Condensed interim consolidated financial statements

Consolidated information

Unicaja Group

June 30, 2024

Auditor's Report on Unicaja Banco, S.A. and Subsidiaries

(Together with the condensed consolidated interim financial statements and the consolidated interim directors' report of Unicaja Banco, S.A. and subsidiaries for the period from 1 January 2024 to 30 June 2024)

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

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

Independent Auditor's Report on the Condensed Consolidated Interim Financial Statements

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

To the Shareholders of Unicaja Banco, S.A.:

REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Opinion

We have audited the condensed consolidated interim financial statements of Unicaja Banco, S.A. (the "Bank") and its subsidiaries (together the "Group"), which comprise the balance sheet at 30 June 2024, and the income statement, statement of recognised income and expense, statement of total changes in equity and statement of cash flows for the six-month period then ended, and explanatory notes (all condensed and consolidated).

In our opinion, the accompanying condensed consolidated interim financial statements of Unicaja Banco, S.A. and subsidiaries for the six-month period ended 30 June 2024 have been prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as adopted by the European Union, pursuant to article 12 of Royal Decree 1362/2007 as regards the preparation of condensed interim financial information.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Condensed Consolidated Interim Financial Statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the condensed consolidated interim financial statements pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the condensed consolidated interim financial statements of the current period. These matters were addressed in the context of our audit of the condensed consolidated interim financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of loans and advances to customers

See notes 8.5.5 and 34.2 to the condensed consolidated interim financial statements

Key audit matter	*How the matter was addressed in our audit*
The Group's portfolio of loans and advances to customers, classified under financial assets at amortised cost, reflects a net balance of Euros 49,684,507 thousand at 30 June 2024, while allowances and provisions recognised at that date for impairment total Euros 955,265 thousand. For the purposes of estimating impairment, financial assets measured at amortised cost are classified into three categories (Stage 1, 2 or 3) according to whether a significant increase in their credit risk since initial recognition has been identified (Stage 2), whether the financial assets are credit-impaired (Stage 3) or whether neither of the foregoing circumstances apply (Stage 1). For the Group, establishing this classification is a relevant process inasmuch as the calculation of allowances and provisions for credit risk varies depending on the category in which the financial asset has been included. Impairment is calculated based on an expected loss model, which the Group estimates on both an individual and a collective basis. This calculation entails a considerable level of judgement as this is a subjective and complex estimate. Allowances and provisions for credit risk estimated individually consider estimates of future business performance and the market value of collateral provided for credit transactions.	Our audit approach in relation to the Group's estimate of impairment of loans and advances to customers, classified as financial assets at amortised cost, due to credit risk mainly consisted of assessing the methodology applied to calculate expected losses, particularly as regards the methods and assumptions used to estimate the probability of default, loss given default and exposure at default, and of determining the future macroeconomic scenarios. We also assessed the mathematical accuracy of the calculations of expected losses and the reliability of the data used therein. We carried out our procedures with the involvement of our credit risk specialists. Our procedures related to the control environment focused mainly on the following key areas: – Identifying the credit risk management framework and assessing the compliance of the Group's accounting policies with the applicable regulations. – Understanding the process and control environment related to the classification of the transactions in the loans and advances to customers portfolio according to their credit risk, in accordance with the criteria defined by the Group, especially in relation to the identification of transactions that have seen a significant increase in credit risk since origination and the identification of transactions in default. – Understanding and assessing the controls performed by the Internal Validation Unit in relation to the process of calibrating the expected loss model parameters and the operation of the models used to estimate collective allowances and provisions. – Understanding the process and control environment related to backtesting exercises.

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Impairment of loans and advances to customers

See notes 8.5.5 and 34.2 to the condensed consolidated interim financial statements

Key audit matter	*How the matter was addressed in our audit*
In the case of allowances and provisions calculated collectively, expected losses are estimated primarily using internal models that use large databases, different macroeconomic scenarios, parameters to estimate provisions, segmentation criteria and automated processes, which are complex in their design and implementation and require past and present information and future forecasts to be considered. The Group regularly conducts recalibrations and tests of its internal models in order to improve their predictive capabilities based on actual historical experience. Given the present situation of uncertainty arising from the recent rise in inflation and the monetary policy decisions of central banks and amid the current geopolitical context, which is generating further uncertainty about trends in the main macroeconomic variables and about the capacity of the real economy and households to meet debt payments, the Group has recognised an additional adjustment to the results of its allowances and provisions for credit risk calculated collectively in order to reflect the credit impairment expected as a result of the situation described. The consideration of this matter as a key audit matter is based both on the significance of the Group's loans and advances to customers portfolio, and thus of the related allowance and provision for impairment, as well as on the subjectivity and complexity of the process for classifying these financial assets for the purpose of estimating impairment thereon and calculating expected losses.	– Understanding the process and control environment related to collateral management and valuation. – Understanding the process and control environment related to the data used to estimate credit risk impairment. – Understanding the governance process and control environment related to the estimation of additional adjustments to the results of the allowances and provisions for credit risk estimated collectively. Our tests of detail on the estimated expected losses mainly included the following: – We assessed the methodological approach used by the Group to determine whether it meets the requirements of the applicable accounting framework. – For a sample of individually significant borrowers, we assessed the reasonableness of the classification based on the credit risk of the loans extended to them, as well as the impairment estimated by the Group. Our analysis included an assessment of the assumptions used by the Group, as well as the valuations of the effective collateral given in relation to the transactions analysed, in which our specialists in real estate appraisals were involved. – We assessed the integrity and accuracy of the input balances for the process of collective estimation and evaluated whether the calculation engine is functioning correctly by repeating the calculation process at 30 June 2024, taking into account the segmentation and assumptions used by the Group. – We evaluated the methods and assumptions used to estimate exposure at default and the parameters of probability of default and loss given default. – We considered the macroeconomic scenario variables used by the Group in its internal models to estimate expected losses. – For a sample of transactions for which impairment is estimated through collective calculations, we assessed whether the credit risk classification of these transactions is appropriate in accordance with the Group-defined criteria. Our analysis

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Impairment of loans and advances to customers See notes 8.5.5 and 34.2 to the condensed consolidated interim financial statements	
Key audit matter	*How the matter was addressed in our audit*
	included an assessment of the accuracy of the data used in the process of classifying transactions based on credit risk. – For a sample of transactions for which impairment is estimated using collective methods, we assessed the reasonableness of the valuation of the effective collateral given in relation to the transactions, in which our specialists in real estate appraisals were involved. – We assessed the reasonableness of the additional adjustments to the results of the allowances and provisions for credit risk estimated collectively recognised by the Group at 30 June 2024. We also evaluated whether the related disclosures in the explanatory notes to the condensed consolidated interim financial statements were prepared in accordance with the criteria set out in the financial reporting framework applicable to the Group.

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Recoverability of deferred tax assets See note 29.4 to the condensed consolidated interim financial statements	
Key audit matter	*How the matter was addressed in our audit*
At 30 June 2024, the Group holds deferred tax assets on the condensed consolidated balance sheet amounting to Euros 4,427,298 thousand, of which the recovery of Euros 1,855,356 thousand is not guaranteed through the monetisation mechanisms established in Royal Decree-Law 14/2013 and article 130 of the Spanish Corporate Income Tax Law, as their recovery is dependent on obtaining future taxable profits. The recognition of deferred tax assets entails a certain level of judgement by the Directors in assessing the probability and sufficiency of future taxable profits, future reversals of existing taxable temporary differences and tax planning opportunities. The Directors evaluate the Group’s ability to recover the deferred tax assets based on the estimates of future taxable profits prepared on the basis of the financial projections and business plans of the Group and taking into account the applicable tax legislation at any given time, which requires a high degree of judgement given the current economic uncertainty. Due to the significance of the amount of deferred tax assets and the uncertainty associated with timeframes for their recovery, this has been considered a key audit matter.	Our audit procedures mainly included the following: – We gained an understanding of the process, the control environment and the policies established by the Group for the recognition and measurement of deferred tax assets. – With the involvement of our specialists in financial projections and tax, we evaluated the methodology and key assumptions considered by the Group to estimate the recovery period for the deferred tax assets. Our work included an analysis of the key economic, financial and tax assumptions used by the Group to estimate future taxable profit, including an assessment of the reasonableness of these assumptions. – With the involvement of our tax specialists, we assessed the reasonableness of the amounts of deferred tax assets for which the Group considers that recovery is guaranteed through the monetisation mechanisms established in Royal Decree-Law 14/2013 and article 130 of the Spanish Corporate Income Tax Law. – We contrasted the forecast taxable profit used as a basis for recognising the deferred tax assets in prior years against the actual taxable profit. – We assessed the arithmetical accuracy of the Group's estimates of future taxable profit and the recoverability of deferred tax assets over the forecast period. We also evaluated whether the related disclosures in the explanatory notes to the condensed consolidated interim financial statements were prepared in accordance with the criteria set out in the financial reporting framework applicable to the Group.

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Provisions for legal and similar contingencies
See note 11.2.1 to the condensed consolidated interim financial statements

Key audit matter	*How the matter was addressed in our audit*
The Group is involved in various contingencies deriving from legal proceedings and claims arising from its ordinary course of business, as well as other tax or employment-related contingencies, among others, which have given rise to the recognition of provisions amounting to Euros 606,949 thousand at 30 June 2024, recognised under "Other provisions" in the condensed consolidated balance sheet at that date. The Group makes estimates on the basis of the information available on the events analysed and considering, inter alia, the different possible outcomes, the probability of occurrence and the amount, if any, that will have to be paid to settle the obligation. Due to the significance of the balance of provisions recognised and considering the complexity, subjectivity and uncertainty associated with the estimation process, we have considered this issue as a key audit matter.	Our audit procedures mainly included the following: – We gained an understanding of the process, control environment and the policies put in place by the Group to identify and classify the legal proceedings and claims, as well as to estimate the related provisions. – We assessed the method and estimation assumptions used by the Group in calculating the various provisions. – We assessed the accuracy of the information in the data sources contained in the claims, as well as ongoing and completed litigation, through a sample of claims and lawsuits received. – We obtained confirmation letters from external lawyers and tax advisors to contrast their assessment of the expected outcome of the various litigation against the Group's assumptions, as well as identify potential litigation cases not recognised by the Group. – With the involvement of our legal specialists, we assessed a sample of ongoing litigation cases to determine whether the assumptions used by the Group to estimate provisions are reasonable from a legal point of view. – We assessed the arithmetic accuracy of the estimation models for the main provisions recognised at 30 June 2024. We also evaluated whether the related disclosures in the explanatory notes to the condensed consolidated interim financial statements were prepared in accordance with the criteria set out in the financial reporting framework applicable to the Group.

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Risks associated with information technology	
Key audit matter	*How the matter was addressed in our audit*
The Group operates in a complex technological environment that is constantly evolving and which must efficiently and reliably meet business requirements. The high level of dependence on these systems with regard to the processing of the Group's financial and accounting information make it necessary to ensure that these systems function correctly. In this context, it is critical to ensure that management of the technological risks that could affect information systems is adequately coordinated and harmonised in relevant areas such as data and program security, systems operation, and development and maintenance of IT applications and systems used to the prepare financial information. We have therefore considered the risks associated with information technology to be a key audit matter.	With the involvement of our information systems specialists, we performed tests relating to internal control over the processes and systems involved in generating the financial information, in the following areas: – Understanding of the information flows and identification of the key controls that ensure the appropriate processing of the financial information. – Testing of the key automated processes used in generating the financial information. – Testing of the controls over the applications and systems related to accessing and processing the information and those related to the security settings of those applications and systems. – Testing of the controls over the operation, maintenance and development of applications and systems.

Emphasis of Matter

We draw your attention to explanatory note 1.3 to the accompanying condensed consolidated interim financial statements, which states that such condensed consolidated interim financial statements do not include all the information required in a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The accompanying condensed consolidated interim financial statements should therefore be read in conjunction with the Group's consolidated annual accounts for the year ended 31 December 2023. Our opinion is not modified in respect of this matter.

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Other Information: Consolidated Interim Directors' Report

Other information solely comprises the consolidated interim directors' report for the six-month period ended 30 June 2024, the preparation of which is the responsibility of the Bank's Directors and which does not form an integral part of the condensed consolidated interim financial statements.

Our audit opinion on the condensed consolidated interim financial statements does not encompass the consolidated interim directors' report. Our responsibility for the information contained in the consolidated interim directors' report, in accordance with the requirements of prevailing legislation regulating the audit of accounts, consists of assessing and reporting on the consistency of the consolidated interim directors' report with the condensed consolidated interim financial statements, based on knowledge of the Group obtained during the audit of the aforementioned condensed consolidated interim financial statements, and assessing and reporting on whether the content and presentation of the consolidated interim directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described in the preceding paragraph, we have observed that the information contained in the consolidated interim directors' report is consistent with that disclosed in the condensed consolidated interim financial statements for the six-month period ended 30 June 2024 and the content and presentation of the report are in accordance with applicable legislation.

Directors' and Audit and Regulatory Compliance Committee's Responsibility for the Condensed Consolidated Interim Financial Statements

The Bank's Directors are responsible for the preparation of the accompanying condensed consolidated interim financial statements in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as adopted by the European Union, pursuant to article 12 of Royal Decree 1362/2007 as regards the preparation of condensed interim financial information, and for such internal control as they determine is necessary to enable the preparation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the condensed consolidated interim financial statements, the Bank's Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Bank's Audit and Regulatory Compliance Committee is responsible for overseeing the preparation and presentation of the condensed consolidated interim financial statements.

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

Auditor's Responsibilities for the Audit of the Condensed Consolidated Interim Financial Statements

Our objectives are to obtain reasonable assurance about whether the condensed consolidated interim financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these condensed consolidated interim financial statements.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the condensed consolidated interim financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Bank's Directors.

– Conclude on the appropriateness of the Bank's Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed consolidated interim financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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– Evaluate the overall presentation, structure and content of the condensed consolidated interim financial statements, including the disclosures, and whether the condensed consolidated interim financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

– Plan and execute the audit of the Group to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as the basis to form an opinion on the condensed consolidated interim financial statements. We are responsible for the direction, supervision and review of the work performed for the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Bank's Audit and Regulatory Compliance Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Bank's Audit and Regulatory Compliance Committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the Bank's Audit and Regulatory Compliance Committee, we determine those that were of most significance in the audit of the condensed consolidated interim financial statements for the six-month period ended 30 June 2024 and which are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Contract Period

We were appointed as auditor of the Group by the shareholders at the ordinary general meeting on 30 March 2023 for a period of three years, from the year commenced 1 January 2024.

