reasonable from the Company's point of view and shall include the mentions required by Bank of Spain Circular 2/2016 for this type of transaction.

The Directors concerned may not participate in the preparation of this report by the Committee, if applicable, and must abstain from participating in the deliberation and voting on these transactions by the Board of Directors. In the event that the transaction must be approved by the General Shareholders' Meeting, the shareholder concerned shall be deprived of the right to vote, except in cases where the proposed resolution has been approved by the Board of Directors without the majority of the independent directors voting against it.

Likewise, this Policy also provides, in accordance with the Capital Companies Act, a delegation for certain internal committees of the Bank for the granting of credit transactions to Directors and related parties, not exceeding an aggregate amount of 500,000 euros in the last year (an amount much lower than the limit of 0.5% of the Company's net turnover established by the Capital Companies Act), provided that such transactions are entered into under contracts whose terms and conditions are standardized, are applied en masse to a large number of customers, and are carried out at prices and rates generally established by the Bank. These transactions, although they do not require a prior report from the Audit and Regulatory Compliance Committee, must follow an internal procedure of periodic information and control by the aforementioned Committee, expressly established in the aforementioned Policy approved by the Board of Directors.

On the other hand, transactions requiring authorization from the Bank of Spain may not be formalized until such authorization has been obtained, and those that do not require such authorization will be reported to the Bank of Spain immediately after they are granted. Furthermore, the Bank shall report to the competent authority, on a half-yearly basis, a list of the members of the Board of Directors and their related parties, general managers and similar parties to whom loans have been granted, with the detail established in Bank of Spain Circular 2/2016.

On the occasion of the call to the Ordinary General Shareholders' Meeting, the Bank publishes on its corporate website the annual report of the Audit and Regulatory Compliance Committee containing the report on related-party transactions, for the purposes of compliance with Recommendation 6 of the Good Governance Code of Listed Companies.

Likewise, the Bank has a Policy for the Prevention and Management of Conflicts of Interest of Unicaja Banco Group employees, the purpose of which is to define potential conflicts of interest of employees and their related parties that may arise in the development of the activity, establish procedures for their evaluation, action and communication, management, control and resolution.

The Bank had an Internal Code of Conduct in the Securities Market, which contains a series of rules of conduct in the exercise of its activities related to the securities market applicable to employees, executives and members of the Board of Directors of the parent company and its Group, and includes procedures and measures for the management of conflicts of interest, among others, the separate supervision of subject persons whose main functions are the performance of activities or the provision of investment services on behalf of or for the benefit of customers with conflicting interests, or representing different interests that may conflict, including those of the Bank, as well as the establishment of information barriers.

Communication of critical concerns (GRI 2.16)

During the fiscal year 2022 there have been no communications of critical concerns regarding the Bank's corporate governance.

Governance (GRI 2.17, GRI 2.18, GRI 2.27)

The Bank has adequate internal procedures for the selection and continuous evaluation of the positions subject to the suitability regime and keeps at the disposal of the supervisor an updated list of such persons of the suitability assessment carried out by the Company and the documentation evidencing the same.

In particular, with regard to the members of the Board of Directors, an initial and ongoing assessment of suitability is carried out based on the criteria of commercial and professional repute, honesty and integrity, as well as knowledge, experience and skills appropriate to their functions:

- Those who have shown personal, commercial and professional conduct that leaves no doubt as to their ability to carry out the sound and prudent management of the Company shall be deemed to be of good repute.

  In particular, they shall at all times be of good character, honesty and integrity, to ensure the sound and prudent management of the Company. An appointed person shall be deemed to be of good repute where there is no evidence to suggest otherwise and there are no grounds for reasonable doubt. The principle of proportionality shall not apply to the assessment of good repute.

- The members of the Board of Directors shall possess the appropriate knowledge and experience, as well as the skills and aptitudes necessary for the performance of their duties.

  For the evaluation of the knowledge, experience and personal and organizational skills of the candidates or members of the Board of Directors, the following aspects shall be assessed, following the principle of proportionality and taking into account the nature, scale and complexity of the Company:

  a. General academic and specialized technical training, taking into account both theoretical training and knowledge acquired in the exercise of responsibilities. Regardless of the above, other training actions that can be accredited will be valued.

b. Experience: experience acquired in previous positions.
c. Personal and organizational competencies: skills and competencies acquired in previous positions.

Those who have the appropriate level and profile of education and practical experience derived from their previous occupations for sufficient periods of time, all of which should enable them to understand the Company's main activities and risks, possess adequate knowledge and experience to perform their duties in the Company.

- The members of the Board of Directors shall be in a position to exercise good governance of the Company and shall have the capacity to act with independent judgment and formal independence.

Members must: (i) devote sufficient time to their duties; (ii) not maintain continuous structural conflicts between their interests and those of the Company; (iii) observe the limitations on membership on Boards of Directors established by applicable regulations; and (iv) have independence of ideas, avoiding groupthink.

In the case of the members of the Board in their supervisory role, they must also be formally independent.

The evaluation of the members of the Board of Directors is required for new appointments or renewals of positions, and whenever circumstances arise that, in accordance with the regulations and the provisions of the Suitability Policy, make it advisable to re-evaluate the suitability of the current members.

In addition to the individual evaluation of each Director candidate as appropriate, the Appointments Committee shall analyze the overall composition of the Board of Directors to ensure that collectively they have sufficient knowledge, experience and skills at all times. To this end, the Bank has a collective suitability assessment matrix.

The Appointments Committee shall ensure that the procedures for the selection of Board members favor diversity of experience and knowledge, facilitate the selection of Directors of the underrepresented sex and, in general, do not suffer from implicit biases that could imply any discrimination.

Term of office

The Board Members shall be appointed by the General Shareholders' Meeting to hold office for a term of three years and may be re-elected once or several times for terms of the same duration. The appointment of the Board Members shall expire when, once the term has expired, the following General Shareholders' Meeting has been held without being re-elected or when the legal term for holding the Meeting that must resolve on the approval of the previous year's accounts has elapsed.

The appointment of Directors appointed by the Board by co-option shall be deemed to have been made and shall last until and including the date of the first General Shareholders' Meeting, without prejudice to the General Shareholders' Meeting's power of ratification or revocation. In the event of a vacancy occurring after the General Shareholders' Meeting has been called and before it is held, the Board of Directors may appoint a director until the next General Shareholders' Meeting.

Removal of Directors

The Directors will leave office when the term for which they were appointed has elapsed or when so decided by the General Shareholders' Meeting in use of the powers of conferred by law and the Bylaws.

Directors must make their position available to the Board of Directors and formalize, if the Board deems convenient, the corresponding resignation in the following cases:

(a) When they cease to hold the positions, offices or functions with which their appointment as directors was associated;

(b) When they are involved in any of the cases of incompatibility or prohibition provided by law;

(c) When the Board itself so requests by a majority of at least two thirds of its members;

(i) If, due to a breach of their obligations as Directors, they are seriously reprimanded by the Board, following a proposal or report from the Appointments Committee; or

(ii) When remaining on the Board might place the Company's interests at risk;

(d) At the request of the Bank of Spain, the European Central Bank or any other authority with competence in the matter;

(e) When the Board, following a report from the Appointments Committee, deems it appropriate in those cases that may damage the credit and reputation of the Company, when the Director has ceased to meet the legal requirements of repute, experience and good governance established in Article 24 of Law 10/2014 and its implementing rules, or, in particular, when the Director is being prosecuted for criminal proceedings. In particular, if a Director is indicted or tried for any of the offenses set out in corporate legislation, the Board of Directors will examine the case as soon as possible and, in view of the specific circumstances, decide whether the Director should continue in office. The Board of Directors will give a reasoned account of all of the foregoing in the Annual Corporate Governance Report and, if appropriate, to the Bank of Spain, the European Central Bank or the competent authority.

Moreover, proprietary directors must present their resignation in the relevant number when the shareholder that they represent transfers or reduces their shareholding.

When, whether by resignation or otherwise, a Director ceases to hold office before the end of their term of office, they must explain the reasons in a letter to be sent to all members of the Board. Notwithstanding the fact that such resignation will be communicated as other relevant information, the reason for the termination will be included in the Annual Corporate Governance Report.

The Board of Directors will not propose the removal of any independent director before the expiration of the term of office for which they were appointed, except where just cause is found by the Board itself, based on a report from the Appointments Committee. In particular, just cause will be deemed to exist when the director takes on new positions or incurs new obligations that prevent them from devoting the necessary time to the performance of the functions inherent to the position of director, fails to comply with the duties inherent to their position or incurs in any of the circumstances that cause them to lose their independent status, in accordance with the provisions of the applicable legislation.

The removal of independent directors may also be proposed as a result of takeover bids, mergers or other similar corporate operations involving a change in the capital structure of the company, when such changes in the structure of the Board of Directors are prompted by the criteria for qualitative composition set out in these Regulations.

Training

Within the framework of the Policy for the Evaluation of the Suitability of the Members of the Board of Directors, the General Managers and others of the like and Other Key Personnel for the development of the financial activity in Unicaja Banco, and in accordance with the provisions of the Training Policy of the Board of Directors, the Training Plan for both the Board of Directors and its Support Committees for fiscal year 2022, has as its final objective that the Directors have an updated knowledge of the activities of the Bank in the areas under their supervision, which allows for an effective corporate governance and, likewise, guarantees the individual suitability of the Directors and of the Board as a whole.

On an annual basis, the specific training needs of the directors are assessed and a specific training plan is developed for the Board of Directors and another reinforced plan for the members of the Audit and Regulatory Compliance and Risk Committees.

Within the Specific Training Area, it was considered appropriate to focus training, among other points, on ESG and Sustainable Finance.

Remuneration Policy (GRI 2.19, GRI 2.20)

The remuneration of the members of the Board of Directors is established by means of the Directors' Remuneration Policy, which seeks to promote sound and effective risk management that, at the same time, favors the efficient development of the Company's business management and does not entail excessive risk-taking.

The Policy applies to all Directors, executive and non-executive, who hold office during all or part of the fiscal years in which the Policy remains in effect. The Company's Bylaws establish that the remuneration of the Board Members in their capacity as such shall consist of a fixed allowance and the payment of per diems for attending the meetings of the Board of Directors and its Committees. The maximum amount of the annual remuneration of all of the Directors in their capacity as such must be approved by the General Shareholders' Meeting and shall remain in force until such time as it is amended. The Board of Directors, subject to the limits and conditions established in the Remuneration Policy, shall determine the distribution of such amount and shall establish the remuneration of the different Directors, being in accordance with the functions and responsibilities attributed to each Director and the other objective circumstances it deems relevant.

When a member of the Board of Directors is attributed executive functions by virtue of any title, a contract between them and the Company must be entered into, which must be approved by the Board of Directors with the favorable vote of two thirds of its members. The Director concerned must abstain from attending the deliberation and from participating in the vote. The approved contract shall be attached as an annex to the minutes of the meeting. The Director may not receive any remuneration for the performance of executive duties whose amounts or concepts are not provided for in this contract. In any case, the remuneration corresponding to such contracts shall be in accordance with the current Remuneration Policy and, in particular, with the established limits and amounts. In addition to the remuneration indicated above, the Executive Directors shall be entitled to receive a remuneration consisting of the following:

1. A fixed portion, appropriate to the services and responsibilities assumed.
2. A variable portion, correlated to the performance indicators of the director and the company.
3. A welfare part, which shall include relevant pension and insurance.
4. An indemnity in the event of separation or any other form of termination of the legal relationship with the Company due to circumstances not attributable to the Director.

The Board of Directors is responsible for determining the target variables or metrics for the calculation of the variable portion, assistance provisions and compensation or their calculation criteria, within the limits and recommendations set forth in the current Remuneration Policy. The Remuneration Committee prepares the specific report, which will accompany the proposal for the Directors' Remuneration Policy, and ensures compliance with the established remuneration policy.

The Board of Directors annually prepares and approves an annual report on Directors' compensation. The report is provided to the shareholders on the occasion of the call to the General Shareholders' Meeting and is submitted to a consultative vote of the shareholders as a separate item on the agenda.

Unicaja Banco is subject to the provisions of the European Union, which subject the remuneration system for Directors, among other groups, to certain limits and guarantees. This set of regulations is reflected, in particular, in the Remuneration Policy Associated with Risk Management, which applies not only to Directors, but also to Senior Executives, risk-taking employees, those exercising control functions and all employees receiving overall remuneration that includes them in the same remuneration scale as senior executives and risk-taking employees whose professional activities have a significant impact on Unicaja Banco's risk profile at group, parent company and subsidiary levels (the "Identified Group").

Information on the remuneration of Unicaja Banco's executive and non-executive directors is available on Unicaja Banco's corporate website included in the information on remuneration in the Corporate Governance and Remuneration Policy section.

Processes for determining remuneration (GRI 2.19, GRI 20)

The process of approving Unicaja Banco's Directors' Remuneration Policy for the period 2021-2023 began with a proposal submitted to the Board of Directors by the Remuneration Committee. When making its decisions, the Remuneration Committee takes into account the long-term interests of the shareholders, investors, and other stakeholders of the Company, as well as public interest.

For the preparation of Unicaja Banco's Directors' Remuneration Policy for the period 2021-2023, the Remuneration Committee was assisted by the Company's internal services, which, in turn, received external advice and support from Uría Menéndez Abogados.

Likewise, the Remuneration Committee took into account the considerations of the Audit and Regulatory Compliance Committee and the Risk Committee in relation to the application of the Remuneration Policy within the scope of their respective competencies.

On February 25, 2021, with the favorable report of the Remuneration Committee, the Board of Directors agreed to submit the Directors' Remuneration Policy for the period 2021-2023 for approval by the General Shareholders' Meeting, which took place on March 31, 2021.

Diversity (GRI 2.23, GRI 405-1)

Art. 16.5 of Unicaja Banco's Bylaws establishes the duty that the Board of Directors must ensure that the procedures for the selection of its members ensure diversity with respect to matters such as age, gender, disability, professional training and experience. It must also ensure that they do not suffer from implicit biases that could imply any discrimination and, in particular, that they facilitate the selection of female directors in a number that allows for a balanced presence of men and women.

The diversity policy, approved by the Board of Directors recasts and develops in a single text the diversity-related provisions of the bylaws, the board regulations and other policies in force at the Bank. This policy establishes a procedure to ensure that the selection procedure for Board Members promotes a diverse and balanced composition of the Board of Directors and its Committees, taking into account issues such as professional training and experience, age, gender, disability, independence and the measures to be adopted for its implementation, if applicable.

By defining quantitative and/or qualitative objectives in relation to the aspects of diversity considered for the purposes of this policy and their integration in the selection procedure for Board Members, Unicaja Banco pursues an adequate level of diversity among the members of the Board of Directors in order to, among other issues:

- Include on the Board of Directors a number of persons of the underrepresented sex to achieve a balanced presence of women and men.

- Achieve a more diverse and balanced group with different points of view, experience and criteria, which favors the generation of independent opinions and maximum autonomy within the Board of Directors, reducing the risk of groupthink and enriching the analysis and debates of the Board of Directors.

In the renewal processes of the Board of Directors, which occurred on the departure of several Directors during the 2022 fiscal year, the Appointments Committee has taken into consideration the necessary diversity in the composition of the Board, especially in terms of gender, which has allowed us to continue to comply with the commitments undertaken, achieving the 40% required by the end of 2022.

The Appointments Committee reports on the implementation of the Diversity Policy in its annual activity report and reports on it in the Annual Corporate Governance Report. As part of the annual review of the composition of the Board of Directors, compliance with the diversity objectives established from time to time is verified. In the event that these objectives are not met, particularly in relation to the underrepresented gender, the Company documents the reasons why they have not been met, and defines the measures to be adopted, with their respective deadlines, in order to ensure their achievement.

MANAGEMENT TEAM

EXECUTIVE DIRECTORS, GENERAL MANAGERS AND SIMILAR AND OTHER PERSONNEL WITH KEY FUNCTIONS FOR THE DEVELOPMENT OF FINANCIAL ACTIVITY [1]

EXECUTIVE DIRECTORS	
1. Executive Chairman	Manuel Azuaga Moreno
2. CEO	Manuel Menéndez Menéndez
OTHER MEMBERS OF THE STEERING COMMITTEE	
3. G.M. Deputy to the Chair(*)	Isidro Rubiales Gil
4. G.M. Deputy to the Chief Executive Officer(**)	Jesús Ruano Mochales
5. G.M. Finance (CFO)	Pablo González Martín
6. G.M. Operations and Technology	Severino J. Méndez Suárez
7. G.M. Business	Jonathan de Joaquín Velasco
8. G.M. General and Technical Secretariat	Vicente Orti Gisbert
9. G.M. Credit Risk	Francisco J. Pérez Gavilán
10. G.M. Human Resources, Talent and Culture	José Maria de la Vega Carnicero
11. D. Strategic Planning and Budgeting	Agustín Lomba Sorrondegui
12. D. Office of the Chief Executive Officer	Ana Echenique Lorenzo
13. D. Transformation and Innovation	Cristo González Álvarez
14. D. Digital Businesses	Joaquín Sevilla Rodríguez
15. D. Investor Relations	Juan P. Lopez Cobo
16. D. Business Objectives and Monitoring	Marta Suárez González
17. D. ESG Business	Miguel A. Barra Quesada
18. D. Global Risk Control (CRO)	Cédric Blanchetière
19. D. Internal Audit	Jesús Navarro Martín
20. D. Regulatory Compliance	Galo J. Sastre Corchado

(*) Control and Relationship with Supervisors

(**) Corporate Development, Investees, Recoveries and Non-Core Asset Management

[1] Group subject to suitability assessment. G.M.:

General Manager.

D.: Director.

Financial activity in 2022

ECONOMIC, FINANCIAL AND REGULATORY CONTEXT

The current context is marked by post-pandemic economic and commercial instability at the national, European and global levels, accentuated by the conflict in Ukraine, which has generated strong inflationary pressures at all levels of the supply chains. The response of the
The response of the various central banks is resulting in a significant reduction in liquidity and sharp rises in interest rates, introducing new uncertainties into the economies of households and companies, increasing the risk of credit restructuring and payment difficulties for some customers.

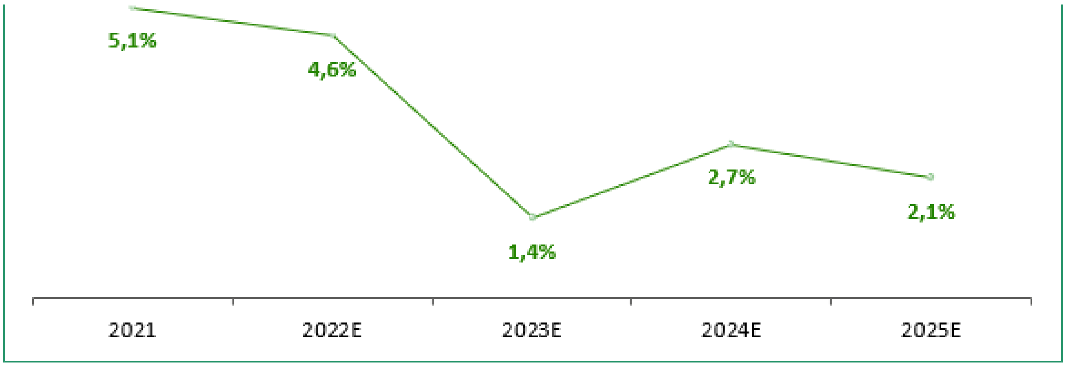
Geopolitical tensions and, in particular, the different scenarios for the evolution of the war in Ukraine mean that forecasts are subject to a high degree of uncertainty.

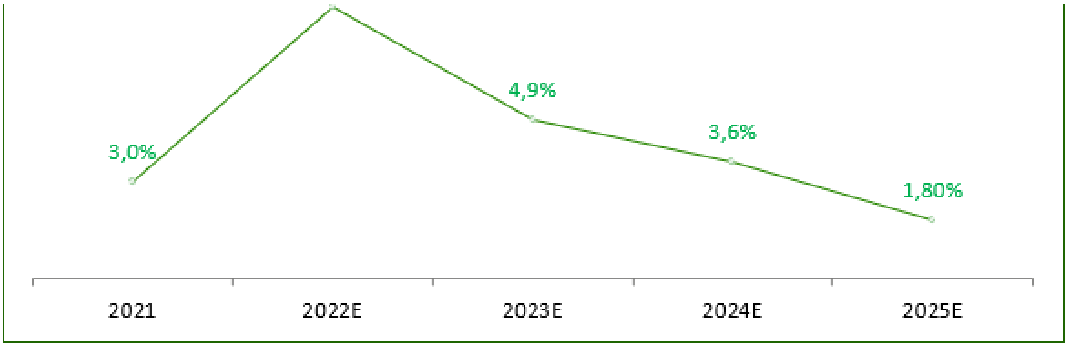
On the one hand, the energy crisis could be more intense than expected. Rising energy prices are weighing heavily on the global economy, which will be exacerbated if European gas storage levels are insufficient, complicating the de-escalation of inflation and increasing the risk of recession in the Eurozone. Of particular concern is the gas market, which is the most sensitive to geopolitical tensions, and its derivatives in electricity. In any case, the European authorities maintain the level of demand in terms of the normatively established objective [Regulation (EU) 2021/1119 of the European Parliament and of the Council of June 30] that the continent should be the first to achieve climate neutrality by 2050. In fact, the European Commission's REPowerEU Plan of May 2022, building on the "Objective 55" package of proposals in the wake of the Ukraine crisis, proposes an additional set of measures to: (i) save energy; (ii) diversify supplies; (iii) rapidly substitute fossil fuels by accelerating the transition to clean energy in Europe; and (iv) intelligently combine investments and reforms. All this will have an impact on the work demanded by society of the financial sector to achieve climate and energy goals.

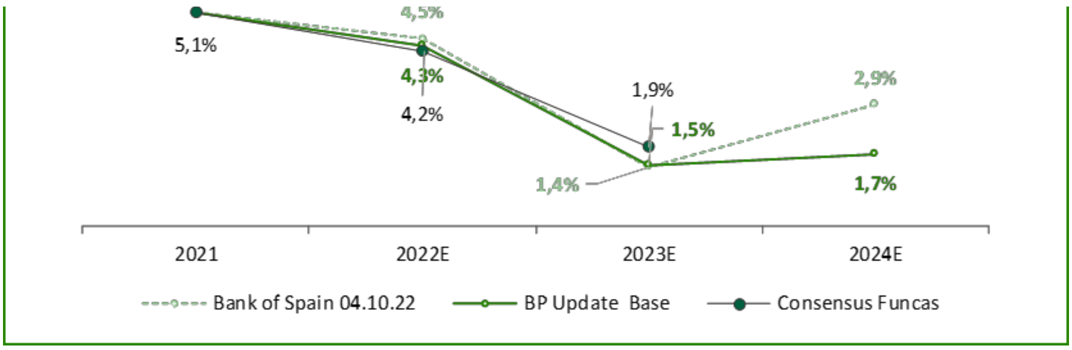
Furthermore, another important source of risks relates to factors such as monetary policy tightening, rising real interest rates, weak household net income growth and declining confidence, all of which could weaken growth.

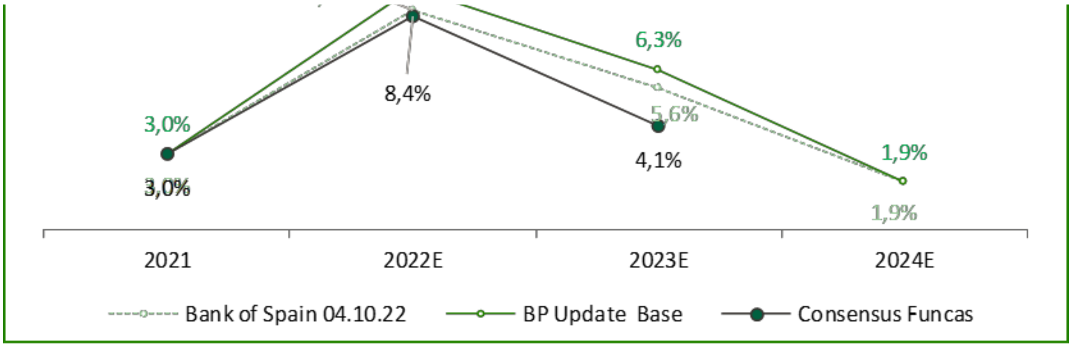
In contrast to the previous crisis, financial risks now appear moderate, but this will ultimately depend on the pace of monetary policy normalization. Moreover, past experience shows that interest rate hikes have a non-linear impact on the economy and the financial system. Risks may be slight in the initial phase of the rate adjustment process, but it remains true that an excessively aggressive adjustment of interest rates or an extension of the time horizon of the measures adopted to contain the impact on inflation could have second-round effects on inflation and lead to a prolonged recession. In the case of the Spanish economy, the latest updates of the macro scenario, such as those of the Bank of Spain, point to a slowdown in growth, not a recession, and a sustained improvement in unemployment rates.

National macroeconomic forecasts









Source: Bank of Spain(December 2022)

Furthermore, the environment presents important challenges at both the social and sectoral levels:

- Accelerated cultural and behavioral changes, both by customers who adapt quickly to digital channels and by employees who are able to sustain high levels of productivity in part-time teleworking schemes.
- The increased concentration of the sector, which creates short-term opportunities to capture market share, albeit with a more demanding medium-term competitive situation.
- Acceleration in the process of reducing network cost structures by competitors.
- Increased sensitivity to sustainability and climate change by investors, customers and regulators, with the consequent pressure on financial institutions acting as catalysts for sustainable transition, as stated earlier.

MANAGEMENT MODEL

Strategic Plan

The merger of Unicaja Banco and Liberbank took place in 2021. The merger has made the following possible:

- The creation of the 5th largest Spanish bank in terms of assets (approximately 110 billion euros), with a larger scale that allows it to invest in new business models, digitalization and talent attraction.
- Leadership in a relevant part of the region, and a remarkable commercial attractiveness.
- Achieving one of the lowest NPL ratios among listed Spanish banks.
- Becoming one of the most solvent banks in Spain, with a high liquidity position.

- Having a robust corporate governance model and a solid shareholder base.

With its Strategic Plan, Unicaja Banco aims to become a more profitable, sustainable and digital bank, with a low risk profile and increasing shareholder remuneration. In this sense, the Bank pursues the following:

1. **Accelerate commercial activity through greater specialization.**
    a. Consolidating the relationship with retail customers, improving digital capabilities and transactionality through the improvement of our relationship channels, and enhancing the Bank's competitive position in its payment services.
    b. Residential mortgages are a vector for attracting customers.
    c. Focusing on products with high value generation through the development of an advanced insurance banking model, with a focus on growth in non-linked products and the promotion of consumer credit through an advanced commercial system.
    d. Advanced management of the savings of the Bank's customers through a more complete range of products and services, including a firm commitment to the distribution of sustainable ("green") savings assets/products, and a more specialized and personalized model based on the use of data and its analytics, and on differentiated value propositions for personal and private banking customers
2. **Improve its efficiency through operational excellence.**
    a. Redesigning its customer relationship model and enhancing digital capabilities at scale driven by an omnichannel model, enabling it to manage customer needs ("360 customer" approach), supported by advanced analytics.
    b. By opting for a more specialized and efficient office model that enhances remote management.
3. **Advanced risk management following a conservative and prudent approach.**
    a. Focusing management on low-risk portfolios, mortgages and consumer portfolios with existing customers and on pre-approved models.
    b. Accelerating asset transfers and maintaining a low cost of risk thanks to positive NPL coverage and a low portfolio risk profile (based on an above-average weight in the mortgage and public sector portfolios versus the corporate and consumer portfolios).
4. **Drive digital transformation.**
    a. Redesigning and optimizing processes with a customer-focused vision and centralizing processes to improve efficiency and obtain a transversal vision of them.
    b. Digitizing processes, improving digital transactionality and digital sales capabilities to reposition the Bank in the market.
    c. Reviewing the operating and organizational model derived from the process transformation.
5. **Commitment to sustainability.**
    a. Promoting sustainability proposals in all lines of business (financing and investment) driven by the ESG Business Management.

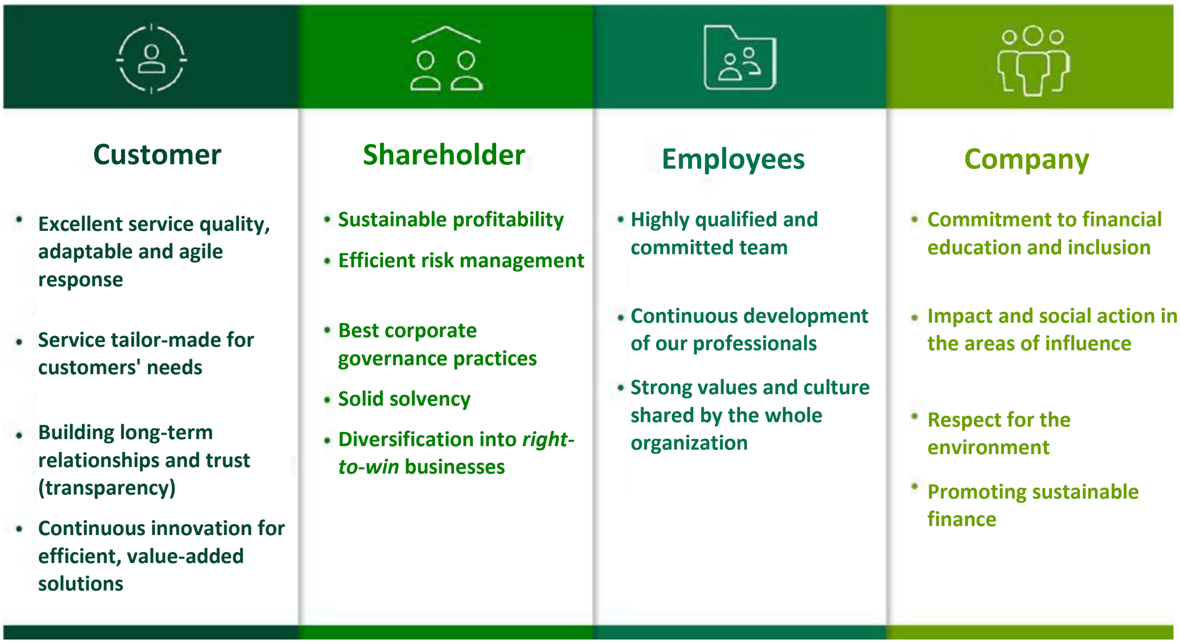
Unicaja Banco has opted for the creation of Departments dedicated to the promotion of sustainability. We are developing a methodology for identifying, measuring and managing risks derived from the climate on business and from business on the climate. Moreover, the Bank continues to foster an institutional culture that identifies and discloses appropriate management of short- and long-term climate and environmental risks, among other sustainability-related risks, to the market and stakeholders.

b. Developing an advisory offering linked to Next Generation EU funds.

The Bank has identified metrics for achieving sustainable objectives in line with its strategy, committed to an offer of products and services with a focus on increasing the transparency of financial activities and reducing its own carbon footprint as well as that of its credit and investment portfolios.

c. Developing and executing the Sustainable Finance Action Plan, aligned with supervisory expectations on climate and environmental risk management.

Unicaja Banco Group: a vision projected on four levels



The Unicaja Banco Group's current business model thus maintains a predominantly retail banking orientation as its main characteristic, aimed at individuals and SMEs, in which proximity to customers and the establishment of long-lasting relationships with them are key elements to optimizing the risk profile.

Unicaja Banco: 6 strategic lines focused on profitability

Strategic lines with an impact on profitability

01 Growth, specialization and diversification of the business model with a focus on customers, profitability and sustainability

02 Evolution of the operating and organizational model, accelerating digitization

03 Agile and prudent management of risk-adjusted returns, capital and liquidity

04 Proactive management of irregular assets and the building of capacity

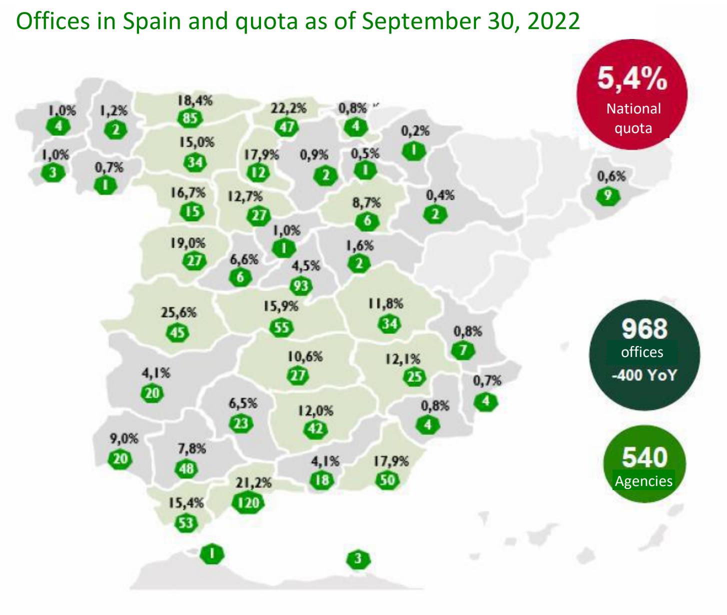
Enabling strategic lines

05 Maximizing the value of data through information and analytics

06 Development of the human team, focusing on talent and culture

The capillarity of the Group's commercial network makes it possible to develop this business model in which proximity to the customer is a fundamental aspect, both through the network of offices and the digital media available. Unicaja Banco currently has an extensive branch network and a multi-channel activity that allows it to offer certain retail products that generate strong linkage, focusing its commercial strategy on attracting retail funds, based on the linkage of households and small- and medium-sized non-financial companies. In this area, the positioning in on-balance-sheet funds is noteworthy, in which the Bank has historically had one of the best market shares.

Offices in Spain and quota as of September 30, 2022



In this sense, the Group is distinguished by its high degree of knowledge of the territories that constitute its scope of action, its bond and empathy with the local people and the business fabric of these territories, with a real interest in attending to the financial and social needs of their inhabitants and economic agents and the physical proximity provided by its branch network and agents.

Sustainable Finance (GRI 2.12)

Sustainability Policy The Sustainable Finance Action Plan

The consideration of sustainable growth has governed the development of the Group's business activity and its relationship with stakeholders for many years, as can be seen in the CSR Policy which makes this intention explicit, and, above all, through the Sustainability Policy, which is more oriented towards sustainable finance, based on the Group's values and stakeholder relations and expectations.

The values included in the CSR Policy explicitly include a commitment to sustainable finance and the development and distribution of sustainable financial products and services.

Meanwhile, the Sustainability Policy determines that the purpose of sustainable finance is, in a broad sense, that of financing and investment decisions, both by financial institutions and other related economic agents. Due consideration is given to the "three dimensions of sustainable development" – environmental, social and governance (ESG) – in order to contribute to the achievement of solid, balanced and inclusive growth.

This Policy specifies the Group's positioning with respect to sustainable finance, particularly from the perspective of strategy and general objectives, corporate and business management and the design and marketing of financial products and services in accordance with ESG criteria. These meet the needs of customers and investors, allowing them to respond harmoniously to the commitment expressly undertaken by the Group to achieve the Paris Agreement, the Global Compact Principles, the 2030 Agenda and the SDGs and other initiatives to which the Bank has freely and voluntarily adhered, in response to its own strategic positioning, such as the Collective Commitment to Climate Action, undertaken at the COP25 in Madrid.

Unicaja Banco Group's Sustainability Policy is based on a set of principles, as detailed below:

- The integration of ESG criteria in the core of its business strategy, its management instruments and the development of its action plans, as well as in its medium and long term strategy, through an approach that allows preventing the occurrence of possible negative impacts on the environment and society.

- The consideration of ESG criteria with the objective of promoting, among others, social and financial inclusion, and the contribution to the fight against climate change and the preservation of the environment, from the point of view of efficient business management and the harmonization of all this with the objectives of the different stakeholders.

- The identification and quantification of all risks, financial and non-financial, and specifically physical and transitional risks related to climate change and their appropriate and prudent assessment and management.

- The promotion of sustainable and efficient practices that avoid or minimize the pollution generated by the Group's activities, inspired by the efficient use of natural and energy resources.

- Ongoing dialog with all stakeholders to understand their expectations regarding ESG factors and their management by the Group.

- Involvement and awareness of sustainability issues among all stakeholders, including the Group's workforce, with the development of training and information actions.

- The assessment of the impact of climate change on the investment being financed and the impact of the financed investment on climate change.

- The incorporation of socially and environmentally sustainable financial products and services, pursuant to the European Union's classification system.

Unicaja Banco has continued implementing the measures set forth in the Sustainable Finance Action Plan, approved in 2020, and revised in 2021, with which it promotes the integration of ESG criteria into its business model. This was a strategic decision for the Bank, approved by the Board of Directors. In 2022, significant progress has been made in terms of the implementation of the measures included in the Plan. More than half of the measures have already been implemented, and almost all of the remaining measures are in progress.

The purpose of this Action Plan is to organize the transition towards an entity model that integrates aspects related to sustainability, specifically in four areas: business models and strategies; governance; risk management (especially climate and environmental risks); and transparency in this area.

The Plan also includes the integration of risks associated with climate change and the environment into the financial institution's own management model, in addition to defining objectives and establishing metrics and indicators to facilitate strategic decision-making by the institution.

The following table shows a summary of the main aspects considered in the Sustainable Finance Action Plan, and their status at year-end 2022:

Scope of action	Description	Supervisory expectation	Milestones by
Business environment analysis and business strategy	Definition of global business objectives that integrate climate risks and definition of internal criteria for the classification (taxonomy) and marketing of ESG products	1, 2, 4	6
Government	Review of functions, structure and composition of governing bodies in relation to ESG risk management	3	4
Organizational Structure	Analysis of the organizational structure (centers and committees) for climate risk management. Control and three lines of defense model	5	4
Data infrastructure and scorecards	Information requirements, data collection and construction of an "ESG Risk Scorecard" and development of ESG metrics	6	3
Management of credit risk	Review of policies and processes in the intake and risk monitoring phases for the integration of ESG factors. Exposure to physical and transitional risks	8	4
Liquidity, market and operational risk management	Review of policies, procedures and processes for market, liquidity and operational risks, including critical assets and Business Continuity Plan	9, 10, 12	4
Risk management integration	Materiality analysis, scenario analysis (baseline and adverse) and stress testing, risk appetite framework (RAF), integration into capital and liquidity assessment processes, and recovery plan	4, 7, 11	5
Disclosure of information	Review of information disclosure processes, in particular the Non-Financial Information Statement (EINF), including calculation of the carbon footprint (Scopes 1, 2 and 3, which includes the financed portfolio) and alignment with the European Union Environmental Taxonomy	13	1

*Section of the European Central Bank's Guide on climate and environment-related risks.

Among other measures, Unicaja Banco's Action Plan seeks to promote the transition of its products to sustainability classification, in addition to contributing to the development and marketing of new financial products and services, both retail and wholesale, that promote sustainable consumption and investment.

As far as Axis 5 is concerned, the 2022-2024 Strategic Plan focuses on a commitment to sustainability in all lines of business. The new challenge of sustainability is assumed by the Group as an opportunity for development and improvement in its daily management, for which it works on a new range of products and services and on the reduction of its carbon footprint, while promoting a culture of sustainability, identification and climate risk management. The aim is to ensure that 75% of the funds meet ESG standards, developing a range of products in this line that include green mortgages, eco-sustainable agro-financing, energy rehabilitation loans, mobility master plans and eco green motor loans, sustainable investment, pension funds and electric car insurance.

The Group also took decisive steps in 2022 in this area of sustainable financial products and services, building on the offer of new sustainable financial products initiated in 2020, which will serve to achieve the aforementioned Pillar of the Strategic Plan. The ESG Products section provides details of the main products included in this new offering, which is gradually expanding in order to provide an adequate response to customer expectations and preferences. This section also reports on the internal classification system developed in 2022.

Sustainability management structure

With regard to the Group's internal governance for the management of sustainability-related issues in general, the Bank set up a dual structure in 2021.

ESG Business Management is a response to the increased sensitivity of investors, customers, regulators and supervisors to sustainability. This department is responsible for designing the necessary actions to respond to stakeholder expectations in this area. It will also be the responsibility of this department to ensure the integration of ESG risks in the management of the business, by identifying, measuring, managing and monitoring them. This department, in coordination with the General Business Department, identifies and promotes the materialization of new business opportunities arising from accompanying customers in the investments required for the transition to a more sustainable model and the development of ecosystems and a catalog of sustainable products.

The Sustainability and CSR Department's mission is to promote and coordinate the implementation of an ethical, environmental and socially responsible management model, integrated into the Group's strategy and processes. This Directorate collaborates in the preparation and monitoring of the Sustainable Finance Action Plan, promoting actions that allow for improvement in coordination with the ESG Business Directorate, advising other centers on this matter. Finally, it manages and coordinates the actions corresponding to Corporate Social Responsibility.

Three noteworthy milestones were reached in 2022: the revision of the roles and responsibilities related to the management of sustainability factors, in particular climate risk; the revision of the composition, functions and competencies of the Sustainability and Corporate Social Responsibility Committee; and the creation of a Sustainability Committee to support the Board of Directors. For more details, see the "Climate risk management" section of this report.

The Sustainable Finance Training Plan

Unicaja Banco has launched a training plan focusing on sustainable finance for its entire workforce. The aim is to raise awareness in this area and provide the necessary basic skills, taking into account the new regulatory framework for sustainability and the entity's commitment to ESG factors, highlighted through its Sustainable Finance Action Plan and the new Strategic Plan.

The sustainable finance training plan contemplates, among other actions, the implementation of a general action, aimed at the entire staff, and another specific action, for groups whose activity in the Group presents specific needs in this area. The overall program comprises several key sustainability and corporate social responsibility topics, addressed through an online training course.

New in 2022, work has begun on linking training-related KPIs to the workforce, which can be consulted in the "Training and career plans" section, with specific objectives, which will begin to be managed and disclosed in the future. The Group's intention, in line with the very nature of sustainability reporting and with supervisory recommendations, is to extend this practice to a significant number of KPIs of those contained in the Statement of Non-Financial Information.

As a complement to the design of this training program, Unicaja Banco has created the School of Sustainable Finance in Uniecampus, the virtual campus to which the bank's employees have access. The aim is to host the training and information resources that are generated on sustainability and to serve as a permanent space for the staff to keep their knowledge on this subject up to date. Here employees can find course content, a glossary, links to important sustainability websites etc. Furthermore, it offers the possibility of making queries on this matter for resolution by the Sustainability and CSR Department.

ESG products

Directly and with the participation of other Group companies, both in design and marketing, Unicaja Banco has been developing numerous initiatives for the development and implementation of sustainable financial products over the past two years. In implementing its business strategy, it has launched financial products that comply with at least some of the environmental objectives set forth in Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, which sets the following as environmental objectives: climate change mitigation and adaptation (applicable since January 2022), the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems (pending regulatory development in 2023 for effective management by companies).

For a better understanding and analysis of the current ESG products marketed by the Group, directly or indirectly, ESG financial products in the areas of financing and savings can be distinguished, as can other products that arise from agreements that Unicaja Banco enters into with different suppliers, although, beforehand, the new internal classification system is set out.

Internal sustainable business classification system

In 2022, the Bank developed an internal sustainable business classification system, called the Internal Sustainable Business Taxonomy.

This system will be used exclusively for the purpose of identifying and classifying the Bank's sustainable business, and will complement and respect the basic principles of the European Union's Environmental Taxonomy, in the application of which the Bank is also making substantial progress, as can be seen in this same Statement of Non-Financial Information, as well as in that of 2021.

The internal system will make it possible to identify at source, classify, record, operate and, therefore, manage the sustainable business of the Bank's customers, which will facilitate their measurement and the setting of business objectives.

Unicaja Banco's classification model is based on a hierarchy of classification:

- Finalist products.
- Purpose of the operations.
- Customer activity.

In terms of products, classification is based on their original purpose (environmental, social or governance), with those products being included in the catalog of sustainable products if such purpose is aimed at achieving or promoting environmental or social characteristics, specifically, in the current phase of development of sustainability in the Group.

In the product catalog, financing products and savings and investment products are duly differentiated according to their position in the Bank's balance sheet.

With respect to the purposes of the transactions, the Bank will use the analytical purpose field of its information systems to identify the use of funds in asset transactions. Six strategic sustainable activity blocks are identified: green buildings, renewable energy, energy efficiency, clean transportation, natural resources and transition economy.

Finally, with regard to customer activity, the internal classification model is based on the identification of customers obliged to disclose information based on the European Union Environmental Taxonomy (larger customers), or based on estimates or proxies for those not obliged to disclose information.

It is foreseeable that customers required to report sustainability indicators will increase in successive years, especially in application of the Corporate Sustainability Reporting Directive (Directive 2022/2464) as of fiscal year 2024. The model described above will therefore reflect this increased information as it is made public by the counterparties.

ESG product financing

Discount-rate *Oxígeno* mortgages. This is a mortgage product marketed through the commercial network. The product offers financing for homes with high energy efficiency (type A energy rating), offering a bonus in the financial conditions for these circumstances, with a minimum term of 10 years and a maximum of 30 years.

Individual Ecomobility Loan Fixed-rate personal guarantee loan with a maximum term of 8 years, for the purchase of "eco" vehicles: battery electric cars, extended range electric cars, plug-in hybrid electric cars with a range of 40 km, fuel cell vehicles, plug-in electric cars with a range of less than 40 km, non-plug-in hybrids, vehicles powered by natural gas or liquefied petroleum gas.

Loans associated with the promotion and development of clean energy.

Energy rehabilitation loans for homeowners' associations and energy efficiency improvement: This is a loan to finance building renovation or rehabilitation works for homeowners' associations, with a maximum term of 10 years, with the possibility of a grace period of up to 6 months and the possibility of financing up to 100% of the cost of the work.

Its objective is to finance renovation or rehabilitation works of residential buildings that contribute to the improvement of energy efficiency or to the implementation of renewable energy sources of common use and that reduce the consumption of non-renewable primary energy (ENPR) of the building. The investment seeks to reduce the ecological footprint and energy consumption, improve the insulation of the building, install solar panels or undertake improvements in the thermal and lighting installations.

EDP photovoltaic installation loan: This is a personal loan for the installation of photovoltaic self-consumption with a term of up to ten years. In all cases, a 3-month grace period for principal and interest is included in the total term of the operation. Its objective is to encourage and promote the installation of photovoltaic systems for self-consumption by individuals, SMEs and the self-employed, both for private and business use.

ICO Residential Building Rehabilitation Line. The Bank has adhered in 2022 to the ICO Residential Building Rehabilitation line for the Financing of Residential Building Rehabilitation Works that meet the requirements established in the Agreement and in the Agreement of the Council of Ministers of July 11, 2022, and to which aid has been granted by the Autonomous Community -or the Cities of Ceuta and Melilla- in which the building is located. Financing would be provided for refurbishment works carried out by individuals or homeowners' associations that contribute to improving energy efficiency.

Loans associated with the promotion of sustainability in agriculture.

Ecosustainability Agro Loan: This is a loan to finance sustainable investment projects in the agricultural and livestock sector. It is aimed at financing sustainable investment projects with a focus on energy efficiency in the agro-livestock sector, such as water efficiency projects, renewable energies, waste management, ecological agriculture and development of the rural environment.

"ing" products.

Renting Lease Plan: This is a comprehensive electric vehicle rental service for a fixed monthly fee. The monthly rent ranges from 48 to 60 months.

It is aimed at customers who want to eliminate the hassle and worry of vehicle maintenance and the risks associated with ownership and who are committed to reducing their carbon footprint.

ESG savings/investment products

Investment funds: Collective Investment Institutions (CIIs) that invest the resources raised from the fund's shares in investments that promote environmental or social characteristics.

Mixed Sustainable Unifond Fund. Direct and indirect investment (0%-100% through CIIs), 30%-75% of total exposure in equities, with no sector/capitalization predetermination. In addition to financial guidelines, Socially Responsible Investment (SRI) valuation criteria are applied. The majority of the portfolio complies with the ethical ideology. There is an ethics committee whose composition and functions are described in the prospectus.

Liberbank Solidarity Fund: Financial and SRI or ESG criteria are directly and indirectly applied through CIIs. It invests 70-100% of its assets in CIIs, most of which follow extra-financial or socially responsible investment criteria and are managed by prestigious ESG companies.

Liberbank Multi Manager FI Fund. The fund's management objective is to achieve long-term capital appreciation by investing in suitable asset classes on a global basis, using non-traditional or alternative strategies and techniques, using derivatives where appropriate. At least 51% of long positions are invested in companies with positive environmental and/or social characteristics with best governance practices.

Liberbank Global Macro Fund. It invests mainly in sustainable securities, directly or through derivative financial instruments, without determining the percentage.

Liberbank Mega Trends Fund. Global Fund. Its management objective is capital growth by investing in sustainable equities linked to the major global trends that will affect the world's future. ESG financial and socially responsible investment criteria are applied, prioritizing environmental criteria without discarding governance criteria. Directly and indirectly through CIIs, it invests more than 70% of its assets in CIIs that promote or have ESG characteristics as their objective.

Liberbank European Opportunities Fund. Subordinated Fund. An ESG policy (environmental, social and corporate governance criteria) has been implemented and the investment process includes a consideration of sustainability risks, among other key criteria.

Liberbank Income FI Fund. Subordinated Fund. At least 51% of equity is invested in issues with positive environmental and/or social characteristics and best governance practices.

Liberbank Bonos Global Fund. Subordinated Fund. At least 51% of assets are invested in issuers with positive environmental and/or social and best governance practices.

Unifond Conservative, FI Fund Global Fund. In addition to financial criteria, the fund promotes environmental and social characteristics through investment in CIIs which, in turn, invest in companies/issuers whose ESG management follows high best practice standards.

Unifond Moderate, FI Fund Global Fund. In addition to financial criteria, the fund promotes environmental and social characteristics through investment in CIIs which, in turn, invest in companies/issuers whose ESG management follows high best practice standards.

Unifond Dynamic Fund, FI. Global Fund. In addition to financial criteria, the fund promotes environmental and social characteristics through investment in CIIs which, in turn, invest in companies/issuers whose ESG management follows high best practice standards.

Unifond Careful Management, FI. Promotes environmental and social features aligned with the UN Sustainable Development Goals.

Pension funds: The fund's assets are invested in socially sustainable investments.

Uniplan Sustainable Future: This fund promotes environmental or social characteristics.

Agreements and arrangements

Motor insurance: The bank has an agreement with the insurance company Caser to include additional coverage for electric cars in the automobile policy, covering theft and/or theft of the recharge cable, battery and travel assistance in case of exhaustion and failure of the electric battery.

Clean energy distribution agreements: The aim here is to market Naturgy's electricity and gas energy services and maintenance services, with the latter's commitment to supply clean energy.

Installation of photovoltaic panels: In order to continue developing specific actions that reinforce the Bank's responsible banking positioning and stimulate the marketing of solar energy-related products, a new collaboration agreement has been reached with EDP, aimed at marketing photovoltaic installations.

Agreement with Smart City Cluster: Agreement that seeks to promote technology and innovation initiatives and projects, as well as sustainable finance, within the framework of the promotion of smart cities. It is an alliance of more than 150 companies and institutions for the development of smart cities and has a partnership with nearly 50 Spanish cities.

***Reactívate* financing line:** Collaboration with Sociedad de Garantía Recíproca de Asturias (Asturgar SGR): to support SMEs and the self-employed in Asturias with the *Reactívate* financing program. The program consists of 6 lines that provide financing through loans guaranteed by the SGR guarantee and whose guarantee costs are subsidized by the Institute for Economic Development of the Principality of Asturias (IDEPA). Line of financing for SMEs and the self-employed in Asturias for various purposes, including the financing of sustainable projects.

Agreement with the Biodiversity Foundation (Fundación Biodiversidad): The Biodiversity Foundation is a public organization, whose objective is to protect and promote the care of biodiversity and natural heritage in Spain, under the Ministry for Ecological Transition and the Demographic Challenge, in charge of managing part of the aid from the Recovery, Transformation and Resilience Plan (Next Generation EU Funds). Under this agreement, Unicaja Banco will offer economic guarantee operations for advancing aid granted by this organization and loans for complementary investments in subsidized projects. For its part, the Biodiversity Foundation undertakes to publicize the agreement, to inform the beneficiaries of the aid and, where appropriate, to put these beneficiaries in contact with Unicaja Banco's commercial network.

Specific agreements for sustainable mobility:

Agreement with Ebroh Bikes. Here the aim is to market a folding urban electric bicycle, an electric mountain bike and four electric motorcycle models (with ranges from 60 to 80 km/hour) as part of our clear commitment to sustainable mobility.

Agreement with Invicta Electric. Its purpose is to market electric scooters, electric microcars, high autonomy electric bicycles and motorcycles to the Bank's customers, with special conditions depending on the product model chosen, such as: discounts, free insurance for the first year and free registration and/or shipping costs.

Agreement with *Next Electric Motors S.L.* An agreement has been signed with Next Electric Motors S.L. to promote the sale of electric motorcycles and mopeds under special conditions to the Bank's customers.

Installation of electric chargers. It offers our customers the installation of electric chargers, with or without financing, thus expanding the range of products associated with electric mobility. The agreement was been signed with EDP, with the latter assuming all supply logistics and costs.

Agreements for Building Rehabilitation. Collaboration agreements for the Bank to prescribe to its customer portfolio the services of digitalizing agents to improve the energy efficiency of buildings.

Agreement for building rehabilitation with AgentiaR+. Collaboration agreement for the Bank to prescribe Agentia's services for building refurbishment to its customer portfolio, offering a "turnkey" service. This is a rehabilitation agent set up by TINSA.

Agreement for building rehabilitation with Acierta Asistencia. Collaboration agreement for the Bank to prescribe Acierta Asistencia's services for the rehabilitation of buildings to its customer portfolio, offering a "turnkey" service. This is a rehabilitation agent from the CASER Group.

BUSINESS MODEL, CHANNELS AND LINES OF ACTIVITY (GRI 2.6, GRI 203-1)

As the highest-ranking management and supervisory body of the Bank, the Board of Directors sets Unicaja Banco Group's strategy, determining the business model, the capital strategy and objectives, the risk propensity, the risk policies and the Group's organizational and functional structure.

In the broad sense of the term, the main thrust of the Unicaja Banco Group's activity is to support all of the economic sectors that operate in its sphere of action, whether in person or virtually, placing customers at the center of its commercial strategy with a broad, diversified and competitive portfolio of products and services that provide value to the customer. The financial strength of the Unicaja Banco Group's typical banking business has enabled it to focus its attention on personalized customer management.

Unicaja Banco's business model is mainly focused on areas of influence and, specifically, the Bank is the leader in six autonomous communities: Andalusia, Asturias, Cantabria, Castilla-La Mancha, Castilla y León and Extremadura, although it is also present in other regions such as Madrid, Ceuta and Melilla.

The Unicaja Banco Group's current business model has as its main characteristic a predominantly retail banking orientation, aimed mainly at individuals and SMEs, in which proximity to customers and the establishment of long-lasting relationships with them are key elements. The Bank deploys various strategies to gain customer loyalty, offering all types of transactional services, payments, non-banking products and financing, particularly mortgages and primary residences.

The diffusion and flexibility of Unicaja Banco's commercial network make it possible to develop this business model in which proximity to the customer is a fundamental aspect.

The Unicaja Banco Group also develops a corporate banking activity aimed at companies which also combines the provision of transactional and payment services with medium and long-term financing. Within this corporate banking section, as a reference institution, its links with the territory allow it access to local and regional public administrations, to which it provides cash collection among other services, enabling it to broaden the scope of its resources. The rest of the companies are serviced through Corporate Banking.

References to the sustainable business model in particular can be found in the "Climate Risk Management" section.

Channels

Unicaja Banco Group's commercial activity is structured through a multi-channel management system, centered around the branch network as the basic customer service unit and reinforced with other alternative channels. Adapting the existing capacity to the conditions of the current economic and financial environment, at the end of 2022, the Group had 972 offices, 971 in Spain, distributed in 39 provinces and in the Autonomous Cities of Ceuta and Melilla, and a representative office in Mexico. Of the total (508 including Ceuta and Melilla), 52.26% is in Andalusia and Castilla y Leon.

At year-end, Unicaja Banco had 528 financial agencies managed by 419 agents. In recent years, the Unicaja Banco Group has made an effort to strengthen its network of financial agents, who provide service to the Bank's customers in rural areas. This model allows the Bank to be present and close to small municipalities and rural areas, providing face-to-face service and helping to avoid financial exclusion, while at the same time optimizing efficiency levels.

The Group's international presence is further enhanced through CECA's network of representative offices and foreign banking correspondents, leading international banks throughout the world (in the United States, United Kingdom, Germany, France, Switzerland, Belgium, the Netherlands, Luxembourg, Morocco etc.) and leaders in the financial sector in their respective countries, with whom collaboration agreements are in place.

As a complement to the branch and agent network, as of the close of 2022, the Unicaja Banco Group had 2,469 ATMs, 31,733 dataphones and point-of-sale terminals and 3.26 million credit/debit cards in operation.

By the close of 2022, the number of Internet banking users had reached 3.1 million users, with more than 2,697 million transactions carried out through this channel.

The *Junto a Ti* ("Close to You") remote management service, as an omnichannel management model, seeks proximity to the customer and the personalization of services. This is a service that offers personalized remote assistance through specialized managers located in a remote center.

On the other hand, in addition to the aforementioned channels, the Bank provides service through the traditional telephone service and digital channels (app, web), which have experienced significant advances in general after the pandemic.

Commercial network. Unicaja Banco Group	12/31/2022	12/31/2021
Distribution network	Group	Group
Offices	972	1,374
Automatic teller machines	2,469	2,679
Partner agents	3,192	3,183
Financial agents*	419	-
Financial agencies*	541	-
Bank cards issued	3,106,712	3,257,630
Dataphones and POS terminals	31,733	32,426
Electronic banking		
Univía operation users	3,106,712	3,021,612
	2,697,680,441	2,690,033,432
***Junto a Ti* remote management**		
Customers Managers	193,212	193,588
	59(*1)	65(*2)

(*) Data provided for the first time. (* 1) 57 managers + 2 center managers. (* 2) 63 managers + 2 center managers.

Business lines

The main lines of the Bank's 2022-2024 Strategic Plan are the financing of families for the purchase of housing and consumption, the management of long-term savings, means of payment, insurance activities and SME and self-employed business, with specialized attention to the agricultural business due to the weight of this sector in the territories where the Group has the greatest presence.

In all cases, the increase of digital capabilities is promoted, supporting the development of the business in an open banking model with leading partners in their segment such as Real Madrid and Play Station. The aim is to offer end-to-end processes that allow all products to be contracted through remote channels. Remote assistance is another of the most valuable ongoing actions with the greatest capacity for improvement and value generation over the coming years.

In the business area, the launch of the NEXT simulator, a platform that helps our customers find and apply for aid and subsidies linked to the Next Generation European Funds for boosting trade and business, stands out.

Finally, it is worth mentioning that Unicaja Banco sees the new challenge of sustainability as an opportunity for development and improvement in all lines of business, having expanded the offer of sustainable products with the green mortgage, eco-sustainable agro-financing, the eco green motor loan, the energy rehabilitation loan for homeowners' associations, a mobility master plan, investment funds and sustainable pension plans, as detailed above.

Means of payment

The range of bank cards available through Unicaja Banco currently covers the different forms of payment required by our customers. As for the technology supported by the cards, it should be noted that the basic cards (debit and credit) use both contactless and EMV chip-and-pin technology. Commercial payments via mobile devices have been available since 2018.

In 2022, after the pandemic, the growth of cards as a means of payment in shops continued to outpace cash. The number of credit cards has also shown a better evolution compared to debit cards, as they offer greater benefits and coverage. Since 2022, it has also been possible for certain customers to contract a credit card via digital banking.

Bizum is consolidated as a payment method between individuals, favoring digitalization and becoming another widespread payment method in e-commerce.

The point-of-sale terminal (POS) is a basic strategic element. In November 2022, the agreement with EVO Payment was finalized, with the entire acquisition becoming the property of the Company as of that date. Unicaja Banco offers both virtual and physical payment services. Since 2021 it has also offered new financing solutions at physical points of sale and virtual commerce, available for all cards that are part of the Plazox service providing buy-now-pay-later (BNPL) solutions to small- and medium-sized businesses.

Following the adaptation in 2020 of authentication processes for e-commerce purchase transactions in line with European regulations on payment services to make them more secure, Unicaja Banco has continued to work on ways of verifying the identity of its customers through Strong Customer Authentication, using biometric identification and improving the customer experience in electronic payment.

Customer resources

Within the framework of the 2022-2024 Strategic Plan,Unicaja Banco is committed to being a point of reference in the management of its customers' long-term savings, identifying their financial objectives and providing comprehensive, competitive, sustainable and quality solutions, whether its own or those of third parties.

In 2022 considerable progress was made in the ESG transformation of the product range and various initiatives were launched to strengthen existing services, optimize their adaptation to customer needs and lay the foundations for the future launch of new services linked to the management of long-term savings.

Financing to individuals

The purchase of housing continues to be the largest investment for families. Unicaja Banco offers customers various financing alternatives under very competitive conditions. During 2022, it has worked on improving processes and digitalization, making the "100% digital mortgage" available to customers, reinforcing the multi-channel objective and improving the customer experience.

For consumer finance for individuals, in addition to the smaller amounts that are financed through credit cards, which means credit is permanently available to the cardholder, it is worth highlighting the pre-concession of loans and advances in contracting through digital channels, increasing the number of customers who can access these products.

Furthermore, household financing also includes a product designed to respond to environmental concerns at very competitive prices, such as those aimed at promoting the acquisition of ZERO and ECO label cars or at renovating and improving the home by applying ecological criteria (installation of solar energy panels, condensing boilers, thermal insulation windows etc.) Through the finalist financing of products, such as those covered by agreements like Play Station or with solar panel manufacturers, customers have easier access to interesting offers.

Business banking

The existence of a solid business fabric is a necessary condition for a dynamic and competitive economy, capable of providing intelligent, sustainable and inclusive growth with more and better jobs and a greater degree of economic and social cohesion.

The Group is dedicated to encouraging and maintaining a sustained and inclusive commitment to companies, encouraging, promoting and coordinating the aid necessary for their consolidation.

It is worth highlighting, in the current post-pandemic context, the additional effort made and the support given to companies and the self-employed, making specific lines of financing available to them with ICO guarantee or CESCE coverage. The Group continues to fulfill its mission: to stand by our customers in one of the most complex moments of the last decades with the intention of helping and facilitating the continuity of their productive activities, the main axis of Spain's economy.

Through our specialized products (confirming, foreign trade financing, etc.), which allow all types of operations and management, and with the support of specialized managers, we provide payment and collection solutions to our customers; we also provide the necessary financial support to companies, the self-employed and businesspeople, allowing them to finance their investment projects.

Personal and private banking

Personal and private banking manages the needs of customers in the personal banking and wealth segments in a personalized way, through a group of highly specialized centers and managers, which are able to offer customers solutions tailored to their income level. The Group strives to protect and grow its customers' assets in a long-term relationship based on trust and transparency. With this philosophy, we treat our customers in an exclusive, professional and close manner.

Corporate banking

This is the segment that manages groups or corporations with a turnover of more than 150 million euros, which require specialized solutions.

It comprises three business areas - territorial divisions, institutional business and real estate and developer business - as well as related product areas that provide services to customers, such as syndicated operations and project finance (within specialized financing) and customer treasury.

Its scope of action is mainly at the national level, extending its management to national public institutions, as well as regional and local ones. It manages more than 400 business groups and has a differentiating offer of structured finance products and advice on asset financing.

Corporate Banking maintains a specialized team with extensive experience in the management of financial services, with a firm commitment to accompany customers in their development process and meet their needs, helping them to achieve their objectives and including responsible banking criteria that contribute to the progress of society.

The priority for the future is to continue transforming the business, in line with the 2022-2024 Strategic Plan, creating links with customers as "strategic partners" and strengthening value-added services, with an emphasis on ESG solutions and digital content.

International Business

The development of international business through the Commercial Banking, Business Banking and Corporate Banking channels is one of the most important milestones for Unicaja Banco.

At present, efforts are being redoubled in this line of business, increasing the existed capacity (opening of new company centers) and improving the productivity of the portfolios. Furthermore, improvements and new developments are being implemented in the area of products and services specifically aimed at the internationalization of our customers. The foreign trade solutions portfolio, which will incorporate new services in the short term, facilitates companies' expansion projects and international sales and purchases:

- Granting them financing to boost their exports, anticipating the product and service manufacturing cycle, as well as the customer collection cycle - or to favor imports - financing payments for purchases made from suppliers abroad.

- Granting them guarantees and counter-guarantees, in all of their modalities, which allow them to bid for tenders abroad or to cover the maintenance period established in machinery sales contracts, as well as to guarantee the collection of receivables from abroad.

- Facilitating the management of foreign accounts through existing payment and collection methods, by means of remittances and import and export documentary credits.

- Providing foreign exchange risk hedging of the customer's exposures in foreign currencies.

Insurance business

The activity in 2022 has been marked by the integration processes of the banking-insurance operators and the reorganization of the life agreements with the different partners.

The year 2022 saw the integration of the banking-insurance operators. The offer of the two merged companies has been homogenized and a support structure has been created within the operator (operational and commercial).

As a continuation of the policies applied in previous years, the effort focused on helping our customers to keep their personal and asset risks covered by facilitating the payment of their insurance policies in installments at no additional cost, facilitating, where necessary, the possibility of deferring payment.

In this line of action, Unicaja Banco has maintained teams of specialists who have contacted vulnerable customers by telephone to advise them and inform them of these initiatives.

The UniSeguro Plan, which was launched commercially in 2019, has been confirmed as the backbone of the Group's insurance marketing, helping the domestic economy of our customers by financing their insurance premiums at no cost and rewarding their loyalty with the application of discounts depending on the insurance contracted.

Agricultural business

Business in the agri-food sector is deployed with an offer of products and services tailored to the needs of customers (farmers, livestock farmers and the agri-food industry as a whole).

Unicaja Banco is strongly committed to the promotion and development of environmentally friendly activities and is aware of how important achieving them is to the agricultural sector.

During 2022 it has maintained its support both for the financing of investments in farms for, among other purposes, improving energy efficiency and the modernization of irrigation systems to help reduce the environmental impact and the effects of climate change, and for the dissemination and transfer of knowledge among the national agricultural community about the new European regulations that will govern the new multi-annual financial framework of the Common Agricultural Policy, which begins on January 1, 2023, with informative seminars.

Both because of its territorial presence in the main agricultural areas of the country and because of the essential nature of the agricultural sector, Unicaja Banco maintains this business segment among its strategic lines of business.

Overall risk management

OVERALL RISK MANAGEMENT

Overall risk management

The risk management and control system implemented by the Unicaja Banco Group is articulated along the following basic lines:

- A system of governance and organization of the risk function based on the active involvement and supervision of the Top Management, which approves the Bank's general policies and business strategies and lays down the overall risk management and control guidelines.

- A risk appetite framework (or "RAF") which is set up within the Group as a fundamental instrument in the implementation of its risk policy.

- A prudent risk exposure management model to which the Unicaja Banco Group pays close attention so as to keep a prudent, balanced risk profile at all times in order to meet its solvency, profitability and appropriate liquidity objectives, which translates into a solid, consistent risk culture.

- A selection of suitable methodologies for the identification, measurement, management and control of risks, which undergo a continuous process of improvement and are in line with regulatory requirements. At the same time, the Group matches its equity requirements to the level of actual risks stemming from its banking activity.

- A supervisory model based on the three lines of defense model, something which is in line with the expectations of regulatory and supervisory authorities.

The Unicaja Banco Group's overall risk management and control policies, methods and procedures are approved and periodically revised its Board of Directors.

Based on the current regulatory framework, Unicaja Banco's organizational structure includes an Overall Risk Control Unit, which is accountable to the Vice Chairman's Office, which is in charge of controlling and relations with supervisors and is functionally independent from the departments that create exposures. One of the functions of this unit is to take control, from a global perspective, of all of the risks for the Bank.

The organization of the Unicaja Banco Group's Top Management has a well-defined internal structure that supports this unit and enables it to implement all of the decisions it makes.

Risk appetite framework

The Group's risk management and control is arranged via, among others, the Risk Appetite Framework (RAF), which is approved by the Bank's Board of Directors.

The Unicaja Banco Group uses this RAF as an instrument for implementing its risk policy and as a key management and control tool that allows it to: formalize its risk appetite statement; specify its risk objectives in line with its corporate strategy, whereby it acts as a reference for guiding the activities that are carried out; formalize the risk supervision and monitoring mechanism so as to ensure compliance with its risk appetite; integrate all risk control and management processes into a common framework; and strengthen and disseminate its risk culture.

The development of this framework as the Group's general risk policy is configured as a fundamental element in its management and control, providing the Board of Directors and senior management with a comprehensive framework that determines the risks that the Group is willing to assume and establishing different metrics for their quantification, control and monitoring, which allow it to react to certain levels or situations.

Therefore, the main aim of Unicaja Banco's RAF is to establish a set of principles, procedures, controls and systems by means of which the Bank's risk appetite can be defined, communicated and monitored.

Risk propensity is considered to be the risk level or profile that Unicaja Banco is willing to assume and maintain, both in terms of its type and amount and its tolerance level. It should be oriented towards achieving the objectives of the 2022-2024 Strategic Plan, in accordance with the lines of action established therein.

The main goal in managing the different risks is to achieve a risk profile that falls within the desired risk appetite level, which is defined based on the established limits, those management measures that are considered most appropriate to achieve this being taken.

In addition, this framework establishes different metrics for the quantification, control and monitoring of risks, which permit reacting to certain levels or situations. These metrics, which characterize the objective behavior of the Unicaja Banco Group, are common across the Organization, making it possible to transmit the level of risk propensity to all levels in a systematized and understandable way. In turn, they summarize the Group's objectives and limits and are therefore useful for passing on this information to stakeholders, where appropriate, and are homogeneous, as they are applied throughout the organization.

The Group has a process for identifying material risks, in which methodologies for the quantification of all risks to which the Bank is exposed are used. Likewise, it defines a criterion for selecting those risks which are material and hence must be managed and controlled more proactively. This management and control involves, among other things, the allocation of capital within a Internal Capital Adequacy Assessment Process (ICAAP) or, in the case of the liquidity risk, the allocation of a liquidity management buffer, which is assessed within a Internal Liquidity Adequacy Assessment Process (ILAAP). The process of quantification and identification of material risks is carried out on a recurring basis, which allows the Bank to identify emerging risks at all times.

Based on this process, within the Risk Appetite Framework, at least for each of the material risks, the appetite and tolerance are established through a qualitative statement, risk indicators or metrics are selected and a calibration methodology is defined to set target thresholds, early warnings and limits.

The Overall Risk Control Unit monitors compliance with the Risk Appetite Framework via the existing metrics for each type of risk. The follow-up on these metrics are reported to Senior Management and its governing bodies.

The Bank has integrated its Risk Appetite Framework into its strategy, its ICAAP and ILAAP, its corporate risk policies and its Recovery Plan, among others. The Bank ensures the observance of the established risk culture through the approval of the management framework, the development of strategies and policies and the monitoring of the limits established for managing each type of risk.

General risk governance framework (GRI 207-2)

The Bank's risk management and control model requires a robust and efficient organizational structure. This in turn requires the effective involvement of the Board of Directors and management and needs to be effectively structured throughout the organization.

The following is a list of the bodies that are directly involved in Governance, their main functions and responsibilities as regards risk management and control being indicated, without prejudice to the other functions envisaged in the Law and in the Bank's Bylaws and regulations and manuals, where applicable. See further details in this regard can be found in the "Risk Control Information" section of the Unicaja Banco corporate website.

The Board of Directors

The overall risk management and control policies, methods and procedures are approved by the Bank's Board of Directors.

- Approving the risk control and management policy, including tax risks, as well as periodically monitoring all internal information and control systems.
- Approving the RAF and its subsequent modifications, at the Risk Committee's proposal.
- Taking the RAF into consideration in the day-to-day management of the Bank and, especially, in the making of strategic decisions.
- Being informed, at least on a quarterly basis, of the monitoring of the RAF by the Risk Committee, without prejudice to the information that it may request of the latter at any given time.
- Taking all relevant corrective measures when deemed appropriate.
- Specifically approving, where appropriate, the maintenance of situations that involve a limit breach.

The Risk Committee

The following are among its main functions:

- Advising the Board of Directors on the Bank's overall risk appetite—current and future—and its strategy in this area and helping it to monitor the implementation of this strategy.
- Ensuring that all risk control and management systems work properly and, in particular, that any significant risks that affect the Company are properly identified, managed, and quantified.

- Ensuring that all risk control and management systems properly mitigate the risks within the framework of the policy defined by the Board of Directors.

- Actively taking part in drawing up the Company's risk management policy, ensuring that it identifies at least the following:

  - The different types of financial and non-financial risks (including, among others: operational, technological, legal, social, environmental, political and reputational) that the Company faces, contingent liabilities and other off-balance sheet risks being counted among the financial and economic risks.

  - The level of risk that the Company considers acceptable.

  - The measures envisaged to mitigate the impact of the risks identified, should they materialize.

  - The information and internal control systems that will be used to control and manage the aforementioned risks, including all contingent liabilities and off-balance sheet risks.

The Audit and Regulatory Compliance Committee

This Committee assumes duties regarding the information and internal control systems, supervising, among others, the effectiveness of the internal financial information control system (IFICS).

Among these functions, the assessment of all matter concerning the company's non-financial risks—including operational, technological, legal, social, environmental, political and reputational risks—stands out as far as risks are concerned.

The Technology and Innovation Committee

Among the functions conferred on this Committee is the monitoring of the technological risk in general.

Sustainability Committee

Among the functions attributed to this Committee, created in 2022, is the monitoring of the processes of identification, evaluation, control and management of risks in the area of sustainability.

Risk control model

The risk management and control model adopted by the Bank contemplates, among others, the following risks:

Credit risk and concentration and management of nonperforming loans

Credit risk is defined as the risk of incurring losses as a result of a default on payments due to the Company. This risk is inherent to its operations.

Unicaja Banco has a Customer Credit Risk Policies, approved by the Board of Directors, which establishes the framework for properly controlling and managing the credit risks inherent to the Bank's credit investment.

This manual defines all mandatory risk policies and procedures, details the activities and tasks to be performed, delimits the responsibilities of the different areas involved in the transaction granting and monitoring processes, establishes the risk appetite decided by the Bank and its articulation through risk limits and types of transactions and documents in a structured and unified manner all general and specific aspects related to most of the credit investment transactions.

Likewise, the Unicaja Banco Group has scoring and rating models integrated in its approval, monitoring and recovery processes. Estimates of PD (probability of default), LGD (loss given default) and EAD (exposure at default) are taken into account in different uses such as the granting of operations, the calculation of provisions or the classification of credit operations.

Additionally, it should be noted that in 2021 Unicaja Banco received authorization from the European Central Bank to use internal models relating to the retail portfolio (not SMEs) to calculate its solvency ratios.

Regarding the granting of credit transactions, Unicaja Banco has detailed policies, methods and procedures to ensure it grants loans and credit to consumers in a responsible manner.

Unicaja Banco has adapted its policies, processes and tools for identifying and measuring credit risk in the context of the coronavirus pandemic (COVID-19).

Market risk

Market risk is defined as the possibility of the Bank incurring a loss from holding positions in the markets as a result of adverse movements of the financial variables or of risk factors that determine the value of such positions.

Even though market risk is assigned to trading positions for solvency purposes, the Unicaja Banco Group has developed policies, processes and tools for managing the market risk corresponding to its entire portfolio of securities entered at a fair value for accounting purposes.

For the adequate management of market risk, the Structural and Non-Financial Risks Area, which reports to the Global Risk Control Department, has tools for measuring, calculating and controlling market risks and the limits authorized by the Board of Directors. The most important of these are Value at Risk (VaR) and the operating limits for credit/counterparty risk that affect the Unicaja Banco Group's operations in capital markets, serving as a means of diversification in order to avoid excessively concentrated exposures to market risk.

The Unicaja Banco Group carries out the measurement and control function by establishing a structure of quantitative limits and a system of powers in financial market operations. The Group has detailed information on the different subrisks and has assigned limits within its Risk Appetite Framework that allow it to adequate monitor and, if necessary, mitigate such risks.

The ultimate responsibility for risk identification and control lies with the Governing Bodies of the Unicaja Banco Group. Thus, the Top Management is responsible for and actively participates in the entire risk management process (planning, approval, assessment and control of all risks inherent in the positions taken by the Bank in financial markets).

Liquidity risk

Liquidity risk can be defined in different ways as it is not a unequivocal concept. Generally, liquidity risk can be considered to have the following three different meanings:

- The cost of unwinding a position in a real or financial asset (refers to the difficulties that may arise to unwind or close a position in the market, at a given time, without producing an impact on the market price of the instruments or on the cost of the transaction (Market or Asset Liquidity).
- A mismatch between the degree of enforceability of liability operations and the degree of performance of asset operations (funding liquidity).
- A mismatch between the capabilities for growth of the investment activity arising from the impossibility of finding financing commensurate with the risk appetite to leverage asset growth strategies (strategic or structural liquidity).

The Bank establishes prudent policies and objectives that contemplate normal market conditions and also contingency plans for stress or crisis situations, both its own and of the market.[1].

The Unicaja Banco Group has set limits to the liquidity risk to control its exposure thereto and maintain such exposure within authorized levels.

Generally speaking, liquidity is considered adequate if potentially liquid assets and funding capacity are greater than the needs arising from the business and the costs of refinancing in the markets. The greater this difference, the greater the available liquidity.

The Unicaja Banco Group practices a diversification policy in order to avoid excessively concentrated exposures to the structural liquidity risk. Likewise, in its management of liabilities, it diversifies its sources of funding, ensuring that they are diversified by market, maturity and product, in order to steer away from difficulties at particular moments of crisis or of the markets.

[1] Unicaja Banco has participated in the European Central Bank's first climate stress test, carried out in 2022, the results of which were published in aggregate form by the supervisor. The test included the participation of 104 significant companies, which consisted of three modules: i) internal capacity to perform climate stress tests, ii) dependence on carbon-intensive sectors, and iii) results obtained in different scenarios with various time horizons (only 41 supervised companies participated in this last module).

Property risk

This is the risk associated with the loss of value of real estate assets held on the Bank's balance sheet.

The Unicaja Banco Group sets limits to the real estate risk relating to assets received in payment for debts in order to control this exposure and keep it within adequate levels.

It also has specific units to develop these strategies and coordinate the actions of the instrumental subsidiaries.

Operational risk

Operational risk is defined as the risk of suffering losses due to the unsuitability or failure of internal procedures, people or systems or to external events, including legal risk.