KPMG Auditores, S.L.
On the Spanish Official Register of Auditors ("ROAC") with No. S0702

(*Signed on original in Spanish*)

Luis Martín Riaño
On the Spanish Official Register of Auditors ("ROAC") with No. 18537

29 July 2024

CONSOLIDATED BALANCE SHEETS AS AT June 30, 2024 AND December 31, 2023
(Thousands of euros)

ASSETS	Note	6/30/2024	12/31/2023 (*)
CASH, CASH BALANCES WITH CENTRAL BANKS, AND OTHER DEMAND DEPOSITS	10.1.	**8,388,337**	**8,040,032**
FINANCIAL ASSETS HELD FOR TRADING	8.2.	**813,837**	**809,430**
Pro memoria: lent or given as collateral with the right to sell or pledge		*62,900*	*84,569*
NON-TRADING FINANCIAL ASSETS MANDATORILY AT FAIR VALUE WITH CHANGES IN INCOME	8.3.	**99,016**	**108,562**
Pro memoria: lent or given as collateral with the right to sell or pledge		-	-
FINANCIAL ASSETS VALUED AT FAIR VALUE WITH CHANGES IN PROFIT OR (LOSS)		**-**	**-**
Pro memoria: lent or given as collateral with the right to sell or pledge		-	-
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	8.4.	**1,862,647**	**1,501,554**
Pro memoria: lent or given as collateral with the right to sell or pledge		*1,551*	*175,527*
FINANCIAL ASSETS AT AMORTIZED COST	8.5.	**75,741,596**	**77,451,855**
Pro memoria: lent or given as collateral with the right to sell or pledge		*8,193,468*	*12,762,556*
DERIVATIVES - HEDGE ACCOUNTING	9.	**1,198,297**	**1,222,395**
CHANGES IN FAIR VALUE OF HEDGED ITEMS OF A PORTFOLIO WITH HEDGED INTEREST RATE RISK	9.	**(140,882)**	**(63,020)**
INVESTMENT IN JOINT VENTURES AND ASSOCIATES	6.	**842,718**	**940,102**
Joint ventures		27,620	25,811
Associates		815,098	914,291
ASSETS FROM INSURANCE CONTRACTS	10.5.	**-**	**-**
ASSETS FROM REINSURANCE CONTRACTS	10.5.	**1,586**	**1,882**
TANGIBLE ASSETS	10.3.	**1,687,575**	**1,766,326**
Property, plant and equipment		1,203,811	1,227,166
Own use		1,203,811	1,227,166
Loaned under operating lease		-	-
Investment property		483,764	539,160
Of which: loaned under operating lease		*370,615*	*413,331*
Pro memoria: acquired under a finance lease		*45,225*	*49,562*
INTANGIBLE ASSETS	10.4.	**87,316**	**84,826**
Goodwill		22,911	25,995
Other intangible assets		64,405	58,831
TAX ASSETS	29.4.	**4,523,834**	**4,719,580**
Current tax assets		96,536	171,494
Deferred tax assets		4,427,298	4,548,086
OTHER ASSETS	10.7.	**260,664**	**235,231**
Insurance contracts linked to pensions		21,841	21,509
Inventories		32,068	38,524
Other assets		206,755	175,198
NON-CURRENT ASSETS AND DISPOSAL GROUPS OF ITEMS CLASSIFIED AS HELD FOR SALE	10.2.	**280,599**	**333,895**
TOTAL ASSETS		**95,647,140**	**97,152,650**

(*) Shown solely and exclusively for comparative purposes (Note 1.8).
Accompanying Notes 1 to 35 included below and the attached Annexes I, II, III and IV form an integral part of the consolidated interim financial statements as at June 30, 2024.

LIABILITIES	Note	6/30/2024	12/31/2023 (*)
FINANCIAL LIABILITIES HELD FOR TRADING	8.2.	**461,254**	**462,839**
FINANCIAL LIABILITIES VALUED AT FAIR VALUE WITH CHANGES IN PROFIT OR (LOSS)		**-**	**-**
Pro memoria: subordinate liabilities		-	-
FINANCIAL LIABILITIES AT AMORTIZED COST	8.6.	**85,494,064**	**86,556,316**
Pro memoria: subordinate liabilities		*882,827*	*571,672*
DERIVATIVES - HEDGE ACCOUNTING	9.	**782,353**	**1,148,038**
CHANGES IN FAIR VALUE OF HEDGED ITEMS OF A PORTFOLIO WITH HEDGED INTEREST RATE RISK	9.	**-**	**-**
LIABILITIES BY INSURANCE CONTRACT	10.6.	**417,424**	**441,377**
LIABILITIES FROM REINSURANCE CONTRACTS	10.6.	**-**	**-**
PROVISIONS	11.2.1.	**877,024**	**957,053**
Pensions and other benefit obligations defined as post-employment		79,803	91,258
Other long-term employee benefits		74,042	91,568
Outstanding tax litigation and procedural matters		-	-
Commitments and guarantees granted		116,230	116,596
Remaining provisions		606,949	657,631
TAX LIABILITIES	29.4.	**466,471**	**413,961**
Current tax liabilities		124,859	40,978
Deferred tax liabilities		341,612	372,983
OTHER LIABILITIES	10.8.	**509,207**	**527,009**
LIABILITIES INCLUDED IN DISPOSABLE GROUPS OF ITEMS CLASSIFIED AS HELD FOR SALE		**-**	**-**
TOTAL LIABILITIES		**89,007,797**	**90,506,593**

(*) Shown solely and exclusively for comparative purposes (Note 1.8).
Accompanying Notes 1 to 35 included below and the attached Annexes I, II, III and IV form an integral part of the consolidated interim financial statements as at June 30, 2024.

EQUITY	Note	6/30/2024	12/31/2023 (*)
SHAREHOLDERS' EQUITY		**6,628,529**	**6,522,817**
SHARE CAPITAL	12.1.	663,708	663,708
Paid-up capital		663,708	663,708
Non paid-up capital required		-	-
Pro memoria: unclaimed capital		-	-
SHARE PREMIUM	12.1.	1,209,423	1,209,423
EQUITY INSTRUMENTS ISSUED OTHER THAN SHARE CAPITAL	12.2.	547,360	547,360
Net equity component of compound financial instruments		547,360	547,360
Other equity instruments issued		-	-
OTHER NET EQUITY ITEMS		-	-
ACCUMULATED EARNINGS	14.	3,817,248	3,800,210
REVALUATION RESERVES		-	-
OTHER RESERVES	14.	140,145	38,181
(-) OWN SHARES	12.3.	(43,756)	(2,768)
PROFIT ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY	3.	294,401	266,703
(-) INTERIM DIVIDENDS		-	-
OTHER CUMULATIVE COMPREHENSIVE INCOME		**8,499**	**120,809**
ELEMENTS THAT WILL NOT BE RECLASSIFIED AS INCOME		(61,162)	71,432
Actuarial gains or (-) losses on defined benefit pension plans		(4,140)	(4,140)
Non-current assets and disposable groups of items classified as held for sale		-	-
Shareholding in other recognized income and expense of investments in joint ventures and associates		(99,025)	32,333
Changes in the fair value of equity instruments at fair value with changes in other comprehensive income		42,003	43,239
Ineffectiveness of fair value hedges of equity instruments measured 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 the fair value of equity instruments measured at fair value with changes in 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		-	-
ITEMS THAT CAN BE RECLASSIFIED AS INCOME		69,661	49,377
Hedging of net investments in businesses abroad (effective part)		-	-
Conversion of foreign currency		(43)	(21)
Hedging derivatives. Cash flow hedging reserve (effective part)		14,316	(10,491)
Changes in the fair value of debt instruments valued at fair value with changes in other comprehensive income		(26,343)	(33,006)
Hedging instruments (non-designated elements)		-	-
Financial income and expenses from insurance contracts		62,793	59,452
Non-current assets and disposal groups of items classified as held for sale		-	-
Stake in other income and expenses recognized in investments in joint ventures and affiliates		18,938	33,443
NON-CONTROLLING INTERESTS (NON-SIGNIFICANT HOLDINGS)	13.	**2,315**	**2,431**
OTHER CUMULATIVE COMPREHENSIVE INCOME		-	-
OTHER ENTRIES		2,315	2,431
TOTAL NET EQUITY		**6,639,343**	**6,646,057**
TOTAL NET WORTH AND LIABILITIES		**95,647,140**	**97,152,650**
PRO MEMORIA: OFF-BALANCE SHEET EXPOSURES			
COMMITMENTS FOR LOANS GRANTED	11.2.2. b	4,733,925	4,601,960
FINANCIAL GUARANTEES GRANTED	11.2.2. a	67,595	71,682
OTHER COMMITMENTS GRANTED	11.2.2. a	2,528,684	2,766,020

(*) Shown solely and exclusively for comparative purposes (Note 1.8).
Accompanying Notes 1 to 35 included below and the attached Annexes I, II, III and IV form an integral part of the consolidated interim financial statements as at June 30, 2024.

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE SIX-MONTH PERIODS ENDING JUNE 30, 2024 AND 2023
(Thousands of euros)

	Note	(debits) credits 6/30/2024	6/30/2023 (*)
INTEREST INCOME AND OTHER SIMILAR INCOME	16.	1,395,746	1,067,197
Financial assets at fair value through other comprehensive income		23,429	11,556
Financial assets at amortized cost		1,193,708	1,004,569
Others		178,609	51,072
INTEREST EXPENSE	17.	(621,937)	(451,532)
EXPENSES FOR SHARE CAPITAL REPAYABLE ON DEMAND		-	-
NET INTEREST MARGIN		**773,809**	**615,665**
DIVIDEND INCOME	18.	8,831	18,189
PROFIT OR LOSS OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	19.	58,855	48,054
FEE REVENUE	20.	278,451	290,703
FEE EXPENSES	21.	(22,699)	(21,602)
NET GAINS OR LOSSES FOR DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES NOT AT FAIR VALUE THROUGH PROFIT OR LOSS	22.	3,894	4,815
NET GAINS OR LOSSES ON FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING	22.	3,701	4,715
GAINS OR LOSSES ON FINANCIAL ASSETS NOT HELD FOR TRADING MANDATORILY AT FAIR VALUE THROUGH PROFIT OR LOSS	22.	(2,947)	98
NET GAINS OR LOSSES ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	22.	-	-
NET GAINS OR LOSSES RESULTING FROM HEDGE ACCOUNTING	22.	(1,781)	(3,250)
NET EXCHANGE DIFFERENCES (PROFIT OR LOSS)		1,412	1,965
OTHER OPERATING INCOME	23.	29,989	33,350
OTHER OPERATING EXPENSES	23.	(129,318)	(168,655)
PROFIT OR (LOSS) OF THE INSURANCE SERVICE	23.	3,766	6,407
PROFIT OR (LOSS) FROM REINSURANCE CONTRACTS	23.	57	210
GROSS MARGIN		**1,006,020**	**830,664**
ADMINISTRATIVE EXPENSES		(404,572)	(383,480)
Personnel expenses	24.	(269,770)	(243,904)
Other administration expenses	25.	(134,802)	(139,576)
AMORTIZATION		(43,658)	(45,097)
(PROVISIONS OR REVERSAL OF PROVISIONS)	11.2.1.	(62,732)	(62,444)
IMPAIRMENT OR REVERSAL OF IMPAIRMENT OF FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE THROUGH	8.1.2.	(59,414)	(75,612)
PROFIT OR LOSS FROM OPERATING ACTIVITY		**435,644**	**264,031**
IMPAIRMENT OF VALUE OR REVERSAL OF INVESTMENTS IN JOINT VENTURES OR ASSOCIATES	26.	(42)	1,472
IMPAIRMENT OF VALUE OR REVERSAL OF NON-FINANCIAL ASSETS	26.	(4,424)	(17,961)
Tangible assets		2,494	(9,987)
Intangible assets		(4,304)	(5,419)
Others		(2,614)	(2,555)
NET GAINS OR LOSSES ON DERECOGNITION OF NON-FINANCIAL ASSETS	27.	(7,431)	180
NEGATIVE GOODWILL RECOGNIZED IN PROFIT OR LOSS		-	-
GAINS OR LOSSES FROM NON-CURRENT ASSETS AND DISPOSABLE GROUPS OF ITEMS CLASSIFIED AS HELD FOR SALE NOT ADMISSIBLE AS DISCONTINUED OPERATIONS	28.	7,932	(25,106)
GAINS OR LOSSES BEFORE TAX FROM CONTINUING OPERATIONS		**431,679**	**222,616**
EXPENSE OR INCOME FROM TAX ON GAINS FROM CONTINUING OPERATIONS	29.3.	(137,360)	(74,489)
GAINS OR LOSSES AFTER TAX FROM CONTINUING OPERATIONS		**294,319**	**148,127**
GAINS OR LOSSES AFTER TAX FROM DISCONTINUED OPERATIONS	30.	-	-
PROFIT OR LOSS FOR THE PERIOD		**294,319**	**148,127**
Attributable to non-controlling interests (non-significant holdings)	13.	(82)	(77)
Attributable to the owners of the parent company		294,401	148,204
EARNINGS PER SHARE	3.		
Basic earnings per share (Euros)		0.109	0.053
Diluted earnings per share (Euros)		0.109	0.053

(*) Shown solely and exclusively for comparative purposes (Note 1.8).

Accompanying Notes 1 to 35 included below and the attached Annexes I, II, III and IV form an integral part of the consolidated interim financial statements as at June 30, 2024.

CONDENSED CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSES CORRESPONDING TO SIX-MONTH PERIODS FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

(Thousands of euros)

	Period	
	6/30/2024	6/30/2023 (*)
PROFIT OR LOSS FOR THE PERIOD	**294,319**	**148,127**
OTHER COMPREHENSIVE INCOME	**(112,310)**	**55,321**
Elements that will not be reclassified as income	**(132,595)**	**38,397**
Actuarial gains or (losses) in defined benefit pension plans	-	-
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	(187,655)	(24,430)
Changes in fair value of equity instruments at fair value through other comprehensive income	(2,120)	52,451
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 with changes in income attributable to changes in credit risk	-	-
Tax on gains related to the items that will not be reclassified	57,180	10,376
Items that can be reclassified as income	**20,285**	**16,924**
Hedging of net investments in businesses abroad (effective part)	-	-
Value gains or (-) losses entered under net equity	-	-
Transferred to profit or loss	-	-
Other reclassifications	-	-
Conversion of foreign currency	(31)	6
Gains or (-) losses as a result of currency exchange entered under equity	*(31)*	*6*
Transferred to profit or loss	-	-
Other reclassifications	-	-
Cash flow hedging (effective part)	35,438	20,310
Value gains or (-) losses entered under net equity	*7,398*	*59,585*
Transferred to profit or loss	*28,040*	*(39,275)*
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	9,519	10,402
Value gains or (-) losses entered under net equity	*13,412*	*10,402*
Transferred to profit or loss	*(3,893)*	-
Other reclassifications	-	-
Non-current assets and disposal groups classified as held for sale	-	-
Value gains or (-) losses entered under net equity	-	-
Transferred to profit or loss	-	-
Other reclassifications	-	-
Financial income and expenses from insurance contracts	4,773	(13,896)
Stake in other recognized income and expenses of investments in joint ventures and affiliates	(20,721)	7,356
Tax on gains related to the items that will not be reclassified as gains or losses	(8,693)	(7,254)
TOTAL OVERALL PROFIT OR LOSS FOR THE YEAR	**182,009**	**203,448**
Attributable to non-controlling interests (non-significant holdings)	*(82)*	*(77)*
Attributable to the owners of the parent company	*182,091*	*203,525*

(*) Shown solely and exclusively for comparative purposes (Note 1.8).

Accompanying Notes 1 to 35 included below and the attached Annexes I, II, III and IV form an integral part of the consolidated interim financial statements as at June 30, 2024.

CONDENSED CONSOLIDATED TOTAL STATEMENTS OF CHANGES IN NET EQUITY
FOR THE SIX-MONTH PERIODS ENDING JUNE 30, 2024 AND 2023

(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 12/31/2023 (*)	**663,708**	**1,209,423**	**547,360**	**-**	**3,800,210**	**-**	**38,181**	**(2,768)**	**266,703**	**-**	**120,809**	**-**	**2,431**	**6,646,057**
Effects of error correction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes to accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance as of 1/1/2024 (*)	**663,708**	**1,209,423**	**547,360**	**-**	**3,800,210**	**-**	**38,181**	**(2,768)**	**266,703**	**-**	**120,809**	**-**	**2,431**	**6,646,057**
Total overall profit (loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**294,401**	**-**	**(112,310)**	**-**	**(82)**	**182,009**
Other changes in net equity	**-**	**-**	**-**	**-**	**17,038**	**-**	**101,964**	**(40,988)**	**(266,703)**	**-**	**-**	**-**	**(34)**	**(188,723)**
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) (Notes 4 and 12.2.)	-	-	-	-	(150,696)	-	-	-	-	-	-	-	-	(150,696)
Purchase of treasury stock (Note 12.3)	-	-	-	-	-	-	-	(57,485)	-	-	-	-	-	(57,485)
Sale or cancellation of own shares (Note 12.3)	-	-	-	-	27	-	-	16,497	-	-	-	-	-	16,524
Reclassification of financial instruments from net equity to liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liabilities to net equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between components of net equity	-	-	-	-	165,698	-	101,005	-	(266,703)	-	-	-	-	-
Increase (decrease) in equity resulting from business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stock-based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increases (decreases) in net equity	-	-	-	-	2,009	-	959	-	-	-	-	-	(34)	2,934
Closing balance as at 6/30/2024	**663,708**	**1,209,423**	**547,360**	**-**	**3,817,248**	**-**	**140,145**	**(43,756)**	**294,401**	**-**	**8,499**	**-**	**2,315**	**6,639,343**

(*) Shown solely and exclusively for comparative purposes (Note 1.8).

Accompanying Notes 1 to 35 included below and the attached Annexes I, II, III and IV form an integral part of the consolidated interim financial statements as at June 30, 2024.

CONDENSED CONSOLIDATED TOTAL STATEMENTS OF CHANGES IN NET EQUITY FOR THE SIX-MONTH PERIODS ENDING JUNE 30, 2024 AND 2023

(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 at 12/31/2022 (*)	**663,708**	**1,209,423**	**547,385**	**-**	**3,790,062**	**-**	**(22,737)**	**(235)**	**277,576**	**-**	**(6,573)**	**-**	**445**	**6,459,054**
Effects of error correction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes to accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance as at 01/01/2023 (*)	**663,708**	**1,209,423**	**547,385**	**-**	**3,790,062**	**-**	**(22,737)**	**(235)**	**277,576**	**-**	**(6,573)**	**-**	**445**	**6,459,054**
Total overall profit (loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**148,204**	**-**	**55,321**	**-**	**(77)**	**203,448**
Other changes in net equity	**-**	**-**	**(17)**	**-**	**(5,422)**	**-**	**80,319**	**133**	**(277,576)**	**-**	**-**	**-**	**2,242**	**(200,321)**
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) (Notes 4 and 12.2.)	-	-	-	-	(147,241)	-	-	-	-	-	-	-	-	(147,241)
Purchase of treasury stock (Note 12.3)	-	-	-	-	-	-	-	(5)	-	-	-	-	-	(5)
Sale or cancellation of own shares (Note 12.3)	-	-	-	-	-	-	-	138	-	-	-	-	-	138
Reclassification of financial instruments from net equity to liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liabilities to net equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between components of net equity	-	-	-	-	197,257	-	80,319	-	(277,576)	-	-	-	-	-
Increase (decrease) in equity resulting from business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stock-based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increases (decreases) in net equity	-	-	(17)	-	(55,438)	-	-	-	-	-	-	-	2,242	(53,213)
Closing balance as at 6/30/2023 (*)	**663,708**	**1,209,423**	**547,368**	**-**	**3,784,640**	**-**	**57,582**	**(102)**	**148,204**	**-**	**48,748**	**-**	**2,610**	**6,462,181**

(*) Shown solely and exclusively for comparative purposes (Note 1.8).

Accompanying Notes 1 to 35 included below and the attached Annexes I, II, III and IV form an integral part of the consolidated interim financial statements as at June 30, 2024.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIODS ENDING JUNE 30, 2024 AND 2023

(Thousands of euros)

	Period	
	6/30/2024	6/30/2023 (*)
A) CASH FLOWS FROM OPERATING ACTIVITIES	**647,447**	**1,632,922**
Profit (loss) for the year	**294,319**	**148,127**
Adjustments to obtain the cash flows from operating activities	**247,482**	**123,668**
Amortization	43,658	45,095
Other adjustments	203,824	78,573
Net increase/decrease in operating assets	**1,417,290**	**3,311,527**
Financial assets held for trading	(4,407)	(1,289)
Non-trading financial assets mandatorily at fair value with changes in income	9,546	5,566
Financial assets at fair value through income	-	-
Financial assets at fair value through other comprehensive income	(361,093)	(161,450)
Financial assets at amortized cost	1,681,416	3,016,964
Other operating assets	91,828	451,736
Net increase/decrease of operating liabilities	**(1,344,959)**	**(2,324,304)**
Financial liabilities held for trading	(1,585)	(2,986)
Financial liabilities valued at fair value through income	-	-
Financial liabilities at amortized cost	(855,905)	(2,321,525)
Other operating liabilities	(487,469)	207
Tax on gains collections/payments	**33,315**	**373,904**
B) CASH FLOWS FROM INVESTMENT ACTIVITIES	**98,889**	**233,195**
Payments	**(45,237)**	**(29,880)**
Tangible assets	(26,870)	(17,006)
Intangible assets	(17,941)	(12,663)
Investment in joint ventures and associates	(426)	(211)
Subsidiaries and other business units	-	-
Non-current assets and liabilities classified as held for sale	-	-
Other payments related to investment activities	-	-
Collections	**144,126**	**263,075**
Tangible assets	74,871	48,655
Intangible assets	733	4,650
Investment in joint ventures and associates	1,388	10,238
Subsidiaries and other business units	-	-
Non-current assets and liabilities classified as held for sale	67,134	199,532
Other charges related to investment activities	-	-

(continued on next page)

	Period	
	6/30/2024	6/30/2023 (*)
C) CASH FLOWS FROM FINANCING ACTIVITIES	**(398,031)**	**350,921**
Payments	**(712,340)**	**(147,262)**
Dividends	(132,000)	(128,576)
Subordinated liabilities	(4,159)	-
Amortization of equity instruments	-	(16)
Acquisition of equity instruments	(57,485)	(5)
Other payments related to financing activities	(518,696)	(18,665)
Collections	**314,309**	**498,183**
Subordinated liabilities	-	-
Issuance of equity instruments	-	-
Disposal of equity instruments	16,497	138
Other collections related to financing activities	297,812	498,045
D) EFFECT OF EXCHANGE RATE VARIATIONS	**-**	**-**
E) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT (A + B + C + D)	**348,305**	**2,217,038**
F) CASH AND EQUIVALENT AT THE START OF THE PERIOD	**8,040,032**	**4,661,826**
G) CASH AND EQUIVALENT AT THE END OF THE PERIOD	**8,388,337**	**6,878,864**
PRO MEMORIA		
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD	**8,388,337**	**6,878,864**
Of which: in hands of Group companies but not available to the Group		
Cash	468,734	459,254
Balances equivalent to cash in central banks	7,634,228	6,187,760
Other financial assets	285,375	231,850
Minus: bank overdrafts repayable on demand	-	-

(*) Shown solely and exclusively for comparative purposes (Note 1.8).
Accompanying Notes 1 to 35 included below and the attached Annexes I, II, III and IV form an integral part of the consolidated interim financial statements as at June 30, 2024.

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

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024
(Expressed in thousands of euros)

Contents

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

1.1. Nature of the parent company and Group

Unicaja Banco, S.A. (hereinafter, "Unicaja", the "parent company", or the "Bank") is a credit institution incorporated 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.

Although its place of origin is Andalusia, Unicaja has integrated the business of other credit institutions with the acquisition of Banco de Caja de España de Inversiones, Salamanca y Soria S.A. (EspañaDuero) in 2014 and its subsequent merger with Unicaja in September 2018 and with the merger by absorption of Liberbank, S.A. (Liberbank) in July 2021.

Unicaja has been a listed company since June 30, 2017, the date on which the Company's shares were admitted to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and included in the Stock Exchange Interconnection System (S.I.B.E. or Continuous Market). Since December 27, 2022 it has been included in the IBEX 35 index, with a proven track record of solvency and financial soundness.

The Bank's corporate purpose is to carry out all types 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.

Unicaja 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.

Unicaja is an entity subject to the rules and regulations of banking entities operating in Spain. For more information about the Bank, please visit the Bank's corporate website (www.unicajabanco.com), where you can find additional public information about the Bank.

The consolidated financial statements of the Group, as well as the individual annual accounts of the Bank, corresponding to fiscal year 2023, have been prepared by the Board of Directors of Unicaja Group on February 29, 2024 and approved by the General Shareholders' Meeting held on April 5, 2024.

1.2. Consolidated group

Unicaja is the parent company of a group of subsidiaries engaged in various activities and which make up the Unicaja 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 prepares the consolidated financial statements of Unicaja Group, S.A. and its subsidiaries (Unicaja Group), pursuant to current legislation.

Unicaja has its registered office and residence in Malaga and is subject to Spanish law, submitting its financial statements to the Mercantile Registry of the aforesaid city. The latest consolidated financial statements prepared by f the Unicaja Group Group, S.A. are those for the fiscal year ended December 31, 2023 and have also been filed with the Mercantile Registry of Malaga.

The entities forming part of the Unicaja Group as of June 30, 2024 are as follows:

Company name	Activity
Administradora Valtenas, S.L.U.	Advice
Alqlunia Duero, S.L.U. (in liquidation)	Real estate development
Análisis y Gestión de Innovación Tecnológica, S.L.U.	Real Estate Business (parking lots)
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.	Property development
Asturiana de Administración de Valores Mobiliarios, S.L.U.	Advice
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.	Advice
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.	Property development
Corporación Empresarial Caja Extremadura, S.L.U.	Consultancy
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 consultancy 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.U.	Catering
Instituto de Economía y Empresa, S.L.U.	Business consulting
La Algara Sociedad de Gestión, S.L.U.	Real estate development
Liberbank Contact, S.L.U. (in liquidation)	Call center activities
Liberbank I.T., S.L.U.	IT Consultancy
Norteña Patrimonial, S.L.U.	Advice

Company name	Activity
Parque Industrial Humilladero, S.L.	Industrial land development
Peña Rueda, S.L.U.	Advice
Pico Cortés, S.L.U.	Advice
Pico Miravalles, S.L.U.	Advice
Planes e Inversiones CLM, S.A.U. (in liquidation)	Real estate development
Pomarada Gestión, S.L.U.	Business consultancy
Procesa Recuperación de Activos, S.A.U.	Legal activities
Propco Blue 1, S.L.U. (in liquidation)	Real estate development
Puntida, S.L.U.	Other professional, scientific and technical activities
Segóbriga Desarrollos, S.L.U.	Catering
Segurandalus Mediación, Correduría de Seguros, S.A.U.	Insurance broker
Sierra del Acebo, S.L.U.	Advice
Sociedad de Gestión San Carlos, S.A.	Real estate development
Tiatordos, S.A.U.	Advice
U Market Ebusiness, S.L.U. (*)	Business consulting
Unicaja Gestión de Activos Inmobiliarios, S.A.U.	Real estate holding company
Unicaja Pensiones, S.G.F.P., S.A.U.	Pension fund manager
Unicaja Servicios Financieros, S.A.U.	Other financial services
Unicaja Ventures, S.A.	Other auxiliary activities to financial services
Unicartera Gestión de Activos, S.L.U.	Auxiliary financial services activities
Unicorp Patrimonio, Sociedad de Valores, S.A.U.	Asset management
Unigest, S.G.I.I.C., S.A.U.	Collective investment institution manager
Unimediación Operador Banca Seguros, S.L.U.	Insurance broker
Unión del Duero Seguros de Vida, S.A.U.	Life insurance
Uniwindet, S.L.U.	Renewable energies
Viacava – Incós de Energía, S.A.U.	Catering

(*) Before, Liberbank Ebusiness, S.L.U.

During the six-month period ended June 30, 2024, the following changes took place in the composition of the Unicaja Group and its joint ventures and associates:

- On January 30, 2024, publication in the BORME of the extinction of Lares Val de Ebro, S.A.
- On January 18, 2024, capital increase of the company Digital Finance & Insurance Services, S.L., registered on February 6, 2024.
- On February 8, 2024, publication of the extinction of Ala Ingeniería y Obras, S.L. in the BORME.
- On December 4, 2023, an agreement was reached for the liquidation and extinction of Viproelco, S.A.U. (in liquidation), the extinction of the company being registered on February 14, 2024.
- On June 11, 2024, capital reduction through the redemption of the shares of the company Cartera de Activos H&L, S.L.
- On June 13, 2024, purchase and sale of shares of Kenta Capital Investment Management. S.A., the percentage of ownership then totaling 38%.

In addition, during the first six months of fiscal year 2024, the following companies changed their names:

- Liberbank Capital, S.A.U. was renamed Unicaja Ventures, S.A.
- Liberbank Pensiones, S.G.F.P., S.A.U. is now called Unicaja Pensiones, S.G.F.P., S.A.U.
- Liberbank Servicios Financieros, S.A.U. was renamed Unicaja Servicios Financieros, S.A.U.

The most significant changes that took place during the six-month period ended June 30, 2023 in the composition of the Unicaja Group and its joint ventures and associates were as follows:

- On January 1, 2023, Unicaja transferred its entire shareholding in Malagaport, S.L. to the Malagaport Foundation.
- On February 22, 2023, the global assignment of assets and liabilities in favor of Medicina Asturiana, S.A. and Fundación Centro Médico de Asturias by Instituto de Medicina Oncológica y Molecular de Asturias S.A. took place.
- On March 1, 2023, Sociedad de Gestión San Carlos, S.A. was incorporated into the Unicaja Group, with an ownership interest of 62.2%. On July 1, 2023, the percentage of ownership was modified to 63.61% (Note 6).
- On March 1, 2023, the dissolution and liquidation of Electra de Malvana, S.A. was registered.
- On March 28, 2023, the extinction of the company Liberbank Digital, S.L.U. was registered, following the liquidation and extinction agreement adopted on December 15, 2022.
- On March 28, 2023, a capital reduction was approved in the company Azoe Inmuebles, S.L., whereby Unicaja ceased to be a partner of the company. This company was 48.8% owned by the Unicaja Group.
- On May 8, 2023, the dissolution and liquidation of Cantabria Capital S.G.E.I.C., S.A. was registered.
- On May 18, 2023, 100% of Lisson Directorship, S.L.U.'s shareholding was sold.

1.3. Basis of presentation of the condensed interim consolidated financial statements

The condensed interim consolidated financial statements of Unicaja Banco, S.A. and its subsidiaries (Unicaja Group) for the six-month period ended June 30, 2024 were prepared by the Bank's Directors at the Board of Directors' meeting held on July 29, 2024.

The condensed interim consolidated financial statements for the six-month period ended June 30, 2024, were prepared on the basis of the accounting records of the Bank and of each of the companies comprising the Group, and, including such adjustments and reclassifications as are necessary to conform to the accounting and presentation criteria. They are presented pursuant to the provisions of International Accounting Standard (IAS) 34 "Interim Financial Reporting" contained in the International Financial Reporting Standards adopted by the European Union (hereinafter, IFRS-EU), as set forth in Circular 3/2018 of June 28, 2018 of the Spanish National Securities Market Commission on periodic reporting by issuers of securities admitted to trading on regulated markets, regarding half-yearly financial reports, interim management statements and, where applicable, quarterly financial reports.

In accordance with IAS 34, interim financial information is prepared with the intention of updating the last annual financial statements prepared. Accordingly, emphasis is placed on new activities, events and circumstances and, therefore, information previously published is not duplicated. Therefore, these condensed interim consolidated financial statements do not include all the information that would be required for complete consolidated financial statements prepared in accordance with IFRS-EU.