Unicaja Banco assumes the following operational risk typologies, according to Regulation (EU) 575/2013, in order to maintain a uniform and parameterized risk management, in accordance with the standards defined in the New Basel Capital Accord:

- Internal fraud.
- External fraud.
- Employment and occupational health and safety practices.
- Customers, products and business practices.
- Damage to tangible physical assets.
- Interruption of the activity and system failures.
- Process execution, delivery and management.

The emergence in recent years of new potential risks for financial companies is driving the transition towards an operational risk management model in the Group that contemplates an expanded taxonomy that addresses new emerging or potential risks, adapting its management perimeter to the more developed taxonomy that incorporates a greater number of risk typologies and which are listed below: people (human resources); internal fraud; external fraud; conduct; transactional processes; technology; physical asset security; information security (including cybersecurity); business continuity; regulatory compliance; financial crime; legal; suppliers/third parties; financial and tax reporting; data management and model.

Reputational risk

Reputational risk is defined as the probability of incurring losses in value as a result of impairment on the perception that its main stakeholders have of its corporate reputation.

The Unicaja Banco Group has traditionally been very demanding as regards aspects relating to reputational risk management.

Customer satisfaction and the good image of the Bank are permanent goals of all its employees and of the Company's highest levels of governance and management.

This constant effort to maintain and reinforce it good image is rooted in its global culture and is embodied in the following, among other concrete manifestations:

- The Bank's strategic objectives.
- Its Code of Ethics, Corporate Social Responsibility Policy, Sustainability Policy, Environmental, Energy and Climate Change Policy and the Criminal Risk Prevention Program, all approved by the Board of Directors.
- The actions of the three lines of defense.
- Compliance with the general regulatory framework and, in particular, with the regulations on markets in financial instruments and investor protection ("MiFID") and on the protection of the user of financial services.
- The process of continuously training employees in all areas in which they work, including, specifically, training in ethical aspects, as established in the Code of Ethics.

Business and strategic risk

This is defined as the risk of incurring losses due to erroneous strategic decisions derived from an incorrect analysis of the market in which it operates, either due to a lack of knowledge of the market or the inability to achieve its objectives, which could threaten the viability and sustainability of the Company's business model.

Risks related to environmental, social and governance factors

Environmental, social and governance (ESG) factors may have a relevant impact on the Bank's solvency or financial development. The scope of these factors is extrapolated to those involved in the marketing of financial products and their exposure to the public, as well as to the Company's own exposures.

The proper management of ESG factors by the Company is conditioned, from a risk perspective, by the economic activity and by the classification of its assets (such as the sector and geographical location of its counterparties or issues of financial instruments invested) and liabilities (such as issues of financial instruments or investment portfolio).

ESG factors can affect the Company's financial performance by manifesting themselves in prudential financial or non-financial risks, such as credit, market, operational, liquidity and interest risk, or reputational or liability risk, respectively. Therefore, while ESG factors can have positive or negative impacts, ESG risks are defined from a prudential perspective, in the context of supervisory review, as the negative materialization (on the Company or on its counterparties) of ESG factors.

Climate-related and environmental risks (environmental ESG factor) are risks arising from the Bank's exposure to counterparties that might potentially contribute to or be adversely affected by environmental factors, including factors resulting from climate change and other types of environmental degradation.

Physical and transition risks are factors of the existing risk, in particular the credit risk, the operational risk, the market risk and the liquidity risk, as well as the risks outside Pillar 1, such as the migration risk, the credit spread risk in the investment portfolio, the real estate risk and the strategic risk. For more details on these risks and their management, see the following section, "Climate risk management".

For the proper management of ESG risks (which encompasses climate-related and environmental risks), the Company has begun a series of initiatives, including an Action Plan on Sustainable Finance, approved in June 2020 and reviewed in April and November 2021, account of which is taken in other parts of this Statement.

Likewise, the Bank has availed itself of a departmental structure for promoting sustainability, which currently comprises the ESG Business Unit and the Sustainability and Corporate Social Responsibility Unit. The Sustainability and CSR Committee is the body that brings together, in addition to these two units, other Bank units with ESG factor management powers. Other areas expressly include the management of these risks among their responsibilities.

It is worth mentioning that in fiscal year 2022 the Sustainability Committee has been set up as a support committee of the Board of Directors, with powers to supervise that the Company's practices related to sustainability are in line with the strategy, the policies established and the commitments acquired. More details on the composition and functions of this Committee can be found on Unicaja Banco's corporate website, as well as in the following section, "Climate Risk Management".

On the other hand, the implementation of the aforementioned Sustainable Finance Action Plan has been included in the 2022-2024 Strategic Plan. The new challenge of sustainability, in all its facets, is assumed by Unicaja Banco as an opportunity for development and improvement in its daily management, for which the Bank will work on a renewed offer of products and services, on the reduction of its carbon footprint and, at the same time, promote the culture of sustainability, the identification and the management of climate and environmental risk, which denotes a holistic approach to the management of these risks.

The Group has included in the Risk Appetite Framework a series of climate-related and environmental risk metrics that constitute indicators of the level of climate and environmental risks.

Unicaja Banco considers that the appropriate management of ESG risks is part of a global work program, which analyzes the financial, marketing and good governance impacts, in order to position itself as a Company committed to sustainability and its derived impacts.

Climate risk management (GRI 201-2)

Business model

Unicaja Bank considers environmental and social issues, as well as the governance of institutions, to be one of the most important challenges for society, people and the global economy.

Supranational actions carried out by organizations such as the United Nations or the Intergovernmental Panel on Climate Change have led to important global agreements, such as the Paris Agreement, with the aim of combating climate change by promoting a transition to an economy low in carbon emissions and other polluting gases.

In line with this institutional consensus, Unicaja Banco considers it essential to accompany and support its customers and the economy and society as a whole in this important transition, establishing a management model aimed at favoring business options aligned with sustainability objectives, as well as establishing a risk management model aimed at adequately measuring and managing climate, social and governance risks, through continuous improvement of information and management decision-making aligned with the objectives of decarbonizing the economy.

In order to meet these objectives, Unicaja Banco has incorporated sustainability as one of the main axes of its 2022-2024 Strategic Plan, developing a Sustainable Finance Plan that establishes a roadmap for the establishment of policies, processes and metrics for the management, measurement and control of climate and environmental risks, including the consideration of these risks in key risk management processes such as capital assessment, conducting resilience exercises, including metrics related to these risks in the risk appetite framework, and the consideration of climate and environmental risks in corporate objectives and corporate remuneration policies.

From the corporate governance point of view, Unicaja Banco has established a Sustainability Committee within the Board of Directors whose main function is to supervise the Company's practices related to sustainability in relation to the strategy, the policies established and the commitments acquired. Likewise, periodic information systems have been established that include the presentation to this Committee of different reports on climate risks, including information on physical and transition risks, in line with the development of metrics and information detailed in this Statement.

Likewise, an in-depth review of all of the Bank's internal bodies (Committees or Departments) has been carried out in relation to the functions attributed in terms of technological infrastructure and resources, information systems, management and control of climate and environmental risks.

From the point of view of the business model, the information systems established allow identifying the economic sectors most exposed to physical and transition risks, guiding business decisions. In this sense, Unicaja Banco has developed a methodology for measuring the carbon footprint of investment portfolios, which allows identifying those sectors with higher emissions, and will make it possible to establish exposure reduction policies and emission reduction targets in certain sectors, which will be published soon.

Likewise, Unicaja Banco has developed a methodology for the incorporation of climate and environmental risks in the analysis processes for investment decisions, both for physical risk and transition risk, in order to favor those operations consistent with the global objectives of ecological transition. These processes involve interaction with customers in order to obtain information and assess their sustainability strategy.

In this context, product portfolios have also been reviewed, with the aim of establishing options that favor sustainability, as well as procedures to assist customers in these options, particularly in relation to access to public aid for the ecological transition of individuals and companies.

Another important focus of development is the analysis of the alignment of corporate investment portfolios with the European Union's Environmental Taxonomy, gathering information on projects aligned with climate change mitigation and adaptation objectives, complying with disclosure requirements in this area, as well as integrating the regulations into internal management processes.

Climate risk management principles and strategy

Climate change is one of the greatest challenges facing humanity. Thus, the need to achieve a substantial and sustained reduction in greenhouse gas emissions over time as the only way of limiting the impact of climate change has been expressed in different scientific circles.

Consequently, political, regulatory and supervisory authorities are putting increasing pressure on financial companies to align their strategies, policies and management systems with the objectives of promoting low-emission industries in accordance with the different multinational agreements, mainly the Paris Agreement.

Following the adoption of the Paris Agreement on climate change and the UN 2030 Agenda for Sustainable Development in 2015, governments are taking steps to move towards low-carbon economies. At the European level, the European Green Pact sets the goal of making Europe the first climate-neutral continent by 2050, which is legally binding from 2021 (Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving neutrality ("European Climate Legislation")). The financial sector is expected to play a key role in this regard, as set out in the Commission's 2018 Action Plan for Financing Sustainable Growth, revised in 2021.

The transition to a low-carbon economy brings risks and opportunities for the economy and for financial companies, while the physical damage caused by climate change and environmental degradation can significantly affect the real economy and the financial system. Thus, the European Central Bank (ECB) has identified climate-related risks as a key factor for the Eurozone banking system. The ECB believes that companies should adopt a strategic, forward-looking and comprehensive approach to climate-related and environmental risks.

In line with this social and regulatory concern, Unicaja Banco's Strategic Plan for the years 2022-2024 establishes sustainability as one of the basic pillars for business development and risk management. Thus, Unicaja Banco established a Sustainable Finance Action Plan which contemplates different initiatives for improvement in the short- and medium-term in both areas, business and risk management, in order to achieve maximum alignment with best practices in this area, considering the supervisory expectations set out in the ECB Guide on Climate-related and Environmental Risks (2020) and developing various key aspects set out by the TCFD (Task force on Climate-related Financial Disclosure) in its recommendations for climate risk management, such as governance, strategy, metrics and disclosure. For more details on Unicaja Banco's Sustainable Finance Action Plan, see the "Sustainable Finance" section.

The most relevant milestones achieved include the development of a procedure and methodology for classifying activities and products, the creation of a Sustainability Committee within the Board of Directors with support functions, the definition of functions for different organizational areas and internal committees, the allocation of technical and human resources, as well as the definition of a training plan, and the construction of scorecards on business and ESG risks, including risk metrics, the approval by the Board of Directors of policies for the integration of sustainability factors in the management of credit, market, liquidity and operational risks, as well as the review of methodologies for the assessment of climate risk (transition and physical) in credit risk processes. Lastly, the information disclosed through this Statement of Non-Financial Information has also been reviewed, which includes a relevant milestone such as the estimation of the carbon footprint of the financed portfolio.

It is worth mentioning other noteworthy milestones in progress that are the incorporation of climate and environmental risks in the annual capital and liquidity assessment processes, as well as in the risk appetite framework, including the definition of scenarios and the performance of climate resistance tests (stress test).

As a manifestation of the Group's commitment to reducing greenhouse gas emissions, in December 2019 the Company adhered, as expected, to the Collective Commitment for Climate Action, promoted by the United Nations Climate Change Conference (COP 25). This commitment involves the publication in early 2023 of the carbon footprint of the Company, in all its Scopes, 1, 2 and 3, including the carbon footprint generated by the portfolios financed by the Company (information covered in this report), as well as decarbonization targets for its portfolios aligned with the Paris Agreement, targets that will be published independently below.

The development of these analytical and strategic approaches determines the orientation of the Organization's activity towards investment objectives aligned with the European Union's Environmental Taxonomy Regulation, such as the following:

- Climate change mitigation: stabilizing greenhouse gas emissions, avoiding or reducing them, in accordance with the objectives of the Paris Agreement.

- Adaptation to climate change: reducing adverse climate impacts or the risks of such impacts.

- Transition to a circular economy: extending the life cycle of products, reusing and recycling waste.

- Sustainable use and protection of water and marine resources: reducing and optimizing the use of water resources.

- Pollution prevention and control: reducing all forms of pollution that could adversely affect ecosystems or human health.

- Protection and restoration of biodiversity and ecosystems: protecting, conserving or restoring ecosystem conditions.

Climate risk governance

During the 2022 fiscal year, important milestones were reached in the governance processes of climate risk management and sustainability factors in general. The most relevant milestone, already mentioned, is the establishment of a Sustainability Committee within the Board of Directors. This committee has support functions and is chaired by an independent director, with its basic mission being to oversee that the Company's practices related to sustainability are in line with the strategy, the policies established and the commitments acquired. This Committee is made up of two independent directors and three proprietary directors, and its functions are as follows:

- Oversee that the Company's practices related to sustainability are in line with the strategy, the policies established, and the commitments acquired.
- Report on the Sustainability Policies to be submitted to the Board of Directors for approval, in order to promote the inclusion of the corporate culture and fulfill the mission of promoting the social interest, taking into account the different stakeholders.
- Ensure the integrity of the content of the sustainability reports, as well as compliance with applicable regulations and international reference standards. With respect to the non-financial information contained in the annual management report, evaluate its content prior to its review and report by the Audit and Regulatory Compliance Committee, for its subsequent formulation by the Board of Directors.
- The monitoring of the processes of identification, evaluation, control and management of risks in the area of sustainability.
- Evaluate the periodic sustainability reports submitted by the responsible areas of the Company.
- Be aware of the writs, reports or communications from supervisory bodies related to sustainability and issue the corresponding reports and/or proposals, as the case may be.
- Advise the Board of Directors in decision-making on sustainability matters, as well as to provide such assistance as may be required, within the framework of their respective competencies, by the Audit and Regulatory Compliance Committee and by the Risk Committee, and to act in coordination with both Committees.
- Submit proposals to the Board of Directors on sustainability matters.

This Committee was created by the Board of Directors in 2022, and its work began in January 2023.

In any case, during the 2022 fiscal year, the Board of Directors of Unicaja Banco dealt with the following issues related to climate and environmental risk:

- Approval of the Policy for the integration of sustainability factors in credit risk management.
- Approval of the Policy for the integration of sustainability factors in the management of market, liquidity and operational risk.

- Periodic monitoring of the activity of the ESG Business Department and, in particular, of the evolution of the projects associated with Unicaja Banco's 2022-2024 Strategic Plan:

    - Sustainable Business Agenda Project.

    - Next Generation Project.

    - Sustainable Finance Action Plan and ESG Risk Strategy Project.

- Within the scope of the Sustainability and CSR Department's competencies:

    - Formulation of the 2021 Consolidated Statement of Non-Financial Information, as part of the Consolidated Financial Statements.

    - CSR Master Plan

- Follow-up of the Strategic Plan projects under the responsibility of this Department:

    - Sustainability Culture

    - Sustainability Communication Strategy.

Likewise, within the organizational structure, a thorough review of the functions and responsibilities related to the management of sustainability factors, in particular climate risk, has been carried out, in accordance with the three lines of defense model.

In this way, the Steering Committee has formally defined the roles of the two organizational Departments with basic and direct responsibilities in the management of aspects related to sustainability and climate risk:

- Sustainability and Corporate Social Responsibility: Its essential mission is to promote and coordinate the implementation of an ethical, environmental and socially responsible management model integrated into the Company's strategy and processes, in accordance with applicable regulations, regulators' and supervisors' guidelines and market trends.

- ESG Businesses: Its mission is to design the necessary actions to respond to stakeholders' expectations on sustainability, identifying and promoting the materialization of new business opportunities arising both from accompanying customers in the necessary investments for the transition to a more sustainable model, and from the development of ecosystems and a catalog of sustainable products. It is also responsible for ensuring the integration of ESG risks into the management of the business, by identifying, measuring, managing and monitoring them. To develop these functions, the ESG Business Department has three areas: ESG Business Strategy and Monitoring, ESG Product Coordination and ESG Risks. The latter, in turn, has an ESG Metrics and Information section.

Additionally, in 2022, the Steering Committee assigned concrete and specific sustainability-related functions to 19 units within their corresponding functional areas.

Similarly, the Steering Committee has reviewed the competencies and defined new roles for the various internal committees with responsibilities in the area of climate risk management. The committees whose functions have been revised are as follows:

- Assets and Liabilities Committee.
- Investee Committee.
- Credit Risk Committee.
- Sales Committee

The composition, functions and competencies of the Sustainability and Corporate Social Responsibility Committee have also been revised, with the presence of a large part of the Company's Senior Management, whose functions are:

- Propose to the Governing Bodies the corporate strategies and policies related to sustainability.
- Promote the integration of sustainability criteria in the different areas of action of the Company.
- Supervise the degree of compliance with basic principles contemplated in corporate policies related to sustainability.
- Follow up and analyze regulatory requirements, trends and best industry practices in terms of sustainability.
- Propose the information to be disclosed to the market regarding sustainability.
- Approve the evaluation and selection processes of eligible financial assets in the categories included in the Green and/or Sustainable Bond Issuance Frameworks.
- Validate the reasonableness of non-financial environmental, social and governance (ESG) indicators.
- Establish the methodology, data collection techniques and stakeholder consultation for the identification and assessment of social and labor risks in the organization.
- Monitor the corporate carbon footprint and the carbon footprint of the credit and investment portfolios, as well as the plans for its reduction and, where appropriate, the commitments voluntarily undertaken to achieve climate neutrality of the Company.
- Establish priorities in terms of recommended actions for the control of social risks. This Committee

  is chaired by the Executive Chairman and vice-chaired by the Chief Executive Officer.

  The main matters dealt with by this Sustainability Committee during fiscal year 2022 were as follows:

  - Approval of the Company's Green Bond Framework and periodic quarterly monitoring of the assets considered eligible as a destination for the funds obtained through the issues made.
  - Monitoring of the framework projects of the 2022-2024 Strategic Plan related to sustainability.
  - Analysis of the information and metrics generated in relation to exposure to physical and transition risks.

- Analysis of interactions carried out in terms of prudential supervision in relation to climate and environmental risks.

Green Bond Issues

In 2022, the Bank issued its first two green bonds for a combined amount of 1,000 million euros.

For a bond to be considered green, its characteristics must be aligned with the Green Bond Principles (GBP) issued by the International Capital Market Association (ICMA), which promote the integrity of the green bond market through a set of guidelines recommending transparency, disclosure and reporting. In accordance with ICMA principles, green bond issuance must be conducted under a Green Bond Framework (GBF). The GBF was approved by the Sustainability and Corporate Social Responsibility Committee in May 2022, and establishes the possibility of issuing green bonds to finance and/or refinance exclusively, in part or in full, new and/or existing projects or assets that meet the eligibility criteria (eligible assets) to be considered environmentally sustainable and that are aligned with the four main components of this Framework. This Framework is available on Unicaja Banco's corporate website, in the section "Investors and Shareholders".

Unicaja Banco's GBF is aligned with the Green Bond Principles published by ICMA, in 2021, and contemplates the main components of the GBP, as well as its recommendations for external review:

- Use of funds.
- Project evaluation and selection process.
- Fund management.
- Reports.
- External review.

The Framework provides for its updating and modification (section "Modifications to this Framework"). Both the current GBF and its subsequent updates will be published on Unicaja Banco's website.

The Framework reflects (i) Unicaja Banco's intention to regularly follow the European Commission's new evolving standards on sustainable finance in order to reflect market best practices and regulations related to the Green Bond Standard and the EU Environmental Taxonomy Directive, (ii) their alignment, to the extent possible, with key European sustainability objectives and eligibility criteria for the use of funds (e.g., the EU Environmental Taxonomy technical selection criteria have been applied to select eligible green assets or projects).

In accordance with this GBF, funds raised by any Green Bonds issued under this Framework will be used exclusively to finance and/or refinance, in whole or in part, new and/or existing assets, loans, investments or projects that meet the eligibility criteria described below. The date on which these assets are originated or formalized may not be less than three years prior to the date of issuance of the Green Bond.

Category of eligible asset or project	Eligibility criteria	Environmental objective (EU Taxonomy)	ODS
Renewable energies	• Loans to finance assets that support the generation of electricity from the following technologies: solar, wind, hydroelectric, geothermal, hydrogen and bioenergy, including the acquisition, construction, operation, maintenance or repowering of facilities. • Loans to finance the development, construction, equipment, operation and maintenance of new or additional renewable energy transmission and distribution networks. The GBF establishes a series of technical selection criteria aligned with the Taxonomy approved by the EU for this type of assets.	Climate change mitigation	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Green buildings	• Loans that promote the acquisition, development and construction of buildings and renovation projects in existing buildings with the objective of improving their energy efficiency. o Residential: loans or mortgages to finance the acquisition of homes built before December 31, 2020 with an Energy Efficiency Certificate (EEC) rated A and/or belonging to the top 15% of the most efficient buildings in a given area. o Loans or mortgages to finance the acquisition, developments and/or construction of homes built after December 31, 2020 with a primary energy demand (PED) at least 10% below the threshold set for Nearly Zero-Energy Buildings (NZEB) requirements in the national measures implementing Directive 2010/31/EU of the European Parliament and of the Council. Energy performance is certified by an Energy Performance Certificate (EPC). o Loans or investments for rehabilitated (residential) buildings with an energy efficiency improvement of at least 30%.	Mitigation of climate change. Adaptation to climate change.	7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION

Likewise, the following types of assets are specifically excluded from financing through these green bonds:

Ineligible assets or projects (exclusion criteria)	• Exploration, research and exploitation of fossil fuels • Alcohol, weapons, tobacco, gambling and mining industries

Operational carbon footprint (GRI 11.1)

This section of the Statement specifically reports on the carbon emissions of the credit, fixed income and equity portfolio. Details of corporate emissions, which partly relate to the Group (Scope 1 and 2 emissions), and partly only to those of the parent company (Scope 3 emissions, according to the categories identified), can be found in the “Commitment to the environment” section of this report.

Climate risk management (GRI 2.13, GRI 2.14, GRI 2.24, GRI 3.3, GRI 11.1)

Risks associated with climate change are classified into physical risks and transition risks. Physical risks are related to the effects that climate change may have on the physical environment, including extreme events such as droughts, river floods or fires, and other medium-term events such as desertification or rising sea levels that may lead to coastal flooding. These events may result in losses in the value of physical assets owned by the entities or that serve as collateral for credit operations, and may also have an impact on the solvency and payment capacity of customers.

Transition risks relate to the effects on companies of ongoing regulatory changes and the technological adaptations they must make to adapt to a low-emission economy. These changes in the environmental, regulatory and economic environment may modify the business environment, viability and solvency of companies, with a consequent impact on the risk profile of financial institutions.

a) ESG risk management policies

As a starting point for climate risk management, the Board of Directors of Unicaja Banco has approved in 2022 a series of policies aimed at establishing the basic principles, responsibilities and management and reporting systems for the consideration of sustainability factors (including climate risk) in the management of the different types of traditional financial risks: credit, market, liquidity and operational.

In relation to credit risk, given its importance, a specific policy has been defined for the integration of sustainability factors in its management, with particular emphasis on the procedures to be implemented to consider climate risk (and other sustainability factors) in the global processes of granting and monitoring credit risk, both in the assessment of the borrower’s exposure to physical and transition risks, and in the consideration of the physical risks associated with real estate collateral.

To this end, a series of methodological processes have been developed with the following characteristics:

- First, a series of “ESG due diligence” questionnaires are defined for incorporation in the credit admission process, in order to know and assess the sustainability risk profile of customers.

- An internationally recognized methodology has been used (SASB methodology, Sustainability Accounting Standards Board) to define these questionnaires and the subsequent risk assessment process. This methodology establishes specific standards or questionnaires for 77 industries identified in the Sustainable Industry Classification System® (SICS®), according to a fundamental view of their business model, their resource intensity and sustainability impacts, and their potential for innovation in sustainability. Of these, the Bank has identified 72 sectors that are mapped to the CNAE codes commonly used in Spain.

- In accordance with this methodology, these questionnaires are adapted through specific questions to the characteristics of each sector and the consideration of their environmental, social and governance risks. Likewise, this methodology assigns, depending on the sector of activity of the borrower, a total ESG score and a disaggregated score for the environmental, social and governance sections, a score that is weighted according to the customer's declared or estimated carbon footprint.

- Finally, these questionnaires and assessments are incorporated into the Company's administrative and technological processes, and the information generated is integrated into corporate databases and reporting systems for monitoring purposes.

- The policy also introduces the need to monitor the exposure of the loan portfolio to transition risk and of the portfolio of collateral, foreclosed assets and real estate for own use to physical risk. The policy introduces a reporting system that specifies the information to be reported, how often it is to be reported and the decision-making bodies to which it is addressed. The methodology for calculating and analyzing this exposure is detailed in the following sections of the report.

The Group is currently in the process of compiling information on those borrowers considered to have a higher exposure to transition risk due to the sector in which they operate. This information is necessary in order to be able to apply the aforementioned methodology for assessing and measuring the ESG risk of these borrowers. Once these questionnaires have been completed, the due diligence procedure will be incorporated on a recurring basis in the credit risk admission and monitoring processes. The degree of implementation of this methodology will be reported in subsequent years.

Likewise, a policy has been developed aimed at integrating sustainability factors in the management of market, liquidity and operational risks, the most relevant characteristics of which are as follows:

- Assessment of the materiality of the risks in the different sources of financing, including the possibility of establishing a strategy for the issuance of financial instruments, as well as incorporating ESG criteria in the investment policy in liquid assets.

- Definition of specific methodologies for each type of risk. As pertains to market risk, the definition of stress testing procedures is considered basic, considering specific climate risk scenarios based on the Network for the Greening of the Financial System (NGFS), including scenarios of orderly transition, disorderly transition and hot house world, with a lower progressive compliance in each case with the emission reduction agreements and a consequent increase in financial impacts.

- Definition of the main operational impacts as those derived from physical damage to tangible assets and those derived from inadequate commercial practices in the business area due to greenwashing or in commercial advisory activities.

- Definition of specific metrics for each type of risk to enable their integration into the organization's scorecards.

b) Materiality assessment of climate risk and other ESG factors.

As stated in the European Central Bank's Guide on climate-related and environmental risks, "the Company is expected to implement a regular process to identify all material risks and include them in a comprehensive internal risk inventory".

Along these lines, in the preparation of the ICAAP and ILAAP, one of the key procedures is the identification of material risks. The Group includes ESG risks in its materiality analysis.

The Bank believes that these climate risks may materialize in the different risks considered in a transversal manner, as a risk factor that subsequently materializes in the different types of risks. The effect on credit risk is particularly noteworthy, while being non-material in the rest of the types in the time horizon being estimated. For credit risk, both transition risk and physical risk are considered for the corporate portfolio (CNAEs with more intense CO2 emissions) and the retail mortgage portfolio.

For credit risk, both transition risk and physical risk are considered. In the case of the latter risk, the materiality studies focus on the three acute risks, i.e. water stress or drought, river flooding and forest fire, since these are more evident in the short-/medium-term, the time horizon considered in the materiality studies included in the Company's ICAAP. In this sense, chronic physical risks involve longer-term risks whose materiality is much lower in shorter periods. To this end, the Bank has estimated their materiality by taking into account the influence of the three acute risks on the different collaterals that serve as collateral for the mortgage exposures of the Bank in those sectors most affected by climate risk (in line with those considered by the ECB climate "stress test" carried out in 2022), as well as their effect on the value of the foreclosed assets of the Bank.

Thus, the Bank has applied reductions to the values considered in the expected loss of both collateral and foreclosed assets.

For the consideration of materiality in the transition risk, the Bank has based itself on the work carried out in the aforementioned climatic "stress test" performed in 2022 by the European Central Bank.

The transition risk is reflected in the macroeconomic variables that in turn have an impact on the expected loss on credit operations.

c) Risk metrics

In order to establish objectives and metrics for monitoring climate and environmental risks, methodologies have been developed to measure transition risks and physical risks.

The following table shows the main risk indicators or metrics established.

Main risk metrics

Type of risk and metrics	Basis of measurement	Observations
Transition risk		
Contribution of interest and commissions from borrowers (companies) operating in particularly emission-intensive sectors	of total corporate loan portfolio	Data refer to the 22 NACE sectors identified as GHG intensive by the ECB in the sectorial climate stress exercise conducted in 2022, and by the EBA in the Pillar III climate risk disclosure templates
Intensity of financed issues of all portfolios	Tn Co2-eq	
Intensity of financed emissions from particularly emissions-intensive sectors	Tn Co2-eq	
Intensity of financed emissions of TOP15 borrowers in particularly emissions-intensive sectors	Tn Co2-eq	
Energy certifications (efficiency) A and B in the mortgage collateral portfolio	%	
Physical risk		
Global indicator of acute risks	%	% of total appraised value portfolio (collateral and foreclosed) or net book value (real estate for own use) of properties with a very high or high risk level depending on their geographic location, with high sensitivity to some acute (water stress, river flooding or forest fire) or chronic (desertification or coastal flooding) physical risk.
Global physical risk indicator	%	
Carbon footprint		
Corporate carbon footprint (Scopes 1, 2, and 3)	Tn Co2-eq	
Carbon footprint of the financed portfolio	Tn Co2-eq	

The methodological approaches applied for the measurement of transition risks and physical risks are described below.

d) Transition risk

Transition risks relate to the effects on companies or people of ongoing regulatory changes and the technological adaptations they must make to adapt to a low-emission economy. These changes in the environmental, regulatory and economic environment may modify the business environment, viability and solvency of companies or people, with a consequent impact on the risk profile of financial institutions.

In order to develop metrics for measuring and monitoring transition risk, a methodology has been developed to estimate the emissions intensity of the companies financed, based on the information on greenhouse gas emissions disclosed by the different companies. A distinction must be made between companies that publish information on their emissions and those that do not, for which an estimate is made based on industrial and geographic data published by Eurostat and the National Statistics Institute (INE). These emissions are divided into two types* or scopes:

- Scope 1 relates to direct greenhouse gas emissions produced by the burning of fuels by the emitter (furnaces, personal or controlled vehicles) and chemical production emissions.

- Scope 2 relates to indirect greenhouse gas emissions generated by the electricity consumed and purchased by the emitter. These are indirect emissions as they occur at the facility where the electricity is generated.

*Scope 3 emissions are excluded.

Once the emissions of the financed companies have been obtained through the scopes, they are weighted according to the companies' turnover, in order to obtain a metric of the emissions intensity of each company and each sector, which allows guiding strategic or sectorial investment decisions. Additionally, in a subsequent step, the issuance intensities obtained are weighted by the risk volume of each counterparty in relation to the total investment volume of the Bank.

Thus, with the data available as of December 31, 2022, the emissions intensity of the portfolio of companies financed by Unicaja Banco is 203 tn CO_2-eq per €M of turnover.

In accordance with the stress test methodology developed by the ECB, two additional analyses are performed based on this global data:

- On the one hand, the analysis focuses on those economic sectors considered, according to the ECB methodology, to be particularly affected by transition risk, or emissions-intensive, subject to the materiality thresholds defined in this same ECB methodology. Based on this analysis, the emissions intensity of the portfolio of companies financed by Unicaja Banco in these sectors is 248 tn CO_2-eq per €M of turnover.

- On the other hand, within these sectors, the analysis also focuses on the 15 most relevant counterparties by risk volume, subject to the materiality thresholds defined in this same ECB methodology. Based on this analysis, the emissions intensity of the portfolio of companies financed by Unicaja Banco in these counterparties is 284 tn CO_2-eq per €M of turnover.

The main data obtained are summarized below:

MAIN TRANSITION RISK METRICS	
Emission intensity of the corporate lending portfolio	203 tn CO_2-eq/M€
Emission intensity of the corporate lending portfolio in emission-intensive sectors	248 tn CO_2-eq/M€
Emission intensity of the 15 largest exposures in emission-intensive sectors	284 tn CO_2-eq/M€

With all of these data, the Bank has the necessary information to guide strategic and industry investment and divestment decisions.

With respect to the mortgage portfolio of individuals, the transition risk is measured mainly based on the information provided by the Energy Efficiency Certificate

(EEC) of the financed homes. Accordingly, 87.2% of the homes financed by the Bank have either an EEC or an estimate thereof, obtained through a model developed by a specialized third party; 3.69% of this group of homes have the highest energy efficiency rating (A or B). This percentage rises to 7.73% for homes financed during 2022.

DISTRIBUTION OF RISK IN THE INDIVIDUAL MORTGAGE PORTFOLIO BY (EEC)

EEC	A	B	C	D	E	F	G	N/A
Mortgage portfolio	1.36%	1.85%	2.42%	11.26%	55.83%	7.05%	7.45%	12.78%
New production 2022	3.24%	3.71%	3.69%	12.19%	54.40%	6.69%	6.03%	10.04%

e) Physical risk

Physical risks are related to the effects that climate change may have on the physical environment, including extreme events such as droughts, river floods or fires, and other medium-term events such as desertification or rising sea levels that may lead to coastal flooding. These events may result in losses in the value of physical assets owned by the entities or that serve as collateral for credit operations, and may also have an impact on the solvency and payment capacity of customers.

For the measurement of physical risk, a methodology has been developed based on the evaluation of the exposure, according to their geographic location, real estate collateral, real estate for own use and foreclosed assets to adverse environmental events (low -no risk, medium-low, medium-high, high or very high) for each type of risk for which there is public information with sufficient granularity.

The methodology has been defined based on the analysis of the geolocation of the properties and their relationship with the physical risk maps offered by the *World Resources Institute* on its *Aqueduct*platform, and by the National Forest Fire Information Coordination Center (CCINIF), attached to the Forest Fire Defense Area (ADCIF), under the Ministry for Ecological Transition and the Demographic Challenge, based on the annual information provided by the Autonomous Communities.

The typology of climatic events considered is based on the identification of the climatological phenomena analyzed in various studies carried out by the ECB, combined with the study conducted by the *World Resources Institute*, which also analyzes two particularly relevant risks for the Spanish geography, such as water stress and desertification. Thus, the events were ranked as follows:

- Acute events: They are those originated by extreme weather events whose frequency and intensity would increase due to global warming. Its effects manifest themselves to a greater extent in the short term:
    - Water stress or drought episodes: It measures the relationship between freshwater demand (total withdrawals) and available quantity (available surface and groundwater reserves). Therefore, there will be water stress events when there is a deficit in the available quantity of water reserves with respect to consumption or extraction.
    - River flooding: Measures the percentage of the population expected to be affected by a river flood in the average year, taking into account existing flood protection standards. Higher values indicate that a greater proportion of the population is expected to be affected by river flooding on average.

- Forest fire: Measures the probability of forest fires occurring in a given locality. Higher values are indicative of a higher probability of forest fires.

- Chronic events: These are those resulting from a medium- and long-term change in climate behavior, especially due to a general increase in temperatures, the effects of which are manifested in the medium- or long term:

  - Desertification: It tells us where chronic droughts are likely to occur and the vulnerability of people and assets to adverse effects. Higher values indicate a greater risk of drought.

  - Coastal flooding or sea level rise: It measures the percentage of the population expected to be affected by coastal flooding in the average year, taking into account existing flood protection standards. Higher values indicate that a greater proportion of the population is expected to be affected by coastal flooding on average.

Since the analysis of exposure, by geographic location, only takes into account the different impact of physical risks due to the geolocation of the property, it is necessary to complement this analysis with the degree of sensitivity of physical risks between property types. Several studies, such as the one conducted by MSCI Research in its report *"Climate risk in private real estate portfolios: What's the exposure?"*, show that different physical risk events do not affect all properties equally, as it will depend on their typology.

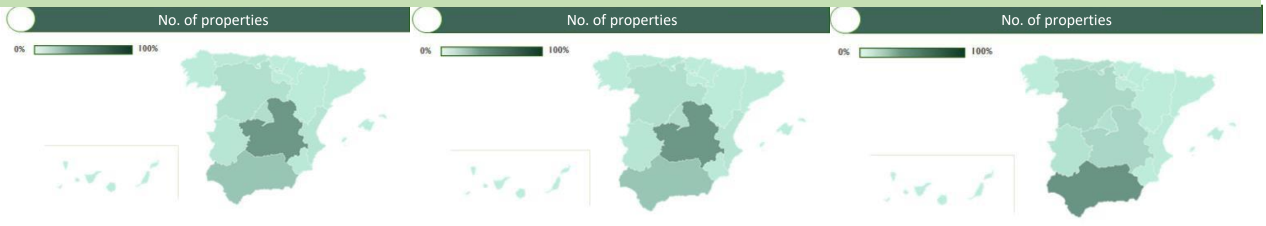
Therefore, once the exposure has been obtained, by geographical location, for the different types of acute and chronic physical risks, a qualitative analysis is made of the sensitivity of each property to each of these risks, considering the type of property: housing, rural property, development, land, and properties linked to economic activities.

In the images below we can see the risk maps established by the aforementioned organizations and used by the Bank to measure its exposure to the acute and chronic physical risks contemplated in its methodology:

Water stress River flooding Forest fire Desertification Coastal flooding

The following images show the distribution maps of the Bank's different real estate portfolios.

Portfolio of collateral Portfolio of foreclosed properties Portfolio of real estate for own use



Once all of the properties have been located and the corresponding exposure values have been assigned, based on their geographical location, for each type of risk or event, an analysis of the sensitivity to these events of the different types of properties is also performed, considering their functional characteristics.

The results of the analysis are similar for all portfolios, i.e. collateral, foreclosed assets and real estate for own use. By way of example, and in order to facilitate the presentation, the following tables show the results of the analysis performed for the collateral portfolio, since it is the most material, both in terms of number of assets and their appraisal value. The resulting percentages show the percentage of appraised value of the properties out of the total portfolio that present a geographic location with very high or high exposure in relation to each of the physical risk events analyzed, classified by the sensitivity to such risks considering the type of property.

HYDRIIC STRESS							
	High sensitivity		Medium sensitivity		Low sensitivity		
	Amount	%	Amount	%	Amount	%	TOTAL
Very high exposure	1,436	1.7%	41,534	49.0%	4,794	5.7%	47,765
High Exposure	273	0.3%	14,667	17.3%	1,278	1.5%	16,219
Medium-High Exposure	154	0.2%	12,521	14.8%	1,365	1.6%	14,041
Medium-Low Exposure	106	0.1%	4,057	4.8%	551	0.7%	4,714
Low - No Exp.	63	0.1%	1,720	2.0%	166	0.2%	1,948
TOTAL	2,032	2.4%	74,499	87.9%	8,155	9.6%	84,743

RIVER FLOODING							
	High sensitivity		Medium sensitivity		Low sensitivity		
	Amount	%	Amount	%	Amount	%	TOTAL
Very high exposure	503	0.6%	0	0.0%	0	0.0%	503
High Exposure	144	0.2%	0	0.0%	0	0.0%	144
Medium-High Exposure	15,040	17.7%	128	0.2%	0	0.0%	15,168
Medium-Low Exposure	31,055	36.6%	487	0.6%	0	0.0%	31,541
Low - No Exp.	36,978	43.6%	351	0.4%	0	0.0%	37,329
TOTAL	83,720	98.8%	967	1.1%	0	0.0%	84,743

FIRE							
	High sensitivity		Medium sensitivity		Low sensitivity		
	Amount	%	Amount	%	Amount	%	TOTAL
Very high exposure	0	0.0%	81	0.1%	0	0.0%	81
High Exposure	12	0.0%	687	0.8%	0	0.0%	699
Medium-High Exposure	215	0.3%	4,693	5.5%	0	0.0%	4,908
Medium-Low Exposure	518	0.6%	13,909	16.4%	0	0.0%	14,427
Low - No Exp.	1,286	1.5%	63,285	74.7%	0	0.0%	64,571
TOTAL	2,032	2.40%	82,654	97.54%	0	0.00%	84,743

COASTAL FLOODING							
	High sensitivity		Medium sensitivity		Low sensitivity		
	Amount	%	Amount	%	Amount	%	TOTAL
Very high exposure	0	0.0%	0	0.0%	0	0.0%	0
High Exposure	0	0.0%	0	0.0%	0	0.0%	0
Medium-High Exposure	142	0.2%	2	0.0%	0	0.0%	144
Medium-Low Exposure	24,992	29.5%	425	0.5%	0	0.0%	25,417
Low - No Exp.	58,586	69.1%	539	0.6%	0	0.0%	59,125
TOTAL	83,776	98.9%	967	1.1%	0	0.0%	84,743

DESERTIFICATION							
	High sensitivity		Medium sensitivity		Low sensitivity		
	Amount	%	Amount	%	Amount	%	TOTAL
Very high exposure	0	0.0%	0	0.0%	0	0.0%	0
High Exposure	1,968	2.3%	0	0.0%	66,269	78.2%	68,237
Medium-High Exposure	59	0.1%	0	0.0%	12,858	15.2%	12,917
Medium-Low Exposure	5	0.0%	0	0.0%	3,376	4.0%	3,381
Low - No Exp.	0	0.0%	0	0.0%	0	0.0%	0
TOTAL	2,032	2%	0	0%	82,710	98%	84,743

As a result of the analysis performed, properties with a very high or high level of exposure to acute or chronic physical risk events, depending on their geographic location, and whose sensitivity to this type of event is high, represent a very low percentage of the overall value of the various mortgage and real estate asset portfolios.

f) CO_2 footprint of the financed portfolio.

An essential part of Unicaja Banco's strategic commitment to the environment is the reduction of its carbon footprint. In order to meet this strategic objective, it is necessary to integrate methodologies into climate risk management that allow for scientific alignment with the Paris Agreement, which establishes that the increase in the planet's global temperature must be kept below 1.5ºC by 2050. To this end, Unicaja Banco is working on the adoption of methodologies for setting decarbonization targets in line with the Paris Agreement, such as SBTi (Science Based Targets) or PACTA (Paris Agreement Capital Transition Assessment).

The determining factor in meeting these objectives is the reduction of greenhouse gas concentrations, for which an adequate measurement of the carbon footprint of the investments financed by the Bank must first be carried out. This will make it possible to identify the portfolios and sectors in which emissions are concentrated, in order to subsequently define priorities for decarbonization.

The calculation of financed emissions for all portfolios is performed at the asset level, following the calculation methodology developed by the three banking associations (AEB, CECA, UNACC) which, in turn, is aligned with PCAF (Partnership for Carbon Accounting Financials), a reference methodology in the sector on a collaborative basis, which aims to establish a harmonized and robust approach for the measurement of financed emissions to facilitate the establishment of reduction targets.

The PCAF methodology is initially based on the classification of the Bank's assets and investments into a series of portfolios and sectors.

- For the loan portfolio, a distinction is made between the sub-portfolios of corporate loans, mortgage loans, loans for the acquisition of motor vehicles, project finance and loans to public administrations.

- For the fixed-income portfolio, a distinction is made between the corporate bond and sovereign debt subportfolios.
- For the equity portfolio, a distinction is made between the sub-portfolios of holdings in listed and unlisted companies and project finance.

In turn, once these portfolios have been defined, the investments are classified by sector of activity in order to identify those activities that contribute most to climate change. Finally, once the emissions attributable to each borrower have been obtained through different metrics, according to the information disclosed by the borrowers or through the databases provided by *PCAF*, and considering the quality of the available data(*score*), it is necessary to define the proportion of such emissions that is assigned to loans or investments, according to a concept called attribution factor.

According to this methodology, the final result obtained, as of December 31, 2022, for the credit, fixed-income and equity portfolios that finance the private sector amounts to 5.9 million t ofCO_2 equivalent:

Private sector financing	Emissions (Tn CO_2-eq)	%	Of which: Scope 3 (tn CO2-eq)	%	Score
Credit portfolio	**5,322,571**	**87.9%**	**2,383,999**	**91.9%**	**3.2**
Corporate Loans	3,841,059	64.7%	2,369,072	91.3%	3.2
Project finance	66,189	1.1%	14,927	0.6%	4.2
Mortgage loans	1,390,226	23.4%			3.2
Motor vehicle loans	25,089	0.4%			4.0
Fixed Income Portfolio	**232,619**	**3.9%**	**24,730**	**1.0%**	**3.5**
Corporate Bonds	232,619	3.9%	24,730	1.0%	3.5
Equity Portfolio	**379,766**	**6.4%**	**185,527**	**7.2%**	**3.5**
Holdings in listed/unlisted companies	379,766	6.4%	185,527	7.2%	3.5
Total financed issues	5,934,956	**100.0%**	2,594,256	100.0%	**3.3**

Additionally, emissions generated by financing to public administrations, through loans or the acquisition of sovereign debt, amounted to 4.5 million tons ofCO_2 equivalent.

Public sector financing	Emissions (tn CO_2-eq)	%	Score
Loans to Public Sector	1.158.738	25,7%	4,7
Sovereign debt	3.348.026	74,3%	1,1
Total	4.506.764	**100,0%**	**1,9**

The detail of financing to the productive sector, including corporate loans, project finance, corporate bonds and participations in listed and unlisted companies, is shown below, with emissions amounting to 4.5 million tons ofCO_2 equivalent.

Financing of productive sectors	Emissions (tn CO_2-eq)	%	Scope 1 and 2 (tn CO2-eq)	%	Scope 3 (tn CO2-eq)	%	Score
Steel	188,557	4.2%	55,074	2.9%	133,483	5.1%	2.9
Agriculture	467,889	10.4%	368,097	19.1%	99,792	3.8%	4.2
Aluminum	32,684	0.7%	10,356	0.5%	22,328	0.9%	4.0
Aviation	36,368	0.8%	24,692	1.3%	11,676	0.5%	4.0
Coal	878	0.0%	389	0.0%	489	0.0%	4.0
Cement	32,133	0.7%	22,286	1.2%	9,847	0.4%	4.0
Fossil fuels	860,572	19.0%	112,641	5.9%	747,931	28.8%	2.2
Energy	1,438,532	31.8%	938,387	48.7%	500,145	19.3%	1.8
Total emissions	**4,519,642**	**100.0%**	**1,925,386**	**100.0%**	**2,594,256**	**100.0%**	**2.9**

Finally, the following table shows the emissions generated by the portfolio of mortgage loans granted to both individuals and companies in the real estate sector, with a total amount of 1.4 million t of CO_2 equivalent.

Mortgage loans	Emissions (tn CO_2-eq)	%	Score
Residential	**1,267,898**	**91.2%**	**3.1**
Multifamily Housing	1,117,381	80.4%	3.1
Individual Housing	150,516	10.8%	3.2
Commercial	**122,328**	**8.8%**	**4.0**
Offices	16,144	1.2%	3.8
Shopping mall	64,792	4.7%	4.0
Hotel	519	0.0%	4.0
Warehouse	35,879	2.6%	4.1
Others	4,994	0.4%	4.2
Total	**1,390,226**	**100.0%**	**4.3**

g) Taxonomy of sustainable investments

In addition to the above, it should be noted that the Group discloses information related to the exposure (eligibility) of the portfolio for environmental purposes “mitigation and adaptation to climate change” as of fiscal year 2021. This information, with respect to fiscal year 2022, can be found, accompanied by the appropriate explanations, in the section “Indicators of Art. 8 of the European Union (EU) Environmental Taxonomy Regulation”.

Exercising corporate social responsibility

SOCIAL RESPONSIBILITY MODEL AND AREAS OF APPLICATION (GRI 2.12, GRI 2.13, GRI 2.14, GRI 2.23, GRI 2.25, GRI 2.28, GRI 3.3)

The purpose of the CSR Policy is to establish the basic principles of action in such matters that contribute to the creation of sustainable value for the stakeholders with whom it carries out its activities, through effective management and a culture of responsible and transparent banking. This policy, together with the Sustainability Policy and the Environmental, Energy and Climate Change Policy, establishes a general framework for the management of environmental, social and corporate governance (ESCG) aspects, the alignment of the Group's strategy and the reduction of negative impacts by continuously increasing positive ones, while at the same time attending to its commitment to the Global Compact Principles, the 2030 Agenda and the United Nations Sustainable Development Goals (SDGs).

The role of Unicaja Banco's Board of Directors, as set forth in its Regulations, includes ensuring compliance with "those additional principles of social responsibility that it has voluntarily accepted", as well as approving the CSR policy pursuant to the provisions of the Capital Companies Act. At a minimum, the policy shall identify corporate strategy related to sustainability, environment and social issues, in line with Board Rules.

The CSR Policy applies to Unicaja Banco, as well as to the investee companies over which effective control is exercised. With respect to investee companies in which such control is not exercised, efforts will be made to align their CSR policies with those of the Unicaja Banco Group whenever possible. Through their corresponding governing bodies, Group entities are responsible for preparing and approving their own internal regulations that allow the application of the provisions contained in Group Policy, with the adaptations that, if necessary, are essential to make them compatible and in compliance with regulatory and normative requirements or the expectations of their supervisors, as the case may be.

Basic principles of action and support instruments

The Unicaja Banco Group, which is fully committed to sustainable development, strengthens its position of reference in its sphere of action with aims that contribute to economic, social and environmental development, considering the needs of all its stakeholders, especially its customers, shareholders and investors.

Within the framework of compliance with the Ten Principles of the United Nations Global Compact, the 2030 Agenda and the 17 SDGs, the CSR Policy is based on the following principles:

1. To promote best practices in all areas of operation as a means of continuous improvement.

2. To identify and prudently manage all risks (financial and non-financial) pursuant to the mechanisms set forth in the Unicaja Banco Group's Risk Appetite Framework and other internal policies and manuals.

3. To maintain a constant flow of communication with all stakeholders in order to incorporate social and environmental expectations into the Group's business values.

4. To promote and foster sustainable development.

5. To promote socially responsible actions that have an impact on the satisfaction of customers, other stakeholders and on the Group's good image and reputation.

Unicaja Banco's Board of Directors is the highest body responsible for CSR Policy. Therefore, it is responsible for setting the guidelines that guide its management. To this end, a new version of the Unicaja Banco Group's CSR Policy was approved in 2021. This revised Policy focuses on the basic principles of action defined by voluntariness which contribute to the creation of value in a sustainable manner for stakeholders, through effective management and a culture of ethical, responsible and transparent banking. In turn, the Sustainability Policy approved in the same year establishes the principles aimed at complying with regulations and responding to supervisory expectations, with an impact on strategy and general objectives, on corporate, business and risk management and on the design and marketing of financial products and services.

Unicaja Banco has strengthened its governance in the area of Sustainability and CSR with the creation by the Board of Directors of a Committee to support the Board, the Sustainability Committee. This Committee shall be responsible, among other matters, for submitting proposals on sustainability matters, as well as supervising that the Company's practices related to sustainability are in line with the strategy, the policies established and the commitments acquired.

The Group has a Sustainability and CSR Committee, with coordination, advisory, consultative and proposal responsibilities in CSR, sustainability, climate change and environmental matters. The Committee incorporates these areas as objectives, ensuring their effective materialization and monitoring their inclusion in Group strategy.

CSR Master Plan (GRI 2.24, GRI 3.3)

In June 2022, Unicaja Banco's Board of Directors approved the CSR Master Plan, as anticipated in previous statements. To this end, the CSR Master Plan establishes a set of management guidelines and a series of initiatives for the appropriate progress in the integration of environmental, social and governance criteria in the Group's activities.

To this end, the main objectives of the CSR Master Plan are as follows:

1. Establish, for the period 2022-2024, Unicaja Banco's CSR strategic lines, reinforcing, to the extent possible, the work in this field within the Group.

2. Point out socially and environmentally responsible actions aligned with the Bank's strategy.

3. Move towards a business model that maximizes the creation of long-term shared value for all stakeholders (shareholders and investors, customers and users, staff, suppliers, territories, society, environment), responding satisfactorily to their needs and expectations.

4. Promote the integration of CSR into the Group's strategy as an element of competitiveness.

The following table summarizes the strategic lines, classified by subject and stakeholder, the general objectives of the CSR Master Plan, and the SDGs to which it contributes:

STRATEGIC LINES	OBJECTIVES	ODS
Corporate governance	Develop best governance practices that ensure a relationship framework based on transparency and trust.	
Customers and users	Maintain relationships in line with customers' preferences and needs, by adapting the range of products and services offered with the aim of creating value both for this stakeholder group and for the environment in which Unicaja Banco operates, aspiring to achieve lasting commercial relationships based on trust.	
Workforce	Develop a favorable framework of relations so that Unicaja Banco's project is a success shared by all, promoting, among others, the principles of ongoing dialog, equal treatment and opportunities, conciliation and diversity.	
Society	Recognition of Unicaja Banco as a driver of social, environmental and economic development of the territory, encouraging active listening, incorporating social expectations, and generating trust and a good image.	

		
Shareholders and investors	Deepen the relationship with shareholders, investors and analysts, providing updated and transparent information on the Company, going beyond that established by the legal framework whenever possible.	
Environment	Minimize the negative impact and reduce the associated costs through a more efficient consumption of resources and a correct environmental and energy management in all processes, while favoring the positive impacts derived from the development of the Bank's activity. Adopt measures to address climate change, biodiversity loss and environmental degradation.	
Suppliers	Promote responsible management in the supply chain with respect for labor legislation and human rights, as well as socially and environmentally responsible actions by this stakeholder throughout the entire value chain, which drive economic development in the Bank's area of operation.	

Table 1. Strategic lines of the CSR Master Plan and related SDGs. The material SDGs for the Unicaja Banco Group are highlighted in greater size.

In order to ensure the achievement of the CSR Master Plan, it is necessary to carry out adequate monitoring, control and assessment of the programmed actions and their implementation process, as well as of the results obtained and possible deviations from the objectives set.

The Sustainability and CSR Committee will be responsible for coordinating the implementation and monitoring of the CSR Master Plan, which will periodically discuss progress.

Information on the degree of progress will be provided in subsequent Non-Financial Information Statements.

Relationship with stakeholders

The Group develops a responsible and sustainable business model, one of the essential elements of which is the involvement of stakeholders and the creation of shared value for all of them.

The Group takes into consideration aspects related to CSR in its dealings with the various stakeholders.

Table: Stakeholders and responsible practices

People	Territories	Society	Environment
Customers Employees Shareholders and investors Suppliers	Public Administrations Social organizations of reference Businesspeople and entrepreneurs Agricultural sector/Rural areas	Education Financial education Social and financial inclusion Social housing Social economy Vulnerable groups Fiscal responsibility Prevention of corruption and other illegal conduct	Energy efficiency Environmental protection The fight against climate change

The assumption of these commitments requires the provision of different elements for an open and institutionalized dialog with the various stakeholders. The Group continuously reviews the identification and selection of stakeholders and the processes necessary to keep this two-way dialog active. To make this effective, the Group uses two types of channels: those developed to detect stakeholder needs and those used to communicate the actions carried out in response to those needs. All these actions are of a continuous nature and comprise the networks of attention to the needs and their expectations.

The identification of stakeholder needs offers opportunities to strengthen current and future ties with society. By efficiently and systematically developing the processes for capturing and analyzing the expectations expressed, the Unicaja Banco Group ensures the maintenance of a balanced management model and the establishment and consolidation of a business and social development model that will continue over time.

These processes, defined within the various annual and multi-annual planning systems, take the form of a series of channels, forums and specific spaces for internal and external participation which transcend the dialog between stakeholders by simultaneously contributing to understanding the needs of society through interaction with other public and private organizations. As an example of the above, we use commercial and corporate websites to report certain communication mechanisms (telephone and via email) with customers and users of financial services, investors and analysts, among others, reinforced since 2018 with contact through social media.

Communication channels

The Group publishes economic-financial, non-financial and corporate information through the following means, among others:

- CNMV website

All privileged or relevant information that has to be disclosed pursuant to applicable regulations is made public through the CNMV website (www.cnmv.es) in order to ensure that the market is kept informed.

- The Bank's corporate website

The Unicaja Banco corporate website is the medium through which the Bank channels all useful information for institutional investors, shareholders and other stakeholders. The information disseminated through this website can be consulted at any time, at least during the period required by law.

The Bank presents quarterly results and other relevant notifications to the market through a streaming channel and the continuous transmission of data through its corporate website, allowing access to shareholders, investors, analysts and any other interested parties. This is another means of keeping abreast of the Bank's progress and is also available on a deferred basis through the corporate website. In the case of live presentations, Unicaja Banco provides the means for participants to send their questions to the speakers or Company representatives.

- Other channels

Information regarding Unicaja Banco's activity, strategy and evolution is not only passed on to investors and shareholders directly through the aforementioned channels, but also indirectly through information published in the printed or digital press and on social media, etc.

- Media

Unicaja Banco maintains a fluid, continuous and transparent dialog with the media, especially with those specializing in economic-business matters and with the relevant local and regional media in the areas of greatest presence and activity, which show a special interest in updated information on the Group. Unicaja Banco promotes the dissemination of information on its activities by sending press releases or holding press conferences or other types of meetings with journalists and the media, in all cases in compliance with market abuse control regulations.

- Social media

Unicaja Banco's official social media channels provide it with a direct means of communication and dissemination of its values, brand image and activities. They also provide an additional channel for customer and stakeholder service. The Bank's official profiles on Twitter, Facebook, Instagram, LinkedIn and YouTube allow it to maintain a fluid dialog with the community present in the social environment, in addition to disseminating information of interest on the activities undertaken. Although the Group does not use social media to simultaneously communicate inside information as a complementary or additional channel to CNMV and corporate websites, if at any time it decided to use them, it would do so in compliance with the criteria and requirements established by CNMV.

The Group therefore ensures that there is an ongoing dialog with stakeholders, establishing relevant channels with the aim of creating economic value associated with the commitment to these groups.

UNICAJA BANCO GROUP AND ITS COMMITMENT TO SUSTAINABLE DEVELOPMENT GOALS (SDGS) (GRI 203-2)

The United Nations Sustainable Development Goals (SDGs) were established as a challenge for all social and economic agents on a global scale, with the aim of contributing to a more sustainable future in all its aspects, to end poverty, protect the planet and ensure that people enjoy peace and prosperity.

The United Nations Development Program (UNDP) has made a call on governments, the private sector, civil society and citizens alike to ensure a better planet for future generations. In this regard, the Unicaja Banco Group, through its activities and by attending to the social responsibility model implemented, contributes directly to the achievement of the SDGs. One of the greatest contributions to their achievement is the establishment of alliances and spaces for dialog with other organizations in order to achieve more effective and visible results.

Business Observatory for the Achievement of the 2030 Agenda (OECA)

These links with the United Nations and the 2030 Agenda continue to be strengthened with Unicaja Banco's support for the Business Observatory for the Achievement of the 2030 Agenda (OECA), under the 2019 Agreement which was extended in 2022 by signing a new agreement with the CEA, the Andalusian Confederation of Businesspeople.

The Business Observatory, which is part of the SDG Specialist Commission set up by the CEA, aims to be an economic, business and social observatory, whose role is to coordinate actions for the fulfillment of these principles by the private sector. One of the main purposes of the OECA is to lead the implementation of the 2030 Agenda in companies, to promote general welfare and contribute to the generation of wealth and employment.

Within the framework of the support provided to OECA, Unicaja Banco has regularly participated in the activities and dialogs organized by said Observatory, in which issues related to the 2030 Agenda have been discussed.

INTERNISA

In 2022, a collaboration protocol was signed between the Andalusian Federation of Municipalities and Provinces (FAMP), the Unicaja Foundation, Unicaja Banco and Edufinet for the delivery of training actions within the framework of the INTERNISA project, financed within the European Neighborhood Instrument Cross-Border Cooperation of the Mediterranean Sea Basin Program, which is better known by its acronym ENI CBC MED.

The project aims to bridge the digital divide among women by intervening in labor supply and demand, thereby reducing female unemployment in these countries, while providing innovative employment services in these nations. In this way, the project will address the dual challenge to the prosperity of these countries that suffer from low levels of women's participation in the labor market, as well as low levels of digitalization of their economies.

The collaboration foreseen in this Protocol will be developed through eleven face-to-face training actions in Andalusian municipalities, whose general content will consist of offering training and knowledge and training transfer activities in the field of digitalization in the financial sector, especially aimed at young unemployed women. These physical development points are designed for people who do not have access to the Internet, and therefore cannot access online services and resources, as well as to provide a point of information about the project and its activities.

Adherence to the sectorial strategic protocol to reinforce the social and sustainable commitment of the banking sector

Following Unicaja Banco's adherence, in March 2022, to the strategic protocol promoted by the sector to reinforce the social and sustainable commitment of the banking sector, especially with regard to the elderly and the disabled, in addition to the measures that the Bank has been habitually implementing in this area, another series of initiatives have been implemented to promote financial inclusion.

Unicaja Banco's financial and digital education program, which has benefited close to 3,000 senior citizens in 2022, stands out. The sessions are carried out by the Bank itself, in collaboration with the Edufinet Project, which the financial institution promotes together with the Unicaja Foundation.

Additionally, with the elderly and less digitized groups in mind, Unicaja Banco stresses that the financial digitization process should be inclusive, emphasizing the motto of the universal values of the Sustainable Development Goals (SDGs), "Leave no one behind", with the Bank focusing on financial and digital inclusion.

The Bank collaborates with Save the Children, UNHCR and UNICEF

Unicaja Banco, with the aim of continuing to respond to the humanitarian crisis being suffered by the Ukrainian people, has reinforced in December 2022 the donation campaign among its customers and employees through Save the Children, UNHCR and UNICEF, initiated at the beginning of the year. Tools have been put in place in the Bank's different stakeholder groups, especially its customers and employees, such as the possibility of making commission-free transfers to the aforementioned NGOs.

Aligned with these organizations, Unicaja Banco's priorities are the protection of children affected by the war conflict, humanitarian assistance in the displacement of people fleeing Ukraine, and support to provide refugees with long-term solutions for their temporary integration when they are displaced from their country.

Follow-up of the commitments made at COP25 in Madrid in December 2019

On the occasion of the United Nations Climate Change Conference (COP25), held in December 2019 in Madrid, Unicaja Banco signed, together with more than twenty Spanish financial institutions, a collective agreement on climate action, promoted by the Spanish Banking Association (AEB) and the Spanish Confederation of Savings Banks (Confederación Española de Cajas de Ahorros, CECA), whereby it undertook, among other measures, to reduce the carbon footprint of its credit portfolio within a certain period of time, in a manner that can be measured using internationally approved criteria and in line with the objectives set out in the 2015 Paris Agreement. The Unicaja Banco Group thus joined the Collective Commitment to Climate Action promoted by UNEP FI (United Nations Environment Program Finance Initiative).

The difficulties inherent to the pandemic, which even led to the postponement of the COP26 in Glasgow until late 2021, did not prevent Unicaja Banco from starting work on the implementation of its sustainability commitments in 2020, with the levers represented by the Sustainable Finance Action Plan and the 2022-2024 Strategic Plan itself.

The first carbon emissions measurement data associated with the credit, fixed income and equity portfolios, in compliance with the commitment, are provided in this Statement (section "Climate risk management"). The decarbonization targets will be set below.

Unicaja Banco Forests

Unicaja Banco maintains its commitment to environmental conservation through its adherence to the Ten Principles of the United Nations Global Compact (Principles 7, 8 and 9) and its Unicaja Banco Forests project, contributing to SDG 15 of the 2030 Agenda in promoting the sustainable use of terrestrial ecosystems and the fight against desertification.

Through this initiative, the Bank also seeks to collaborate in the fight against climate change. By reforesting degraded areas in the territories where the Bank operates, the Bank is able to regenerate soils and create new ecosystems, thus slowing the loss of biological diversity.

In 2022, giving continuity to the Unicaja Banco Forests project initiated in 2019, the Bank, together with the Toledo City Council, has collaborated on a reforestation project in the surroundings of Fuente del Moro, Toledo. In this project more than 40 people, employees of the Bank and their families, volunteered to plant a total of 365 native trees.

Agreement with the Biodiversity Foundation

Biodiversity, its protection, conservation, recovery and study of the consequences of its loss, is one of the frameworks on which the European Union's Environmental Taxonomy is based.

Unicaja Banco is committed to creating, promoting and sustaining the so-called "green economy", one of the priority axes of its 2022-2024 Strategic Plan.

As part of this line of action and in its interest in promoting sustainable development, Unicaja Banco has signed a collaboration agreement with the Biodiversity Foundation, part of the Ministry for Ecological Transition and the Demographic Challenge

(MITECO). Since its signing, initiatives are being promoted to promote transformation at all levels: economic, cultural and social, within the framework of the Spanish Government's Recovery, Transformation and Resilience Plan.

Unicaja Banco will offer financial guarantees to the recipients of these grants, allowing them to receive them in advance through the Biodiversity Foundation.

Unicaja Banco and Fundación Real Madrid collaborate in labor reinsertion and various socio-sports projects

Unicaja Banco has launched the Real Madrid Foundation Solidarity Investment Fund, a socially responsible investment fund that will contribute financially to one of the Real Madrid Foundation's social projects called "Emprendeporte", which is aimed at facilitating the socio-labor reintegration of the long-term unemployed.

With this Solidarity Investment Fund, among others of similar characteristics included in its offer, Unicaja Banco aims to give greater impetus to its socially responsible investment strategies, as part of the actions it carries out in the area of sustainable finance and CSR.

Unicaja Banco is the official bank of Real Madrid since 2021 and has been collaborating since 2012 with the Real Madrid Foundation in the achievement of some of these projects for the integration of socially disadvantaged groups through sports, both in social and sports schools and through programs in penitentiary centers.

For years, Unicaja Banco has been collaborating in the sustainability of various socio-sports projects for the integration of socially disadvantaged groups through soccer, such as the socio-sports school in Quinta de Asturias, the program in the penitentiary centers of Villabona (Asturias) and Ocaña II, Toledo (Castilla-La Mancha).

Unicaja Banco promotes innovative workshops on SDGs and Science in Castilla-La Mancha

Unicaja Banco has promoted the "SDGS&Science" project, as part of its sustainability and CSR strategy, in which it incorporates the 2030 Agenda to contribute to the achievement of those SDGs most closely connected with its activity and its social and environmental vocation.

This initiative has reached, in the last quarter of the 2021-2022 academic year, more than 250 students in Castilla-La Mancha. These are workshops launched together with the Department of Sustainable Development of the Regional Government of Castilla-La Mancha, through the Impulsa Foundation, and organized and taught by the Asociación Ciencia a la Carta (Science on Demand Association).

Throughout ten science outreach workshops, in which primary, secondary and high school schools have participated, they have been able to learn about and work on the SDGs of the 2030 Agenda in order to contribute, in their daily lives, to the achievement of these 17 Goals.

The training focused on the transmission of knowledge about non-polluting energies, biodiversity and healthy habits, and was completed with practical and participatory activities such as experiments and model assembly.

Unicaja Banco promotes sustainable economy in Extremadura

Unicaja Banco has joined "Extremadura is the future", a public-private collaboration alliance, promoted by the Social Council of the University of Extremadura (UEx), whose objective is to promote opportunities that boost the development and economic and social growth of the region. In this sense, the financial institution will collaborate especially in programs that promote sustainable economy.

After joining this alliance, Unicaja Banco will participate in the Sustainable Economy Observatory, a meeting point between the academic world, the financial sector and the business world, to develop actions and solutions towards a sustainable development model in Extremadura. Among these actions is the creation of a Sustainable Finance Forum, coordinated by the University of Extremadura, to promote research and knowledge transfer in finance applied to social care and sustainability.

Agreement with the Smart City Cluster to promote technology, innovation and sustainable finance projects within the framework of green and smart cities

Following the signing of a collaboration agreement with Smart City Cluster in 2021 to promote technology and innovation initiatives and projects, as well as sustainable finance, within the framework of the promotion of smart cities, Unicaja Banco has formally joined the Cluster as a partner in 2022, which will serve to reinforce the financial institution's interest in contributing to the development of actions aimed at fostering the growth of the business fabric, facilitating economic momentum and supporting innovation, research and training, as well as sustainability and the promotion of initiatives related to smart cities.

Partnership with the ADECCO Foundation to work together to ensure the integration of women at risk of social exclusion in the labor market

In 2022, Unicaja Banco signed a new partnership agreement with the Adecco Foundation to promote the development of job placement activities aimed at women at risk of social exclusion. Through the program #EmploymentForAll, the Adecco Foundation implements resources, tools and training aimed at increasing the employability of these people.

Within this framework, the Bank has again supported Women's Week 2022 which was held on March 8 and which seeks, to promote the employability of women at risk of exclusion while raising awareness and sensitizing the public on the need to achieve gender equality and the full social and labor inclusion of women with the greatest difficulties.

Likewise, the financial institution, within the framework of the celebration of the International Day for the Elimination of Violence against Women on November 25, has signed a collaboration agreement with the Adecco Foundation to support, among other initiatives, the publication by the latter of its report on Gender Violence and Employment, which it prepares every year with the aim of raising awareness about the social and labor reality of these women and highlighting employment as one of the key elements in their recovery process, as well as to reinforce their independence and autonomy.

This support from Unicaja Banco was in response to its commitment to diversity and equality, as well as to the achievement of the United Nations Sustainable Development Goals (SDGs), with special attention to gender equality (SDG 5), decent work and economic growth (SDG 8) and the reduction of inequalities (SDG 10).

The sustainability and CSR microsite

During 2022, the microsite, available on Unicaja Banco's Intranet, was kept updated to address all issues related to sustainability and CSR. Specifically, it contains a separate section for the SDGs, with the aim of disseminating them to all personnel, thus increasing the Bank's awareness thereof and providing the entire workforce with an opportunity to actively participate in volunteer action that helps to achieve these goals.

Through the microsite, the Global Compact's most important training pills are made known to the entire workforce. In 2022, the material on "Sustainable Finance and the 2030 Agendahas been published: Investing in the transformation of the world" in order for employees to learn how this Agenda has made sustainable finance one of the main tools to drive the transformation of the global financial system. Sustainable finance is the product of integrating environmental, social and governance aspects into financial planning and investments.

COMMITMENT TO PEOPLE

CUSTOMERS AND USERS (GRI 3.3)

Following the milestone that was the operational and technological integration, the Unicaja Banco Group's offer to its current and potential customers continues to be based on the principles of offering a personalized quality service. It seeks the best possible experience, supported by the provision of solutions tailored to their preferences and needs through a wide range of products, services and channels, in order to establish long-term relationships of trust and commitment that create shared value.

Customer experience

The improvement of customer experience and service quality – associated with both the products and services offered and with each of the customer relationship processes and the internal activities that also have an impact on customer experience – are key elements for the sustainability of the companies. For this reason, Unicaja Banco monitors the customer's voice in order to optimize their experience and enhance their level of satisfaction and commitment to the Bank. The Unicaja Banco Group thus seeks the continuous reasonable coverage of customers' expectations, adjusting the range of products and services to their needs and preferences.

The Customer Experience model implemented at Unicaja Banco is based on the NPS (Net Promoter System) methodology as a corporate system for customer experience management (with the Net Promoter Score as the main metric) and on the progressive deployment of a listening process through a program for capturing the voice of customers in a systematic, automated manner and at critical moments, which guarantees a complete diagnosis of the customer's experience with the Bank from all angles.

From this "360º approach", the results of continuous measurements support a process of operationalization of the voice of the customer, with a system that helps to act tactically and strategically on the levers that improve the customer experience, increasing the number of promoters and minimizing the number of detractors.

The model has been developed gradually, as it is a process of cultural change and integration of tools, creation of action protocols, among other aspects. The speed of deployment has been interrupted by the pandemic, the merger and the operational integration process, leaving parts of the designed model to be deployed.

The application of this model makes it possible to identify customers' perception of the Bank at a global level, with the different services and channels with which it interacts, and the relative importance and contribution to satisfaction that they attach to each of the factors analyzed. This knowledge of the customer experience is obtained from customer experience studies, using satisfaction surveys as a tool. In 2022, as of the operational integration, this management model has been extended, as far as possible, to the entire perimeter of the new Bank, including the network coming from Liberbank.

One of the measurements with the greatest scope from a "relational" management framework are customer surveys to determine, at the office level, the likelihood of recommendation (NPS) of the customer both regarding the Group and their branch, based on the aforementioned model. This system allows, and consequently facilitates, direct action with them based on their positioning (Promoters, Neutrals and Detractors). A significant part of the detractor customer group becomes part of the Bank's commercial activity in order to manage dissatisfaction based on established protocols. This model has been put on hold following the operational integration and will be reactivated in 2023. The results of these measurements and their management can be also tracked through specific scorecards for monitoring, analysis and action from a less tactical and more strategic point of view, allowing improvements in service quality and value proposition. Unicaja Banco's cumulative overall NPS as of December 2022 was 22.75% (the measurement range is theoretically between -100 and +100); this is a weighted figure, given that Liberbank customers were not incorporated until the integration. In 2021, the integrated data stood at 26.6%. The Global Risk Management Department monitors this NPS indicator on a monthly basis because of its consideration from the perspective of the risk propensity framework.

The number of actions carried out by Unicaja Banco in relation to customer consultations (external and internal) for the measurement of NPS parameters and other satisfaction variables is shown below:

Stakeholders	Line of action		Description	Number of actions	Number of beneficiaries
Customers	Responsible practices	External Customer Inquiry	Preparation of periodic surveys (through some channels) aimed at measuring the degree of customer satisfaction	2022: 161,528 2021: 210,570	Total number of responses from external customers
Employees	Responsible practices	Internal Customer Inquiry	Preparation of annual surveys to measure the quality of the services provided by the different Group units and to research product/service improvements	2022: 7,845 2021: 6,992	Total number of employee responses

In 2022, as part of the *Unicaja Escucha* ("Unicaja Listens") Voice Program, the focus continued to be on transactional interaction with customers, for different processes and channels and for different segments. This listening process allows obtaining information about the customer experience immediately after the interaction, issuing predefined alerts and creating dashboards to track the information. It should be noted that in 2022, the systematic measurement of the "Digital Banking" channel has been extended from operational integration to all customers regardless of their entity of origin.

On the other hand, sectorial comparisons have also been incorporated, such as the "Benchmarking Report on Customer Satisfaction of Financial Institutions" (Stiga) in order to complete the scope of internal measurements with information on market positioning.

The Voice of the Customer is an essential source of information for the operationalization of results (useful application and conversion into concrete actions), both for the people in our business network and for those responsible for processes and products. It also serves to gather the opinion of customers and employees before making relevant changes to processes, products, services or channels of the Bank, so that once the changes have been made, the impact of the improvements on the perception of the customer and/or employee can be identified. In this regard, and following the procedure described in the Product and Services Governance Policy regarding the launching of new products, Customer Experience is part of the work group for the development of the activities pertaining relating to the design phase of new products, participating in the design of the MREL Deposit, EDP Photovoltaic Installations Loan and CASER Reverse Mortgage in the last year.

In turn, in 2022, specific measurements were carried out, mostly within the framework of the 2022-2024 Strategic Plan projects, such as "New Card Design", "Uni Seguro Plan", "Operational Download", "Companies", "Account Transfer", "Wealth and Tax Advice" and "Debit2Go". Others have also been designed and will be implemented in 2023, such as "eNPS" (NPS of the workforce with respect to the Bank), "ATM Channel", "Customer Service Telephone Service" or "Remote Manager Channel".

Special monitoring of vulnerable groups (such as the elderly) is relevant, obtaining information stratified by age and carrying out specific analyses for this group. Additionally, the launch of a pilot experience of "Digital Facilitators" has been accompanied by satisfaction measurements from a triple perspective: that of the customer, that of the office and that of the facilitator.

Unicaja Banco pays special attention to the Internal Customer experience. The methods for diagnosing the external customer experience are transferred to the internal supplier-internal customer relationship in an adapted manner. Every year, a measurement tool is activated that applies to all of the Group's internal suppliers, central services and regional services and to all internal customers, including the network of offices. In 2022, it was decided to put this measurement on hold until the changes in internal services are consolidated, with the redesign of the integrated measurement model planned for 2023. This has not been an obstacle to implement specific measurements due to their special relevance, such as the process of assistance to operational and technological requests from employees channeled through "Click&Service", which mainly affect customer interaction processes, or that of the "Uninoticias Magazine", one of the main internal communication tools. At the same time, surveys have been launched at the request of certain internal service providers, such as "Internal Network Audit" or "Cleaning".

Finally, Unicaja Banco has a certified Quality System based on the ISO 9001:2015 standard, the scope of which is "Internal audits to branch network centers and internal audits to central services and participated companies and IT".

In 2023, we plan to advance in the deployment of the Customer Experience Model and to resume those aspects that were left pending due to the operational integration. We are also working on the creation of a protocol for the application of the Customer Experience model in an integral manner in the Bank.

Transformation Strategy and Coordination

The technological revolution that has been taking place in recent years is impacting today's society at different levels. Companies, employees and customers are facing an ecosystem in full transformation. Unicaja Banco is committed to accompanying customers (with special attention to vulnerable groups, such as the elderly) in this changing context, evolving services and facilitating their use and access to them. This technological transformation brings with it new tools and methods of doing things that imply adaptations and new learning. Unicaja Banco is implementing initiatives to mitigate this impact and provide customers and employees with a more comfortable transition to the use of these new tools and channels, ensuring increasingly simple, broad and universal access.

Likewise, some of these new technologies are enabling the launch of digital tools and work methodologies that optimize the Bank's internal processes and facilitate certain services, ultimately aimed at continuously improving the customer experience.

The fact that, during 2022, the technological integration of Unicaja Banco and Liberbank has also taken place has multiplied these needs and the number of changes for employees and customers.

In this regard, the following actions have been implemented during 2022:

- Digital Facilitators Program: With the aim of helping and accompanying both customers and employees in this transition process, a special Digital Facilitators program was launched, in which 130 new facilitators offered support to customers in tasks related to learning how to use channels such as the ATM or digital banking (app and web). This program had a customer NPS of 94%, of which 46% were over 61 years of age. The initiative emphasized training these customers to become self-employed in the future (66% of respondents said they could become self-employed), allowing them to avoid having to make trips to the office or wait in line to be served. In addition to improving the end-customer experience, this program has also had a positive effect on employees, relieving queues in the office and freeing up time to better perform their daily work.

- In collaboration with the Sustainability and CSR Department and Edufinet, a series of digitalization workshops for seniors have begun, including the design of two specific simulators so that, from a Tablet, seniors can practice performing different ATM and digital banking operations. The group of attendees is valuing the action very positively, highlighting the possibility of practicing before having to carry out a real operation.

- We are coordinating the analysis of two sector benchmark studies (FINALTA and CECA) that analyze the multichannel operations of the customers of different banks in Spain and Europe, in order to study trends and propose developments and best practices that allow them to have a better experience and a better way of adapting to them.

- We have also actively participated in a strategic project for the adoption of new Agile work methodologies in the Bank. At this moment, we are acting as Agile Coach of the two Agile pilot projects (one with Scrum method and the other with Scrumban) that are already in operation. This initiative includes specific training to facilitate change management towards this methodology.

- A strategic project for the Transformation of the Customer Experience has been initiated in order to articulate and implement strategies, protocols and management tools to improve the quality of customer service from a "Voice of the Customer" and value creation perspective.

Looking ahead to 2023, progress will continue to be made in these actions, as well as in the operationalization of the voice of the customer in the largest number of Bank processes, the accompaniment and facilitation of the use of digital channels by customers, change management for the adoption of new digital tools by employees to facilitate and make their work more efficient, and the scaling of new work methodologies that allow for increasingly agile, transversal and self-managed teams.