Consequently, the condensed interim consolidated financial statements prepared by the Bank's Directors should be read in conjunction with the consolidated financial statements for the year ended December 31, 2023, prepared in accordance with IFRS-EU and considering the provisions of Bank of Spain Circular 4/2017 and subsequent amendments, which were prepared by the Board of Directors on February 29, 2024 and approved by the General Shareholders' Meeting held on April 5, 2024. Consequently, it has not been necessary to repeat or restate certain notes or estimates included in the aforementioned consolidated financial statements. Instead, the accompanying selected explanatory notes include an explanation of events or changes that are, where appropriate, significant to the explanation of the changes in the consolidated financial position and the consolidated results of the operations and changes in the consolidated equity and consolidated cash flows in the Group from December 31, 2023, the date of the aforementioned consolidated financial statements, through June 30, 2024.

In the preparation of the condensed interim consolidated financial statements of the Bank and subsidiaries comprising the Group for the six-month period ended June 30, 2024, the generally accepted accounting principles and valuation criteria set forth in this and Note 1.4 were followed. All mandatory accounting principles and valuation criteria with a significant effect on the consolidated financial statements were applied.

These condensed interim consolidated financial statements, unless otherwise stated, are presented in thousands of euros and have been rounded for ease of presentation. Consequently, the amounts of the totals in the rows or columns of the tables presented may not coincide with the exact arithmetic sum of the figures preceding them.

1.4. Accounting principles and policies

The accounting principles and valuation standards applied in the preparation of these condensed interim consolidated financial statements as of June 30, 2024 are the same as those applied in the preparation of the Group's consolidated financial statements as of December 31, 2023, which can be checked in Note 2 of the notes to the consolidated financial statements – except as indicated in Note 1.5 below – with there being no change with a material impact on these condensed interim consolidated financial statements.

1.5. Changes in International Financial Reporting Standards

The following International Financial Reporting Standards and their interpretations become mandatory during the six-month period ended June 30, 2024 and were thus applied in the preparation of Unicaja's condensed interim consolidated financial statements as of June 30, 2024:

Standards and modifications and interpretations (Note 1.5.1)	Description	Mandatory application for fiscal years beginning on or after
Amendment IFRS 16	Lease liability in a sale and leaseback transaction	January 1, 2024
Amendment to IAS 1	Classification of liabilities as current or non-current	January 1, 2024
Amendment to IAS 1	Non-current liabilities with conditions (covenants)	January 1, 2024
Amendment to IAS 7 and IFRS 7	Vendor financing agreements (confirming)	January 1, 2024

At the date of preparation of these condensed interim 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 1.5.2)	Description	Mandatory application for fiscal years beginning on or after
Amendment to IAS 21	Lack of exchangeability	January 1, 2025
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 going to come into force for 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 was planning a broader review that may result in simplifying the accounting for these transactions and other accounting aspects 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.

1.5.1. Standards and interpretations in effect during the reporting period

The following amendments to the IFRSs or interpretations thereof (hereinafter "IFRIC") came into force during the first six months of 2024:

- IFRS 16 (Amendment) "Lease liability on a sale and leaseback": IFRS 16 included 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. This amendment has been effective for periods beginning on or after January 1, 2024 and has not had a significant impact on these condensed interim consolidated financial statements.

- IAS 1 (Amendment) "Classification of Liabilities as Current or Non-Current": These amendments, which were issued in January 2020, clarify that liabilities are to be classified as current or non-current depending on the rights that exist at the end of the reporting period. The classification is not affected by the entity's expectations or events after the reporting date (e.g., receipt of a waiver or covenant breach). The amendment also clarifies what IAS 1 means when it refers to the "settlement" of a liability. The effective date of this amendment was January 1, 2022, its early adoption being permitted. However, in July 2020 an amendment was passed to change the effective date of the amendment to January 1, 2023. In October 2022, on the other hand, an amendment was passed that, among other changes, postponed the effective date of this amendment to January 1, 2024. This amendment has been effective for periods beginning on or after January 1, 2024 and has not had a significant impact on these condensed interim consolidated financial statements.

- IAS 1 (Amendment) "Non-current Liabilities with Conditions (Covenants)": In October 2022 the IASB 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. 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. This amendment has been effective for periods beginning on or after January 1, 2024 and has not had a significant impact on these condensed interim consolidated financial statements.

- IAS 7 (Amendment) and IFRS 7 (Amendment) "Vendor financing arrangements (confirming)": The IASB has amended IAS 7 and IFRS 7 to improve disclosures about vendor financing arrangements (confirming) and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The amendment is a response to investor concerns that some companies' vendor financing arrangements are not sufficiently visible. This amendment has been effective for periods beginning on or after January 1, 2024 and has not had a significant impact on these condensed interim consolidated financial statements.

1.5.2. Standards and interpretations issued and not yet in force

At the date of preparation of these condensed interim consolidated financial statements, new International Financial Reporting Standards had been published, as well as interpretations thereof, which were not compulsory on June 30, 2024 and which the Group did not apply as of that date. As of 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:

- IAS 21 (Amendment) “Lack of interchangeability”: the IASB amended IAS 21 to add requirements to assist entities in determining whether a currency is interchangeable for another currency and the spot rate to use when it is not. When a currency cannot be exchanged for another currency, it is necessary to estimate the spot exchange rate on a valuation date in order to determine the rate at which an orderly exchange transaction would take place on that date between market participants under the prevailing economic conditions. When an entity first applies the new requirements, it is not permitted to restate comparative information. Instead, the affected amounts are required to be translated at estimated spot exchange rates at the date of initial application of the modification, with an adjustment against reserves. This amendment applies to periods beginning on or after January 1, 2025. Early implementation of the amendment is permitted, although approval by the European Union is still pending.

- 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 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 was planning a broader review that may result in simplifying the accounting for these transactions and other accounting aspects 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.

1.6. Responsibility for information

The information contained in these condensed interim consolidated financial statements is the responsibility of the Bank's Directors.

These condensed consolidated interim financial statements were prepared under the going concern principle, which considers that the management of the Group will continue in the foreseeable future. The application of accounting standards is therefore 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.

1.7. Estimates made

In the Group's condensed interim consolidated financial statements as of June 30, 2024, estimates made by the Group's Directors have been used to quantify some of the assets, liabilities, revenues, expenses and commitments reported therein. Basically, these estimates refer to:

- Impairment losses on certain assets (Notes 8, 10.2, 10.3 and 10.4), especially with respect to the individual and collective estimation of losses due to insolvency in the portfolio of loans and advances to customers and the determination of when there is a significant increase in credit risk.
- The hypotheses used in the actuarial calculation of post-employment benefit liabilities and commitments and other long-term commitments to employees (Notes 11.2.1).
- The useful lives of tangible and intangible assets (Notes 10.3 and 10.4).
- The measurement of consolidation goodwill (Notes 5 and 10.4).
- 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 (Note 11.2).
- The reversal period and recoverability of deferred tax assets of temporary differences (Note 29).
- The fair value of certain unlisted assets (Notes 8, 9 and 33).
- The fair value of certain guarantees assigned to the collection of assets (Note 34).

There are no significant variations between the assumptions used to make the accounting estimates described above as of June 30, 2024 and those used to prepare the consolidated financial statements of the Unicaja Group as of December 31, 2023.

These estimates were drawn up based on the best information available as at June 30, 2024 regarding the events analyzed. However, considering the current uncertainties arising from the environment of high inflation and volatility of the main macroeconomic variables, it is possible that future events may require them to be significantly modified (upwards or downwards) in subsequent fiscal 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 period in which said change took place.

1.8. Comparison of information

Pursuant to IAS 1 requirements, the information contained in the condensed interim consolidated financial statements referring to the six-month period ended June 30, 2024 is presented, for comparison purposes only, together with the information relating to the six-month period ended June 30, 2023 for the items of the condensed consolidated income statement, condensed consolidated statement of recognized income and expense. The presentation also includes a condensed consolidated statement of changes in total equity and condensed consolidated statement of cash flows, together with the balances as of December 31, 2023 for the condensed consolidated balance sheet items. Certain amounts relating to comparative periods have been reclassified to conform to the presentation criteria of these condensed interim consolidated financial statements.

As indicated in Notes 1.5.1 and 1.12.3 to the consolidated financial statements of Unicaja Group, S.A. and subsidiaries (Unicaja Group) for the year ended December 31, 2023, IFRS 17 Insurance Contracts came into force on January 1, 2023. As required by the aforementioned standard, the Group restated the comparative figures for fiscal year 2022. The condensed consolidated statement of changes in total equity for the six-month period ended June 30, 2023 has therefore been restated to reflect the impacts of the first-time application of IFRS 17 included in the Group's consolidated financial statements for the year ended December 31, 2023.

1.9. Seasonality of operations

Given the nature of the most significant activities and operations carried out by the Unicaja Group, which basically correspond to the characteristic and typical activities of financial institutions, it can be affirmed that its operations are not affected by seasonality factors, which may exist in other types of businesses.

1.10. Relative importance

For the purpose of preparing these condensed interim consolidated financial statements as of June 30, 2024, the relative importance of the items and information presented therein was evaluated considering the figures shown in said condensed interim consolidated financial statements and not according to the amounts or balances corresponding to an annual period.

1.11. Correction of errors

During the six-month period ended June 30, 2024, no errors were made or corrected that had a material effect on the condensed interim consolidated financial statements.

1.12. Individual information of the parent company

The individual information of Unicaja Banco, S.A. that has been considered relevant for the proper understanding of these notes to the condensed interim consolidated financial statements has been included in the corresponding sections and notes to the accompanying condensed interim consolidated financial statements.

The parent company's individual balance sheets as of June 30, 2024 and December 31, 2023 and the parent company's individual income statements, individual statements of recognized income and expense, individual statements of changes in equity and individual statements of cash flows for the six-month periods ended June 30, 2024 and 2023 are summarized in Annex I. These financial statements of Unicaja Banco, S.A. have been prepared in accordance with the principles, accounting standards and valuation criteria included in Bank of Spain Circular 4/2017. These accounting principles, standards and valuation criteria do not differ significantly from those applied in the condensed interim consolidated financial statements of the Unicaja Group.

1.13. Minimum equity ratio

Pursuant to current regulations, the capital ratios required for 2024 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 2024 fiscal year and within the framework of the aforementioned SREP, the European Central Bank requires the Unicaja Group to comply with 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 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 Group as at June 30, 2024 was 15.12%, while the total capital ratio was 20.18% (both including the earnings retained in the six-month period ended June 30, 2024, the computation of which would be pending authorization by the European Central Bank as at the date of preparation of these condensed interim consolidated financial statements).

Consequently, with the current levels of capital, the Unicaja 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.

The following is a breakdown of the main figures related to the capital ratios applicable to the Group, as set forth in Regulation (EU) no. 575/2013, at June 30, 2024 and December 31, 2023:

Thousands of euros	**6/30/2024**	**12/31/2023**
Computable Common Equity Tier 1 Capital (a)	4,325,915	4,469,989
Computable Additional Tier 1 Capital (b)	547,360	547,360
Computable Tier 2 Capital (c)	900,000	600,000
Risks (d)	28,603,351	29,840,728
Common Equity Tier 1 Capital Ratio (CET 1) (A) = (a)/(d)	15.12	14.98%
Additional Tier 1 Capital Ratio (AT 1) (B) = (b)/(d)	1.91	1.83%
Tier 1 Capital Ratio (Tier 1) (A)+ (B)	17.04	16.81%
Tier 2 Capital Ratio (Tier 2) (C)=(c)/(d)	3.15	2.01%
Total capital Ratio (A) + (B) + (C)	**20.18**	**18.82%**

Note 1: As at June 30, 2024 and December 31, 2023, 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 the consolidated results for the six-month period ended June 30, 2024 and the result of the fiscal year ended December 31, 2023 respectively, to be appropriated to reserves once the distribution of income is approved, calculated as per Article 26, Section 2, of Regulation (EU) 575/2013 and Decision (EU) 2015/656 of the European Central Bank. Tier 2 capital basically includes subordinated debt issues.

Note 2: The figures in this table include the retained earnings for the six-month period ended June 30, 2024, whose calculation for solvency purposes is pending approval by the European Central Bank.

The total capital surplus taking into account the capital requirements in accordance with the regulation of Directive 2013/36/EU (CRD-IV) and Regulation (EU) No. 575/2013 (CRR) (Pillar One), the additional requirements demanded of the Unicaja Group Group as a result of the 2024 SREP (Pillar Two) and the 2.5% capital conservation buffer, amounts to 2,126,348,000 euros as at June 30, 2024. Similarly, the CET1 surplus taking into account all the previous requirements, applied at the CET1 level, amounts to 1,961,669,000 euros as at June 30, 2024.

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 June 30, 2024 and December 31, 2023:

Thousands of euros	**6/30/2024**	**12/31/2023**
Tier 1 Capital (a)	4,873,275	5,017,349
Exposure (b)	94,277,996	95,885,533
Leverage Ratio (a)/(b)	**5.17%**	**5.23%**

Note: The figures in this table include the retained earnings for the fiscal year as of June 30, 2024, whose calculation for solvency purposes is pending approval by the European Central Bank.

Unicaja has 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 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 portion of the portfolio acquired through the merger with Liberbank (Note 1.1), the authorization of which was being processed as at the date of preparation of these condensed interim consolidated financial statements.

1.14. Minimum reserve ratio

During the six-month period ended June 30, 2024, Unicaja complied with the minimums required for this ratio by the applicable Spanish regulations.

1.15. Contributions to guarantee and resolution funds

Unicaja is a member of the Deposit Guarantee Fund for Credit Institutions. Pursuant to the provisions of Article 6 of Royal Decree-Law 16/2011, of October 14, 2011 creating the Deposit Guarantee Fund for Credit Institutions and Article 3 of Royal Decree 2606/1996, of December 20, on deposit guarantee funds for credit institutions, the Group has not made any annual contributions to the fund for the period 2024. During the fiscal year 2023 the expense incurred for ordinary, additional and overflow contributions made to this organization amounted to 88,275,00 euros. In application of the accounting regulatory framework applicable to the Group (Note 1.3) and particularly in application of IFRIC 21 "Levies", no contribution was accrued during the six-month periods ended June 30, 2024 and 2023.

With respect to the Single Resolution Fund, it became operational as of January 1, 2016, and is managed by the Single Resolution Board, which is also 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.

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 the first half of fiscal year 2024, no contributions to the Single Resolution Fund have been accrued, as the Fund has reached its target level. The expense recorded in the condensed consolidated income statement in the six-month period ended June 30, 2023 for the contributions made to the Single Resolution Fund amounts to 43,684,000 euros (Note 23).

1.16. Temporary levy of credit institutions

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

One of the measures established by this Law is the temporary taxation of credit institutions and financial credit establishments, which is developed in Article 2. According to this standard:

- The payment obligation arises on the first day of the calendar year and must be met 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 a 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, which is to be 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.

This temporary lien of credit institutions is a “levy” from the accounting point of view, in accordance with IFRIC 21 “Levies” and is recorded in full at January 1, as this is when the obligation arises.

The “Other operating expenses” heading in the condensed consolidated income statement for the six-month periods ended June 30, 2024 and 2023 includes an amount of (78,603) thousand euros and (63,844) thousand euros for the temporary levy on credit institutions corresponding to the 2024 and 2023 fiscal years (Note 23). The Bank made a payment on account of 50% of this levy on February 19, 2024 amounting to 39,301,000 euros.

2. Segment reporting

The Group's main activity is retail banking. At the same time, it carries out practically all of its activity in Spain, and the Directors consider that the type of clientèle 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 following segments identified were used as the basis upon which to report the information required under International Financial Reporting Standard (IFRS) 8 "Operating segments":

- Credit and insurance companies and related activities: 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 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.

Below is a detailed description of the weight the different segments have in the Unicaja Group at June 30, 2024 and December 31, 2023 for each of the segmentation types or parameters defined in paragraphs 32 to 34 of IFRS 8.

Information by sector (products and services)

The following is the condensed consolidated balance sheet of the Unicaja Group broken down by sector as of June 30, 2024 and December 31, 2023, with the same breakdown as the sector information reported to the Bank of Spain.

As of June 30, 2024 and December 31, 2023, the credit institutions and insurance sector accounts for almost all total consolidated assets to date and consolidated equity.

a) Condensed consolidated balance as of June 30, 2024:

Distribution (thousands of euros)

ASSETS	Total	Credit institutions and insurance companies and related activities	Other entities	Adjustments and eliminations
Cash, cash balances with central banks and other demand deposits	8,388,337	8,398,377	2,526	(12,566)
Financial assets held for trading	813,837	813,837	-	-
Non-trading financial assets mandatorily at fair value through profit or loss	99,016	99,016	-	-
Financial assets at fair value through income	-	-	-	-
Financial assets at fair value through other comprehensive income	1,862,647	1,865,487	-	(2,840)
Financial assets at amortized cost	75,741,596	75,742,346	32,396	(33,146)
Derivatives - Hedge accounting	1,198,297	1,198,297	-	-
Changes in fair value of hedged items of the interest rate risk-hedged	(140,882)	(140,882)	-	-
Investment in joint ventures and associates	842,718	882,391	-	(39,673)
Assets from insurance contracts	-	-	-	-
Assets from reinsurance contracts	1,586	1,586	-	-
Tangible assets	1,687,575	1,687,570	3	2
Intangible assets	87,316	64,405	-	22,911
Tax assets	4,523,834	4,523,899	1,123	(1,188)
Other assets	260,664	262,179	20,258	(21,773)
Non-current assets and disposal groups of items classified as held for sale	280,599	280,599	-	-
Total assets	**95,647,140**	**95,679,107**	**56,306**	**(88,273)**

Distribution (thousands of euros)

LIABILITIES AND NET EQUITY	Total	Credit institutions and insurance companies and related activities	Other entities	Adjustments and eliminations
Financial liabilities held for trading	461,254	461,254	-	-
Financial liabilities at amortized cost	85,494,064	85,494,603	41,011	(41,550)
Derivatives - Hedge accounting	782,353	782,353	-	-
Liabilities from insurance contracts	417,424	417,424	-	-
Liabilities from reinsurance contracts	-	-	-	-
Provisions	877,024	876,728	296	-
Tax liabilities	466,471	466,469	-	2
Other liabilities	509,207	515,187	859	(6,839)
Total liabilities	**89,007,797**	**89,014,018**	**42,166**	**(48,387)**
Shareholders' equity	6,628,529	6,608,610	14,140	5,779
Other cumulative comprehensive income	8,499	54,598	-	(46,099)
Non-controlling interests (non-significant holdings)	2,315	1,881	-	434
Total net equity	**6,639,343**	**6,665,089**	**14,140**	**(39,886)**
Total liabilities and net equity	**95,647,140**	**95,679,107**	**56,306**	**(88,273)**

b) Condensed consolidated balance as of December 31, 2023:

Distribution (thousands of euros)

ASSETS	Total	Credit institutions and insurance companies and related activities	Other entities	Adjustments and eliminations
Cash, cash balances with central banks and other demand deposits	8,040,032	8,045,267	3,905	(9,140)
Financial assets held for trading	809,430	809,430	-	-
Non-trading financial assets mandatorily at fair value with changes in income	108,562	108,562	-	-
Financial assets at fair value through income	-	-	-	-
Financial assets at fair value through other comprehensive income	1,501,554	1,504,308	-	(2,754)
Financial assets at amortized cost	77,451,855	77,453,073	32,393	(33,611)
Derivatives - Hedge accounting	1,222,395	1,222,395	-	-
Changes in the fair value of the items covered in a portfolio with interest rate risk coverage	(63,020)	(63,020)	-	-
Investment in joint ventures and associates	940,102	977,379	-	(37,277)
Assets from insurance contracts	-	-	-	-
Assets from reinsurance contracts	1,882	1,882	-	-
Tangible assets	1,766,326	1,766,320	4	2
Intangible assets	84,826	58,831	-	25,995
Tax assets	4,719,580	4,718,364	1,706	(490)
Other assets	235,231	237,667	20,427	(22,863)
Non-current assets and disposable groups of items classified as	333,895	333,895	-	-
Total assets	**97,152,650**	**97,174,353**	**58,435**	**(80,138)**

Distribution (thousands of euros)

LIABILITIES AND NET EQUITY	Total	Credit institutions and insurance companies and related activities	Other entities	Adjustments and eliminations
Financial liabilities held for trading	462,839	462,839	-	-
Financial liabilities at amortized cost	86,556,316	86,553,696	40,890	(38,270)
Derivatives - Hedge accounting	1,148,038	1,148,038	-	-
Liabilities from insurance contracts	441,377	441,377	-	-
Liabilities from reinsurance contracts	-	-	-	-
Provisions	957,053	955,428	2,254	(629)
Tax liabilities	413,961	413,961	-	-
Other liabilities	527,009	534,807	904	(8,702)
Total liabilities	**90,506,593**	**90,510,146**	**44,048**	**(47,601)**
Shareholders' equity	6,522,817	6,502,249	14,387	6,181
Other cumulative comprehensive income	120,809	159,966	-	(39,157)
Non-controlling interests (non-significant holdings)	2,431	1,992	-	439
Total net equity	**6,646,057**	**6,664,207**	**14,387**	**(32,537)**
Total liabilities and net equity	**97,152,650**	**97,174,353**	**58,435**	**(80,138)**

Information on geographical areas

The Unicaja 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.

The distribution of interest income and other similar income by geographic area for the six-month periods ending June 30, 2024 and 2023 is presented below for illustrative purposes.

Thousands of euros	Distribution of interest income by geographic area			
	Individual		Consolidated	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Domestic market	1,392,565	1,072,709	1,395,746	1,067,197
Export	-	-	-	-
European Union	-	-	-	-
OECD countries	-	-	-	-
Other countries	-	-	-	-
Total	**1,392,565**	**1,072,709**	**1,395,746**	**1,067,197**

Information on main customers

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

3. Earnings per share

The basic profit per share is determined by dividing the net income for the period 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 the end of the period.

The basic and diluted earnings per share of the Unicaja Group for the six-month periods ended June 30, 2024 and 2023 are presented below:

	6/30/2024	6/30/2023
Profit/loss attributed to the dominant entity (in thousands of euros)	294,401	148,204
Adjustments: Remuneration of contingently convertible instruments (thousands of euros)	(6,850)	(6,850)
Adjusted income (in thousands of euros)	287,551	141,354
Of which: Income (loss) from continuing operations (in thousands of euros)	*287,551*	*141,354*
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	2,642,731	2,654,650
Basic earnings per share in continuing operations (in Euros)	0.109	0.053
Basic earnings per share in discontinued operations (in Euros)	-	-
Total basic earnings per share (in euros)	**0.109**	**0.053**

	6/30/2024	6/30/2023
Profit/loss attributed to the dominant entity (in thousands of euros)	294,401	148,204
Adjustments: Remuneration of contingently convertible instruments (thousands of euros)	(6,850)	(6,850)
Adjusted income (in thousands of euros)	287,551	141,354
Of which: Income (loss) from continuing operations (in thousands of euros)	*287,551*	*141,354*
Of which: Income (loss) from discontinued operations (in thousands of euros)	-	-
Weighted average number of common shares outstanding reduced by treasury stock (in thousands)	2,642,731	2,654,650
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)	2,642,731	2,654,650
Diluted earnings per share from continuing operations (in Euros)	0.109	0.053
Diluted earnings per share in discontinued operations (in Euros)	-	-
Total diluted earnings per share (in euros)	**0.109**	**0.053**

In application of IAS 33 “Earnings per share”, the average number of shares outstanding during the six-month periods ended June 30, 2024 and 2023 has been used.

During the six-month periods ended June 30, 2024 and 2023, the Unicaja Group issued Perpetual Contingent Convertible Bonds (PeCoCos) recorded under “Other equity instruments” heading in the condensed consolidated balance sheet whose discretionary remuneration is conditional upon compliance with a series of conditions (Note 12.2).

Contingent Convertible Perpetual Debentures (PeCoCos) have no impact on the calculation of diluted earnings as the possibility of their conversion is remote. In the event of considering the convertibility of these instruments, they would in any case have an anti-dilutive effect, as earnings per share would increase to 0.110 euros in the first half of 2024 and to 0.055 euros per share in the first half of 2023 in the event of conversion of PeCoCos into shares.

4. Dividends paid

The dividends paid by Unicaja Group, S.A. during the six-month periods ended June 30, 2024 and 2023 are as follows:

Thousands of euros	6/30/2024			6/30/2023		
	% of nominal	Euros per share	Amount	% of nominal	Euros per share	Amount
Ordinary shares	19.9	0.05	132,004	19.4	0.048	128,576
Other shares (with no vote, redeemable, etc.)	- %	-	-	- %	-	-
Total dividends paid	**19.9**	**0.05**	**132,004**	**19.4**	**0.048**	**128,576**
Dividends charged to profit or loss	-	-	132,004	-	-	128,576
Dividends charged to reserves or issue premium	-	-	-	-	-	-
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.

On February 29, 2024, the Board of Directors of Unicaja Group, S.A. included a dividend distribution of 132,004 thousand euros in the proposed distribution of profit for 2023 (it was subsequently approved by the shareholders at the General Shareholders' Meeting held on April 5, 2024 and paid on April 19, 2024).

On February 23, 2023, the Board of Directors of Unicaja Banco, S.A. included a dividend distribution of 128,576 thousand euros in the proposed distribution of profit for 2022 (it was subsequently approved by the shareholders at the General Shareholders' Meeting held on March 30, 2023 and paid on April 14, 2023).

5. Goodwill of entities accounted for using the equity method

As at June 30, 2024 and December 31, 2023, the Entity held goodwill in entities accounted for using the equity method amounting to 52,288,000 and 52,500,000 euros 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. The latter two companies were absorbed by Unicorp Vida, Compañía de Seguros y Reaseguros, S.A., with accounting effects as from January 1, 2023.

As of June 30, 2024 and December 31, 2023, goodwill has been recorded as part of the book value of the acquired entities, (or as the case may be, of the absorbing entity), under “Investments in joint ventures and associates” in the consolidated balance sheet. The amounts recorded at June 30, 2024 and December 31, 2023 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.

During the six-month periods ended June 30, 2024 and 2023, goodwill impairment losses amounted to 212,000 euros and 302,000 euros respectively and was recorded under the “Impairment or reversal of non-financial assets - Intangible assets” heading in the condensed interim consolidated income statement (Note 26). After recording these impairment losses, the goodwill corresponding to the acquisition of Hidralia, Gestión Integral de Aguas de Andalucía, S.A. is fully impaired.

Below is a table showing the initial recognition date of goodwill and its initial gross amount, as well as the amounts impaired since their origin (accumulated write-downs) and the net book value as of June 30, 2024 and December 31, 2023:

Thousands of euros

			Accumulated write-downs		Net amount	
	Initial amount	**Initial registration date**	**6/30/2024**	**12/31/2023**	**6/30/2024**	**12/31/2023**
Hidralia, Gestión Integral de Aguas de Andalucía, S.A.	20,467	Sep. 2005	20,467	20,255	-	212
Unicorp Vida, Compañía de Seguros y Reaseguros, S.A. (*)	52,288	Jul. 2021	-	-	52,288	52,288
	72,755		**20,467**	**20,255**	**52,288**	**52,500**

(*) Goodwill from the companies CCM Vida y Pensiones de Seguros y Reaseguros, S.A. and Liberbank Vida y Pensiones, Seguros y Reaseguros, S.A. which was considered as assigned to the company “Unicorp Vida, Compañía de Seguros y Reaseguros, S.A.” after the merger with the former during the year 2023, with accounting effect as from January 1, 2023.

In the case of Unicorp Vida, Compañía 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.

6. Composition of the Unicaja Group

6.1. 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 Bank control. Pursuant to International Financial Reporting Standard (IFRS) 10 “Consolidated Financial Statements”, an investee is considered to be controlled if the investor 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.

As at June 30, 2024 and December 31, 2023, affiliates 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.

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 condensed consolidated balance sheet.

– The consolidated results for the year are presented under “Profit attributable to minority interests” in the condensed consolidated income statement.

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

Relevant information on these entities is provided in Annex II.

6.2. Joint ventures (jointly controlled entities)

“Joint ventures” or jointly controlled entities are considered to be those holdings in companies which, not being subsidiaries, are jointly controlled by two or more unrelated companies.

In accordance with IFRS 11 “Joint Arrangements”, joint ventures arise when a venturer is entitled to the results or net assets of the entity in which it has an interest and, therefore, the equity method is used to account for its interest in the entity. In this regard, in the condensed interim consolidated financial statements, jointly controlled entities are classified as joint ventures and are valued using the “equity method” provided for in IAS 28 “Investments in Associates and Joint Ventures”.

Relevant information on these entities is provided in Annex III.

6.3. Associates

“Associates” are defined as companies over which the Entity is in a position to exercise significant influence, but not control or joint control. Usually, this capacity is manifested in a shareholding (direct or indirect) equal to or greater than 20% of the voting rights of the investee company.

Likewise, associates of subsidiaries are considered as such when, taking into account Unicaja’s shareholding in such subsidiaries, it is considered that there is significant influence over them.

In the consolidated financial statements, associates are accounted for using the equity method, as defined in IAS 28 “Investment in Associates and Joint Ventures.”

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

Relevant information on these entities is provided in Annex IV.

6.4. Changes in the composition of the Group

During the six-month period ended June 30, 2024, the following increases in interests in Group entities, joint ventures or associates occurred:

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
Digital Finance & Insurance Services, S.L.	Associated	2/6/2024	300	4.09	34.09
Kenta Capital Investment Management, S.A.	Associated	6/13/2024	284	4	40

Over the six-month period ended June 30, 2023, there was the following increase in equity interests in Group entities, joint ventures or associates:

Thousands of euros

Name of the entity	Category	Date operation effective	Net amount paid in the acquisition + other costs directly attributable to the combination	% of voting rights acquired	% of total voting rights in the entity after the acquisition
Sociedad de Gestión San Carlos, S.A.	Group (*)	03/01/2023	-	0%	62.2%
Parque Industrial Humilladero, S.L.	Group	03/02/2023	170	0.38	92.38%
Digital Finance & Insurance Services, S.L.	Associated	5/8/2023	300	30%	30%
Hoteles Layos, S.L.U.	Group (**)	05/05/2023	-	0%	100%
Camping Alto Gallego, S.L.U.	Group (**)	5/5/2023	-	0%	100%
Liberbank Ebusiness, S.L.U.	Group	4/11/2023	-	0%	100%

(*) Until March 1, 2023, Sociedad de Gestión San Carlos, S.A. was classified as a joint venture applying the equity method. However, as from March 1, 2023, the company became a Group company due to the fact that the Unicaja Group's interest has been growing continuously from 2013 (50.32%) to 2023 (62.2%). The Unicaja Group's interest in Sociedad de Gestión San Carlos, S.A. grants it qualified voting rights at the General Shareholders' Meeting for certain decisions and, therefore, a decision to change the consolidation method has been made.