Innovation

The Group sees innovation as a lever to adapt to its environment at the speed at which change is currently occurring. Its main aim is:

- To detect differential opportunities (new sources of income or savings) that are sustainable in the medium/long-term.

- To validate such opportunities in the fastest, most efficient and reliable way.

- To implement them in an efficient manner, strengthening the Bank.

To this end, during 2022 the following was promoted:

- An innovation observatory in which initiatives such as the following have been developed:

  - Training on cryptocurrencies and artificial intelligence, both for internal and external teams, through the Sustainability and CSR Department and Edufinet.

  - Innovation newsletters shared with different profiles of the Bank's Central Services.

  - Development of news for specialized publications and participation in forums.

  - Development of articles and reports that delve into the main lines of Innovation: artificial intelligence, Blockchain and Crypto, OpenBusiness (Fintechs, Startups).

  - Development of Design Thinking and Design Spring workshops to help foster a culture of innovation in the Bank.

- A test space to develop co-innovation Labs (coLABs) in which we work collaboratively with different external agents (startups, partners, technology providers, Fintechs, etc.), internal teams of the Bank and potential users/customers. In these spaces, new products, services and business models based on the adoption of new technologies, ways of working or alliances with third parties are identified and tested in the fastest, safest and most reliable way. All this is carried out with a very realistic approach based on the development of Minimum Viable Products (MVPs) and prototypes with which to obtain reliable and rapid results that serve to prioritize developments and investments, while taking advantage of the best opportunities. This concept also includes collaborations with Consortia (sectorial and intersectorial at a national and European level, notably including Fundación Innova IRV).

Therefore, the following initiatives/incubations have been worked on during 2022:

- An Avatar prototype which, through artificial intelligence and conversational interfaces, can interact with a human in natural spoken and written language, helping them to use the Bank's financial services in an efficient and inclusive manner. We seek to incubate a new type of banking, conversational banking, which will allow us to bring the advantages of digitalization and the knowledge/use of financial services to all types of customers, including those who have difficulty using current digital channels (web, app, phone).

- A laboratory of Voice Biometrics in which four leading companies in this technology have analyzed the maturity of these technologies when used to reduce fraud in digital banking channels, while facilitating the inclusion of people with visual or motor impairments.

- An artificial intelligence laboratory applied to compliance with MiFID II (Market in Financial Instruments Directive) regulations, the aim of which is to see how artificial intelligence can help customers and the Bank to better understand the risks and benefits of financial instruments and more automated compliance with the MiFID directive.

- A cryptocurrency lab to analyze the impact of the MiCA (Market in Crypto Assets) Regulation on the regulated banking sector. This is a sectorial project, carried out within the context of the Spanish Confederation of Former Savings Banks (CECA), whose objective was to learn about the impact that the implementation of the new European Regulation MiCA, which is expected to regulate the activity of cryptocurrencies in the Eurozone, will have on the Spanish banking sector. This study allowed us to anticipate both the regulatory changes that the Bank will have to adopt and the implications that such changes will have on customers, many of whom have limited knowledge of the cryptocurrency business. With this, the Bank intends to be prepared to offer a service that allows its customers to know the true implications of cryptocurrencies, understanding their risks and opportunities in all of their complexity.

- A Crypto Services laboratory in which, together with a crypto company of reference in the Spanish crypto sector, a cryptocurrency training course is being designed for customers to take. The Bank's objective is to be able to offer its customers tools that allow them to obtain the necessary knowledge to understand the risks and opportunities derived from these new technologies and the "pseudo-financial services" that are being developed with them.

- A project team with which the solutions incubated in the previous stages of innovation can be scaled (made productive) throughout the Bank. In this regard, during 2022 we have been defining and creating a project for the implementation of a Virtual Employee Service Assistant. A project that we expect to develop during 2023, and which stems from incubations carried out in innovation during fiscal years 2021 and 2022. The objective of this project is to develop a Virtual Assistant that allows the Bank's employees to resolve, through written conversations in natural language, automatically and without time restrictions, basic queries and incidents that currently require human intervention and cause undesired delays in their resolution. This is intended to improve the level of service to our own employees, facilitating the resolution of their requests in due time and form.

Digital Business

In 2022, technological and operational integration tasks in the digital area have focused mainly on two lines:

- Unify digital platforms, facilitating unified access and standardizing processes so that the digital experience of all customers is the same.

- Advance the availability in the integrated target platform of existing services in the source platforms, to avoid loss of functionality or service.

This technological integration phase made it possible to advance the availability of a set of digital capabilities and, once completed, has focused on launching all of the lines established in the Digital Business Framework Project included in the 2022-2024 Strategic Plan, one of its objectives being to ensure that more than 60% of the Bank's customers are digital assets. In this way, the digital strategy is aligned with the growing demand of customers in the use of digital capabilities as a means of daily relationship with the Bank.

The Digital Plan is based on the implementation of a series of initiatives that develop these five strategic levers:

- Evolution of the digital customer acquisition model as a driver of the Bank's growth.

- Development of a marketing model focused on maximizing the scope and personalization of the offer.

- Evolution of Digital Banking to position it as an industry benchmark, incorporating capabilities that enable our customers to manage their day-to-day business, both in terms of contracting and servicing, with a design focus on User Experience.

- Development of journeys and digital platforms to articulate the commercialization of the main business lines.

- Expansion of Open Banking capabilities as the core of the Bank's business model to create value-added services for customers.

The impulse given to the different lines of the Digital Plan has allowed us to achieve significant progress in the ratios of use of digital channels for the different needs demanded by customers. At the end of the fourth quarter of 2022, 61.5% were digital customers; digital customer acquisition accounted for 32% of the customers acquired, notably including the advance in digital sales of consumer loans (30.5%), accounts (28.2%) and fund subscription (23.6%) over total sales in the Bank.

The development of the alliance program has made it possible to generate an offer that responds to the specific needs of different customer segments, based on a line of communication and digital products customized for these customer groups. In this line, progress has been made in the programs offered by the alliances with PlayStation, Real Madrid and IKEA.

Digital operations are also growing in 2022 with respect to operations in the physical channel, with some transactions reaching figures such as 94% of transfers already being made from the digital channel. The Digital Plan accompanies this growing trend in the sector, progressively increasing the options and functional capabilities of Digital Banking, as well as introducing components that improve the usability and accessibility of the digital interfaces available to customers.

Finally, progress has been made in the development of the Remote Managers channel, reaching a base of 195 thousand customers in this channel by the end of 2022, which aims to monitor and provide personalized attention to customers through the digital capabilities of the platform and also taking into consideration customers who do not have offices nearby, as an element to promote financial inclusion.

Social media

Work on social media focuses on the general aims established for the Group's presence on social networks:

- Bring the brand closer to the digital w

- Develop a digital entity image through a structure of official accounts.

- Be an open, friendly bank.

- Respond and attend to customers and users in the digital environment.
- Publish Group news and commercial and corporate information.
- Promote CSR, sustainability and financial education activities.
- Interact with customers and the general public.

Content related to the Bank's corporate social responsibility plays a prominent role in the regular communication carried out on the Bank's social networks. Throughout 2022, more than 260 publications were shared with an approximate reach of 353,000 impressions.

Unicaja Banco's presence on social media is structured in two aspects. Firstly there are corporate profiles of an institutional nature (Twitter, Facebook, LinkedIn, Instagram and YouTube), while secondly there are profiles oriented toward customer service (Twitter, via a specific channel @UnicajaResponde) and Facebook (where queries regarding the service are answered provided that they are received on the open platform and via Facebook Messenger). It should be noted that the number of queries for information and attention through social networks (mainly Facebook and Twitter) increased significantly last year due to the integration process, as well as to the increase in Liberbank customers, who began to use Unicaja Banco's channels for information and queries.

At the close of 2022, the number of followers on Twitter was 18,704 (15,384 on @UnicajaBanco and 3,320 on @UnicajaResponde). The Facebook page had 22,812 Likes, while LinkedIn followers rose to 17,636, Instagram followers to 43,446 and YouTube followers to 1,141. The total community on the Bank's networks increased by more than 77% last year. By the end of 2021 it stood at 58,411 users and in 2022 it grew to 103,731 followers, with Instagram being the channel that experienced the highest growth in number of followers.

In addition to Unicaja Banco's main social channels, there are other specialized channels for young people, called Espacio Joven Uni on Facebook, Twitter, Instagram and YouTube. These channels exceeded 75,800 followers in 2022 (76,546 in 2021).

Meanwhile, the customer service data offered through Unicaja Banco's social media during 2022 were as follows:

A total of 26,950 queries were received during the year, 62% more than the previous year. Of these, 16,721 came via Facebook, 5,406 via Twitter (@UnicajaResponde), 4,151 via Google Play, 659 via Apple's App Store and 13 via Huaweii.

In 2022 we continued to conduct customer experience surveys on Twitter (@UnicajaResponde) and Facebook Messenger, with NPS (Net Promoter Score, the index that measures the willingness of customers to recommend this service) standing at 44.7% (Facebook), 10.8% (Twitter) and 34.2% (both social media combined). The aspects most highly valued by customers are the speed of response, treatment and resolution of the consultation or management. Remember that the NPS has a scale from -100 to +100. These results show positive levels of recommendation.

Customer experience NPS	2022	2021
Twitter	10.8	26.4
Facebook Messenger	44.7	46.3
Both	**34.2**	**42.4**

After the integration process, Liberbank's social networks ceased their activity and the entire community of customers began to be served and informed through Unicaja Banco's channels.

A total of 37 articles were published on the Unicaja Banco blog (UniBlog) in 2022* (83 articles in 2021); the number of users accessing the blog was 61,257 (25,535 in 2021) and the total number of visits was 77,367 (40,989 visits in 2021).

*In relation to the number of users and blog visits there is a data gap from June 10 to August 10, 2022 (two months) due to the change of the data measurement platform.

Customer Service (GRI 2.16, GRI 2.25)

For the Unicaja Banco Group, the Customer Service Department (CSD) is not only an organizational requirement required by law, but also an instrument that allows us to establish and consolidate relationships of trust with customers, in addition to gathering their perceptions of the service offered. In 2022, the average CSD resolution time was 48.4 days, compared to 35.3 days in 2021.

The Service handled a total of 55,605 registered complaints and claims in 2022. Of this number, 49,495 complaints and claims were admitted for processing(52,753 in 2021). The remaining 6,110 were not admitted as they did not meet the requirements established by current regulations for admission. The customer was duly informed and, where appropriate, the corresponding authorities notified so that they were able to act accordingly.

Types of Unicaja Banco complaints and claims admitted	2022	2021
Assets	17,262	29,893
Liabilities	11,294	9,554
Services	4,351	2,567
Means of payment	14,550	8,995
Others	2,038	1,744
TOTAL	**49,495**	**52,753**

Table 1. Type of Unicaja Banco complaints and claims.

As far as the complaints resolved by the Customer Service Department are concerned, the direction of resolution in 2022 was: 20,631 complaints that were resolved in favor of the customer, 3,914 requests for information or explanations were also answered and 20,366 that were resolved in favor of the Bank (provisional data as of February 06, 2023).

The following is a summary of the resolutions of the complaints resolved by the supervisory bodies:

Unicaja Banco	Favorable to the customer	Favorable to the Bank	Pending resolution	TOTAL
2022*	553 (55.19%)	214 (21.36%)	235 (23.45%)	1,002 (100%)
2021*	374 (59.84%)	242 (38.72%)	9 (1.44%)	625 (100%)

Table 2. Resolutions of claims resolved by Unicaja Banco supervisory bodies (Bank of Spain - CNMV – Directorate-General for Insurance and Pension Funds)

*Provisional data as of February 06, 2023

The Customer Service Department handles complaints from Group companies adhering to the Regulations for the Defense of Unicaja Banco, S.A.'s Customers.

Breakdown of admitted Group company claims	2022	2021
Unigest	24	3
Unicorp Equity	1	1
Unimediación	1	0
Segurandalus	0	0
Duero Vida	15	20
Liberbank Vida y Pensiones	235	244
Liberbank Gestión	0	0
Liberbank Pensions	0	0
CCM Brokers 2007	0	0
TOTAL	276	268

Table 3: Breakdown of Group Company claims

Regarding the direction of the resolutions in fiscal year 2022* in relation to Group companies, 30 corresponded to requests for information or explanations that were met, 81 to claims that were resolved in favor of the customer, 135 were resolved in favor of the Bank, 15 were rejected, 7 withdrawn and 8 are pending resolution.

*Provisional data as of February 06, 2023

Consumer Protection (GRI 2.27, GRI 2.28, GRI 3.3, GRI 206-1, GRI 416-1, GRI 417-1)

Unicaja Banco has had a Commercial Communication Policy in place since 2017, which was approved by the Board of Directors after its last modification in June 2022 and which establishes the general principles governing its advertising activity regarding banking services and products, including payment and investment services, aimed at customers and potential customers residing in Spain. Unicaja Banco complies with current regulations and has resources that enable it to detect and correct any non-compliance it may incur.

Unicaja Banco's advertising activities are clear, sufficient, truthful and objective. When designing advertising campaigns and the advertising pieces that comprise them, Unicaja Banco complies with all applicable regulations and avoids omitting relevant information or including biased, incomplete or contradictory information that could lead to confusion. For these purposes, the nature and complexity of the product or service offered, the characteristics of the media used and the target audience are taken into account in all cases.

In our European environment and to an increasing extent in Spain, advertising self-regulation systems are common – systems that enjoy considerable and growing recognition by the authorities and by the national legislator. Unicaja Banco is a member of the Association for the Self-Regulation of Commercial Communication (Autocontrol) and a member of the European Advertising Standards Alliance. It therefore maintains its ethical commitment to responsibly exercise the freedom of commercial communication and contribute to strengthening advertising self-regulation as a means of ensuring respect for consumer rights and competition.

With regard to adequate consumer protection, the New Products Committee evaluates proposals for new financial products and services and their possible implications before issuing the corresponding report. The introduction of significant changes to existing products and services is also subject to evaluation, and in this case the Marketing Committee must consider them and submit them for approval by its members.

Among other aspects, the contracting procedure, the adequacy of the product or service as regards the regulatory requirements, its effects on the Bank's risk profile, and the possible compensation associated with the distribution of the product or service, in order to determine whether its characteristics are in accordance with the regulations and established internal policies and do not create conflicts of interest.

Protection of Personal Data and Guarantee of Digital Rights (GRI 2.16, GRI 2.27, GRI 3.3, GRI 418-1)

Unicaja Banco is committed to respecting the right to personal data protection and customer privacy, in accordance with the provisions of current regulations, General Data Protection Regulation 679/2016 (RGPD) and Organic Law on Personal Data Protection and Guarantee of Digital Rights 3/2018 (LOPDGDD), as set forth in our Code of Ethics.

In this sense, the Bank employs a Data Protection Delegate (DPD), who is common to the Bank and certain Unicaja Banco Group Companies, and a Governance Model and a General Privacy Policy, all of which cover privacy and personal data protection governance requirements. The aforementioned General Privacy Policy establishes the framework in which the main requirements of privacy and personal data protection are defined, with the commitment to protect and treat personal data in accordance with current legislation. The governance model defines the main functions in terms of the parameters of strategy, organization and governance to protect personal data.

In order to ensure compliance with data protection regulations, Unicaja Banco has developed internal regulations and procedures, also implementing continuous supervision of compliance with the guidelines set forth therein, with a series of controls aimed at mitigating possible risks that may arise from non-compliance.

In addition to the foregoing, and to ensure compliance with the privacy objectives, the Bank has a Personal Data Protection Committee, which also defines and monitors the action plans for the treatment of risks that may be identified.

During the 2022 fiscal year, and as part of the process of awareness and training of personnel involved in processing operations, the specific Training Plan provided to employees on Unicaja Banco's corporate intranet, to which the Bank's employees have access, continues to be developed, including information, training, regulations, procedures and assistance on personal data protection.

It should be noted that as of September 1, 2022, AENOR has certified that Unicaja Banco has an information privacy management system in accordance with the ISO/IEC 27701:2019 Standard for the processing activities carried out by the Bank as the party responsible for or in charge of the scope of the ISO/IEC 27001:2017 that covers the systems that support the Electronic Banking services, corporate web portal and promotional web portals, the services of consultations, payments, deposits and cash withdrawals at ATMs (Financial Self-Services), internal management and support services for Host-based Information and Communication Technology (ICT) operations and internal ICT services based on distributed systems (microcomputer environment, intranet and data warehouse), in accordance with the statement of applicability in force, as of the date of issuance of the certificate.

With regard to the claims filed with the Supervisor, a total of 14 Claim Transfers and Information Requests (11 in 2021) against Unicaja Banco were received in 2022 by the Spanish Data Protection Agency (AEPD), by virtue of the previous mechanism of admission to process AEPD claims. Allegations have been sent to the Agency for 13 files, and 1 file is being processed. Of those already filed, the Agency has archived 2 files, has rejected 6 files for processing, and has accepted 1 complaint for processing, resolving it by sending new documentation without requiring additional actions to be taken by the Bank.

The remaining 4 files are currently awaiting a response from the Agency. Based on these actions, the requests for information cannot be considered substantiated claims.

Regarding compliance with legislation and regulations, there have been no significant cases of non-compliance or fines paid during the reporting period.

Cybersecurity, Privacy and Technological Risk

Unicaja Banco is immersed in a process of technological transformation that will allow it to progressively expand the catalog of services offered and improve its customers' experience. To this end, the Bank is relying on the adoption of new technologies and alliances with technology service providers to strengthen its digital capabilities.

Information security and operational resilience are key elements in this technological transformation process. This is manifested in the commitment of the Bank and its Management to guarantee that the services provided by Unicaja Banco and its Business Group are robust, secure and resilient, ensuring optimal conditions of availability, integrity and confidentiality of its customers' data at all times.

To this end, Unicaja Banco has defined a Technology Plan for the period 2023-2024 that includes specific initiatives for the continuous improvement of cybersecurity and technological risk management. Among the main lines of this Plan in terms of cybersecurity and technological risk are:

- Ensure proper governance of cybersecurity and technological risk in accordance with the three lines of defense model, maintaining continuous channels of communication with senior management, enabling informed decision making.

- Continue to strengthen processes and tools in the area of cybersecurity and privacy, protecting the Bank's information assets and its customers' data against the sophistication of threats. This includes specific cyberfraud management processes and practices aimed at the theft of credentials of the Bank's customers.

- Continue to make progress in improving the Bank's operational resilience, establishing continuous improvement processes for business continuity and system recovery plans.

- Strengthen the governance of the supply chain, ensuring that Unicaja Banco's suppliers provide their services in accordance with the Bank's cybersecurity and technological risk standards.

- Engage employees and customers in the responsible use of digital systems through continuous training and awareness through various channels.

- Ensure that the Cybersecurity and Technological Risk management processes comply with the requirements of the main regulations and best practices in force in the sector.

Likewise, and on the occasion of the integration of Liberbank's systems in May 2022, the Bank has reinforced all its processes and carried out an exhaustive monitoring of the threats that could affect a project of this magnitude. In this way, the technological integration has been executed according to the defined planning.

Cybersecurity and Technological Risk Governance (GRI 2.12, GRI 3.3)

Three lines of defense model

Unicaja Banco has a cybersecurity and technological risk governance framework approved by Management in 2019 and subject to continuous improvement and updating processes. It is based on a model of three lines of defense, structured as follows:

- First line of defense, made up of the Technology Department and other operational areas, responsible for implementing cybersecurity and technological risk policies and action plans, and defining and executing the necessary procedures to guarantee adequate levels of availability, integrity and confidentiality of information.

- Second line of defense, represented by the Global Risk Control Department, in charge of defining cybersecurity and technological risk policies, ensuring their implementation and continuously assessing the risks to which the Organization is exposed, proposing actions for their mitigation.

- Third line of defense, represented by the Internal Audit Department, which independently supervises the previous areas, identifying weaknesses in the control and management of cybersecurity and technological risk.

Governing and management bodies

Unicaja Banco has defined a structure of internal bodies to maintain continuous communication channels with Senior Management and informed decision-making in the field of cybersecurity and technological risk.

The structure of internal bodies contemplates a series of multidisciplinary committees and working groups, thus guaranteeing the transversality of corporate actions in the face of risks. These organs are:

- Technology and Innovation Committee, which supports the Board of Directors, with the following functions:

  - Assist the Board of Directors in making decisions affecting technology, information and data management and the Company's telecommunications structures, reporting on strategic plans and actions, and submitting the appropriate proposals.

  - Oversee the optimization of technological support for information processing and the development of systems and applications, ensuring their proper operation and data security.

  - Follow the process of technological transformation of the Company, with particular attention to its impact on the business model.

  - Follow technological risk, in general.

  - Ensure the identification of potential avenues for innovation present in the Company, as well as to supervise and monitor innovation initiatives that have an impact on the business model.

  - Provide such assistance as may be required, within the framework of their respective competencies, by the Audit and Regulatory Compliance Committee and by the Risk Committee, and to act in coordination with both Committees to the extent necessary for the exercise of their own competencies.

- Risk Committee, which also supports the Board with respect to all types of risks, including technological risks.

For further details on both Committees (Technology and Innovation, and Risks), please consult Unicaja Banco's corporate website.

- Technological Risks Committee and Privacy Committee, which include the relevant departments in the management of Cybersecurity and Technological Risk.

- Operational groups, representing the areas of operation and control: business, physical security, consulting, IT, etc.

Risk metrics and control framework

To effectively control risks, Unicaja Banco has a series of tools at its disposal:

- Regulatory compliance control framework. The Bank has a control framework comprised of 200 controls that make it possible to evaluate and demonstrate the level of maturity of the cybersecurity and technological risk management processes with respect to the main regulations and best practices in the sector. The framework is continually expanding and evolving.

- Risk indicators. The Bank has defined and periodically measures a set of risk indicators (KRI) to identify potential risks in the management of cybersecurity and technological risk. A subset of these indicators is reported within the Bank's risk appetite framework and are monitored by senior management on a regular basis.

Cybersecurity, Privacy and fraud management

Cybersecurity

The technological and cybersecurity risks faced by the Bank increase as cyber attacks become more sophisticated and the Bank's perimeter of exposure increases as a result of the use of new technologies and greater dependence on external suppliers.

In response to this scenario, Unicaja Banco continuously improves its monitoring, detection and response processes, seeking to maintain a proactive attitude towards the materialization of possible threats affecting the security of its information and the availability of its ICT services.

The main pillars on which Unicaja Banco's cybersecurity is based are described below:

- Establishment of a security baseline for all of the Bank's equipment, ensuring the application of uniform configuration criteria according to the associated risk level.

- Responsible treatment of information by the Bank's employees. During the year 2022, we have improved the protection mechanisms against information leaks and launched the pilot for the implementation of an IRM (Information Access Management) tool, giving employees the ability to restrict access to documents and emails according to their criticality.

- Monitoring, detection and response to security events. To this end, the Bank has a Security Operations Center (SOC) outsourced to a leading provider and active 24 hours a day, seven days a week, with specific response protocols for different scenarios. In 2022, work has continued on incorporating feeds into monitoring tools and automating and orchestrating responses to security incidents.

- Crisis management and security incident communication. Unicaja Banco has specific procedures to ensure timely and proper communication of the occurrence of security incidents to the relevant internal and external parties involved. During 2022 these processes have been updated and tested through simulations with the teams involved.

- Security by design and by default. In 2022, the secure development processes have been updated, ensuring that all projects and developments executed in Unicaja Banco have associated security requirements adjusted to their nature and risk.

- Execution of technical security tests to identify and mitigate possible vulnerabilities in cybersecurity management processes and tools.

All of these procedures and tools are continuously updated and improved based on lessons learned to respond to the changing threat environment.

Privacy

The protection of its customers' personal data is one of Unicaja Banco's priorities. The Bank has had a Data Protection Delegate (DPD) since 2018 and a team of experts with different profiles who provide support to ensure that the Bank complies with the requirements established in the applicable regulations.

The protection of personal data is integrated into the execution of technological projects and developments, ensuring that privacy principles are complied with by default and from the design stage.

In 2022, and as a consequence of the technological integration of Liberbank, Unicaja Banco has carried out a process of harmonization of processing records and Privacy criteria, guaranteeing a homogeneous treatment of data throughout the Organization.

For further information, please refer to the specific section of this Statement dedicated to the protection of personal data and its management "Protection of Personal Data and Guarantee of Digital Rights".

Fraud management

Unicaja Banco has reinforced its technical and organizational measures to enable early management of cyber fraud and reduce its potential impact on customers:

- Technical measures, improvement of processes for detecting fraudulent behavior patterns, extension of blocking and restrictions to certain operations subject to fraud, reinforcement of the monitoring of certain websites, reinforcement of two-factor authentication measures, review of the onboarding process in accordance with regulatory changes.

- Organizational measures: reinforcement of the teams in charge of managing cyberfraud, and of the teams dedicated to detecting and blocking mule accounts, updating of internal action protocols for fraud communication and management.

Additionally, communication and awareness-raising with customers has been reinforced through official customer communication channels and social networks.

Business continuity and operational resilience

Unicaja Banco works continuously to reinforce business continuity and operational resilience, ensuring that the Bank has adequate measures in place to respond to disruptive events that may affect the availability of the Bank's critical services.

In this context, during the year 2022, specific projects have been implemented to identify in greater detail the Bank's critical technological assets and their interrelation with key processes from a business continuity perspective. The catalog of procedures for dealing with threats has also been expanded so that the Bank has mechanisms for dealing with the most common risk situations (ransomware, DNS attacks, data exfiltration, etc.).

Likewise, the monitoring of the Bank's critical services from a technical and functional perspective has been reinforced, as well as the change control processes on Digital Banking, reducing the volume and impact of incidents.

Supply chain governance (GRI 3.3)

Unicaja Banco has had a supplier management procedure in place since 2019 that involves key areas. There is also an outsourcing governance area in charge of coordinating the tasks associated with the management of ICT service outsourcing.

During the year 2022, an effort has been made to strengthen this process, improving the protocols for supplier identification, risk analysis and identification, and monitoring of critical suppliers.

Likewise, in 2022, the Board of Directors approved the update of the Outsourcing Policy, reflecting the Bank's commitment to risk reduction and regulatory compliance.

Training and awareness Internal

training

Since 2018, one of the internal slogans of the Bank's training campaigns has been "Safety is everyone's business". In this spirit, various training and awareness-raising activities are carried out:

- Publication of the internal policy and regulations on a specific microsite within the Bank's Intranet.
- Periodic training pills for employees via e-mail and the Intranet.
- Specific training through the UnieCampus platform.

- During 2022, a total of 11 internal phishing campaigns have been launched every three months to 100% of employees offering specific training to those who repeatedly fall for them.

Customer awareness

Unicaja Banco carries out constant awareness campaigns for customers through its various digital channels (application, web and mail):

- Awareness campaigns through social networks on smishing, phishing and other practices associated with cyber fraud.

- Publication of articles in Unicaja's UniBlog, including:

  - *Black Friday*, basic recommendations for cybersafe shopping.
  - How to read URLs to avoid fraudulent links.
  - Technological vulnerabilities, what are they and how to act?
  - What is spoofing?
  - Netiquette, the INTERNET protocol.
  - Damn SMS!

Likewise, during 2022, the Unicaja Responde and the Facebook, Twitter, YouTube and Instagram accounts as well as the Contact Center channels have remained open to deal with customer queries in their relationship with the Bank.

Regulatory compliance (GRI 3.3)

Unicaja Banco is firmly committed to complying with the regulations applicable to the sector in the areas of cybersecurity, privacy and technological risk.

For example, since 2007 the Bank has had an AENOR-certified information security management system in place that complies with the UNE 71502 and ISO/IEC 27001 standards which regulate the information security best practices management system for its digital banking services, both through fixed and mobile networks and other aspects of financial self-service. This distinction demonstrates the robustness and reliability of Unicaja Banco's IT systems, ensuring its customers the highest level of security in their operations and transactions. Based on the management system, there is a security policy that expresses the Bank's position regarding the security of information systems with regard to business and compliance with legal aspects, taking into account the context of the organization. High-level general requirements and criteria have been established that are linked to this policy in which technological risks are assessed and security objectives defined and reviewed annually.

At the beginning of 2022, in addition to maintaining its ISO27001 certification, the company obtained ISO27701 certification for its privacy and data protection management system. With this double certification, Unicaja Banco is positioned as the first bank at national level with privacy certification for the full scope of its processing activities.

Additionally, Unicaja Banco has conducted several internal and external audits to verify compliance with key regulations such as PCI-DSS, GDPR or PSD2.

Technology Plan

As mentioned above, Unicaja Banco has defined a 2023-2024 Technology Plan that includes specific initiatives for the continuous improvement of cybersecurity and technological risk management. In 2022, projects related to non-financial and diversity information have been carried out on several fronts.

- Single projects derived from the Integration Plan or the System Plan
- Shock plan

Singular projects

Within this type of project, the following is the most relevant, completed in 2022:

Multichannel signature architecture Implementation of multichannel deferred signature capabilities for the entire product portfolio, including OTP digital signature capabilities. Covered in several lines of work: Digital Banking OTP Signature, NEOS OTP Signature, Digital Banking Deferral, NEOS Deferral and Two-Step Signature.

Shock plan

This Plan corresponds to the milestone "Identification and planning of new technological developments" of the 2023-2024 Technology Plan, and includes those projects with immediate development needs. Its objective is the implementation of those developments with the greatest impact on the business and whose nature allows it to do so in the short term, in addition to meeting the necessary regulatory requirements in the short term.

Various initiatives have been incorporated into the plan, some of them from the Integration Plan, grouped into 13 framework projects, for which implementation windows have been established based on both prioritization and assessment. Some of these initiatives relate to information and non-financial risks, as well as sustainable business.

Proximity banking and financial inclusion (FS13)

In order to mitigate the phenomenon of financial exclusion, the Group continues its efforts to remain in the regions and cities, especially in those where it has traditional roots. To this end, having financial agents guarantees the presence in small municipalities, ensuring that financial services are offered to their inhabitants in an efficient, face-to-face manner. The maintenance of this figure also responds to the Bank's commitment to continue providing service to customers in rural areas and towns with smaller populations, especially to the elderly and those with greater difficulties in getting around.

Unicaja Banco also has several customer service channels, both in person and online. In fact, in addition to traditional branches and agents, financial services are offered through branches staffed by Group personnel on shorter days or at shorter hours (known as *ventanillas desplazadas* – "mobile windows"), ATMs, and online remote banking technology solutions.

Additionally and in line with regulatory and supervisory trends, the Group seeks to take advantage of technological innovation (online, telephone and mobile banking) without losing sight of the challenge, common to the entire financial sector, that the success of the strategy to promote financial inclusion through new technologies requires first overcoming the so-called "digital divide". Among the customers who benefit from this greater automation in the provision of services and, more broadly, from the use of new technologies, are the elderly, but also other groups that also require and demand quality, personalized and value-added services. The Edufinet Project, promoted by the Bank and the Unicaja Foundation, pays particular attention to the digital transformation and its impact on the skills and decision-making of users of financial services.

Adaptation to new technologies is compatible with the availability of a commercial network through both branches and mobile windows and financial agents, which contributes decisively to ensuring financial inclusion in its scope of action and to the implementation of a proximity banking approach to customers. Unicaja Banco is the sole provider of financial services through permanent branches in 37 municipalities with small populations and consequently, very small markets. In 2022, the percentage of the branch network located in municipalities with less than 10,000 inhabitants was 29.42% (43.52% in 2021).

In line with the aforementioned actions, Unicaja Banco and the Malaga Provincial Council signed a general action protocol in 2022 for the development of joint actions to contribute to promoting financial inclusion and education in the province of Malaga.

This protocol includes specific measures, such as the installation of ATMs in municipalities with small populations and with a lower financial offer, especially for the benefit of those citizens less familiar with new technologies, such as the elderly, and other vulnerable groups. This is also in line with the sectorial agreement signed in favor of reducing the digital gap of vulnerable groups and those over 65 years of age, already discussed in the Commitments section.

Personalized care for the elderly and people with disabilities (FS14)

In February 2022, the three banking associations (AEB, CECA, UNACC) promoted the ten commandments for the improvement of personalized attention to the elderly and people with disabilities, which was materialized through the revision of the "Strategic Protocol to strengthen the social and sustainable commitment of banking", dated July 2021.

In the same month of February 2022, the Board of Directors agreed Unicaja Banco's adherence to the revised version of said Protocol, assuming a series of commitments to adopt specific measures to promote financial inclusion, especially in rural environments and groups at risk of exclusion, to ensure personalized, satisfactory attention without unjustified delays for people over 65 years of age and people with disabilities.

The table shows the measures implemented and the situation at year-end 2022:

Measure	Status
The extension of the opening hours of face-to-face service, at least from 9:00 a.m. to 2:00 p.m. for cashier services, which will be provided at the window or at the cashier's desk.	Executed
Preferential treatment of the elderly in the branches.	Executed
Mandatory specific training for sales network personnel on the needs of this group.	Commenced and in progress
Preferential telephone attention at no additional cost or direct, through a personal interlocutor.	Executed
Telephone hours are from 9:00 a.m. to 6:00 p.m. for customers who receive services without a branch.	Executed
Ensure the adaptability, accessibility and simplicity of the channels according to their use.	Executed and under continuous improvement
Repair of out-of-service ATMs within a maximum of 2 business days and information on the nearest alternative ATM.	Executed
Offering customers financial and digital education and fraud prevention activities.	Commenced and in progress
Informing elderly customers about the measures and improvements adopted.	Executed

The measures implemented, as well as certain indicators (total number of customers over 65 years of age, branches with extended service, training hours for employees and customers, adapted ATMs, incidents in ATMs and resolution time, among others) related to the first half of 2022 were sent to CECA in July 2022. The three employers' associations aggregated the data for the banking sector, which were published in September 2022. In the first months of 2023, the indicators for the second half of the year will be provided to CECA for the subsequent dissemination of a new aggregated monitoring report.

On the other hand, in October 2022, a new revision of the sector protocol approved in July 2021 and revised in February 2022 was formalized by the three employers' associations to include new aspects related to financial inclusion in rural areas ("Roadmap to strengthen financial inclusion in rural areas"). This roadmap contemplates, for those municipalities with more than 500 inhabitants without an access point to financial services, the commitment to ensure at least one access point (bank office, ATM, mobile offices, financial agents); and, for those with less than 500 inhabitants, the offer of basic banking services, guaranteeing access to cash through the *cash back* or *cash in shop*formulas, or the use of the Correos Cash service.

Finally, in December 2022, the Bank agreed to join the Correos Cash service, which will enable customers to make withdrawals and deposits at Correos branches, as well as to receive cash withdrawals at home, served by Correos' network of rural letter carriers (more than 6,000). The procedures to put the foregoing into action will be implemented during 2023. This will make it possible to cover the cash needs of customers in all Spanish municipalities.

SHAREHOLDERS AND INVESTORS (GRI 3.3)

Unicaja Banco has a policy of communication and contact with shareholders, institutional investors and proxy advisors, which recognizes the permanent attention to the transparency of information to shareholders and the markets in general as a strategic objective.

Through this policy, it is committed to:

- Protecting legitimate shareholder interests, ensuring that updated information on the Company is available to them, pursuant to applicable regulations.
- Preserving transparency and the equal treatment of all shareholders in the same position.
- Ensuring strict compliance with the provisions of the applicable regulations on insider trading and market abuse.

More information can be found on the corporate website in the “Investors and Shareholders” section.

PERSONNEL (GRI 2.7, GRI 2.8, GRI 3.3)

Employees are Unicaja Banco’s main asset and one of its key stakeholders, as they are the cornerstone of its professional activity and act as a direct link with customers.

Unicaja Banco pursues the consolidation of a motivated, integrated and trained professional team, capable of executing the policies that develop the strategy on which the Bank’s activities are based and guaranteeing compliance with the principles of respect for society and the environment. One of the Bank’s priority objectives is the management of human capital, promoting continuous improvement in the ethical standards that affect employees in the field of equal opportunities, professional and personal development, the promotion and betterment of teamwork capacity with a view to improving the work environment and the degree of employee satisfaction, with one of its aims being the development of their sense of belonging and sharing of the Organization’s values.

By 2022, the parent company’s employees (7,034) accounted for approximately 89.6% of the Group’s total workforce (7,853).

Workforce profile (GRI 401-1, GRI 401-3, GRI 405-1)

At the end of fiscal year 2022, Unicaja Banco (parent company) had a total workforce of 7,034 employees, all of whom were structural employees.

On December 3, 2021, the consultation period for collective dismissal, geographical mobility and substantial modification of working conditions at Unicaja Banco, as provided for in Articles 51, 40 and 41 of the Workers’ Statute, which initiated a restructuring process, ended with the agreement between management and workers’ representatives, mainly as a result of the need to resolve the duplications and overlaps resulting from the aforementioned merger process with Liberbank.

With regard to the profile of the Unicaja Banco Group workforce:

	Stakeholders	Unicaja Banco Group companies	
Employees		2022	2021
Profile of the workforce	Number of employees	7,853	9,264
	Workforce distribution (men/women, % of total)	45.9/54.1	46.8/53.2
	Average employee age (years)	47.3	47.2
	Average length of service (years)	19.6	19.4

The data shown below corresponds to the parent company of the Unicaja Banco Group:

	Stakeholders	Unicaja Banco	
Employees		2022	2021
Workforce profile	Number of employees	7,034	8,281
	Workforce distribution (men/women, % of total)	46.4/53.6	43.7/52.7
	Average employee age (years)	47.9	47.9
Training	Investment in training (millions of euros)	2.08	0.62
	Training hours	711,137.60	477,445
Absenteeism	Days missed (% of theoretical days)	5.28	5.06

Nearly 100% of the workforce has an indefinite contract. The average age of the workforce is 47.9 years and the average length of service is 20.7 years, though 4.8% of employees (men and women) having been with the group for less than 10 years. Women account for 53.6% of the workforce. This percentage continues to increase due to the combination of greater female participation in new appointments and retirement, which in the latter case mainly affects men. The effect of the appointments in recent years is clearly shown by the fact that women account for 54.9% of employees under 35 years of age.

The distribution of the Unicaja Banco Group's total workforce by type of contract is as follows:

TYPE OF CONTRACT	MEN	WOMEN	TOTAL
Indefinite full-time	3,573	4,151	7,724
Indefinite part-time	-	7	7
Temporary full-time	33	88	121
Temporary part-time	-	1	1
TOTAL	3,606	4,247	7,853

The distribution of Unicaja Banco Group's total workforce by gender and age group and its comparison with fiscal year 2021 is shown below:

Workforce distribution by gender and age group

Age (years)	Men		Women		TOTAL	
	2022	2021	2022	2021	2022	2021
Up to 25	12	12	27	30	39	42
From 25 to 30	37	57	100	136	137	193
From 30 to 35	41	55	126	121	167	176
From 35 to 40	170	267	333	512	503	779
From 40 to 45	725	903	1,085	1,273	1,810	2,176
From 45 to 50	1,067	1,110	1,223	1,254	2,290	2,364
From 50 to 55	1,087	1,247	983	1,138	2,070	2,385
From 55 to 60	415	580	356	435	771	1,015
Over 60	52	108	14	26	66	134
Total	3,606	4,339	4,247	4,925	7,853	9,264

The distribution by gender and age of the parent company's workforce and its comparison with fiscal year 2021 is shown below:

Workforce distribution by gender and age group

Age (years)	Men		Women	
	2022	2021	2022	2021
Up to 25	1	2	-	1
From 25 to 30	8	12	10	15
From 30 to 35	19	27	31	38
From 35 to 40	150	238	291	459
From 40 to 45	673	833	1,031	1,192
From 45 to 50	999	1,028	1,156	1,171
From 50 to 55	1,012	1,160	912	1,051
From 55 to 60	364	527	331	417
Over 60	39	90	7	20
Total	3,265	3,917	3,769	4,364

The distribution of the workforce by gender and professional category is shown below:

Distribution of the workforce by gender and professional category

Professional category	Men		Women	
	2022	2021	2022	2021
GROUP 1	3,243	3,897	3,750	4,348
G1 – Level I-V	1,776	2,079	1,090	1,181
G1 – Level VI-IX	1,278	1,522	2,315	2,571
G1- Level X-XIV	189	296	345	596
GROUP 2	15	20	11	13
PROCED.LBK 7 DIGITAL*		-	7	-
OTHER		-	1	3

Parent company subtotal	3,265	3,917	3,769	4,364
Management	43	56	57	32
Technicians	121	111	100	101
Administrative and sales personnel	156	236	289	407
Auxiliary personnel	21	19	32	21
Group company subtotal	341	422	478	561
GROUP TOTAL	3,606	4,339	4,247	4,925

*Application of the Collective Bargaining Agreement for Consulting Firms

The following table shows the average number of contracts at the Unicaja Banco Group, calculated as the number of employees present in the Bank at the end of the month and divided by 12. Since these are averages, sometimes the total sum does not coincide exactly with that reported in the tables.

Average annual number of permanent, temporary and part-time contracts by gender:

Gender	Permanent or indefinite full-time	Permanent or indefinite part-time	Temporary full-time	Temporary part-time	Total
Men	3,526	1	0	0	3,527
Women	3,972	4	0	0	3,977
Total	7,498	4	0	0	7,503

Average annual number of permanent, temporary and part-time contracts by age:

Age	Permanent or indefinite full-time	Permanent or indefinite part-time	Temporary full-time	Temporary part-time	Total
Up to 25	1	0	0	0	1
From 25 to 30	19	0	0	0	19
From 30 to 35	46	0	0	0	46
From 35 to 40	443	0	0	0	443
From 40 to 45	1,727	1	0	0	1,728
From 45 to 50	2,179	0	0	0	2,179
From 50 to 55	2,013	2	0	0	2,016
From 55 to 60	995	1	0	0	996
Over 60	76	0	0	0	76
Total	7,498	4	0	0	7,503

Average annual number of permanent, temporary and part-time contracts by occupational classification:

Professional category	Permanent or indefinite full-time	Permanent or indefinite part-time	Temporary full-time	Temporary part-time	Total
G1 - Level I-V	3,023	2	0	0	3,025
G1 - Level VI-IX	3,775	2	0	0	3,776
G1 - Level X-XIV	663	0	0	0	663
G2 - Level II-III	30	0	0	0	30
OTHERS	8	0	0	0	9
Total	7,498	4	0	0	7,503

The average number of contracts of the Group's investees is set forth below. Taking into account the aforementioned criteria (number of employees present in the investee at the end of the month divided by 12) the average number of contracts of the Group's investees is shown below. Since these are averages, sometimes the total sum does not coincide exactly with that reported in the tables.

Average annual number of permanent, temporary and part-time contracts by gender:

Gender	Permanent or indefinite full-time	Permanent or indefinite part-time	Temporary full-time	Temporary part-time	Total
Men	345	0	36	0	381
Women	425	5	100	1	531
Total	770	5	137	1	912

Average annual number of permanent, temporary and part-time contracts by age:

Age	Permanent or indefinite full-time	Permanent or indefinite part-time	Temporary full-time	Temporary part-time	Total
Up to 25	8	0	29	0	37
From 25 to 30	56	0	80	0	135
From 30 to 35	111	1	18	0	130
From 35 to 40	61	0	6	0	68
From 40 to 45	120	0	1	0	121
From 45 to 50	148	1	1	0	149
From 50 to 55	155	2	1	1	159
From 55 to 60	90	1	1	0	91
Over 60	22	0	0	0	22
Total	770	5	137	1	912

Average annual number of permanent, temporary and part-time contracts by occupational classification:

Professional category	Permanent or indefinite full-time	Permanent or indefinite part-time	Temporary full-time	Temporary part-time	Total
Management	112	0	0	0	112
Technicians	272	3	1	0	276
Administrative and sales personnel	340	2	127	0	469
Auxiliary personnel	46	0	9	1	56
Total	770	5	137	1	912

Using the approach presented in the 2021 fiscal year, in other words we changed from a month-end to a daily headcount, counting the number of days an employee has been present in the investees' workforce and dividing the result by 365, the average figures are as follows: Since these are averages, sometimes the total sum does not coincide exactly with that reported in the tables.

Average annual number of permanent, temporary and part-time contracts by gender:

Gender	Permanent or indefinite full-time	Permanent or indefinite part-time	Temporary full-time	Temporary part-time	Total
Men	301	3	18	0	322
Women	389	18	43	2	453
Total	690	21	61	2	774

Average annual number of permanent, temporary and part-time contracts by age:

Age	Permanent or indefinite full-time	Permanent or indefinite part-time	Temporary full-time	Temporary part-time	Total
Up to 25	10	0	18	0	28
From 25 to 30	82	1	32	0	115
From 30 to 35	95	10	7	1	115
From 35 to 40	56	2	2	0	60
From 40 to 45	103	0	0	0	103
From 45 to 50	125	2	0	0	127
From 50 to 55	132	5	1	1	139
From 55 to 60	71	1	0	0	72
Over 60	16	0	0	0	16
Total	690	21	61	2	774

Average annual number of permanent, temporary and part-time contracts by occupational classification:

Professional category	Permanent or indefinite full-time	Permanent or indefinite part-time	Temporary full-time	Temporary part-time	Total
Management	93	4	0	0	97
Technicians	210	4	0	0	215
Administrative and sales personnel	347	11	57	1	417
Auxiliary personnel	39	2	3	0	45
Total	690	21	61	1	774

The number of terminations of the parent company's employees in fiscal 2022, by gender, age and professional category is as follows:

Number of dismissals by gender and age group

Age (years)	Men		Women	
	2022	2021	2022	2021
From 40 to 45		2		2
From 45 to 50	-	1	1	-
From 50 to 55	1	-	-	2
Total	1	3	1	4

Number of dismissals by gender and professional category

Professional category	Men		Women	
	2022	2021	2022	2021
G1 – Level I-V	1	1	-	1
G1 – Level VI-IX	-	1	-	3
G1 – Level X-XIV	-	1	1	-
Total	1	3	1	4

The number of dismissals of employees of the Group's investee companies, by gender, age and professional category is as follows:

Number of dismissals by gender and age group

Age (years)	Men 2022	Women 2022
From 25 to 30	1	1
From 25 to 30	2	-
From 30 to 35	3	2
From 35 to 40	-	-
From 40 to 45	1	3
From 45 to 50	3	4
From 50 to 55	3	5
From 55 to 60	1	-
Over 60	2	-
Total	16	15

Number of dismissals by gender and professional category

Professional category	Men 2022	Women 2022
Management	3	2
Technicians	2	3
Administrative and sales personnel	6	8
Auxiliary personnel	5	2
Total	16	15

In terms of the dismissals resulting from the agreement dated December 3, 2021, between management and workers' representatives, the consultation period for collective dismissal, geographic mobility and substantial modification of working conditions at Unicaja Banco, as provided for in Articles 40, 41 and 51 of the Workers' Statute, was concluded with the agreement of the management and the workers' representatives, initiating a restructuring process which was mainly the result of the need to resolve the duplication and overlaps resulting from the merger process.

Number of dismissals by gender and age group

Age (years)	Men 2022	Women 2022
From 25 to 30	1	-
From 30 to 35	1	1
From 35 to 40	8	23
From 40 to 45	39	69
From 45 to 50	39	50
From 50 to 55	120	151
From 55 to 60	365	285
Over 60	59	18
Total	632	597

Number of dismissals by gender and professional category

Professional category	Men	Women
	2022	2022
G1 - Level I-V	367	164
G1 - Level VI-IX	243	386
G1 - Level X-XIV	18	43
GROUP 2	4	2
Others	-	2
Total	632	597

36.4% of the Unicaja Banco Group's total workforce operates in the Autonomous Community of Andalusia. As for the parent company data, 38% of the workforce carries out its activity in the Autonomous Community of Andalusia, while 16.4% of the workforce carries out its activity in the Autonomous Community of Castilla y León (36.8% and 18%, respectively, in 2021), corresponding to the geographical distribution of the Group's operational and commercial structure as a result of the integration of Liberbank into Unicaja Banco in July 2021.

With the entry into force of the new Collective Bargaining Agreement for Savings Banks and Financial Institutions for the period 2019-2023, the right to digital disconnection is guaranteed both to employees who work in person and to those who provide services through new forms of work organization (remote work, flexible working hours or others), adapted to the nature and characteristics of each job.

In accordance with internal policies and manuals, the Bank strives to ensure that employee profiles are diverse, not only in terms of gender, but also in terms of training and knowledge, experience, age and geographic origin, among other aspects.

As regards measures aimed at facilitating the enjoyment of reconciliation by both parents and, specifically, in relation to parental leave, considering "parental right" as the paternity and maternity rights enjoyed by Unicaja Banco (the parent company) employees, 200 employees (114 men and 86 women) have been entitled to parental leave during 2022 and have availed themselves thereof. In the Group's investee companies, 30 employees (14 men and 16 women) were entitled to parental leave during 2022, which all of them took.

The total number of employees who returned to work after leave and who were still employed 12 months after returning was 192 (109 men and 83 women) at Unicaja Banco (the parent company).

Based on data from 2022, the return-to-work rate at Unicaja Banco was 96.00% (96.38% 2021).

Remuneration. General retributive policy (GRI 2.21, GRI 3.3, GRI 405-2)

Unicaja Banco's general remuneration policy is established in accordance with the applicable regulatory framework (mainly the Workers' Statute), the conditions established in the collective bargaining agreement and the internal labor agreements adopted with union representatives. On an individual basis, this general remuneration policy also takes as a benchmark the level of responsibility of the position and the professional development of each person, avoiding discrimination of any kind. Consequently, there are no gender-based wage differentials in any respect. The objectives pursued with

The aims of the remuneration practices applied are the retention and attraction of talent and, in general, appropriate payment for individual effort, both from the point of view of the achievement of results and the person's performance.

There are no gender-based salary differences at the same professional level. The basic salary ratio between both sexes and in each professional category is 100%, since salaries correspond to those set by the Collective Bargaining Agreement at each level.

Attached is a table with the average remuneration per level of the Unicaja Banco Group employees, referring to the fiscal year 2022, and the variation with respect to the fiscal year 2021:

Average remuneration by gender and professional category (in euros)

GROUP	Men	Women	TOTAL	Salary gap*	% VAR. AVERAGE REMUNERATION 2021 (1)	% VAR. AVERAGE REMUNERATION 2021 (2)
GROUP 1	45,599	39,488	42,321	13.4%	0.88%	0.88%
G1 - Level I-V	52,319	47,426	50,457	9.35%	0.58%	0.58%
G1 - Level VI-IX	38,309	37,084	37,520	3.20%	-1.01%	-1.01%
G1 - Level X-XIV	31,828	30,536	30,993	4.06%	1.48%	1.48%
GROUP 2	34,099	38,175	35,823	-11.95%	2.16%	2.16%
OTHERS	-	10,771	10,771	-	62.64%	62.64%
PROC. LBK DIGITAL	45,487	50,119	47,803	-10.18%	-	-
Parent company subtotal	45,546	39,496	42,303	13.28%	0.94%	0.94%
Management	70,234	36,257	50,867	48.38%	-8.94%	-22.48%
Technicians	45,481	40,694	43,315	10.53%	24.44%	9.06%
Administrative and sales personnel	30,209	20,293	23,770	32.82%	-10.75%	-11.54%
Auxiliary personnel	17,709	16,723	17,114	5.56%	-4.83%	-4.83%
Group company subtotal	39,905	26,226	31,921	34.28%	4.10%	-2.29%
GROUP TOTAL	45,012	38,002	41,220	15.57%	1.23%	0.71%

*The salary gap was calculated using the following formula: (average remuneration for men – average remuneration for women) / average remuneration for men.

(1) Variation calculated based on the average remuneration for 2021 published in the EINF 2021.
(2) Variation calculated on the revised average remuneration for the year 2021, for the Group Companies.

Considering the average total remuneration received (fixed remuneration, as variable remuneration was not significant in relation to the rest of the remuneration items and was not included in this analysis) in 2022, the average remuneration of women was 7% below while that of men was 8% above the average. These differences are mainly due to the greater seniority (which allows the accumulation of three years of service) of some employees with respect to others, in relation to both sexes, and the different salary structures of the companies that have been integrated into Unicaja Banco over time.

The following table shows the average remuneration by age brackets of the Unicaja Banco Group in 2022.

Average remuneration by gender and age group

AGE	Men	Women	TOTAL	Salary gap*	% VAR. AVERAGE REMUNERATION 2021 (1)	% VAR. AVERAGE REMUNERATION 2021 (2)
Up to 25	17,379	14,245	15,209	18.04%	6.98%	3.69%
From 25 to 30	18,145	16,745	17,123	7.72%	-1.49%	-2.13%
From 30 to 35	30,247	23,694	25,303	21.66%	-3.89%	-3.95%
From 35 to 40	37,836	34,739	35,785	8.19%	3.32%	2.34%

From 40 to 45	40,156	35,595	37,422	11.36%	1.38%	0.93%
From 45 to 50	43,653	38,516	40,910	11.77%	0.88%	0.19%
From 50 to 55	48,796	42,618	45,862	12.66%	0.78%	0.42%
From 55 to 60	52,838	46,799	50,050	11.43%	2.96%	2.44%
Over 60	60,234	36,008	54,935	40.22%	-3.24%	-3.46%
Total	45,012	38,002	41,220	15.57%	1.23%	0.71%

*The salary gap was calculated using the following formula: (average remuneration for men – average remuneration for women) / average remuneration for men.

(1) Variation calculated based on the average remuneration for 2021 published in the EINF 2021.
(2) Variation calculated on the revised average remuneration for the year 2021, for the Group Companies.

With regard to age distribution, the greatest difference between the average remuneration of men and women was concentrated in the 60+ age bracket, with men representing 78% of the total number of employees in this age bracket.

Within the group of jobs, there were different situations, meaning that the data may not be strictly comparable and the differences in remuneration may be due to various duly justified factors, as mentioned above. The Group's vocation is to progressively increase the proportion of women in positions of responsibility.

The following table shows the average remuneration per position:

Average remuneration by gender and position (in euros)						
POSITIONS	Men	Women	TOTAL	Salary gap*	% VAR. AVERAGE REMUNERATION 2021 (1)	% VAR. AVERAGE REMUNERATION 2021 (2)
General Manager	243,931	-	243,931	-	-4.28%	-4.28%
Department Manager	117,317	93,174	111,523	20.58%	-2.01%	-2.01%
Area manager	74,925	68,816	72,765	8.15%	2.70%	2.70%
Department heads	55,205	49,171	52,664	10.93%	2.69%	2.69%
Office manager	47,938	45,582	47,069	4.91%	2.73%	2.73%
Office financial controller	40,615	39,887	40,168	1.79%	1.67%	1.67%
Head of. Investments Office	40,186	38,407	39,138	4.43%	-0.88%	-0.88%
Managers	42,210	39,520	40,710	6.37%	0.11%	0.11%
Administrative support	40,370	36,745	38,277	8.98%	-0.57%	-0.57%
Parent company subtotal	45,546	39,496	42,303	13.28%	0.94%	0.94%
Management	70,234	36,257	50,867	48.38%	**-8.65%**	**-22.54%**
Non-management	35,529	24,868	29,287	30.01%	**3.51%**	**-0.88%**
Group company subtotal	39,905	26,226	31,921	34.28%	4.10%	-2.29%
GROUP TOTAL	45,012	38,002	41,220	15.57%	1.23%	0.71%

*The salary gap was calculated using the following formula: (average remuneration for men – average remuneration for women) / average remuneration for men.

(1) Variation calculated based on the average remuneration for 2021 published in the EINF 2021.
(2) Variation calculated on the revised average remuneration for the year 2021, for the Group Companies.

In relation to the so-called "Identified Group", which is comprised of Directors, senior executives, employees who assume risks, those who exercise control functions, and any employee who receives an overall remuneration that includes them in the same remuneration scale as senior executives and risk-taking employees whose professional activities have a significant impact on Unicaja Banco's risk profile at group, parent company and subsidiary levels, the Remuneration Policy Associated with Risk Management is applicable. The main aspects of this Policy are available on Unicaja Banco's corporate website.

For fiscal year 2022, all employees of the parent company were subject to the application of incentive schemes. With respect to the payment of variable compensation, 51% of the workforce has benefited from it, representing, on average, 6.09% of their fixed compensation (43% of the workforce in 2021, representing 4.6% of their fixed compensation).

Remuneration of Board Members (GRI 405-2)

As regards the remuneration of Directors, the general framework for setting their remuneration is set forth in the Remuneration Policy for the Directors of Unicaja Banco, S.A. (2021-2023). The details of their remuneration are published in the "Annual Report on Directors' Remuneration", which is published each year on Unicaja Banco's corporate website.

The average remuneration of board members for all concepts has been as follows:

Average remuneration of company directors by gender (in euros)

Category	Men			Women		
	2022	2021		2022	2021	
Executive directors	828,680	820,110		-	-	
Non-executive directors	76,500	70,180		72,840	87,060	
Total	9	10		6	5	

Note 1. The average reported remuneration includes all compensation items, expressed in annual terms. The total remuneration for directors received in 2022, even if they do not remain in office at December 31, has been taken into account.

Note 2. The average compensation of Non-Executive Directors (H) was calculated based on the number of directors with compensation.

Post-employment commitments (GRI 201-3, GRI 404-2)

The Group maintains a welfare system for all employees complementary to the public pension system of the Social Security.

After the merger with Liberbank, Unicaja Banco, as promoter of several pension plans, derived from the pension commitments assumed with its employees, has initiated, in accordance with Article 5 of the Pension Plans and Funds Law and Article 24 of its Regulations, the negotiated integration of its Pension Plans into a single Pension Plan.

Unicaja Banco is currently the promoter of all of the following pension plans: Unicaja Banco and Fundación Bancaria Unicaja, Caja España, Caja de Ahorros de Salamanca y Soria, Caja de Ahorros de Asturias (CAJASTUR), Caja de Extremadura (CEX), Caja Cantabria (CC), Banco Castilla la Mancha (CCM).

The process of unifying the Pension Plans by integrating the different pension plans into the Joint Promotion Plan of Unicaja and the Foundation is being instrumented by incorporating the necessary groups to guarantee the rights, obligations and rules on contingencies, contributions and benefits of the participants, suspended participants and beneficiaries of the current pension plans.

The accounting information on the post-employment commitments of these plans is detailed in the annual accounts, which are published on Unicaja Banco's corporate website each year.

Employment of people with disabilities (GRI 405-1)

At December 31, 2022, Unicaja Banco complied with the provisions of Royal Legislative Decree 1/2013, of November 29, approving the Revised Text of the General Law on the Rights of Persons with Disabilities and their Social Inclusion, which establishes a reserve quota equivalent to 2% of the workforce in companies with more than 50 employees and the obligation to promote the social and labor integration of persons with disabilities, in addition to reinforcing the concepts of equal opportunities, non-discrimination and universal accessibility. Unicaja Banco also collaborates with associations of public interest whose social purpose is professional training, labor insertion and job creation in favor of people with disabilities.

The number of employees with disabilities in the parent company amounted to 117 in 2022 (148 in 2021), while in the subsidiaries it was equal to 17. The total number of people with disabilities employed by the Group in 2021 was 133.

Additionally, Unicaja Banco offers training grants for the children of disabled employees. In 2022, they received 3,400 euros and, in application of the Equality Plan, which covers disability equal to or greater than 65%, the amount received was 4,400 euros. This benefit is paid for each child up to the year in which the person reaches the age of 25.

Occupational health and safety (GRI 403-1, GRI 403-2, GRI 403-5, GRI 403-9)

In the year 2022, all of the preventive activities that had been carried out by the Joint Prevention Service of the former Liberbank were integrated into Unicaja Banco's own Prevention Service, implementing this Management System model throughout the entity resulting from the merger process by integration with the implementation of single protocols and procedures.

This Prevention Management System is updated periodically and permanently, adapting it to regulatory developments and applying technological progress to the new business reality. Liberbank's prevention contents have also been integrated into the prevention management software applications.

The Management System certification was renewed by AENOR in 2022 pursuant to the ISO 45001:2018 standard. An internal audit of the Bank's Management System was undertaken, which concluded with a satisfactory report with no "Breaches" or "Observations", in both audits, demonstrating that the requirements of the standard had been met and effectively implemented.

On the other hand, the Bank has an Annual Prevention Plan and a Service Activities Report which are presented to the Intercenter Occupational Health and Safety Committee, to the rest of the existing health and safety committees and to the Public Administration control bodies. There is also a Procedures Manual, which is of essential value in the consolidation of the preventive system. This fulfills a legal requirement for the consolidation of the system, providing a mechanism that facilitates learning for those involved in preventive action and, no less important, the monitoring and evaluation process, which is a determining factor in any improvement action.

The protocol of actions to be followed in case of violence and external aggressions and for the prevention of moral and/or psychological harassment, the specific procedure for preventive and corrective actions in situations of robbery and of actions in case of aggression and work-derived external threats are noteworthy for promoting the effectiveness of the rights of integrity and dignity of employees. The Bank has carried out an informative campaign regarding these rights to the entire workforce during the year 2022.

Medical check-up and flu vaccination campaigns were carried out throughout 2022. A total of 2,431 medical examinations were performed. A total of 1,884 flu vaccines were administered.

A total of 244 work center evaluations have been carried out, involving a total of 1,608 positions. As a result of these evaluations, 1,698 corrective actions have been managed.

In the area of occupational risk prevention training, 1,263 actions have been carried out. In relation to emergency plans, 58 actions have been carried out in singular buildings.

The occupational accident rate at Unicaja Banco (parent company) is very low, typical of administrative activities, with the preventive practices implemented having a significant influence. This is shown by the fact that the days lost due to occupational accidents account for 0.05% of the total theoretical days, with the incidence rate in 2022 standing at 3.66% and the frequency rate at 2.54. As for the distribution of occupational accidents by gender, 7 corresponded to men (25.93%) and 20 to women (74.07%). In terms of severity, 26 accidents were considered minor and 1 accident was considered serious. The average duration rate of occupational accidents is 32.16 days, and the severity rate of these was 0.08% (these figures were identical in 2021). Absenteeism caused by common illnesses and non-occupational accidents due to the extraordinary pandemic situation presented a rate of 5.28% of the theoretical working days in 2022, equivalent to 96,339.47 working days (674,376.29 working hours).

	ACCIDENTS AT WORK					
	2022	2021	2022	2021	2022	2021
	Days missed (%)		Incidence rate (‰)		Frequency rate (%)	
Industrial accident	0.05	0.05	3.66	1.91	2.54	1.59

	ACCIDENTS AT WORK					
	Industrial accident					
	Gender (%)		Severity (%)		Average duration index (days)	Severity index (‰)
	Men	Women	Seriou	Minor		
2022	25.93	74.07	3.70	96.30	32.16	0.08
2021	18.75	81.25	-	100	50.75	0.08

	ABSENTEEISM		
	Common illness and non-occupational accidents		
	Rate	Days missed	Absence hours
2022	5.28	96,339.47	674,376.29
2021	5.06	84,383.02	590,681.14

With regard to the Group's investees, 3 were men (37.5%) and 5 were women (62.5%):

	ACCIDENTS AT WORK					
	2022	2021	2022	2021	2022	2021
	Days missed (%)		Incidence rate (‰)		Frequency rate (%)	
Industrial accident	0.014	2.32	4.88	2.03	2.81	1.17

	ACCIDENTS AT WORK					
	Industrial accident					
	Gender (%)		Severity (%)		Average duration index (days)	Severity index (‰)
	Men	Women	Seriou	Minor		
2022	37.5	62.5	-	100	58	0.14
2021	25	75	-	100	16	0.01

	ABSENTEEISM		
	Common illness and non-occupational accidents		
	Rate	Days missed	Absence hours
2022	0.03	5,635	44,557
2021	2.32	5,809	39,641

Social benefits (GRI 401-2)

Unicaja Banco's employees enjoy a series of social benefits that exceed those legally established that include unpaid leave, leave of absence for childcare, voluntary leave of absence, forced leave of absence, common fund for currency losses, payment cards with special conditions, mortgage and personal loans at reduced rates, salary and social loans and advances, complementary group life insurance, assistance for nuptials, births, studies for employees and children and day care.

Part-time employees enjoy the same social benefits that apply to full-time employees. With respect to workers with temporary contracts, the main difference lies in financing, since they are not eligible for home purchase loans, free mortgages, loans for miscellaneous items and free personal loans, pursuant to the provisions of the Collective Agreement of Savings Banks and Financial Institutions. With regard to Mastercard and Visa cards, the maximum amount that can be requested is 2,500 euros.

In 2022, 1,193 agreement loans (social advances, social loans and housing agreement fixed in the collective bargaining agreement) totaling 42.21 million euros were granted. Additionally, 507 free loans to employees were approved, amounting to 22.52 million euros.

Meanwhile, contributions to Unicaja Banco's employee pension plans amounted to 18.7 million euros (17.9 million euros in 2021).

Employees with indefinite-term contracts are incorporated into the Employees' Pension Plan immediately upon their transition to such status. Workers with temporary contracts may access the Employees' Pension Plan after accumulating working more than 12 months under the same type of contract.

Labor/social relations (GRI 2.30, GRI 3.3, GRI 403-4, GRI 407-1)

Unicaja Banco respects the role and responsibilities of trade union representatives, especially with regard to collective bargaining. The participation of employee representatives in the decisions adopted by the Group in labor matters is one of the guidelines set by its Human Resources policy. In 2022, the entire workforce of Unicaja Banco (parent companies) was subject to the Collective Bargaining Agreement for Savings Banks and Financial Institutions and the Collective Bargaining Agreement for Consulting Firms, which, together with the agreements adopted within Unicaja Banco, generally determines working hours and other employment conditions.

On July 31, 2021, the merger process culminated, by virtue of which all Liberbank employees became employees of Unicaja Banco as of said date.

On the occasion of the agreement, dated December 3, 2021, between the Bank and the Union Sections of CCOO, UGT, CIC-Suma-T, CSIF and SIBANK, regarding the procedures legally established in Arts. 51, 40 and 41 of the Workers' Statute, derived fundamentally from the need to resolve the duplications and overlaps resulting from the merger of the two entities both in central services and in the commercial network, in addition to the application of a branch rationalization plan and their sizing to adapt them to the current needs of Unicaja Banco, 1,229 contracts have been terminated in 2022, through voluntary secondment.

Unicaja Banco's Intercenter Health and Safety Committee was set up on March 31, 2003, as a body for consultation and participation in matters of Occupational Risk Prevention and Risk Prevention Management, with the following documents drawn up within its scope of action:

- Protocol for the prevention of violence and external aggressions derived from work.
- Protocol for the prevention of moral and/or psychological harassment at work.
- Protocol for the prevention of sexual and/or gender-based harassment in the workplace.
- Procedure in situations of robbery.
- Labor integration protocol for people with disabilities.
- Improvements in pregnancy and lactation situations.
- Biannual medical check-up campaign.
- 2022 Annual Prevention Plan.

Training and career plans (GRI 205-2, GRI 404-1, GRI 404-2, GRI 404-3)

Training represents a commitment to Unicaja Banco's human team, designed as an investment aimed at providing answers to the needs shown by customers and covering the individual expectations of all those working in the Bank, in order to facilitate development and permanent personal and professional growth, and the use of knowledge and the individual and collective potential of the staff.

Unicaja Banco once again made a great effort in training, taking the form of a new Annual Training Plan. During 2022, a total of 2,082,491 euros was invested in training (620,635.32 euros in 2021), with 711,137.60 hours of training being provided to the entire workforce (around 477,445 hours of training in 2021). The training project with the greatest impact in fiscal year 2022 was training for operational integration, as a result of the integration of Liberbank into Unicaja Banco. This training amounted to a total of 345,180 training hours (48.5% of the total hours given during the year). The average per employee was 92.85 hours in 2022 in the case of the parent company (59.62 hours in 2021) with the following distribution by professional category:

Category	Hours	
	2022	2021
G1 - Level I-V	312,362.45	174,078
G1 - Level VI-IX	363,938.35	232,810
G1 - Level X-XIV	32,806.3	69,227
G2 - Level II-III	1,895.5	1,330
Source Liberbank Digital	135	-
Parent company subtotal	711,137.60	477,445
Management	2,391.90	3,430
Technicians	5,137.65	2,709
Administrative and sales personnel	10,435.20	24,823
Auxiliary personnel	10	40
Group company subtotal	17,974.75	31,002
Group total	729,112.35	508,447

The main training was organized around the 2022 Annual Training Plan, which seeks to expand knowledge, improve technical skills and meet the training needs of employees. The Plan is grouped into ten categories:

1. New personnel training and/or retraining.

2. Internal demand (training itineraries by position): professional development program through a range of activities and courses available to all employees.

Within this section, the ESG and sustainability training program stands out: in 2022, specific training for obtaining ESG and sustainability certification was carried out for 4 employees.

3. Career Plans

This category includes all of the specialized courses given to the group of employees who are part of one of the career plans in force in the Bank. Additionally, 2 specific plans are highlighted:

- Training program in Internal Auditing of Credit Institutions: specific training has been carried out for this group. Among the contents of this program it is important to highlight the following: “New developments in PBCFT”, “New developments in standards of conduct”, “New developments in criminal risk”, “Sustainability in non-financial information”. This program has been delivered to a total of 62 employees.

- Specialized training program in Customer Service, given to 10 people from the Customer Service department.

4. Specific corporate needs for the year.

In 2022, Unicaja Banco continued to develop Uniecampus, a virtual space for knowledge management, capable of bringing together, systematizing, interrelating, promoting, attracting, integrating and disseminating the main training sources connected with the Bank's activity. At Uniecampus there are schools with different subject areas.

Mention should also be made of the "Comprehensive Management System School", from which students can access the system's main operating document, structured pursuant to International Standards UNE-EN ISO 14001:2015, 14064-1:2015 and 50001:2018, as well as other documents of interest, such as environment-related circulars and communiqués.

It is important to mention the creation of the Social Commitment to the Elderly School, which aims to ensure the financial and technological inclusion of the elderly and the disabled, thus reinforcing the social and sustainable commitment to these groups.

We also highlight the School on Sustainable Finance, which aims to progressively promote the integration of environmental, social and governance (ESG) criteria in the corporate culture, facilitating knowledge in this area. The different sections of the School contain training content, documentation of interest, a glossary of terms related to corporate social responsibility, as well as links to leading sustainability websites.

Also noteworthy are the "Schools for the Prevention of Money Laundering and Financing of Terrorism, PML-FT", "Prevention of Occupational Risks", "Criminal Risk", "Protection of Personal Data".

5. Training aimed at certifications.

This category includes:

- Training in Financial Advice (Markets in Financial Instruments Directive MiFID II): In order to comply with the guidelines set by the CNMV in Technical Guide 4/2017 for the evaluation of the knowledge and competencies of personnel who inform and advise, continuous training aimed at those employees who have already obtained their certification in Financial Advice is framed.

- Training in the Real Estate Credit Act – Law 5/2019, developed by Ministerial Order ECE/482/2019, seeks to provide more security to all those involved in the mortgage process, establishing the duty of training and qualification of persons involved in the granting of real estate loans. A training program aimed at the groups involved in the application of the law was carried out in order to obtain the certificate that allows the marketing of real estate credit products, such as providing maintenance training for those employees who had already obtained the certificate in previous years.

- Maintenance in the new Insurance Mediation Law: the Insurance Maintenance Training program arises to comply with the current applicable regulations in force: Royal Decree 287/2021 of April 20 on training and submission of statistical-accounting information of insurance and reinsurance distributors and the Resolution of June 3, 2021 of the Directorate General of Insurance and Pension Funds, which establishes the basic principles of the courses and training programs that enable the Business Network to be trained in the knowledge and continuous updating in this area.

6. Normative and regulatory needs – training aimed at reinforcing regulations. Special mention should also be made of the following in 2022:

- The Occupational Risk Prevention training program is recurrently included in the annual training plan. In addition to providing this program to the corresponding groups, training content on this subject has been provided on the Bank's training portal, meaning that any employee can access them on a voluntary basis and resolve any concerns related to this subject.

- Data protection training – reinforcement and updating of knowledge on data protection regulations, as well as on the most recurrent incidents and behaviors to be prevented.

- Training in reporting suspicious transactions: to raise awareness of practices that distort the free formation of prices in the securities markets, as well as the clues that can help us to discover the existence of suspicious transactions.

- The aim of training in the prevention of money laundering and terrorist financing is to obtain and reinforce the necessary knowledge in the prevention of money laundering and terrorist financing, as well as to learn about the main novelties in this area.

- Training for Equality: a training action has been carried out in this area for the following groups to reinforce the knowledge of the members of the "Equality" table.

- Criminal risk prevention training: an initiative was launched in 2022 to reinforce the appropriate knowledge of the circumstances in which legal entities may incur criminal liability and the cases in which they may be exempted from liability or where liability may be mitigated.

- Additionally, the continuous training program for the maintenance of MiFID II and LCCI certifications, included in point 5 "Training aimed at certifications" of the Training Plan, includes modules that develop the following subjects:

    - Compliance and Conduct (Conduct Channel)
    - New developments in market abuse
    - New developments in the prevention of money laundering and terrorist financing
    - New developments in standards of conduct
    - Management of operational-technological fraud in banking
    - Behavior for the care of the elderly or disabled people
    - Sustainability (ESG)

Such training in the parent company in 2022 can be summarized as follows:

Training action	Attendees	Hours
Prevention of occupational hazards	1,302	3,559.50
Data protection training	7	28
Reporting suspicious transactions	46	29.50
New developments in the prevention of money laundering and terrorist financing	5,209	15,657

Equality training	25	115
Prevention of criminal risks	1,400	11,127
Compliance and Conduct (Conduct Channel)	5,697	5,697
New developments in market abuse	5,209	5,209
New developments in standards of conduct	5,209	26,045
Management of operational-technological fraud in banking	5,209	5,209
Behavior for the care of the elderly or disabled people	5,209	5,209
Sustainability (ESG)	5,209	5,209

In the Group's investees, the number of hours of anti-money laundering training in 2022 was 225 (748 in 2021).

Within this same section, in fiscal year 2021, the following training actions were carried out:

Training action	Attendees	Hours
Prevention of occupational hazards	3,549	15,736
Data protection training	1,365	2,954
Developments in matters of fraud and the prevention of money laundering and terrorist financing	4,407	17,628
Prevention of criminal risks	222	842

7. Board of Directors and key personnel, aimed at continuously updating the knowledge of these groups. In fiscal year 2022, the new Specific Training Program for members of the Board of Directors of Unicaja Banco has been launched

8. Continuity and maintenance programs.

9. Training for the strategic and transformation plan, including training actions derived from the Bank's projects.

10. Self-training. Its catalog of contents includes a language platform, actions for the development of key skills and competencies, training in risk, finance and office automation. A total of 2,445.50 hours of training were given during the year.

Unicaja Banco promotes performance recognition through the implementation of different systems and career development plans for the branch network and business support units, including skills and professional competency management programs, which are independent from those provided for in the collective bargaining agreement and are aimed at facilitating professional advancement. It also runs Management and Commercial Talent Banks, which systematically identify professionals with the greatest potential for development, regardless of their current position.

In the year 2022, periodic performance and professional development evaluations were not carried out due to the technological integration of the Bank.

Unicaja Banco has partnership agreements with several universities located in the provinces. In 2022, 19 students pursuing finance-related university studies had the opportunity to work as interns in the Bank, complementing their theoretical training.

Universal accessibility for people with disabilities (GRI 403-3)

The Unicaja Banco Group considers disability as a cross-cutting issue throughout the Organization. The protection of workers in special biological or socio-labor situations is specifically guaranteed, including those with recognized physical, mental or sensory disabilities, as well as workers in a situation of maternity or recent childbirth, or who are breastfeeding. When there is evidence of special sensitivity, a specific evaluation of the job will be carried out, in coordination with the Basic Health Unit, to analyze the working conditions and determine the preventive actions necessary to adapt the job, taking into consideration the demands and requirements of the job and the functional capacity of the worker. Additionally, progress has continued to be made in the accessibility of the Bank's branch network.

The commercial and corporate web pages have been designed and reviewed according to the guidelines defined in the Web Content Accessibility Guidelines 1.0 document produced by the WAI working group belonging to the W3C. The objective of these guidelines is to facilitate access to the information offered on the Internet to all.

The Group's sites have been validated through the TAW online tool and reviewed with different devices, achieving an AA level of accessibility. Notification of any accessibility or usability problems, as well as any suggestions, can be made directly through the website.

Additionally, progress has continued to be made in the accessibility of the Bank's branch network.

Equality

As part of its firm commitment to advancing the establishment of CSR policies in the area of human resources, Unicaja Banco has had an Equality Plan in place since 2009 which aims to incorporate equal treatment and opportunities between women and men into the Bank's traditional values.

Through this plan, the Bank aims to achieve effective equality of treatment and opportunities that will allow women to occupy the role that corresponds to them in the business and institutional sphere, thus favoring the generation of wealth and value in the society in which they operate.

As a result of a diagnostic study, the aims of the Equality Plan were defined and the necessary measures were designed to guarantee, in a transversal manner, effective and full equality of treatment and opportunities between women and men in order to eliminate all forms of direct or indirect gender-based discrimination.

Among the assumed aims, the following are worthy of special mention – promoting the access, development and promotion of women to positions in which they are still underrepresented, training and raising equality awareness among employees, with a special emphasis on managers with extensive decision-making power and autonomy in the management of the people in their charge, incorporating the equality variable directly and proactively into people management processes, promoting a balanced assumption of family responsibilities through measures for the organization of time within the scope of CSR and the reconciliation of personal and family life.

To this end, awareness-raising, training and information campaigns on equal opportunities are carried out. There is a specific equality area on the corporate intranet to inform the staff of the Equality Plan and the measures aimed at promoting personal, family and work reconciliation within the Group. A Code of Best Practice is applied the use of language.

In 2022, a new Equality Negotiating Committee was formed following the agreements reached in the Labor Relations Committee regarding union representation. A new set of Operating Regulations for the Commission has also been negotiated and approved. The project for the preparation of the Diagnostic Study and the Equality Plan has been presented to the Negotiating Committee, as well as the methodology and calendar of actions to be carried out. Due to the difficulty of extrapolating definitive data to prepare the Diagnostic Study during the 2022 fiscal year, due to the gradual departure of the workforce under the ERE, it was agreed within the Committee to postpone the start of the study to 2023 once the workforce data had been closed, and it was agreed to begin negotiations for updating the Protocol for the prevention of sexual and/or gender-based harassment.

Management of the situation arising from COVID-19

Through the Management Area, the Workforce Management Section and in line with employee health prevention requirements, the MECUIDA Plan and Group communications, Human Resources has undertaken the management, authorization and monitoring of the work-life balance measures adopted in the COVID-19 environment, including 100% working day reductions, unpaid leave, requests for paid leave, telework, etc.

In preventive matters, management leadership and commitment is demonstrated by establishing as a main priority the protection of the health of all employees and customers. The preventive activity assumed management of the pandemic and its follow-up measures have been maintained during 2022 in accordance with the new situation of moving towards a new normality.