(**) Until May 5, 2023, 53.78% of Hoteles Latos, S.L. and 100% of Camping Alto Gallego, S.L.U. belonged to Mosacata S.L.U., which merged with Gestión de Activos Inmobiliarios, S.L. during 2023.

During the six-month period ended June 30, 2024, the following disposals took place as a result of business combinations or other sales or reduction of interests in subsidiaries, joint ventures and/or investments in associates:

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
Lares Val de Ebro, S.A. (in liquidation)	Multigroup	1/30/2024	33.33%	0%	-
Ala Ingenieria y Obras, S.L. (in liquidation)	Associated	2/8/2024	26.49	0%	-
Viproelco, S.A.U. (in liquidation)	Group	2/14/2024	100%	0%	-
Cartera de Activos H&L, S.L.	Associated	6/11/2024	27.54	0%	(532)
Kenta Capital Investment Management, S.A.	Associated	6/13/2024	2	38	249

Over the six-month period ended June 30, 2023, the following disposals took place as a result of business combinations or other sales or reduction of interests in subsidiaries, joint ventures and/or investments in associates:

Thousands of euros

Name of the acquired or merged entity (or branch of activity)	Category	Date operation effective	% of voting rights disposed of or canceled	% of total voting rights in the entity after disposal	Profit/ (loss) generated
Malagaport, S.L.	Associated	01/01/2023	26.77%	0%	-
Electra de Malvana, S.A.	Associated	2/13/2023	20%	0%	-
Instituto de Medicina Oncológica y Molecular de Asturias, S.A.	Multigroup	03/02/2023	33.33%	0%	335
Liberbank Digital, S.L.U.	Group	3/28/2023	100%	0%	-
Azoe Inmuebles, S.L.	Associated	03/29/2023	48.4%	0%	216
Cantabria Capital S.G.E.I.C., S.A.	Associated	5/12/2023	20%	0%	(59)
Lisson Directorship, S.L.U.	Group	05/18/2023	100%	0%	(148)
CCM Vida y Pensiones de Seguros y Reaseguros, S.A. (*)	Associated	6/30/2023	50%	0%	-
Liberbank Vida y Pensiones, Seguros y Reaseguros, S.A. (*)	Multigroup	06/30/2023	50%	0%	-

(*) Entities merged with Unicorp Vida, Compañía de Seguros y Reaseguros, S.A. with an accounting effective date of January 1, 2023.

These changes in the composition of the Group had no significant impact on the condensed interim consolidated financial statements as of June 30, 2024.

7. Remuneration received and balances held by directors and senior management

The remuneration received and balances held with the members of the Board of Directors of Unicaja and the remuneration received by the members of Unicaja's senior management over the six-month periods ended June 30, 2024 and 2023 was as follows:

Administrators	6/30/2024	6/30/2023
Remuneration concept:		
Fixed remuneration	1,036	894
Variable remuneration	-	44
Allowances	*132*	*214*
Statutory services	-	-
Transactions in shares and/or other financial instruments	-	-
Others	-	-
Other benefits:		
Advances	-	-
Loans granted	-	-
Contributions to pension funds and plans	43	115
Obligations assumed by pension funds and plans	-	-
Life insurance premiums	-	-
Guarantees given in favor of the Board Members	-	-
Executive management		
Total Compensation	1,797	2,282

In the preparation of these condensed interim consolidated financial statements, personnel belonging to the Steering Committee of the Bank and the management personnel reporting to the Chief Executive Officer have been considered to be senior management personnel.

8. Financial instruments

8.1. Breakdown of financial instruments

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

The breakdown of the financial assets included in the individual condensed balance sheets of Unicaja and the consolidated balance sheets of the Unicaja Group, according to their nature and category, as of June 30, 2024 and December 31, 2023 was as follows:

Thousands of euros **6/30/2024**

Financial assets	Financial assets held for trading	Non-trading financial assets mandatorily at fair value with changes in income	Financial assets valued at fair value with changes in income	Financial assets at fair value through other comprehensive income	Financial assets at amortized cost	Total
Derivatives	31,577	-	-	-	-	31,577
Equity instruments	-	41	-	326,622	-	326,663
Debt securities	756,815	35,383	-	1,094,906	24,703,372	26,590,476
Loans and advances	-	63,592	-	-	50,984,411	51,048,003
Central banks	-	-	-	-	-	-
Credit institutions	-	-	-	-	1,353,409	1,353,409
Customers	-	63,592	-	-	49,631,002	49,694,594
INDIVIDUAL TOTAL	**788,392**	**99,016**	**-**	**1,421,528**	**75,687,783**	**77,996,719**
Derivatives	49,272	-	-	-	-	49,272
Equity instruments	7,750	41	-	345,911	-	353,702
Debt securities	756,815	35,383	-	1,516,736	24,703,372	27,012,306
Loans and advances	-	63,592	-	-	51,038,224	51,101,816
Central banks	-	-	-	-	-	-
Credit institutions	-	-	-	-	1,353,717	1,353,717
Customers	-	63,592	-	-	49,684,507	49,748,099
CONSOLIDATED TOTAL	**813,837**	**99,016**	**-**	**1,862,647**	**75,741,596**	**78,517,096**

Thousands of euros **12/31/2023**

Financial assets	Financial assets held for trading	Non-trading financial assets mandatorily at fair value with changes in income	Financial assets valued at fair value with changes in income	Financial assets at fair value through other comprehensive income	Financial assets at amortized cost	Total
Derivatives	32,313	-	-	-	-	32,313
Equity instruments	-	41	-	331,185	-	331,226
Debt securities	749,072	35,265	-	729,025	25,098,802	26,612,164
Loans and advances	-	73,256	-	-	52,471,648	52,544,904
Central banks	-	-	-	-	-	-
Credit institutions	-	-	-	-	2,290,553	2,290,553
Customers	-	73,256	-	-	50,181,095	50,254,351
INDIVIDUAL TOTAL	**781,385**	**108,562**	**-**	**1,060,210**	**77,570,450**	**79,520,607**
Derivatives	51,777	-	-	-	-	51,777
Equity instruments	8,581	41	-	346,719	-	355,341
Debt securities	749,072	35,265	-	1,154,835	25,098,802	27,037,974
Loans and advances	-	73,256	-	-	52,353,053	52,426,309
Central banks	-	-	-	-	-	-
Credit institutions	-	-	-	-	2,291,379	2,291,379
Customers	-	73,256	-	-	50,061,674	50,134,930
CONSOLIDATED TOTAL	**809,430**	**108,562**	**-**	**1,501,554**	**77,451,855**	**79,871,401**

The breakdown of the financial liabilities included in the condensed individual balance sheet of Unicaja and the condensed consolidated balance sheet of the Unicaja Group, according to their nature and category, as of June 30, 2024 and December 31, 2023 was as follows:

Thousands of euros **6/30/2024**

Financial liabilities	Financial liabilities held for trading	Financial liabilities valued at fair value with changes in income	Financial liabilities at amortized cost	Total
Derivatives	30,275	-	-	30,275
Short positions	415,500	-	-	415,500
Deposits	-	-	78,484,491	78,484,491
Central banks	-	-	-	-
Credit institutions	-	-	2,595,966	2,595,966
Customers	-	-	75,888,525	75,888,525
Debt securities issued	-	-	4,051,652	4,051,652
Other financial liabilities	-	-	3,611,823	3,611,823
INDIVIDUAL TOTAL	**445,775**	**-**	**86,147,966**	**86,593,741**
Derivatives	45,754	-	-	45,754
Short positions	415,500	-	-	415,500
Deposits	-	-	77,765,390	77,765,390
Central banks	-	-	-	-
Credit institutions	-	-	2,562,219	2,562,219
Customers	-	-	75,203,171	75,203,171
Debt securities issued	-	-	4,048,929	4,048,929
Other financial liabilities	-	-	3,679,745	3,679,745
CONSOLIDATED TOTAL	**461,254**	**-**	**85,494,064**	**85,955,318**

Thousands of euros **12/31/2023**

Financial liabilities	Financial liabilities held for trading	Financial liabilities valued at fair value with changes in income	Financial liabilities at amortized cost	Total
Derivatives	32,345	-	-	32,345
Short positions	411,836	-	-	411,836
Deposits	-	-	81,056,359	81,056,359
Central banks	-	-	953,971	953,971
Credit institutions	-	-	5,805,055	5,805,055
Customers	-	-	74,297,333	74,297,333
Debt securities issued	-	-	4,241,898	4,241,898
Other financial liabilities	-	-	2,030,102	2,030,102
INDIVIDUAL TOTAL	**444,181**	**-**	**87,328,359**	**87,772,540**
Derivatives	51,003	-	-	51,003
Short positions	411,836	-	-	411,836
Deposits	-	-	80,201,660	80,201,660
Central banks	-	-	953,971	953,971
Credit institutions	-	-	5,772,643	5,772,643
Customers	-	-	73,475,046	73,475,046
Debt securities issued	-	-	4,239,232	4,239,232
Other financial liabilities	-	-	2,115,424	2,115,424
CONSOLIDATED TOTAL	**462,839**	**-**	**86,556,316**	**87,019,155**

8.1.2. Impairment of value or reversal of impairment of value of financial assets designated at fair value through profit or loss and net gains or losses due to changes

The breakdown by portfolio in this heading of the condensed consolidated income statement for the six-month periods ended June 30, 2024 and 2023 was as follows:

Thousands of euros	**6/30/2024**	**6/30/2023**
Financial assets at fair value through other comprehensive income	(182)	(1,254)
Financial assets at amortized cost	(59,232)	(74,358)
	(59,414)	(75,612)

8.2. Financial assets and liabilities held for trading

8.2.1. Balance breakdown and maximum credit risk - receivables

Below is a breakdown of the financial assets included in this category as of June 30, 2024 and December 31, 2023 classified by counterparty class:

Thousands of euros	**6/30/2024**	**12/31/2023**
Credit institutions	141,537	78,678
Resident Public Administrations	360,182	472,800
Non-Resident Public Administrations	234,684	176,259
Other resident sectors	10,063	18,967
Other non-resident sectors	67,371	62,726
	813,837	**809,430**

Below is a breakdown of the financial assets included in this category as of June 30, 2024 and December 31, 2023 classified by type of instrument:

Thousands of euros	**6/30/2024**	**12/31/2023**
Obligations and listed bonds	756,815	749,072
Listed shares	7,750	8,581
Derivatives traded in organized markets	269	-
Derivatives traded in unorganized markets	49,003	51,777
	813,837	**809,430**

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.

8.2.2. Composition of the balance - credit balances

Below is a breakdown of the financial liabilities included in this category as of June 30, 2024 and December 31, 2023 classified by counterparty class:

Thousands of euros	6/30/2024	12/31/2023
Credit institutions	451,392	454,215
Other resident sectors	9,862	8,619
Other non-resident sectors	-	5
	461,254	**462,839**

Below is a breakdown of the financial liabilities included in this category as of June 30, 2024 and December 31, 2023 classified by type of instrument:

	6/30/2024	12/31/2023
Derivatives traded in unorganized markets	45,754	51,003
Derivatives traded in organized markets	-	-
Short positions in securities	415,500	411,836
	461,254	**462,839**

8.2.3. Financial derivatives held for trading

Below is a breakdown, by derivative class, of the fair value of the Group's 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 June 30, 2024 and December 31, 2023:

Thousands of euros	6/30/2024				12/31/2023			
	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:	**493**	**19,298**	**482**	**19,298**	**34**	**18,673**	**21**	**19,200**
Purchases of foreign currencies against Euros	-	-	482	19,298	22	1,803	6	17,395
Sales of foreign currencies against Euros	493	19,298	-	-	12	16,870	15	1,805
Securities and interest rate futures:	**-**	**-**	**-**	**68,050**	**-**	**-**	**-**	**115,548**
Purchased	-	-	-	38,358	-	-	-	-
Sold	-	-	-	29,692	-	-	-	115,548
Security options:	**269**	**5,100**	**236**	**213,052**	**-**	**-**	**59**	**269,227**
Purchased	269	5,100	-	-	-	-	-	-
Issued	-	-	236	213,052	-	-	59	269,227
Interest rate options:	**1,758**	**60,831**	**1,786**	**78,352**	**1,634**	**46,699**	**1,671**	**71,695**
Purchases	1,758	60,831	-	-	1,634	46,699	-	-
Sales	-	-	1,786	78,352	-	-	1,671	71,695
Other Securities Operations	**366**	**-**	**12**	**324,754**	**-**	**-**	**1,640**	**194,081**
Financial swaps on securities	-	-	-	-	-	-	-	-
Term operations	366	-	12	324,754	-	-	1,640	194,081
Currency options	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Purchased	-	-	-	-	-	-	-	-
Issued	-	-	-	-	-	-	-	-
Other foreign exchange operations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Currency swaps	-	-	-	-	-	-	-	-
Other interest rate transactions	**46,386**	**411,104**	**43,238**	**360,459**	**50,109**	**376,273**	**47,612**	**357,156**
Financial swaps on interest rates Interest (IRS)	46,386	411,104	43,238	360,459	50,109	376,273	47,612	357,156
Other products	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	49,272	**496,333**	**45,754**	**1,063,965**	**51,777**	**441,645**	**51,003**	**1,026,907**

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 33.1.

8.3. Non-trading financial assets mandatorily at fair value with changes in income

Below is a breakdown of the financial assets included in this category as of June 30, 2024 and December 31, 2023 classified by class of counterparty and type of instrument:

Thousands of euros	**6/30/2024**	**12/31/2023**
By types of counterparts -		
Credit institutions	33,446	33,224
Resident Public Administrations	41	41
Non-Resident Public Administrations	-	-
Other resident sectors	57,621	67,418
Other non-resident sectors	1,976	-
(Impairment losses)	(250)	(435)
Other valuation adjustments	6,182	8,314
	99,016	**108,562**
By type of instrument -		
Debt securities:	35,383	35,265
Spanish public debt	-	-
Treasury bills	-	-
Government bonds	-	-
Other Spanish public administrations	-	-
Foreign public debt	-	-
Issued by financial institutions	33,445	33,224
Other fixed-income securities	1,938	2,041
(Impairment losses)	-	-
Other valuation adjustments	-	-
Loans and receivables	63,592	73,256
Loans and advances to customers	*57,660*	*65,377*
(Impairment losses)	*(250)*	*(435)*
Other valuation adjustments	*6,182*	*8,314*
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	-	-
	99,016	**108,562**

The interest accrued on the debt securities classified in this portfolio of financial assets during the six-month periods ended on June 30, 2024 and 2023 amounted to 829,000 and 1,825,000 euros respectively, which are recorded under the “Interest income” heading of the consolidated profit and loss account (Note 16).

8.4. Financial assets at fair value through other comprehensive income

Below is a breakdown of the financial assets included in this category as of June 30, 2024 and December 31, 2023 classified by class of counterparty and type of instrument:

Thousands of euros	6/30/2024	12/31/2023
By types of counterparts -		
Credit institutions	353,846	415,387
Resident Public Administrations	554,362	628,092
Non-Resident Public Administrations	99,993	59,322
Other resident sectors	320,865	323,382
Other non-resident sectors	533,529	55,125
(Impairment losses)	-	-
Other valuation adjustments	52	20,246
	1,862,647	**1,501,554**
By type of instrument -		
Debt securities:	1,516,736	1,154,835
Spanish public debt	512,847	595,802
Treasury bills	-	-
Government bonds	*512,847*	*595,802*
Other Spanish public administrations	39,657	30,619
Foreign public debt	99,993	59,322
Issued by financial institutions	337,378	398,919
Other fixed-income securities	526,809	49,928
(Impairment losses)	-	-
Other valuation adjustments	52	20,245
Equity instruments:	345,911	346,719
Shares of listed Spanish companies	122	68,377
Shares of unlisted Spanish companies	345,789	269,749
Shares of listed foreign companies	-	-
Shares of unlisted foreign companies	-	-
Other investments	-	8,593
	1,862,647	**1,501,554**

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.