In order to maintain a high level of health and safety protection for employees, the Action Plan has consisted mainly of several types of measures: preventive, informative-training, organizational and hygiene measures:

- The corporate intranet web site has been maintained and permanently updated with all Coronavirus-related information, including protocols, documents of interest and measures established by the Group.
- We have updated the protocols for cleaning, management of positives, action against coronavirus in offices and Central Services and Territorial Directorates, for cafeterias, etc.

Protective equipment such as gloves, masks, capacity limits in work centers have been maintained on demand and the capacity measures have been adapted to the new reality in toilets, cafeterias and meeting rooms, use of stairways, etc., as well as signage in work centers.

COMMITMENT TO THE REGIONS

Support to companies and entrepreneurs

The Unicaja Banco Group is firmly committed to companies and entrepreneurs. A la
In addition loan provisions, there is also the channeling of aid granted by public administrations. Within this framework are the agreements signed with the Official Credit Institute (ICO), GARÁNTIA, IBERAVAL and SAECA, among others.

In the exercise of its commitment to the business community, the Group has collaborated financially in the development of various initiatives channeled through business organizations.

Overall, the Group provided financing to SMEs and the self-employed with an outstanding balance of nearly 6.9 billion euros in 2022 (7.6 billion euros in 2021).

Corporate participations (GRI 3.3, GRI 203-1)

Un addition to its strictly commercial work, providing a wide range of services and meeting the financing needs of the business sector, Unicaja Banco is directly involved in entrepreneurial activity through the creation and promotion of business initiatives and the acquisition and maintenance of equity stakes therein.

Since the merger with Liberbank, Investee Management has been divided into the Liberbank Origin Investee Management and the Unicaja Banco Origin Investee Management, which coordinate the management and policies applicable to the Unicaja Banco Group's portfolio of holdings. They oversee compliance with the general risk control objectives and seek diversified profitability as an alternative to the core business. Likewise, the Bank coordinates the presence of representatives of the Bank in the management bodies of the investee companies, ensuring their interests, the continuity of their business project and the creation of wealth in the territory in which they operate. Participation in the management bodies is a preferred means of communication, not only with the companies' management (and sometimes their labor representatives), but also with our business partners. The relationship with this stakeholder group requires an adaptation in the approach to participation management and special attention to their needs when dealing with partners of a public nature (municipal corporations, regional or state government agencies) or non-profit foundations or corporations (as we find in some of the projects in which we participate, both in Spain and abroad).

Two specific manuals and a corporate policy are available for the proper control of investee companies:

- The "Policy for the selection of directors for Investee Companies of the Unicaja Banco Group" manual, which sets out the selection procedure for the appointment of directors of Unicaja Banco Group companies or by other companies in its economic group.
- The "Participation Risk Control Manual", which establishes effective and efficient independent internal control procedures for the management of investee companies.

- Procedures Manual in the area of investee companies, which includes the main procedures developed in the area of investee companies, particularly investment and divestment procedures which, in turn, include specific due diligence measures for the prevention of money laundering and the prevention of criminal risk.

As a reference institution, Unicaja Banco has tried to reconcile the objectives described above with regional economic development, supporting business initiatives in order to promote job creation, thanks to its strategic position in the territories in which it operates. The Unicaja Banco Group's portfolio includes significant investments in the agri-food, infrastructure, public services, energy and technology parks sectors, among others.

Its commitment to territorial development can be clearly seen in its participation in infrastructure projects (car parks, water, cleaning, local promotion, consulting etc.)

It is also committed to the development of the financial services industry, expanding its capacity to offer economic agents through the Group's subsidiaries and participations. As part of its policy of supporting the business fabric, the Group has holdings in companies aimed at the creation and consolidation of innovative companies and projects, in technology parks and in the development of real estate projects.

The actions described above are complemented by involvement in projects that contribute to sustainable development, such as those related to the generation of renewable energies and a research and development initiative that seeks medical treatments related to genetic and oncological diseases. It also contributes to the development of the financial system of a developing nation such as El Salvador through participation in a microcredit business project linked to entrepreneurship, which contributes to the economic development of the country, focusing on the most disadvantaged groups and with a significant impact on gender. This year, Unicaja Banco has expanded its cooperation with this Bank in areas such as governance and risk control through the training of its personnel. Also noteworthy is the participation in a special employment center, a business project aimed at providing services and carrying out activities to create jobs for people with disabilities, enabling their labor and social integration from its centers in León (Spain), Mexico and Denmark, where some 900 workers are employed, most of them with some type of disability.

COMMITMENT TO SOCIETY

Responsible banking. Housing and social exclusion

The Unicaja Banco Group has developed, in addition to the temporary support measures due to COVID-19, lines of financing and support for families, including those related to social housing. The Group has been developing a set of measures - renegotiation of financial conditions, restructuring and refinancing of debts, acceptance in lieu and social renting – aimed at facilitating customers in a situation of economic difficulty to meet the obligations arising from their loans, from which slightly more than 1,700 families have benefited in 2022 (slightly more than the 2,800 families in 2021).

Unicaja Banco adheres to the following codes:

- To the Code of Best Practices regulated in Royal Decree-Law 6/2012, of March 9, on urgent measures for the protection of mortgage debtors without resources and also to the successive versions that have been given to it since its initial publication, the latest of which is included in Royal Decree-Law 19/2022, of November 22.

  This Code of Best Practices establishes a set of actions for the restructuring of debts secured by mortgages on primary residences, aimed at protecting the mortgagor.

- To the Code of Best Practices for mortgage debtors at risk of vulnerability, established in Royal Decree-Law 19/2022, of November 22, which establishes this Code of Best Practices to alleviate the rise in interest rates on mortgage loans on primary residence, amends Royal Decree-Law 6/2012, of March 9, and adopts other structural measures for the improvement of the mortgage loan market.

  The Bank thus joins the measures proposed to alleviate the financial burden of families with variable interest rate mortgage loans on their primary residence. In this sense, Unicaja Banco offers, as on other occasions, appropriate solutions for mortgage financing to support its customers in financial difficulty and thus contribute to lessen the effect derived from the current adverse economic situation marked by the rise in interest rates and the escalation of inflation.

Additionally, the Group has continued to adhere to the Social Housing Fund Agreement, aimed at renting for families in a situation of special vulnerability. In December 2022, Unicaja Banco accepted the extension of the term of the “Agreement for the creation of a Social Housing Fund” for an additional year until January 2024. This initiative is in addition to the efforts that, especially since the beginning of the previous crisis, have been deployed in favor of the most disadvantaged groups affected thereby, such as refinancing, grace periods, voluntary acceptance in lieu or the acquisition of housing for subsequent social renting to the debtor.

The contributions by Unicaja Banco to the Social Housing Funds comprises 471 housing units. These units can be rented for between 150 and 400 euros per month, depending on the income of the tenants, by families who have lost their homes due to non-payment of their mortgage loan and are in a situation of special vulnerability. At the close of 2022, nearly 69% of the Social Housing Fund’s housing units have been admitted for rent (close to 75% in 2021).

Promoting financial education

The Group, principally through Unicaja Banco but also with volunteers, specialists in their respective professional fields (private banking, insurance, investments, sustainability, etc.), in collaboration with the Unicaja Foundation and other public and private entities, has been developing financial education programs since 2005, with the aim of increasing the economic and financial skills and knowledge of the population, and promoting financial culture, through courses and seminars, publications and several Internet portals [among others, Edufinet(www.edufinet.com), with economic and financial content aimed at the general public; Edufiemp (https://edufiemp.edufinet.com), with specific content for businesspeople and entrepreneurs; Edufinext(www.edufinet.com/edufinext), with content aimed at a young audience].

The Edufinet Project has signed collaboration agreements with several universities, including the International University of Andalusia, the University of Málaga, the University of Jaen, the Pablo de Olavide University of Seville, the University of Almeria, the University of Cordoba, the National University of Distance Education (UNED), the University of Salamanca, the University of León, the University of Huelva, the University of the Algarve (Portugal), the University of Granada, the University of Burgos, the University of Cádiz, the University of Valladolid, the Universidad Pontificia de Salamanca and the University of Sevilla.

The Edufinet Project has also signed partnership agreements with various entities and institutions, including the Málaga Confederation of Businesspeople, the Málaga Association of Economists, the Andalusia Confederation of Businesspeople, the Business Confederation of the Province of Almeria (Asempal), Promálaga, the Andalusia Technological Park, the Almeria Association of Economists, the Municipal Institute for Training and Employment (IMFE) and the European Center for Innovation and Entrepreneurship (ECIE).

Since its launch, Edufinet Project websites have received more than 10.9 million visits, with accesses from some 180 countries and more than 19.1 million page views. Meanwhile, more than 200,000 people have participated in courses and seminars since their inception. Finally, in the area of publications, the Edufinet Project has published 21 works with a print run of more than 40,000 copies.

New developments in the 2022 fiscal year include the 5th Financial Education Congress "The challenge of guaranteeing financial inclusion in a changing environment", which was attended by more than 350 participants, more than 50 speakers in 13 sessions, as well as six round tables, both online and in person in Malaga.

In 2022, an agreement was signed with Fundación Caja Extremadura to carry out financial education training activities in the region. Under the agreement reached, several financial education actions will be developed for groups such as NGOs, businessmen, entrepreneurs, students and young people.

The 14th Financial Education Seminars for Young People and the 14th Financial Olympiad were also launched, operating until March and May 2023, respectively, in a mixed online and face-to-face format These seminars look to bring the financial world closer to secondary school students through a talk on key economic-financial concepts. The Olympiad is designed to help the students taking part in the conference to put into practice the knowledge they have acquired.

During the year 2022, the Edufinet Project has participated in local radio programs on finance, and has organized several meetings via streaming, such as the Financial Education Seminar for teachers, with the participation of teachers from all Andalusian provinces.

In 2022, several projects were launched, including the "Financial Education Podcast". The 1st "Edufinet Kids" Financial Education Seminars also got underway, with the participation of more than 750 students in the last cycle of primary education from schools in Andalusia and Castilla y León. Finally, work has begun on the "Ambassadors" program, a project focused on financial education training for senior citizens. These projects are supported by Funcas, through the "Funcas Financial Education Stimulus Program" (Funcas Educa). The training for seniors, which has reached nearly 3,000 people by 2022, has become one of the priority lines of work, to provide this group, in a personalized and close manner, with the necessary skills to interact with financial institutions and to prevent cyber-risk.

Furthermore, in 2022 the Edufinet Project has published over 54 informative articles related to economics, finance and sustainability on its blog (EdufiBlog), as well as 7 articles in the Málaga newspaper *Diario Sur*. In 2022, 34 academic articles related to financial education were published in EdufiAcademics.

On the other hand, the 6th annual Financial Education Seminars specifically for students of Higher Level Training Cycles was also started, in line with the seminars for young people.

In 2022, we continued to run our "EdufiWebinars", a series of live financial education webinars lasting approximately 15 minutes, in which various topics from the financial world are discussed. The series of webinars on sustainability and financial education was also continued and planned to coincide with the celebration of prominent international days, such as the following:

- March 22: World Water Day, as part of Global Money Week.
- April 22: International Mother Earth Day 2022.
- May 22: International Day for Biological Diversity.
- June 8: World Oceans Day.
- July 2: International Cooperative Day.
- September 18: International Equal Pay Day.
- October 24: International Day Against Climate Change.
- October 31: World Savings Day.
- November 28: Webinar/roundtable discussion "Mountains and financial education: challenges and perspectives".
- December 4: International Banking Day.

In 2022, the book of proceedings of the fourth Edufinet Financial Education Congress "*Educación financiera para una época de cambio de paradigmas*" (Financial education for a time of changing paradigms), published by Thomson Reuters Aranzadi, and the second installment of the financial education comic book "*Dentro del laberinto financiero*" (Inside the financial labyrinth) were published.

The number of beneficiaries of Edufinet Project activities during the year 2022 has reached more than 40,500 people, of which:

- 21,228 participants took part in the different seminars:
  - 14.109 people in person.
  - 7,119 people online.
- 19,298 from publications and online actions. Out of the

21,228 people who benefited from the seminars:

- Primary: 753 (all in person).

- Secondary school (including undergraduate cycles): 12,509 (10,301 in person and 2,208 online).
- Seniors: 2,902 (542 in person and 2,360 online).
- Special needs: 69 (36 in person and 33 online).
- University students: 1,109 (886 in person and 223 online).
- All audiences: 3,886 (1,591 in person and 2,295 online).

	THE EDUFINET PROJECT			
	Students		Training hours	Training sessions
	Young people	Adults/university students/businesspeople/entrepreneurs		
2022	13,262	27,264	688	531
2021	8,521	20,115	419	542

The Unicaja Banco Group also participates through CECA in the Spanish Financial Education Network, a web platform which seeks to host all of the financial education projects being run in Spain, allowing the exchange of information among the participating users and providing documentation on the subject.

The Edufinet Project was also awarded the Special Jury Award in the Financial Education category during the presentation of the 2021 CECA Social Work and Financial Education Awards, which took place in December 2022. With this distinction, CECA values the work developed by Edufinet, through initiatives such as the Financial Education Seminars for Young People and the Financial Olympics, to promote training in this area among secondary and high school students.

Suppliers (GRI 2.6, GRI 2.27, GRI 3.3, GRI 308-1, GRI 407-1)

The Bank's relationship with its suppliers is essential in order to guarantee a wide range of competitive and quality products and services. The Unicaja Bank Group promotes cooperative behavior with its providers at all times, establishing fair contracts in freedom and equal conditions and subject to the corresponding regulations.

The contracting of suppliers in accordance with the procedures and manuals available to the Group is carried out with total transparency, promoting equal opportunities.

This stakeholder group is especially relevant when considering the social and environmental impact caused by a provider due to its dealings with the Unicaja Bank Group. To this end, the Group has set itself the objective of promoting the responsible behavior of its providers from the point of view of CSR, establishing policies, processes and procedures that extend its social commitment to its entire supply chain.

The Unicaja Banco Group maintains relationships with suppliers that respect current labor legislation and human rights, as well as the social and environmental principles promoted by the United Nations.

Certain information aimed at potential suppliers is included in the tenders managed by the Purchasing Center:

- Corporate Social Responsibility. In compliance with the Unicaja Banco Group's CSR policy and with the aim of promoting it in the supply chain, the actions related to the environmental impact of the product throughout its life cycle were evaluated, as well as those related to social, labor and human rights issues and other aspects. In those cases in which it is appropriate, it is mandatory for the supplier to submit relevant information on these matters.

- Policy for the prevention of criminal risk and reaction to non-compliance. Unicaja Banco has a criminal risk prevention model that forms part of the Group's Code of Ethics. At all times, Unicaja Banco acts in compliance with the provisions of its crime prevention model, promoting the knowledge of and compliance with the ethical principles and rules of conduct that comprise it among its suppliers. Any breach of current legislation by third parties with whom Unicaja Banco contracts incurs the automatic termination of the contractual relationship.

- Suppliers are provided with the Bank's reporting channel provided for in the corresponding corporate policy for the purpose of communicating any conflicts of interest they may have identified, both initially and, if applicable, during the contracting process.

Certain suppliers of the Unicaja Banco Group assume a series of CSR obligations through the contracts establishing the conditions for the provision of the service.

One of the key elements of the Unicaja Banco Group's commitment to its suppliers is the attention to payment terms and contractually agreed conditions, which are negotiated on an individual basis. In particular, we rely on local suppliers within the scope of action of the Unicaja Banco Group, wherever possible.

In 2019 Unicaja Banco implemented its new Supplier Management Operating Model in line with European Banking Authority Guidelines on the outsourcing services offered by credit institutions. This model established the criteria to be followed by the Bank in relation to the outsourcing of services or functions, including Unicaja Banco Group companies, both at the time of prior analysis and approval of the outsourcing and in its subsequent formalization, development and monitoring.

The new operating model allows for the necessary analysis of each service outsourcing process and the involvement of the affected areas: information security, technology, data protection office, legal counsel, prevention of money laundering etc. It also seeks to include the conditions identified in each case by the affected areas in the criteria for the selection of any service provider. It also guarantees the approval of each contracting of services by the competent governing body and the communication to the supervisory authority, if necessary.

Throughout 2022 the Bank continued to benefit from the use of the Coordinaware application, which allows it to do as follows:

- Ensure compliance with the legislation on the prevention of occupational hazards and established supplier/contractor standards, based on the verification of documentary records and to facilitate the control of responsibilities arising from subcontracting.

- Have updated information on the approval status of companies and workers in order to facilitate access control to the facilities.

Support to local suppliers (GRI 203-2, GRI 204-1)

In 2022, the total amount of goods and services acquired by Unicaja Banco amounted to 228 million euros (131.3 million euros in Unicaja Banco and 229.2 million euros in the case of Liberbank in 2021). Of this total, 43.7% corresponds to suppliers with a turnover of less than 1.5 million euros in 2022 (39.7% in the case of Unicaja Banco Group and 40.3% in the case of the Liberbank Group in 2021).

In terms of local impact, the percentage of the Unicaja Banco Group's purchasing volume represented by Spanish suppliers in 2022 was 97.8% in the Unicaja Banco Group (96.1% in the Unicaja Banco Group and 99% in the Liberbank Group in 2021). Practically all suppliers have an operational headquarters in Spain.

Supplier support	2022	2021 (UB)	2021 (LBK)
Total amount of goods and services purchased by the Group (millions of euros*)	228	131.3	229.2
Suppliers with a turnover of less than 1.5 million euros (%)	43.7	39.7	40.3
Volume of Group purchases from local suppliers (%)	97.8	96.1	99

*2022 does not include contributions and taxes in the amount of 37.2 million euros.

Average period of payment to suppliers

Unicaja Banco's average payment to suppliers during fiscal year 2022 is 14.22 days (17.97 days in 2021), below the legal maximum of 60 days established in Law 15/2010, of July 5, which establishes measures to combat late payment in commercial transactions. The calculation of the average payment has been made in accordance with the provisions of said law.

Taxes and social contributions (GRI 201-4)

"Total tax contribution" methodology measures the total impact represented by the payment of taxes by a company, a group of entities or a sector of activity. This valuation is made from the point of view of the total contribution of taxes and other similar charges paid directly or indirectly to the Treasury, and always as a result of the economic activity carried out by the entities.

A cash basis has been applied for their quantification, so that taxes are allocated to each calendar year.

Unicaja Banco creates value for the different stakeholders, contributing economically and socially to the communities in which it is present through the payment of taxes. The Bank's social commitment is materialized in a fiscally responsible management that contributes to the sustainability of public finances. Thus, not only does it pay taxes as a taxpayer directly generated by its business activity, but it also contributes as a collaborating entity of the tax administrations, both of the national and of the regional and local treasuries, in the collection of taxes from third parties and their payment into the public coffers.

In 2022, the Unicaja Banco Group's total tax contribution amounted to 403.9 million euros (603.7 million in 2021 euros). This amount corresponds to input taxes actually paid by the Group as a taxpayer, as well as social security charges, contributions and contributions to guarantee and resolution instruments. It should be noted that in 2021 there was an extraordinary income in the payment in installments of corporate income tax, as a result of the acquisition of the business combination with Liberbank in that year, which should be considered a non-recurring event.

TAX CONTRIBUTION OF UNICAJA BANCO GROUP 2022	UNICAJA BANCO GROUP 2022	UNICAJA BANCO GROUP 2021
Input taxes, contributions and contributions to guarantee and resolution instruments	**403,923**	**811,260**
Input taxes	**290,936**	**691,256**
Refunded corporate tax	-47,955	-25,963
Corporate Income Tax Deferred Payments	57,557	400,242
Value Added Tax borne and not deducted	51,007	59,676
Real Estate Tax	10,128	12,125
Tax on deposits in credit institutions (IDEC)	21,347	22,160
Monetizable DTAs equity benefit	25,429	25,429
Tax on Economic Activities	7,011	6,805
Social Security at the Company's expense	105,600	112,859
Other taxes and fees (ITPAJD, other local taxes, etc.)	60,812	77,923
Contributions and contributions to guarantee and resolution instruments	**112,987**	**120,003**
Deposit Guarantee Fund	87,665	88,688
Single Resolution Fund contribution	24,149	30,079
CNMV fees and Reinsurance Fund. Orderly Banking Regulation (FROB)	1,173	1,236

In 2022, Expense from corporate income tax in Spain amounted to 101.5 million euros (91.7 million euros in income in 2021).

Unicaja Banco contributes 0.7% of the full amount of its corporate income tax to social action programs aimed at transforming our society (an initiative it calls *Empresa Solidaria* - "A Socially Responsible Company"). This gesture also contributes to the achievement of the SDGs of the 2030 Agenda, as a company involved in the implementation of more sustainable policies.

In 2022, the Bank did not receive any significant government aid to the financial sector aimed at promoting the development of banking activities. No other public support was received in 2021.

Partnership and sponsorship action

The Group's traditional territorial presence, especially in Andalusia, Asturias, Cantabria, Castilla-La Mancha, Castilla y León and Extremadura, can be seen in its support for leading public and private social and sports organizations, as well as in other areas. This connection to the territory is materialized through the support provided, in the form of sponsorship, to the above-mentioned organizations and the activities they carry out, which have an impact on a substantial part of the citizens of the respective localities. These sponsorships are of a diverse nature: cultural, artistic, sporting, recreational and environmental etc.

As an example of this, some of the most significant sponsorship actions carried out during the 2022 fiscal year are shown below, without prejudice to the complementary information that can be found in the "Partnerships with Foundations and Non-Profit Entities" section:

- Association of Brotherhoods and Fraternities of Málaga.

- Cervantes Theater, Málaga.

- Messengers of Peace.

- Marenostrum Music Festival (Fuengirola).

- Valladolid International Film Week (SEMINCI).

- Spanish Association Against Cancer.

- Baloncesto Málaga S.A.D.

- Club Voleibol Almería.

- Fundación Caja Duero.

- Ricardo Valle Institute of Innovation Foundation.

- Santander International Festival Foundation.

- Ovetense Society of Festivities.

- Oviedo Opera Foundation.

- Real Madrid Foundation.

- Farinato Race.

In addition to these partnerships, the Group supports sports, especially grassroots and women's sports, as activities that reinforce the values of teamwork, perseverance, self-improvement, equality and sustainability, values with which the Group fully identifies.

With respect to grassroots sports, the Group partners with a large number of initiatives, seminars and competitions in various disciplines, open to aficionados and amateur athletes of all ages.

As far as women's sports are concerned, Unicaja Banco maintains its firm commitment to support and promote them in order to reinforce the visibility they deserve. As part of its sponsorship as "Official Bank" of Real Madrid, Unicaja Banco is "Founding Sponsor" of the Real Madrid women's soccer team.

Collaborations with foundations and non-profit organizations (GRI 413-1)

The Group promotes the activities of foundations and non-profit organizations in its various territories, not only through the provision of monetary contributions ("financial contributions"), but also, for example, through the provision of their facilities for events and other types of material support ("in-kind contributions").

Each partnership request received, in any of the aforementioned areas, is the object of an individualized analysis and is formalized, if necessary, in a document. As part of this analysis, confirmation that there are no conflicts of interest between the Group and the potential beneficiary organizations is sought.

The Group monitors the activity with which it collaborates and, when appropriate, the effective application of the funds delivered to the specific activity.

It is not a prerequisite that the potential beneficiary be a customer of the Group. In any event, such potential partnerships are not linked to current or potential business relationships with the requesting entities.

The management department responsible for the evaluation of applications does not report either organically or functionally to the divisions linked to the Group's business, which ensures its independence of criteria for these purposes.

Throughout 2022, giving continuity, in some cases, to collaborations begun in previous years, contributions were made to foundations and non-profit organizations. Among these contributions, those destined to the following institutions deserve to be highlighted due to their greater impact on the various stakeholders and in the territories where they are located: Confederation of Andalusian Businesses, Caja Duero Foundation, UNITAR-CIFAL Málaga and the Alliance "Extremadura is the Future".

By virtue of the information gathered through the channels enabled to maintain permanent contact with the various stakeholders, there is no evidence of the existence of operations with actual or potential negative impact on the local communities in which the Group operates.

Finally, Unicaja Banco does not make direct or indirect contributions to political parties or candidates, either financially or in kind, applying the conventional rules for risk analysis and decision in credit operations.

The total amount of the Group's contributions to foundations and non-profit entities amounted to 1,767,656 euros in 2022 (in 2021 the total was 1,322,943.12 euros).

The Andalusia Confederation of Businesspeople

Unicaja Banco and the Confederation of Andalusian Businesses (CEA) have renewed their collaboration agreement for 2022, whereby the financial institution will once again provide a line of financing of

1.1 millions of euros to support the business sector and help strengthen the liquidity of companies in the face of the economic effects of the coronavirus.

The financial institution offers the more than 180,000 self-employed professionals and companies that are part of the Andalusian employers' association a complete range of specific financial products and services under advantageous conditions which focus on facilitating the activity and undertaking investments in the sector.

Unicaja Banco has also continued to provide partnership and financial support for the development of the activity of the Business Observatory for the Achievement of the 2030 Agenda (OECA), promoted by the Andalusian employers' association. It seeks to coordinate actions that enable the private sector to comply with the United Nations Sustainable Development Goals.

The Fundación Caja Duero

Unicaja Banco has maintained its commitment to the Fundación Caja Duero throughout 2022 to work together financially in support of its activities. This guarantees the continuity of this foundation and the promotion of its cultural programs, which mainly focus on the promotion of the arts, through drawing and painting courses and photography workshops.

In 2022 an exhibition has been developed in Salamanca with the title "Professors and Students of the School of Nobles and Fine Arts of San Eloy. Collections of the Unicaja Banco Collection". It is a co-production featuring 57 works by 34 authors. This co-production integrates a selection of works belonging to the art collection of Unicaja Banco, which is preserved and kept in its buildings in Castilla y León, from the historic collection acquired over the years by Caja Duero and the former Caja Salamanca. Specifically, the exhibition includes 54 paintings and 3 sculptures by artists trained at the San Eloy School of Nobles and Fine Arts, at well as professors that have taught there over the past 70 years.

In 2022, the first steps have also been taken for the establishment, in 2023, of a new Financial Education Center at the headquarters of the Caja Duero Foundation, with the support of the Edufinet financial education project and Funcas.

UNITAR-CIFAL Málaga

The Group has reaffirmed its commitment to the International Leadership and Leadership Training Center (CIFAL) Malaga, promoted by the UN through its agency UNITAR (United Nations Institute for Training and Research), through the signing of a new agreement whereby the financial institution offers economic support to this Center (the second in Spain of these characteristics), in development of the framework agreement signed in 2018.

Unicaja Banco's support helps to make CIFAL Málaga the first center in its global network to address financial inclusion as part of its overall objective of social inclusion and to become a training and reference space for the entire Mediterranean region.

As a result of this link, Unicaja Banco, which is part of the management structure of CIFAL Málaga through its Executive Committee, participates in the organization and development of different training activities related, among other matters, to the principles of financial inclusion, thus strengthening its commitment to the Sustainable Development Goals of the United Nations 2030 Agenda.

"Extremadura is the Future" alliance

Unicaja Banco has joined "Extremadura is the Future", a public-private collaboration alliance, promoted by the Social Council of the University of Extremadura (UEx), whose objective is to promote opportunities that boost the development and economic and social growth of the region. In this sense, the financial institution will collaborate especially in programs that promote sustainable economy.

After joining this alliance, Unicaja Banco will participate in the Sustainable Economy Observatory, a meeting point between the academic world, the financial sector and the business world, to develop actions and solutions towards a sustainable development model in Extremadura. The first of the actions will be the creation of a Sustainable Finance Forum, coordinated by UEx, to promote research and knowledge transfer in finance applied to social care and sustainability.

COMMITMENT TO THE ENVIRONMENT

Environmental management programs (GRI 2.13, GRI 2.14, GRI 2.24, GRI 2.28, GRI 3.3)

The Group's environmental commitment is incorporated in the CSR Policy approved by the parent company's Board of Directors. This commitment is reflected in certain practices, which, as far as the environment is concerned, are as follows:

- Define specific actions that demonstrate the Group's commitment to the environment and energy savings, as well as its position on climate change.

- Promote initiatives and actions aimed at the protection and conservation of the environment, minimizing the direct environmental impact of its activity, promoting information and training in this culture.

- Promote the financing of projects that contribute to improving energy efficiency and achieving greater long-term environmental sustainability, in addition to integrating environmental risks into the risk analysis of financing and investment project financing.

- Promote a responsible attitude towards the environment among the workforce and society in general, with the publication of recommendations and best practices in the area of recycling and the incorporation of clauses related to environmental commitment in contracting with suppliers.

In 2021, the Bank's Board of Directors approved the Unicaja Banco Group Environmental, Energy and Climate Change Policy, which is aligned with the Ten Principles of the United Nations Global Compact and the attainment of the 2030 Agenda's Sustainable Development Goals (SDGs).

This Policy, within the more general framework of action defined by the CSR Policy and the Sustainability Policy, aims to establish the basic principles of action in environmental, energy efficiency and climate change management matters in order to reduce the Group's impact and contribute to the protection and conservation of the environment, the preservation of biodiversity and the fight against climate change.

The Group has established this Policy in accordance with its deep-rooted commitment to the environment and with the purpose of collaborating with sustainable development, minimizing the direct and indirect environmental impact of its activity and those significant uses of energy, and consequently, focusing on the improvement of energy performance and the promotion of information and training, both internal and external, in these matters.

Aware of the possible materialization of risks associated with climate change and environmental deterioration, the Unicaja Banco Group takes into consideration the physical and transition risks, as well as the impact of its activity on society and the impact of the latter on the Bank in its day-to-day management.

Through its Environmental, Energy and Climate Change Policy, the Group has defined the specific principles by which it gives concrete expression to its environmental and energy saving commitment to climate change, which are described below, as well as its commitment to develop and promote environmentally friendly activities in accordance with the United Nations Declaration on this matter.

This contribution to sustainability involves all those involved in management at any level of responsibility, through a firm commitment to pollution prevention, environmental conservation and the preservation of biodiversity, the promotion of energy efficiency, the efficient use of resources to minimize environmental impact and the appropriate management of climate change.

The Group periodically conducts analysis to identify those aspects that are most relevant to its various stakeholders. This process takes into account certain aspects related to the environment, such as climate change, the sustainable use of resources, the circular economy, and the impact of environmental and social criteria on business. Savings measures, energy uses that determine the energy efficiency of its facilities and energy performance are also analyzed.

In relation to internal environmental management, the Group's commitment is materialized through three fundamental axes: the integration of environmental issues into the business model, the development of environmental management and energy efficiency actions and the promotion of environmental and energy responsibility.

The Group promotes management systems based on internationally accepted regulatory standards, continuous improvement and integrated management models (ISO standards) that contribute to reducing environmental and energy impact.

With regard to climate change, climate change mitigation commitments have been adopted with the establishment of greenhouse gas emission reduction targets which require the definition and implementation of actions aimed at reducing the carbon footprint of our activities.

The financing of projects that contribute to improving energy efficiency and achieving greater long-term environmental sustainability are being promoted, as is the integration of environmental and social risks into the risk analysis of investment project financing.

Finally, a responsible attitude is encouraged among the workforce and society in general, with the publication of recommendations and best practices in the area of recycling, and the incorporation of clauses related to environmental commitment in contracting with suppliers.

The actions of the Unicaja Banco Group in promoting environmental protection, the fight against climate change and the improvement of energy efficiency are generally inspired by the best practices or international standards of recognized prestige, such as:

- The Universal Declaration of Human Rights.
- The Paris Agreement on Climate Change.
- The United Nations Global Compact.
- The 2030 Agenda of the United Nations and the SDGs.
- The Global Reporting Initiative (GRI) standard.
- The recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).
- The European Commission's Guidelines on Non-Financial Reporting (Supplement on Climate-Related Information).
- The European Commission's Action Plan for Financing Sustainable Development (2018).

- The Commission's strategy for financing the transition to a sustainable economy (2021).
- Energy saving and efficiency strategies issued by the competent authorities.

The Group has a Sustainability and CSR Committee, with coordination, advisory, consultative and proposal responsibilities in CSR, sustainability, climate change and environmental matters. The Committee incorporates these areas as objectives, ensuring their effective materialization and monitoring their inclusion in Group strategy.

Specific principles on environmental, energy and climate change issues

With regard to the environmental and energy impact generated, the Group has defined the following specific principles mentioned above, by which it gives concrete expression to its environmental and energy saving commitment in the face of the challenge of climate change:

1. To promote continuous improvement in environmental management and energy performance, adopting sustainable and efficient practices that avoid or minimize the pollution generated by the Group's activities.

2. To develop its activity by promoting the prevention, proper management and control of polluting emissions, as well as an efficient use of natural and energy resources.

3. To act quickly and responsibly to correct any incidents that may pose a risk to the environment or are related to the use and consumption of energy, promptly informing the authorities and affected parties as appropriate.

4. To ensure compliance with the legislation and other provisions in force in environmental and energy matters, as well as national and international commitments or initiatives voluntarily assumed, related to sustainability and the environment.

5. To promote the involvement and environmental and energy awareness of stakeholders, including personnel, in order to encourage the protection and care of the environment and the improvement of energy performance.

6. To promote training for staff and management, and, according to their level of responsibility, provide them with the necessary knowledge for the implementation and monitoring of best environmental and energy efficiency practices.

7. To promote the reuse and recycling of materials in order to contribute to the transition towards a circular economy, the acquisition of energy efficient products and services, encouraging the use of cleaner technologies as well as design activities that consider the improvement of energy performance.

8. To work together with customers, suppliers, public administrations and society in general in all matters related to environmental protection, improvement of energy efficiency, energy use and consumption and initiatives aimed at preventing, mitigating and adapting to climate change.

9. To implement measures to preserve or restore biodiversity

10. To incorporate environmental and energy efficiency criteria when making decisions on the awarding of contracts for the provision of services.

11. To promote compliance with the United Nations Global Compact Principles and best practices in energy efficiency among suppliers.

12. To put programs in place that set objectives and goals established by the integrated management system and ensure the availability of the necessary resources, leading to the continuous improvement of environmental and energy performance, carrying out rigorous audits and self-evaluations of compliance with this policy and issuing follow-up reports.

13. To make the policy available to all interested parties and inform stakeholders in a transparent manner, at least through the Consolidated Non-Financial Information Statement (EINF) on the position, management, controls and results in relation to the environment, climate change and energy performance.

The environmental, energy and climate change management system

The various materiality analyses carried out show the relevance that stakeholders attribute to environmental risks, such as the one related to the "Commitment to Sustainable Development and the SDGs", which reached fifth position in the last analysis carried out in 2022 compared to the ninth position it occupied in 2020 in relation to the 21 non-financial risks analyzed. The environmental and social criteria (ESG) in the business and climate change, in order of importance, are identified as those that could have the greatest impact on the Bank's image if they are not properly managed, and are more likely to cause reputational damage. On the other hand, the one identified as having the least impact continues to be related to the sustainable use of resources or the circular economy.

As it is already known, since 2009 Unicaja Banco had implemented an Environmental Management System, taking as a reference for its development the international standard UNE ISO 14001, applicable to all its products and services, and, since then, the management system has taken as a reference the different versions of the standard, until the most recent edition of 2015.

This management system was implemented in an integrated manner in 2021 together with the one referring to greenhouse gases, under the ISO 14064-1:2019 standard, in order to specify the quantification with a report of greenhouse gas emissions and removals, and together with the energy management system, under the ISO 50001:2018 standard with the purpose of establishing improvement objectives, goals and indicators on energy saving measures in 10 buildings: central headquarters in Avda. de Andalucía, the Eurocom building, the central office and the ground and first floors of Acera de la Marina, all of them in Málaga city, the Data Processing Center -CPD- in Ronda, the Logistics Center in Humilladero, the operational headquarters in Cádiz, Antequera and Jaén and Madrid, and at Edif. El Portillo, in León.

Of the 7,034 employees at 31/12/2022 of Unicaja Banco, 939 are covered by the Integrated Management System, representing 13.35% of the workforce in 2022 (13.01% in 2021). The Environmental Coordination of the integrated management system during the year 2022 has continued to monitor, maintain and update the documentation, based on the established procedures with special attention to the synergies that occur, taking into account the new functional and organizational attributions.

Effect of the company's activities on the environment (GRI 306-1)

The effects of the activities, the evaluation of which is attributed to the Functional Fixed Assets Area which reports to the Operations, Services and Security Department together with the subsidiary FK2, (which currently affect the environment) with respect to the work centers of Unicaja Banco are as follows:

Activities:

- Consumption: Electricity, diesel (generators), gas (boilers).

- Waste: Out-of-use electrical and electronic equipment, fluorescent bulbs and light bulbs, batteries, empty contaminated containers, batteries, contaminated absorbent material (rags, absorbents, etc.) and CFC, HCFC or HFC gases from the internal circuits of air conditioning equipment. Waste is contract-managed by the maintainer or through an authorized manager.

- Installations and maintenance: Low- and medium-voltage electrical installations, installation of ATMs, home automation, elevators, fuel tanks, water tanks, plumbing, pest control, air conditioning equipment with HCFC and HFC gases, fire protection, illuminated signs and signage are the most significant.

- Effluent: Sanitation of wastewater from toilets.

- Noise: Possible noise from air conditioning machines or occasional noise caused by power outages or generator maintenance.

- Furniture, fixtures and equipment: For both the Office Closures and Integration Plan and the ATM Replacement Plan, waste is segregated, either for recycling and reuse, or for its destruction, and deposited with the corresponding authorized manager.

- Minor works: Small repairs under contract, waste management by the contractor.

- Management: Coordination of the management system based on ISO 14001, 14064 and 50001 standards, in the 10 centers where it is implemented.

This environmental impact from the activities described above are those that may have an effect on the environment as a result of our activities.

The Unicaja Banco Group bases the development of its activity on the precautionary principle, analyzing and managing its main environmental risks throughout its entire value chain, considering both the direct impacts on the assets in respect of which it carries out its activity, as well as the indirect impacts derived therefrom.

Resources dedicated to environmental risk prevention

Functional Fixed Assets Area Management, which reports to the Operations, Services and Security Management, together with the subsidiary FK2, in charge of the maintenance of the offices of Liberbank origin until the day of operational integration, May 23, 2022, has been carrying out actions to make progress in the prevention of environmental risks, and among others, the recommendations of the 2020 Energy Audit report have been taken into account.

During 2022, the following interventions related to environmental risks were carried out, in order of importance:

- Air conditioning: In the air conditioning installations of the work centers, we have continued with the replacement of equipment beyond repair with more efficient installations. In 2022, a total of 59 replacements were made, involving a total investment of €712,555.40 (102 replacements in 2021, involving a total investment of €1,408,533.70).

Preventive maintenance operations are carried out annually on air conditioning equipment in accordance with the RITE (Thermal Installations Regulation) which has resulted in a total of

2.204 preventive revisions in 2022 (2,471 preventive reviews in 2021). Corrective maintenance operations are also accounted for, with a total of 1,300 actions in 2022 (1,059 actions in 2021). Significantly, 73.22% of the inventoried air conditioning machines in Unicaja Banco's work centers incorporate environmentally friendly gas for their operation (65.16% in 2021).

- Replacement of lighting equipment with LED technology: As in previous years, the Group continued to replace outdated lighting equipment with LED equivalents. A total of 201 actions have been carried out in maintenance operations, involving an investment of 103,276.63 euros in 2022 (632 actions with an investment of 355,252.14 euros in 2021).

- Adjustments to contracted power: In 2022, all contracted supplies have been reviewed in order to optimize the contracted power to the maximum real power consumed.

- Self-consumption: The photovoltaic plant located on the roof of the Humilladero Logistics Center has been supplying part of its own electricity consumption with solar energy since its commissioning in April 2021. In 2022, this plant contributed 32.56%, equivalent to 103,289 kWh of the total 317,204 kWh consumed by the center (in 2021 it contributed a savings of 18.81%, equivalent to 71,426.00 kWh from its start-up to December 31, 2021).

- Others: Installation of water consumption limiters in bathrooms, with the installation of aerators and dual flush cisterns, with 99 actions and an investment of 16,403.94 euros, corresponding to the work centers of Unicaja Banco origin (73 actions and an investment of 11,995.27 euros).

The total sum allocated to these actions stood at 930,840.74 euros in 2022, compared to the 1,775,781 euros allocated in 2021. The greatest expense continued to be the high cost of replacing air conditioning machines.

Evaluation of suppliers with environmental criteria (GRI 308-1)

In the procedures defined by the Functional Fixed Assets Area and within its scope of application, qualification criteria are established that are generally applied to objectively assess the characteristics and qualities of the Group's suppliers in order to obtain the best guarantees for the service to be provided or activity to be carried out. Among other aspects, environmental performance is considered, taking into account and giving value to the ISO quality, environmental and energy efficiency certification that suppliers might hold. In 2022, a total of 137 portfolio and regular companies (147 in 2021) were assessed through the Coordinaware platform for business coordination service.

Indicators

The indicators for 2022 presented below include data from Unicaja Banco and the Group's investee companies whose environmental impact is considered significant.

Circular economy. Waste prevention and management (GRI 301-1, GRI 301-2, GRI 306-3, GRI 307-1)

The management of the waste generated is carried out in accordance with national regulations on waste and the new Law 7/2022, of April 8, which outlines waste recovery and disposal operations and the European waste list.

In the case of the hazardous waste generated, it is managed in accordance with current legislation, either through authorized managers or through the suppliers and contractors who handle it.

Each time hazardous waste managed is removed by Unicaja Banco Group through contracted management companies, the delivery note is kept in the evidence control, as evidence of the correct management of the waste. If the amount exceeds the established reference value, an associated control plan is established, as indicated in the Group's Environmental and Energy Efficiency Management System.

List of waste classified as "Hazardous" and "Non-hazardous":

- Hazardous: End-of-life computer and electrical and electronic equipment, fluorescent and light bulbs, batteries, toners, ink cartridges, empty contaminated containers, contaminated material (rags, absorbents, etc.) and CFC, HCFC and HFC gases.

- Non-hazardous: Organic waste, packaging and packaging waste, hygienic waste, pruning and gardening waste, obsolete furniture, debris and construction site waste, wiring waste, sign and banner waste, plastic packaging, wooden pallets.

Paper is the only material whose consumption could have an appreciable impact – 291,260.35 kilograms in 2022. This amount corresponded to that derived from the normal operations of central offices, regional offices and business network offices. Consumption has been reduced with respect to the previous year, when it was 341,673 kilograms, due to the closure of more than 400 centers during fiscal year 2022. In order to reduce the impact, we use chlorine-free, environmentally friendly paper with FSC certificates, among others, which guarantee its origin from sustainable forestry operations, in accordance with international standards, and we contain its consumption through the intensive application of information technologies.

The COVID-19 situation continued to motivate the reduction in the use of paper compared to previous years and accelerated the digitalization process. As a result of the new security measures, staff reduced the use of paper documents, which were replaced by digital documents, greater accessibility to services, information and operations through the web, transmission of internal and external information through e-mail and other work platforms and cell phone messaging facilities, with full data protection and information security safeguards.

Through the UniBuzón, customers can receive and manage all of their correspondence electronically through Digital Banking, saving paper and contributing to a more sustainable management of our planet's resources.

With respect to advertising material, Unicaja Banco established a service contract with the companies Primer Impacto, S.L. And AMB, S.L., the main purpose of which was the placement, installation, collection or replacement of advertising material in all of the Bank's establishments in the territories where it operates.

In addition to tax, labor, social security, occupational risk prevention, confidentiality and personal data protection obligations, the contracts include a Corporate Social Responsibility clause in the case of Primer Impacto, which includes actions related to the environmental impact of the product in its life cycle, as well as other social, labor and human rights aspects. In those cases where applicable, it is mandatory for the supplier to submit the relevant information related to these aspects, in accordance with the provisions of the general supplier relationship system.

Regarding disposal methods, the supplier has confirmed that the materials removed are transported to the corresponding office, where they are deposited in a cardboard or plastic cage that the recycling companies remove once full. Similarly, at the central warehouse located in Madrid, waste is destroyed, with prior authorization from Unicaja Banco.

Production has ranged from office material to letters linked to commercial campaigns. In 2022, it was hardly significant, with small productions being carried out, in the Bank's strategic interest in encouraging digital channels.

Throughout 2021, there was a significant reduction in the number of advertising routes, from 3 to 2 routes, as a result of the merger with Liberbank and the need to carry out a brand advertising campaign to be maintained over time. This resulted in a 2021 graphic production of 3,513 kg.

As for the production carried out in 2022, it has hardly been significant, mainly due to the implementation of small impressions (in the bank's interest to encourage digital channels) as indicated, and the non-existence of advertising routes in offices. For this reason, and in relation to vinyl, production in 2022 has decreased to 964 kg compared to 2,263 kg in 2021.

Consumption of packaging materials, cardboard boxes, amounted to 22,200 units in 2022 (24,964 in 2021).

As far as waste from computer systems (hard disks, storage cards, keyboards, printers, photocopiers, ATMs, etc.) was concerned, the total volume generated by the Group was as follows:

UNICAJA BANCO GROUP	Computer waste (kg)
2022*	54,256
2021	101,997

*No technological waste was recycled at Liberbank's platform during 2021, with the waste remaining in storage in the company's premises.

In 2022, most of the recycled material came from computer systems such as ATMs, ticket dispensers, updaters and micro equipment, whether personal computers, keyboards, mice, printers, scanners, fixed and mobile telephones, routers, etc., while in 2021 most of the recycled material came from AT For this reason, due to the weight of the different elements, there has been this variation in the magnitude of the kg managed.

Waste removal companies issued a certificate stating that the waste was destroyed pursuant to the WEEE and environmental regulations in force and that the waste containing data was destroyed in accordance with data protection regulations.

Waste types are identified by LER codes as follows: 200123, 200135, 20136, 200122, 200121, 20152, 160214 and 160262.

In this fiscal year, Unicaja Banco, in collaboration with Future Card (Toppan Group), one of the main suppliers of financial cards at the national and international levels, has kept the plastic recycling circuit in operation, for all damaged or expired cards, with the aim of increasing the level of recycling, recovering the material and giving it a new use. In 2022, 2,400 kg of cards were recycled, which is 1.5 times more than the volume recycled in 2021, which was 960 kg.

Further discussions have been held with Future Card to develop the recycling activity in two directions:

- Creating new collection points, so far we only have one waste collection point in Ronda.
- Collection of proposals for the development and extension of new actions related to plastic recycling.

It is worth highlighting the progress made in fiscal year 2022 for the launching during fiscal year 2023 of plastics based on recyclable PVC material, once the reference manufacturers in Spain have consolidated the possibilities of issuing this type of products with full guarantees from an environmental point of view. Along these lines, new designs have already been approved that will provide coverage during 2023 for some of the products with the highest circulation among our cardholder customers.

Through all of these measures, Unicaja Banco contributes to the achievement of SDGs, specifically with SDG 12 - responsible production and consumption - and advances in the transition towards a Circular Economy, the aim of which is to take advantage of resources to give them another life, returning them to the market in a new form and thus contribute to the conservation of the environment.

Sustainable use of resources (GRI 302-1)

As mentioned above, in 2022 the Bank continued to implement a series of actions aimed at ensuring efficient energy consumption (mainly electricity) and raising awareness of its importance among the workforce. The following table shows the evolution of electricity consumption in recent years:

ENERGY CONSUMPTION	2022	2021
Total energy consumption (MWh)	**39,874.48**	**35,318**
Electricity consumption	38,251	33,628

Contamination (GRI 11.1, GRI 305-1, GRI 305-2)

During the year 2022, the calculation of the carbon footprint continued. For the calculation of Scope 2, the emission factor records of the Ministry for Ecological Transition and Demographic Challenge have been used, the coefficient to be applied to the electricity consumption of Unicaja Banco (parent company) is 0.00 kg CO2/kWh; this is due to electricity supply contracts with Iberdrola and Repsol (year 2022), which have the guarantee of origin (GoO) certification, which is an accreditation that ensures that 100% of the electricity supplied has been generated from renewable energy sources or high efficiency cogeneration.

In the following table of emissions, only the investees of Liberbank are included in Scope 1 and 2, since those of Unicaja Banco are included in the consumption of the parent company.

GREENHOUSE GAS EMISSIONS	2022	2021
Total emissions (tn CO_2-eq)	**1,256.34**	**3,776**
Scope 1 (tn CO_2-eq)	1,086.38*	411
Scope 2 (tn CO_2-eq)	169.96**	3,365
GHG emissions intensity (tn CO_2-eq / employee)	0.16	0.41

*The data resulting from the 2022 measurement are not comparable with those obtained in 2021 as the data have been extended to obtain the Scope 1 footprint measurement. In addition to GHG emissions from the combustion of fuels in stationary sources, GHG emissions from the combustion of fuels in mobile sources and those from GHG leaks in HVAC systems, chillers, refrigerators, etc. have been added.

**While 100% of Unicaja Banco's electricity consumption is 0.00 kg CO_2/kWh, for the aforementioned reasons, some Group companies still have contracts with suppliers whose origin is not 100% renewable.

Given the Group's activity, the measures taken to reduce carbon emissions into the atmosphere were mainly aimed at reducing electricity consumption. To this end, the recommendations of the 2020 Energy Audit were followed. It is also worth mentioning the energy savings achieved at the photovoltaic plant located at the Humilladero Logistics Center in Málaga. As mentioned throughout the report, the lower consumption recorded as a result of the closure of offices as part of the business network reorganization process is equally relevant.

DECARBONIZATION

Unicaja Banco, through its 2022-2024 Strategic Plan, has designed an itinerary towards decarbonization, the first milestone of which, in line with the commitments acquired by the Bank, is the measurement of the carbon footprint. The measurement of the carbon footprint is articulated

through an integrated and systematic approach, which will seek continuous improvement in the Bank's energy performance, i.e., in energy use and consumption, which will result in energy efficiency. On the other hand, it is extended through environmental management and the monitoring of greenhouse gas (GHG) emissions, in order to address their mitigation in a coordinated and effective manner

The Integrated Management System will allow Unicaja Banco to adequately comply with and strengthen its Environmental, Energy and Climate Change Policy, approved by the Board of Directors in January 2021, establish objectives and goals to achieve the Bank's environmental commitments and carry out the necessary actions to improve its performance in this area.

All of this is in line with the current climate emergency situation and in line with regulations and supervisory expectations, particularly those of the ECB, which entities, such as ours, must meet.

Previously, Unicaja Banco had implemented since 2009 an "Environmental Management System" according to the international standard ISO 14001:2015, covering 10 of the Bank's buildings. Additionally, the Bank implemented in 2021 an "Energy Efficiency Management System ISO 50001:2018" in an integrated manner with the "Environmental Management ISO 14001:2015" and "Greenhouse Gas ISO 14064-1:2019" (Scopes 1 and 2).

The current decarbonization process includes the implementation and certification of ISO standards for all of Unicaja Banco's buildings. As of this implementation, approved at the end of 2022 and to be implemented throughout 2023 and 2024, there will be a standardized framework so the Bank's greenhouse gas inventories can be determined and decarbonization targets can be rigorously set for the Bank as part of a future "Emission Reduction Plan".

Therefore, an objective and verifiable tool will be available for calculating the carbon footprint and for reporting greenhouse gas emissions, integrated into the environmental and energy management system, with a proactive and methodical approach that would address both the impact on the environment and fuel and electricity consumption in the Bank, allowing Unicaja Banco a real improvement in energy efficiency, facilitating continuous improvement to ensure minimum energy consumption and lower GHG emissions, while at the same time improving environmental management.

The Scope of the decarbonization process is comprehensive, gathering and managing information on the Bank's environmental and energy management in relation to greenhouse gas emissions and proposing realistic, achievable and demanding measures for their reduction, in order to reduce the effects of climate change within the scope of the Bank's responsibility.

Measuring the corporate carbon footprint

The United Nations 2030 Agenda and the Paris Agreement, driven by the certainty that climate change is a global emergency based on scientific criteria that blurs national borders and affects all human beings without distinction, established the starting point towards a carbon neutral economy. In recent years, various bodies such as the European Central Bank, the European Banking Authority and the United Nations Environment Program Finance Initiative (UNEP FI) have allocated more resources to ensure the effective integration of climate risks into the reality of financial sector management.

Additionally, investors and other stakeholders participating in the financial markets are paying increasing attention to companies' commitment to sustainability, considering that these can have a significant impact on financial aspects such as profitability, risk profile or, in general, the long-term resilience of the business.

Additionally, Unicaja Banco, together with other Spanish financial institutions, on the occasion of the United Nations Climate Change Conference (COP25), joined the "Collective Commitment to Climate Action", promoted by the Spanish Banking Association (AEB) and the Spanish Confederation of Savings Banks (CECA). This commitment materialized in proceeding to reduce the carbon footprint of the credit portfolio within a given period, in a way that could be measured using internationally approved criteria, in line with the objectives set out in the Paris Agreement.

In 2022, the project and methodology for measuring the corporate footprint in Scopes 1, 2 and 3 was carried out, establishing the Unicaja Banco Group as the measurement perimeter, in the case of Scopes 1 and 2, and the parent company (in the case of Scope 3). With the exception that the calculation of the carbon footprint of the loan portfolio is developed in a separate section, since the criteria used in its calculation differ from those previously indicated.

Methodology for measuring the corporate carbon footprint (excluding credit portfolio) (GRI 302-1, GRI 302-2, GRI 302-3)

Unicaja Banco's objective is to continue to make progress in the calculation of the corporate carbon footprint (Scopes 1, 2 and 3, excluding investments), in the calculation of financed emissions, and, finally, in the definition of decarbonization objectives.

With respect to methodology, we have opted for the Greenhouse Gas Protocol Initiative(*GHG PI*), specifically, the GHG Protocol Corporate Accounting and Reporting Standard.

It is intended to establish the time limit in fiscal year 2022, a full calendar year for which the Combined Bank has data, and to establish as organizational boundaries the shareholding approach and the control approach, since the Bank carries out its activity both in facilities it owns and in leased facilities.

With respect to the operating limit, the following sources of emissions are identified:

- Scope 1: Air conditioning equipment (recharge in kg of gases used in the equipment) and vehicles (gasoline or diesel consumption).
- Scope 2: Energy consumption.
- Scope 3 (excluding financed issues): For the first time it is measured with data as of December 31, 2022, with the following categories, following industry best practices:

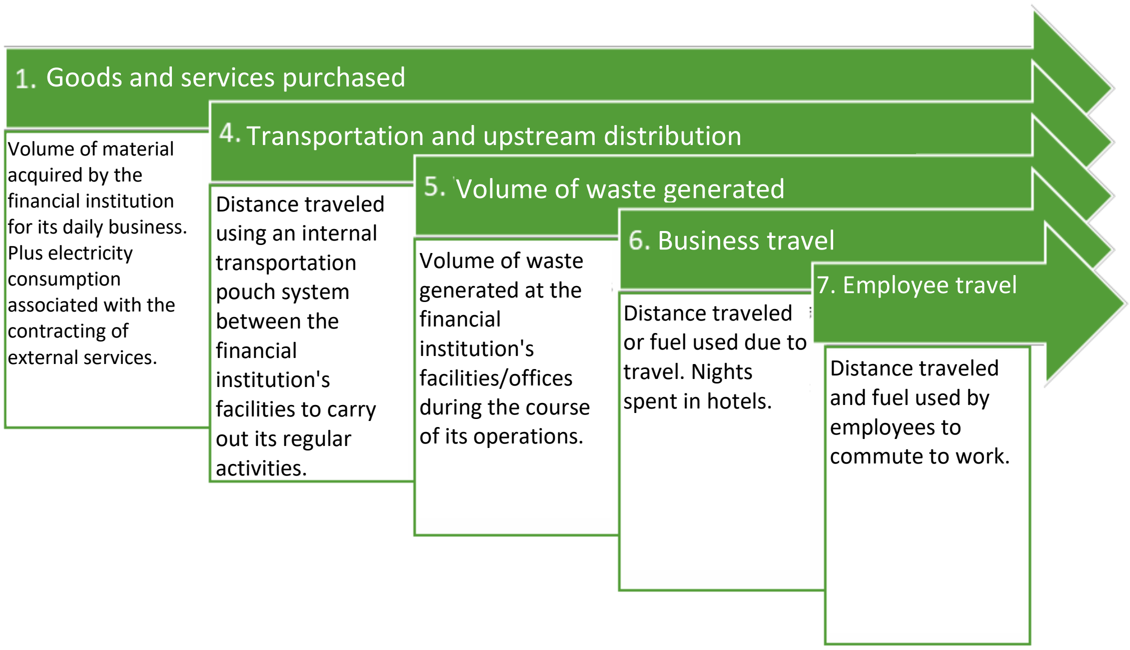


Table 1. Scope 3 categories.

Results of the measurements performed in the year (GRI 11.1, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4)

GREENHOUSE GAS EMISSIONS
Matrix: total emissions (tn CO_2-eq) (715.36) Scope 1 (tn CO_2-eq) 715.36
Scope 2 (tn CO_2-eq) 0
GHG emissions intensity (tn CO_2-eq / employee) 0.10

Group: total emissions (tn CO_2-eq) (1,256.34)
Scope 1 (tn CO_2-eq) 1,086.38
Scope 2 (tn CO_2-eq) 169.96
GHG emissions intensity (tn CO_2-eq / employee) 0.16

The Corporate Value Chain (Scope 3) Accounting and Reporting Standard and Technical Guidance for Calculating Scope 3 Emissions are used as the Scope 3 framework (excluding the measurement of the investment portfolio).

GREENHOUSE GAS EMISSIONS
Matrix: total Scope 3 emissions (tn CO_2-eq) (13,171.99)

Scope 3. Category 1 (tn CO_2-eq) 352.43
Scope 3. Category 4 (tn CO_2-eq) 3,484.46
Scope 3. Category 5 (tn CO_2-eq) 1.25
Scope 3. Category 6 (tn CO_2-eq) 1,254.51
Scope 3. Category 7 (tn CO_2-eq) 8,079.35 GHG emissions

intensity (tn CO_2-eq/employee) 1.87

Additionally, within Scope 3 is Category 15, where Unicaja Banco calculates an estimate of the carbon footprint of the financed portfolios. The information corresponding to this category can be found in the "Climate Risk Management" section.

OTHER PERFORMANCE PRACTICES

Fiscal responsibility (GRI 207-1)

In 2017, Unicaja Banco's Tax Strategy was approved by the Board of Directors and incorporated into the Corporate Governance System, pursuant to Article 529 ter of the Capital Companies Act. 1.i of the Capital Companies Act.

The Tax Strategy includes the following principles that govern the Group's actions as a taxpayer:

1. Fiscal responsibility is part of the Group's CSR.
2. The Bank complies with tax regulations in its actions, without resorting to aggressive tax strategy practices.
3. Prudence, understood in essence as the precautionary principle in the assumption of risk.
4. Integrity, as a demonstration of ethics in the Group's actions and in its relations with customers, investors and shareholders, as well as with any other party with whom economic relations are maintained.
5. Optimization of the Bank's tax burden.
6. Accuracy and veracity of tax information.
7. Cooperation with the Administration in the fulfillment of tax obligations.
8. Efficiency in complying with tax obligations.

Unicaja Banco has adhered, since December 2017, to the Code of Best Tax Practices, approved by the Large Companies Forum according to the wording proposed by the State Tax Administration Agency (AEAT). With this adherence, all those best practices that allow an adequate prevention and reduction of tax and reputational risks are adopted, so as to generate greater legal and economic security for the Group and for society as a whole.

Human Rights (GRI 2.23, GRI 2.24, GRI 2.27, GRI 2.28, GRI 406-1)

The Unicaja Banco Group expresses its commitment to human rights through its CSR Policy. Among its principles are to respect, in the development of relations with its employees, customers, shareholders and investors, and suppliers, as well as with society as a whole are to respect human rights as an ideal shared by the world's peoples and nations, pursuant to the International Bill of Human Rights, the Global Compact, the 2030 Agenda and other principles contained in documents originating from the United Nations, the OECD and the ILO.

The current CSR Policy establishes the following specific commitments in this area:

- Interpret and apply labor standards in line with the most advanced international standards approved by the United Nations in this area, as well as those of the OECD and the ILO.

- Apply the principles of equal treatment, equal opportunities, non-discrimination and respect for diversity, establishing different protocols to protect the dignity of workers.

- Ensure that suppliers are respectful of current labor legislation, in addition to the human, labor and environmental rights promoted by the United Nations.

Pursuant to Article 36.1.(c) of the Regulations of the Board of Directors of Unicaja Banco, the Board of Directors shall implement a Corporate Social Responsibility policy that includes the principles or commitments assumed by the Company in its relationship with the different stakeholders and identifies, at least, the specific practices in matters related to, among other matters, respect for human rights.

Additionally, references to the protection of human rights, from the perspective of suppliers are incorporated in the Group's Code of Ethics, revised in 2022 ("Business Principles of the Group").

When approving suppliers, the Group also values that they demonstrate a commitment to their employees, quality and the environment, among other aspects, avoiding the contracting of those suppliers that are known to have incurred in any legal, fiscal, labor, environmental, safety, health or, more broadly, human rights violations promoted by the United Nations.

Elsewhere, the assumption of the principles of the Global Compact also allows us to affirm our full adherence to the defense of the human rights as set forth in the United Nations Universal Declaration of Human Rights as an ideal shared by all peoples and nations, in line with the general provisions of Article 10.2 of the Spanish Constitution ("The principles relating to the fundamental rights and liberties recognized by the Constitution shall be interpreted in accordance with the Universal Declaration of Human Rights and the international treaties and agreements thereon ratified by Spain").

The foregoing allows the Bank to respond appropriately to the dual challenge of generating value for shareholders and investors and for other stakeholders, such as employees or suppliers, for example.

Due diligence on human rights, given the size of the Group, for a projection that does not go beyond national borders, the high degree of respect, in general terms, for human rights in Spain and the nature of the financial services offered is achieved through an ongoing dialog with stakeholders, especially with suppliers, employees and customers. The above is applicable to employees, communication with the workers' legal representatives is permanent, allowing us to identify their concerns and expectations. With respect to customers, they have the possibility of submitting their observations and complaints to the Customer Service Department and to bank branches, facilitating the identification of the Group's activity and its impact on this group and the possible initiation of actions on an ongoing basis.

As mentioned in the 2021 EINF, the Group is monitoring the progress of the European Parliament Resolution of March 10, 2021, with recommendations to the Commission on corporate due diligence and corporate responsibility, which contains, as an annex, "Recommendations for drawing up a directive of the European Parliament and of the Council on corporate due diligence and corporate accountability". In February 2022, as a result of the work carried out by the European Commission, a "Proposal for a Directive of the European Parliament and of the Council on corporate sustainability due diligence" was presented, which could have an impact on the establishment of new corporate duties in relation to the actual and potential adverse effects on human rights and the environment of its own activities, the activities of its subsidiaries and the activities of the value chain. The focus, therefore, will be on its evolution, due to the possible impact, if finally approved, on the Group and its activity.

The CSR Master Plan, approved by the Board of Directors of the parent company in June 2022, referred to in another section of this Statement, provides for the approval of a Human Rights Policy for suppliers, applicable to the entire value chain.

With regard to certain issues related to the promotion and defense of human rights, in view of the Group's activities, the geographical area in which it operates and offers its services and the origin and profile of its suppliers, the risks associated with forced or compulsory labor or child labor are not considered to be significant. Following its accession to the United Nations Global Compact in 2013, the Group fully supports such objectives (the 4th and 5th principles of the Compact respectively).

Neither in 2022 nor 2021 were there any cases of discrimination or complaints of human rights violations.

Prevention of unlawful conduct (GRI 2.26, GRI 2.27, GRI 3.3, GRI 205-2, GRI 205-3, GRI 417-2, GRI 417-3)

The Unicaja Banco Group strictly observes standards of behavior related to the prevention of unethical practices and money laundering. These rules are mainly contained in the Group's Code of Ethics, in the Program for the Prevention of Criminal Risk and Reaction to Non-Compliance, the Internal Rules of Conduct in the Securities Market and in the regulations for the prevention of money laundering, compliance with which is periodically reported to the Board of Directors the of Bank.

In 2015 the Board approved the Group's Code of Conduct, which defines the principles, standards and rules of conduct that guide personal and professional behavior of the Group's administrators, managers and employees, including respect for dignity, equality and diversity. This Code has been revised and updated in 2022, having been approved by the Board of Directors on October 28, 2022, under the name Code of Ethics. The Code of Ethics expresses the values that comprise the basic pillars of Unicaja Banco Group activity, notably including the trust of customers, suppliers, shareholders and other stakeholders, the development of best governance practices based on transparency, honesty and integrity and the willingness of employees to serve and their commitment to stakeholders and society in general.

In order to ensure compliance with these standards, an annual supervision plan has been established, extended to the actions carried out in the commercial network, centralized business units, business support units and companies within the Unicaja Banco Group, the configuration of which and monitoring of its execution are entrusted to the Audit and Regulatory Compliance Committee.

Since 2017, within the Regulatory Compliance Department, the Corporate Conduct Area develops, among others, functions of criminal risk prevention, supervision of the observance of the Code of Ethics, the development of policies, procedures and governance schemes necessary in order to adequately respond to the conduct risk in the Group, notably the Policy for the prevention and management of conflicts of interest of the Group's employees (from 2020), which was updated and approved by the Board of Directors of Unicaja Banco on November 25, 2022.

As part of the Criminal Risk Prevention Program, the Company has a Whistleblower Channel, under the supervision of the Criminal Risk Prevention Committee, which allows employees, managers and directors, through an internal channel (corporate intranet), to confidentially report any irregularities they notice with potential criminal implications, as well as denouncing behavior contrary to the Code of Ethics. This whistle-blowing channel is also available on Unicaja Banco's corporate website, in order to be accessible to third parties outside the Organization. In both channels, anonymous complaints can be filed.

In 2022, no labor-related sanctions were imposed in relation to breaches of general regulations and internal codes for the prevention of dishonest practices and corruption. No action was therefore required in this regard.

In the training section, the corporate intranet has a specific "Corporate Conduct" web space, where personnel can directly access a form and the operating rules of the Whistleblower Channel, the internal Circulars related to the Criminal Risk Prevention Program, the Criminal Risk Prevention School, the Code of Ethics, the Criminal Risk Prevention Policy and the Policy for the Prevention and Management of Conflicts of Interest of the Group's employees.

All employees have been informed through the corresponding internal circulars on the implementation of the Criminal Risk Prevention Program as a whole and the Whistleblower Channel in particular, as a means for reporting actions that may constitute a criminal offense, as well as for communicating possible infractions related to the Code of Ethics.

Since the 2015 launch of the Criminal Risk Prevention Training Program, which applies an e-learning approach and is aimed at the entire workforce, specific training content has been provided to the Criminal Risk Prevention School, accessible to the workforce through the Uniecampus Training Portal. This training has been updated over the years. As part of these updates, a total of 1,373 employees underwent eight hours of training on this subject in 2022.

Likewise, on the main page of the corporate intranet, the Bank's personnel have a specific web space for the Prevention of Money Laundering available to them from which they can directly access the Suspicious Transaction Reporting application, the Money Laundering Prevention School and the Help Manual. Additionally, the Sustainability and CSR area, also on the corporate intranet, in the specific section of Codes and Policies, includes, among others, a specific section on the Code of Ethics and the Criminal Risk Prevention Policy.

The Code of Conduct, the Criminal Risk Prevention Policy and all of the information related to, among others, the prevention of money laundering and the financing of terrorism regulations are available to new employees as part of the Welcome Plan. This information is additionally accessible to all staff through the employee portal.

Since 2021, on the occasion of the integration of Liberbank, a specific space was created with the corporate policies applied that employees must be aware of.

In 2022, a specific report was published in April in the corporate newsletter, *Uninoticias*, on new developments in the Prevention of Money Laundering and Terrorist Financing and, in the September edition, updates on the Criminal Risk School were reported. Furthermore, in February, March and April, a reminder was sent to Liberbank's personnel regarding the documentary accreditation by customers.

As part of the Criminal Risk Prevention carried out by the Bank, a specific section called Corporate Conduct is available on the Employee Portal, which, in addition to the Code of Ethics itself, includes permanent access to the Criminal Risk Prevention School. In this regard, the substitution in said section of the new Code of Ethics, approved by the Board of Directors of Unicaja Banco on October 28, 2022, has been reported. Information has also been provided on the corporate intranet on the Unicaja Banco Group's Policy for the Prevention of Corruption and Bribery, with reminders in various internal bulletins, as well as the information contained in the specific section of the Employee Portal.

Fighting corruption and bribery (GRI 2.27, GRI 3.3)

In 2015 Unicaja Banco implemented a Program for the Prevention of Criminal Risk and Reaction to Non-Compliance, in accordance with the requirements of Article 31 bis of the Criminal Code to the models of organization and management of criminal risk of legal persons. As the body responsible for the supervision and operation of the Program, the Board of Directors established the Criminal Risk Prevention Committee. Along these lines, the Policy for the Prevention of Criminal Risk and Reaction to Non-Compliance was approved on February 27, 2019. Unicaja Banco's Board of Directors approved its update on November 25, 2022.

As explained above, Unicaja Banco included training, from the start as one of the essential elements of its Program and has been delivering it effectively since then.

In 2019 and 2020, the Criminal Risk Prevention Committee completed the updating of the set of instruments (regulatory, operational and training) that make up the Program for the Prevention of Criminal Risk, in order to improve it, in view of the practical experience acquired since its approval, as well as to adapt it to the organizational and functional changes of the Bank. Among these instruments, the criminal matrix of risks and controls (currently 180 controls) stands out. This is a dynamic document that reflects the Bank's criminal risk prevention control environment. It identifies the main controls (general and specific) implemented in Unicaja Banco, which allow mitigating, detecting or reacting to the different criminal risks.

On April 23, 2019, certification was obtained from AENOR for the UNE 19601 standard for Criminal Compliance Management Systems. This certification is valid for three years and is reviewed annually by the certifier. The first review took place during the months of March and April 2020, and the second in March 2021. In September 2022 this certification was renewed, which includes the procedures implemented at the time by Liberbank.

Additionally, on March 25, 2022, the Board of Directors of Unicaja Banco approved the Policy for the Prevention of Corruption and Bribery of the Unicaja Banco, S.A. Group. This Policy is part of the general corporate integrity framework that the Unicaja Group has been progressively implementing to strengthen its ethical and compliance culture, in accordance with the regulatory requirements and best practices in force at any given time. Its purpose is to establish a reference environment that fosters a climate of compliance and integrity and prevents the risk of incurring in conduct or patterns of action contrary to the same. In line with this, the Policy is applicable to all employees, executives and members of the administrative bodies of Unicaja Banco and its Group companies. Suppliers, agents, subcontractors and any other third party that maintains business or professional relations with the Group are bound by the principles and rules of conduct of this Policy, insofar as they are applicable to them.

Operations assessed for risks related to corruption (GRI 2.16, GRI 205-1, GRI 205-3)

During 2022, Unicaja Banco's Criminal Risk Prevention Committee evaluated 635 transactions to determine their possible criminal significance. After analyzing each of them, it was concluded that none of them contained reasonable indications of criminal risk for the Bank.

During the 2021 fiscal year, 115 transactions were evaluated, from January 1 to July 29 of that year, the date on which the merger with Liberbank took place, in order to determine their possible criminal implication, and none of them showed reasonable indications of criminal risk for the Bank. During the same period, Liberbank's Regulatory Compliance Committee did not evaluate any transaction.

During the period from July 30 to December 31, 2021, Unicaja Banco, as the combined entity resulting from the merger, 131 transactions were assessed by the Criminal Risk Prevention Committee, none of which showed reasonable indications of criminal risk for the Bank.

Measures to combat money laundering (GRI 3.3, GRI 205-2)

The Unicaja Banco Group applies strict ethical and professional standards to prevent and combat money laundering and the financing of terrorism, as well as to ensure that the Bank's services are not used for these purposes.

Unicaja Banco manages these risks in relation to the Group, adopting the necessary measures for which it has set up internal control bodies and units with specific responsibilities for the prevention of money laundering and the financing of terrorism (hereinafter "PML-FT"). Consequently, to the extent applicable, the bodies, mechanisms, tools and policies of Unicaja Banco referenced below also apply to other Group companies (13 in total).

The Bank has determined the functions that correspond to the Board of Directors and its committees, its management, departments, units and employees in general, appointing a Director of Regulatory Compliance as its representative before the Executive Service for the Prevention of Money Laundering and Monetary Offenses (SEPBLAC), both for the parent company and for the subsidiaries that meet the condition of obliged subject, pursuant to the Prevention of Money Laundering and Terrorist Financing Act, Law 10/2010 of April 28, and its implementing regulations. Unicaja Banco's Board of Directors has approved Unicaja Banco's main

PML-FT policies and procedures and is regularly informed of matters related to this matter, either directly or through the Audit and Regulatory Compliance Committee.

The board and its committees' continuing education plan includes content related to this subject. In Unicaja Banco during fiscal year 2022, 5,227 employees have completed three hours of training on new developments in the Prevention of Money Laundering and Terrorist Financing, with a total of 15,657 hours completed, in 2021 continuous training was provided to a total of
4.407 employees. Criminal Risk training was also carried out, in which a total of 1,400 employees have completed 11,127.50 hours of training.

In order to mitigate the risk of money laundering, Unicaja Banco has increased the awareness its employees to ensure that in the event of any indication of a suspicious transaction or mere attempt, they report it internally to the Money Laundering Prevention Area.

The Bank approved a Customer Admission Policy which outlines the customer types that might present a higher than average risk, establishing procedures for action contained in its PML-FT Manual, identifying a catalog of risk operations and putting in place specific action protocols for the detection and internal communication of events and transactions that need to be subject to special examination as they present signs of being related to money laundering or terrorist financing activities.

In order to carry out this weighting, the Unicaja Banco Group has a Risk Based Approach (RBA) Risk Model that automatically determines the money laundering/financing of terrorism risk associated with its customers, both prior to their admission and in the application of the continuous monitoring of the business relationship. The category to which the customer belongs is determined and the level of due diligence to be applied are based on the risk level or scoring assigned to the customer according to the different factors whose values are weighted by their greater or lesser exposure to money laundering/financing of terrorism risk. At December 31, 2022, 95% of customers are classified as low risk, compared to 93.84% of customers in 2021, demonstrating the low risk profile in this area in the Unicaja Banco Group.

Unicaja Banco's main marketing channel is its network of branches distributed throughout Spain, with a majority presence in the Autonomous Communities of Andalusia, Asturias, Cantabria, Castilla-La Mancha, Castilla y León and Extremadura, from where it offers financial products and services to individuals, large companies and SMEs. Unicaja Banco's procedures for the Prevention of Money Laundering are adapted to the customer profile according to the area in which they operate.

In terms of operations, Unicaja Banco carries out transactions to and from any point in the world, including all those countries considered high risk. In this regard there is specific monitoring that tracks the operations carried out from or to countries considered as high risk by Unicaja Banco. Similarly, cross-border correspondent banking operations are subject to specific monitoring controls.

The Unicaja Group has a network of agents who carry out customer acquisition duties, although the actual admission of customers is the Group's responsibility, without delegating any responsibility in this area to the agents, except for financial agents with a terminal. Unicaja Banco provides training adapted to the needs of these groups regarding PML-FT.

There are currently three possible types of relationships:

- Financial agents with terminal, who carry out the work of first contact with customers and perform the procedures of admission, identification and knowledge of the customer.

- Collaborating agents, who are customer motivators, with the Bank's branches responsible for contracting products for these customers.

- Real estate agents, who again are customer motivators, with the Bank's branches responsible for contracting products for these customers; which in general are mortgage operations.

The Group has procedures for contracting the different types of agents and associates, defined in a manual that must be complied with by all those involved in the Bank's activities.

Unicaja Banco's internal control body (Committee for the Prevention of Money Laundering and Blocking the Financing of Terrorism), which also by extension oversees OTHERS obliged Group organizations, is responsible for the application of the policies and procedures regarding Unicaja Banco Group PML-FT. The current composition of the Committee for the Prevention of Money Laundering and Blocking the Financing of Terrorism includes the participation of the various areas affected, including both business and support organizations.

The Money Laundering Prevention Area is the Unit established by Unicaja Banco within the Regulatory Compliance Department which coordinates the internal control procedures and bodies in order to prevent and impede the performance of operations related to money laundering and the financing of terrorism.

As stated above, Unicaja Banco assumes that the Group's investee companies are obliged to ensure that their competent bodies accept the Committee for the Prevention of Money Laundering and Blocking of Terrorist Financing as their internal control body. This acceptance also includes the SEPBLAC representative and the implementation mechanisms and procedures available to Unicaja Banco, with the due adaptations when necessary according to the nature of the company in question.

All the Group's organizations have agreed to adhere to Unicaja Banco's PML-FT Manual. Additionally, some of these entities have specific PML-FT procedures that are adapted to their corporate purpose and operational particularities, as mentioned above.

Each of Unicaja Banco's investee companies in which it is a regulated entity pursuant to the aforementioned Law 10/2010, have in place an organizational structure, procedures and specific systems for the development of their activities, adapted to their business type and volume, as well as an PML-FT Coordinator who works in partnership with Unicaja Banco's Money Laundering Prevention Area, to which they report.

Unicaja Banco has various channels (application and an e-mail address) that ensure that the employees, agents and employees of Group companies can inform the Money Laundering Prevention Area of any irregular operation they detect. It has also taken appropriate measures to maintain the confidentiality of the identity of those who have passed on this information to the internal control bodies.

On the main page of the corporate intranet, the Bank's personnel have a specific web space for the Prevention of Money Laundering available to them from which they can directly access the Suspicious Transaction Reporting application, the Technical Unit for the Prevention of Money Laundering, the Money Laundering Prevention School and the Help Manual for said app. This is also available in the Sustainability and CSR area, in the specific section on Codes and Policies, which includes, among others, a specific section on the Code of Ethics, as well as in the Corporate Conduct section of the "Unipersonal" employee portal.

The Bank's internal communication channels have been informing the staff about the policies for the prevention of corruption, bribery and measures to combat money laundering.

Finally, through the application of Communications to the Intranet Network, the branch network is informed of information of an operational nature that affects this area, such as, for example, the procedure for consultations with the Prevention of Money Laundering and Financing of Terrorism Area (PBC and FT) (June 16, 2022) or the update of Unicaja Banco's Prevention of Money Laundering and Financing of Terrorism Manual (September 23, 2022).

Indicators of Article 8 of the European Union (EU) Environmental Taxonomy Regulation

INDICATORS OF ART. 8 OF THE EUROPEAN UNION (EU) ENVIRONMENTAL TAXONOMY REGULATION

European Union Environmental Taxonomy Regulation: financial indicators of environmental sustainability

In June 2020, the European Union published Regulation 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investments, known as the Environmental Taxonomy Regulation.

The six environmental objectives covered by this regulation are climate change mitigation, adaptation to climate change, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems.

Only the first two (mitigation and adaptation to climate change) are legally binding as of January 2022, and therefore affect this Statement of Non-Financial Information, while the other four, once the pertinent technical developments have been approved, are expected to become legally binding as of 2024 with respect to 2023.

Regulation 2020/852 has been further developed by two Delegated Regulations, both published in December 2021:

- Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021, supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council and establishing the technical selection criteria for determining the conditions under which an economic activity is deemed to make a substantial contribution to climate change mitigation or adaptation and for determining whether that economic activity does not cause significant harm to any of the other environmental objectives.

- Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021, supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of the information to be disclosed by companies subject to Articles 19 bis and 29 bis of Directive 2013/34/EU regarding environmentally sustainable economic activities and specifying the methodology for complying with the disclosure obligation.

Commission Delegated Regulation (EU) 2022/1214 of March 9, 2022, published in July of that year, amends the two aforementioned Delegated Regulations to include, fundamentally, the duty to disclose information related to the development of economic activities in the fossil gas and nuclear energy sectors, due to their potential to contribute to the decarbonization of the Union's economy.

Additionally, the EU has provided entities that are subject to reporting obligations under the Environmental Taxonomy Regulation with an online tool called Taxonomy Compass, which provides a visual representation of the content of the Taxonomy.

Regulation 2020/852, which constitutes one of the pillars in the European Union's efforts to mobilize capital flows towards environmentally sustainable activities, establishes that those companies obliged to publish non-financial information under the provisions of Directive 2013/34/EU have to include information in their non-financial statement on how and to what extent their activities are associated with economic activities that are considered environmentally sustainable in accordance with the provisions of the Regulation itself and its implementing rules.

Specifically and for financial institutions, the disclosure of this information is expected to take the form of a series of indicators, including the Green Asset Ratio (GAR), which shows the proportion of the institutions' assets that finance economic activities that meet the criteria of the Taxonomy and therefore contribute to the European Union's sustainability objectives.

Since the regulations (specifically Article 10 of Delegated Regulation 2021/2178) provides for a transition period for financial institutions to comply with these obligations in 2023 (with respect to 2022) the publication of a series of provisional prior ratios is required, of which the most important is the proportion of eligible assets in accordance with the Environmental Taxonomy Regulation, i.e. the proportion of assets that could be considered environmentally sustainable if they comply with the technical provisions of the same, partially specified by means of the aforementioned Delegated Regulation 2021/2139, without assessing at this time their effective compliance.

Specifically and pursuant to the aforementioned transitional regime established in Delegated Regulation 2021/2178, the financial entities subject thereto will only disclose in 2023 the following information, with respect to 2022:

- The proportion of exposure to eligible and ineligible economic activities in its total assets, based on the Taxonomy.
- The proportion of the exposure referred to in Article 7(1) and (2) in total assets, i.e.:
    - Exposure to central governments, central banks and supranational issuers (this will be excluded from the calculation of the numerator and denominator of the KPIs of financial companies).
    - Derivatives (these will be excluded from the numerator of KPIs of financial companies).
- The proportion in their total assets of the exposures referred to in Article 7(3), i.e. the exposure of companies that are not required to disclose non-financial information pursuant to Article 19 bis and 29 bis of Directive 2013/34/EU (this shall be excluded from the numerator of the key performance indicators of financial undertakings).
- The proportion of the trading portfolio and interbank demand loans in its total assets.
- Exposure, if any, to economic activities in the fossil gas and nuclear energy sectors (eligibility only), pursuant to Delegated Regulation (EU) 2022/1214.

These proportions should be accompanied by certain qualitative explanations, as defined in Annex XI of Delegated Regulation 2021/2178, all of which are complied with in this section of the Unicaja Banco Group's Consolidated EINF for 2022.

With its better understanding of the current regulations and the interpretative criteria published by the European Commission, and with the will to comply with the regulatory requirements, the Unicaja Banco Group is in the process of implementing the technologies, methods and procedures that allow it to comply, in addition, with supervisory expectations and those of the market itself. Given we are in such an early stage, in which particularly complex regulations subject to intense political and social debate are being assimilated and interpreted by the industry, the Group has made its best effort to disclose these financial indicators.

Context on quantitative disclosures

The Unicaja Banco Group complies with the requirements of the Environmental Taxonomy Regulation by publishing the ratios presented in this section of the Consolidated Financial Statements for 2022, applying the "best possible effort" criterion for the preparation of which, as mentioned above, the provisions of the regulations and communications from the competent bodies and entities were taken into account.

However, as mentioned above, the "best possible effort" approach was adopted to obtain the information necessary to calculate the ratios and assess eligibility, with a final result that provides the most accurate picture of the degree of eligibility according to the Taxonomy directive, in line with the Unicaja Banco Group's understanding.

Thus, in order to advance in compliance with regulatory expectations in this area, during the last year efforts have been made to identify counterparties subject to the obligation to publish non-financial information in accordance with the provisions of the applicable regulations, as well as to compile information on the eligibility of such counterparties, in order to incorporate the information in the calculation of the Bank's own ratios.

Indicators (ratios) of the Environmental Taxonomy Regulation (climate change adaptation and mitigation)

The following is the ratio of eligible and ineligible assets of the Unicaja Banco Group, as well as the rest of the complementary ratios for 2021:

Indicators of the EU Environmental Taxonomy Regulation (mitigation and adaptation to climate change)	Ratio over total assets (A+B+C) (12/31/2021)	Ratio of assets included in the scope of the GAR (A+B) (12/31/2021)
A) Exposure to taxonomy-eligible economic activities	28.3 %	44.4 %
B) Exposure to ineligible economic activities according to taxonomy	35.4 %	55.6 %
Total derivative exposure assets (hedging)	0.7 %	1.1 %
Exposures to non-financial companies that are not required to publish non-financial information pursuant to Article 19 bis and 29 bis of Directive 2013/34/EU (EU and non-EU countries)	9.9 %	15.5 %
Exposure of financial companies that are not required to publish non-financial information pursuant to Article 19 bis and 29 bis of Directive 2013/34/EU (EU and non-EU countries)	1.7 %	2.6 %
Interbank demand loans as a percentage of total assets	0.1 %	0.2 %
Other ineligible exposure	23.0 %	36.2 %

Total assets included in the scope of the GAR (A+B)	63.7 %	100%
C) Exposure excluded from the scope of the GAR	36.3 %	
Negotiation portfolio	0.0 %	
Exposure to central governments and supranational issuers	19%	
Exposure to central banks	17.3 %	
Total assets (A+B+C)	**100%**	-

The ratio of eligible and non-eligible assets of the Unicaja Banco Group, as well as the other complementary ratios, corresponding to fiscal year 2022, are shown below:

Indicators of the EU Environmental Taxonomy Regulation (mitigation and adaptation to climate change)	Ratio over total assets (A+B+C) (12/31/2022)	Ratio of assets included in the scope of the GAR (A+B) (12/31/2022)
A) Exposure to taxonomy-eligible economic activities	35.2 %	49.7 %
B) Exposure to ineligible economic activities according to taxonomy	35.6 %	50.3 %
Total derivative exposure assets (hedging)	1.8 %	2.5 %
Exposures to non-financial companies that are not required to publish non-financial information pursuant to Article 19 bis and 29 bis of Directive 2013/34/EU (EU and non-EU countries)	9.1 %	12.8 %
Exposure of financial companies that are not required to publish non-financial information pursuant to Article 19 bis and 29 bis of Directive 2013/34/EU (EU and non-EU countries)	1.8 %	2.5 %
Interbank demand loans as a percentage of total assets	0.1 %	0.1 %
Other ineligible exposure	22.9 %	32.3 %
Total assets included in the scope of the GAR (A+B)	70.9 %	100 %
C) Exposure excluded from the scope of the GAR	29.1 %	
Negotiation portfolio	0.0 %	
Exposure to central governments and supranational issuers	25.1 %	
Exposure to central banks	4.0 %	
Total assets (A+B+C)	**100%**	-

Regarding the exposure to economic activities in the fossil gas and nuclear energy sectors (eligibility), the disclosure of which is mandatory as from 2023 with respect to fiscal year 2022, it is noted that the Unicaja Banco Group does not have exposures that meet the requirements established in the European Union regulations.

Supplementary information on methodology, composition of ratios and limitations of the disclosure exercise

In order to provide a better understanding of the calculations performed, the main points of the methodology applied for the calculation of the ratios are shown below.

In association with a service provider experienced in these processes (Álamo Consulting), the Group developed a procedure and methodology to respond to the first quantitative information disclosure obligations of the Environmental Taxonomy Regulation and is working on the implementation of a module to manage this information in the Bank's systems that will allow the smooth generation of information on sustainability in the future, in line with the regulatory development underway.

This procedure and methodology allowed the Bank to:

- Have access to a scalable and adaptable solution which allows the incorporation of new block areas, as required by the applicable regulations.

- Guarantee the maximum quality, coherence and consistency of environmental sustainability information, based on a single, centralized data dictionary model that enables data traceability and reconciliation.

- Reduce the information burden by leveraging and reusing information that is already being used for other regulatory reporting requirements.

- Automate the cycle of preparation, generation, reconciliation, validation and presentation of information, minimizing manual processing.

- Ensure the quality of the information by using base data that is contrasted and squared with the rest of the Group's financial reporting.

Although the regulations do not require the presentation of the indicators in specific templates, it was decided to take use those outlined in Annex VI as a benchmark ("Template for key indicators of credit institutions") of Delegated Regulation 2021/2178: "1. Assets for GAR calculation", "2. GAR: Information by sector", "3. Key performance indicator of GAR in terms of stock".

The results generated and presented were based on two premises:

- The calculation of eligible assets based on the individual analysis of each of the Group's financial instruments and other assets, not on global estimates of certain items in this part of the balance sheet.

- The minimum level base data used to generate the sustainability information is the same as that used by the Unicaja Banco Group to prepare the consolidated financial statements submitted to the competent authorities.

The eligible assets taken into consideration by the Unicaja Banco Group at 2022 year-end are mainly composed of the following:

- More than 90.9% were loans to households to finance home purchases (94% in 2021).

- Loans to households to finance home improvements and the purchase of cars were 2.7% (3% in 2021).

- Foreclosed commercial and residential real estate or that received in payment, classified as non-current assets held for sale was 2.7% (2% in 2021).

- The financing of non-financial companies obliged to publish non-financial information pursuant to Article 19 bis and 29 bis of Directive 2013/34/EU associated with one of the activities included in the EU taxonomy is 3.6% (0.1% in 2021).

- Funding to Local Administrations for the financing of public housing, 0.1%, the same percentage as in 2021.

Exposures to financial and non-financial companies required to publish non-financial information pursuant to Article 19 bis and 29 bis of Directive 2013/34/EU are not considered eligible. For those exposures with subsidiaries of group parents obliged to disclose non-financial information in accordance with Article 19a or 29a of Directive 2013/34/EU, the information of the group parent has been considered for classification (unless the subsidiary issues non-financial information separately because it meets the regulatory requirements to do so). This 2022 information of the Unicaja Banco Group includes information related to project finance and certain investments in sustainable bonds issued by third parties.

Unicaja Banco Group strategy, product design process and relationship with customers and counterparties

The Unicaja Banco Group has a Sustainability Policy, approved by its Board of Directors, which specifies the Group's position with respect to sustainable finance, particularly from the perspective of strategy and general objectives, corporate and business management and the design and marketing of financial products and services which meet the needs of customers and investors in accordance with ESG criteria. The principles of action included in this Policy include the incorporation of socially and environmentally sustainable financial products and services, in accordance with the European Union's classification system. At present, as demonstrated by the calculation and disclosure of the indicators included in this section of the report, this process has already begun, and will be fully and completely implemented as the regulatory framework itself takes shape in the coming years.

Unicaja Banco's Strategic Plan 2022-2024, approved in December 2021, establishes the commitment to sustainability in all lines of business as an opportunity for development and improvement in its daily management, for which it will work on a renewed offer of products and services and on the reduction of its carbon footprint. At the same time, it will promote the culture of sustainability, identification and management of climate risk, all of which is recorded in this Statement, among other corporate documents. For these purposes and in addition to the development of an internal methodology that is now available, it will be necessary to align it with European Union regulations, which will make it possible to identify an economic activity as environmentally sustainable. To this end, the Sustainable Finance Action Plan, approved in 2020 and revised in 2021, includes certain measures to specify all of the above; in 2022, significant progress has been made with regard to the implementation of the Action Plan measures.

The Group's environmental sensitivity, as it applies to itself and in its relationship with all stakeholders, is also reflected in the CSR Policy and in the Environmental, Energy and Climate Change Policy, also approved by the Board of Directors.

In line with the expected regulatory developments and the foreseeable evolution of the market, the Unicaja Banco Group will therefore continue to strengthen its positioning in sustainability matters through its integration in governance, strategy and risk management and the offer of sustainable financial products, relying, as a transversal axis for this purpose, on the provisions and criteria of the European Union Environmental Taxonomy.

Additional information on the financing of economic activities compliant with the European Union's Environmental Taxonomy Regulation

As can be seen in the ratios included in this section of the report, in compliance with the Environmental Taxonomy Regulation, a proportion of the Unicaja Banco Group's balance sheet is eligible, pursuant to the criteria of that regulation.

The Group's objective, in line with its operating principles and the European Union's regulatory initiatives, is to ensure that this percentage materializes as far as possible in activities that are fully aligned with the Environmental Taxonomy. The Group will therefore carry out the appropriate action required to achieve this objective, evaluating all possible lines of action to achieve it, including the development of specific products with considerations aligned with the Environmental Taxonomy, the development of activities to increase the engagement of customers and other stakeholders, and the financing of environmentally sustainable activities. As stated elsewhere in this Statement, the internal product classification system approved in 2022 by the Bank is fully aligned with the European Union Regulatory Taxonomy.

The Unicaja Banco Group's commitment to this matter, which is of critical relevance for society in general, should be highlighted here. As proof of this, a specific road map is currently being implemented that will enable these requirements to be covered with full guarantees in the short term.

Additionally, during the last fiscal year, the Unicaja Banco Group has made significant progress in the area of Sustainable Finance, which has enabled the achievement of some objectives linked to the channeling of capital flows towards environmentally sustainable activities. Thus, the implementation of the requirements of Regulation (EU) 2019/2088 on the disclosure of information related to sustainability in the financial services sector, which establishes the basis for the design of investment and advisory products and services considering sustainability criteria, among other aspects, is noteworthy; progress has also been made with regard to the regulations on investor protection in the financial markets (MiFID), with the incorporation of sustainability issues in the suitability test, in those cases in which this is required.

As mentioned above, action plans were also drawn up for the complete integration of the new initiatives, with the appropriate measures taken to deal with them, starting with internal training measures aimed at the entire workforce and specific groups, which will enable the Group to fully outline its position in this area in the short term.

Annexes

GUIDELINES FOR THE PREPARATION OF THE NON-FINANCIAL INFORMATION STATEMENT

Principles for the development of the Non-Financial Information Statement

This Statement has been completed with reference to the criteria of the Sustainability Reporting Standards of the Global Reporting Initiative GRI standards, as well as the Financial Services Sector Supplement of the GRI G4 Guidelines, relating to the definition of the content and quality of the report.

Reporting principles for defining the content of the report	Reporting principles relating to the definition of report quality
● The inclusion of stakeholders ● The context of sustainability ● Materiality ● Completeness	● Accuracy ● Balance ● Clarity ● Comparability ● Reliability ● Punctuality

THE PARTICIPATION OF STAKEHOLDERS
These are clearly identified and related to Unicaja Banco activity. The Group seeks to meet the demands and needs of these groups by improving and maintaining the quality of its services and actions. The reasonable expectations and interests of stakeholders are a basic point of reference for many of the decisions made in the preparation of the Non-Financial Information Statement.

THE CONTEXT OF SUSTAINABILITY
The Non-Financial Information Statement presents the company's performance in the broader context of sustainability and reflects how it contributes with concrete environmental, social and economic action.

MATERIALITY
The information contained covers aspects that reflect the group's significant social, environmental and economic impact. These are aspects that substantially influence the evaluations and decisions of its stakeholders.

COMPLETENESS
This Non-Financial Information Statement addresses the material aspects and their coverage in a way that reflects their significant economic, environmental and social effects in the period analyzed, corresponding to fiscal year 2022.

ACCURACY
Information on the management approach and economic, environmental and social indicators are presented in a sufficiently precise and detailed manner to enable stakeholders to assess the organization's performance.

BALANCE
Reflects both the positive and negative aspects of the organization's performance in order to

provide an informed assessment of overall performance.

CLARITY
The content is presented in a way that is understandable to the target stakeholders so that they can access and understand the information appropriately.

COMPARABILITY
The information is presented in such a way that stakeholders can analyze the evolution of the organization's performance, which can be analyzed in relation to that of other organizations.

RELIABILITY
The statement gathers, analyzes and discloses the information and the processes followed for its preparation, so that it can be submitted for evaluation and quality and materiality can be established.

PUNCTUALITY
This Non-Financial Information Statement is a continuation of those presented in previous years.

FOLLOW-UP ON TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) RECOMMENDATIONS (GRI 2.28)

An effective and reliable disclosure policy is essential, both from the perspective of the financial institutions themselves and from that of the markets and the recipients of the financing and investment they channel, including for the exercise of their functions by the public authorities.

Particularly with regard to the financial risk associated with climate change, the general framework for dissemination of the entities must move from the static to the dynamic, particularly if the strategic importance attributed by financial entities, and by the Unicaja Banco Group in particular, to sustainability is taken into consideration.

The recommendations on climate disclosures of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board have become the global standard for climate disclosures.

In this regard, the Guidelines on Non-Financial Reporting: Supplement on Climate-Related Information (2019) of the European Commission, which complement Directive 2014/95/EU, accept its guiding nature. Also the European Central Bank, according to the Guidance on climate-related and environmental risks (2020), explicitly refers to TCFD recommendations (supervisory expectation no. 13.4, in particular)[1].

Consequently, Unicaja Banco's strategic consideration of sustainability, in accordance with the provisions of the 2022-2024 Strategic Plan, and the progress made in 2022 in implementing the Sustainable Finance Action Plan, allow us to report for the first time on Unicaja Banco's monitoring of the TCFD recommendations, without prejudice that, based on the effective management deployed and corporate objectives, this information will be gradually expanded and improved in successive years, in step with the application of new regulatory milestones,

[1] "Entities are expected to disclose financially significant climate-related risks in accordance with the European Commission's Guidelines on Non-Financial Reporting: Supplement on climate-related information. The Supplement includes the recommendations of the TCFD and provides guidance under the Non-Financial Disclosure Directive. The information that entities are expected to make public revolves around five key aspects: the business model, due diligence policies and processes, results, risks and their management, and key performance indicators (KPIs)."

These notably include the European Union Directive on Corporate Information on Sustainability, already mentioned in several passages of this Statement, and the ongoing developments in prudential matters.

In order to avoid repetition, and to provide the necessary background with the greatest clarity and specificity, the following table shows the sections of this Statement and the corporate website, as well as other corporate documents, that can be used to learn about the current positioning and effective management of climate risk in the Unicaja Banco Group, including a mention of the metrics and objectives.

Category	TCFD Recommendations	References
Governance	a) Describe the board's monitoring of climate-related risks and opportunities. b) Describe management's role in assessing and managing climate-related risks and opportunities.	EINF, section "Climate Risk Management" Corporate website, section "Board of Directors and Support Committees /Sustainability Committee" Corporate website, section "Corporate Governance Policy"
Strategy	a) Describe the climate-related risks and opportunities identified by the organization in the short-, medium- and long-term. b) Describe the impact of climate-related risks and opportunities on the organization's activities, strategy and financial planning. c) Describe the resilience of the organization's strategy, taking into account different climate scenarios, including a scenario of 2°C or less.	EINF, section "Climate risk management" EINF, section "Art. 8 indicators of the Environmental Taxonomy Regulations of the European Union (EU)". Corporate website, section "Green Bonds Framework" Information of Prudential Relevance*
Risk management	a) Describe the organization's processes for identifying and assessing climate-related risks. b) Describe the organization's processes for managing climate-related risks. c) Describe how the processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	EINF, section "Global Risk Control" EINF, section "Climate risk management" Corporate website, section "Risk control information" Corporate website, section "Annual Corporate Governance Report" **
Metrics and objectives	a) Set out the metrics used by the organization to assess climate-related risks and opportunities in accordance with its strategy and risk management process. Describe the organization's processes for managing climate-related risks. b) State the Scope 1, Scope 2 and, if applicable, Scope 3 greenhouse gas emissions and the corresponding risks. c) Describe the objectives used by the organization to manage climate-related risks and opportunities and the results obtained with respect to these objectives. ***	EINF, section "Climate risk management" EINF, section "Decarbonization"

* To be published subsequent to this Statement of Non-Financial Information.

** The 2022 Annual Corporate Governance Report is published at the same time as the Statement of Non-Financial Information.

*** The decarbonization targets for the credit, fixed income and equity portfolios will be published following the disclosure of this Statement.

UNITED NATIONS GLOBAL PACT (GRI 2.28)

Unicaja Banco has been a signatory to the United Nations Global Compact since 2013, and since 2017 a partner of the Spanish Network of the United Nations Global Compact, whereby it undertakes to report annually on its performance with respect to the ten principles of conduct and effective action in the areas of human rights, labor standards, environment and anti-corruption. It also expresses its support for the actions promoted by the United Nations Organization to achieve its objectives and goals, including all Sustainable Development Goals (SDGs).

UN GLOBAL COMPACT

APOYAMOS AL PACTO MUNDIAL

Esta es nuestra **Comunicación sobre el Progreso** en la aplicación de los principios del **Pacto Mundial de las Naciones Unidas.**

Agradecemos cualquier comentario sobre su contenido.

The following are the pages in which the Global Compact Principles are covered by the text.

PRINCIPLES		PAGES
Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.	11-19, 101, 157-158, 165, 170, 177-178
	Principle 2: Businesses should ensure they are not complicit in human rights abuses.	
Labor standards	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	145, 177- 178
	Principle 4: Businesses should support the elimination of all forms of forced and compulsory labor.	157-158, 177-180
	Principle 5: Businesses should support the abolition of child labor.	
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	13-14, 36, 40, 138, 142, 150, 177-178
Environment	Principle 7: Businesses should support a precautionary approach that favors the environment.	11-19, 24-25, 27, 50-59, 75-95, 98-102, 107-108, 164-177 187-193, 197-198
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	11-19, 27, 102, 178-184

MATERIAL ISSUES AND THEIR LINKAGE TO THE GLOBAL COMPACT PRINCIPLES AND THE SDGS

The analysis of materiality, from the perspective of dual materiality, has resulted in a prioritization of the typology of non-financial risks, with the risks derived from Corporate Governance/Ethics being considered the most relevant, followed by Customer and Social and personnel risks.

In the following table they are classified based on the outcome of the materiality workshop developed in 2022, described in the section "Identification of material aspects", and are associated with the Global Compact Principles and with the SDGs highlighted as material following the analysis.

Type of risks	Non-financial risks	Global Pact Principles	SDG materials
Corporate governance/ Ethics	• Profitability, solvency, stability • Corruption and bribery • Transparency of information • Risk management and compliance • Bad debt management	10	8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Customers	• Safety and data protection • Digitalization and accessibility • Transparent and responsible marketing	1, 2 and 6	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Social And Personnel	• Diversity/equality and accessibility • Employment and work organization • Health and safety • Talent management	3, 4, 5 and 6	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH

Society	• Commitment to sustainable development and the SDGs • Fiscal responsibility • Subcontracting and suppliers • Financial education	1, 2, 3, 4, 5, 6, 7, 8, 9 and 10	
Environment	• Climate change • Sustainable use of resources. Circular economy • Environmental and social criteria (ESG) in business	7, 8 and 9	
Policy	• Policy	1, 2 and 10	
Human rights	• Human rights	1 and 2	

Table 1. Material SDGs and their relationship with the Global Compact

If we prioritize the SDGs on which to act and report, based on this analysis, we would find, in the first place, those related to the issues of Profitability, Solvency, Stability and Corruption and Bribery associated with Corporate Governance and Ethics, these are the SDGs: 8 and 16.

The table of material or priority SDGs would be as follows:

SDG MATERIALS


Table 2. Priority SDGs

2022 CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT OBJECTIVES

SDG HIGHLIGHTS	SIGNIFICANT INITIATIVES	RELATED MATERIAL TOPICS
3 GOOD HEALTH AND WELL-BEING	• ISO 45001:2018 certification • Certification of COVID-19 Action Protocols • Solidarity in the Company Program. Collaboration Agreement with the Spanish Association Against Cancer (AECC)	• Diversity, equality and accessibility • Employment and work organization • Commitment to sustainable development • Social relations • Subcontracting and suppliers • Health and safety
4 QUALITY EDUCATION	• The Sustainable Finance and CSR Training Plan • Training on cryptocurrencies and artificial intelligence to both internal and external teams, through the Edufinet Financial Education Program • First steps for the creation in 2023 of a new Financial Education Center at the headquarters of the Caja Duero Foundation, with the support of Funcas and Edufinet's Financial Education project. • Participation as a Special Partner in the International Training Center for Authorities and Leaders (CIFAL) in Malaga, a project within the framework of the United Nations Institute for Training and Research (UNITAR) • Edufinet Financial Education Project awarded in 2022, in the CECA Social Work and Financial Education Awards 2021, for its work to promote Financial Education among young people • Priority focus of the Edufinet Financial Education project, to ensure the financial inclusion of all groups in society, especially the youngest and those over 65 years of age • Project 'SDGS&Science'. Training plan in educational centers, focused on non-polluting energies, microorganisms, avifauna, or healthy habits, to contribute to the achievement of the SDGs of the 2030 Agenda • Collaboration protocol for the delivery of training actions within the framework of the INTERNISA project to bridge the existing digital divide, especially among long-term unemployed women • Edufinet, conducting webinars on sustainability and	• Consumers and users of financial services • Commitment to sustainable development

	financial education • Financial education programs for businesswomen in rural areas • "Real Finance" project • "Financial education scholarships" project	
5 GENDER EQUALITY	• Collaboration with the ADECCO Foundation in the labor market insertion of women at risk of social exclusion and in the labor market inclusion of women victims of gender violence • Training in equality, especially for the management team • Initiatives to improve the work-life balance. • Leave of absence for child and family care with post reserved for the first two years • 21 hours paid leave per year • Protocols for gender-based harassment or discrimination • Code of Best Practices in the use of language	• Diversity, equality and accessibility • Employment and work organization • Social relations
7 AFFORDABLE AND CLEAN ENERGY	• Unicaja Banco's integrated management system that promotes the implementation of a responsible and sustainable environmental management model, integrated into the Bank's strategy and processes. • Contracting energy with "Certificate with Guarantee of Origin" • Project 'SDGS&Science'. Training plan in educational centers, focused on non-polluting energies, microorganisms, avifauna, or healthy habits, to contribute to the achievement of the SDGs of the 2030 Agenda • Various energy efficiency actions carried out by the Group	• Climate change • Sustainable use of resources. Circular economy
8 DECENT WORK AND ECONOMIC GROWTH	• Revision of the Sustainable Finance Action Plan to promote the integration of ESG criteria into its business model • Partnership with the ADECCO Foundation for the labor market integration of women at risk of social exclusion • Various collective bargaining agreements • Financial support for university studies for the youth group • Preparation of Economic Forecast Reports prepared by Analistas Económicos de Andalucía for Andalusia and Castilla y León	• Consumers and users of financial services • Employment and work organization • Commitment to sustainable development • Social relations • Subcontracting and suppliers

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	• Obtained ISO27701 Certification for privacy and data protection management system • Maintenance of ISO27001 information security standard • Driving innovation through new digital banking and sustainable finance • Collaboration with ICO, the Official Credit Institute • Microcredits granted to entrepreneurs and start-ups • Commitment to sustainability within the 2022-24 Strategic Plan • Dalion, a digital identity solution of which Unicaja Banco is a founding partner, is the first project to pass the Financial Sandbox tests	• Consumers and users of financial services • Commitment to sustainable development
10 REDUCED INEQUALITIES	• Collaboration protocol for the delivery of training actions within the framework of the INTERNISA project to bridge the existing digital divide, especially among long-term unemployed women • Adherence to the Code of Best Practices on support measures for mortgage debtors at risk of vulnerability • Adherence to the sectorial strategic protocol to reinforce the social and sustainable commitment of the banking sector • Adherence to the ICO Res.es Digital Kit line, to promote the technological transformation of SMEs and the self-employed • New Real Madrid Foundation Solidarity Investment Fund, aimed at facilitating the socio-labor reintegration of the long-term unemployed, project "EmprendeDeporte" • Adherence to the strategic sector protocol to strengthen the social and sustainable commitment of the banking sector, focused on financial and digital inclusion • Responsible banking: rental housing and social exclusion • Edufinet Project. Development and implementation of a financial video game for young people and creation of online financial games with the support of Funcas. • Collaboration with Bancosol in the Gran Recogida Virtual food bank campaign to assist families at risk of social exclusion. • Partnership with the ADECCO Foundation to work together to ensure the integration of women at risk of social exclusion in the labor market	• Consumers and users of financial services • Commitment to sustainable development

11 SUSTAINABLE CITIES AND COMMUNITIES	• Agreement with the Biodiversity Foundation, under the Ministry for Ecological Transition and the Demographic Challenge, for the firm commitment to contribute to the creation of a green economy • Agreement with the Smart City Cluster to promote technology, innovation and sustainable finance projects within the framework of green and smart cities • Implementation of the products and services of the initial Next Generation EU portfolio and global sustainable offer: Energy renovation of buildings (ICO line) and Next Generation EU advance guarantee • Participation as a Special Partner in the International Training Center for Authorities and Leaders (CIFAL) in Malaga, a project within the framework of the United Nations Institute for Training and Research (UNITAR) • Collaboration with the Government of Castilla-La Mancha, to provide information and resources for housing rehabilitation	• Consumers and users of financial services • Commitment to sustainable development
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• New plastic recycling circuit that seeks to take advantage of resources to give them another life and thus advance in the transition to a circular economy • Adherence to Autocontrol, Association for Commercial Self-Regulation and Best Advertising Practices • Customer service quality surveys through different channels (UniVía, ATMs etc.) or associated to transactions (*Unicaja Escucha* - "Unicaja Listens")	• Consumers and users of financial services • Commitment to sustainable development
13 CLIMATE ACTION	• Participation in the UN @globalcompact training program for companies to reduce pollutant emissions by 2030 and reach net zero by 2050 • Unicaja Banco forests. Reforestation of degraded areas in the Bank's areas of operation • Joint Undertaking on Climate Action promoted by UNEP FI within the framework of COP25 • Launching of the new Sustainable Finance Action Plan within the framework of the 2022/24 Strategic and Transformation Plan • Implementation of the ISO 14001, ISO 50001 and ISO 14064 integrated management system • Sustainable financial products • "Extremadura is the Future" collaboration alliance aimed at boosting sustainable economy	• Climate change • Commitment to sustainable development • Sustainable use of resources. Circular economy

16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• Renewal of Certification of the UNE 19601:2017 standard for Criminal Compliance Management Systems • Policy for the prevention of criminal risk and reaction to non-compliance. • Policy for the Prevention and Management of Conflicts of Interest of employees of the Unicaja Banco Group • Money laundering prevention activities • Adherence to Autocontrol • Support through donations made by the Staff and Customers to the Ukrainian People, in collaboration with Save the Children, Acnur and Unicef	• Corruption and bribery • Fiscal responsibility • Commitment to sustainable development
17 PARTNERSHIPS FOR THE GOALS	• Participation as a Special Partner in the International Training Center for Authorities and Leaders (CIFAL) in Malaga, a project within the framework of the United Nations Institute for Training and Research (UNITAR) • Agreement with the Andalusian Confederation of Entrepreneurs (CEA) for the implementation of the Business Observatory for the Achievement of the 2030 Agenda (OECA) • Campaign to support the SDGs of the 2030 Agenda promoted by the Spanish Global Compact Network • Declaration of business leaders for renewed international cooperation • Participation in the disclosure campaign #supporttheSDGs. Sixth anniversary of the adoption of 2030 Agenda • We reaffirm our commitment to the Ten Principles of the Global Compact and to the #ODS of the #Agenda2030 We adhere to the campaign #WeHaveACompact with building a more sustainable, prosperous and resilient planet.	• Commitment to sustainable development • Subcontracting and suppliers

Table 3. Contribution to SDGs

LINKING SUSTAINABLE DEVELOPMENT GOALS TO ESG CRITERIA

➢ ENVIRONMENTAL

7 AFFORDABLE AND CLEAN ENERGY · 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE · 11 SUSTAINABLE CITIES AND COMMUNITIES · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION · 13 CLIMATE ACTION · 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

CLIMATE CHANGE - RESOURCE DEPLETION - WASTE - POLLUTION - ENERGY EFFICIENCY AND RENEWABLES -

➢ SOCIAL

HUMAN RIGHTS - MODERN FORMS OF FORCED LABOR - CHILD LABOR - WORKING CONDITIONS - RELATIONSHIP WITH THE COMMUNITY - GENDER EQUALITY - HEALTH AND SAFETY - DIVERSITY - SUPPLY CHAIN

➢ GOVERNANCE

BUSINESS ETHICS - BRIBERY AND CORRUPTION - EXECUTIVE COMPENSATION - BOARD OF DIRECTORS DIVERSITY AND STRUCTURE - POLITICAL CONTRIBUTIONS AND DONATIONS - TAX STRATEGY

*Classification taken from the Global Compact White Paper No. 1 "Sustainable Finance and 2030 Agenda: Investing in the transformation of the world". Adapted to the commitments assumed by the Group.

GRI INDEX AND INFORMATION REQUESTED BY LAW 11/2018, OF DECEMBER 28, LINKED TO THE GRI STANDARDS AND ARTICLE 8 OF THE EUROPEAN UNION ENVIRONMENTAL TAXONOMY REGULATION (EU)

Code	Information required by Law 11/2018 (Statement of Non-Financial Information)	Link to GRI indicators (2021 unless otherwise stated)	Related material topics	Pages
0.	**General information**			22-27
0.1	**Business model**			46-65
0.1.a	Brief description of the group's business model (business environment and organization)	2-1 Organizational details		22
		2-6 Activities, value chain and other business relationships FS 6 Breakdown of the portfolio for each line of business, by specific region, size (micro, SME, large company) and sector		22-27, 59-65
		2-9 Governance structure and composition		32-41
		2-2 Entities included in the Sustainability Report presentation		22-24
0.1.b	Geographic presence	2-1 Organizational details		22, 59
		2-6 Activities, value chain and other business relationships		22-27, 59-65
0.2.c	Organization's objectives and strategies	2-22 Sustainable Development Strategy Statement		5-6
		3-1 Process for determining material issues		11-12

		3-2 List of material items		16-20
0.2.d	Main factors and trends that affect future developments	2-29 Approach to stakeholder engagement		11-15
		2-4 Updating of information		9-11
0.2	**Manager**			
0.2.1	Mention in the report of the national, European or international reporting framework used for the selection of the non-financial key performance indicators included in each of the sections	3-2 List of material items		16-20
		2-3 Reporting period, frequency and contact point		9-11, 145
		2-5 External verification		219
0.2.2	If the company complies with the non-financial reporting law by issuing a separate report, it should be expressly stated that any such information is part of the management report			9
1.	**Environmental issues**			
1.1	**General information**			
1.1.a	A description of the policies applied by the group with respect to these issues, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impact and for verification and control, including what measures have been adopted	3-3 Management of material items	Climate change Sustainable use of resources. Circular economy	164-169
1.1.b	The results of these policies, including relevant non-financial key performance indicators that allow the monitoring and evaluation of progress and that favor comparability between societies and sectors, pursuant to the national, European or international reference frameworks used for each subject	3-3 Management of material items	Climate change Sustainable use of resources. Circular economy	169-173
1.1.c	The main risks related to these issues linked to the group's activities, including, where relevant and proportionate, its business relationships, products and services that may have an adverse effect on these areas and how the group manages these risks, explaining the procedures used to detect and assess them pursuant to the national, European or international frameworks of reference for each matter. Information should be included on the impact detected, providing a breakdown of this impact, in particular on the main short-, medium- and long-term risks	3-3 Management of material items	Climate change Sustainable use of resources. Circular economy	77-95
1.1.	**Detailed information**			
1.1.1	**Detailed general information**			
	1) Detailed information on the	3-3 Management of material items		164-169

	current and foreseeable effects of the company's activities on the environment and, where applicable, health and safety, environmental assessment or certification procedures 2) Resources dedicated to environmental risk prevention 3) The application of the precautionary principle, the amount of provisions and guarantees for environmental risks.	308-1 (2016) New suppliers that have passed evaluation and selection filters pursuant to environmental criteria	Subcontracting and suppliers	169
1.1.2	**Pollution**			
	Measures to prevent, reduce or remediate emissions that seriously affect the environment; taking into account any form of activity-specific air pollution, including noise and light pollution	305-5 (2016) Reduction of GHG emissions	Climate change	Non-material
		305-6 (2016) Emissions of ozone-depleting substances (ODS)	Non-material	Non-material
		305 -7 (2016) Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	Non-material	
1.1.3	**Circular economy and waste prevention and management**			
	Prevention, recycling, reuse, other waste recovery and disposal measures, action to combat food waste	3-3 Management of material items	Sustainable use of resources. Circular economy	168-172
		301-3 (2016) Reused products and packaging materials	Sustainable use of resources. Circular economy	Non-material
		306-3 (2020) Waste generated	Sustainable use of resources. Circular economy	Non-material
1.1.4	**Sustainable use of resources**			
	Water consumption and water supply in accordance with local constraints	303-3 (2018) Water extraction	Non-material	Non-material
	Consumption of raw materials and measures taken to improve the efficiency of their use	301-1 (2016) Materials used by weight or volume	Sustainable use of resources. Circular economy	Non-material
		3-3 Management of material items	Sustainable use of resources. Circular economy	Non-material
	Direct and indirect energy consumption, measures taken to improve energy efficiency and the use of renewable energies	302-1 (2016) Energy consumption within the organization	Climate change	172
		3-3 Management of material items	Climate change	172-174
1.1.5	**Climate change**			
	Significant elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services that it produces	305-1 (2016) Direct emissions of GHG (Scope 1)	Climate change	172, 175
		305-2 (2016) Indirect GHG emissions from energy generation (Scope 2)	Climate change	172, 175
		305-4 (2016) Intensity of GHG emissions	Climate change	173, 175
	Measures taken to adapt to the consequences of climate change	3-3 Management of material items	Climate change	Non-material
	Voluntary reduction targets established in the medium and long term to reduce greenhouse gas emissions and the means implemented to that end	305-5 (2016) Reduction of GHG emissions	Climate change	Non-material

1.1.6	**Biodiversity protection**			Non-material
	Measures taken to preserve or restore biodiversity	304-1 (2016) Operations sites owned, leased or managed located within or adjacent to protected areas or areas of high biodiversity value outside protected areas	Non-material	
	Impacts caused by activities or operations in protected areas	304-2 (2016) Significant impact of activities, products and services on biodiversity	Non-material	
2	**Social and personnel issues**			
2.1	**General information**			
2.1.a	A description of the policies applied by the group with respect to these issues, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impact and for verification and control, including what measures have been adopted	3-3 Management of material items	Employment and organization of work Diversity, equality and accessibility Social relations	131-151
2.1.b	The results of these policies, including relevant non-financial key performance indicators that allow the monitoring and evaluation of progress and that favor comparability between societies and sectors, pursuant to the national, European or international reference frameworks used for each subject	3-3 Management of material items	Employment and organization of work Diversity, equality and accessibility Social relations	131-151
2.1.c	The main risks related to these issues linked to the group's activities, including, where relevant and proportionate, its business relationships, products and services that may have an adverse effect on these areas and how the group manages these risks, explaining the procedures used to detect and assess them pursuant to the national, European or international frameworks of reference for each matter. Information should be included on the impact detected, providing a breakdown of this impact, in particular on the main short-, medium- and long-term risks	2-12 Role of the highest governance body in overseeing the management of impacts	Employment and organization of work Diversity, equality and accessibility Social relations	70-71
2.2.	**Detailed information**			
2.2.1	**Employees**			
	Number and distribution of female employees by gender, age, country and professional category	2 -7 Employees	Employment and work organization	131-138
		405-1 (2016) Diversity in governing bodies and employees	Diversity, equality and accessibility	30-41

	Total number and distribution of employment contract types Average annual number of permanent contracts, temporary contracts and part-time contracts by gender, age and professional category	2 -7 Employees 202-2 (2016) Proportion of senior management hired from the local community	Employment and organization of work Diversity, equality and accessibility	134-136
	Number of dismissals by gender, age and professional category	401-1 (2016) New employee hires and employee turnover	Employment and work organization	136-141
	Average salaries and their evolution broken down by gender, age and professional category or equal value	405-2 (2016) Ratio of basic salary and remuneration of women compared to men	Employment and organization of work Diversity, equality and accessibility	139-140
	Salary gap, remuneration for equal jobs or the social average	405-2 (2016) Ratio of basic salary and remuneration of women compared to men	Employment and organization of work Diversity, equality and accessibility	139-140
	Average remuneration of directors and executive managers, including variable remuneration, allowances, indemnities, payment to the systems of long-term savings forecast and any other payment broken down by gender	2-19 Remuneration policy	Diversity, equality and accessibility	38-39 ADRR*
		2-20 Process for determining remuneration	Diversity, equality and accessibility	
		405-2 (2016) Ratio of basic salary and remuneration of women compared to men	Employment and organization of work Diversity, equality and accessibility	138-141
	Implementation of labor disconnection policies	3-3 Management of material items	Employment and work organization	138
	Employees with disabilities	405-1 (2016) Diversity in governing bodies and employees	Diversity, equality and accessibility	40, 141
2.2.2	**Work organization**			
	Organization of working time	3-3 Management of material items	Employment and work organization	142
	Number of hours of absenteeism	403-9 (2018) Work-related injuries	Employment and work organization	142-144
		403-10 (2018) Occupational diseases and illnesses	Employment and work organization	142-144
	Measures aimed at facilitating the enjoyment of work-life balance and encouraging both parents to be jointly involved in this work-life balance	401-3 (2016) Parental leave	Employment and work organization	138
		401-2 (2016) Benefits for full-time employees that are not provided to part-time or temporary employees	Employment and work organization	144-145
2.2.3	**Health and safety**			
	Occupational health and safety conditions	403-1 (2018) Occupational safety and health management system	Health and safety	142-144
		403-2 (2018) Hazard identification, risk assessment and incident investigation	Health and safety	142-144
		403-3 (2018) Occupational health services	Health and safety	142-144
		403-4 (2018) Employee involvement, consultation and communication on occupational health and safety	Health and safety	142-144

		403-5 (2018) Occupational health and safety training for workers	Health and safety	142-144
		403-6 (2018) Employee health promotion	Health and safety	142-144
	Occupational accidents, in particular their frequency and severity, as well as occupational diseases, broken down by sex	403-9 (2018) Work-related injuries	Health and safety	142-144
		403-10 (2018) Occupational diseases and illnesses	Health and safety	142-144
2.2.4	**Social relations**			
	Mechanisms and procedures the company has in place to promote employee involvement in the management of the company in terms of information, consultation and participation	3-3 Management of material items	Social relations	145
	Organization of social dialog, including procedures for informing, consulting and negotiating with personnel	2-29 Approach to stakeholder engagement	Social relations	145
		403-4 (2018) Employee involvement, consultation and communication on occupational health and safety	Social relations	145
	Percentage of employees covered by collective agreements by country	2-30 Collective bargaining agreements	Social relations	145
	The balance of collective bargaining agreements, particularly in the field of occupational safety and health	403-4 (2018) Employee involvement, consultation and communication on occupational health and safety	Social relations	145-149
2.2.5	**Training**			
	Training policies implemented	404-2 (2016) Programs to improve employee skills and transition assistance programs	Employment and work organization	145-150
		404-3 (2016) Percentage of employees receiving regular performance and career development reviews	Employment and work organization	145-150
	Total number of training hours by professional category	404-1 (2016) Average number of training hours per year per employee	Employment and work organization	27, 145-149
2.2.6	**Universal accessibility**			
	Universal accessibility for people with disabilities	3-3 Management of material items	Diversity, equality and accessibility	150
2.2.7	**Equality**			
	Measures taken to promote equal treatment and opportunities for women and men	401-3 (2016) Parental leave	Diversity, equality and accessibility	150-151

	Equality plans (Section III of Organic Law 3/2007, of March 22, for the effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility for people with disabilities	3-3 Management of material items	Diversity, equality and accessibility	150-151
	The policy against all types of discrimination and, where appropriate, diversity management.	406-1 (2016) Cases of discrimination and corrective action taken	Diversity, equality and accessibility	150-151, 177-178
3	**Respect for human rights**			
3.1	**General information**			
3.1.a	A description of the policies applied by the group with respect to these issues, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impact and for verification and control, including what measures have been adopted	3-3 Management of material items	Subcontracting and suppliers	177-178
3.1.b	The results of these policies, including relevant non-financial key performance indicators that allow the monitoring and evaluation of progress and that favor comparability between societies and sectors, pursuant to the national, European or international reference frameworks used for each subject	3-3 Management of material items	Subcontracting and suppliers	177-178
3.1.c	The main risks related to these issues linked to the group's activities, including, where relevant and proportionate, its business relationships, products and services that may have an adverse effect on these areas and how the group manages these risks, explaining the procedures used to detect and assess them pursuant to the national, European or international frameworks of reference for each matter. Information should be included on the impact detected, providing a breakdown of this impact, in particular on the main short-, medium- and long-term risks	2-12 Role of the highest governance body in overseeing the management of impacts	Subcontracting and suppliers	177-178
3.2	**Detailed information**			
3.2.1	Implementation of human rights due diligence procedures, prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress possible abuses committed	2-23 Commitments and policies	Subcontracting and suppliers Diversity, equality and accessibility Social relations	157-159
		2-26 Mechanisms for seeking advice and raising concerns	Subcontracting and suppliers Diversity, equality and accessibility Social relations	157-159
		412-3 (2016) Significant investment agreements and contracts with human rights clauses or subject to human rights screening	Subcontracting and suppliers	Non-material

3.2.2	Complaints for cases of human rights violations	406-1 (2016) Cases of discrimination and corrective action taken	Subcontracting and suppliers Diversity, equality and accessibility Social relations	177-178
		2-27 Compliance with laws and regulations	Subcontracting and suppliers Diversity, equality and accessibility Social relations	177-178
3.2.3	Promotion and enforcement of the provisions of the core conventions of the International Labor Organization related to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in respect of employment and occupation, the elimination of forced or compulsory labor and the effective abolition of child labor.	406-1 (2016) Cases of discrimination and corrective action taken	Subcontracting and suppliers Diversity, equality and accessibility Social relations	150-151, 177-178
		407-1 (2016) Operations and suppliers whose right to freedom of association and collective bargaining may be at risk	Subcontracting and suppliers	145
		408-1 (2016) Operations and suppliers with significant risk of child labor cases	Non-material	Non-material
		409-1 (2016) Operations and suppliers with significant risk of cases of forced or compulsory labor	Non-material	Non-material
4	**The fight against corruption and bribery**			
4.1	**General information**			
4.1.a	A description of the policies applied by the group with respect to these issues, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impact and for verification and control, including what measures have been adopted	3-3 Management of material items	Corruption and bribery	178-184
4.1.b	The results of these policies, including relevant non-financial key performance indicators that allow the monitoring and evaluation of progress and that favor comparability between societies and sectors, pursuant to the national, European or international reference frameworks used for each subject	3-3 Management of material items	Corruption and bribery	178-184
		415-1 (2016) Contributions to political parties and/or political representatives	Corruption and bribery	162
4.1.c	The main risks related to these issues linked to the group's activities, including, where relevant and proportionate, its business relationships, products and services that may have an adverse effect on these areas and how the group manages these risks, explaining the procedures used to detect and assess them pursuant to the national, European or international frameworks of reference for each matter. Information should be included on the impact detected, providing a breakdown of this impact, in particular on the main short-, medium- and long-term risks	2-12 Role of the highest governance body in overseeing the management of impacts	Corruption and bribery	180-181

4.2	**Detailed information**			
4.2.1	Measures taken against for prevent sale corruption and bribery	2-23 Commitments and policies	Corruption and bribery	180-181
		2-26 Mechanisms for seeking advice and raising concerns	Corruption and bribery	180-181
		205-1 (2016) Operations assessed for corruption-related risks	Corruption and bribery	181
		205-2 (2016) Communication and training on anti-corruption policies procedures	Corruption and bribery	180-181
		205-3 (2016) Confirmed cases of corruption and actions taken	Corruption and bribery	181
4.2.2	Measures to combat money laundering	2-23 Commitments and policies	Corruption and bribery	181-184
		2-26 Mechanisms for seeking advice and raising concerns	Corruption and bribery	181-184
		205-2 (2016) Communication and training on anti-corruption policies procedures	Corruption and bribery	182
4.2.3	Contributions to foundations and non-profit entities	201-1(2016) Direct economic value generated and distributed 413-1 (2016) Operations with local community participation, impact assessments and development programs	Corruption and bribery	27, 160-161
5	**Information about the Company**			
5.1	**General information**			
5.1.a	A description of the policies applied by the group with respect to these issues, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impact and for verification and control, including what measures have been adopted	3-3 Management of material items	Commitment to sustainable development	104-110
5.1.b	The results of these policies, including relevant non-financial key performance indicators that allow the monitoring and evaluation of progress and that favor comparability between societies and sectors, pursuant to the national, European or international reference frameworks used for each subject	3-3 Management of material items	Commitment to sustainable development	104-110
5.1.c	The main risks related to these issues linked to the group's activities, including, where relevant and proportionate, its business relationships, products and services that may have an adverse effect on these areas and how the group manages these risks, explaining the procedures used to detect and assess them pursuant to the	417-1 (2016) Product and service information and labeling requirements	Commitment to sustainable development	120

	national, European or international frameworks of reference for each matter. Information should be included on the impact detected, providing a breakdown of this impact, in particular on the main short-, medium- and long-term risks			
5.2	**Detailed information**			
5.2.1	**Company commitments to sustainable development**			
	Impact of the company's activity on employment and local development	203-1 (2016) Infrastructure investments and services supported.	Commitment to sustainable development	152-153
		204-1 (2016) Proportion of spending on local suppliers	Commitment to sustainable development	159
		413-1 (2016) Operations with local community participation, impact assessments and development programs	Commitment to sustainable development	153-157, 160-163
	Impact of the company's activity on local populations and in the territory	203-1 (2016) Infrastructure investments and services supported.	Commitment to sustainable development	152-153
		204-1 (2016) Proportion of spending on local suppliers	Commitment to sustainable development	159
		413-1 (2016) Operations with local community participation, impact assessments and development programs	Commitment to sustainable development	153-157, 161-163
		FS 13 Accessibility in depopulated or disadvantaged areas	Commitment to sustainable development	128-129
		FS 14 Initiatives to improve access to financial services for underprivileged groups	Commitment to sustainable development	128-129
	The relationships maintained with the actors of local communities and the modalities of dialog with them	2-29 Approach to stakeholder engagement	Identification of material aspects	11-19
	Association or sponsorship actions	2-28 Membership of associations	Partnership and sponsorship action	161-163
5.2.2	**Subcontracting and suppliers**			
	Inclusion in the purchasing policy for social, gender equality and environmental issues;	2-6 Activities, value chain and other business relationships	Subcontracting and suppliers	157-15
		308-1 (2016) New suppliers that have passed evaluation and selection filters pursuant to environmental criteria	Subcontracting and suppliers	169
		414-1 (2016) New suppliers that have passed evaluation and selection filters pursuant to social criteria	Subcontracting and suppliers	169

	Consideration in relations with suppliers and subcontractors of their social and environmental responsibility	308-1 (2016) New suppliers that have passed evaluation and selection filters pursuant to environmental criteria	Subcontracting and suppliers	157-158, 169
		414-1 (2016) New suppliers that have passed evaluation and selection filters pursuant to social criteria	Subcontracting and suppliers	157-158, 169
	Supervision and audit systems and their results	414-1 (2016) New suppliers that have passed evaluation and selection filters pursuant to social criteria	Subcontracting and suppliers	157-158, 169
		414-2 (2016) Negative social impact on the supply chain and action taken	Subcontracting and suppliers	157-158, 169
5.2.3	**Consumers**			
	Measures for consumer health and safety	416-1 (2016) Assessment of the health and safety impact of product or service categories	Consumers and users of financial services	120-121
	Claim systems, complaints received and their resolution	2-29 Approach to stakeholder engagement	Identification of material aspects	11-19
		418-1 (2016) Substantiated claims relating to breaches of customer privacy and the loss of customer data	Consumers and users of financial services	121-122
5.2.4	**Tax information**			
	Profits obtained on a country-by-country basis	201-1(2016) Direct economic value generated and distributed	Fiscal responsibility	26
	Taxes on profits paid	207-4 (2019) Country-by-country reporting	Fiscal responsibility	160
	Public subsidies received	201-4 (2016) Financial assistance received from the government	Fiscal responsibility	169-160
		207-1 (2019) Fiscal approach	Fiscal responsibility	176-177
		207-2 (2019) Fiscal governance, control and risk management	Fiscal responsibility	70-71
		207-3 (2019) Stakeholder engagement and management of tax-related concerns	Identification of material aspects	11-19

**ADRR: Annual Directors' Remuneration Report.*

ARTICLE 8 OF THE EU ENVIRONMENTAL TAXONOMY REGULATION

EU TAXONOMY REGULATION (Regulation 2020/852)	Pages
Proportion of total assets of exposure to eligible economic activities.	187-193
Proportion of total assets of exposure to ineligible economic activities.	187-193
Proportion of total assets of exposure to central governments, central banks and supranational issuers.	187-193
Proportion of total assets of derivative exposures.	187-193
Proportion of total assets of exposures to companies not required to publish non-financial information.	187-193
Proportion of trading portfolio and interbank demand loans in total assets.	187-193

ISSUER'S IDENTIFICATION DETAILS

End date of the year concerned: 31/12/2022

Tax identification number: A93139053

Company Name:

UNICAJA BANCO, S.A.

Registered office:

AVENIDA ANDALUCÍA 10-12, MÁLAGA

A. OWNERSHIP STRUCTURE

A.1. Complete the following table on the share capital and voting rights attributed, including, if applicable, those corresponding to shares with loyalty voting rights, as of the closing date of the fiscal year:

State whether the Company's bylaws contain a provision for double voting for loyalty:

[ ] Yes
[√] No

Date last modified	Share capital (€)	Number of shares	Number of voting rights
January 14, 2022	663,708,369.75	2,654,833,479	2,654,833,479

The Extraordinary General Shareholders' Meeting, held on March 31, 2021, adopted, among other resolutions, a capital reduction by reducing the par value of the shares and creating a restricted reserve for the amount of the reduction. Once the authorization from the European Central Bank had been received, which had been set as a condition precedent to the capital reduction, the capital reduction was registered in the Málaga Commercial Registry on January 14, 2022. As a result, the share capital, which amounted to 2,654,833,479 euros divided into 2,654,833,479 shares, each with a nominal value of 1 euro, has been set at 663,708,369.75 euros divided into 2,654,833,479 shares of 0.25 euros. The amount of the capital reduction (1,991,125,109.25 euros) was used to increase the Company's voluntary reserves, by creating a restricted voluntary reserve, which can only be used in accordance with the requirements for the reduction of capital stock. The capital reduction is therefore neutral in terms of Unicaja Banco's equity and solvency levels.

Are there various classes of shares with different associated rights?

[ ] Yes
[√] No

A.2. List the direct and indirect holders of significant shareholdings at the end of the year, excluding directors:

Name or company name of the shareholder	% voting rights attributed to the shares		% voting rights through financial instruments		% total voting rights
	Direct	Indirect	Direct	Indirect	
FUNDACIÓN BANCARIA UNICAJA	30.24	0	0	0	30.24
INDUMENTA PUERI, S.L.	0	8.54	0	0	8.54
OCEANWOOD CAPITAL MANAGEMENT LLP	0	3.31	0	4.10	7.41
FUNDACIÓN BANCARIA CAJA DE AHORROS DE ASTURIAS	6.67	0	0	0	6.67

Name or company name of the shareholder	% voting rights attributed to the shares		% voting rights through financial instruments		% total voting rights
	Direct	Indirect	Direct	Indirect	
TOMÁS OLIVO LÓPEZ	0	6.74	0	0	6.74

The Company has updated the positions of FUNDACIÓN BANCARIA UNICAJA, INDUMENTA PUERI, S.L., FUNDACIÓN BANCARIA CAJA DE AHORROS DE ASTURIAS, and TOMÁS OLIVO LÓPEZ as of December 31, 2022, as the ownership of their shares is recorded in the Company's nominal accounting records. However, the positions of OCEANWOOD CAPITAL MANAGEMENT LLP have not been updated, as it holds an indirect stake through international custodian banks and therefore the percentages included in the last official communication of this shareholder published in the National Securities Market Commission are shown.

Breakdown of the indirect stake:

Name or Company name of the indirect holder	Name or Company name of the direct holder	% voting rights attributed to the shares	% voting rights through financial instruments	% total voting rights
INDUMENTA PUERI, S.L.	GLOBAL PORTFOLIO INVESTMENTS, S.L.	8.54	0	8.54
OCEANWOOD CAPITAL MANAGEMENT LLP	OCEANWOOD EUROPE LIMITED	1.89	0	1.89
OCEANWOOD CAPITAL MANAGEMENT LLP	OCEANWOOD EUROPE LIMITED II	1.08	0	1.08
OCEANWOOD CAPITAL MANAGEMENT LLP	OCEANWOOD OPPORTUNITIES MASTER FUND	0	4.04	4.04
TOMÁS OLIVO LÓPEZ	DESARROLLOS LA CORONELA, S.L.	6.74	0	6.74

Specify the most significant movements in the shareholding structure during the year.

Most significant movements

- On March 10, 2022, TOMAS OLIVO GÓMEZ announced that his shareholding, both direct and indirect, had decreased to 5.178% of the share capital.

A.3. Regardless of the percentage, list the shareholding at year-end of the members of the Board of Directors who hold voting rights attributed to shares of the Company or through financial instruments, excluding the directors identified in section A.2 above:

Name or company name of the director	% of voting rights attributed to shares (including loyalty voting rights)		% voting rights through financial instruments		% total voting rights	Of the total % of voting rights attributed to shares, indicate where necessary the % of the additional attributed votes that correspond to shares with loyalty voting rights	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MANUEL AZUAGA MORENO	0.01	0	0	0	0.01	0	0
MANUEL MENÉNDEZ MENÉNDEZ	0.03	0	0	0	0.03	0	0
MARÍA GARAÑA CORCES	0	0	0	0	0	0	0
FELIPE FERNÁNDEZ FERNÁNDEZ	0.01	0	0	0	0.01	0	0
DAVID VAAMONDE JUANATEY	0.01	0	0	0	0.01	0	0

% total voting rights held by members of the Board of Directors	0.06

María Garaña Corces's shareholding does not reach the threshold of 20% of total voting rights.

Breakdown of the indirect stake:

Name or company name of the director	Name or company name of the direct owner	% of voting rights attributed to shares (including loyalty voting rights)	% voting rights through financial instruments	% total voting rights	Of the total % of voting rights attributed to shares, indicate where necessary the % of the additional attributed votes that correspond to the shares with loyalty voting rights
No data					

State the total percentage of voting rights represented on the Board:

% total voting rights held by the Board of Directors	52.92

The total percentage of voting rights held by the Board of Directors includes: (i) the percentage of the total voting rights held, directly or indirectly, by the directors of the company (0.06%), regardless of whether they are significant shareholders and (ii) the percentage represented by the proprietary directors appointed by significant shareholders who do not directly hold the status of director and who are: Fundación Bancaria Unicaja (30.24%), Fundación Caja Asturias (6.67%), Oceanwood Capital Management, LLP (7.41%) and Indumenta Pueri, S.L. (8.54%).

A.4. Where appropriate, specify any family, business, contractual or corporate relationships among significant shareholders that the company is aware of, unless they are immaterial or are the result of the normal course of business and except those reported in Section A.6:

Related party's name or company name	Type of relationship	Brief description
No data		

A.5. Where appropriate, specify any business, contractual or corporate relationship among significant shareholders, and the company and/or group thereof, unless they are immaterial or are the result of the normal course of business:

Related party's name or company name	Type of relationship	Brief description
FUNDACIÓN BANCARIA UNICAJA	Corporate	Management Protocol for the financial stake of Fundación Bancaria Unicaja (FBU) in Unicaja Banco. It regulates, among others, the following aspects: Basic strategic criteria governing FBU's management of its stake in Unicaja Banco. Relations between the FBU Board of Trustees and Unicaja Banco's governing bodies.

Related party's name or company name	Type of relationship	Brief description
		General criteria for transactions between FBU and Unicaja Banco and mechanisms to avoid possible conflicts of interest.
FUNDACIÓN BANCARIA UNICAJA	Contractual	Fiscal consolidation agreement entered into between Fundación Bancaria Unicaja and Unicaja Banco on December 23, 2015. Its purpose is to regulate the rules and criteria applicable to the fiscal consolidation regime between FBU and Unicaja Banco.
FUNDACIÓN BANCARIA UNICAJA	Contractual	Trademark use license agreement between FBU and Unicaja Banco, entered into on December 23, 2015, and whose last update was formalized on December 30, 2021. The purpose of this agreement is the assignment by FBU to Unicaja Banco of a license to use the trademark "Unicaja" in all its forms and manifestations.
FUNDACIÓN BANCARIA UNICAJA	Commercial	Internal Protocol of Relations between FBU and Unicaja Banco signed on December 1, 2016. Its purpose is (a) to establish the general criteria that will govern the transactions or the provision of services between the parties and (b) to ensure that Unicaja Banco's financial activity is managed independently of the social charity activities or other activities of FBU, avoiding in all cases conflicts of interest.
FUNDACIÓN BANCARIA UNICAJA	Contractual	protocol on information flows entered into on February 24, 2017 between FBU and Unicaja Banco, which aims to describe the information flows between both companies, linked to their stake in accordance with Law 26/2013.
FUNDACIÓN BANCARIA UNICAJA	Contractual	lease agreement for the use of works of art in the Company's facilities, signed on December 30, 2021.
FUNDACIÓN BANCARIA CAJA DE AHORROS DE ASTURIAS	Contractual	agreement for the provision of services and collaboration in certain matters, the last update of which was signed with Liberbank, S.A. on July 1, 2021, subrogated in Unicaja Banco as a result of the take-over merger.

A.6. Describe any relationships, unless they are immaterial for both parties, between significant shareholders or shareholders represented on the board and the directors or the representatives thereof, in the case of directors that are legal entities.

Explain, where appropriate, how significant shareholders are represented. Specifically, state the names of any directors who were appointed as representatives of significant shareholders, any whose appointments were promoted by significant shareholders or who were associated with significant shareholders and/or companies from their group. Also specify the nature of these relationships. In particular, mention will be made, if applicable, of the existence, identity and position of members of the board, or representatives of directors, of the listed company, who are, in turn, members of the board of directors, or their representatives, in companies that hold significant shareholdings in the listed company or in companies of the group of such significant shareholders:

Name or company name of the related director or representative	Name or company name of the associated significant shareholder	Company name of the significant shareholder's group company	Description of the relationship/position
PETRA MATEOS-APARICIO MORALES	FUNDACIÓN BANCARIA UNICAJA	N/A	N/A
FELIPE FERNÁNDEZ FERNÁNDEZ	FUNDACIÓN BANCARIA CAJA DE AHORROS DE ASTURIAS	N/A	N/A
MANUEL MUELA MARTÍN-BUITRAGO	FUNDACIÓN BANCARIA UNICAJA	N/A	N/A
TERESA SÁEZ PONTE	FUNDACIÓN BANCARIA UNICAJA	N/A	N/A
DAVID VAAMONDE JUANATEY	OCEANWOOD CAPITAL MANAGEMENT LLP	N/A	INVESTMENT MANAGER IN THE EUROPEAN BANKING SECTOR
JUAN FRAILE CANTÓN	FUNDACIÓN BANCARIA UNICAJA	N/A	N/A
RAFAEL DOMÍNGUEZ DE LA MAZA	INDUMENTA PUERI, S.L.	GLOBAL PORTFOLIO INVESTMENTS, S.L.	SOLE ADMINISTRATOR
RAFAEL DOMÍNGUEZ DE LA MAZA	INDUMENTA PUERI, S.L.	WILMINGTON CAPITAL, S.L.	SOLE ADMINISTRATOR
RAFAEL DOMÍNGUEZ DE LA MAZA	INDUMENTA PUERI, S.L.	MAYORAL CHILDREN'S FASHION, S. A. U.	DEPUTY GENERAL MANAGER
RAFAEL DOMÍNGUEZ DE LA MAZA	INDUMENTA PUERI, S.L.	N/A	CEO

A.7. State whether shareholders' agreements affecting it have been communicated to the company in accordance with the provisions of articles 530 and 531 of the Capital Companies Act. If applicable, briefly describe them and list the shareholders that are bound by the agreement:

[ ] Yes
[√] No

State whether the company is aware of the existence of concerted actions by its shareholders. If applicable, please describe them briefly:

[ ] Yes
[√] No

Specifically state any modification or breach of these covenants, agreements or concerted actions that took place during the fiscal year:

A.8. State whether there is any individual or legal person that exercises or may exercise control over the company in accordance with article 5 of the Securities Market Law. If so, please identify them:

[ ] Yes
[√] No

A.9. Fill in the following table about the company's treasury stock:

At the end of the year:

Number of direct shares	Number of indirect shares (*)	Total % of share capital
198,770	86,293	0.01

(*) Through:

Name or company name of the direct owner of the shares	Number of direct shares
UNIÓN DEL DUERO COMPAÑÍA DE SEGUROS DE VIDA, S.A.	86,293
Total	86,293

As of December 31, 2022, Unicaja Banco directly owns 100% of Unión del Duero Compañía de Seguros de Vida, S.A.

A.10. Describe the conditions and duration of the authorization by the shareholder meetings of the Board of Directors to issue, repurchase or transfer treasury shares:

In accordance with the resolutions adopted by the Ordinary General Shareholders' Meeting held on March 31, 2021, the Board of Directors is authorized, as broadly as required by law, for the derivative acquisition and/or acceptance as guarantee of treasury stock of Unicaja Banco, S.A., in compliance with the requirements and limitations established in the legislation in force from time to time, under the following terms:
a. Modalities of acquisition: On one or more occasions, the acquisition may be made by purchase and sale or any other onerous title admitted by law.
b. Maximum number of shares to be acquired: The sum of the par value of the shares to be acquired and that of any already directly or indirectly owned shares will not exceed the maximum percentage legally permitted from time to time.
c. Maximum and minimum equivalent values: The equivalent value at which the aforementioned transactions may be carried out will be the listed value of the shares of Unicaja Banco, S.A. (the "Company") in the last transaction in which the Company did not act on its own account on the Continuous Market (including the block market), with a maximum change of ten percent (increase or decrease).
d. Duration of the authorization: five (5) years from the date of this agreement, terminating on March 31, 2026.
It is expressly stated for the record that the shares acquired as a result of this authorization may be used both for their disposal under any title or redemption and for the application of the remuneration systems discussed in the third paragraph of Article 146, Point 1, (a) of the Capital Companies Act or to cover any remuneration plan based on shares or linked to the share capital, including in execution of Section 7 of the Common Merger Plan between Unicaja Banco (absorbing company) and Liberbank (absorbed company) of December 29, 2020.

Furthermore, the Controlled Companies are authorized for the purposes of the second paragraph of Article 146, Section (a) of the Capital Companies Act, to acquire shares in the Parent Company, under the same terms and with the same limits as those set out in the preceding agreement.

The Ordinary General Shareholders' Meeting on March 31, 2021 also delegated the power to issue securities convertible into shares of the Company, for a maximum amount of 500,000,000 euros or its equivalent in another currency to the Board of Directors, with powers to increase the capital by the necessary amount, as well as to exclude the shareholders' preemptive
subscription rights. These securities may be issued on one or more occasions, at any time, within a maximum period of five years, where at the date of the approval of this report this option had not been exercised.

A.11. Estimated floating capital:

	%
Estimated floating capital	50.93

The Company's estimated floating capital, after subtracting from the Company's share capital at December 31, 2022, the capital held by the direct and indirect holders of significant shareholdings (Section A.2), the members of the Board of Directors (Section A.3) and the capital held by the Company in treasury stock (Section A.9).

A.12. State whether there are any restrictions (statutory, legislative or any other nature) on the transmission of securities and/or any restrictions on voting rights. Specifically, mention any type of restrictions that could hinder a company take over through the acquisition of its shares on the market, as well as any prior notice or authorization schemes that cover acquisitions and transfers of the company's financial instruments and are applicable under sectoral legislation.

[√] Yes
[ ] No

Description of the restrictions

There are no statutory restrictions on the free transferability of the Company's securities.

Regarding legal restrictions, Article 17 ("Duty of notification of the acquisition or increase of significant shareholdings") of the Regulation, Supervision and Solvency of Credit Institutions Act 10/2014 of June 26, 2014 states: Any natural or legal person (hereinafter, the potential acquirer) who, alone or acting jointly with others has decided either to directly or indirectly acquire a significant shareholding in a Spanish credit institution, or to directly or indirectly increase their shareholding in same in such a way that the percentage of voting rights or capital held is equal to or greater than 20%, 30% or 50%, or that, by virtue of the acquisition, the credit institution could come to control the credit institution (hereinafter, the proposed acquisition) should notify the Bank of Spain in advance, indicating the amount of the intended shareholding and including all of the information that may be determined by regulations. This information will be relevant to the assessment and proportionate and appropriate to the nature of the prospective acquirer and the proposed acquisition."

Article 25 of Royal Decree 84/2015, of February 13, 2015, implementing Law 10/2014, of June 26, 2014 on the regulation, supervision and solvency of credit institutions, states that the Bank of Spain will evaluate proposed acquisitions of significant shareholdings and will submit a proposal for a decision to the European Central Bank for same to decide whether to oppose the acquisition. It also establishes the requirements and deadlines for the evaluation.

There are no legal or statutory restrictions on the exercise of voting rights.

A.13. State whether the General Meeting has agreed to adopt neutralization measures against a takeover bid by virtue of the terms of Law 6/2007.

[ ] Yes
[√] No

If applicable, explain the measures approved and the terms under which the inefficiency of the restrictions will occur:

A.14. State whether the company has issued securities that are not traded on a regulated market in the European Union.

[ ] Yes
[√] No

If applicable, specify the different classes of shares and, for each class of shares, the rights and obligations to which they are entitled:

B. GENERAL SHAREHOLDERS' MEETING

B.1. Specify, providing details where appropriate, any differences vis-à-vis the rules of minimum requirements envisaged in the Capital Companies Act with regard to the quorum of the general meeting:

[ ] Yes
[√] No

B.2. Specify, providing details where appropriate, any differences vis-à-vis the rules envisaged in the Capital Companies Act for the adoption of corporate resolutions.

[ ] Yes
[√] No

B.3. Specify the regulations applicable to changes in the company's bylaws. Specifically, state the majorities established for changing the bylaws, as well as, where appropriate, the regulations established for protecting the rights of shareholders in the face of changes to the bylaws.

The Bylaws and the Regulations of the General Meeting of the Company contain a reference to the system established in the Capital Companies Act with regard to the rules applicable to the amendment of bylaws and, specifically, to the majorities required for amendment and the protection of the rights of the shareholders.

It is hereby stated that, as a credit institution, the amendment of the Bank's Bylaws is subject to the administrative authorization of the Bank of Spain, in accordance with the terms set out in Article 10 of Royal Decree 84/2015, of February 13, 2015, implementing Law 10/2014, of June 26, 2014 on the regulation, supervision and solvency of credit institutions. However, the following are exempt from this authorization (after notifying the Bank of Spain for registration in the Register of Credit Institutions): (a) changes to the registered office within the national territory, (b) share capital increases, (c) the incorporation into the bylaws of mandatory or prohibitive legal or regulatory provisions, or compliance with judicial or administrative resolutions and (d) any other modifications for which the Bank of Spain, in response to a prior consultation formulated to that effect by the bank concerned, has considered the authorization process unnecessary, due to its lack of relevance.

As Unicaja Banco is a significant credit institution subject to the supervision of the ECB through the Single Supervisory Mechanism (SSM), Bank of Spain authorization needs to be previously submitted, except in cases that only require the aforesaid communication.

B.4. Provide the attendance data for the general meetings held in the year to which this report refers and those of the two previous years:

	Attendance data				
Date of the general meeting	% of physical presence	% represented	% vote by distance voting		Total
			Electronic	Others	
April 29, 2020	0	31.22	0	50.07	81.29
Of which is Floating Capital	0	23.71	0	0.23	23.94
October 28, 2020	0	28.37	0	1.98	30.35
Of which is Floating Capital	0	16.02	0	0.05	16.07
March 31, 2021	0	23.45	0	51.24	74.69
Of which is Floating Capital	0	14.26	0	0.4	14.66
April 01, 2021	0	23.84	0	50.14	73.98
Of which is Floating Capital	0	14.98	0	0.26	15.24
March 31, 2022	4.03	72.63	0.01	0	76.67
Of which is Floating Capital	3.81	22.12	0.01	0	25.94

The data included corresponding to 03/31/2021 represents the attendance of the Extraordinary General Shareholders' Meeting held on March 31, 2021. The data included corresponding to 04/01/2021 represents the attendance of the Ordinary General Shareholders' Meeting held on March 31, 2021, as a control on the National Securities Market Commission form does not allow the same date to be repeated.

The data relating to the shareholding in floating capital are approximate, as the holdings of significant foreign shareholders are held through "nominees".

Based on the attendance information for the General Meetings held in 2020 and 2021, notification is given that under the provisions of the Urgent Extraordinary Measures to Address the Economic and Social Impact of COVID-19 Act, Royal Decree-Law 8/2020 of March 17, 2020, and the Urgent Measures to Support Business Solvency and the Energy Sector and in Tax Matters Act, Royal Decree-Law 34/2020, of November 17, 2020, the Board of Directors agreed that the General Meetings for those years were exclusively held electronically, in other words, without the physical attendance of shareholders or their representatives. Therefore, in the column "Others" for the data of the General Meetings held in 2020 and 2021, the shareholders present electronically are included.

B.5. State whether there have been any items on the agenda at the general meetings held during the year that were not approved by the shareholders for any reason:

[ ] Yes
[√] No

B.6. State whether there is any restriction in the bylaws that states that a minimum number of shares need to be held in order to attend the general meeting or to vote remotely:

[√] Yes
[ ] No

Number of shares required to attend the general shareholders' meeting	1,000
Number of actions required to vote remotely	1

In accordance with Article 9.3 of the Company's Bylaws, the General Meeting may only be attended by shareholders who hold a minimum of 1,000 shares, and have registered the shares representing this capital in the corresponding book-entry registry at least five days prior to the date on which the Meeting is to be held. Holders of smaller number of shares may group together until they reach at least that number, at which point they can appoint their representative.

B.7. State whether it has been established that certain decisions, other than those established by Law, that involve an acquisition, disposal, the contribution of essential assets to another company or other similar corporate operations must be submitted to the general shareholders' meeting for approval:

[ ] Yes
[√] No

B.8. Specify the address and how to access the information on corporate governance and other information on the general shareholders' meetings that must be provided to the shareholders on the Company's website:

Information about corporate governance is published by the Company on the corporate website www.unicajabanco.com On the home page, under the heading "Corporate Governance and Remuneration Policy", sections can be found with information on corporate governance at the following URL: https://www.unicajabanco.com/es/gobierno-corporativo-y-politica-de-remuneraciones/ gobierno-corporativo-y-politica-de-remuneraciones/junta-general-de-accionistas.

Under the sub-heading "General Shareholders' Meeting" it is always possible to consult the Regulations of the General Shareholders' Meeting and obtain information about exercising the right to information and the requirements and procedures for accrediting ownership of shares, the right to attend the General Shareholders' Meeting and the exercise or delegation of the right to vote. Furthermore, various types of information about the General Meetings held is provided, such as: The resolutions adopted and voting, calls to meeting, resolutions proposed, the total number of shares and the voting rights on the date of the call to meeting, attendance card and remote voting or proxy voting form. In accordance with the regulations on listed companies, the Company adds a direct access on the home page that provides specific information on the meeting from the announcement of the General Meeting.

C. STRUCTURE OF THE COMPANY'S MANAGEMENT

C.1. Board of Directors

C.1.1 Maximum and minimum number of directors envisaged in the bylaws and the number set by the general meeting:

Maximum number of directors	15
Minimum number of directors	8
Number of directors set by the meeting	15

The Extraordinary General Shareholders' Meeting held on March 31, 2021 adopted the resolution to establish the number of members of the Board of Directors at 15.

C.1.2 Fill in the following table with the members of the board:

Name or company name of the director	Representative	Type of director	Position on the Board	Date of first appointment	Date of last appointment	Election procedure
MANUEL AZUAGA MORENO		Executive	CHAIR	December 01, 2011	March 31, 2022	AGREEMENT BY THE GENERAL SHAREHOLDERS' MEETING
MANUEL MENÉNDEZ MENÉNDEZ		Executive	CEO	July 30, 2021	July 30, 2021	AGREEMENT BY THE GENERAL SHAREHOLDERS' MEETING
JUAN FRAILE CANTÓN		Proprietary director	VICE-CHAIR	December 01, 2011	March 31, 2022	AGREEMENT BY THE GENERAL SHAREHOLDERS' MEETING
CAROLINA MARTÍNEZ CARO		Independent	INDEPENDENT COORDINATING DIRECTOR	March 31, 2022	March 31, 2022	AGREEMENT BY THE GENERAL SHAREHOLDERS' MEETING
TERESA SÁEZ PONTE		Proprietary director	DIRECTOR SECRETARY	April 27, 2018	March 31, 2022	AGREEMENT BY THE GENERAL SHAREHOLDERS' MEETING
MARÍA LUISA ARJONILLA LÓPEZ		Independent	DIRECTOR	January 23, 2020	April 29, 2020	AGREEMENT BY THE GENERAL SHAREHOLDERS' MEETING

Name or company name of the director	Representative	Type of director	Position on the Board	Date of first appointment	Date of last appointment	Election procedure
MARIA TERESA COSTA CAMPI		Independent	DIRECTOR	December 01, 2022	December 01, 2022	CO-OPTATION
JORGE DELCLAUX BRAVO		Independent	DIRECTOR	July 30, 2021	July 30, 2021	AGREEMENT BY THE GENERAL SHAREHOLDERS ' MEETING
RAFAEL DOMÍNGUEZ DE LA MAZA		Proprietary director	DIRECTOR	March 31, 2022	March 31, 2022	AGREEMENT BY THE GENERAL SHAREHOLDERS ' MEETING
FELIPE FERNÁNDEZ FERNÁNDEZ		Proprietary director	DIRECTOR	July 30, 2021	July 30, 2021	AGREEMENT BY THE GENERAL SHAREHOLDERS ' MEETING
MARÍA GARAÑA CORCES		Independent	DIRECTOR	July 30, 2021	July 30, 2021	AGREEMENT BY THE GENERAL SHAREHOLDERS ' MEETING
PETRA MATEOS-APARICIO MORALES		Proprietary director	DIRECTOR	January 31, 2014	March 31, 2022	AGREEMENT BY THE GENERAL SHAREHOLDERS ' MEETING
MANUEL MUELA MARTÍN-BUITRAGO		Proprietary director	DIRECTOR	February 21, 2018	March 31, 2022	AGREEMENT BY THE GENERAL SHAREHOLDERS ' MEETING
ISIDORO UNDA URZÁIZ		Independent	DIRECTOR	September 09, 2022	September 09, 2022	CO-OPTATION
DAVID VAAMONDE JUANATEY		Proprietary director	DIRECTOR	July 30, 2021	July 30, 2021	AGREEMENT BY THE GENERAL SHAREHOLDERS ' MEETING

Total number of directors	15

State the dismissals that, either through resignation or by resolution of the general meeting, have occurred in the Board of Directors during the period reported:

Name or company name of the director	Type of director at the time of termination	Date of last appointment	Date of removal	Specialized committees on which they were a member	State whether the termination occurred before the end of the tenure
MANUEL CONTHE GUTIERREZ	Independent	April 27, 2018	February 15, 2022	AUDIT AND REGULATORY COMPLIANCE RISK COMMITTEE	YES
ANA BOLADO VALLE	Independent	April 27, 2018	February 22, 2022	APPOINTMENTS COMMITTEE AUDIT AND REGULATORY COMPLIANCE COMMITTEE REMUNERATION COMMITTEE	YES
MANUEL GONZÁLEZ CID	Independent	July 30, 2021	March 08, 2022	APPOINTMENTS COMMITTEE RISK COMMITTEE	YES
ERNESTO LUIS TINAJERO FLORES	Proprietary director	July 30, 2021	November 17, 2022	TECHNOLOGY AND INNOVATION COMMITTEE	YES

Reason for the termination when it has taken place before the end of the tenure and other observations, information on whether the director sent a letter to the other members of the board and, in the case of resignations of non-executive directors, an explanation or opinion regarding the director terminated by the

Through the publication of Other Relevant Information, registry number 14,073, on February 15 the Company gave notification that the Board of Directors had become aware of the resignation of Manuel Conthe Gutiérrez. As a result, the Board adopted a resolution by majority vote regarding the partial renewal to take place during the year, which entails the non-renewal of one of the two independent directors whose term of office expires.

On February 22, the Company gave notification through the publication of Other Relevant Information, registry number 14,173, that the Board of Directors had become aware of the resignation of Ana Bolado Valle from her position as director, in view of the decision adopted by the Board of Directors by majority vote, on February 15 to reduce the number of independent directors.

On March 8, the Company gave notification through the publication of Other Relevant Information, registry number 14,902, that the Board of Directors had become aware of the resignation of Manuel González Cid from his position as director due to his disagreement with the direction that bank governance was taking.

(CONTINUED IN SECTION H.1)

C.1.3 Fill in the following tables regarding the members of the board and their different categories:

EXECUTIVE DIRECTORS		
Name or company name of the director	Position in the company's organization chart	Profile
MANUEL AZUAGA MORENO	CHAIR OF THE BOARD OF DIRECTORS	Manuel Azuaga holds a degree in Philosophy and Arts from the University of Málaga. He was formerly Risk Manager at Caja Rural de Málaga. He was also Director of Audit and Internal Control, Assistant Manager of Planning and Management Control, Organization and Human Resources of Caja de Ahorros y Préstamos de Antequera. He was Chairman of Aeropuertos Españoles y Navegación Aérea, S.A. (AENA) and a member of the Board of Directors of the following companies: Deóleo, S.A., Autopista del Sol Concesionaria Española, S.A., Lico Corporación, S.A., Cía. Andaluza de Rentas e Inversiones, S.A. (CARISA), Sacyr Vallehermoso, S.A., Unicorp Vida, Compañía de Seguros y Reaseguros, S.A. and Banco Europeo de Finanzas, S.A., among others. He assumed the positions of Assistant Manager of Planning and Management Control, General Secretary, Regional Business Director, Director of the Investee Companies Division and General Manager of Montes de Piedad and Caja de Ahorro de Ronda, Cádiz, Almería, Málaga, Antequera (UNICAJA). He was also Chairman of the Board of Directors of Banco de Caja España de Inversiones, Salamanca y Soria, S.A. and General Manager, Vice-Chairman and Chief Executive Officer of Unicaja Banco, S.A. He is currently Executive Chairman of Unicaja Banco since June 2016, having been a director since December 2011. He is also Chairman of the Board of Directors of Cecabank, S.A., Director of CECA, Trustee of the Fundación de las Cajas de Ahorro (FUNCAS) and representative of Unicaja Banco on the Board of Directors of the Asociación CIFAL Málaga.
MANUEL MENÉNDEZ MENÉNDEZ	CEO	Manuel Menéndez holds a Ph.D. in Economics from Universidad de Oviedo and is a Professor of Financial Economics and Accounting at the same university (currently on leave). His professional career has been in the banking and energy sectors, having been Chairman of Asturgar, Caja de Ahorros de Asturias, Banco de Castilla La Mancha, Hidroeléctrica del Cantábrico, S.A. and Naturgas Energía Grupo, S.A. He was also a member of the Boards of Directors of Cecabank, Enagás and CECA, Chairman of the Fundación Bancaria Caja de Ahorros de Asturias, a director of the Fundación de las Cajas de Ahorro (FUNCAS) and a member of the Board of Directors of AELEC, the Spanish Association of Electricity Companies. At Liberbank he was Executive Chairman and has been Chief Executive Officer since 2011. He is also currently a member of the Board of EDP Renovaveis and Non-Executive Chairman of EDP Spain, a Trustee of the Fundación Princesa de Asturias, Chairman of the EDP Spain Foundation and Trustee of the Fundación DIPC.

Total number of executive directors	2

% of the total members of the board	13.33

EXTERNAL PROPRIETARY DIRECTORS		
Name or company name of the director	Name or company name of the significant shareholder they represent or that proposed their appointment	Profile
PETRA MATEOS-APARICIO MORALES	FUNDACIÓN BANCARIA UNICAJA	Petra Mateos received her doctorate cum laude in Economics and Business Administration from the Universidad Complutense de Madrid and is Professor of Financial Economics. She has been Vice-Chairwoman of the Spain – USA Chamber of Commerce, since February 2011 and Independent Director of Técnicas Reunidas S.A. since February 2016. She was Independent Director of Solvay (2009-2013) in Belgium, Executive Chairwoman and Non-Executive Chairwoman of Hispasat (2005-2011), Director of Hispamar Satélites (Brazil), Director of Xtar LLC (United States) (2005-2012), Director of Iberia and Banco Exterior de España (1983-1985), Deputy General Manager of Banco Exterior de España and Director of Banco Exterior UK and Banco de Alicante (1985-1987). With extensive academic experience, she is a Member of the International Advisory Council on Science, University and Society of CRUE Spanish Universities. She was Professor of Financial Economics in the Department of Business Economics and Accounting at the School of Economics and Business Administration of the UNED and Professor of Financial Economics at the Colegio Universitario de Estudios Financieros (1982-2015), Member of the National Board of Directors of IEAF, the Spanish Institute of Financial Analysts (2011-2017) and Member of the Board of ANECA, the National Agency for Quality Assessment and Accreditation (2009-2015). The awards she has received include the following: Knight of the Order of the Legion of Honor of the French Republic (2011), Satellite Executive of the Year Washington Award (2010), Business Leader of the Year from the Spain-U.S. Chamber of Commerce and Businesswoman of the Year from the Brazil-Spain Chamber of Commerce (2010) and the Executive Woman of the Year and Women Together Foundation Awards (2009) from the United Nations Economic and Social Council. She is an author and has published several books and numerous articles on financial matters. Among her most recent published work, the following is worthy of special mention: "Corporate Finance" with Richard A. Brealey, Stewart C. Myers and Alan J. Marcus (McGraw-Hill and UNED, 2010). This is a key text for decision making in the financial world.
FELIPE FERNÁNDEZ FERNÁNDEZ	FUNDACIÓN BANCARIA CAJA DE AHORROS DE ASTURIAS	Felipe Fernández holds a degree in Economics and Business Administration from the University of Bilbao. Professor of Statistics and Econometric Analysis at Universidad de Oviedo, School of Business and Economics. He held the position of General Manager of Caja de Ahorros de Asturias, as well as several management positions in the Regional Administration of Asturias. He was also Director of Administration and Finance at EDP España, S.A.U. He is currently

EXTERNAL PROPRIETARY DIRECTORS		
Name or company name of the director	Name or company name of the significant shareholder they represent or that proposed their appointment	Profile
		a director at the following companies: EDP España S.L.U., Lico Leasing S.A., Instituto Medicina Oncologica y Molecular de Asturias S.A., Cementos de Tudela Veguín S.A., Cimento Verde do Brasil S.A. and Masaveu Inmobiliaria, S.A. He is also a member of the General Supervisory Board of EDP Energías de Portugal S.A. and a trustee of Fundación Caser. At Liberbank he was Director of the Business Corporation Area and Director since 2013.
MANUEL MUELA MARTÍN-BUITRAGO	FUNDACIÓN BANCARIA UNICAJA	Manuel Muela holds a degree in Political Science and Economics from the Universidad Complutense de Madrid and a degree in Law from the Universidad Nacional de Educación a Distancia (UNED). He was a member of the General Vice-Secretariat of the Instituto de Crédito de las Cajas de Ahorros. He held the positions of Head of the Savings Banks Department and Head of the Credit Institutions Department at the Bank of Spain. He was also Chairman of the IGS – Mortgage Market Settlement Committee and Executive Chairman of the Settlement Committees of several Mutual Guarantee Companies, with the appointment proposed by the Bank of Spain. He has held the following positions: Assistant General Manager and Technical General Secretary of Caixa Catalunya, General Manager of Caja de Ahorros y Monte de Piedad de Cádiz, Chief Executive Officer of Bank of Credit and Commerce, S.A.E., and Executive Chairman of the European Bank of Finance (in the latter two cases, an appointment proposed by the Deposit Guarantee Fund), as well as independent Director of the Caja3 Group, non-executive Chairman of Banco de Caja España de Inversiones, Salamanca y Soria, S.A. (EspañaDuero) and Director of Caja de Seguros Reunidos, Compañías de Seguros y Reaseguro, S.A. (CASER).
TERESA SÁEZ PONTE	FUNDACIÓN BANCARIA UNICAJA	Teresa Sáez holds a degree in Economics from the University of de Santiago de Compostela. She began working in the Financial Division of Sociedad Petrolífera Española Shell S.A. She developed most of her professional career at the Instituto de Crédito Oficial (ICO) occupying the following positions: Assistant Chief Financial Officer, Financial Markets Manager, Senior Treasury Dealer and Coordinator of Front Office and Back Office activities. She was Director of the Financial Division of Caja España de Inversiones, General Manager of Banco Europeo de Finanzas, S.A. and Director of Investees at Unicaja Banco. She was a director of several companies in the industrial and financial sectors and a trustee of the Fundación Bancaria Unicaja.
DAVID VAAMONDE JUANATEY	OCEANWOOD CAPITAL MANAGEMENT LLP	David Vaamonde holds a degree in Economics and Business Studies from the Universidad de A Coruña and a Master's degree in Finance from the London Business School. He was also an associate professor at the School of Economics and Business of Universidad de A Coruña. David began his professional career

EXTERNAL PROPRIETARY DIRECTORS		
Name or company name of the director	Name or company name of the significant shareholder they represent or that proposed their appointment	Profile
		at the Caja de Ahorros de Galicia as an analyst in the Research Department. He has worked at Fitch Ratings Ltd. as a bank rating analyst and at JP Morgan Europe Ltd. as a credit risk analyst with financial institutions. He has also worked as an equity analyst for Spanish and Portuguese banks at Fidentiis Equities. S.V. S.A. and MainFirst Bank AG. Since April 2015, he has worked at Oceanwood Capital Management LLP, where he is a partner and portfolio manager of financial institutions. At Liberbank, he served as a member of the Board of Directors from 2018 to 2021.
JUAN FRAILE CANTÓN	FUNDACIÓN BANCARIA UNICAJA	Juan Fraile is a primary school teacher and he holds a degree in Philosophy and Educational Sciences from the Universidad Nacional de Educación a Distancia. He has been an elementary school teacher at Escuela Aneja a la Escuela Normal de Melilla and at Colegio Juan Carrillo de Ronda. He has held the following positions: Councilman and Mayor of the town of Ronda, Member and Chairman of the Deputation of Málaga, Chairman of Patronato de Turismo Costa del Sol and Member of the European Parliament (member of the Subcommittee on Human Rights, the Development Committee and the Delegation to the ACP-EU Joint Parliamentary Assembly). Other relevant positions: Former Chairman of the Audit Committee, General Counsel, member of the Board of Directors and Vice-Chairman of Unicaja, Trustee of Fundación Bancaria Unicaja and Director of Banco Europeo de Finanzas, S.A. and Alteria Corporación Unicaja, S.L. He is currently Vice-Chairman of Unicaja Banco S.A. and Trustee of Fundación Unicaja Ronda.
RAFAEL DOMÍNGUEZ DE LA MAZA	GLOBAL PORTFOLIO INVESTMENTS, S.L.	Rafael Domínguez holds a degree in Business Management from the San Telmo International Institute as well as taking the Owner President Management OPM Program from Harvard Business School. He has held important positions in the Board of Directors of the listed companies CAVOLO Inversiones SICAV, Wilmington SICAV and Patton Investments SICAV. He was also a proprietary director of Masmovil Ibercom, S.A. He has developed his entire professional career in the Mayoral Group, holding various positions of responsibility and management in different companies of the family-owned group – he has been managing director of Indumenta Pueri, S.L., since May 2022, a sole director at Global Portfolio Investments, S.L. and Wilmington Capital, S.L. and deputy general manager of Mayoral Moda Infantil, S.A.U., a company in which he has held various management positions since 1989, expanding the business in more than 50 countries.

Total number of proprietary directors	7

% of the total members of the board	46.67

INDEPENDENT PROPRIETARY DIRECTORS	
Name or company name of the director	Profile
JORGE DELCLAUX BRAVO	Jorge Delclaux holds a degree in Economics and Business Studies from the Colegio Universitario de Estudios Financieros. He began his professional career as Assistant Director at Morgan Grenfell & Co. Limited, continuing his investment banking career at UBS Phillips and Drew and at Rothschild, where he was Global Partner and CEO for Spain. In 2006 he joined Inversiones Ibersuizas, S.A. as Vice-Chairman and CEO and in 2012 was appointed CEO of Roland Berger in Spain. During his professional career he has been Director of several companies such as Grucycsa S.A, Safei, S.A, Ebro Agrícolas S.A, Fomento de Construcciones y Contratas, S.A., Península Capital, S.A.R.L., as well as of numerous investee companies as Private Equity manager. He has been a director of Liberbank, S.A. since 2011 and is currently on the Board of Directors of Preventiva Compañía de Seguros y Reaseguros, S.A. He is also currently Founding Partner and Chief Operating Officer of Azzurra Capital, an international private equity firm.
MARÍA GARAÑA CORCES	María Garaña holds a degree in Business Law from the Universidad CEU San Pablo, a diploma in International Trade from Berkeley University and an MBA from Harvard University. She worked as a Consultant at Andersen Consulting and as a Manager at Bain & Company in Mexico. She has worked with Microsoft in different regions as Director of Operations and Marketing in Mexico, President of the Southern Cone of Latin America and President and CEO of Microsoft Ibérica, S.A., before joining Google as General Manager of Professional Services for Europe, Middle East and Africa. She is currently Vice President of Professional Services for Adobe Inc in the EMEA region. From 2015 to 2021, she was an independent director of Liberbank. She was an independent director at Distribuidora Internacional de Alimentos, S.A. (DIA) from 2016 to 2019, a member of the board of the insurance company Euler Hermes (the Alliance Group, now Alliance Trade), in Paris from 2016 to 2020 and a member of the European Institute of Technology under the European Committee between 2012 and 2017. Since 2015 she has been a director at Alantra Partners, S.A. and since 2020 she has been a member of the Supervisory Board of TUI AG, positions she currently holds.
MARÍA LUISA ARJONILLA LÓPEZ	María Luisa Arjonilla holds a degree in Biological Sciences from the Universidad Complutense de Madrid. With extensive experience in the technology sector applied to banking and financial markets, she has held the position of Director of Technology and Commercial Banking Operations at Banco Santander, Director of Technology at Banco Popular and previously held the same position at Barclays Bank España. At Euro Automatic Cash, Entidad de Pago S.L. she was a non-executive director. Part of her professional career has been in areas closely linked to technology, working as Product Manager at Alnova Technologies and as a consultant and manager at Accenture. She has also taught in the field of technology, as an associate professor in the Computer Science Department of the Polytechnic School (Universidad Carlos III) and as a lecturer on a Master's Program on Digital Transformation at the University of Salamanca, as well as working with the Instituto de Estudios Bursátiles. At present, she continues to work on executive programs focusing on technology at the AFI Escuela. She has recently taken part in

INDEPENDENT PROPRIETARY DIRECTORS	
Name or company name of the director	Profile
	specialization courses in the area of technology at Stanford and Michigan Universities. She is currently Director of Corporate Technology at Proeduca Altus Group and a member of its Management Committee.
ISIDORO UNDA URZÁIZ	Isidoro Unda holds a degree in Law from the University of Deusto in Bilbao, majoring in Economic Law, and is a State Tax Inspector and Auditor. He began his professional career in the Public Administration, as Chief Inspector of Excise Duties at the Special Tax Delegation of the Basque Country and was a member of the Regional Economic-Administrative Court. He later served as a member of the Negotiating Committee for Spain's accession to the European Union during his time at the General Directorate of Customs and Excise of the Ministry of Economy and Finance, later working as a Technical Advisor in the General Directorate of Budgets, which is part of the same Ministry. Isidoro Unda was Deputy General Manager and Chief Financial Officer at the Consorcio de Compensación de Seguros, Managing Director of Credit & Surety and CEO and Chairman of the Management Committee of Atradius NV, Chairman of Inverseguros, Sociedad de Valores y Bolsa and member of the Board of Directors of Mutua Madrileña Automovilística. In addition to his professional career, he has carried out extensive academic work as a professor at the School of Public Finance, the Chamber of Commerce of Bilbao, the Spanish Insurance Institute and as a visiting professor at the MBA of the Nyenrode Business University, among other posts. He is currently a director of Nacional de Reaseguros, S.A. and Ges Seguros y Reaseguros, S.A.
MARIA TERESA COSTA CAMPI	María Teresa Costa holds a degree in Economics and a PhD Cum Laude from the University of Barcelona and is Professor of Economics and Director of the Chairwoman of Energy Sustainability at the same university. She has also held senior positions in both the public and private sectors. She has been President of the National Energy Committee (CNE), President of the Association of Ibero-American Energy Regulators (ARIAE), President of the Iberian Electricity Market Council (MIBEL), Vice-President of the Association of Mediterranean Energy Regulators (MEDREG) and President of its Scientific Committee, member of the Council of European Energy Regulators (CEER) and member of the Advisory Council of the Nuclear Safety Council (CSN). In the private sector, she was a member of the Advisory Board of Abertis in 2012, member of the Board of Directors of ABERTIS (IBEX) from 2013 to 2018, working as a member of the Audit, Appointments and Remuneration Committees and Chairwoman of the CSR Committee. From 2018 until March 2022 she was a director of Red Eléctrica, S.A. (IBEX) and a member of its Sustainability Committee. She is currently a director of ENAGAS, S.A (IBEX) and a member of the Sustainability and Nominations Committee. She was also Chairwoman of the Board of Directors of the non-listed company EPLICSA (Empresa de Promoción y Localización Industrial de Cataluña), a director of the Catalan Institute of Finance, a board member of INCASOL (Catalan Land Institute) and IDIADA, the Institute of Applied Automotive Research, and the Instituto General de Ensayos e Investigaciones (now Applus Laboratories), among other positions. She has extensive experience in research and teaching, with a number of books and articles in specialist international publications. In addition, she has achieved the highest recognition granted by the Spanish evaluation agency for her scientific contributions. She is currently coordinator of the Energy Economics and Sustainability Program in the Master's Degree in Renewable Energy and Sustainability at the University of Barcelona and leads a group recognized by AGAUR (the Agency for

INDEPENDENT PROPRIETARY DIRECTORS	
Name or company name of the director	Profile
	Management of University and Research Grants) for research excellence in energy sustainability. From 1987 to 2000 she was an advisor to the OECD, the European Committee, the Inter-American Development Bank, the Spanish Government (at different times) and several Autonomous Communities and Spanish town and city councils. She is a corresponding member of the Royal Academy of Moral and Political Sciences and was the recipient of the 2019 Victoriano Reinoso National Energy Award.
CAROLINA MARTÍNEZ CARO	Born in 1969 in Alicante, Carolina Martínez Caro has a degree in Law and a Diploma in Business Administration from the Universidad Pontificia de Comillas. She also obtained a Certificate in Business Administration from Yale University and a Master's Degree in Community Law from the Institut d'Etudes Européenes de Bruxelles, majoring in Finance. Throughout her career, she has attended different executive programs at business schools around the world, such as IESE (Barcelona), Wharton BS (Filadelfia), CEIBSS (Shanghai) and Haas BS (San Francisco). She has also participated in director programs organized by companies such as PwC, SPENCERS STUART and DELOITTE, among others. Carolina Martínez has held various relevant positions in the financial sector, including Senior Vice President of Investments in the area of Global Wealth Management for Bank of America Merrill Lynch in Spain and Executive Director and later CEO for Spain and Portugal, subsequently taking up the position at Julius Baer Bank. She is currently Senior Advisor to Forbes Global Properties, Founder and CEO of CMC Family Advisors, board member of the Spanish Association Against Cancer, member of the Advisory Board at FinReg, member of the Board of Trustees of the ITER Foundation and Advisor to the Board of Directors of LH Paragon Inc.

Total number of independent directors	6
% of the total members of the board	40

State whether any independent director receives from the company or from the group thereof, any sum or benefit for any reason beyond a director's remuneration, or whether any independent director has or has had, in the last year, a business relationship with the company or any company in the group thereof, be this on their own behalf or as a significant shareholder, director or senior manager of a company that has or has had any such relationship.

If this is the case, a reasoned statement from the board should be included as to why it considers that this director is able to perform their duties as an independent director.

Name or company name of the director	Description of the relationship	Reasoned statement
No data		

OTHER EXTERNAL DIRECTORS			
External directors will be identified and the reasons why they cannot be considered proprietary or independent and their links with the company, its directors or its shareholders will be described:			
Name or company name of the director	Reasons	Company, manager or shareholder with whom they have a relationship	Profile
No data			

Total number of external directors	N/A
% of the total members of the board	N/A

State any changes to the position of each director that have occurred during the period:

Name or company name of the director	Date of the change	Previous category	Current category
No data			

C.1.4 Fill in the following table with information on the women directors over the past four fiscal years, as well as their position:

	Number of women directors				% of the total number of directors in each category			
	2022	2021	2020	2019	2022	2021	2020	2019
Executive directors					0	0	0	0
Proprietary directors	2	2	2	2	28.57	28.57	40	40
Independent directors	4	3	3	2	66.66	50	60	50
Other external directors					0	0	0	0
Total	6	5	5	4	40	33.33	41.67	36.36

C.1.5 Does the company have diversity policies regarding the company's Board of Directors, for example in terms of age, gender, disability or training and professional experience? According to the definition in the Account Auditing Act, small and medium-sized enterprises must at least report the diversity policy they have established regarding gender.

[√] Yes
[ ] No
[ ] Partial policies

If Yes, describe these diversity policies, their targets, the measures thereof, how they are applied and what results they achieved in the year. The specific measures adopted by the Board of Directors and the appointments and remuneration committee to achieve a balanced and diverse group of directors must also be stated.

Should the company not use any diversity policies, explain why not.

A description of the policies, their targets, the measures thereof, how they are applied and their results.

The Company's Board of Directors has implemented a Diversity Policy, which recasts and develops the diversity-related provisions of the Bylaws, the Board Regulations and other policies in force at the Company in a single text.

The purpose of the Policy is to ensure that the selection procedure for Board Members promotes a diverse and balanced composition of the Board of Directors and its Committees, taking into account issues such as professional training and experience, age, gender, disability, independence and the measures to be adopted for its implementation, if applicable.

(CONTINUED IN SECTION H.1)

C.1.6 Explain the measures, if any, that the appointments committee has established to ensure that the selection procedures do not suffer from implicit biases that hinder the selection of female directors, that the company deliberatively seeks and includes women who meet the desired professional profile among the potential candidates and that allow a balanced presence between men and women. Also state whether these measures include the promotion of the company's having a significant number of female senior management personnel:

Explanation of measures

In accordance with Article 16.5 of the Company's bylaws, the Board of Directors must ensure that the procedures for the selection of directors not only favor diversity, but also ensure it in the areas established in the new wording of Article 529 bis of the Capital Companies Act, in particular, facilitating the selection of female directors in a number that allows for a balanced presence of women and men.

Furthermore, in accordance with Article 32.5 of the Board Regulations, the duties of the Appointments Committee include assessment of the skills, diversity, balance of knowledge and experience required on the Board of Directors, as well as establishing a representation target for the underrepresented gender on the Board of Directors and developing guidelines on how to achieve this target.

The policy for the assessment of the suitability of the members of the Board of Directors, the general managers and similar, and other key personnel for the undertaking of Unicaja Banco's financial activity, states that the Appointments Committee is in charge of analyzing the overall composition of the Board, comparing the actual skills with those required to adequately understand the Company's activities, ensuring that the procedures for the selection of Board members favor diversity of experience and knowledge, facilitate the selection of directors of the less represented sex and, in general, do not suffer from implicit biases that may imply any discrimination whatsoever.

Unicaja Banco has a Policy for the Selection and Appointment of Directors approved by the Board of Directors, which aims to ensure that the selection procedures for the members of the Board of Directors are oriented towards favoring a balanced composition of the Board and its Committees. Unicaja Banco applies the Policy on the occasion of the selection of directors to fill any vacancies that may arise.

The principles that govern the Policy include the following:
1) Effectiveness: Every effort will be made to select the best possible candidate for the position to be filled by the Company, taking into account the current and future needs of the Company.
2) Fairness and diversity: The selection system for board members shall be guaranteed to be impartial and transparent, free from implicit bias, particularly based on gender or disability, providing equal opportunities to all qualified candidates and facilitating the selection of candidates from an under-represented gender. In selecting members of the governing body, an attempt will be made to incorporate a broad set of qualities and competencies to achieve a diversity of views and experiences and to promote independent opinions and sound decision making within the governing body.

3) Adequate skills and performance: Directors shall have sufficient specialist knowledge and experience to carry out their activities and functions within the Company.

Based on the foregoing and in accordance with current regulations, the Committee has ensured the goal that ensures that that the number of women directors should reach at least 30% of the members of the Board, reaching 40% by the end of 2022.

(CONTINUED IN SECTION H.1)

When, despite any measures that might have been adopted, there are few or no female directors or senior management personnel, explain the reasons behind this:

Explanation of reasons

With respect to the number of women senior managers, it should be noted that the Company ensures fairness in the selection and promotion processes, ensuring the natural flow of talent, whether male or female, at all levels of the organization.

For this purpose, as of December 31, 2022, the percentage of women on the Steering Committee will be 16.67%, with 44.53% in middle management.

C.1.7 Explain the appointments committee's conclusions on the verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

In February 2023, the Appointments Committee, prepared the report on the application of the Policy for the Selection and Appointment of Directors and the Diversity Policy, concluding that the individual and collective suitability assessment processes carried out in 2022 were undertaken in accordance with the criteria, principles and systems established in the aforementioned policies.

In particular, the evaluations analyzed the impact in terms of diversity of knowledge, technical skills, experience, and gender, without implying discrimination based on age or disability, using the matrix of skills, knowledge and experience, ensuring that the overall composition and balance of skills of the Board of Directors was appropriate. The Committee confirmed that individually and collectively the Board of Directors is suitable for the performance of its duties and that it has the capacity to take decisions independently for the benefit of the Company, as well as that the various areas of expertise required are duly covered.

C.1.8 Explain, if applicable, the reasons why no proprietary directors were appointed at the behest of shareholders whose shareholding is less than 3% of share capital:

Name or company name of the shareholder	Justification
No data	

State whether there has been any provision for formal requests for representation on the board of shareholders whose shareholding is equal to or greater than others who have been designated a proprietary director at their request. If so, explain why these requests were not accommodated:

[ ] Yes
[√] No

C.1.9 Specify the powers and authorities the Board of Directors has delegated to the directors or committees of the board, if any, including those pertaining to the ability to issue or repurchase shares:

Name or company name of the director or committee	Brief description
MANUEL AZUAGA MORENO	Manuel Azuaga has been delegated broad powers of representation and administration for the exercise of the position of Executive Chairman of the Company.
MANUEL MENÉNDEZ MENÉNDEZ	Manuel Menéndez has been delegated broad powers of representation and administration for the exercise of his position as Chief Executive Officer of the Company.

C.1.10 Identify, the members of the board, if any, who hold positions as administrators, representatives of administrators, or executives in other companies that form part of the group of the listed company:

Name or company name of the director	Company name of the group company	Position	Do they have executive functions?
No data			

C.1.11 List any director, administrator or manager positions or representatives thereof held by directors or representatives of directors who are members of the Board of Directors of the company in other companies, regardless of whether they are listed companies:

Identification of the director or representative	Company name of the entity, listed or not	Position
MANUEL AZUAGA MORENO	CECABANK, S.A.	CHAIR
MANUEL AZUAGA MORENO	CONFEDERACIÓN ESPAÑOLA DE CAJAS DE AHORROS (CECA)	DIRECTOR
MANUEL AZUAGA MORENO	Fundación de las Cajas de Ahorro (FUNCAS)	TRUSTEE
MANUEL AZUAGA MORENO	ASOCIACIÓN CIFAL MÁLAGA	OTHERS
MANUEL MENÉNDEZ MENÉNDEZ	EDP ESPAÑA, S.A.U.	CHAIR
MANUEL MENÉNDEZ MENÉNDEZ	EDP RENOVAVEIS, S.A.	DIRECTOR
MANUEL MENÉNDEZ MENÉNDEZ	FUNDACIÓN PRINCESA DE ASTURIAS	TRUSTEE
MANUEL MENÉNDEZ MENÉNDEZ	DONOSTIA INTERNATIONAL PHYSICS CENTER FOUNDATION (DIPC)	TRUSTEE
MANUEL MENÉNDEZ MENÉNDEZ	FUNDACIÓN EDP	CHAIR
JUAN FRAILE CANTÓN	FUNDACIÓN UNICAJA RONDA	TRUSTEE
CAROLINA MARTÍNEZ CARO	FUNDACIÓN ITER	TRUSTEE

Identification of the director or representative	Company name of the entity, listed or not	Position
CAROLINA MARTÍNEZ CARO	SPANISH ASSOCIATION AGAINST CANCER (ACC)	DIRECTOR
MARÍA LUISA ARJONILLA LÓPEZ	ALTUS PROEDUCA GROUP	OTHERS
MARIA TERESA COSTA CAMPI	ENAGAS, S.A.	DIRECTOR
RAFAEL DOMÍNGUEZ DE LA MAZA	GLOBAL PORTFOLIO INVESTMENTS S.L.	SOLE ADMINISTRATOR
RAFAEL DOMÍNGUEZ DE LA MAZA	WILMINGTON CAPITAL S.L.	SOLE ADMINISTRATOR
RAFAEL DOMÍNGUEZ DE LA MAZA	INDUMENTA PUERI S.L.	CEO
RAFAEL DOMÍNGUEZ DE LA MAZA	MAYORAL MODA INFANTIL S.A.U.	OTHERS
RAFAEL DOMÍNGUEZ DE LA MAZA	RAFANACHI, S.L.	SOLE ADMINISTRATOR
RAFAEL DOMÍNGUEZ DE LA MAZA	AMADEL CAPITAL, S.L.	SOLE ADMINISTRATOR
FELIPE FERNÁNDEZ FERNÁNDEZ	MASAVEU INMOBILIARIA, S.A.	DIRECTOR
FELIPE FERNÁNDEZ FERNÁNDEZ	EDP ESPAÑA, S.A.U.	DIRECTOR
FELIPE FERNÁNDEZ FERNÁNDEZ	INSTITUTO DE MEDICINA ONCOLÓGICA Y MOLECULAR DE ASTURIAS, S.A.	DIRECTOR
FELIPE FERNÁNDEZ FERNÁNDEZ	CEMENTOS TUDELA VEGUIN, S.A.	DIRECTOR
FELIPE FERNÁNDEZ FERNÁNDEZ	FUNDACIÓN CASER	TRUSTEE
FELIPE FERNÁNDEZ FERNÁNDEZ	CIMENTO VERDE DO BRASIL, S.A.	DIRECTOR
FELIPE FERNÁNDEZ FERNÁNDEZ	EDP ENERGÍAS DE PORTUGAL, S.A.	BOARD REPRESENTATIVE
MARÍA GARAÑA CORCES	ALANTRA PARTNERS, S.A.	DIRECTOR
MARÍA GARAÑA CORCES	TUI A.G.	DIRECTOR
ISIDORO UNDA URZÁIZ	NACIONAL DE REASEGUROS, S.A.	DIRECTOR
ISIDORO UNDA URZÁIZ	GES SEGUROS Y REASEGUROS S.A.	DIRECTOR
ISIDORO UNDA URZÁIZ	AMADEL CAPITAL, S.L.	SOLE ADMINISTRATOR
DAVID VAAMONDE JUANATEY	OCEANWOOD CAPITAL MANAGEMENT LLP.	OTHERS

Identification of the director or representative	Company name of the entity, listed or not	Position
JORGE DELCLAUX BRAVO	PREVENTIVA COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR
JORGE DELCLAUX BRAVO	FINDEL, S.L.	JOINT AND SEVERAL ADMINISTRATOR
JORGE DELCLAUX BRAVO	AMADEL CAPITAL, S.L.	JOINT AND SEVERAL ADMINISTRATOR
JORGE DELCLAUX BRAVO	PROMOTORA RESIDENCIAL LIENDO, S.L.	JOINT AND SEVERAL ADMINISTRATOR
JORGE DELCLAUX BRAVO	ESTRELA CAPITAL PARTNERS ASESORES, S.L.	JOINT AND SEVERAL ADMINISTRATOR
JORGE DELCLAUX BRAVO	AZZURRA CAPITAL PARTNERS SARL	OTHERS
JORGE DELCLAUX BRAVO	AZZURRA CAPITAL HOLDINGS GP SARL	OTHERS
JORGE DELCLAUX BRAVO	AZZURRA CAPITAL MANAGEMENT FZE-EAU	OTHERS
JORGE DELCLAUX BRAVO	WINSLOW S.L.	JOINT AND SEVERAL ADMINISTRATOR
JORGE DELCLAUX BRAVO	FUNDACION GEORGE TOWN ESPAÑA	TRUSTEE
PETRA MATEOS-APARICIO MORALES	SPAIN-US CHAMBER OF COMMERCE.	VICE-CHAIR
PETRA MATEOS-APARICIO MORALES	TÉCNICAS REUNIDAS, S.A.	DIRECTOR
PETRA MATEOS-APARICIO MORALES	ALTKOCA, S.A.	SOLE ADMINISTRATOR
PETRA MATEOS-APARICIO MORALES	SENECTICAL, S.L.	SOLE ADMINISTRATOR
PETRA MATEOS-APARICIO MORALES	GRUPO CELULOSAS MOLDEADAS S.L.	BOARD REPRESENTATIVE
PETRA MATEOS-APARICIO MORALES	CRUE INTERNATIONAL ADVISORY COUNCIL ON SCIENCE, UNIVERSITY AND SOCIETY	DIRECTOR

The following is a description of the positions that have been reported as “OTHER” or “Director's Representative”:
- Manuel Azuaga Moreno is a member of the Board of Directors of the CIFAL Málaga Association, representing Unicaja Banco.
- María Luisa Arjonilla is Director of Corporate Technology at the Proeduca Altus Group.
- Jorge Delclaux Bravo is Class A Manager of Azzura Capital Partners Sarl and Azzura Capital Holding GP Sarl. He is also a Director/Executive Director of Azurra Capital Management FZE-EAU.
- Rafael Domínguez de la Maza is Deputy General Manager at Mayoral Moda Infantil, S.A.U.
- Petra Mateos-Aparicio Morales is a member of the CRUE International Advisory Council on Science, University and Society and is the individual representative of the Altkoca, S.A. on the Grupo Celulosas Moldeadas, S.A. Board of Directors.
- María Garaña is a member of the Supervisory Board of TUI AG.
- Felipe Fernández is a member of the General and Supervisory Board of EDP Energías de Portugal, S.A.
- David Vaamonde is a Partner/Director of Oceanwood Capital Management LLP.

Of the above positions, the following are remunerated:
- Manuel Azuaga Moreno: Cecabank, S.A. and CECA.

- Manuel Menéndez Menéndez: EDP Renovaveis, S.A.
- Jorge Delclaux Bravo: Preventiva Compañía de Seguros y Reaseguros, S.A. and Azzurra Capital Management FZE-EAU.
- Rafael Domínguez de la Maza: Indumenta Pueri, S.L.
- Felipe Fernández Fernández: Cementos de Tudela Veguin, S.A., Masaveu Inmobiliaria, S.A., EDP España, S.A. and EDP Energías de Portugal, S.A.
- María Garaña Corces: TUI AG and Alantra Partners, S.A.
- Petra Mateos-Aparicio Morales: Técnicas Reunidas, S.A.
- Isidoro Unda Urzaiz: Nacional de Reaseguros, S.A., GES Seguros y Reaseguros S.A. and GES Seguros y Reaseguros S.A.
- David Vaamonde: Oceanwood Capital Management LLP.

Specify, if applicable, any other remunerated activities of the directors or representatives of the directors, whatever their nature, other than those mentioned in the table above.

Identification of the director or representative	Other remunerated activities
MARIA TERESA COSTA CAMPI	Teaching, research and knowledge transfer as Emeritus Professor at the University of Barcelona
MARÍA GARAÑA CORCES	Vice-Chairwoman of Professional Services for Europe, Middle East and Africa at ADOBE INC.
DAVID VAAMONDE JUANATEY	European Banking Sector Investment Manager at OCEANWOOD CAPITAL MANAGEMENT LLP
CAROLINA MARTÍNEZ CARO	CEO of CMC Family Advisors, Advisor to the Board of Directors of Holding LH Paragon Inc., Senior Advisor to Forbes Global Propierties LLC and member of the Advisory Board of FinancialReg360, S.L.
ISIDORO UNDA URZÁIZ	Member of the Advisory Board of Beragua Advisory S.L.

C.1.12 State and, where appropriate, explain, if the company has established rules for the maximum number of company boards that its directors may form a part of, identifying, where appropriate, where it is regulated:

[√] Yes
[ ] No

Explanation of these rules and identification of the regulating document

Article 15.3 of the Regulations of the Board of Directors establishes that Board Members may not sit on more Boards of Directors than is possible under applicable banking regulations. In particular, Article 26 of Law 10/2014, of June 26, on the regulation, supervision and solvency of credit institutions, on the definition of incompatibilities and limitations, states that except in certain cases, they may not simultaneously hold more positions than those provided for in one of the following combinations: (i) one executive position together with two non-executive positions or (ii) four non-executive positions. Executive positions are understood to be, in all circumstances, those who perform management functions in the company, regardless of the legal relationship that attributes these functions to them. Specific provisions are also established in order to determine how the calculation of positions should be undertaken in the case of positions held within the group itself, or in commercial companies in which the company has a significant shareholding.

Incompatibilities are also provided for in Rule 34 of Bank of Spain Circular 2/2016, of February 2, 2016, as applicable to credit institutions, on supervision and solvency, which completes the adaptation of the Spanish legal system to Directive 2013/36/EU and Regulation (EU) No. 575/2013. At an international level, the European Central Bank's Suitability Assessment Guidelines and the guidelines on the assessment of the suitability of members of the management body and key function holders (EBA/GL/2021/06) are also applicable to Credit Institutions.

C.1.13 State the amounts of the following items related to the overall remuneration of the Board of Directors:

Remuneration accrued in the year by the Board of Directors (thousands of euros)	2,553
Amount of funds accumulated by current directors for long-term savings systems with consolidated economic rights (thousands of euros)	4,118

Amount of funds accumulated by current directors for long-term savings systems with unconsolidated economic rights (thousands of euros)	
Amount of funds accumulated by former directors for long-term savings systems (thousands of euros)	

C.1.14 Identify the members of senior management who are not executive directors, and state the total remuneration accrued by them during the year:

Name or Company name	Role(s)
GALO JUAN SASTRE CORCHADO	REGULATORY COMPLIANCE COMMITTEE
MIGUEL ANGEL BARRA QUESADA	ESG BUSINESS MANAGER
JOAQUÍN SEVILLA RODRÍGUEZ	DIGITAL BUSINESS DIRECTOR
JOSÉ MARÍA DE LA VEGA CARNICERO	GENERAL MANAGER OF HUMAN RESOURCES, TALENT AND CULTURE
MARTA SUÁREZ GONZÁLEZ	DIRECTOR OF BUSINESS OBJECTIVES AND FOLLOW-UP
JONATHAN JOAQUIN VELASCO	CHIEF FINANCIAL OFFICER
ANA ECHENIQUE LORENZO	DIRECTOR OF THE CABINET OF THE CHIEF EXECUTIVE OFFICER
SEVERINO JESÚS MÉNDEZ SUÁREZ	CHIEF OPERATING AND TECHNOLOGY OFFICER
ISIDRO RUBIALES GIL	ASSISTANT GENERAL MANAGER TO THE CHAIR
PABLO GONZÁLEZ MARTÍN	CHIEF FINANCIAL OFFICER
FRANCISCO JAVIER PÉREZ GAVILÁN	CHIEF CREDIT RISK OFFICER
JESÚS NAVARRO MARTÍN	INTERNAL AUDIT DIRECTOR
JESÚS RUANO MOCHALES	ASSISTANT GENERAL MANAGER TO THE CHIEF EXECUTIVE OFFICER
AGUSTÍN LOMBA SORRONDEGUI	DIRECTOR OF STRATEGIC PLANNING AND BUDGETING
JUAN PABLO LÓPEZ COBO	INVESTOR RELATIONS MANAGER
CÉDRIC BLANCHETIÈRE	GLOBAL RISK CONTROL MANAGER
MARÍA DEL CRISTO GONZÁLEZ ÁLVAREZ	DIRECTOR OF TRANSFORMATION AND INNOVATION
VICENTE ORTI GISBERT	GENERAL MANAGER OF THE TECHNICAL GENERAL SECRETARIAT

Number of women in senior management	3
Percentage of the total members of senior management	16.66

Total remuneration of senior management (in thousands of euros)	4,310

The total amount of remuneration of senior management corresponds to the amounts accrued by 19 members of senior management who have performed their duties at some time during the year, even if they do not have this status at the closing date.

The full title of Isidro Rubiales Gil’s position is as follows: Assistant General Manager to the Chairman for Control and Supervisory Relations.

The full title of Jesús Ruano Mochales's position is as follows: Assistant General Manager to the CEO of Corporate Development, Investees, Recoveries and Non-Core Asset Management.

C.1.15 State whether there have been any changes to the board's regulations during the year:

[ ] Yes
[√] No

C.1.16 What are the procedures for selecting, appointing, re-electing and removing directors? Specify the competent bodies, the formalities to be carried out and the criteria used in each of the procedures.

The procedures for the selection, appointment, re-election, evaluation and removal of directors are regulated, in addition to the applicable regulations, in the Company Bylaws, the Regulations of the Board of Directors, the Policy for the Evaluation of the Suitability of the Board of Directors, the General Managers and similar and other Key Personnel for the development of the financial activity. The internal regulations on the suitability of directors are completed with the Diversity Policy, the Policy for the Selection and Appointment of Directors, the Succession Policy, the Procedure for Evaluating the Functioning of the Board of Directors and its committees and of certain positions.

These procedures are also subject to the European Central Bank's suitability assessment. Acceptance of the position entails the finalization of the procedure following the approval by the banking authority of the proposed appointment, which must be approved at a General Shareholders' Meeting.

The Appointments Committee evaluates the competencies, knowledge and experience required on the Board, defines the functions and aptitudes required of the candidates and evaluates the dedication required for the performance.

- Selection

The following procedure will be followed in the selection of candidates for directors:

1. The Appointments Committee will take into account the balance of knowledge, capacity, diversity and experience on the Board of Directors and will prepare a description of the functions and skills required for a specific appointment, assessing the time commitment envisaged for the performance of its duties. This shall be in line with the needs of the Company's management bodies at any given time, and, in particular, taking into account the target representation for the least represented sex on the Board of Directors
and the guidelines established in this regard in the Diversity Policy of Unicaja Banco's Board of Directors, in order to ensure said target of 30% representation of women directors is upheld.

2. The shareholders entitled to appoint directors may nominate the persons they deem appropriate to fill vacancies, be they executive or proprietary directors.

Any director can request that the Appointments Committee take into consideration potential candidates to fill vacancies on the Board of Directors if they consider them suitable. The Appointments Committee may contract external services ("headhunters") for the selection of potential candidates, when it deems doing so necessary or convenient.

The Board of Directors may proceed to co-opt the appointment of directors, where legal and statutory requirements are met.

Furthermore, the Appointments Committee may identify and recommend candidates to fill vacant Board positions, with a view to its proposal to the Board of Directors or the General Shareholders' Meeting.

- Suitability and appointment assessment

Once the candidates have been identified, as stated in the "Selection" section, the following procedure will be followed for the appointment of directors:

a) The Appointments Committee shall initiate the suitability assessment procedure and issue the corresponding assessment report, in accordance with the provisions of the Suitability Assessment Policy. In the case of independent directors, it will submit the appointment proposal to the Board, and in the case of other types of directors, it will report the corresponding appointment proposals to the Board.
b) If the report is favorable and in view of the report or proposal of the Appointments Committee, the Board of Directors will analyze the candidates, as well as their respective dossiers.
c) If the result of this analysis is favorable, the proposed appointment will be submitted to the competent supervisory authorities for approval. Exceptionally, in the event of vacancies that may have a negative impact on the day-to-day management of the Bank, the request for authorization from the supervisory authority may be made immediately after the appointment of the director, the effectiveness of which will be subject to a favorable assessment.
d) Once the candidates have been favorably evaluated by the competent supervisory authority, the Board will either co-opt the appointment, in the event of a vacancy, or the proposal will be submitted to the General Meeting.

(CONTINUED IN SECTION H.1)

C.1.17 Explain to what extent the annual evaluation of the board has led to major changes in the internal organization and in the procedures applied to its activities:

Description of the changes

The Board of Directors of Unicaja Banco carries out an annual evaluation of the functioning of the Board, the support committees and their respective positions. Based on the outcome of the performance evaluation for the 2021 fiscal year (the conclusions of which were satisfactory, although there were certain areas for improvement), the Board of Directors, at the behest of the Appointments Committee, approved an action plan that was monitored during the 2022 fiscal year.

The action plan aims to (i) continue to increase directors' advance access to documentation on matters to be discussed at meetings of the governing bodies, (ii) optimize the time dedicated to sessions in order to better cover important matters and (iii) continue to hold extraordinary sessions to review the company's mid-term strategy.

Describe the evaluation process and the areas evaluated that the Board of Directors has carried out with the assistance, if any, by an external consultant, with regard to the function and composition of the board and the committees thereof and any other area or aspect that has been evaluated.

Description of the evaluation process and areas evaluated

Article 529 (h) of Royal Legislative Decree 1/2010, of July 2, 2010, approving the amended text of the Capital Companies Act, states that a Board of Directors should carry out an annual evaluation of its operations and that of its committees, proposing an action plan to correct the deficiencies detected based on its results. The result of the evaluation shall be recorded in the minutes of the meeting or attached to the minutes as an annex.

In accordance with the provisions of Recommendation 36 of the Code of Good Governance of Listed Companies, Article 35 of the Board Regulations and the "Procedure for Assessing the Operation of the Board of Directors of Unicaja Banco S.A. and its Committees, and of certain positions", the Board of Directors will have the support of an external consultant at least every three years. The last year that the Company had an external consultant was for the 2019 assessment, in which the Board of Directors, at the behest of the Appointments Committee, appointed the independent external consultant EgonZehnder to assist it in the performance of the evaluation.

For the 2022 assessment of the organization and its operations, the Company will have the support of an external consultant.

The scope to be assessed specifically comprises the Board as a whole and individually, the position of the Executive Chairman, the Chief Executive Officer, the Secretary/Vice-Secretary of the Board, the Coordinating Director and the individual contribution of each director. Furthermore, each of its support committees and individually the positions of Chairman/Chairwoman and Secretary of each Committee.

In the event that recommendations are made, an action plan will be drawn up and submitted to the Board for approval and, where appropriate, monitored throughout 2023.

C.1.18 For those years in which the assessment was aided by an external consultant, itemize the business relations that the consultant or any company in the consultant's group might have with the company or any company in its group.

The last evaluation process with the assistance of an external consultant was for 2019, in which the firm EgonZehnder was hired. It did not provide any other services to the Company or any of its Group companies that year.

C.1.19 Specify the situations in which directors must resign.

In accordance with the terms of Article 14 of the Regulations of the Board of Directors, directors must make their position available to the Board of Directors and formalize, if the Board deems convenient, the corresponding resignation in the following cases:

a. When they cease to hold the positions, offices or functions with which their appointment as directors was associated
b. When they are involved in any of the cases of incompatibility or prohibition provided by law

c. When the Board itself so requests by a majority of at least two thirds of its members: (1) if they are seriously reprimanded by the Board for having breached their obligations as directors, following a proposal or report from the Appointments Committee or (2) where their remaining on the Board may jeopardize the interests of the Company.
d. At the request of the Bank of Spain, the European Central Bank or any other authority with competence in the matter.
e. When, following a report from the Appointments Committee, the Board deems it appropriate in those cases that may damage the credit and reputation of the Company, when the director has ceased to meet the legal requirements of repute, experience and good governance established in Article 24 of Law 10/2014 and its implementing rules, or, in particular, when the director is being prosecuted for criminal proceedings. In particular, if a director is indicted or tried for any of the offenses set out in corporate legislation, the Board of Directors will examine the case as soon as possible and, in view of the specific circumstances, decide whether the director should continue in office. The Board of Directors will give a reasoned account of all of the foregoing in the Annual Corporate Governance Report and, if appropriate, to the Bank of Spain, the European Central Bank or the competent authority.

Proprietary directors shall also present their resignation in the relevant number when the shareholder that they represent transfers or reduces their shareholding.

Whether by resignation or otherwise, when a Director ceases to hold office before the end of their term of office, they should explain the reasons in a letter that should be sent to all of the members of the Board. Notwithstanding the fact that notice of their termination shall be passed on to the market through the National Securities Market Commission website, the reason for the termination will be included in the Annual Corporate Governance Report.

C.1.20 Are reinforced majorities, beyond the legal majorities, required for any type of decision?

[ ] Yes
[√] No

If Yes, describe the differences.

C.1.21 Explain whether there are specific requirements, which are different from those for directors when being appointed chairman/woman of the Board of Directors:

[ ] Yes
[√] No

C.1.22 Do the bylaws or the regulations for the board establish an age limit for directors?

[ ] Yes
[√] No

C.1.23 Do the bylaws or the regulations for the board establish a limited tenure or other, stricter requirements beyond those established by law for independent directors and those established in regulations?

[ ] Yes
[√] No

C.1.24 State whether the bylaws or the regulations for the board establish specific regulations for delegating a vote to the Board of Directors to other directors, how to do so and specifically the maximum number of delegations a single director can receive, as well as whether any limit has been established in terms of the categories in which a vote can be delegated, beyond those restrictions imposed by law. If so, briefly explain these regulations.

Article 18.8 of the Company's Bylaws states that all directors may cast their vote and grant a proxy in favor of another director, although non-executive directors may only do so in favor of another non-executive director. Representation will be granted on a special basis for the meeting of the Board of Directors to which it refers.

Article 15.2.(b) of the Regulations of the Board of Directors states that in the indispensable event that a director is unable to attend the meetings to which they have been summoned, they must instruct the director to whom, if any, they have granted their proxy.

By virtue of the provisions of Article 28.5 of the Board of Directors Regulations, the Chairman/Chairwoman will decide, in the event of any doubt, on the validity of the proxies granted by directors who do not attend the meeting. These proxies may be granted by letter or any other written means which, in the judgment of the Chairman/Chairwoman, ensures the certainty of the representation.

C.1.25 State the number of meetings that the Board of Directors has held during the year. Also state, where appropriate, the number of times that the board has met without the attendance of the Chairman/Chairwoman. For the purposes of this calculation, representations made with specific instructions will be considered as attendance.

Number of board meetings	21
Number of board meetings that were held without the attendance of the chairman/woman	0

State the number of meetings held by the coordinating director with the other directors, without the attendance or representation of any executive director:

Number of meetings	3

State the number of meetings that the different board committees have held during the year:

Number of meetings of the REMUNERATION COMMITTEE	8
Number of meetings of the AUDIT AND REGULATORY COMPLIANCE COMMITTEE	13
Number of meetings of the APPOINTMENTS COMMITTEE	16
Number of meetings of the RISK COMMITTEE	11
Number of meetings of the SUSTAINABILITY COMMITTEE	0
Number of meetings of the TECHNOLOGY AND INNOVATION COMMITTEE	7

The Board of Directors held 21 meetings in 2021. In addition, the Board of Directors adopted resolutions on two occasions by written procedure and without a meeting. The Nomination Committee and the Compensation Committee also adopted resolutions on one occasion by written procedure and without a meeting. These reported meetings were chaired by the current Coordinating Director, Carolina Martínez Caro. The Sustainability Committee did not meet in 2022 because it was not constituted until December 16, 2022.

C.1.26 Specify how many meetings were held by the Board of Directors during the year and the member attendance data:

Number of meetings attended by at least 80% of the directors	21
% attendance in person of the total votes held during the year	97.50
Number of meetings attended in person or representations made with specific instructions for all of the directors	15

% of votes cast via in-person attendance and representations made with specific instructions out of the total number of votes during the year	97.50

C.1.27 State whether the individual and consolidated annual accounts that are presented to the board for their formulation have been certified beforehand:

[ ] Yes
[√] No

Identify, where appropriate, the individual or individuals who certified the company's individual and consolidated annual accounts in order for same to be drawn up by the board:

C.1.28 Explain the mechanisms established, if any, by the Board of Directors so the annual accounts that the Board of Directors presents to the General Shareholders' Meeting are drawn up in accordance with accounting regulations.

The Audit and Regulatory Compliance Committee is responsible for maintaining relations with the external auditors in order to, among other things, receive information on the process of auditing the annual accounts. On this basis and prior to the preparation of the Company's Annual Accounts, the external auditors present the conclusions of their work to the Audit and Regulatory Compliance Committee, along with a draft audit opinion which, subject to the outcome of the audit procedures that may be pending execution at that date, represents the opinion of the external auditors on the Annual Accounts that will be prepared by the Board of Directors and submitted to the General Shareholders' Meeting for approval.
Another of the competencies established for the Audit and Regulatory Compliance Committee is that of submitting reports and proposals to the Board of Directors on matters within its competence. Therefore, in the event that the advance audit opinion contains qualifications, the Audit and Regulatory Compliance Committee will send a written report to the Board of Directors to inform it of this fact and assess the possibility of modifying the financial statements and correcting the qualifications disclosed in the advance audit opinion, ensuring that the financial statements prepared by the Board of Directors represent a true and fair view of the Company's net worth and financial position.

C.1.29 Is the secretary of the board a director?

[√] Yes
[ ] No

If the secretary is not a director, fill in the following table:

C.1.30 State the specific mechanisms the company has established to preserve the independence of external auditors as well as the mechanisms established to preserve the independence of financial analysts, investment banks and rating firms, if any, including how legal provisions were effectively implemented.

As provided for in Article 25.3 of the Company's Bylaws, Article 11.1 of the Regulations of the Board of Directors and Article 4 of the Regulations of the Audit Committee, the Audit and Regulatory Compliance Committee is responsible for the following functions related to the auditor:

i) Submit proposals for the selection, appointment, re-election and replacement of the auditor to the Board for submission to the General Shareholders' Meeting, taking responsibility for the selection process, as well as the conditions of their engagement, and to regularly request from the auditor information on the audit plan and its execution, in addition to preserving their independence in the performance of their duties.

ii) Define a procedure for selecting the auditor, specifying the criteria or parameters to be assessed.

iii) Establish the appropriate relations with the auditor to receive information on matters that could threaten their independence, for examination by the Committee, and any others related to the process of carrying out the auditing of accounts, and, where appropriate, the authorization of services other than those prohibited, in accordance with the terms established in the applicable regulations. Receive other communications provided for in auditing legislation and auditing standards. In all circumstances, the auditor must annually provide the following: (a) a written declaration of independence from the Company or companies directly or indirectly related to it and (b) detailed and individualized information on the additional services of any kind provided to these companies by the auditor or by the persons or companies linked to the auditor, in accordance with the provisions of the regulations governing the activity of auditing accounts.

iv) Prior to the issuance of the accounts audit report, issue an annual report expressing an opinion on whether the independence of the accounts auditor is compromised. In all circumstances, this report must give a reasoned assessment of the provision of each of the additional services referred to in the preceding section.

v) In the event the auditor resigns, examine the reasons for doing so.

vi) Ensure that the auditor’s remuneration for their work does not compromise their quality or independence.

vii) Discuss any significant weaknesses in the internal control system detected in the course of the audit with the auditor, without breaching their independence and submitting, where appropriate, recommendations or proposals to the Board of Directors and the corresponding deadline for follow-up.

viii) Ensure that the Company notifies the National Securities Market Commission of the change of auditor as a relevant fact and accompanies it with a statement on the possible existence of disagreements with the outgoing auditor and, if applicable, their content.

ix) Ensure that the auditor holds an annual meeting with the full Board of Directors to inform them about the work carried out and the evolution of the company’s accounting and risk situation.

x) Ensure that the Company and the auditor comply with current regulations on the provision of non-audit services, limits on the concentration of the auditor’s business and, in general, all other regulations established related to the independence of the auditors.

With respect to 2022, the corresponding reports of the external auditor and the Audit and Regulatory Compliance Committee on the independence of the external auditor have been prepared, confirming same. The Audit and Regulatory Compliance Committee has concluded that the services performed by the external auditor related to the audit of accounts and other non-audit services comply with the requirements of the Audit Law and Regulation (EU) No. 537/2014, applicable to public interest entities, to be compatible with the audit of the annual accounts and that these services do not present significant threats to the auditor’s independence.

Finally, regarding relations with the auditor, it should be noted that the Company has a Policy on the appointment of the auditor, approval of services and other aspects of independence of the Unicaja Banco Group’s auditor, which establishes the rules and procedures for relations with the auditors regarding appointment, approval of services other than auditing as required by Regulation (EU) No. 537/2014, and other matters that are the responsibility of Unicaja Banco’s Audit and Regulatory Compliance Committee.

With regard to the Rating Agencies, the Investor Relations Department, which internally coordinates the process, gives instructions to the different company departments to provide all of the information available and which they have requested. Due to their own work system, the information providers are never in contact with the final assessment team. With regard to financial analysts and investment banks, prior to contracting the service that may be required, the Bank analyzes their professional assessment in the respective sector, including their experience and independence, after which it merely provides the financial reporting they request and makes available to them any means they might require for the performance of the requested action, thus guaranteeing that the process has the conditions to ensure compliance with best practices in matters of independence and that no conflicts of interest are generated. In all circumstances, the appointment of these experts is carried out through a contracting process in which a letter of engagement including the confidentiality clauses applicable to the specific work is signed.

C.1.31 State whether the Company has changed its external auditor during the year. If applicable, identify the incoming and outgoing auditors:

[ ] Yes
[√] No

If there have been disagreements with the outgoing auditor, explain their content:

[ ] Yes
[√] No

C.1.32 Does the audit firm perform any other non-audit work for the company and/or the group thereof? If so, state the amount of fees received for this work and the percentage that this amount represents of the fees invoiced to the company and/or its group for audit work.

[√] Yes
[ ] No

	Company	Group companies	Total
Amount paid for work other than auditing (thousands of euros)	308	0	308
Amount for non-auditing work/Amount for auditing work (%)	17.76	0	15.33

The amount of other non-audit work (in thousands of euros) includes services rendered by PricewaterhouseCoopers Auditores, S.L. related to the 2022 fiscal year that are not directly required by current legislation. The amount of the audit work is the average of the last three fiscal years (2021, 2020 and 2019). The calculation criteria and the perimeter of Group companies considered are those established in the Audit Law and Article 4.2 of Regulation (EU) 537/2014.

C.1.33 State whether the audit report on the annual accounts for the previous year has any qualifications. If applicable, state the reasons given to the shareholders at the General Meeting by the chairman/woman of the audit committee to explain the content and the scope of these qualifications.

[ ] Yes
[√] No

C.1.34 How many consecutive years has the current audit firm audited the company's individual and/or consolidated annual accounts? Please also state the percentage that represents the number of years audited by the current audit firm out of the total number of years in which the annual accounts have been audited:

	Individual	Consolidated
Number of consecutive years	12	12

	Individual	Consolidated
Number of years audited by the current auditing firm / Number of years that the company or its group were audited (%)	100	100

C.1.35 State if there is (and if applicable provide details) of a procedure to ensure that the directors have the necessary information to prepare the meetings of the governing bodies with sufficient time:

[√] Yes
[ ] No

Details of the procedure

Article 15.2 of the Regulations of the Board of Directors establishes that in the performance of their duties, directors are obliged to inform themselves and adequately prepare for the meetings of the Board and of the Committees and other corporate bodies to which they belong, among other duties. For these purposes, they have the duty to demand and the right to obtain the appropriate and necessary information that may be useful for the fulfillment of their obligations.

In accordance with the provisions of Article 25.3 of the Board Regulations, the Chairman/Chairwoman will ensure that the Directors receive sufficient information prior to the meetings to deliberate on the items on the agenda.

To this end, Unicaja Banco has an on-line platform to securely and confidentially provide directors with the material necessary for the preparation of the meetings of the Board of Directors and its Committees.

Furthermore, Article 19 of the Regulations of the Board of Directors states that the directors are vested with the broadest powers to inquire into any aspect of the Company, to examine its books, records, documents and other background information on corporate operations and to inspect all its facilities.

In order not to hinder the Company’s day-to-day management, the exercise of the powers of information will be channeled through the Chairman/Chairwoman or the Secretary of the Board of Directors, who will respond to the directors’ requests by directly providing them with the information, offering them the relevant contact people at the appropriate level of the organization or arranging the measures so that they can carry out the desired examination and inspection procedures *in situ*.

The company will establish the appropriate channels so that the directors can obtain the necessary advice for the fulfillment of their duties including, if the circumstances so require, external advice at the company’s expense. In particular, the Company will also offer directors refresher programs when circumstances so require. On an annual basis, the specific training needs of the directors are assessed and a specific training plan is developed for the Board of Directors and another reinforced plan for the members of the Audit and Regulatory Compliance and Risk Committees.

C.1.36 Has the company established rules that require its directors to report when certain situations that affect them arise and to resign if necessary if they may be detrimental to the company’s credit or reputation, regardless of whether or not these situations are unrelated to their performance at the company? If so, please explain.

[√] Yes
[ ] No

Explain the rules.

In accordance with Article 14.2.(e) of the Regulations of the Board of Directors, the directors must place their position at the disposal of the Board of Directors and formalize, if the Board deems it appropriate, the corresponding resignation, when the Board, following a report from the Appointments Committee, deems it appropriate in those cases that may damage the credit and reputation of the Company, when the director has ceased to meet the legal requirements of repute, experience and good governance established in Article 24 of Law 10/2014 and its implementing rules, or, in particular, when the director is being prosecuted for criminal proceedings. The Company also has a Policy for the assessment of Suitability in which it obliges the members of the Board of Directors to immediately inform the Company of any circumstance affecting their commercial and professional repute, honesty, integrity, knowledge, experience and required competencies.

In particular, if a director is indicted or tried for any of the offenses set out in corporate legislation, the Board of Directors will examine the case as soon as possible and, in view of the specific circumstances, decide whether the director should continue in office. The Board of Directors will give a reasoned account of all of the foregoing in the Annual Corporate Governance Report and, if appropriate, to the Bank of Spain, the European Central Bank or the relevant authority.

C.1.37 Unless there were special circumstances that have been recorded, state whether the board has been informed or has otherwise become aware of any situations affecting a director that could be detrimental to the company’s credit and reputation, even if the situation is unrelated to their performance at the company.

[√] Yes
[ ] No

Name of director	Nature of the situation	Observations
TERESA SÁEZ PONTE	Summons to testify as a party under investigation in the Preliminary Proceedings 545/2014 at the Court of First Instance No. 6, Seville.	She was summoned to testify as a party under investigation for possible crimes of administrative malfeasance and embezzlement of public funds due to her participation as a member of the Governing Council of the Innovation Agency of Andalusia (IDEA) at its meeting of November 24, 2008, which approved the granting of a guarantee in favor of Sociedad Cooperativa Andaluza Frutera Exportadora de Sevilla (COFRUTEX).

In the above assumption, indicate whether the Board of Directors has examined the case. If the answer is yes, explain in a reasoned manner whether, in view of the specific circumstances, you have adopted any measure, such as opening an internal investigation, requesting the resignation of the director or proposing their dismissal.

Also indicate whether the Board's decision was supported by a report from the Nominating Committee.

[√] Yes
[ ] No

Decision made/action taken	Reasoned explanation
The Board of Directors examined the case and agreed, at the suggestion of the Nominating Committee, that no action should be taken with respect to the aforesaid director and her continued presence on the Board of Directors and that the Company's credit and reputation would not be harmed by the cited preliminary proceedings.	Considering certain aspects relating to the meaning of being summoned to testify as a person under investigation in criminal proceedings, the Appointments Committee understands that a mere summons does not imply either a critical judgment on the conduct of the person summoned to testify in this capacity, or that there must be some suggestion of participation in an allegedly punishable act, where a hypothesis, even one that is purely theoretical, deemed sufficient to be called to testify. Likewise, in view of the Ruling and the circumstances set out therein, the Appointments Committee noted that Sáez Ponte's participation in the facts under investigation was very limited. Teresa Sáez Ponte's relationship with the IDEA Agency was therefore limited to her membership in the Governing Council between 2008 and 2012, without any evidence that she exercised executive functions or that was given any powers of disposition, management or representation. The Ruling does not attribute any specific conduct to her that could give rise to the commission of the crimes under investigation, beyond her participation in the adoption of resolutions within the Governing Council of the IDEA Agency.

C.1.38 Explain any significant agreements the company might have celebrated that have entered into force, be they amended or concluded in the case of a change in company control resulting from a takeover bid, and the effects thereof.

None.

C.1.39 Identify the beneficiaries (individually when referring to directors and as a group for all other cases) and describe in detail the agreements between the company and its executives or employees that provide compensation, guarantee or protection clauses when they resign, are dismissed improperly or where the contractual relationship comes to an end due to a takeover bid or another type of operation.

Number of beneficiaries	30
Type of beneficiary	Description of the agreement
CEO Members of the Steering Committee. Other employees	The Chief Executive Officer will be entitled to receive, in the cases regulated in his contract, an indemnity for an amount equivalent to one year's gross annual monetary remuneration. In addition, as compensation for the non-competition agreement, at the end of the contract they will receive financial compensation equivalent to one year of their fixed monetary remuneration at the time of termination of the contract, the amount of which would be paid once the non-competition period has ended. As for the members of the Steering Committee and other employees: Compensation, for some members of the Steering Committee (11) and other employees (18), for a termination of the contract not attributable to the employee of the equivalent of between one and three years' annual remuneration.

Apart from the cases envisaged in the regulations, state whether these contracts need to be communicated and/or approved by the bodies of the company or its group. If this is the case, specify the procedures, the expected circumstances and the nature of the bodies responsible for their approval or for making the communication:

	Board of Directors	General Shareholders' Meeting
Body that authorizes the clauses	√	

	Yes	No
Is the General Shareholders' Meeting informed of the clauses?	√	

The General Shareholders' Meeting is informed through this Report, which in turn forms part of the management report contained in the Annual Accounts.

C.2. Board of Directors' Committees

C.2.1 List all of the Board of Directors' committees, their members and the proportion of executive, proprietary, independent and other external directors that comprise them:

REMUNERATION COMMITTEE		
Name	Position	Category
MARÍA GARAÑA CORCES	CHAIR	Independent
MARÍA LUISA ARJONILLA LÓPEZ	BOARD MEMBER	Independent
FELIPE FERNÁNDEZ FERNÁNDEZ	BOARD MEMBER	Proprietary director
CAROLINA MARTÍNEZ CARO	BOARD MEMBER	Independent
PETRA MATEOS-APARICIO MORALES	SECRETARY	Proprietary director

% of executive directors	0
% of proprietary directors	40
% of independent directors	60
% of other external directors	0

Explain the functions, including as appropriate, any beyond those established by law, that are attributed to this committee and describe its procedures and its rules of organization and operation. For each of these functions, specify the most important actions taken during the year and how the committee has effectively executed each of the functions attributed to it, either by law or in the bylaws or in other corporate resolutions.

Its organization and operation are regulated in Article 27 bis of the Bylaws and Article 33 of the Regulations of the Board of Directors.

1) Attributed functions:

i. Verifying compliance with the remuneration policy established by the company.
ii. Preparing the decisions related to remuneration, including those that have repercussions for the Company's risk and risk management, that must be adopted by the Board of Directors.
iii. Proposing the remuneration policy for directors and Senior Management to the Board of Directors, as well as the individual remuneration and other contractual conditions of the Executive Directors and Senior Management, ensuring that they are complied with.
iv. Preparing a specific report, which will accompany the Board of Directors' remuneration policy proposal.
v. Periodically reviewing the remuneration policy that is applied to directors and senior management, including the remuneration systems with shares and their application, ensuring that their individual remuneration is proportionate to that paid to the other directors and the senior management of the company.
vi. Ensuring that any conflicts of interest do not affect the independence of the external advice provided to the committee.
vii. Verifying the information on remuneration for board members and senior management contained in the various corporate documents, including the annual report on the remuneration of the board members.

2) Procedures, rules of organization and operation:

The Remuneration Committee shall be made up of a minimum of three and a maximum of five directors who do not perform executive functions in the Bank. Most of them, and in all cases the Chairman/Chairwoman, should be independent directors. The members of the Remuneration Committee will be appointed by the Board of Directors, taking into account the knowledge, experience and skills required for the duties to be performed.
The Board of Directors shall appoint a Chairman/Chairwoman of the Committee from among the independent directors belonging to the Committee. It will also appoint a Secretary, who does not have to be a member of the Board, who will assist the Chairman/Chairwoman and provide for the proper functioning of the Committee, duly recording the proceedings of the meetings in the minutes.
The Committee will meet with the frequency determined by the Committee and whenever called to meeting by its Chairman/Chairwoman or requested by two of its members.

The Chairman/Chairwoman of the Committee will report on the decisions adopted by the Committee at the first plenary meeting of the Board following the meeting of the Committee. Annually, the Committee prepares an action plan for the year and an annual report on its operation which it presents to the Board of Directors.

(CONTINUED IN SECTION H.1)

AUDIT AND REGULATORY COMPLIANCE COMMITTEE		
Name	Position	Category
JORGE DELCLAUX BRAVO	CHAIR	Independent
CAROLINA MARTÍNEZ CARO	BOARD MEMBER	Independent
ISIDORO UNDA URZÁIZ	BOARD MEMBER	Independent
DAVID VAAMONDE JUANATEY	BOARD MEMBER	Proprietary director
MANUEL MUELA MARTÍN-BUITRAGO	SECRETARY	Proprietary director

% of executive directors	0
% of proprietary directors	40
% of independent directors	60
% of other external directors	0

Explain the functions, including as appropriate, any beyond those established by law, that are attributed to this committee and describe its procedures and its rules of organization and operation. For each of these functions, specify the most important actions taken during the year and how the committee has effectively executed each of the functions attributed to it, either by law or in the bylaws or in other corporate resolutions.

Its organization and operation are regulated in Article 25 of the Company's Bylaws, Article 31 of the Regulations of the Board of Directors and the Regulations of the Audit and Regulatory Compliance Committee. The latter was approved by the Board of Directors on February 21, 2018 (available through the Unicaja Banco corporate website at www.unicajabanco.com,which enacts the regulation contained in the Bylaws and in the Regulations of the Board of Directors, assuming, following its recommendations, the principles of Technical Guide 3/2017, of June 27, of the National Securities Market Commission, on audit committees of public interest entities.

1) Attributed functions:

(a) Regarding computer systems and internal control:
i. Continuous supervision of the preparation and presentation process and the integrity of the financial reporting related to the Company and its Group. This supervisory work may be performed on an ad hoc basis at the request of the Board.
ii. Supervising compliance with regulatory requirements, the proper delimitation of the scope of consolidation and the correct application of accounting criteria, submitting, where appropriate, recommendations or proposals to the Board aimed at safeguarding the integrity of the financial reporting.
iii. Supervising, analyzing and commenting on the financial reporting that the Company must periodically make public and submit to regulatory or supervisory bodies, with senior management, the internal auditor or, if applicable, with the auditor, in order to confirm that this information is reliable, understandable, relevant and that the accounting criteria of the annual accounts have been followed and, to this end, consider the advisability of a limited review by the auditors, and subsequently report to the Board of Directors prior to their being approved or drawn up.

iv. Monitoring the effectiveness of the internal control over financial reporting (ICFR) system, including receiving reports from internal control and internal audit managers and concluding on the level of assurance and reliability of the system with proposals for improvement.
v. Supervising the functioning of the mechanism (Compliance Channel) that allows employees, among others, to report in a confidential manner any irregularities of potential importance, especially in the rules of conduct, financial and accounting, that they may notice within the Bank, proposing appropriate action to improve its functioning and reduce the risk of committing irregularities in the future.
vi. Ensuring that the financial reporting published on the Company's corporate website is continuously updated and matches that drawn up by the Board of Directors of the Company and published, if applicable and when obligated to do so, on the web page of the Spanish Securities Market Commission.
vii. Reporting, in advance, to the Board of Directors on all matters provided for by law, in the Bylaws, the Board Regulations or the Committee's own Regulations, and, in particular, on the financial reporting that the Company should

periodically disclose, the creation or acquisition of shares in special purpose vehicles and entities with registered offices in countries or territories that are considered to be tax havens.
viii. Through the Chairman/Chairwoman, maintain a continuous dialogue with the person responsible for the financial reporting function.

(CONTINUED IN SECTION H.1)

Identify the directors who are members of the audit committee who have been appointed based on their knowledge and experience in accounting, auditing or both and state the date of appointment of the Chairman/Chairwoman of this committee to their position.

Names of the directors with experience	JORGE DELCLAUX BRAVO
Date of appointment of the Chairman/Chairwoman to their position	February 22, 2022

APPOINTMENTS COMMITTEE		
Name	Position	Category
MARÍA GARAÑA CORCES	CHAIR	Independent
JUAN FRAILE CANTÓN	BOARD MEMBER	Proprietary director
CAROLINA MARTÍNEZ CARO	BOARD MEMBER	Independent
ISIDORO UNDA URZÁIZ	BOARD MEMBER	Independent
RAFAEL DOMÍNGUEZ DE LA MAZA	SECRETARY	Proprietary director

% of executive directors	0
% of proprietary directors	40
% of independent directors	60
% of other external directors	0

Explain the functions, including as appropriate, any beyond those established by law, that are attributed to this committee and describe its procedures and its rules of organization and operation. For each of these functions, specify the most important actions taken during the year and how the committee has effectively executed each of the functions attributed to it, either by law or in the bylaws or in other corporate resolutions.

Its organization and operation are regulated in Article 27 of the Bylaws and Article 32 of the Regulations of the Board of Directors.

1) Attributed functions:
i. Evaluating the skills, diversity, balance of knowledge and experience required on the Board of Directors. For these purposes, it will determine the functions and aptitudes required of the candidates to fill each vacancy and evaluate the dedication necessary for the proper performance of their duties.
ii. Identifying and recommending, by means of the corresponding report, in the case of executive directors and proprietary directors, or proposal, in the case of independent directors, candidates to fill vacancies on the Board, with a view to their approval by the Board of Directors or by the General Shareholders' Meeting.
iii. Evaluating periodically and at least once a year the structure, size, composition and performance of the Board of Directors, making recommendations to the Board regarding possible changes.
iv. Evaluating periodically and at least once a year the suitability of the various members of the Board of Directors and of the Board as a whole, reporting to the Board accordingly.
v. Ensuring that non-executive directors have sufficient time available for the proper performance of their duties.
vi. Reporting on proposals for the appointment and removal of Senior Management, as well as the basic conditions of their contracts.
vii. Examining and organizing the succession of the Chairman/Chairwoman of the Board of Directors and the Company's chief executive, if one exists, and, if applicable, make proposals to the Board of Directors so that the succession takes place in an organized and well-planned manner.

viii. Annually reviewing compliance with the director selection policy and report thereon in the Annual Corporate Governance Report.

ix. Periodically reviewing the Board of Directors' policy on the selection and appointment of Senior Management and make recommendations.
x. Establishing a representation target for the underrepresented gender on the Board of Directors and develop guidelines on how to achieve this target.
xi. Reporting on the appointments of the Vice-Chairmen/Chairwomen of the Board, the Chief Executive Officer, the Coordinating Director and the Chairmen/Chairwomen of the Committees.
xii. Reporting on the appointment and removal of the Secretary and Vice-Secretary of the Board of Directors.

(CONTINUED IN SECTION H.1)

RISK COMMITTEE

Name	Position	Category
ISIDORO UNDA URZÁIZ	CHAIR	Independent
MARÍA LUISA ARJONILLA LÓPEZ	BOARD MEMBER	Independent
JORGE DELCLAUX BRAVO	BOARD MEMBER	Independent
DAVID VAAMONDE JUANATEY	BOARD MEMBER	Proprietary director
TERESA SÁEZ PONTE	SECRETARY	Proprietary director

% of executive directors	0
% of proprietary directors	40
% of independent directors	60
% of other external directors	0

Explain the functions that are delegated or attributed to this committee that are not described in Section C.1.9, describing its procedures and its rules of organization and operation. For each of these functions, specify the most important actions taken during the year and how the committee has effectively executed each of the functions attributed to it, either by law, in the bylaws or in other corporate resolutions.

Its organization and operation are regulated in Article 26 of the Bylaws and Article 34 of the Regulations of the Board of Directors.
1) Attributed functions:
i. Advising the Board on the overall risk appetite, current and future, of the Company and its strategy in this area and assist the Board in monitoring the implementation of this strategy.
ii. Ensuring the proper operation of risk control and management systems, ensuring that any significant risks that affect the company are properly identified, managed and quantified.
iii. Ensuring that risk control and management systems adequately mitigate the risks within the framework of the policy defined by the Board of Directors.
iv. Examining whether the pricing of assets and liabilities offered to clients fully takes into account the Company's business model and risk strategy. If the Committee finds that the prices do not adequately reflect the risks in accordance with the business model and risk strategy, it will submit a plan to remedy this deficiency to the Board of Directors.
v. Determining, together with the Board of Directors, the nature, amount, format and frequency of the information on risks that the Committee and the Board of Directors shall receive.
vi. Working together on the establishment of rational remuneration policies and practices. To this end, the Risk Committee will examine, without prejudice to the functions of the Remuneration Committee, if the envisaged incentives policy takes the risk, capital, liquidity, and the probability and opportunity of profit into account.
vii. Actively participating in the preparation of the Company's risk management policy, ensuring that it at least identifies the following:
(a) The different types of financial and non-financial risk (including, among others: operational, technological, legal, social, environmental, political and reputational) that the company faces, including financial or economic risks, contingent liabilities and other off-balance sheet risks.
(b) The level of risk that the company considers acceptable.
(c) The measures envisaged to mitigate the impact of the risks identified, should they materialize.
(d) The information and internal control systems to be used to control and manage the aforementioned risks, including all contingent liabilities and off-balance sheet risks.

2) Procedures, rules of organization and operation:

The Risk Committee will consist of a minimum of three and a maximum of five directors, who will be appointed by the Board of Directors from among the directors who do not perform executive functions and who possess the appropriate knowledge, ability and experience to fully understand and control the Company's risk strategy and risk appetite. Most of them, and in all cases the Chairman/Chairwoman, should be independent directors.

The Board of Directors will appoint a Chairman/Chairwoman of the Committee from among the independent directors who are members of the Committee, as well as a Secretary, who does not need to be a member of the Committee.

It will meet at least quarterly and as often as necessary, in the opinion of the Chairman/Chairwoman, for the fulfillment of the duties entrusted to it or when so requested by two of its members.

The Chairman/Chairwoman of the Committee will report on the decisions adopted by the Committee at the first plenary meeting of the Board following the meeting of the Committee. Annually, the Committee prepares an action plan for the year and an annual report on its operation which it presents to the Board of Directors.

(CONTINUED IN SECTION H.1)

SUSTAINABILITY COMMITTEE		
Name	Position	Category
MARIA TERESA COSTA CAMPI	CHAIR	Independent
JORGE DELCLAUX BRAVO	BOARD MEMBER	Independent
JUAN FRAILE CANTÓN	BOARD MEMBER	Proprietary director
MANUEL MUELA MARTÍN-BUITRAGO	BOARD MEMBER	Proprietary director
FELIPE FERNÁNDEZ FERNÁNDEZ	SECRETARY	Proprietary director

% of executive directors	0
% of proprietary directors	60
% of independent directors	40
% of other external directors	0

Explain the functions that are delegated or attributed to this committee that are not described in Section C.1.9, describing its procedures and its rules of organization and operation. For each of these functions, specify the most important actions taken during the year and how the committee has effectively executed each of the functions attributed to it, either by law, in the bylaws or in other corporate resolutions.

Functions:
i) Ensure that the Company's practices related to sustainability are in line with the strategy, the policies fixed and the commitments acquired.
ii) To give notification of the sustainability policies on to be submitted to the Board of Directors for approval, in order to promote the inclusion of corporate culture and fulfill the mission of promoting social interest, taking into account the different stakeholders.
iii) Ensure the integrity of the content of sustainability reports, as well as compliance with applicable regulations and international reference standards. With respect to the non-financial reporting contained in the annual management report, assess its content prior to the review and report thereof by the Audit and Regulatory Compliance Committee, for subsequent drafting by the Board of Directors.
iv) The monitoring of the processes of identification, evaluation, control and risk management in the field of sustainability.
v) Evaluate the periodic sustainability reports submitted by the relevant areas of the Company.
vi) To be aware of the texts, reports or communications from supervisory bodies related to sustainability and issue the corresponding reports and/or proposals, as the case may be.
vii) To advise the Board of Directors in decision-making on sustainability matters, with the Audit and Regulatory Compliance and the Risk Committees providing whatever assistance may be required within the framework of their respective competencies, and acting in coordination with both Committees.
viii) To make proposals to the Board of Directors regarding sustainability.

Operating rules:
The Sustainability Committee's rules of operation are set out below:
1. The Sustainability Committee shall comprise a minimum of three and a maximum of five directors, appointed by the Board of Directors for a period not exceeding their term of office, without prejudice to the possibility of their being re-elected indefinitely, to the extent that they are also re-elected as directors.
All of the members of the Sustainability Committee should be directors who do not perform executive functions in the Company. The members of the Sustainability Committee will be appointed by the Board of Directors, taking into account the knowledge, experience and skills required for the duties to be performed.

2. The Board of Directors will appoint a Chairman/Chairwoman of the Sustainability Committee from among the independent directors who are members of the Committee. A Secretary will also be appointed, who does not have to be a member Committee who will assist the Chairman/Chairwoman and provide for the proper functioning of the Committee, duly recording the proceedings in the minutes of the meeting. The minutes of each meeting shall be taken by the Secretary or whoever is performing their duties and provided to all Board Members.

3. The Committee will meet with the frequency determined by the Committee and whenever called to meeting by its Chairman/Chairwoman or requested by two of its members. Notice of meetings shall be given at least two working days prior to the date set for the meeting. On an annual basis, the Committee will draw up an action plan for the year, which it will make available to the Board.
4. The Sustainability Committee shall seek external advice where it is deemed necessary for the performance of its duties.
5. The Chairman/Chairwoman of the Committee will report on the decisions adopted by the Committee at the first plenary meeting of the Board following the meeting of the Committee.
6. The Committee shall submit an annual report on its operation to the Board of Directors.

3) The Committee was not active in 2022 due to the fact that it was not constituted until December 16, 2022.

TECHNOLOGY AND INNOVATION COMMITTEE		
Name	Position	Category
MARÍA LUISA ARJONILLA LÓPEZ	CHAIR	Independent
RAFAEL DOMÍNGUEZ DE LA MAZA	BOARD MEMBER	Proprietary director
MARÍA GARAÑA CORCES	BOARD MEMBER	Independent
TERESA SÁEZ PONTE	BOARD MEMBER	Proprietary director
MARIA TERESA COSTA CAMPI	BOARD MEMBER	Independent
PETRA MATEOS-APARICIO MORALES	SECRETARY	Proprietary director

% of executive directors	0
% of proprietary directors	50
% of independent directors	50
% of other external directors	0

Explain the functions that are delegated or attributed to this committee that are not described in Section C.1.9, describing its procedures and its rules of organization and operation. For each of these functions, specify the most important actions taken during the year and how the committee has effectively executed each of the functions attributed to it, either by law, in the bylaws or in other corporate resolutions.

1) Attributed functions:
i. Assisting the Board of Directors in making decisions affecting technology, information and data management and the Company's telecommunications structures, reporting on strategic plans and actions and submitting the appropriate proposals.
ii. Overseeing the optimization of technological support for information processing and the development of systems and applications, ensuring their proper operation and data security.
iii. Monitoring the process of technological transformation of the Company, with particular attention to its impact on the business model.
iv. Following technological risk, in general.
v. Ensuring the identification of potential avenues for innovation present in the Company, as well as to supervise and monitor innovation initiatives that have an impact on the business model.
vi. Providing whatever assistance is required, within the framework of their respective competencies, by the Audit and Regulatory Compliance Committee and by the Risk Committee, working together with both Committees to the extent necessary for the exercise of their own competencies.

2) Procedures, rules of organization and operation:

The Committee shall comprise a minimum of three and a maximum of six directors who do not perform executive functions in the Company. The members of the Technology and Innovation Committee will be appointed by the Board of Directors, taking into account the knowledge and experience of the candidates and the skills required for the duties to be performed.

The directors appointed by the Board of Directors as members of the Committee will be appointed for a period not exceeding their term of office as directors and without prejudice to their re-election, to the extent that they are also re-elected as directors.

The Board of Directors will appoint a Chairman/Chairwoman of the Technology and Innovation Committee from among the independent directors who are members thereof. It will also appoint a Secretary, who does not need to be a member of the Committee to assist the Chairman/Chairwoman and ensure the proper functioning of the Committee, duly recording the proceedings in the minutes of the meetings which will be provided to all directors.

The Committee will meet with the frequency determined by the Committee and whenever called to meeting by its Chairman/Chairwoman or requested by two of its members. Annually, the Committee prepares an action plan for the year and an annual report on its operation which it presents to the Board of Directors.

The Chairman/Chairwoman of the Committee will report on the decisions adopted by the Committee at the first plenary meeting of the Board following the meeting of the Committee.

3) Actions of the Technology and Innovation Committee during 2022:

The main matters and issues dealt with by the Committee during 2022, in its different areas of activity, were as follows:
(i) Corporate governance: At the first session of 2022, the Committee approved its Action Plan for the year. The Committee also assessed its performance over the previous year.

(ii) Follow-up of the Technology Integration Plan: The Committee followed up on technology-related integration issues on the occasion of the migration of Liberbank's IT systems to those of Unicaja Banco after the merger.

(iii) Technology and innovation: The Committee was informed of the plans and work carried out for the evolution of the architecture and optimization of the technological infrastructure, having reported favorably and submitted the 2022-2024 Technological Plan to the Board of Directors for its approval. The Committee was advised on the 2021 Annual Report on Governance and Data Quality.

(iv) Technology and cybersecurity risk: In joint meetings with the Risk Committee, the Committee has been informed of the status of technological risks and those related to cybersecurity.

The Company plans to publish on the corporate website, at the time of the call of the Ordinary General Meeting of 2023, the Annual Operating Report of the Technology and Innovation Committee, which sets out in more detail the operation and activities carried out by this Committee in 2022.

C.2.2 Fill in the following table with information about the number of women directors that made up the committees of the Board of Directors at the end of the last four years:

	Number of women directors							
	2022		2021		2020		2019	
	Number	%	Number	%	Number	%	Number	%
REMUNERATION COMMITTEE	4	80	3	60	2	40	2	40
AUDIT AND REGULATORY COMPLIANCE COMMITTEE	1	20	2	40	2	40	2	40
APPOINTMENTS COMMITTEE	2	40	2	40	2	40	1	25
RISK COMMITTEE	2	40	1	20	4	80	3	75

	Number of women directors							
	2022		2021		2020		2019	
	Number	%	Number	%	Number	%	Number	%
SUSTAINABILITY COMMITTEE	1	20	0	0	0	0	0	0
TECHNOLOGY AND INNOVATION COMMITTEE	5	83.33	2	60	2	66.67	1	50

C.2.3 Specify, where appropriate, any regulations on the committees of the board, where same can be consulted and any changes made to it during the year. In turn, state whether any annual report has been voluntarily drawn up on the activities of each committee.

Section C.2.1 of this report specifies the articles of the Company Bylaws and the Regulations of the Board of Directors that contain the internal regulations of the different Board Committees, except for the Technology and Innovation Committee and the Sustainability Committee which is regulated by the Board of Directors.

The Company's Bylaws, the Regulations of the Board of Directors, the Regulations of the Audit and Regulatory Compliance Committee and the operating rules of the Technology and Innovation Committee and the Sustainability Committee are published on the Company's corporate website (www.unicajabanco.com) in the "Corporate Governance and Remuneration Policy" section.

In 2022, the Sustainability Committee was constituted. None of the provisions or agreements regulating the Board committees were modified.

In compliance with Recommendation 6 of the Code of Good Governance of Listed Companies, the 2022 reports of the Audit and Regulatory Compliance, Appointments and Remuneration Committees will be published on the Company's corporate website sufficiently in advance of the Ordinary General Shareholders' Meeting of the Company. The corresponding reports of the Risk Committee and the Technology and Innovation Committee will also be published on the Company's corporate website. The Sustainability Committee will not be published since its activity only began when it was created on December 16, 2022.

D. RELATED PARTY AND INTRA-GROUP TRANSACTIONS

D.1. Explain, if applicable, the procedure and competent bodies for the approval of transactions with related parties and intra-group transactions, indicating the criteria and general internal rules of the company that regulate the abstention obligations of the affected directors or shareholders and detailing the internal information procedures and regular monitoring established by the company related to any related-party transactions whose approval has been delegated by the Board of Directors.

The Board of Directors has developed the internal regulations for the prevention of conflicts of interest in the Regulations of the Board of Directors, reserving for the exclusive knowledge of the Board the transactions that the Company carries out with Board Members, senior executives, with significant shareholders or shareholders represented on the Board, and with related-party transactions. These are subject to a favorable approved report from the Audit and Regulatory Compliance Committee, with a series of procedures effectively implemented that establish the bases of action to be followed for the purpose of preventing and, where appropriate, managing conflicts of interest that may arise between members of the Board of Directors, customers, suppliers and the Company in general, and, where appropriate, with other entities of its group, all in accordance with the provisions of current legislation and the Company's corporate governance system.

Specifically, the Company has implemented a “Policy for the Identification and Management of Conflicts of Interest and Related-Party Transactions of Significant Shareholders, Directors, Senior Executives and other Related Parties” (the “Policy”) in order to establish procedures for the identification, communication, assessment and management of conflicts of interest, as well as to regulate authorization of the transactions that the Company carries out with the Company's Directors, Significant Shareholders and Senior Executives and with the persons associated therewith.

In compliance with the Capital Companies Act, the aforementioned Policy establishes that the corporate bodies responsible for approving credit, guarantee or surety operations to be granted to members of the Board of Directors and related parties are the General Shareholders' Meeting or the Board of Directors, depending on the amount of the operation, in both cases after a report from the Board of Directors
of the Audit and Regulatory Compliance Committee. Along with other responsibilities, it shall assess whether the transaction is fair and reasonable from the Company's point of view and record the details required by Bank of Spain Circular 2/2016 for this type of transactions.

In accordance with the aforementioned internal regulations, the competent bodies for the approval of related-party transactions shall be:

1. The General Shareholders' Meeting for related-party transactions, where the amount or value is equal to or exceeds 10% of total assets, according to the latest annual balance sheet approved by the Company.
When a General Meeting of Shareholders is called to decide on a related-party transaction, the shareholder concerned shall be deprived of their right to vote, except in cases where the proposed resolution has been approved by the Board of Directors without the majority of independent directors voting against it. However, where applicable, the rule of the reversal of the burden of proof shall apply in terms similar to those provided for in Article 190.3 of the Capital Companies Act.
2. For all other transactions, the Board of Directors may only delegate the approval of transactions that meet the legal requirements, as described below.
The director or other key personnel affected by the related transaction, or who represents or is related to the affected shareholder, shall abstain from participating in the deliberation and voting of the corresponding resolution.

The approval of related-party transactions by both the General Shareholders' Meeting and the Board of Directors shall require a prior report from the Audit and Regulatory Compliance Committee, in the drawing up of which the affected directors may not participate.

As stated above and in accordance with the Capital Companies Act, the Policy provides for a delegation in favor of certain internal committees of the Bank for the granting of credit operations to directors and related parties, which do not exceed the aggregate amount of 500,000 euros for the last year (an amount much lower than the limit of 0.5% of the net turnover of the Company established by the Capital Companies Act). This shall be on the condition that they are operations entered into under contracts whose
conditions are standardized, are applied *en masse* to a large number of customers, and are carried out at prices and rates that are generally established by the Bank. Although they do not require a prior report from the Audit and Compliance Committee, these transactions must follow an internal procedure of periodic information and control by the aforesaid Committee, expressly established in the Policy.

Transactions that require authorization from the Bank of Spain may not be formalized until this authorization has been obtained. Those that do not require authorization should be reported to the Bank of Spain immediately after they are granted. In addition,
on a half-yearly basis, the Bank shall provide the relevant authority with a list of the members of the Board of Directors and their related parties, general managers and similar parties to whom loans have been granted, in accordance with that established in the Bank of Spain Circular 2/2016.

On the occasion of the announcement of the Ordinary General Shareholders' Meeting, the Bank publishes on its corporate website the annual report of the Audit and Regulatory Compliance Committee containing the report on related-party transactions, ensuring compliance with Recommendation 6 of the Code of Good Governance of Listed Companies.

D.2. List individually those transactions that are significant due to their amount or relevant due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or represented on the Board of Directors of the company, indicating which was the competent body for their approval and whether any affected shareholder or director abstained. In the event that the competence fell to the board, state whether the proposed resolution was approved by the board without a dissenting vote from the majority of the independent directors:

	Name or company name of the shareholder of any of its subsidiaries	% Share	Name or company name of the company or subsidiary	Amount (thousands of euros)	Approving body	Identification of any significant shareholder or director who abstained	The proposal to the board, if any, was approved by the board without a dissenting vote from the majority of independent directors
(1)	FUNDACIÓN BANCARIA UNICAJA	30.24	UNICAJA SPORTS SOCIETY	54	BOARD OF DIRECTORS	JUAN FRAILE CANTÓN, TERESA SÁEZ PONTE, PETRA MATEOS-APARICIO AND MANUEL MUELA MARTÍN-BUITRAGO.	NO
(2)	FUNDACIÓN BANCARIA UNICAJA	30.24	UNICAJA SPORTS SOCIETY	300	BOARD OF DIRECTORS	JUAN FRAILE CANTÓN, TERESA SÁEZ PONTE, PETRA MATEOS-APARICIO MORALES AND MANUEL MUELA MARTÍN-BUITRAGO	NO
(3)	FUNDACIÓN BANCARIA UNICAJA	30.24	CLUB BALONCESTO MÁLAGA, S.A.D.	3,500	BOARD OF DIRECTORS	JUAN FRAILE CANTÓN, TERESA SAEZ PONTE, PETRA MATEOS-APARTICIO MORALES, MANUEL MUELA MARTÍN-BUITRAGO.	NO
(4)	FUNDACIÓN BANCARIA UNICAJA	30.24	CLUB BALONCESTO MÁLAGA, S.A.D.	2,500	BOARD OF DIRECTORS	JUAN FRAILE CANTÓN, TERESA SAEZ PONTE, PETRA MATEOS-APARICIO MORALES,	NO

	Name or company name of the shareholder of any of its subsidiaries	% Share	Name or company name of the company or subsidiary	Amount (thousands of euros)	Approving body	Identification of any significant shareholder or director who abstained	The proposal to the board, if any, was approved by the board without a dissenting vote from the majority of independent directors
						MANUEL MUELA MARTÍN-BUITRAGO	

	Name or company name of the shareholder or of any of its subsidiaries	Nature of the relationship	Type of operation and other information necessary for assessment
(1)	FUNDACIÓN BANCARIA UNICAJA	Contractual	GUARANTEE FOR A TERM OF ONE YEAR
(2)	FUNDACIÓN BANCARIA UNICAJA	Contractual	Collaboration agreement for the promotion of sports.
(3)	FUNDACIÓN BANCARIA UNICAJA	Contractual	Sports sponsorship contract for the 2022-2023 season. The amount does not include VAT.
(4)	FUNDACIÓN BANCARIA UNICAJA	Contractual	Renewal of a current account credit for a one-year term with a reduced credit limit.

D.3. Provide an individualized detail of the transactions that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the directors or executives of the company, including those transactions carried out with companies that the director or executive controls or jointly controls, and indicating which was the competent body for their approval and whether any shareholder or director affected abstained. In the event that the competence fell to the board, state whether the proposed resolution was approved by the board without a dissenting vote from the majority of the independent directors:

	Name or corporate name of the directors or executives or the companies under their sole or joint control	Name or company name of the company or subsidiary	Link	Amount (thousands of euros)	Approving body	Identification of any significant shareholder or director who abstained	The proposal to the board, if any, has been approved by the board without a majority of independent directors voting against it
No data							

Name or corporate name of the directors or executives or the companies under their sole or joint control	Type of operation and other information necessary for assessment
No data	

D.4. Report on an individual basis the intra-group transactions that are significant due to their amount or relevant due to their subject matter carried out by the company with its parent company or with other companies belonging to the group of the parent company, including the listed company's own subsidiaries, unless no other related party of the listed company has an interest in these subsidiaries or the subsidiaries are wholly owned, directly or indirectly, by the listed company.

In all circumstances, any intra-group operation that is carried out with entities established in countries or territories that are considered tax havens will be reported:

Corporate name of the group company	Brief description of the operation and other information necessary for assessment	Amount (thousands of euros)
No data		

D.5. Individually list any transactions that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties that are so in accordance with the International Accounting Standards adopted by the EU, which have not been reported under the previous headings.

Company name of the related party	Brief description of the operation and other information necessary for assessment	Amount (thousands of euros)
No data		

D.6. Explain the mechanisms established to detect, determine and resolve any conflicts of interest between the company and/or the group thereof and the directors, executives, significant shareholders, or other related parties thereof.

Article 13.3 of the Company's Bylaws entrusts the Board of Directors with the definition of a corporate governance system that guarantees the sound and prudent management of the Company. It includes the appropriate distribution of functions in the organization and the prevention of conflicts of interest.

The Board of Directors has developed the internal regulations for the prevention of conflicts of interest in its Regulations, specifically in Articles 7, 15, 16, 17, 18, 20 and 21. Article 7.4.(m) of the Regulations of the Board of Directors establishes as an exclusive competence of the Board the examination and approval of the transactions that the Company carries out with directors, senior management, with significant shareholders or shareholders represented on the Board, or with persons related to it (related-party transactions), subject to a favorable report from the Audit and Regulatory Compliance Committee.

Article 15 of the Board Regulations states that directors have, among other obligations, the following: (a) not to exercise their powers for purposes other than those for which they were granted, (b) to perform their duties under the principle of personal responsibility free of criteria or judgment and independence with respect to third-party instructions and ties, (c) to adopt the necessary measures to avoid incurring in situations in which their interests, whether on their own behalf or on behalf of others, may conflict with the corporate interest and with their duties to the Company, (d) to report any situation of direct or indirect conflict to the Board of Directors, in accordance with the established procedure and (e) to have the appropriate dedication and adopt the necessary measures for the proper management and control of the Company. In particular, directors shall inform the Appointments Committee of their other professional obligations, in case they might interfere with the dedication proper to their position.

(CONTINUED IN SECTION H.1)

D.7. State whether the company is controlled by another company along the lines of Article 42 of the Code of Commerce, listed or otherwise, and has, directly or through the subsidiaries thereof, any business relationships with the company in question or the subsidiaries thereof (other than those of the listed company) or carries out activities related to those of any such companies.

[ ] Yes
[√] No

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Explain the scope of the company's financial and non-financial Risk Management and Control System, including those of a fiscal nature.

The risk management and control system implemented by the Unicaja Banco Group is articulated along the following basic lines:
- A system of governance and organization of the risk function, based on the active participation and supervision of the Board of Directors and Senior Management, which approves the Company's general business strategies and policies and sets the general guidelines for risk management and control.
- A Risk Appetite Framework is established within the Group as a key instrument in the implementation of the risk policy.
- A prudent risk exposure management model in which the Unicaja Banco Group pays close attention to continuously maintaining a prudent and balanced risk profile, preserving the solvency, profitability and adequate liquidity targets, all of which translates into a solid and coherent risk culture.
- A selection of appropriate methodologies for risk identification, measurement, management and control, in a continuous process of improvement and in line with regulatory requirements, while adapting the equity requirements to the level of real risks arising from the banking activity.
- A supervisory model based on three lines of defense, something which is in line with the expectations of regulatory and supervisory authorities.

The Unicaja Banco Group's overall risk management and control policies, methods and procedures are approved and periodically reviewed by its Board of Directors. Based on the current regulatory framework, Unicaja Banco's organizational structure includes the Global Risk Control Department, which reports to the Deputy General Directorate, the Chairman/Chairwoman, Control and
and Supervisor Relations, functionally separate from the areas that generate the exposures. One of the functions of this unit is to take overall control of all risk on behalf of the Bank. Organization of the Unicaja Banco Group's Management has a perfectly defined internal structure, which provides support and allows it to materialize the different adopted decisions.
In the fiscal area, the fiscal risk management system in the Company operates according to the following scheme, in line with the Fiscal Strategy document of the Unicaja Banco Group approved by the Board of Directors:
- The Board of Directors is responsible for approving the fiscal risk control and management policies, as a non-delegable competence.

- The Tax Advisory Area, which reports to the Financial and Tax Reporting Department, is responsible for developing the control mechanisms and internal rules necessary to ensure the application of current fiscal regulations and the objectives and guidelines set out in the aforementioned document.
- The Global Risk Control Department (CRO) and the Internal Audit Department act respectively as the second and third line of defense.
- The Audit and Regulatory Compliance Committee oversees risk control in tax matters.

E.2. Identify the company bodies responsible for drawing up and executing the financial and non-financial Risk Management and Control System, including tax risk.

The risk management and control model requires a robust and efficient organizational structure. This requires the effective involvement of the Board of Directors and the Top Management and appropriate coordination throughout the organization.

The following is a list of the bodies that are directly involved in Governance, showing their main functions and responsibilities related to risk management and control, without prejudice to the other functions envisaged in the Law and in the Bank's Bylaws and regulations and manuals, where applicable.

• Board of Directors
The overall risk management and control policies, methods and procedures are approved by the Bank's Board of Directors. Thus, with respect to this area, the main functions conferred on this body are as follows:
- Approve the risk control and management policy, including fiscal risks, as well as the periodic monitoring of internal information and control systems.
- Approve the Risk Appetite Framework and its subsequent modifications, at the proposal of the Risk Committee.
- Taking the Risk Appetite Framework into consideration in the day-to-day management of the Bank and, especially, in the making of strategic decisions.
- Being informed, at least on a quarterly basis, of the monitoring of the Risk Appetite Framework by the Risk Committee, without prejudice to the information that it may request of the latter at any given time.
- Taking all relevant corrective measures when deemed appropriate.
- Specifically approve, where appropriate, the maintenance of situations that involve violation of Limits.
• Risk Committee
The following are among its main functions:

- Advising the Board of Directors on the Bank's current and future overall risk appetite and its strategy in this area, helping it to monitor the implementation of this strategy.
- Ensuring the proper operation of risk control and management systems, ensuring that any significant risks that affect the company are properly identified, managed and quantified.
- Ensuring that risk control and management systems adequately mitigate the risks within the framework of the policy defined by the Board of Directors.
- Actively participating in the preparation of the Company's risk management policy, ensuring that it at least identifies the following:
a) The different types of financial and non-financial risk (including, among others: operational, technological, legal, social, environmental, political and reputational) that the company faces, including financial or economic risks, contingent liabilities and other off-balance sheet risks.
b) The level of risk that the company considers acceptable.
c) The measures envisaged to mitigate the impact of the risks identified, should they materialize.
d) The information and internal control systems to be used to control and manage the aforementioned risks, including all contingent liabilities and off-balance sheet risks.
In particular, within the Risk Appetite Framework:
- Propose to the Board of Directors the approval of the Risk Appetite Framework and its subsequent modifications.
- Informing the Board of Directors on the monitoring of the Risk Appetite Framework, at least quarterly or at any time that the Board requests it.
- Requesting information on the Risk Appetite Framework from the various units where deemed necessary.
- Propose the appropriate remedial measures according to the protocol established in the event of a limit violation.
- Proposing to the Board of Directors the maintenance of situations that involve the surpassing of a limit, where appropriate.

• Audit and Regulatory Compliance Committee
In addition to the functions set out in the law and in the Company's Bylaws, the Audit and Regulatory Compliance Committee is responsible for the following functions:
- information and internal control systems, supervising, among others, the effectiveness of the Internal Control over Financial Reporting system (ICFR)

- internal auditing
- the auditor
- compliance with corporate governance rules
- regulatory compliance
- information on the fiscal consequences of operations or matters that are to be submitted for the approval of the Board of Directors, where they constitute a relevant aspect or respond to the cases provided for in the Bylaws.
- These risk-related functions also include the assessment of all non-financial risks of the company, including operational, technological, legal, social, environmental, political and reputational risk.
- With regard to fiscal risk, an annual report on the monitoring and control of the Bank's Tax Strategy is provided to the Audit and Regulatory Compliance Committee.
• Technology and Innovation Committee
Among the roles of this Committee is the monitoring of general technological risk.
• Sustainability committee
Among the roles of this Committee is the monitoring of the processes of identification, evaluation, control and management of risks in the area of sustainability.

(CONTINUED IN SECTION H.1)

E.3. Specify the main financial and non-financial risks, including tax risks, and the extent to which they are significant, any risks stemming from corruption (the latter understood as being the scope of Royal Decree Law 18/2017), that might affect whether business objectives are reached.

The risk management and control model adopted by the Bank contemplates both financial and non-financial risks, among which the following should be mentioned:
- Credit risk.
- Market risk.
- The interest rate risk in the banking book (IRRBB).
- The liquidity risk.
- Property Risk
- The operational risk.
- Reputational risk
- Business and Strategic Risk
- Risk related to environmental, social and governance factors.
- Credit risk
Credit risk is defined as the risk of incurring losses as a result of a default on payments due to the Company. This risk is inherent to its operation.
- Market Risk
Market risk is defined as the possibility of loss for the Company due to the maintenance of positions in the markets as a result of adverse movements in the financial variables or risk factors that determine the value of these positions.

- Interest Rate Risk in The Banking Book (IRRBB)
IRRBB is defined as the current or future risk to both the Company's results and economic value arising from adverse fluctuations in interest rates affecting interest rate sensitive instruments.
- Liquidity Risk
Liquidity risk can be defined in different ways since it is not a single concept. Usually, it is customary to speak of three different meanings of liquidity risk, which we will classify here as:
- The cost of undoing a position in a real or financial asset (this refers to the difficulties that may arise to undo or close a position in the market, at a given time, without producing an impact on the market price of the instruments or on the cost of the transaction (Market or Asset Liquidity).
- Mismatch between the degree of enforceability of liability operations and the degree of realization of assets (funding liquidity).
- Mismatch between the growth capacities of the investment activity derived from the impossibility of finding financing commensurate with the risk propensity to leverage asset growth strategies (strategic or structural liquidity).
- Property Risk
This is the risk associated with the loss of value of real estate assets held on the Bank's balance sheet.

(CONTINUED IN SECTION H.1)

E.4. Does the company have levels of risk tolerance, including tax risk?

Among other elements, the Group's risk management and control is ordered through the Risk Appetite Framework as approved by the Bank's Board of Directors.

The Unicaja Banco Group uses this Risk Appetite Framework as an instrument for implementing its risk policy and as a key management and control tool that allows it to: (i) formalize the risk appetite statement, (ii) specify the Group's risk objectives in line with the corporate strategy, acting as a guiding reference for the activities carried out, (iii) formalize the risk supervision and monitoring mechanism, so as to ensure compliance with the risk appetite, (iv) integrate all risk control and management processes into a common framework and (v) strengthen and disseminate the Group's risk culture.
The development of this Framework as the Group's general risk policy is configured as a key element in the Company's management and control, providing the Board of Directors and Senior Management with the comprehensive framework that determines the risks that the Company is willing to assume, and establishes different metrics for their quantification, control and monitoring, which allow it to react to certain levels or situations.
Therefore, the main aim of Unicaja Banco's Risk Appetite Framework is to establish a set of principles, procedures, controls and systems through which the Company's risk appetite is defined, communicated and monitored.
Risk propensity is considered to be the risk profile or level that Unicaja Banco is willing to assume and maintain, both in terms of its type, amount and tolerance level. It must also be oriented towards achieving the objectives of the strategic plan, in accordance with the guidelines established therein.
The main aim of the management of the different risks is to achieve a risk profile that is within the desired risk appetite level, defined from the established limits, carrying out those management measures considered most appropriate to achieve it.

In addition, this Framework establishes different metrics for the quantification, control and monitoring of risks, which allow us to react to certain levels or situations. These metrics characterize the objective behavior of the Unicaja Banco Group, are cross-functional to the organization and make it possible to convey the risk-prone culture to all levels in the organization in a systematized and understandable way. In turn, they bring together all of the Group's aims and limits, can be communicated to its stakeholders, where appropriate, and are homogeneous, as they are applied throughout the organization.

The Group has a process for identifying material risks, in which methodologies are established for the quantification of all risks to which the Company is exposed. It also defines a criterion for the selection of those risks that are material and, therefore, have to be managed and controlled more intensively. Among other things, this approach to management and control requires the allocation of capital within an Internal Capital Adequacy Assessment Process or, in the case of the liquidity risk, the allocation of a liquidity management buffer, which is assessed within an ILAAP. The process of quantification and identification of material risks is performed on a recurring basis, allowing the Company to identify emerging risks at all times.
Within the Risk Appetite Framework, at least for each of the material risks, propensity and tolerance is established through a qualitative statement based on this process, risk indicators or metrics are selected and a calibration methodology is defined to establish target thresholds, early warnings and limits.
The Overall Risk Control Unit monitors compliance with the Risk Appetite Framework via the existing metrics for each type of risk. Moreover, it submits the results of its monitoring to the Top Management and its governing bodies.

The Company has integrated the Risk Appetite Framework into its strategy, ICAAP and ILAAP processes, corporate risk policies and Recovery Plan, among other areas. The Bank ensures the observance of the established risk culture through the approval of the management framework, the development of strategies and policies and the monitoring of the limits established for managing each type of risk.

Finally, regarding fiscal risk, Unicaja Banco's Tax Strategy (cited in Section E1 above) includes among its principles (i) respecting tax regulations in its actions, without resorting to aggressive fiscal strategy practices, (ii) prudence, basically understood as the principle of precaution in the assumption of risk and (iii) integrity, as evidence of the importance of ethics in the Company's actions and in its relations with customers, investors and shareholders, as well as with any other party with whom economic relations are maintained. Within the framework of Unicaja Banco's collaborative relationship with the fiscal authorities, it is covered by the Code of Good Tax Practices.

E.5. State which financial and non-financial risks, including tax risks, have arisen during the year.

Like any company that carries out its activity in the financial sector, Unicaja Banco cannot achieve its goals without assuming risk. Risk is therefore defined, measured and subject to constant control and monitoring. In line with this, Unicaja Banco's control systems have worked well, serving as an essential pillar for risk policies.
The Bank also provides detailed information on risks in its Annual Report, which is available to any interested party on the corporate website (https://www.unicajabanco.com/es/inversores-y-accionistas/informacion-economico-financiera/informesnancieros),
especially in Notes 18, 24, 25, 27, 28 and 29 to the consolidated financial statements, as well as in Section 11 of the consolidated Management's Report.

E.6. Explain the response and supervision plans for the company's main risks, including tax risks, as well as the procedures that the company follows to ensure that the Board of Directors is able to respond to any new challenges that arise.

The Company, through its Risk Appetite Framework, defines risk limits, the monitoring and governance of which allows it to control its capacity for risk exposure and risk tolerance.
The Global Risk Control Department periodically monitors the Company's risk profile and compares it with the risk appetite and the established limits, informing the Board of Directors, the Risk Committee, as well as Senior Management, providing them with a tool to react to potential situations of impairment of the Company.
- Credit risk

Unicaja Banco has a document approved by the Board of Directors entitled Customer Credit Risk Policies which it has established as the framework for properly controlling and managing the credit risks inherent to its credit investment.
It defines the mandatory risk policies and procedures, details the activities and tasks to be performed, delimits the responsibilities of the different areas involved in the processes of granting and monitoring operations, establishes the risk predisposition decided by the Company and its articulation through risk limits and types of operations, and documents in a structured and unified manner all of the general and specific aspects related to a large part of the credit investment operations.
The Unicaja Banco Group has also scoring and rating models integrated in its approval, monitoring and recovery processes. Estimates of PD (probability of default), LGD (loss given default) and EAD (exposure at default) are taken into account in different uses such as the granting of operations, the calculation of provisions or the classification of credit operations.
It should also be noted that in 2021 Unicaja Banco received authorization from the European Central Bank to use internal models relating to the retail portfolio (not SMEs) to calculate its solvency ratios.
Regarding the granting of credit transactions, Unicaja Banco has detailed policies, methods and procedures to ensure it grants loans and credit to consumers in a responsible manner.
The principles developed for this purpose are aligned with the Bank's current situation, through the Customer Credit Risk Policies document and with the regulatory requirements established in the regulations in force, including the following points:
- The granting criteria associated with the debtor's ability to pay.
- A transaction amortization plan that is adapted to the customer.
- A prudent ratio of the amount of the transaction to the value of its collateral.
- A collateral valuation policy.
- Granting of loans in foreign currencies. Floating interest rates. Interest rate risk cover.
- The exceptions policy on the terms and conditions of transactions.
- A warning to the customer about their failure to compliance with their payment obligations.
- A debt renegotiation policy.
- Information on the cost of services related to the granting of the credit transaction.
- The obligation to provide information to home buyers by subrogation of a developer loan.
- Other aspects of responsible lending policies and procedures.

(CONTINUED IN SECTION H.1)

F. RISK CONTROL AND MANAGEMENT SYSTEMS RELATED TO THE FINANCIAL REPORTING PROCESS (ICFR)

Describe the mechanisms that make up the risk control and management systems related to the company's financial reporting process (ICFR).

F.1. The Company's control environment

Report describing its main characteristics including, at least:

F.1.1 Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective ICFR, (ii) its implementation and (iii) its supervision.

The Board of Directors and Senior Management of Unicaja Banco (hereinafter, the Company) are aware of the importance of guaranteeing investors the reliability of the financial reporting published to the market, and are therefore fully involved in the Internal Control over Financial Reporting system (ICFR).

In accordance with the provisions of Article 10 of its Regulations, the Board of Directors of the Bank, with the assistance of the Audit and Regulatory Compliance Committee where appropriate, is responsible for adopting the necessary measures to ensure that the periodic financial reporting and any other information provided to the markets is prepared in accordance with the same principles, criteria and professional practices with which the financial statements are prepared and enjoy the same reliability as the latter.

The functions of the Board of Directors include the preparation of the individual and consolidated financial statements of Unicaja Banco and the approval of the financial reporting, along with the establishment, maintenance and supervision of the information and risk control systems, ensuring the adequacy and reliability of the prepared financial reporting.

In accordance with Article 31 of the Regulations of the Company's Board of Directors, with regard to the information and internal control systems and in addition to the functions set out in the Law and in the Bylaws, the Audit and Regulatory Compliance Committee is responsible, *inter alia*, for supervising the preparation process and the integrity of the financial reporting relating to the Company and its Group, reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria, as well as assessing the reasonableness of proposals for modification of accounting principles and criteria suggested by Company Management. In particular, the Audit and Regulatory Compliance Committee is responsible for reviewing, analyzing and discussing financial statements and other relevant financial reporting with Senior Management and other internal and external auditors in order to confirm that this information is reliable, understandable, relevant and that accounting criteria that is consistent with the previous year have been followed.

The Company's Senior Management has assumed responsibility for the design and implementation of the ICFR, as well as for ensuring its quality, consistency and continuous updating through the Financial and Tax Reporting and Strategic Planning and Budget Control Departments, both of which are answerable to the Deputy General Directorate to the Chairman/Chairwoman, to the extent that most of the activities aimed at ensuring the proper functioning of the ICFR are centralized, guaranteeing appropriate compliance. In this regard, with respect to its design and implementation, it develops the internal control and risk management systems that make it possible to identify and manage the main risks and disseminate them among the areas involved.

The Deputy General Management to the Chairman/Chairwoman of Unicaja Banco, through the two aforementioned Directorates, is therefore responsible for ensuring that the practices and processes developed in the Company to prepare the financial reporting guarantee the reliability of the financial reporting and its compliance with the financial reporting framework applicable to the Company and its Group. These functions are materialized in the following tasks:
a) Define the methodology and standards necessary for the operation of the ICFR.
b) Assess the appropriateness of the design of the control procedures and activities established in order to effectively mitigate the risks of material misstatement on financial reporting.
c) Coordinate, where appropriate, the heads of the most significant filial companies for consolidation purposes and its impact on the ICFR.
d) Jointly with the affected areas and the General Management of Human Resources, Talent and Culture, undertake specific training actions aimed at fostering the internal control culture among all Unicaja Banco Group employees with control functions.
e) Maintain reciprocal information with Unicaja Banco's Internal Audit Department.

With regard to the responsibilities for the supervision of the ICFR, the Internal Audit Department has assumed the supervision of the ICFR and its activity consists of ensuring its effectiveness, obtaining evidence of its correct design and operation. Its role in this regard is to verify that controls are in place to mitigate the risks that may affect the reliability of the financial reporting and confirm that the controls are working effectively in order to assess that the Unicaja Banco Group's financial reporting complies with the following principles:

a) The transactions, facts and other events described in the financial reporting effectively exist and were recorded at the appropriate time in accordance with the applicable financial reporting framework (existence and occurrence).
b) The information reflects all transactions, facts and other events in which the Company and/or its Group is an affected party (integrity).

c) Transactions, facts and other events are recorded and valued in accordance with the applicable financial reporting framework (valuation).

d) Transactions, facts and other events are classified, presented and disclosed in the financial reporting in accordance with the applicable financial reporting framework (presentation, breakdown and comparability).
e) The financial reporting reflects the rights and obligations through the corresponding assets and liabilities as of the relevant date, in accordance with the applicable financial reporting framework (rights and obligations).
These functions are materialized in the following tasks:
a) Advising the Audit and Regulatory Compliance Committee on matters of internal control over financial reporting, promoting internal standards and codes and, where appropriate, improving them.
b) Promoting the culture of internal control over financial reporting at all organizational levels of the Unicaja Banco Group that require it.

c) Communicating the weaknesses detected and follow up on their correction within a reasonable time.
d) Informing the Company's governing bodies of ICFR activity.
e) Sharing information with the Financial and Tax Reporting and Strategic Planning and Budget Control Departments.

For this purpose, the Company's Internal Audit Department has an internal Manual for the supervision of the Internal Control over Financial Reporting system (ICFR), which identifies the financial reporting subject to supervision procedures, the specific tasks that form part of the supervision process, the methodology and criteria used and the regulatory framework that is used as a benchmark.

The take-over merger of Liberbank, S.A. (as the absorbed company) by Unicaja Banco, S.A. (as the absorbing company), the date of which for accounting purposes was July 31, 2021, had a significant impact on the Internal Control over Financial Reporting (ICFR) system of Unicaja Banco, as it represented the acquisition of a new business that is incorporated into the Unicaja Banco Group, with a different financial reporting. Although at the time of the business combination and before the end of 2021, the main control criteria and procedures on financial reporting were unified, full information and operational integration had not yet taken place, meaning that two control environments coexisted with differences from an operational point of view. Within this context, and in line with the milestones set out in the schedule established by the Unicaja Banco Group for the technological and operational integration, the integration of the information systems of Unicaja Banco and Liberbank was completed on May 20, 2022. The work carried out has enabled full integration from a technological, commercial and operational point of view, resulting in a unified technological platform. Since that date, there has been a single unified control environment that encompasses all of the financial reporting of Unicaja Banco and its Group, regardless of the origin of the business.

F.1.2 If the following elements exist, especially related to the financial reporting preparation process:

- Departments and/or mechanisms responsible for (i) the design and review of the organizational structure, (ii) a clearly definition of the lines of responsibility and authority, with an adequate distribution of tasks and duties and (iii) ensuring that there are sufficient procedures for its correct dissemination in the company:

The definition of the management structure and organization chart of Unicaja Banco and the determination of the functions associated with the basic levels correspond to the Board of Directors. The organization chart of the Company and the functions associated with the different units are available to all employees. The workforce is informed of any modifications through the corporate intranet and internal circulars.

The Organization and Resource Optimization Department, which reports directly to the General Directorate of Operations and Technology, is responsible for ensuring that the organizational structure in the Company is continuously adapted to the needs of the business and to the efficient development of support services.

To this end, Management has procedures documenting the mechanisms in place to review this organizational structure in order to keep it updated, as well as mechanisms to ensure that it is disseminated to all Bank employees.

Based on the framework established by the Company's governing bodies, the Organization and Resource Optimization Department is responsible for defining the structure of each business line, specifying its functions, which are developed in the corresponding manuals. Their proposal, submitted to the Board of Directors for approval, is the responsibility of the Company's Senior Management.

With respect to the other areas and subsidiaries that also participate in the process of preparing financial reporting, they should abide by the rules and procedures established by the Financial and Tax Reporting and Strategic Planning and Budget Control Departments, whose functions and responsibilities are clearly identified and defined.

Additionally, the General Directorate of Human Resources, Talent and Culture proposes appointments to carry out the defined responsibilities, based on the organizational changes.

In the preparation of financial reporting, the lines of authority and responsibility are clearly defined. Exhaustive planning is also carried out, which involves the assignment of tasks, key dates and the different reviews to be carried out by each of the hierarchical levels, among other issues. Both the lines of authority and responsibility and the aforementioned planning have been documented and distributed among all those involved in the process of preparing financial reporting.

The Strategic Planning and Budget Control Department reaches an agreement with the areas responsible for the processes selected for review regarding the dates on which the analysis and review of the process will be carried out. To assess the adequacy of the control activities designed, the department responsible for the process identifies the various relevant risks to which financial reporting is subject and the control activities implemented to mitigate these risks effectively, together with the Strategic Planning and Budget Control Department.

· Code of conduct, approving body, degree of dissemination and instruction, principles and values included (indicating whether there are specific mentions to the recording of transactions and preparation of financial reporting), body in charge of analyzing non-compliance and proposing corrective actions and sanctions:

There is a general Ethical Code that applies to directors, officers and employees of the Unicaja Banco Group, last amended by the bank's Board of Directors on October 28, 2022. Unicaja Banco also has an Internal Code of Conduct in the securities market, last amended by the Board of Directors on December 16, 2022.

The Code of Ethics responds to the Group's general commitment to reaffirm a culture of compliance that fosters the development of professional, honest, transparent and upright conduct. The Code defines the corporate values, principles of action and rules of conduct that should guide the behavior of the Group's employees, executives and members of management bodies.

The Group companies' financial and accounting reporting will therefore be reliable and rigorous, ensuring that it is true, clear, complete, coherent and in accordance with the applicable current regulations. The employees responsible for the preparation of financial, non-financial and corporate reporting should therefore guarantee its reliability, undertaking to act with independence, dedication, responsibility and professionalism, with a commitment to ensure mandatory confidentiality.

The Unicaja Banco Group's Code of Ethics establishes the obligation for all persons subject to the Code to promptly report any possible breach of legislation, internal regulations or the Code itself, and to collaborate in all investigations carried out, whether internal or external, with the utmost transparency and diligence.

· A whistleblowing channel, which allows the communication to the audit committee of irregularities of a financial and accounting nature, in addition to possible breaches of the code of conduct and irregular activities in the organization, informing, if applicable, whether it is of a confidential nature and whether it allows anonymous communications, respecting the rights of the whistleblower and the reported party.

In accordance with Article 31 of the Regulations of the Company's Board of Directors, in addition to the functions set out in the Law and in the Bylaws, related to the information and internal control systems, the Audit and Regulatory Compliance Committee is responsible *inter alia* for establishing and supervising a mechanism that allows employees to report, confidentially and, if possible and deemed appropriate, anonymously, any potentially significant irregularities, especially financial and accounting irregularities, that are detected within the Company.

In this context, Unicaja Banco has created an internal communication channel (the Whistleblower Channel) through the corporate Intranet available to the Bank's employees, managers and administrators, with specific access to the channel created through the Bank's corporate website for third parties outside the organization that are not specified above.

Through this confidential and anonymous channel, when so required by the whistleblower, who respects the rights of the whistleblowers and the reported, the existence of specific situations in which there is a criminal risk for the Bank may be reported, as can potential or actual breaches of the regulatory requirements set out in the external or internal regulations applicable to Unicaja Banco and its internal governance systems and behavior that is contrary to the Code of Ethics.

Throughout 2022 and up to the date of this document, no communications with the potential to generate risk for the financial reporting of Unicaja Banco or its Group have been received through these channels.

· Training and periodic update programs for the personnel involved in the preparation and review of financial reporting, as well as in the assessment of the ICFR system, which at least cover accounting standards, auditing, internal control and risk management:

Unicaja Banco has developed mechanisms to ensure that the staff members involved in the different processes related to financial reporting have the necessary training and professional competence to correctly develop and execute their duties.

In this regard, these employees are informed at all times of the regulatory requirements in force, and of any updates that may be made to them.

The Company has an annual Training Plan that is designed in accordance with the management or area to which the personnel belong, as well as their career plan in the case of technical personnel. To this end, the Department of Talent, Labor Relations and Economic Management, which is part of the Directorate General of Human Resources, Talent and Culture, contacts the different Directorates to analyze the needs for new training actions. Furthermore, the Directorates can directly contact the Training and Learning Department in case they identify new training needs that must be addressed.

Additionally, the technicians involved in the preparation of financial reporting receive technical updates that are distributed by the Financial and Tax Reporting Department, which in turn receives them from different official sources (Official State Gazette, Bank of Spain, National Securities Market Commission, European Central Bank, ESMA, IASB, ICAC, Ministry of Economy, etc.) and other internal (Regulatory Compliance Department) or external channels (for example, Cecabank, accounting advisory firms, reviews of portals specializing in accounting regulations, etc.)

F.2. Risk assessment of financial reporting

Report at least:

F.2.1 The main characteristics of the risk identification process, including those of error or fraud, in terms of:

· Whether the process exists and is documented:

The Company has a procedure for identifying processes, relevant areas and risks associated with financial reporting, which is adequately documented and serves as a basis for identifying the controls that cover each of the identified risks. The implementation of the procedure is the responsibility of the relevant Divisions, always working together with the Strategic Planning and Budget Control Department, which carries out a periodic review of existing risks and controls.

· Does the process cover all of the financial reporting objectives (existence and occurrence: integrity, valuation, presentation, breakdown and comparability and rights and obligations), is it updated and with what frequency?

The identification of potential risks and controls of activities and transactions that may materially affect the financial statements is completed on at least an annual basis. It is based on Senior Management's knowledge and understanding of the business and operating processes, taking into account both materiality criteria and qualitative criteria associated with the structure of the business and its risks, using as a basis the most up-to-date financial reporting possible.

However, if unforeseen circumstances come to light during the course of the year that warn of possible misstatements in the financial reporting or substantial changes in the Group's operations, the Company will proceed to evaluate the existence of risks that must be added to those previously identified.

The criteria followed in the identification of risk are as follows:

• The scope of the risk identification, within the scope of the ICFR, refers to the risks of incorrectness due to error or fraud in the Unicaja Banco Group's financial reporting to the markets.

• It is identified by the corresponding management department or area (together with the help of the areas responsible for the selected processes under review) in ongoing collaboration with the Strategic Planning and Budget Control Department.

• The process is aimed at identifying risks of material misstatement in Unicaja Banco's individual and consolidated financial statements.

• Among other aspects, the size of balances and transactions, their composition (volume and unit amount), the degree of process automation, standardization of operations, susceptibility to fraud or error, accounting complexity, degree of estimation/uncertainty, the need to make judgments and valuations involving subjectivity, the risk of losses or contingent liabilities, changes with respect to the previous year and the existence, if any, of control weaknesses identified in previous years are taken into account.

In all circumstances, the risks refer to possible misstatements (intentional or unintentional) within the framework of the financial reporting objectives or assertions: (i) existence and occurrence, (ii) integrity, (iii) valuation, (iv) presentation, breakdown and comparability and (v) rights and obligations.

The degree to which these financial reporting objectives (or assertions) affect each financial statement caption can be: low, medium or high.

To determine the scope of the ICFR, the Company uses both quantitative criteria (exceeding a materiality threshold) and qualitative criteria, linked in this case to whether it is an area of financial reporting with high, medium or low risk. Unicaja Banco's Strategic Planning and Budget Control Department updates the areas that exceed the quantitative materiality thresholds and have high or medium risk at least once a year.

- The existence of a process for identifying the scope of consolidation taking into account, among other aspects, the possible existence of complex corporate structures, instrumental or special purpose entities:

The Company has implemented a Consolidation Procedure which details the scope of consolidation Through this procedure, the Company ensures that any changes that are made to the scope of consolidation in the different financial reporting periods are correctly included in the Group's consolidated financial statements.

In order to identify relationships of control, joint control or significant influence, as well as to assess any complex corporate structure or the existence of special purpose entities, if any, Unicaja Banco's Financial and Tax Reporting Department uses the criteria set out in the applicable financial reporting framework, particularly in the provisions of the International Financial Reporting Standards adopted by the European Union (IFRS-EU), with a special focus on IFRS 10.

- Does the process take into account the effects of other types of risks (operational, technological, financial, legal, fiscal, reputational, environmental, etc.) to the extent that they affect the financial statements?

When identifying risks of material misstatement in financial reporting, the effect of other types of risks – operational, technological, legal, reputational and environmental – is taken into account, where they may affect the
Company's financial reporting. In this sense: (i) the notes to the individual and consolidated financial statements of Unicaja Banco include a detailed description of the risks with the greatest impact on financial reporting, (ii) the statement of non-financial reporting (attached to the management report) includes a detailed description of the risks affecting this type of information and (iii) the annual reports on the capital and liquidity self-assessment process (ICAAP/ ILAAP) include a summary of all of the types of relevant risks affecting the Group.

- Which of the Company's governing bodies supervises the process?

The risk identification process must be completed at least annually, using the most recent financial reporting available as a basis, and is supervised by the Risk Committee, with the support of the Global Risk Control Department (CRO).

F.3. Control activities

Describe the main characteristics including, at least:

F.3.1 Procedures for the review and authorization of the financial reporting and the description of the ICFR, to be published in the securities markets, indicating those responsible, as well as documentation describing the flows of activities and controls (including those related to fraud risk) of
the various types of transactions that may materially affect financial statements, including the closing procedure and the specific review of relevant judgments, estimates, valuations and projections.

As described in Point F.1. above, in accordance with Article 31 of the Regulations of the Company's Board of Directors, the Audit and Regulatory Compliance Committee is responsible, among others, for supervising the preparation process and the integrity of the financial reporting relating to the Company and its Group.

As has been mentioned previously, the Audit and Regulatory Compliance Committee is responsible for reviewing, analyzing and discussing financial statements and other relevant financial reporting with Senior Management and other internal and external auditors in order to confirm that it is reliable, understandable and relevant and that accounting criteria consistent with the previous year have been followed.

In accordance with these functions, the Audit and Regulatory Compliance Committee of Unicaja Banco intervenes in the process of reviewing the financial reporting to be disclosed, informing the Board of Directors of its conclusions on the Company's information.

Ultimately, the Board of Directors approves the financial reporting that the Bank must periodically make public, this function being included in the Unicaja Banco Board of Directors Regulations. Their implementation is recorded in the minutes of the various meetings.

In order to prepare the information that, if applicable, will be approved by the Board of Directors, the Company has a procedure for reviewing and authorizing the financial reporting that is sent to the markets and regulatory bodies with the frequency established by the applicable legislation and regulations, as prepared and updated by the Financial and Tax Reporting Department at the request of the General Management Assistant to the Chairman/Chairwoman. The Internal Audit Department is responsible for supervising this information.

The Financial and Tax Reporting Department is responsible for the accounting records derived from the various transactions occurring in the Company. It carries out the main control activities, including the accounting closing procedure and the review of the relevant judgments and estimates based on materiality criteria. This Department is also generally responsible for preparing the Company's financial reporting on the existing accounting basis, having defined and implemented, in the aforementioned preparation process, additional control procedures that guarantee the quality of the information and its reasonableness with a view to its subsequent presentation to the Company's governing bodies and its publication to the markets.

In the process of preparing this information, the General Directorate Assistant to the Chairman/Chairwoman or, as the case may be, the Financial and Tax Reporting Directorate, requests the collaboration of the other Directorates and/or Areas responsible for obtaining certain supplementary information, the breakdown of which is required in the periodic financial reports. Once the information preparation process has been completed, and Strategic Planning and Budget Control Department asks the aforementioned managers to review and authorize the information for which they are responsible, prior to its publication and submission to the markets.

The description of the ICFR is reviewed by the Strategic Planning and Budget Control, the Financial and Tax Reporting and the Internal Audit Departments, as well as by the aforementioned governing bodies, as part of the periodic information that the Company submits to the markets.

Regarding the activities and controls directly related to transactions that may materially affect the financial statements, the Company has procedures and risk and control matrices for the significant processes that affect the generation, preparation and disclosure of financial reporting.

For this purpose, the Company has standardized documentation on the relevant processes, including a description of each of the processes and risk and control matrices. These matrices include the relevant risks identified as having a material impact on the individual and consolidated financial statements and their association with the controls that mitigate them, as well as the evidence in which their application is materialized. Among the controls, those that are considered key in the process and that, in all circumstances, ensure the adequate recording, valuation, presentation and breakdown of the balances and transactions in the financial reporting are identified.

The risk and control matrices include the following fields, among others:
• Risk description.
• Financial assertion with which the risk is identified.
• Identification and description of the control activity.
• Control classification: key/standard.
• Control category: preventive/detect.
• Control method: manual/mixed/automatic.
• System that supports the control.
• Executor and party responsible for control.
• Frequency or periodicity of execution of the control.
• Evidence of control, obtained by the Strategic Planning and Budget Control Department by any of the following methods: inspection, observation, external confirmation, recalculation, re-performance, analytical procedures and inquiry.

Below are the significant processes (distinguishing between business and cross-cutting processes) associated with the Company's financial areas for which the aforementioned documentation is available:
• Specific business processes associated with the relevant areas (identified from the headings of the financial statements):
o Loans and receivables (loans to customers), including credit risk hedges for bad debts.
o Debt securities and equity instruments (treasury and capital markets), including derivatives.
o Foreclosed assets or assets received in payment of debts (regardless of their accounting classification in the balance sheet and the Group companies in which they are recorded).
o Customer deposits (retail liabilities area).
o Tax assets and liabilities
o Personnel expenses
o General administrative expenses
o Provisions and accounting estimates
• Transversal processes that affect all areas as a whole:
o Investee companies

o Accounting close
o Consolidation
o General computer controls
o Fraud and regulatory compliance
The aforementioned descriptive documentation includes:
• The description of the activities related to the process from the beginning, indicating the particularities that a certain product or operation may contain (when this is necessary).
• The identification of the relevant risks for which the areas involved in the process specifies the main risks in the process-related financial reporting with a material impact on the Company's financial statements.
• The identification of the controls and their description that is made with regard to the relevant risks previously identified. Furthermore, there is a catalog of evidence supporting the existence of each control identified.
Additionally, the Company has a Judgments and Estimates Review and Approval Policy, which completes the policies included in the Manual of accounting standards, procedures and policies applied by the Unicaja Banco Group, detailing how they are made, as well as the responsibilities at the time of approving the Company's estimates, projections, judgments, accounting policies and critical assumptions. The Financial and Tax Reporting Department is responsible for updating these accounting policies at least once a year.
As described in the notes to the consolidated financial statements, the main estimates identified by the Group are as follows:

• Impairment losses on certain assets, especially with regard to the individualized and collective estimation of losses due to insolvencies of the loan portfolio and advances to customers, and the identification of when there is a significant increase in credit risk.
• The assumptions used in the actuarial calculation of the post-employment benefit liabilities and commitments and other long-term commitments to employees.
• The useful life of tangible and intangible assets
• The measurement of consolidation goodwill
• The estimate of the probability of occurrence of those events considered as contingent liabilities and, if applicable, the estimate of the provisions necessary to cover these events.
• The reversal period and recoverability of deferred fiscal assets of temporary differences.
• The fair value of certain unlisted assets.
• The fair value of certain guarantees related to the collection of assets.
As stated above, the Company has a Judgments and Estimates Review and Approval Policy, which details the procedures it performs to ensure that judgments and estimates are made at the appropriate level and in accordance with the accounting regulatory framework applicable to the Company and its Group.

F.3.2 Internal control policies and procedures on information systems (among others, on access security, change control, operation thereof, operational continuity and segregation of duties) that support the relevant processes of the company related to the preparation and publication of financial reporting.

The Company has defined a process of Information Technology General Controls (ITGC), with its corresponding risk and control matrix, which details the risks and controls related to access security, change control, operation thereof, operational continuity and segregation of duties. As a result of the merger by absorption of Liberbank, S.A. (the absorbed entity) by Unicaja Banco, S.A. (the absorbing entity), whose date for accounting purposes was July 31, 2021, the Bank incorporated into its internal control processes the main computer applications used to record the balances and transactions of the business from the Liberbank Group. On May 20, 2022, the integration of the information systems of Unicaja Banco and Liberbank was completed in line with the milestones set in the schedule established by the Unicaja Banco Group, allowing full integration from a technological, commercial and operational point of view.
The information systems that support the processes on which the Company's financial reporting is based are subject to internal control policies and procedures to ensure the integrity of the preparation and publication of financial reporting.
Policies have specifically been established related to the following:
• Security in the access to information: The Unicaja Banco Group has security guidelines for access to information systems and resources. The Company has updated Information Systems Security policies, standards and procedures, which establish the technical and organizational guidelines necessary to prevent the alteration, loss, unavailability and unauthorized processing of or access to Unicaja Banco's resources and data. It also establishes the commitment of any person or body related to the Company with respect to the processing of information. Moreover, the various applications provide security based on the user identifier and associated password.
• Segregation of duties: The Company has procedures and controls on profiles and users for the management of user registrations, cancellations and modifications, which are updated every time there is a change in any of the processes. These procedures describe the flow of acceptances to be followed, the parties responsible for acceptances establishing control over segregation of duties and the tools involved in this user management flow. There is also a tool for assigning permissions, which is coordinated with the Human Resources tools to manage the entries and exits of the Company's personnel, as well as changes in duties, departments, areas and offices. The level of access restriction when switching batch processes to production is high. The planning of new processes is subject to the approval process by the person in charge of the area, who is not in charge of developing this process.
• Change management: The Company has implemented an application development and maintenance methodology. The adoption and application of a homogeneous application development methodology, appropriate to the size of the department or area and to the scope of the new projects to be carried out, for all of the development subareas, adds greater reliability, coordination and efficiency to the development of applications, while promoting users' formal involvement in the projects and the adequate documentation thereof.

The implementation of a formal development methodology provides greater independence in the maintenance and continuity of the applications with respect to the personnel who currently maintain each of the applications. In addition, there are procedures and tools for program change management.
• Operational and business continuity: The Company has a formalized backup procedure that describes the process to be followed, the regularity, the schedule for executing the copies, the information to be copied, the location, the frequencies, the content of the copies, the types of copies and the basic instructions for making backup copies of the infrastructure elements that affect the systems. The Company's Business Continuity Plan includes a contingency plan.
• Incident management: There is an updated procedure for notification and incident management. There are several tools for this task. When an incident is registered, the responsibility for resolving each one is reported. Once the diagnosis of the incident has been established, the solution is implemented.

F.3.3 Internal control policies and procedures aimed at supervising the management of activities subcontracted to third parties, as well as the aspects of assessment, calculation or valuation entrusted to independent experts that could significantly affect the financial statements.

The Group has a policy for managing the delegation of services, which establishes the criteria to be followed related to the services or duties delegated to third parties, both at the time of prior analysis and approval of the delegation and in its subsequent formalization, development and follow-up.
The Group also periodically reviews which activities performed by third parties are relevant to the financial reporting process or could directly or indirectly affect its reliability.
Among others, the Group uses independent expert reports of valuations on transactions that may potentially materially affect the financial statements.
Within the framework of the budgetary assessment of these outsourced activities, as well as in the process of providing the service itself, the Group carries out certain control procedures to mitigate the risks associated with these activities, which are mainly carried out by the corresponding management or area responsible for operations with an aim to verify their competence, training, accreditation and independence, as well as the validity of the data and methods used and the reasonableness of the assumptions made.
In order to perform most of these functions, Unicaja Banco has a Procurement and Outsourcing Governance Department, which is part of the Organization and Resource Optimization Department and which in turn reports to the General Directorate of Operations and Technology.

F.4. Information and communication

Describe the main characteristics including, at least:

F.4.1 A specific function responsible for defining, keeping accounting policies updated (accounting policy area or department) and resolving queries or conflicts arising from their interpretation, maintaining fluid communication with those responsible for operations in the organization, as well as an updated accounting policy manual communicated to the units through which the company operates.

The Company has a "Manual of accounting standards, procedures and policies applied by the Unicaja Banco Group", which prescribes the accounting treatment in the Unicaja Banco Group of each of the material items comprising the financial statements, ensuring compliance with the requirements established by the applicable accounting regulatory framework. Unicaja Banco's Financial and Tax Reporting Department is responsible for establishing and updating the Group's accounting policies and for informing the rest of the departments or areas of the updates, with the Legal Department and the Regulatory Compliance Department being responsible for informing the rest of the Departments on any new legislation.
This document is updated periodically, at least once a year, and any significant modifications or updates are communicated to the Group's companies and departments or areas to which they are applicable in each case.

F.4.2 Mechanisms for gathering and preparing financial reporting with homogeneous formats, to be applied and used by all units of the company or group, which support the main financial statements and notes, as well as the information detailed in the ICFR.

The Financial and Tax Information Department of Unicaja Banco is responsible for aggregating, homogenizing, reviewing and reporting the information, using common systems and computer applications, as well as finally preparing the individual and consolidated financial statements that are reported and published.

The Financial and Tax Reporting Department issues the accounting policies and other procedures in the preparation of the individual financial statements by the subsidiaries in order for them to be reported to the Group for the preparation of

consolidated financial statements, as well as precise instructions on the reporting obligations, establishing the minimum contents and deadlines for sending the information to be sent by the entities comprising the Consolidated Group.
The Company's accounting systems are fully integrated and the recording of transactions automatically triggers the accounting thereof, as well as the updating of respective inventories.

It is important to mention here that the Unicaja Banco Group has adapted to the new regulations that have been published related to the Single European Electronic Format (hereinafter, ESEF). Company directors are therefore responsible for submitting the annual financial report in accordance with the format and markup requirements set out in Delegated Regulation (EU) 2019/815 of December 17, 2018 of the European Committee. These regulations require that from 2022 onward, certain mandatory labels have to be included not only in the consolidated financial statements but also in the notes accompanying the consolidated financial statements.

F.5. Supervision of the system's operation

Report describing its main characteristics including, at least:

F.5.1 The ICFR supervision activities that are carried out by the audit committee, as well as those determining whether the company has an internal audit function whose competences include supporting the committee in its work of supervising the internal control system, including ICFR. Furthermore,
the scope of the assessment of the ICFR carried out during the year and the procedure by which the person responsible for carrying out the evaluation communicates its results will be reported,
as well as whether the company has an action plan that describes the possible corrective measures and whether its impact on the financial reporting has been considered.

The plans of the internal audit function are approved by Unicaja Banco's Audit and Regulatory Compliance Committee. In accordance with a risk-based approach that determines the frequency of audit activity (Risk Assessment System, or RAS), these plans provide for reviews of the internal control and business areas considered relevant to the Group.

This area includes specific reviews of internal control over financial reporting.
In specific relation to the ICFR, the Internal Audit Department's role includes responsibility for supervising its effective implementation and correct operation, incorporating this review within its internal audit planning.

With respect to the eventual detection and communication of any weakness in the performance of the reviews of the areas, the Internal Audit Department notifies the Department involved, detailing the associated recommendations and following up on the action plan implemented to resolve them.

The recommendations arising from these reviews are forwarded to the Audit and Regulatory Compliance Committee. The Internal Audit Department is also in contact with the different functional areas of the Company and with the Strategic Planning and Budget Control Department, which is responsible for the periodic updating and maintenance of the ICFR.

F.5.2 Is there a discussion procedure whereby the auditor (in accordance with the provisions of the technical auditing standards or NTA), the internal audit function and other experts can communicate to senior management and the audit committee or directors of the company any significant internal control weaknesses identified during the review of the financial statements or other processes that have been entrusted to them? It will also state whether it has an action plan to try to correct or mitigate the weaknesses observed.

The Audit and Regulatory Compliance Committee meets with the external auditor at least once a year to review and update the most significant matters in the audit, prior to the preparation of the individual and consolidated financial statements, to present the main results, for which it is supported by the Internal Audit Department.

In accordance with the provisions of Article 36 of the Auditing of Accounts Act 22/2015 of July 20, 2015 and Article 11 of Regulation (EU) No. 537/2014, of the European Parliament and of the Council, of April 16, 2014 on specific requirements regarding statutory audit of public-interest entities, these communications are formalized in the "Additional Report for the Audit and Regulatory Compliance Committee", which the external auditors deliver prior to the issuance of their audit report on the annual accounts of the Bank and its Group.

The auditors have direct communication with the Company's Senior Management, holding regular meetings, both to obtain the necessary information for performing their work and comment on the weaknesses and recommendations for improvement of the internal control system detected during the same. With respect to the latter, the external auditor submits an annual report to the Audit and Regulatory Compliance Committee detailing the internal control weaknesses detected in the course of its work, if any.

This report incorporates the comments of the Company's management and, if applicable, the action plans that have been implemented to remedy the corresponding internal control weaknesses.

With respect to these weaknesses that may be identified by the external auditor, follow-up procedures similar to those described in Section F.5.1 above are performed.

F.6. Other relevant information.

No other relevant information has been identified that needs to be included in this section.

F.7. External auditor's report.

Report by:

F.7.1 Has the ICFR information sent to the markets been reviewed by the external auditor? If so, the company should include the corresponding report as an annex. If not, the reasons should be stated.

In 2022, the external auditor reviewed the information contained in Section F of the IAGC relating to the ICFR, following the generally accepted professional standards in Spain applicable to this type of engagements and, in particular, following the provisions of the Performance Guide on the auditor's report on information relating to the ICFR of listed companies, issued by the professional and auditors' associations, and published by the National Securities Market Commission (CNMV) on its website.

The report issued by the external auditors in this regard is included as an Annex to this Annual Corporate Governance Report.

G. LEVEL OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

State the degree to which the company follows the recommendations of the Code of Good Governance for Listed Companies.

In the event that any recommendation is not followed or is only followed partially, a detailed explanation of the reasons why should be included to ensure that the shareholders, investors and the market in general have sufficient information to assess the company's behavior. General explanations will not be considered acceptable.

1. The bylaws of listed companies do not limit the maximum number of votes that a single shareholder can cast or contain other restrictions that make it difficult to take control of the company by acquiring its shares in the market.

   Complies [X] Explain [ ]

2. When the listed company is controlled by another listed or unlisted company, within the meaning of Article 42 of the Commercial Code, and has, directly or through its subsidiaries, business relations with that company or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of them, it should publicly and accurately disclose the following:

   a) The respective areas of activity and any business relationships between, on the one hand, the listed company or its subsidiaries and, on the other hand, the parent company or its subsidiaries.

   b) The mechanisms provided to resolve any conflicts of interest that may arise.

   Complies [ ] Partially complies [ ] Explain [ ] Not applicable [X]

3. During the ordinary general meeting, as a complement to the written dissemination of the annual corporate governance report, the chairman/woman of the Board of Directors verbally informs the shareholders, in sufficient detail, of the most relevant aspects of the company's corporate governance and, in particular:

   a) Any changes that have occurred since the previous ordinary general meeting.

   b) The specific reasons why the company does not follow some of the recommendations of the Corporate Governance Code and, if they exist, the alternative rules it applies in this area.

   Complies [X] Partially complies [ ] Explain [ ]

4. The company defines and promotes a policy regarding communication and contacts with shareholders and institutional investors in the context of their involvement in the company, as well as with proxy advisors that is fully respectful of the rules against market abuse and gives similar treatment to shareholders in the same position. The company makes this policy public through its website, including information regarding the way in which it has been put into practice and identifying the interlocutors or parties responsible for its implementation.

   Notwithstanding the legal obligations regarding the dissemination of privileged information and other types of regulated information, the company also has a general policy regarding the communication of economic-financial, non-financial and corporate information through the channels it deems appropriate (media, social networks or other channels) that contributes to maximizing the dissemination and quality of the information available to the market, investors and other stakeholders.

   Complies [X] Partially complies [ ] Explain [ ]

5. The Board of Directors should not take proposals for the delegation of powers, to issue shares or convertible bonds with exclusion of the preferential subscription right, for an amount of over 20% of the capital at the time of delegation to the shareholders in a General Meeting.

   When the Board of Directors approves any issue of shares or convertible securities with exclusion of pre-emptive subscription rights, the Company will immediately publish the reports on the exclusion referred to in commercial legislation on its website.

   Complies [X] Partially complies [ ] Explain [ ]

6. The listed companies that prepare the reports listed below, whether mandatory or voluntary, publish them on their website sufficiently in advance of the ordinary general meeting, even if the dissemination thereof is not mandatory:

   a) Report on the independence of the auditor.

   b) Reports on the operation of the audit committee and the appointments and remuneration committee.

   c) The audit committee's report on related-party transactions.

   Complies [X] Partially complies [ ] Explain [ ]

7. The company broadcasts the holding of the shareholders' general meetings live on its website.

   The company has mechanisms that allow the delegation and the exercise of the vote digitally including, in the case of companies with a high market cap and to the extent that it is proportionate, attendance and active participation in the General Meeting.

   Complies [X] Partially complies [ ] Explain [ ]

8. The audit committee ensures that the annual accounts that the Board of Directors present to the general meeting of shareholders are prepared in accordance with the applicable accounting regulations. In those cases where the auditor has included a qualification in its audit report, the chairman/woman of the audit committee will clearly explain the audit committee's opinion on its content and scope at the general meeting, making a summary thereof available to shareholders when the meeting is called, together with the board's other proposals and reports.

Complies [X]   Partially complies [ ]   Explain [ ]

9. The company should publish the requirements and procedures it will accept to prove ownership of shares, the right to attend the general shareholders' meeting and the exercise or delegation of voting rights on a permanent basis on its website.

These requirements and procedures should favor shareholder attendance, the exercise of their rights and should be applied in a non-discriminatory manner.

Complies [X]   Partially complies [ ]   Explain [ ]

10. When any legitimate shareholder has exercised their right to add something to the agenda or to present new proposed resolutions prior to the holding of the shareholders' general meeting, the company:

a) Immediately distributes these additional points and the new resolutions proposed.

b) Makes the attendance card or remote voting or proxy voting form public, with the necessary modifications that mean that the new items on the agenda and alternative proposals for resolution can be voted on in the same way as those proposed by the Board of Directors.

c) Submits all of these points or alternative proposals to a vote and applies the same voting rules as those applies to the ones formulated by the Board of Directors, including, in particular, the presumptions or deductions regarding the direction of the vote.

d) After the general shareholders' meeting, the company communicates the breakdown of the vote on these additional points or alternative proposals.

Complies [X]   Partially complies [ ]   Explain [ ]   Not applicable [ ]

11. In the event that the company plans to pay attendance premiums at the shareholders' general meeting, it establishes a general policy on these premiums in advance and that this policy is consistent.

Complies [ ]   Partially complies [ ]   Explain [ ]   Not applicable [X]

12. The Board of Directors should perform its duties with a single purpose and independent criteria, treat all shareholders in the same position equally, and be guided by the corporate interest, understood as the achievement of a profitable and sustainable business in the long term, which promotes its continuity and the maximization of the economic value of the company.

In the pursuit of corporate interest, in addition to respect for laws and regulations and behavior based on good faith, ethics and respect for commonly accepted uses and good practices, it should seek to reconcile its own corporate interest with the legitimate interests of its employees, suppliers, customers and other stakeholders that may be affected, as appropriate, as well as the impact of the company's activities on the community as a whole and on the environment.

Complies [X]   Partially complies [ ]   Explain [ ]

13. The Board of Directors has the necessary size to achieve an effective and participatory operation, which means that should generally have between five and fifteen members.

Complies [X]   Explain [ ]

14. The Board of Directors approves a policy aimed at favoring an appropriate composition of the Board of Directors and that:

a) is specific and verifiable.

b) ensures that nomination or re-election proposals are based on a prior analysis of the competencies required by the Board of Directors.

c) favors a diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a large number of senior managers favor gender diversity.

The result of the prior analysis of the powers required by the Board of Directors should be included in the report of the appointments committee to be published when convening the general shareholders' meeting to which the ratification, appointment or re-election of each director is submitted.

The appointments committee will verify compliance with this policy annually and will report thereon in the annual corporate governance report.

Complies [X]   Partially complies [ ]   Explain [ ]

15. Proprietary and independent directors should constitute the large majority of the Board of Directors. The number of executive directors should be the minimum necessary, taking into account the complexity of the corporate group and the executive directors' shareholding percentage in the company's capital.

The number of women directors represents at least 40% of the members of the Board of Directors before the end of 2022 and onwards, not previously being less than 30%.

Complies [X] Partially complies [ ] Explain [ ]

16. The percentage of proprietary directors over the total number of non-executive directors is not greater than the proportion existing between the capital of the company represented by these directors and the rest of the capital.

This criterion may be mitigated:

a) In highly capitalized companies in which there are few shareholdings that are legally considered significant.

b) In companies in which there is a plurality of shareholders represented on the Board of Directors and they do not have any links between them.

Complies [ ] Explain [X]

Although the percentage of proprietary directors compared to the total number of non-executive directors (53.84%) slightly exceeds the proportion of share capital represented by proprietary directors (52.86%), it is mitigated by the fact that several shareholders are represented on the Board of Directors (4).

17. The number of independent directors is at least half of the total number of directors.

However, when the company is not a large cap company or when, even if it is a large cap company, it has one or more shareholders acting in concert who control more than 30% of the share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies [X] Explain [ ]

18. Companies publish the following information about their directors on their websites and keep it updated:

    a) Professional and biographical profile.

    b) Other boards of directors to which they belong, regardless of whether they are listed companies, as well as any other remunerated activities carried out of any type.

    c) Indication of the category of director to which they belong, stating, in the case of proprietary directors, the shareholders that they represent or with which they have ties.

    d) Date of their first appointment as a director at the company, as well as any subsequent re-elections.

    e) The number of company shares and options that they hold.

Complies [X]   Partially complies [ ]   Explain [ ]

19. After verification by the appointments committee, the annual corporate governance report should explain the reasons why proprietary directors have been appointed at the request of shareholders whose shareholding is less than 3% of the capital, explaining the reasons why, if applicable, formal requests for presence on the board from shareholders whose shareholding is equal to or greater than that of others whose requests for proprietary directors have been appointed have not been met.

Complies [ ]   Partially complies [ ]   Explain [ ]   Not applicable [X]

20. The proprietary directors present their resignation when the shareholder that they represent transfers their shareholding in full. They also resign, in a proportional number, when a shareholder reduces their shareholding to a level that requires a reduction in the number of their proprietary directors.

Complies [X]   Partially complies [ ]   Explain [ ]   Not applicable [ ]

21. The Board of Directors should not propose the removal of any independent director before the expiration of the term of office for which they were appointed, except where just cause is found by the Board of Directors, based on a report from the appointments committee. In particular, just cause will be deemed to exist when the director takes on new positions or incurs new obligations that prevent them from devoting the necessary time to the performance of the functions inherent to the position of director, fails to comply with the duties inherent to their position or incurs in any of the circumstances that cause them to lose their independent status, in accordance with the provisions of the applicable legislation.

    The removal of independent directors may also be proposed as a result of takeover bids, mergers or other similar corporate operations involving a change in the capital structure of the company, when these changes in the structure of the Board of Directors are prompted by the proportionality criterion set out in Recommendation 16.

    Complies [X]   Explain [ ]

22. Companies should establish rules obliging directors to report and, where appropriate, resign when situations arise that affect them, regardless of whether these situations are related to their actions within the company itself, if they could damage the company's credit and reputation and, in particular, obliging them to inform the board of any criminal proceedings in which they are under investigation, as well as the procedural vicissitudes thereof.

    Having been informed of or otherwise having become aware of any of the situations mentioned in the preceding section, the board should examine the case as soon as possible and, in view of the specific circumstances, decide, after a report from the appointments and remuneration committee, whether to adopt any measure, such as opening an internal investigation, requesting the resignation of the director or proposing their removal. This is to be reported in the annual corporate governance report, unless there are any special circumstances that justify not doing so, which must be recorded in the minutes. This is without prejudice to the information that the company must disseminate, if appropriate, at the time of the adoption of the corresponding measures.

    Complies [X]   Partially complies [ ]   Explain [ ]

23. All directors clearly express their opposition when they consider that any of the proposed decisions submitted to the Board of Directors may be not be in the company’s interests. In particular, the independent and other directors who are not affected by the potential conflict of interest also do so in the case of decisions that may harm shareholders that are not represented on the Board of Directors.

    When the Board of Directors adopts significant or reiterated decisions about which the director has expressed serious reservations, the director draws the appropriate conclusions and, if they choose to resign, explains the reasons in the letter referred to in the following recommendation.

    This recommendation also applies to the secretary of the Board of Directors, even if they are not a director.

    Complies [X]   Partially complies [ ]   Explain [ ]   Not applicable [ ]

24. When a director leaves their position before the end of their term, either through resignation or by resolution of the general meeting, sufficiently explain the reasons for their resignation or, in the case of non-executive
directors, their opinion on the reasons for their removal by the meeting, in a letter that will be sent to all of the members of the Board of Directors.

And that, without prejudice to the disclosure of all of the above in the annual corporate governance report, to the extent that it is relevant for investors, the company should publish the termination as soon as possible, including sufficient reference to the reasons or circumstances provided by the director.

Complies [X]   Partially complies [ ]   Explain [ ]   Not applicable [ ]

25. The appointments committee ensures that the non-executive directors have sufficient time available for the proper performance of their duties.

The regulations of the board establish the maximum number of company boards that its directors may be members of.

Complies [X]   Partially complies [ ]   Explain [ ]

26. The Board of Directors should meet with the necessary frequency to perform its functions effectively and at least eight times a year, following the schedule of dates and matters established at the beginning of the year, and each director may individually propose other items for the agenda that were not initially envisaged.

Complies [X]   Partially complies [ ]   Explain [ ]

27. The directors are only absent when absolutely necessary and their absences are quantified in the annual corporate governance report. When absences do occur, representation is granted with instructions.

Complies [ ]   Partially complies [X]   Explain [ ]

Although Article 15.2.(b) of the Regulations of the Board of Directors establishes the obligation of the directors to instruct in the cases in which they have conferred their representation, these instructions have not been given in the cases of delegation.

28. When the directors or the secretary express concern about any proposal or, in the case of the directors, about the direction of the company and these concerns are not resolved by the Board of Directors at the request of whoever expressed them, they are recorded in the minutes.

Complies [X]   Partially complies [ ]   Explain [ ]   Not applicable [ ]

29. The company establishes the appropriate channels so that the directors can obtain the necessary advice for the fulfillment of their duties including, if the circumstances so require, external advice at the company’s expense.

Complies [X]   Partially complies [ ]   Explain [ ]

30. Regardless of the knowledge that the directors are required to have in order to carry out their duties, the companies also offer the directors programs to update their knowledge when the circumstances so require.

Complies [X] Explain [ ] Not applicable [ ]

31. Meeting agendas clearly state the points regarding which the Board of Directors must adopt a decision or agreement so that the directors can study or collect the information that they need to make a decision in advance.

When, exceptionally and for reasons of urgency, the chairman/woman wishes to submit decisions or resolutions to the Board of Directors for approval that are not on the agenda, the prior express consent of the majority of the directors present will be required, which will be duly recorded in the minutes.

Complies [X] Partially complies [ ] Explain [ ]

32. The directors are periodically informed of changes to the composition of the shareholders and of the opinion that the most significant shareholders, investors and rating agencies have about the company and its group.

Complies [X] Partially complies [ ] Explain [ ]

33. In addition to exercising the functions attributed to them by law or bylaws, the Chairman/Chairwoman, as the person responsible for the proper functioning of the Board of Directors, prepares and submits a schedule of dates and matters to be discussed to the Board of Directors, organizing and coordinating the periodic evaluation of the board, as well as, where appropriate, that of the chief executive of the company. The Chairman/Chairwoman is also responsible for the management of the board and the effectiveness of its operations, ensuring that sufficient discussion time is devoted to strategic issues and decides on and reviews knowledge update programs for each director when the circumstances so require.

Complies [X] Partially complies [ ] Explain [ ]

34. When there is a coordinating director, the bylaws or the Board of Directors' regulations should grant them the following powers in addition to those conferred by law: chairing the Board of Directors in the absence of the chairman/woman and vice-chairmen/women, if any, reflecting the concerns of non-executive directors, maintaining contact with investors and shareholders to hear their points of view in order to form an opinion on their concerns, particularly related to the company's corporate governance and coordinating the succession of the chairperson.

Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

35. The secretary of the Board of Directors takes special care to ensure that the Board of Directors takes into account the recommendations for good governance contained in this Code of Good Governance that apply the company in its actions and decisions.

Complies [X] Explain [ ]

36. The Board of Directors meets in a plenary session once a year to assess and, where appropriate, to adopt an action plan to correct the deficiencies detected related to:

a) The quality and efficiency of the operation of the Board of Directors.

b) The operation and composition of its committees.

c) Diversity in the composition and the powers of the Board of Directors.

d) The performance of the chair of the Board of Directors and the company's chief executive.

e) The performance and contribution of each director, paying special attention to those responsible for the different board committees.

The assessment of the different committees will be based on the report submitted by them to the Board of Directors, and for the latter, the report submitted by the appointments committee.

Every three years, the Board of Directors will be assisted in carrying out its evaluation by an external consultant, whose independence will be verified by the appointments committee.

The business relationships that the consultant or any company in its group maintains with the company or any company in its group must be disclosed in the annual corporate governance report.

The process and the areas evaluated will be described in the annual corporate governance report.

Complies [X]   Partially complies [ ]   Explain [ ]

37. Where there is an executive committee that contains at least two non-executive directors, at least one of which is independent and its secretary is the secretary of the Board of Directors.

Complies [ ]   Partially complies [ ]   Explain [ ]   Not applicable [X]

38. The Board of Directors is always aware of the matters discussed and of the decisions taken by the executive committee and that all of the members of the Board of Directors receive a copy of the minutes of the meetings of the executive committee.

Complies [ ]   Partially complies [ ]   Explain [ ]   Not applicable [X]

39. The members of the audit committee as a whole, and especially its chairman/woman, are appointed based on their knowledge and experience in accounting, auditing and risk management (both financial and non-financial).

Complies [X]   Partially complies [ ]   Explain [ ]

40. Under the supervision of the audit committee, there is a unit that assumes the internal audit duties that ensures the proper operation of the information and internal control systems and that functionally reports to the non-executive chair of the board or the audit committee.

Complies [ ] Partially complies [X] Explain [ ]

The Internal Audit Department reports hierarchically to the Chief Executive Officer and functionally to the Audit and Regulatory Compliance Committee.

41. The person in charge of the unit that assumes the internal audit function submits its annual work plan to the Audit Committee for approval by the committee or the board, reports directly to it on its execution, including possible incidents and limitations to the scope that may arise in its development, the results and follow-up of its recommendations, and submits an activities report at the end of each fiscal year.

Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

42. In addition to those envisaged by law, the audit committee has the following duties:

1. Regarding computer systems and internal control:

a) Supervise and evaluate the preparation process and the integrity of the financial and non-financial reporting, as well as the control and management systems for financial and non-financial risks related to the company and, if applicable, the group -including operational, technological, legal, social, environmental, political, reputational and corruption-related risks- reviewing compliance with regulatory requirements, the adequate delimitation of the scope of consolidation and the correct application of accounting criteria.

b) Ensure the independence of the unit that assumes the internal audit function, propose the selection, appointment and removal of the head of the internal audit service, propose the budget for that service, approve or propose approval to the board of the orientation and annual work plan of the internal audit, ensuring that its activity is focused primarily on relevant risks (including reputational risks), receive periodic information on its activities and verify that senior management takes into account the conclusions and recommendations of its reports.

c) Establish and supervise a mechanism that enables employees and other people related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially significant irregularities, including financial and accounting irregularities or of any other type related to the Company that they notice within the Company or its Group. This mechanism should guarantee confidentiality and, in all circumstances, envisage cases in which communications can be made anonymously, whilst respecting the rights of the complainant and the respondent.

d) Generally ensuring that the policies and systems established with regard to internal control are effectively applied in practice.

2. Regarding the external auditor:

a) In the event of resignation of the external auditor, examine the circumstances that could have caused it.

b) Ensuring that the remuneration of the external auditor for their work does not compromise their quality or independence.

c) Ensuring that the Company notifies the National Securities Market Commission of the change of auditor and accompanies it with a statement on the possible existence of disagreements with the outgoing auditor and, if applicable, the content thereof.

d) Ensuring that the external auditor holds an annual meeting with the full Board of Directors to inform them about the work carried out and the evolution of the company's accounting and risk situation.

e) Ensuring that the Company and the external auditor comply with current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, the other regulations established related to the independence of the auditors.

Complies [X] Partially complies [ ] Explain [ ]

43. The audit committee can summon any of the company's employees or managers and even order their appearance without the presence of any other manager.

Complies [X] Partially complies [ ] Explain [ ]

44. The audit committee is informed about the structural and corporate modification operations that the company plans to carry out for its analysis and prior reporting to the Board of Directors with regard to its economic conditions and its impact on the accounts including, where appropriate, the equation for any proposed exchange.

Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

45. The risk control and management policy identifies or determines at least:

a) The different types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks, including those related to corruption) faced by the company, including financial or economic risks, contingent liabilities and other off-balance sheet risks.

b) A risk control and management model based on different levels, including a specialized risk committee when the sectoral regulations so require or the company deems it appropriate.

c) The level of risk that the company considers acceptable.

d) The measures envisaged to mitigate the impact of the risks identified, should they materialize.

e) The information and internal control systems to be used to control and manage the aforementioned risks, including all contingent liabilities and off-balance sheet risks.

Complies [X] Partially complies [ ] Explain [ ]

46. Under the direct supervision of the audit committee or, where appropriate, a specialized committee of the Board of Directors, there is an internal control and risk management function exercised by an internal unit or a department of the company that has expressly been given the following duties:

a) Ensuring the proper operation of the risk control and management systems and, in particular, to ensure that any significant risks that affect the company are properly identified, managed, and quantified.

b) Actively participating in the preparation of the risk strategy and in important decisions about its management.

c) Ensuring that risk control and management systems adequately mitigate the risks within the framework of the policy defined by the Board of Directors.

Complies [X] Partially complies [ ] Explain [ ]

47. The members of the appointments and remuneration committee (or of the appointments committee and the remuneration committee, if they are separate) are appointed with the knowledge, skills and experience appropriate for the functions they are called upon to perform, and the majority of the members are independent directors.

Complies [X]   Partially complies [ ]   Explain [ ]

48. Companies with a large capitalization have separate appointments and remuneration committees.

Complies [X]   Explain [ ]   Not applicable [ ]

49. The appointments committee consults the chair of the Board of Directors and the company's chief executive, especially regarding matters related to the executive directors.

Any director can request that the appointments committee takes into consideration potential candidates to fill vacancies for directors if they consider them to be suitable in their opinion.

Complies [X]   Partially complies [ ]   Explain [ ]

50. The remuneration committee carries out its duties independently and that, in addition to the duties assigned to it by law, it has the following duties:

a) Proposing the basic conditions for the contracts of senior managers to the Board of Directors.

b) Verifying compliance with the remuneration policy established by the company.

c) Periodically reviewing the remuneration policy that is applied to directors and senior management, including the remuneration systems with shares and their application, ensuring that their individual remuneration is proportionate to that paid to the other directors and the senior management of the company.

d) Ensuring that any conflicts of interest do not affect the independence of the external advice provided to the committee.

e) Verifying the information on remuneration for board members and senior management contained in the various corporate documents, including the annual report on the remuneration of the board members.

Complies [X]   Partially complies [ ]   Explain [ ]

51. The remuneration committee consults the company's chair and chief executive, particularly with regard to matters related to the executive directors and senior managers.

Complies [X]   Partially complies [ ]   Explain [ ]

52. The rules for the composition and operation of the supervision and control committees are included in the Regulations of the Board of Directors and that they are consistent with those applicable to the legally mandatory committees in line with previous recommendations, including:

a) They are made up exclusively of non-executive directors, with a majority of independent directors.

b) Their chairmen/women are independent directors.

c) The Board of Directors appoints the members of these committees based on the knowledge, skills and experience of the directors and the tasks of each committee. It deliberates on their proposals and reports and give an account of their activities in the first plenary session of the Board of Directors after its meetings and that they explain the work that they have carried out.

d) Committees may seek external advice when they consider it necessary for the performance of their duties.

e) Minutes are drawn up of their meetings, which will be provided to all of the directors.

Complies [ ] Partially complies [X] Explain [ ] Not applicable [ ]

The rules of operation of the Sustainability Committee are not covered in the Regulations of the Board of Directors, which may be addressed in the next revision of the Regulations of the Board of Directors. The Sustainability Committee is not currently made up of a majority of independent directors, although the position of Chairman/woman is held by an independent director.

53. The supervision of compliance with the company's environmental, social and corporate governance policies and rules, as well as internal codes of conduct, should be attributed to one or more committees of the Board of Directors, which may be the audit committee, the appointments committee, a committee specialized in sustainability or corporate social responsibility, or any other specialized committee that the Board of Directors has decided to create in the exercise of its own self-organizational powers. This committee is comprised solely of non-executive directors, with the majority thereof being independent directors and be specifically attributed the minimum functions specified in the following recommendation.

Complies [ ] Partially complies [X] Explain [ ]

The Sustainability Committee, created on December 16, 2022, is composed of non-executive directors but not a majority of independent directors.

54. The minimum duties referred to in the previous recommendation are as follows:

a) The supervision of compliance with the corporate governance rules and the company's internal codes of conduct, also ensuring that the corporate culture is aligned with its purpose and values.

b) The supervision of the application of the general policy regarding the communication of economic, financial, non-financial, and corporate information as well as communication with shareholders and investors, proxy advisors and other stakeholders. The way in which the company communicates and relates with small and medium shareholders will also be monitored.

c) The periodic evaluation and review of the Company's corporate governance system and environmental and social policy, in order to help it fulfill its mission of promoting the company's interests and taking into account, as applicable, the legitimate interests of other stakeholders.

d) Ensuring that the Company's practices in environmental and social matters are in line with the established strategy and policy.

e) Supervision and assessment of the relationship with the various stakeholders.

Complies [X] Partially complies [ ] Explain [ ]

55. The environmental and social sustainability policies identify and include at least:

a) The principles, commitments, objectives and strategies related to shareholders, employees, customers, suppliers, social issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal behavior.

b) The methods or systems for monitoring compliance with the policies, associated risks and their management.

c) The mechanisms for supervising non-financial risk, including that related to ethical aspects and business conduct.

d) The channels for communication, participation and dialog with stakeholders.

e) Responsible communication practices that avoid information manipulation and that protect integrity and honor.

Complies [X] Partially complies [ ] Explain [ ]

56. The remuneration of the directors is sufficient to attract and retain directors of the desired caliber and to reward the dedication, qualifications and responsibility that the position requires, but not so high as to compromise the independent judgment of the non-executive directors.

Complies [X] Explain [ ]

57. Only executive directors receive variable remuneration that is linked to the performance of the company and their personal performance as well as remuneration through the handover of shares, options or rights to shares or instruments linked to the share price and long-term savings systems such as pension plans, retirement systems or other social security systems.

The handover of shares as remuneration to non-executive directors may be considered when it is conditional on their holding them until they cease to serve as directors. The foregoing will not apply to shares that a director needs to dispose of, if applicable, to pay the costs related to their acquisition.

Complies [X] Partially complies [ ] Explain [ ]

58. In the case of variable remuneration, payment policies incorporate the limits and technical precautions necessary to ensure that this remuneration is related to the professional performance of its beneficiaries and not solely derived from the general evolution of the markets, the evolution of the company's area of activity or other similar circumstances.

In particular, the variable components of remuneration should:

a) Be linked to performance criteria that are predetermined and measurable and that these criteria consider the risk taken on to obtain a result.

b) Promote the sustainability of the company and include non-financial criteria that are suitable for the creation of long-term value, such as compliance with the company's internal rules and procedures and its policies for the control and management of risk.

c) Be established based on a balance between meeting short-, medium- and long-term objectives, making it possible to reward continued performance over a sufficient period of time to evaluate its contribution to the sustainable creation of value, so that the indicators for measuring performance do not revolve solely around one-off, occasional or extraordinary events.

Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

59. The payment of the variable components of remuneration is subject to sufficient verification that the performance or other conditions established previously have been effectively met. In the annual directors' remuneration report, companies should include the criteria for the time required and the methods for this verification based on the type and the characteristics of each variable component.

Companies also evaluate the establishment of a reduction ('*malus*') clause based on the deferral of payment of a part of the variable components for a sufficient period of time that implies their total or partial loss if an event occurs that makes this advisable prior to their payment.

Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

60. The remuneration related to the company's results takes into account the possible exceptions that appear in the external auditor's report which may reduce its results.

Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

61. A significant percentage of the variable remuneration of the executive directors is linked to the handover of shares or financial instruments indexed to their value.

Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

62. Once the shares, options or financial instruments corresponding to the remuneration systems have been assigned, the executive directors cannot transfer their ownership or exercise them until a period of at least three years has passed.

An exception is made in cases where the director maintains, at the time of the transfer or exercise, a net economic exposure to the change in the price of the shares for a market value that is equivalent to an amount of at least twice their annual fixed remuneration through the ownership of shares, options or other financial instruments.

The foregoing will not apply to the shares that the director needs to dispose of to pay the costs related to their acquisition or, after a favorable assessment by the appointments and remuneration committee, to deal with extraordinary situations that so require.

Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

63. Contractual agreements include a clause that allows the company to claim reimbursement of the variable components of the remuneration when a payment has not been in line with the performance conditions or when it has been made based on data that is subsequently proven to be inaccurate.

Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

64. That payments for the rescission or termination of a contract do not exceed an amount equivalent to two years of the total annual remuneration and that they are not paid until the company has been able to verify that the director has met the criteria or conditions established for their receipt.

For the purposes of this recommendation, payments made due to rescission or termination of a contract will be considered to include any payments whose accrual or payment obligation arises as a consequence of or at the time of termination of the contractual relationship that existed between the director and the company, including amounts that were not previously consolidated from long-term savings systems and amounts that are paid based on post-contractual non-competition agreements.

Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

H. OTHER RELEVANT INFORMATION

1. If there is any relevant aspect of corporate governance in the company or in the group entities that has not been included in the rest of the sections of this report that needs to be included in order to provide more complete and reasoned information about the structure and governance practices in the company or its group, please describe them briefly.

2. Within this section, any other information, clarification or detail related to the previous sections of the report may also be included as long as it is relevant and not repetitive.

   Specifically, it should be stated whether the company is subject to legislation other than that of Spain in matters of corporate governance and, where appropriate, any information that it is required to be provided in addition to the information required in this report should be included.

3. The company may also state whether it has voluntarily adhered to other codes of ethical principles or good practices (international, sectoral or from another area). If applicable, the code in question and the date of adherence
   should be specified. In particular, it should mention whether it has adhered to the Code of Good Tax Practices, dated July 20, 2010:

1. Relevant aspects of corporate governance that have not been included in the other sections of this report.

C.1.2

On March 17, the Company complements the information published on the reasons for resignation of independent directors through the publication as Other Relevant Information under registry number 15062 at the request of the National Securities Market Commission, in which the following is stated:
- The resignations of the aforementioned directors have occurred in all three cases due to the resignation of the affected director and in no case as a result of a termination decided or proposed by the Company.
- In the particular case of Manuel Conthe and Ana Bolado, their terms of office expired on April 27, 2022, as did the terms of office of five other directors. Within this context of a partial renewal of the Board of Directors, the Bank nominated four proprietary directors for re-election and proposed the appointment of a new proprietary director from shareholders who, due to the size of their stake, have a legal right to obtain this level of representation on the Bank's Board of Directors.
- In view of this circumstance and the fact that there are 15 Unicaja Banco's board members, the maximum number allowed by its bylaws and recommended by the Code of Good Governance for Listed Companies, the situation described above led the Board, at its meeting of February 15, 2022, to agree not to renew one of the independent directors whose term of office was to be renewed, a decision that was adopted by a majority (eleven votes in favor, two against and two abstentions), without deciding at that time which director would not be nominated for re-election (which would temporarily set the number of independent directors at one third of the board, which in all circumstances complies with Recommendation 17 of the Code of Good Governance - taking into account the company's shareholder composition).
- In the case of both Manuel Conthe and Ana Bolado, the common reason for resignation was the aforementioned decision of the Board to reduce the number of independent directors, although with respect to Ana Bolado's resignation, which was subsequent to Manuel Conthe's, the following was also reported.
Ana Bolado's resignation took place in the context of the aforementioned decision of the Board of Directors, a decision on which Ms. Bolado voted against, considering, in her opinion, that it distanced the bank from the good governance practices that investors and regulators have the right to expect from a listed company, and especially from a bank.

Through the publication of Other Relevant Information under registry number 17784, the Company gave notification on July 29, 2022 that the Board of Directors had acknowledged and accepted the resignation of Ernesto Luis Tinajero Flores as director of Unicaja Banco, in order to provide the Company with six independent directors, as required by the Supervisor. The resignation was conditional upon obtaining the regulatory authorization and acceptance of the appointment by María Teresa Costa Campi.

Through the publication of Other Relevant Information under registry number 19658, on December 16, 2022 the Company gave notification that the Board of Directors had taken note of and accepted the resignation of proprietary director Juan Fraile Cantón, in order to facilitate any process of renewal of the representatives of the shareholder in whose representation he was appointed (Fundación Bancaria Unicaja), which will take effect at the moment in which regulatory authorizations are obtained. The notice also referred to the acceptance of the candidate proposed by the Fundación Bancaria Unicaja to replace him, Juan Fraile Cantón, which will take effect at the moment in which the regulatory authorizations are obtained and the acceptance of the candidate appointed by Fundación Bancaria Unicaja to replace him takes place.

C.1.5

In this Policy, the following criteria are therefore taken into account to ensure diversity:
- Academic and professional backgrounds: The Company will promote a balance of diverse knowledge, skills and experience to make the decision-making process more robust, and will ensure that candidates considered for vacancies include different academic and professional backgrounds.

- Age: The Company will work to ensure that the Board includes members of different ages, so that a balance of knowledge, experience and skills is achieved, both individually and collectively. The selection processes for Board Members will therefore involve candidates from a wide range of age groups.

- Gender: The Company will ensure that the least represented gender on the Board of Directors has access to the Board of Directors and that the selection processes are attended by a sufficient number of candidates of that gender to maintain an adequate balance in terms of diversity and to ensure the continued maintenance in the Company of a percentage of women's representation on the Board of Directors that complies with the diversity standards set, from time to time, by the competent authorities, as well as by the recommendations of good corporate governance of which the Company is a recipient.

In terms of gender, the competencies of the Appointments Committee include the establishment of a representation objective for the gender less represented on the Board of Directors and the preparation of guidelines on how to increase the number of persons of the less represented gender with a view to achieving said objective. In the composition of the Board as a whole and its support committees, the Company exceeds the target set out in Recommendation 15 of the Code of Good Governance for listed companies, which states that the number of women directors represents at least 40% of the Board by the end of 2022. Previously, this minimum level of representation was set at 30%.

When applying this Policy, care will therefore be taken to ensure that the corresponding selection processes do not suffer from implicit biases that could imply any discrimination for reasons of gender, among other reasons. In particular, any type of bias that may hinder the appointment of women directors and that may impede the fulfillment of the Company's objective specified in the preceding paragraph will be avoided.
- Disability: In the selection procedures promoted by the Company, the appointment of a suitable candidate will not be conditioned by the presence of any type of disability in the candidate.
- Independence: The number of formally independent directors will be sufficient to allow for the good governance of the Company, taking as a reference the criteria contained in the Capital Companies Act and the recommendations and guidelines for good corporate and internal governance.
In 2022, the selection process for board members ensured diversity based on the following criteria:

A) Academic and professional profile.
With respect to the criterion of diversity of academic and professional backgrounds, in view of the individual contribution of each of the new directors incorporated in 2022, the current composition of the Board of Directors maintains, as a whole, sufficient knowledge and experience to cover all of the areas required for the advancement of the Bank's activities.

B) Age:
Age is another criterion taken into account to ensure diversity. In this regard, it should be noted that despite the modification of its composition that took place during the year, the Board of Directors maintained the average age of the directors with the new additions.

C) Independence:
Following the resignations of independent directors in 2022, and the entry of a proprietary director representing a significant shareholder, the Bank took all of the necessary steps to fill the vacancies, proposing the appointment of an independent director, for approval by the General Meeting and the co-option of another independent director.
In this way, once the corresponding regulatory authorizations were obtained (July and August 2022), the structure of the Board was rebalanced, with five independent directors representing 33.33% of the total number of directors, guaranteeing a balanced composition between executive and external directors. This exactly matched the proportion recommended for large cap companies with a shareholder controlling more than 30% of the share capital, thus complying with Recommendation 17 of the Code of Good Governance of Listed Companies.
As mentioned in the previous section, following the Supervisor's recommendations that the Board should have six independent directors, at the end of July the Company also agreed to co-opt a new independent director to fill the vacancy that arose on the Board as a result of the resignation of a proprietary director. Therefore, of the fifteen directors that make up the Board of Directors, two are executive directors (13.33%), seven are proprietary directors (46.67%) and six are independent directors (40%). Non-executive directors therefore make up a large majority of the Board, with the number of female directors also increasing with the new appointments, as will be explained in the following section, in accordance with Recommendation 15 of the Company's Code of Good Governance.

D) Gender:
The percentage of women members on the Board of Directors has remained above the minimum percentage of 30% stipulated by Recommendation 15 of the Code of Good Governance throughout the year. The Bank also managed to meet the recommendation of reaching 40% of women by the final 2022.

C.1.6

In relation to Recommendation 15 of the Code of Good Governance, regarding measures to encourage the company to have a significant number of female senior managers, the Appointments Committee remains committed to promoting an increase in the number of women in senior management, ensuring fairness in the selection and promotion processes, ensuring the natural flow of talent, whether male or female, at all levels of the organization. Management positions represent a small proportion of the total workforce.

In 2022, Unicaja Banco maintained the same percentage of women holding senior management positions (16.67%). In the case of women in middle management, it is expected that the percentage will increase through the application of best working practices.

Unicaja Banco promotes equal opportunities between men and women.

Among its specific objectives, Unicaja Banco's Equality Plan includes:

• Training and raising awareness among UNICAJA staff on equality issues, with an emphasis on the group of managers who have extensive decision-making power and autonomy in the management of the people under their charge.
• Promoting the participation of women in training that focuses on management skills, with the aim of placing women in an optimal curricular and professional position to fill vacancies that may arise in management positions or, where appropriate, to occupy newly created posts of responsibility.
• Selection of women eligible for promotion based on the needs and requirements of UNICAJA management.
• Determination of the training actions that seek to empower and train professionals in management skills.
• Invitation and motivation to the women eligible for promotion to participate in the aforementioned training programs, considering the time dedicated to them as effective work time (training credit).

Unicaja Banco and its Group companies promote the reconciliation of the personal and family life of employees with their work activities, ensuring equal treatment and opportunities for men and women.

C.1.16

In accordance with the provisions of the Policy for the Evaluation of the Suitability of the members of the Board of Directors, General Managers and similar and other Key Personnel for the development of the financial activity, Board Member candidates must meet the suitability requirements necessary for exercising their position. In particular, they should be of recognized commercial and professional repute, honesty and integrity, have adequate knowledge, experience and competence to perform their duties and be in a position to exercise good governance of the Company. The relationships and the incompatibility regime will also be taken into account.

The Board of Directors will also have members who, taken as a whole, have sufficient professional experience in the governance of credit institutions to ensure their effective capacity to make decisions independently for the benefit of the Company.

- Re-election
As set out in Article 17 of the Bylaws, the directors will hold office for a term of three years and may be re-elected indefinitely for terms of the same duration, subject to a report from the Appointments Committee, which will evaluate the quality of the work and dedication to the position of the directors during the preceding term of office. Directors whose appointments were co-opted will hold office up to and including the date of the first General Shareholders' Meeting, without prejudice to the power of ratification or revocation held by the General Shareholders' Meeting.
General. In the event of a vacancy occurring after the General Shareholders' Meeting has been called and before it is held, the Board of Directors may appoint a director until the next General Shareholders' Meeting is held.

- Removal
Article 14 of the Regulations of the Board of Directors establishes that the directors will leave office when the term for which they were appointed has elapsed, or when so decided by the General Shareholders' Meeting in the use of the powers conferred by law and the Bylaws. Directors must also tender their resignation to the Board of Directors and formalize, if the latter deems it appropriate, the corresponding resignation in the cases detailed in Section C.1.19 below.

C.2.1 Audit and Regulatory Compliance Committee.

(b) Regarding the internal auditor:

i. Ensure the independence of the unit that assumes the internal audit function, propose the selection, appointment, reappointment and removal of the head of the internal audit service, ensure that the profiles of the internal audit staff are adequate and that they are able to carry out their work objectively and independently.

ii. Annually evaluate and approve the internal audit function's action plan, which identifies the audit objectives and the work to be performed, verifying that the main areas of risk, financial and non-financial, of the business have been considered in said plan, delimit and identify its responsibilities, its functions and resources in order to ensure that they are adequate for the real needs of the Company and the risks it has to face and receive periodic information on the activities of the function.
iii. Verify that senior management takes into account the conclusions and recommendations of its reports.

(c) Regarding the auditor:

i. Submit proposals for the selection, appointment, re-election and replacement of the auditor to the Board for submission to the General Shareholders' Meeting, taking responsibility for the selection process, as well as the conditions of their engagement, and to regularly request from the auditor information on the audit plan and its execution, in addition to preserving their independence in the performance of their duties.

ii. Define a procedure for selecting the auditor, specifying the criteria or parameters to be assessed.
iii. Establish the appropriate relations with the auditor to receive information on matters that could threaten their independence, for examination by the Committee, and any others related to the process of carrying out the auditing of accounts, and, where appropriate, the authorization of services other than those prohibited, in accordance with the terms established in the applicable regulations. Receive other communications provided for in auditing legislation and auditing standards. In all cases, the auditor shall provide the following on an annual basis: (i) a written declaration of independence from the Company or companies directly or indirectly related to it and (ii) detailed and individualized information on the additional services of any kind provided to these companies by the auditor or individuals or companies linked to the auditor in accordance with the provisions of the regulations governing the activity of auditing accounts.
iv. Prior to the issuance of the accounts audit report, issue an annual report expressing an opinion on whether the independence of the accounts auditor is compromised. In all circumstances, this report must give a reasoned assessment of the provision of each of the additional services referred to in the preceding section.
v. In the event the auditor resigns, examine the reasons for doing so.
vi. Ensure that the auditor's remuneration for their work does not compromise their quality or independence.
vii. Discuss any significant weaknesses in the internal control system detected in the course of the audit with the auditor, without breaching their independence and submitting, where appropriate, recommendations or proposals to the Board of Directors and the corresponding deadline for follow-up.
viii. Ensure that the Company notifies the National Securities Market Commission of the change of auditor as a relevant fact and accompanies it with a statement on the possible existence of disagreements with the outgoing auditor and, if applicable, their content.
ix. Ensure that the auditor holds an annual meeting with the full Board of Directors to inform them about the work carried out and the evolution of the company's accounting and risk situation.
x. Ensure that the Company and the auditor comply with current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and, in general, all other regulations established related to the independence of the auditors.

(d) In relation to compliance with corporate governance rules:

i. Supervision of compliance with the Company's internal codes of conduct and corporate governance rules.
ii. Supervision of the communication and relationship strategy with shareholders and investors, including small and medium shareholders.
iii. Regular assessment of the suitability of the Company's corporate governance system, in order to help it fulfill its mission of promoting the company's interests and taking into account, as applicable, the legitimate interests of other stakeholders.
iv. Review of the Company's corporate social responsibility policy, ensuring that it is oriented towards the creation of value.
v. Monitoring of corporate social responsibility strategy and practices and evaluation of their degree of compliance.
vi. Supervision and assessment of the relationship with the various stakeholders.
vii. Assessment of everything related to the company's non-financial risks, including operational, technological, legal, social, environmental, political and reputational risks.
viii. Coordination of the non-financial and diversity information reporting process in accordance with the applicable legislation and international standards of reference.
ix. Report the transactions that the Company carries out with Directors, Senior Management, significant shareholders or shareholders represented on the Board and those related to them ("related-party transactions") to the Board of Directors in advance in accordance with the provisions of applicable legislation, the Bylaws, the Regulations of the Board of Directors and the "Policy for the identification and management of conflicts of interest and related-party transactions of directors, significant shareholders and senior management". To this end, it may request expert reports when deemed appropriate.

(e) Regarding regulatory compliance:

i. Ensure compliance with applicable national or international regulations in matters related to the prevention of money laundering, conduct in securities markets, personal data protection and prevention of criminal risk, among others, monitoring the main legal risks in which the Company may incur in those matters within its competence.
ii. Be aware of the degree of compliance with regulations by the various Company units and departments, as well as the corrective measures recommended by the internal audit in previous actions, reporting to the Board on those cases that may pose a significant risk to the Company.
iii. Examine the draft codes of ethics and conduct and their respective amendments that have been prepared, and issue its opinion prior to submitting the proposals to be formulated to the Board of Directors.
iv. Supervise compliance with the Internal Rules of Conduct in the Securities Market and the development of the functions attributed to the Regulatory Compliance Department, and to be aware of the reports and proposals submitted to it by this Department.
v. Approve the annual work plan of the regulatory compliance function, and the annual report or annual activity report, receive periodic information on its activities, attend to requests for information and verify that senior management takes into account the conclusions and recommendations of its reports.

(f) In terms of structural and corporate modification operations the Company plans to carry out:

For its analysis and prior reporting to the Board of Directors, the Committee will be informed of its economic conditions and impact on the accounts including, where appropriate, the equation for any proposed exchange.

2) Procedures, rules of organization and operation:

The Audit and Regulatory Compliance Committee comprises a minimum of three and a maximum of five directors, who will be appointed for a period not exceeding their term of office, without prejudice to the possibility of their being re-elected indefinitely and to the extent that they are also re-elected as directors.
all of the members of the Committee shall be non-executive Board Members, with the majority of them and, in all circumstances, its chairman/woman being independent Board Members.

The Board of Directors will appoint the members of the Committee and the Chairman/woman of the Committee for a term not exceeding four years. Directors who have held the office of Chairman/woman of the Committee may not return to the office until at least one year has elapsed since they ceased to hold that position.
The Board of Directors will also appoint an individual who is not a member of the Committee as Secretary of the Committee, who will assist the Chairman/woman.
The Committee will meet at least quarterly and, in addition, whenever convened by its Chairman/woman when they deem it appropriate or when required by agreement of the Committee or at the request of two of its members. In all circumstances, the Committee shall meet on the occasion of each annual or interim financial information publication date. The Committee Chairman/woman will report on the matters discussed and decisions adopted by the Committee at the first meeting of the Board following the meeting of the Committee. Annually, the Committee prepares an action plan for the year and an annual report on its operation which it presents to the Board of Directors.

3) Actions of the Audit and Regulatory Compliance Committee in 2022:

(a) Activities performed to fulfill duties regarding internal information and control systems:

Prior to the meeting of the Board of Directors, the Committee reviewed and reported the annual accounts and interim financial statements, including reports on management, annual corporate governance, directors' remuneration and a separate report on non-financial reporting, as well as the rest of the financial reports that have been provided to the public and supervisors.

The Committee also reviewed all Prudentially Relevant Information prior to its approval by the Board of Directors.

The Committee accepted the findings of the Internal Control over Financial Reporting system (ICFR) and the external expert's audit report on the system.

It carried out a quarterly monitoring of the evolution of credit allocations and analysis of provisions jointly with the Risk Committee.

The Committee was also informed of the Annual Data Quality and Governance Committee Report corresponding to fiscal year 2022, which gives information on the action carried out to comply with the regulatory requirements for the validation and implementation of the IRB models.

(b) Activities performed in compliance with the function related to the internal auditor:

The Committee was presented with the Internal Audit Strategic Plan 2022-2024 and the 2022 annual plan of Internal Audit activities. It was periodically informed of the degree of compliance with the requirements and recommendations issued by the Internal Audit Department.
The Annual Report on Internal Audit Activities was also submitted to the Committee. The Committee agreed to report favorably on updates to the Internal Audit's Statute and Code of Ethics.

(c) Activities performed in compliance with the function related to the auditor:

Taking into account that the period of activity of PricewaterhouseCoopers Auditores, S.L. as auditors of the Bank's accounts concludes with the audit of the accounts for 2023 and having exhausted the maximum period provided for in current regulations, in 2022 the Committee carried out the procedure for the selection of a new auditor provided for in EU Regulation 537/2014, recommending to the Board a proposal to the General Meeting.

The Committee periodically received information on compliance with the Auditor Appointment Policy, services and other aspects of the independence of the Unicaja Banco Group's auditor. The auditor has periodically appeared before the Committee to report on the conclusions of the audit procedures carried out on the financial reporting, as well as on the key aspects of the audited period and regulatory developments in the field of external auditing. The Committee was advised on the auditor's written confirmation of their independence and issued, prior to the issuance of the audit report on the financial statements, a confirmation report on the independence of the auditor. The auditor submitted the draft audit report on the individual and consolidated financial accounts for 2022 to the Committee. It envisaged (as was ultimately the case) the issuance of a favorable opinion, and submitting the additional report for the Audit Committee on the aforementioned financial statements.

(d) Activities performed in compliance with the function related to corporate governance rules:

The Committee gave a favorable report on the separate Statement of Non-financial reporting to the Board of Directors and was informed of the draft conclusions about it by the external verifier (PwC), which is published together with the Financial Statements, prior to its formulation by the Board of Directors. During the year, the Committee submitted the report on the application of the policy on communication and contact with shareholders, institutional investors and proxy advisors to the Board of Directors.

It also accepted the Sustainability and ESG Business Report, as well as the main action planned for 2022.

The Committee also reported favorably on the 2022-2024 Corporate Social Responsibility Master Plan.

It also gave a favorable report on the proposed amendment of the Bylaws, which was approved by the 2022 Ordinary General Shareholders' Meeting, the prevention of corruption and bribery policy, the update to the policy for the identification and management of conflicts of interest and related-party transactions involving significant shareholders, board members, senior executives and other related parties. The update of the Corporate Outsourcing Policy was received, including the Annual Activity and Monitoring Report of the Outsourcing Governance Section in 2021. The Committee approved the procedure for updating the corporate website. The Committee reported favorably on the update of the Group's Employee Conflicts of Interest Prevention and Management Policy, the approval of the Corporate Governance Policy, the update of the Corporate Policy and the Manual on Criminal Risk Prevention and Reaction to Non-Compliance, as well as the update of the Corporate Regulatory Monitoring Policy.

(e) Activities performed in order to fulfill the duty of regulatory compliance:

The Regulatory Compliance Department's Annual Report on the actions carried out was presented to the Committee, along with the Regulatory Compliance Department's Master Plan for this year, with this Department having reported periodically on the activities carried to ensure its compliance, providing a favorable report on the updating of the Internal Code of Conduct to the Spanish Securities and Exchange Committee.

The Committee was informed of the Annual Risk Self-Assessment Report on Money Laundering and Financing of Terrorism, which shows satisfactory compliance by the Company, without the need to implement significant additional measures. The Committee was advised on the 2021 annual reports of the Committee for the Prevention of Money Laundering and Financing of Terrorism, the Regulatory Compliance Committee and the Criminal Risk Prevention Committee.
The Committee accepted AENOR's renewal of Unicaja Banco's Compliance Management System.

(f) Activities associated with Related-Party Transactions

Throughout the year, the Committee has issued reports on the proposals for granting related party transactions, confirming that all of the submitted proposals with related parties were made under market conditions, in accordance with the risk assessment criteria applicable to Unicaja Banco. Since July 4, the date of entry into force of the Capital Companies Act, the Audit and Regulatory Compliance Committee has also considered that the transactions submitted for approval by the Board of Directors are fair and reasonable for the Company, with the Committee reporting favorably on all submitted transactions. A new feature is the delegation by the Board of Directors to a number of the Bank's internal committees and the granting of related-party transactions that do not exceed a given aggregate amount over the past year, the conditions of which are standardized and carried out at generally established rates.

(g) Transactions with significant shareholders

With respect to transactions with significant shareholders, the Audit and Regulatory Compliance Committee ensures that relations with them are correct and appropriate. In particular, in 2022 the Committee analyzed transactions and reported favorably, prior to approval by the Board of Directors.

(h) Other matters:

The Committee has been periodically informed of the situation of and changes to the Company's treasury stock. It has also been informed of the requirements received from regulatory and supervisory bodies, having given notification of the contents of the prospectuses corresponding to the Issuance Program and other factors prior to the actual issuance. The Committee informed the Board of Directors on the approval of the Bank's Financial Agent Model, including the Corporate Policy for the Admission of Financial Agents.

At the time of the call of the Ordinary General Shareholders' Meeting in 2023, the Company plans to publish the Annual Operating Report of the Audit and Regulatory Compliance Committee on the corporate website, setting out the operation and activities carried out by this Committee in 2022 in more detail.

C.2.1 Appointments Committee.

2) Procedures, rules of organization and operation:

The Appointments Committee will consist of a minimum of three and a maximum of five directors who do not perform executive functions in the Company. Most of them, and in all cases the Chairman/Chairwoman, should be independent directors.

The members of the Appointments Committee will be appointed by the Board of Directors, taking into account the knowledge, experience and skills required for the duties to be performed.

The Board of Directors will appoint a Chairman/woman of the Committee from among the independent directors who are members of the Committee. It will also appoint a Secretary, who does not have to be a member of the Board, who will assist the Chairman/Chairwoman and provide for the proper functioning of the Committee, duly recording the proceedings of the meetings in the minutes. The Committee will meet with the frequency determined by the Committee and whenever called to meeting by its Chairman/Chairwoman or requested by two of its members.

The Chairman/Chairwoman of the Committee will report on the decisions adopted by the Committee at the first plenary meeting of the Board following the meeting of the Committee. Annually, the Committee prepares an action plan for the year and an annual report on its operation which it presents to the Board of Directors.

3) Actions of the Appointments Committee in 2022:

(a) Actions performed in compliance with identification and recommendation through the corresponding report, in the case of executive Board Members or, in the case of independent directors, through the nomination of candidates to fill vacancies on the Board, with a view to their approval by the Board of Directors or the General Shareholders' Meeting.
The Committee nominated three candidates to become independent director in order to fill the vacancies arising from the resignations of three directors. It was assisted and advised in the selection process by the independent advisory firm Parangon Partners. Following the internal assessments undertaken by the Committee, it agreed to submit to the Board the nomination of the three independent directors. The Appointments Committee also agreed to report favorably on the re-election of one executive director and five proprietary directors.

(b) Activities performed to fulfill duties regarding appointments to the Board and the Committees:

The Appointments Committee dealt with the nominations arising throughout the year within the Board of Directors that required a prior pronouncement by the Committee on the assessment of the suitability of the candidates proposed for the following positions: Chairman/woman of the Audit and Compliance Committee, Chairman/woman of the Risk Committee, Chairman/woman of the Nominating Committee and Coordinating Director and Chairman/woman of the Sustainability Committee.

As a result of these assessments, the Appointments Committee concluded that all candidates complied with the defined profile types for the positions to which they had been nominated, considering them suitable and submitting the corresponding favorable reports to the Board of Directors for their respective appointments.

(c) Activities performed to fulfill the duty of periodically evaluating, at least once a year, the suitability of the members of the Board of Directors and of the Board of Directors as a whole:

When there is a partial renewal of part of the Board of Directors due to the ending of terms of office and with each new appointment of a director, the Appointments Committee assesses the collective suitability of the Board of Directors, both individually and as a whole, to ensure that it has the necessary knowledge, experience and skills to adequately understand the Company's activities, including its main risks, and to ensure its effective ability to make decisions independently and in the best interest of the Company, as well as that the various areas of expertise required are adequately covered.
Over the year, the Appointments Committee also worked in association with the consulting firm Korn Ferry to prepare a new knowledge and experience matrix for the Board as a whole, which will serve to determine the desirable profiles to be incorporated to the Board of Directors in the short and medium term and set priorities for incorporation.

The Appointments Committee also carries out suitability reevaluations when it becomes aware, either on its own initiative or as a result of the notification made by the directors themselves, of facts that could undermine the commercial and professional repute of any of the members of the Board of Directors. In 2022, the Committee specifically addressed the partial reassessment
of the suitability of a member of the Board of Directors, concluding that the mere summons to testify as a person under investigation in preliminary proceedings does not affect the suitability required for the performance of his position in the Bank, that he continues to meet the suitability requirements necessary for the performance of the position and that the credit and reputation of the Bank has not been damaged at any time.

(d) Activities performed to fulfill the duty of ensuring that the directors comply with the regime of incompatibilities and limitations required, with sufficient availability of time to exercise good governance, if any member of the Board of Directors assumes an additional position or begins to perform new relevant activities, in order to verify whether the time devoted to their responsibilities and obligations as a member of the Board of Directors of the Company is sufficient and is not diminished due to the new responsibilities assumed.

During this period, the Committee carried out partial assessment of the suitability of a number of directors, due to the performance of positions or assumption of responsibilities in companies or organizations not belonging to the Unicaja Banco Group and their re-election as directors in companies representing the Bank or which belong to its Group. In all cases it was concluded that the directors continued to be suitable and had sufficient time available in which to perform their duties. Neither their individual suitability nor the collective suitability of the Board was affected. It was also concluded that they continued to comply with the limitations on the number of positions and that no situations of conflicts of interest would arise.

(e) Activities performed to fulfill the duty of periodically evaluating the structure, size, composition and performance of the Board of Directors:

- The Committee submitted its evaluation report on the functioning of the Board of Directors, its Committees and certain positions for 2021 to the Board of Directors.
- For the 2022 evaluation, the Nominating Committee had an independent external consultant to assist the Committee in carrying out the evaluation of the Board's performance, in accordance with Recommendation 36 of the Code of Good Governance
of listed companies and Article 35 of the Board Regulations, given that the last year in which the Bank had an external consultant was for the 2019 evaluation.

(f) Activities performed to fulfill the duty of evaluating the skills, diversity, balance of knowledge and experience required on the Board of Directors and the function of annually reviewing compliance with the policy for the selection of directors.

At the beginning of 2022, the Committee submitted the corresponding annual report on the application of the Director Selection and Appointment Policy and the 2021 Diversity Policy to the Board of Directors, taking part in the design of a Training Plan for the members of the Board of Directors for 2022. Regarding the Committee's activity, it included the following subjects: General framework of bank criminal liability, ESG and Sustainable Finance and Digital financial competencies.

In early 2023, the Appointments Committee Company prepared the report on the application of these policies corresponding to 2022 along with a report on the application of the Suitability Policy, concluding that the individual and collective suitability assessment processes carried out during the fiscal year have been developed in accordance with the criteria, principles and systems established therein.

(g) Activities performed to fulfill duties related to the target representation for the underrepresented gender on the Board of Directors:

The Committee's actions related to this function are described in sections C.1.5 and C.1.6 of this report.

(h) Activities performed in compliance with the reporting on the nomination and removal of Senior Management:

With respect to the evaluation of the remaining members of the Subject Collective who are not considered members of the Board of Directors, in 2022, the Committee issued the corresponding favorable reports on the members of the Subject Collective proposed as candidates to occupy positions of responsibility in Unicaja Banco and in the administrative body of Group companies or investees, in accordance with the procedures set out in the Suitability Assessment Policy.

At the time of the announcement of the Ordinary General Meeting in 2023, the Company plans to publish on the corporate website the Annual Operating Report of the Appointments Committee, which sets out in more detail the operation and activities carried out by this Committee in 2022.

C.2.1 Remuneration Committee

(3) Actions of the Risk Committee in 2022:

(a) Activities performed to fulfill the duty of ensuring compliance with the Company's remuneration policy and the function of verifying the information on remuneration of Directors and Senior Management contained in the various corporate documents:

The Committee submitted the reasoned proposal of the Informative Supplement to the Directors' Remuneration Policy for the three-year period from 2021 to 2023 to the Board of Directors. The Board, in turn, approved its submission to the General Shareholders' Meeting held in March 2022.

The Committee was informed of the annual evaluation of the application of the Remuneration Policy associated with risk management and submitted the 2021 Annual Report on Directors' Remuneration to the Board of Directors.

Prior to its approval by the Board of Directors, the Committee verified the information on remuneration of Directors and Senior Management contained in the various corporate documents, including the Annual Report on the Remuneration of Directors.

(b) Activities performed to fulfill the duty of preparing the decisions regarding compensation to be adopted by the Board of Directors:

The Committee prepared the reports and submitted the proposals relating to the remuneration of the group subject to the Remuneration Policy associated with risk management.

At its various meetings held during 2022, the Remuneration Committee reported favorably on proposals for basic contractual conditions associated with appointments of certain members of the Identified Collective for the purposes of the Remuneration Policy associated with risk management, based on justified circumstances.

(c) Actions carried out in connection with incentive systems:

With respect to 2022, the Compensation Committee agreed to report favorably on the Identified Collective Incentive System, the Business Network System (including Corporate Banking), the Central Services System and the Customer Service Management System, submitting the aforementioned proposals to the Board of Directors for approval.

(d) Other actions:
- The Committee approved its 2022 Action Plan, which included the main actions to be undertaken during the year.

- It reported favorably on the terms and conditions of the proposed directors' and officers' liability policy.

The Company plans to publish the Annual Report on the Operation of the Remuneration Committee on the corporate website at the time of the announcement of the Ordinary General Meeting of 2023, which sets out in more detail the operation and activities carried out by this Committee in 2022.

C.2.1 Risk Committee

(3) Actions of the Risk Committee in 2022:

(a) Actions related to the fulfillment of the function of advising the Board of Directors on the overall risk propensity, the function of ensuring the proper functioning of the risk control and management systems.

The Committee monitored the metrics and updated the Unicaja Banco Group's Risk Appetite Framework, periodically analyzing its monitoring reports, based on the Bank's financial situation and strategy. Credit risk was also monitored on a monthly basis, including, among others, non-performing loans and retail mortgage and fixed-income portfolios. Structural risks, technological risks (jointly with the Technology and Innovation Committee), the activity of the Validation Department and the monitoring of the IRB Project and matters related to resolvability have also been monitored together with the Audit and Regulatory Compliance Committee.

(b) Actions related to the function of ensuring that the risk control and management systems adequately mitigate risks within the framework of the policy and to the function of actively participating in the development of the Company's risk management policy.

In addition to the actions related to the Risk Appetite Framework mentioned above, the Committee participated in the preparation and agreed to submit to the Board of Directors, with a favorable report, the Annual Report on the Internal Capital Adequacy Assessment Process (ICAAP) 2021 and the Annual Report on the Internal Liquidity Adequacy Assessment Process (ILAAP).

The Committee also agreed to report the update of the internal capital allocation (ICAAP) and the identification of material risks and liquidity cushion allocation (ILAAP).

The Committee accepted the 2021 Prudentially Relevant Information, following up on the process of preparing the Bank's Recovery Plan and updating the 2022-2023 Multi-Year Resolvability Work Program. It also agreed to report favorably on the update of the Bank's Irregular Asset Management Framework.

(c) Activities related to the adequacy of asset and liability pricing to the business model and risk strategy.

The Committee reported favorably on and submitted the update to the Pricing Policy to the Board of Directors for its approval. This report includes the pricing framework for the granting of customer operations. It also reported favorably on the
Governance of Products and Services and the update of the Customer Credit Risk Policy, as well as on the Policy for the integration of sustainability factors in credit risk management and the proposal for the identification and definition of the Non-Financial Risk perimeter.

(d) Activities related to the collaboration on the establishment of rational remuneration policies and practices.
The Committee issued a favorable report on the proposed Incentive System for the group identified in the Compensation Policy associated with Risk Management for 2022

(e) Other actions:

At its first meeting in 2022, the Committee approved the Committee's 2022 Action Plan, which it followed up on at the end of the first half of the year. It reported favorably on the proposal for the appointment of the external control body on guaranteed bonds provided for in Royal Decree-Law 24/2021, accepted the Externalization Governance Section's annual activity and follow-up report and was informed of the inspection and communication actions in risk matters undertaken by the European Central Bank in 2022.

The Committee reported favorably on the proposed Policy for the issuance, management and monitoring of covered bonds, drawn up in compliance with Royal Decree Law 24/2021.

At the time of the announcement of the 2023 Ordinary General Meeting, the Company plans to publish on the corporate website the Annual Operating Report of the Risk Committee, which sets out in more detail the operation and activities carried out by this Committee in 2022.

D.6

Along the same lines, Article 17 of the Board Regulations includes the duty of Board Members to abstain from:
a) Executing transactions with the Company, except ordinary operations that are carried out by them as an ordinary customer and that are not significant, i.e. transactions that do not need to be reported in order to express a faithful presentation of the Company's equity, financial condition and results.
b) Carrying out activities on their own behalf or on behalf of others that effectively compete, currently or potentially, with the Company or that, in any other manner, place them in a permanent conflict of interests with the Company.
c) Attending and participating in deliberations and voting on agreements or decisions in which they or a person related to them have a direct or indirect conflict of interest. This abstention obligation will not apply to resolutions or decisions that affect them as a director, such as their appointment or revocation for positions on the administrative body or others of similar significance.

Article 18 of the Board Regulations prohibits directors from making use of the Company's confidential information for private purposes.

Article 20 of the Board Regulations also provides that directors and related persons may not (a) take advantage of any business opportunity of the Company for their own benefit, (b) make use of the Group's assets for private purposes, (c) make use of their position in the Company to obtain a patrimonial advantage, (d) obtain advantages or remuneration from third parties other than the Company and its Group associated with the performance of their position, except for actions taken out of mere courtesy.

Article 21 of the Board Regulations states that directors must inform the Company of all of the positions they hold and the activities they perform in other companies or entities, and, in general, of any fact or situation that may be relevant to their performance as directors of the Company.

As regards the communication procedure, those who are subject to conflicts of interest rules should immediately notify the Company of any conflict that they or those associated with them may have with the corporate interest, including where they have doubts as to whether there might be a conflict of interest for any cause whatsoever.

This notification should be made in writing, stating in sufficient detail the possible conflict and whether it is a direct or indirect conflict, the object and the main conditions of the operation and the planned decision, including an assessment of the (approximate) economic impact. This letter shall be addressed to the Chairman/woman of the Audit and Regulatory Compliance Committee and submitted to the Secretary of the Corporate Governance and Governing Bodies, who in turn will send a copy of the communication received to all of the members of the Audit and Regulatory Compliance Committee for appropriate processing.

Designated Persons must also refrain from taking any action related to the possible conflict until the Board of Directors issues a decision on the conflict situation that has been brought to its attention, after reviewing a report from the Audit and Regulatory Compliance Committee.

If the person or any associated persons affected by the conflict of interest is a director, they should abstain from participating in the deliberation and voting on resolutions or decisions related to this conflict, both in the meetings of the Board of Directors and of any other corporate body, commission or committee in which they participate. They should also refrain from influence or participation in decision-making or voting on matters in which their objectivity or ability to properly perform their duties with respect to the Company may be compromised. Furthermore, they are to refrain from accessing confidential information affecting this conflict.

In addition, the Unicaja Banco Group's Code of Conduct includes certain general principles and recommendations relating to good governance and the basic ethical standards that govern actions in the different markets, with special attention paid to
the prevention of any conduct that may give rise to criminal liability. It is applicable to the Group's directors, officers and employees and expressly provides that subjects must avoid incurring in situations in which personal interests may come into conflict with the interests of the Group or of the company in which they carry out their activity.

Finally, the Internal Code of Conduct in the Securities Market of Unicaja Banco, S.A. includes the general policy for the prevention and management of conflicts of interest that may arise between the Bank's customers and the Bank itself. It is applicable to the members of the Board of Directors, other executives, employees and attorneys-in-fact, among others.

With the aims set out in the Protocol for the Management of the Financial Participation of the Unicaja Banking Foundation, providing for mechanisms to avoid possible conflicts of interest between the Unicaja Banking Foundation and Unicaja Banco, an Internal Protocol of Relations between the Unicaja Banking Foundation and Unicaja Banco was signed on December 1, 2016. Its purpose includes ensuring that the financial activity of Unicaja Banco is managed independently of the charitable or other activities of Fundación Bancaria Unicaja, avoiding conflicts of interest in all cases.

E.2

• The Steering Committee
Among its functions, the following related to the Risk Appetite Framework (RAF) stand out:
- Where appropriate, validating and submitting the proposals for documents related to the Company's strategic planning, including the RAF to the Governing Bodies.
- Conveying the Risk Appetite Framework's main criteria to the rest of the Bank, whether they be the initial criteria or their subsequent adaptations, through the units that are in charge of each area with the aim of having a solid "risk culture" at Unicaja Banco.
- Evaluating the implications of the RAF, in their respective areas of competence, in coordination with the Entity's internal Committees, which will in turn inform the relevant units, where necessary.

E.3

- Operational risk
Operational risk is defined as the risk of loss due to the inadequacy or failure of internal procedures, people and systems or due to external events, including legal risk.
Operational risk includes technology risk, which is defined as the risk arising from system, network and hardware or software failures and information security risk (including cybersecurity), which considers the risk arising from information security incidents, including the loss, theft or misuse of information (of all types, pertaining to customers and employees or owned by the organization), as well as non-compliance with rules relating to information security.
Fiscal risk is included, which is defined as the possibility of not complying with the objectives defined in Unicaja Banco's Tax Strategy, caused by internal or external factors, with two possible effects that could be detrimental to the Bank, to shareholders or other stakeholders: (a) a shortfall of tax income over the figure derived from an adequate interpretation of the Standard, which generates costs in terms of penalties, surcharges and interest for late payment, as well as possible reputational impacts and (b) an excess of tax income that is detrimental to the Company's equity, resulting in higher taxation than should be appropriate, in accordance with current regulations.

- Reputational risk
Reputational risk is defined as the probability of incurring losses in value as a consequence of a deterioration in the perception that its main stakeholders have of its corporate reputation.

- Business and strategic risk
This is defined as the risk of incurring losses due to erroneous strategic decisions derived from an incorrect analysis of the market in which it operates, either due to a lack of knowledge of the market or the inability to achieve its objectives, any of which could threaten the viability and sustainability of the Company’s business model. It includes change management risk, in other words the risk derived from projects that do not meet their objectives, change their scope or undergo a transformation process in their operation.

- Risk related to environmental, social and governance factors.
Environmental, social and governance (ESG) factors may have a relevant impact on the Company’s financial or solvency development. The scope of these factors is extrapolated to those associated with the marketing of financial products and their exposure to the public, as well as to the Company’s own exposure.
The proper management of ESG factors by the Company is, from a risk perspective, conditioned by the economic activity and the classification of its assets (such as the sector and geographical location of its counterparties or issues of financial instruments invested) and liabilities (including issues of financial instruments or investment portfolio).
ESG factors can affect the Company’s financial performance by manifesting themselves in prudential financial or non-financial risks, such as credit, market, operational, liquidity and interest risk, or reputational or liability risk, respectively. Therefore, while ESG factors can have positive or negative impacts, the associated risk is defined from a prudential perspective in the context of supervisory review as the negative materialization (on the Company or on its counterparties) of ESG elements.
Climate-related and environmental risk (ESG Environmental factor) is generated by the Company’s exposure to counterparties that may potentially contribute to or be adversely affected by environmental factors, including factors resulting from climate change and other types of environmental degradation. These risks are generally considered to comprise two main risk factors affecting economic activities, which, at the same time, have an impact on the financial system. These are:
- Physical risk, which refers to the financial impact of a changing climate, including more frequent extreme weather events and gradual changes in climate, as well as environmental degradation, such as air, water and land pollution, loss of biodiversity and deforestation.
Physical risk is in turn classified as:
o “Severe”, where it arises from extreme events, such as droughts, floods and storms.
o “Chronic”, where it arises from gradual changes, such as rising temperatures, sea level rise, land use change, habitat destruction and scarcity of resources.
This can directly cause damage to goods or a decrease in productivity, for example, and can also indirectly lead to further incidents, such as the disruption of supply chains.
- Transition risk refers to the Company’s financial losses that may arise directly or indirectly from the process of adjusting to a reduced carbon footprint and more environmentally sustainable economy. This circumstance can be
triggered, for example, by a relatively abrupt adoption of environmental policies, technological advances or changes in the market climate and consumer preferences.
Physical and transition risks can also trigger further damages arising directly or indirectly from legal claims (liability risk) and a loss of reputation if the public, counterparties or investors associate the Bank or its customers – particularly corporate or institutional clients – with adverse environmental effects (reputational risk).
Accordingly, physical and transition risks are existing risk factors, in particular credit risk, operational risk, market risk and liquidity risk, as well as the risks outside Pillar 1, such as migration risk, credit spread risk in the investment portfolio, real estate risk and the strategic risk.

- Corruption risk

Corruption risk, understood within the scope of Royal Decree 18/2017, is covered through the Program for the Prevention of Criminal Risk and Reaction to Non-Compliance, approved by the Board of Directors in 2019 and updated in 2022, among other means.

E.6

On the other hand, the Unicaja Banco Group has implemented systems for compliance with Law 5/2015 on the promotion of business activity, which recognizes inalienable rights for SMEs and the self-employed in those cases in which a credit institution decides to cancel or reduce the flow of finance.
The granting of credit operations shall be subject to a decentralized approval process based on the joint powers of the following decision-making bodies, depending on their beneficiaries, nature, amount, term, guarantees and characteristics:
- Board of Directors
- Credit Risk Committee
- Risk Admission Committee
- Corporate Banking and Specialized Financing Risk Analysis Committee
- Individuals Analysis Committee
- Mortgage Analysis Committee
- Territorial Risk Committee
- Territorial Analysis Committee
- Office Risk Committee
Credit risk control functions and methodologies are applied during both the credit transaction approval phase and the credit transaction follow-up and recovery phases. Follow-up consists of monitoring assessment of the risk of the transaction itself and of the customer or, where applicable, the economic group. Thus, various controls monitor and control the credit risk of the financial investment:
- The preventive supervision of operations and credit receivers.
- The supervision of all impaired, doubtful or unpaid transactions.

In accordance with the provisions of the regulations in force, the Unicaja Banco Group has a policy for refinancing, restructuring, renewing and renegotiating transactions.
In addition, it has methodologies, procedures, tools and rules of action for controlling and recovering irregular assets.
Unicaja Banco has adapted its policies, processes and tools in order to better identify and measure credit risk in the context derived from the coronavirus pandemic (COVID-19).

- Market Risk

Even though market risk is assigned to trading positions for solvency purposes, the Unicaja Banco Group has developed policies, processes and tools for managing the market risk corresponding to its entire portfolio of securities entered at a fair value for accounting purposes.

To ensure the adequate management of market risk, the Structural and Non-Financial Risks Area, which reports to the Global Risk Control Department, has tools to measure, calculate and control market risks and the limits authorized by the Board of Directors, in particular "Value at Risk" (VaR) and operating limits for credit/counterparty risk that affect the Unicaja Banco Group's operations in capital markets and that serve as a means of diversification in order to avoid excessively concentrated exposures to market risk.

The Unicaja Banco Group performs measurement and control through the establishment of a structure of quantitative limits, as well as a system of attributions in the operation of financial markets. The Group has detailed information on the various sub-risks
and has assigned limits in its Risk Appetite Framework that allow for adequate monitoring and mitigation if necessary.

Ultimate responsibility for risk identification and control lies with the Governing Bodies of the Unicaja Banco Group, meaning that Senior Management is responsible for and actively participates in the entire risk management process (planning, approval, assessment and control of all risks inherent in the positions taken by the Company in financial markets).

- Interest Rate Risk in the Banking Book (IRRBB)

The control functions performed and methodologies employed by the Bank also include the control of the effectiveness of balance sheet coverages as mitigation instruments and the use of stress testing measures. In the analysis, measurement and control of interest rate risk assumed by the Group, it therefore uses sensitivity measurement and analysis techniques of a wide range of scenarios that could significantly affect it and allow it to capture the various sources of risk. Based on the results of the structural interest rate risk exposure presented by the Unicaja Banco Group at each analysis date, a series of mitigating actions are implemented until it is brought back to the acceptable levels defined by the Company's risk profile, if necessary.

The Board of Directors approves the Bank's overall risk management strategy, laying down the general and control guidelines of this management.
The Assets and Liabilities Committee (ALC) develops the strategy within the framework and limits established by the Board of Directors.

- Liquidity Risk

The Bank establishes prudent policies and goals that contemplate not only normal market conditions but also contingency plans for stress or crisis situations, both its own and those that are market related.

The Unicaja Banco Group has set limits to liquidity risk to control its exposure to it and to maintain its exposure within authorized levels. In general terms, liquidity is considered adequate if the potentially liquid assets and financing capacity are greater than the needs derived from the business and from refinancing in markets. The greater this difference, the greater the available liquidity.

The Unicaja Banco Group also practices a diversification policy in order to avoid excessively concentrated structural liquidity risk exposures. Furthermore, in its liability management, it diversifies its funding sources, ensuring that they are diversified by markets, maturities, and products, in order to avoid difficulties in particular moments of crisis or markets.
The Risk Committee and the Board of Directors are regularly informed of and devote sufficient time to monitoring and supervising the Company's main risks, in order to be able to respond to any challenges that may arise.

- Property Risk

The Unicaja Banco Group sets limits to the real estate risk relating to assets received in payment for debts in order to control this exposure and keep it within adequate levels.
These assets are managed in the Company for the ultimate purpose of divesting or leasing them. To this end, the Unicaja Banco Group has holding companies specializing in the management of urban development projects, the marketing of real estate and the leasing of real estate assets.
It also has specific units to develop these strategies and coordinate the actions of the instrumental subsidiaries. The Bank also has a decentralized governance structure that ensures this risk is properly managed and controlled through a framework of attributions.

- Operational risk

Unicaja Banco assumes the following types of operational risk, in accordance with Regulation 575/2013 (CRR), in order to maintain a uniform and parameterized management of risk, in line with the standards set out in the New Basel Capital Accord (Basel II):
- Internal fraud
- External fraud
- Employment and occupational health and safety practices
- Customers, products and business practices
- Damage to tangible physical assets
- Interruption of the activity and system failures
- Process execution, delivery and management

The emergence in recent years of new potential risks for financial institutions is driving the transition towards an operational risk management model at Unicaja Banco that provides for an expanded taxonomy that addresses new emerging or potential risks, incorporating a greater number of risk typologies as follows: people (human resources), internal fraud, external fraud, conduct, transactional processes, technology, security of physical assets, information security (including cybersecurity), business continuity, regulatory compliance, financial crime, legal, suppliers/third parties, financial and fiscal reporting, data management and modeling.

The Unicaja Banco Group has established a series of procedures for capturing operational loss events.

These provide the Group with the necessary information to be able to implement the corresponding mitigation instruments of its operational risk management policy. Likewise, it has a Board of Directors-approved Operational Risk Framework.

The Group undertakes operational risk management that not only covers the recognition of loss-generating events and their correct accounting, but also promotes the control and active management element with the purposes of minimizing and reducing all losses and negative impacts arising from this type of risk.

The Unicaja Banco Group uses other operational risk mitigation measures to manage the operational risk. These measures include (i) the performance of self-assessment exercises and (ii) the system of key risk indicators (KRI) for measuring the evolution of risk factors.

Since December 2017, the Company has been using the Standardized Approach as its benchmark for the quantification of operational risk in terms of capital, with the aim of improving its operational risk management, in line with the Group's risk culture.

In the tax area, Unicaja Banco's Tax Strategy as approved by the Board of Directors regulates a fiscal risk management system which operates according to the scheme described in Section E.1 above.

The Tax Advisory Area, which reports to the Financial and Tax Reporting Department, is responsible for developing the control mechanisms and internal rules necessary to ensure the application of current fiscal regulations and the objectives and guidelines set out in the aforementioned document. For these purposes, it has a Manual that regulates the functions entrusted to it for the management of the Tax Strategy approved by the Board of Directors – tax management, fiscal advice and defense of the Company's tax interests. All three functions have response mechanisms that focus on fiscal risks.

With the periodicity regulated in the Tax Strategy, these implemented functions and the controls are reported to the Global Risk Control Department (CRO) as a second line of defense.

The Internal Audit Department annually reviews the monitoring of the Tax Strategy as a third line of defense, with the Audit and Regulatory Compliance Committee supervising risk control in tax matters.

- Reputational risk

The Unicaja Banco Group has traditionally been very demanding as regards aspects relating to reputational risk management.

Customer satisfaction and the good image of the Bank are permanent goals of all its employees and the Company's highest levels of governance and management.

This constant effort to maintain and reinforce its good image is rooted in its global culture and, among other specific manifestations, is embodied in:
- The Bank's strategic objectives.
- The Code of Conduct, Corporate Social Responsibility Policy, Sustainability Policy, Environmental, Energy and Climate Change Policy and the Criminal Risk Prevention Program approved by the Board of Directors.
- The actions of the three lines of defense.
- Compliance with the general regulatory framework and, in particular, with the regulations on markets in financial instruments and investor protection ("MiFID") and on the protection of the user of financial services.
- The process of continuous training of employees in all areas in which they carry out their activities, which specifically includes training related to ethical aspects, as determined in the "Code of Conduct".

- Business and Strategic Risk

In order to analyze the soundness of its business model, the Group analyzes potential vulnerabilities through sensitivities and stress exercises. Metrics related to business and strategic risk are also defined and monitored on a recurring basis through the Risk Appetite Framework.

- Risk related to environmental, social and governance factors

For the proper management of ESG risk (which encompasses climate-related and environmental risk), the Company has begun a series of initiatives, including an Action Plan on Sustainable Finance, approved in June 2020 and reviewed in April and November 2021, designed to measure in depth the impact of these risks on its financial structure and to enable it to act efficiently in this area in the medium and long term.

The Bank has also availed itself of a structure for promoting sustainability, which currently comprises the ESG Business Unit and the Sustainability and Corporate Social Responsibility (CSR) Unit. In addition to these two units, the Sustainability and CSR Committee brings together other Bank units with ESG-factor management powers.

It should be noted that in 2022, the Sustainability Committee was established as a support committee of the Board of Directors, whose role is as follows:

i) Ensure that the Company's practices related to sustainability are in line with the strategy, the policies fixed and the commitments acquired.

ii) To give notification of the sustainability policies on to be submitted to the Board of Directors for approval, in order to promote the inclusion of corporate culture and to fulfill the mission of promoting social interest, taking into account the different stakeholders.

iii) Ensure the integrity of the content of sustainability reports, as well as compliance with applicable regulations and international reference standards. With respect to the non-financial reporting contained in the annual management report, assess its content prior to the review and report thereof by the Audit and Regulatory Compliance Committee, for subsequent drafting by the Board of Directors.

iv) The monitoring of the processes of identification, evaluation, control and risk management in the field of sustainability.

v) Evaluate the periodic sustainability reports submitted by the relevant areas of the Company.

vi) To be aware of the texts, reports or communications from supervisory bodies related to sustainability and issue the corresponding reports and/or proposals, as the case may be.

vii) To advise the Board of Directors in decision-making on sustainability matters, with the Audit and Regulatory Compliance and the Risk Committees providing whatever assistance may be required within the framework of their respective competencies, and acting in coordination with both Committees.

viii) To make proposals to the Board of Directors regarding sustainability.
The implementation of the aforementioned Sustainable Finance Action Plan was included in Axis 5 of the 2022-2024 Strategic Plan that was approved by the Bank in December 2021. The new challenge of sustainability, in all its facets, is assumed by Unicaja Banco as an opportunity for development and improvement in its daily management, for which the Bank will work on a renewed offer of products and services, on the reduction of its carbon footprint and, at the same time, promote the culture of sustainability, identification and management of climate and environmental risk, which denotes a holistic approach to the management of these risks.

The Group has included in the Risk Appetite Framework a series of climate-related and environmental risk metrics that constitute indicators of the level of climate and environmental risks.

Unicaja Banco considers that the appropriate management of ESG risk is part of a global work program, which analyzes the financial, marketing and good governance impacts, in order to position itself as a Company committed to sustainability and its derived impacts.

2. It is hereby stated that the Company is not subject to corporate governance legislation other than Spanish legislation.

3. Voluntarily adherence to other codes of ethical principles or good practices (international, sectoral or from another area).

Voluntarily adherence to other codes of ethical principles or good practices (international, sectoral or from another area). Code of Good Tax

Practices

Since December 2017, the Company has adhered to the Code of Good Tax Practices approved by the Large Companies Forum, according to the wording proposed by the State Tax Administration Agency (AEAT).

United Nations Global Compact

Unicaja Banco voluntarily adhered as a signatory to the international initiative of the United Nations Global Compact in July 2013, committing to the 10 Principles of the Global Compact in the areas of Human Rights, Labor Standards, Environment and Anti-Corruption.

Spanish Global Compact Network

In the exercise of its corporate social responsibility, Unicaja Banco joined this Network as a partner in April 2017, which means supporting, among other aspects, the achievement of the Sustainable Development Goals (SDGs) of the United Nations.

United Nations Agency UNITAR ("United Nations Institute for Training and Research")

The agreement signed in September 2018 with the United Nations agency UNITAR and which offers financial support to the International Training Center for Authorities and Leaders (CIFAL) in Málaga, supports the implementation of actions aimed at promoting social and financial inclusion and sustainable development, within the framework of SDGs. This agreement has been renewed until May 2022.

Madrid COP25: collective agreement on climate action

On the occasion of the United Nations Climate Change Conference (COP25), held in Madrid in December 2019, Unicaja Banco and other Spanish financial institutions signed a collective climate action agreement, whereby, among other pledges, it undertakes to reduce the carbon footprint of its credit portfolios within a given timeframe, in a manner that can be measured according to internationally approved criteria and in line with the objectives set out in the Paris Agreement.

Code of Best Practices for the viable restructuring of debts secured by mortgages on primary residences

The Company is bound by this Code established through Royal Decree-Law 6/2012 of March 9 2012, on urgent measures for the protection of mortgagors without resources and its subsequent amendments introduced through Law 1/2013 of May 14, 2013, by Royal Decree-Law 1/2015 of February 27, 2015, by Royal Decree-Law of March 17, 2017, by Law 5/2019 of March 15, 2019 and by Royal Decree-Law 19/2022 of November 22 2022.

Code of Best Practices on urgent measures for mortgage debtors at risk of vulnerability

The Bank is also bound by this Code, introduced through Royal Decree-Law 19/2022 of November 22, 2022, establishing a Code of Good Practices to alleviate the rise in interest rates on mortgage loans on primary residences.
It amends Royal Decree-Law 6/2012 of March 9, 2012 on urgent measures for the protection of mortgagors without resources, adopting other structural measures for the improvement of the mortgage loan market.

Social Housing Fund

In January 2013, Unicaja Banco, together with other public and private entities, signed the Agreement for the creation of a Social Housing Fund, which creates a fund of housing provided by the participating entities, offered for rent to families who have lost their homes due to non-payment of their mortgage loan and are in a situation of special vulnerability. This measure was originally covered by Royal Decree-Law 27/2012 of November 15, on urgent measures to strengthen the protection of mortgage debtors. Unicaja Banco accepted the various renewals of the Fund, most recently in December 2022, when its general term was extended to January 2024. Unicaja Banco contributes 471 homes to the Fund.

Financial Education Plan

Since 2010, firstly through Unicaja and subsequently through Unicaja Banco, the Company has been a signatory to the National Financial Education Plan through the Spanish Confederation of Savings Banks (Plan 2022-2025), currently promoted by the Bank of Spain, the National Securities Market Commission and the Ministry of Economic Affairs and Digital Transformation, the aim of which is to improve economic and financial knowledge among the general public.

In June 2016, the Edufinet project, currently backed by Unicaja Banco and Fundación Unicaja, created in 2005 and with public activity since 2007, signed up to the "Code of good practices for initiatives in financial education", developed by the institutions driving the National Financial Education Plan.

Strategic protocol to reinforce the social and sustainable commitment of the banking system

In February 2022, the Bank signed up to the update of the strategic protocol promoted by the sector to reinforce the social and sustainable commitment of the banking sector, especially with regard to the elderly and the disabled.

This protocol envisages, among other measures: (i) extending the hours of face-to-face service for cash services provided at the teller window or teller, (ii) providing preferential treatment to the elderly in branches, (iii) training staff specifically on the needs of this group, and offering customers financial and digital education and fraud prevention activities, (iv) preferential telephone service at no extra cost, through a personal interlocutor and (v) improving the accessibility and simplicity of the entire network of ATMs, among others.

A new review of the sector protocol was formalized in October 2022 to include new aspects related to financial inclusion in rural areas ("Roadmap to strengthen financial inclusion in rural areas"). For municipalities with more than 500 inhabitants without an access point to financial services, this roadmap outlines a commitment to ensure at least one access point (bank office, ATM, mobile offices, financial agents) while for those with less than 500 inhabitants, the offer of basic banking services, guaranteeing access to cash through cash back or cash in shop formulas, or the use of the postal service's *Correos Cash* initiative.

Advertising-commercial communications

Since November 2010, Unicaja Banco has been a member of the Association for the Self-Regulation of Commercial Communication (Autocontrol), an independent self-regulatory body for the advertising industry in Spain.

This annual corporate governance report was approved by the Company's Board of Directors during its session held on:

2/23/2023

State whether there have been directors that have voted against or abstained from the approval of this Report.

[ ] Yes
[√] No