The interest accrued on the debt securities classified in this portfolio of financial assets during the six-month periods ended on June 30, 2024 and 2023 amounted to 23,429,000 euros and 11,556,000 euros respectively, which are recorded under the "Interest income" heading of the consolidated profit and loss account. Of these, 18,749,000 euros and 5,432,000 euros respectively, relate to interest accrued on the Bank's portfolio and 4,680,000 euros and 6,124,000 euros respectively, relate to interest accrued on the Group's insurance business (Note 16).

With respect to debt securities classified in this portfolio, in the six-month periods ended June 30, 2024 and 2023, there were no impairment charges or recoveries on these instruments.

8.5. Financial assets at amortized cost

Below is a breakdown of the financial assets included in this category as of June 30, 2024 and December 31, 2023, by nature of the exposure:

Thousands of euros	**6/30/2024**	**12/31/2023**
Debt securities	24,703,372	25,098,802
Loans and advances	51,038,224	52,353,053
Central banks	-	-
Credit institutions	1,353,717	2,291,379
Customers	49,684,507	50,061,674
	75,741,596	**77,451,855**

8.5.1. Composition of balance and maximum credit risk

Below is a breakdown of the financial assets included in this category as of June 30, 2024 and December 31, 2023 classified by class of counterparty and type of instrument:

Thousands of euros	**6/30/2024**	**12/31/2023**
By types of counterparts -		
Credit institutions	2,126,167	3,256,268
Resident Public Administrations	20,860,773	20,860,952
Non-Resident Public Administrations	8,854,197	8,641,830
Other resident sectors	44,869,057	45,432,412
Other non-resident sectors	502,059	551,919
(Impairment losses)	(955,659)	(1,016,876)
Other valuation adjustments	(514,998)	(274,650)
Accrued interest	*144,530*	*149,640*
Micro hedge operations	*(1,014,132)*	(777,748)
Commissions pending accrual	*(45,511)*	(48,398)
Other products and discounts in assumption	*400,115*	401,856
	75,741,596	**77,451,855**
By type of instrument -		
Credits and loans at variable interest rate	20,229,901	21,232,698
Credits and loans at mixed interest rate	4,440,717	3,865,733
Credits and loans at a fixed interest rate	24,922,019	24,729,201
Debt securities	25,665,251	25,839,317
Reverse purchase agreements with credit institutions and central counterparties	718,264	1,483,340
Term deposits with credit institutions	42,513	70,562
Other deposits into credit institutions	-	18
Other financial assets	1,193,587	1,522,512
(Impairment losses)	(955,659)	(1,016,876)
Other valuation adjustments	(514,997)	(274,650)
	75,741,596	**77,451,855**

The carrying value recorded in the above table represents the Group's maximum 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 heading is detailed in Note 8.5.2 and 8.5.3.

The interest accrued on the financial assets included in this category during the six-month periods ended on June 30, 2024 and 2023 amounted to 1,193,708,000 euros and 1,004,569,000 euros respectively, which are recorded under the "Interest income" heading of the consolidated profit and loss account (Note 16).

8.5.2. Loans and advances

The breakdown by counterparty of the gross amount (excluding impairment losses and other valuation adjustments) of loans and advances recorded at amortized cost as of June 30, 2024 and December 31, 2023 was as follows:

Thousands of euros	**6/30/2024**	**12/31/2023**
Credit institutions	1,345,105	2,285,964
Resident Public Administrations	4,881,233	4,700,919
Non-Resident Public Administrations	100,000	100,000
Other resident sectors	44,738,313	45,311,989
Other non-resident sectors	469,559	505,309
	51,534,210	**52,904,181**

The detail by type of instrument of the gross amount of loans and advances, classified by credit risk level (stages) as of June 30, 2024 was as follows:

Thousands of euros	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Reverse purchase agreements with central counterparties	48,072	-	-	48,072
Term deposits and Reverse purchase agreements with credit institutions	712,689	-	16	712,705
Loans to customers	45,199,877	2,963,085	1,416,883	49,579,845
Other financial assets	1,162,736	1,262	29,590	1,193,588
Balance as at June 30, 2024	**47,123,374**	**2,964,347**	**1,446,489**	**51,534,210**

The detail as at 30 June, 2024 and the movement during the six-month period ended on the said date, of loans and advances recorded at amortized cost classified by credit risk levels (stages) (excluding impairment losses and other valuation adjustments) was as follows:

Thousands of euros	Stage 1	Stage 2	Stage 3	Total
Balance as at January 1, 2024	**48,072,506**	**3,237,738**	**1,593,937**	**52,904,181**
Transfers between stages:	(257,929)	91,612	166,317	-
At normal risk (stage 1)	720,490	(710,510)	(9,980)	-
To special surveillance (stage 2)	(940,444)	977,618	(37,174)	-
To non-performing (stage 3)	(37,975)	(175,496)	213,471	-
Additions of new financial assets	3,831,957	-	-	3,831,957
Write-downs of financial assets (excluding bad debts)	(4,527,870)	(364,914)	(246,268)	(5,139,052)
Reclassification to write-downs	-	-	(54,156)	(54,156)
Asset Foreclosures	28	(89)	(13,341)	(13,402)
Other changes	4,682	-	-	4,682
Balance as at June 30, 2024	**47,123,374**	**2,964,347**	**1,446,489**	**51,534,210**

The detail as at December 31, 2023 and the movement during the annual period ended on the said date, of loans and advances recorded at amortized cost classified by credit risk levels (stages) (excluding impairment losses and other valuation adjustments) was as follows:

Thousands of euros	Stage 1	Stage 2	Stage 3	Total
Balance as at January 1, 2023	**50,603,203**	**3,671,428**	**1,955,420**	**56,230,051**
Transfers between stages:	(716,630)	362,838	353,792	-
At normal risk (stage 1)	635,120	(626,480)	(8,640)	-
To special surveillance (stage 2)	(1,119,722)	1,260,590	(140,868)	-
To non-performing (stage 3)	(232,028)	(271,272)	503,300	-
Additions of new financial assets	6,844,266	-	-	6,844,266
Write-downs of financial assets (excluding bad debts)	(8,658,333)	(796,528)	(394,057)	(9,848,918)
Reclassification to write-downs	-	-	(226,876)	(226,876)
Asset Foreclosures	-	-	(94,342)	(94,342)
Other changes	-	-	-	-
Balance as at December 31, 2023	**48,072,506**	**3,237,738**	**1,593,937**	**52,904,181**

8.5.3. Debt securities

Below is a breakdown of the financial assets included in this category as of June 30, 2024 and December 31, 2023 classified by class of counterparty and type of instrument:

Thousands of euros	**6/30/2024**	**12/31/2023**
By types of counterparts -		
Credit institutions	778,331	963,186
Resident Public Administrations	15,101,279	15,334,441
Non-Resident Public Administrations	8,682,674	8,642,917
Other resident sectors	108,588	112,482
Other non-resident sectors	32,500	45,776
	24,703,372	**25,098,802**
By type of instrument -		
Spanish public debt	11,128,925	11,198,133
Treasury bills	-	-
Government bonds	*11,128,925*	*11,198,133*
Other Spanish public administrations	3,972,354	4,136,308
Foreign public debt	8,682,674	8,642,917
Issued by financial institutions	778,331	963,186
Other fixed-income securities	141,088	158,258
	24,703,372	**25,098,802**

The breakdown of the debt securities recorded under this heading as of June 30, 2024 based on the credit rating of the issue and the level of credit risk was as follows:

Thousands of euros	**Stage 1**	**Stage 2**	**Stage 3**
Rating Aaa	628,596	-	-
Rating Aa1-Aa3	795,467	-	-
Rating A1-A3	15,124,432	-	-
Rating Baa1-Baa3	8,089,090	-	-
Rating Ba1-Ba3 (*)	65,787	-	-
Rating B1-C	-	-	-
No credit rating	-	-	-
	24,703,372	**-**	**-**

(**) Debt securities with a rating between Ba1 and Ba3 correspond in their entirety to exposures with a low credit risk (no appreciable risk). This is why it was felt that there was no significant increase in the credit risk, meaning that they continue to be classified as normal risk (stage 1).

The breakdown of the debt securities recorded under this heading as of December 31, 2023 based on the credit rating of the issue and the level of credit risk was as follows:

Thousands of euros	Stage 1	Stage 2	Stage 3
Rating Aaa	613,624	-	-
Rating Aa1-Aa3	834,761	-	-
Rating A1-A3	15,367,680	-	-
Rating Baa1-Baa3	8,217,240	-	-
Rating Ba1-Ba3 (*)	65,497	-	-
Rating B1-C	-	-	-
No credit rating	-	-	-
	25,098,802	**-**	**-**

(**) Debt securities with a rating between Ba1 and Ba3 correspond in their entirety to exposures with a low credit risk (no appreciable risk). This is why it was felt that there was no significant increase in the credit risk, meaning that they continue to be classified as normal risk (stage 1).

8.5.4. Past due and impaired assets

Financial assets classified as loans and receivables and considered impaired due to their credit risk as at June 30, 2024 and December 31, 2023 amount to 1,498,459,000 euros and 1,593,937,000 euros respectively.

The balances which, without being considered impaired, were past due as at June 30, 2024 and December 31, 2023 amounted to 1,041,193,000 euros and 872,824,000 euros, respectively.

The following is a breakdown of those financial assets that were classified as lending investments at amortized cost and considered impaired due to their credit risk as at June 30, 2024 and December 31, 2023, as well as those which, without being considered as impaired, had an amount past due as at said dates, classified by counterparty and according to the period elapsed since the maturity of the oldest past due amount of each transaction.

Impaired assets as of June 30, 2024

Thousands of euros

	Up to 180 days	Between 180 days and 1 year	Between 1 and 2 years	More than 2 years	Total
By types of counterparts -					
Public Administration Bodies	6,394	1	288	1,137	7,820
Credit institutions	12	1	-	67	80
Other financial companies	383	32	8	208	631
Non-financial corporations	414,090	61,727	51,560	59,422	586,799
Households	412,650	128,056	115,009	247,414	903,129
	833,529	**189,817**	**166,865**	**308,248**	**1,498,459**

Impaired assets as of December 31, 2023

Thousands of euros

	Up to 180 days	Between 180 days and 1 year	Between 1 and 2 years	More than 2 years	Total
By types of counterparts -					
Public Administration Bodies	440	69	512	801	1,822
Credit institutions	16	-	17	18	51
Other financial companies	8,076	38	13	206	8,333
Non-financial corporations	451,312	43,177	59,843	53,350	607,682
Households	484,365	126,136	123,584	241,964	976,049
	944,209	**169,420**	**183,969**	**296,339**	**1,593,937**

Unimpaired past due assets as of June 30, 2024

Thousands of euros

	Less than one month	Between 1 and 3 months	More than 3 months	Total
By types of counterparts -				
Public Administration Bodies	110,397	516	-	110,913
Credit institutions	-	-	-	-
Other financial companies	387	15	-	402
Non-financial corporations	393,871	9,811	-	403,682
Households	446,423	79,773	-	526,196
	951,078	**90,115**	**-**	**1,041,193**

Unimpaired past due assets as of December 31, 2023

Thousands of euros

	Less than one month	Between 1 and 3 months	More than 3 months	Total
By types of counterparts -				
Public Administration Bodies	3,089	2,983	-	6,072
Credit institutions	-	-	-	-
Other financial companies	7,930	58	-	7,988
Non-financial corporations	280,746	13,077	-	293,823
Households	478,668	86,273	-	564,941
	770,433	**102,391**	**-**	**872,824**

8.5.5. Credit risk hedging

As described in Note 2.7 to the consolidated financial statements for the year ended December 31, 2023, impairment for credit risk 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.

- Coverage is 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 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.

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. In order 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 economic losses of the loan portfolio. These variables are as follows: (i) year-on-year variation rate of Gross Domestic Product (GDP), (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). 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 also 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.

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 2023. 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. To the extent that this risk factor may become significant and is not incorporated with the current measurement tools, in the medium/long term the Unicaja Group plans, to incorporate specific methodologies to determine potential additional adjustments in this respect.

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 of the war between Russia and Ukraine and the shortage of certain products and materials that is increasing uncertainty on the evolution of the main macroeconomic variables and on the capacity of the real economy and households to meet debt payments, at December 31, 2023 Unicaja Group has opted to adjust the results of its internal models for the collective estimation of credit risk coverages and coverages calculated using methodologies based on sector parameters of the Bank of Spain, to reflect the potential credit deterioration that could result from the situation described above. The Group has updated such adjustment to June 30, 2024, as it considers that the circumstances that justified it remain latent. The amount of hedges linked to this adjustment amounts to 95 million euros and 101 million euros at June 30, 2024 and December 31, 2023 respectively.

The movement in impairment losses for each of the levels (stages) in which the Group's credit risk exposures are classified for the six-month periods ended June 30, 2024 and 2023 was as follows:

Thousands of euros	Stage 1	Stage 2	Stage 3	Total
Balance as at January 1, 2024	**171,263**	**168,701**	**676,517**	**1,016,481**
Transfers between stages:	4,516	(4,368)	(148)	-
At normal risk (stage 1)	10,157	(9,993)	(164)	-
To special surveillance (stage 2)	(5,077)	14,058	(8,981)	-
To non-performing (stage 3)	(564)	(8,433)	8,997	-
For additions of new financial assets	8,894	-	-	8,894
Changes in parameters	(10,999)	14,602	76,936	80,539
Changes in methodologies	(4,540)	1,793	676	(2,071)
Write-downs of financial assets (excluding	(8,666)	(13,320)	(68,953)	(90,939)
Reclassifications to bad debts	-	-	(41,886)	(41,886)
Awarded	-	-	(15,753)	(15,753)
Other changes	-	-	-	-
Balance as at June 30, 2024	**160,468**	**167,408**	**627,389**	**955,265**
Of which:				
Individually determined	-	37,008	125,459	162,467
Collectively determined	160,468	130,400	501,930	792,798
	160,468	**167,408**	**627,389**	**955,265**

The movement in impairment losses for each of the levels (stages) in which the Group's credit risk exposures are classified for the year ended December 31, 2023 was as follows:

Thousands of euros	Stage 1	Stage 2	Stage 3	Total
Balance as at January 1, 2023	**216,723**	**214,223**	**872,523**	**1,303,469**
Transfers between stages:	7,615	25,299	(32,914)	-
At normal risk (stage 1)	16,501	(12,186)	(4,315)	-
To special surveillance (stage 2)	(6,476)	49,948	(43,472)	-
To non-performing (stage 3)	(2,410)	(12,463)	14,873	-
For additions of new financial assets	24,637	-	-	24,637
Changes in parameters	(45,479)	(47,006)	169,921	77,436
Changes in methodologies	(4,672)	(3,532)	19,073	10,869
Write-downs of financial assets (excluding	(27,561)	(20,283)	(146,792)	(194,636)
Reclassifications to bad debts	-	-	(162,829)	(162,829)
Awarded	-	-	(42,465)	(42,465)
Other changes	-	-	-	-
Balance as at December 31, 2023	**171,263**	**168,701**	**676,517**	**1,016,481**
Of which:				
Individually determined	94	40,805	122,610	163,509
Collectively determined	171,169	127,896	553,907	852,972
	171,263	**168,701**	**676,517**	**1,016,481**

8.5.6. Refinancing and restructuring operations

The refinancing and restructuring balances as of June 30, 2024 and December 31, 2023 are detailed below:

Thousands of euros	6/30/2024		12/31/2023	
	Total	Of which: Stage 3	Total	Of which: Stage 3
Gross	**970,972**	**411,141**	**1,084,100**	**480,194**
Value corrections due to the impairment of assets	**244,139**	**198,387**	**402,774**	**244,501**
Of which: Collectively determined	159,290	134,100	302,576	175,333
Of which: Individually determined	84,849	64,287	100,198	69,168
Net amount	**726,833**	**212,754**	**681,326**	**235,693**
Of which: granted to the customers	726,833	212,754	681,326	235,693
Value of guarantees received	**624,668**	**293,400**	**713,820**	**350,947**
Of which: value of guarantees	608,024	290,695	698,554	350,947
Of which: value of other guarantees	16,644	2,705	15,266	-

The reconciliation of the book value of refinanced and restructured transactions during the six-month period ended June 30, 2024 and financial year 2023 was as follows:

Thousands of euros	6/30/2024	12/31/2023
Opening balance	**681,326**	**719,621**
Refinancing and restructuring for the period	65,491	185,410
Debt repayments	(172,577)	(303,256)
Awards	(415)	(257)
Derecognition from balance sheet (reclassification to non-performing)	(10,066)	(108,710)
Other changes	163,074	188,518
Of which: Changes in the gross balance	*6,357*	*1,310*
Of which: Variations in credit loss coverage	*156,717*	*187,208*
Balance at the end of the period	**726,833**	**681,326**

The changes in the gross balance of the "Other changes" heading 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 June 30, 2024, the detailed information of refinanced and restructured operations was as follows:

Thousands of euros							June 30, 2024
	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	6	9,688	9,688	-	3	558	(305)
Other financial companies and individual employers (business activity financial)	4	241	241	-	9	383	(83)
Non-financial corporations and individual employers (business activity not financial)	1,204	261,982	220,694	16,417	2,493	298,024	(133,079)
Of which: financing of the construction and development	*147*	*54,836*	*52,035*	*11*	*71*	*3,831*	*(19,959)*
Other household	6,183	391,859	377,336	227	1,170	8,236	(110,672)
	7,397	**663,770**	**607,959**	**16,644**	**3,675**	**307,201**	**(244,139)**
Additional information							
Financing classified as non-current assets and groups disposable items that have been classified as	39	4,233	3,286	-	-	-	(3,164)

Thousands of euros **June 30, 2024**

	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	1	-	66	-	-	-	-
Other financial companies and individual employers (business activity financial)	4	241	241	-	5	158	(74)
Non-financial corporations and individual employers (business activity not financial)	606	128,284	105,116	2,675	641	86,736	(99,818)
Of which: financing of the construction and development	*72*	*33,978*	*33,943*	-	*15*	*340*	*(17,118)*
Other household	3,039	193,007	185,271	30	488	2,714	(98,495)
	3,650	**321,532**	**290,694**	**2,705**	**1,134**	**89,608**	**(198,387)**
Additional information							
Financing classified as non-current assets and groups disposable items that have been classified as	39	4,233	3,286	-	-	-	(3,164)

As of December 31, 2023, the detail information of refinanced and restructured transactions was as follows:

Thousands of euros **December 31, 2023**

	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	10	9,815	1	9,814	4	756	(215)
Other financial companies and individual employers (business activity financial)	4	245	245	-	5	160	(405)
Non-financial corporations and individual employers (business activity not financial)	1,492	352,351	259,029	5,298	1,978	252,571	(221,547)
Of which: financing of the construction and development	*207*	*68,507*	*66,283*	*1,164*	*53*	*6,061*	*(21,393)*
Other household	6,895	459,651	439,279	154	1,288	8,551	(180,607)
	8,401	**822,062**	**698,554**	**15,266**	**3,275**	**262,038**	**(402,774)**
Additional information							
Financing classified as non-current assets and groups disposable items that have been classified as	38	4,355	3,387	-	-	-	(2,946)

Thousands of euros							December 31, 2023
	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	4	1	-	-	-	-	-
Other financial companies and individual employers (business activity financial)	4	245	245	-	5	160	(100)
Non-financial corporations and individual employers (business activity not financial)	790	143,776	113,595	-	596	83,962	(115,455)
Of which: financing of the construction and development	*116*	*37,404*	*36,821*	-	*13*	*560*	*(12,549)*
Other household	3,653	248,192	237,107	-	605	3,858	(128,946)
	4,451	**392,214**	**350,947**	**-**	**1,206**	**87,980**	**(244,501)**
Additional information							
Financing classified as non-current assets and groups disposable items that have been classified as	38	4,355	3,387	-	-	-	(2,946)

8.5.7. Financial assets written off from the balance sheet

The movement during the six-month period ended June 30, 2024 and the twelve-month period ended December 31, 2023 of Unicaja's impaired financial assets that were not recorded in the balance sheet because there was no reasonable expectation of recovery (although the Bank did not discontinue actions to recover the amounts due) is shown below.

Thousands of euros	6/30/2024	12/31/2023
Balance of financial assets written off from the balance sheet as of the start of	**1,511,315**	**2,822,909**
Additions	**63,035**	**278,793**
Charged to asset impairment losses (see Note 8.5.5)	40,745	162,829
Charged to direct restructuring on the income statement	11,552	63,539
Uncollected past-due products	7,525	39,493
Other	3,213	12,932
Recoveries	**(15,145)**	**(28,498)**
Balances recovered during the year from cash collections	(12,333)	(25,116)
For adjudication of assets	(2,812)	(3,382)
Write-downs	**(6,131)**	**(1,561,889)**
For sale of bad debts	(90)	(5,105)
For other reasons	(6,041)	(1,556,784)
Balance of financial assets written off from the balance sheet as of the end of	**1,553,074**	**1,511,315**

The movement identified as “Write-offs” in the table above mainly reflects transactions that cease to be recorded as assets for remote recovery, since the Bank has rejected any possibility of recovery.

8.5.8. COVID-19 ICO-backed transactions

Royal Decree-Law 8/2020 on urgent measures to deal with the economic and social impact of COVID-19 was published on March 18, 2020.

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 Instituto de Crédito Oficial (ICO) and its purpose is to facilitate the injection 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 was divided into four lines. These were approved by Agreement of the Council of Ministers on March 24, April 10, May 5, May 19, 2020 and June 16, whose total amounts were allocated 67.5 billion euros to SMEs and the self-employed and 25 billion euros to non-SME companies. 4 billion euros was allocated 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 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, 2020 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 addition, since March 2020, the Group has been approving operations for which it has received guarantees from the ICO COVID-19 line approved by Royal Decree-Law 8/2020 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.

On November 18, 2021, Royal Decree-Law 34/2020, of November 17, on urgent measures to support business solvency and the energy sector, and on tax matters, entered into force, which, among other aspects, regulates the extension of the maturity and grace period of financing operations for self-employed persons and companies that have received public guarantees channeled through the ICO, allowing the maturity to be extended for an additional maximum period of three years (up to a maximum of eight years from the date of the initial formalization of the transaction) and increasing the grace period for the repayment of the principal of the transaction by a maximum of 12 additional months, provided that the total grace period, taking into account the initial grace period, does not exceed 24 months.

Additionally, on March 30, 2022, the Resolution of March 29, 2022, of the Secretary of State for Economy and Business Support was published in the Official State Gazette, publishing the Agreement of the Council of Ministers of March 29, 2022. Based on this agreement, for maturity extensions requested and granted as from March 31, 2022, self-employed persons and small and medium-sized companies belonging to sectors with certain CNAE (basically, agriculture, livestock, fishing, land passenger transportation and road freight transportation) will be entitled to a six-month suspension of the repayment installments of the principal of the operation, either in the form of an extension of the current grace period or in the form of an additional grace period if the latter has expired.

The detail information of the operations with ICO COVID-19 guarantee as of June 30, 2024 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
ICO COVID-19 Guarantees	**31,764**	**2,353,521**	**819,361**	**1,066,753**	**391,865**	**417,487**	**257,401**
Self-employed	8,839	212,156	80,841	101,028	57,293	36,129	7,606
Small and medium-sized companies	17,241	1,196,458	461,570	577,815	210,035	281,698	86,082
Other companies	5,684	944,907	276,950	387,910	124,537	99,660	163,713

The detailed information of the operations with ICO COVID-19 guarantee as of December 31, 2023 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
ICO COVID-19 Guarantees	**37,989**	**2,715,227**	**1,055,728**	**1,372,513**	**561,145**	**552,939**	**258,429**
Self-employed	10,588	244,656	108,443	135,590	75,739	50,733	9,118
Small and medium-sized companies	22,304	1,480,707	667,227	840,803	366,165	381,376	93,262
Other companies	5,097	989,864	280,058	396,120	119,241	120,830	156,049

(*) No transactions have been identified with ICO COVID-19 guarantees that have the status of purchased or originated financial assets with credit impairment (POCIs).

The Group considers that the ICO COVID-19 guarantees are a substantial 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 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 due to foreclosure, the Unicaja Group applies the provisions of Section 3.2 of IFRS 9, which require 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, the recipient assuming the losses for amounts not collected. Applying these criteria to the particular case of loans with ICO Covid-19 guarantees, the Unicaja 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 workers 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 EU's State aid Temporary Framework regarding the aid measures to prop the economy in the context of the COVID-19 pandemic. The guarantee will be extended when, at the request of the debtor, the financial institution decides to extend the maturity of the financing granted.

8.6. Financial liabilities at amortized cost

The detailed information of the financial liabilities at amortized cost at June 30, 2024 and December 31, 2023 was as follows:

Thousands of euros	**6/30/2024**	**12/31/2023**
Deposits	77,765,390	80,201,660
Central banks	-	953,971
Credit institutions	2,562,219	5,772,643
Customers	75,203,171	73,475,046
Debt securities issued	4,048,929	4,239,232
Other financial liabilities	3,679,745	2,115,424
	85,494,064	**86,556,316**

8.6.1. Deposits from central banks

The breakdown of the balances of this line item in the condensed consolidated balance sheets as at June 30, 2024 and December 31, 2023 was as follows:

Thousands of euros	**6/30/2024**	**12/31/2023**
Bank of Spain	-	933,990
Valuation adjustments - accrued interest	-	19,981
	-	**953,971**

At December 31, 2023, the amounts recorded under “Bank of Spain” relate to financing taken by the Group through the third series of targeted longer-term refinancing operations (TLTROs III). On March 27, 2024, the TLTROs III remaining on the consolidated balance sheet of the Unicaja Group matured in the amount of 933,990,000 euros.

During the first six months of 2024, these transactions have accrued interest expenses of 8,922,000 euros (74,011 thousand euros in the first six months of 2023), which correspond to the interest expenses accrued on the granting of TLTRO III loans and have been recorded under the “Interest expenses” heading in the consolidated income statement (Note 17).

8.6.2. Deposits from credit institutions

The breakdown of the balances included in this heading of the condensed consolidated balance sheets as at June 30, 2024 and December 31, 2023, according to the nature of the operations, was as follows:

Thousands of euros	**6/30/2024**	**12/31/2023**
Mutual accounts	-	2,164
Term deposits	463,036	550,401
Temporary assignment of assets	1,852,106	4,847,734
Other accounts	240,160	361,172
Valuation adjustments	6,917	11,172
	2,562,219	**5,772,643**

The interest accrued on deposits with credit institutions during the six-month periods ended on June 30, 2024 and 2023 amounted to 77,069,000 euros and 94,715,000 euros respectively, which are recorded under the "Interest expense" heading of the condensed consolidated profit and loss account (Note 17).

8.6.3. Customer deposits

The breakdown of the balance included in this heading of the condensed consolidated balance sheets as at June 30, 2024 and December 31, 2023, according to the nature of the counterparties of the operations, was as follows:

Thousands of euros	**6/30/2024**	**12/31/2023**
By type -		
Current accounts	24,155,819	25,083,641
Savings accounts	31,680,731	32,116,305
Term deposits	16,033,000	14,411,526
Temporary asset transfers	3,152,176	1,588,975
Others	79,914	45,043
Valuation adjustments	101,531	229,556
Of which:		
Micro hedge transactions	*(150,730)*	*(120,455)*
Accrued interest	*117,852*	*176,983*
Other adjustments	*134,409*	*173,028*
	75,203,171	**73,475,046**
By counterparty -		
Resident Public Administrations	7,307,330	5,453,952
Other resident sectors	67,443,410	67,436,831
Other non-resident sectors	350,900	354,707
Valuation adjustments	101,531	229,556
Of which:		
Micro hedge transactions	*(150,730)*	*(120,455)*
Accrued interest	*117,852*	*176,983*
Other adjustments	*134,409*	*173,028*
	75,203,171	**73,475,046**

The interest accrued on customer deposits during the six-month periods ended on 6/30/24 and 2023 amounted to 363,359,000 euros and 159,196,000 euros respectively, which are recorded under the “Interest expense” heading of the condensed consolidated profit and loss account (Note 17).

The “Term deposits” heading includes individual mortgage-backed securities issued pursuant to the provisions of Law 2/1981, of March 25, 1981, on Mortgage Market Regulation, as follows:

Thousands of euros

Issue date	Maturity date	Nominal interest rate	Nominal 6/30/2024	Nominal 12/31/2023
05/18/2005	21.05.2025	(a) 3.875%	200,000	200,000
18.05.2005	21.05.2025	(a) 3.875%	300,000	300,000
28.06.2005	28.06.2025	(a) 3.754%	76,923	76,923
28.06.2005	28.06.2025	(a) 3.754%	76,923	76,923
28.06.2005	28.06.2025	(a) 3.754%	128,205	128,205
16.11.2005	21.05.2025	(a) 3.875%	200,000	200,000
16.11.2005	21.05.2025	(a) 3.875%	300,000	300,000
04/06/2006	4/8/2031	(a) 4.25%	300,000	300,000
11/23/2006	4/8/2031	(a) 4.25%	300,000	300,000
11/23/2006	4/8/2031	(a) 4.25%	100,000	100,000
3/23/2007	3/26/2027	(b) 4.25%	150,000	150,000
3/23/2007	3/26/2027	(b) 4.25%	350,000	350,000
03/23/2007	4/8/2031	(a) 4.25%	100,000	100,000
3/23/2007	4/8/2031	(a) 4.25%	250,000	250,000
5/23/2007	5/23/2027	(a) 4.755%	50,000	50,000
5/23/2007	5/23/2027	(a) 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	(b) 4.755%	200,000	200,000
6/29/2007	4/8/2031	(a) 4.25%	400,000	400,000
7/20/2007	3/26/2027	4.25%	100,000	100,000
10/19/2007	3/26/2027	(a) 4.25%	110,000	110,000
10/19/2007	4/8/2031	(a) 4.25%	180,000	180,000
			4,022,051	**4,022,051**

(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.

8.6.4. Debt securities issued

a) Composition of balances under this heading

The breakdown of the balance of this heading in the condensed consolidated balance sheets as at June 30, 2024 and December 31, 2023 was as follows:

Thousands of euros	**6/30/2024**	**12/31/2023**
Mortgage bonds	4,200,000	4,184,516
Non-convertible subordinated debt	900,000	599,142
Other non-convertible bonds	1,957,277	2,454,999
Treasury shares	(3,000,000)	(3,000,000)
Valuation adjustments - accrued interest	58,901	56,051
Valuation adjustments - micro-hedges	(57,427)	(48,900)
Valuation adjustments - Other	(9,822)	(6,576)
	4,048,929	**4,239,232**

The interest accrued on debt securities issued during the six-month periods ended on June 30, 2024 and 2023 amounted to 72,946,000 euros and 54,062,000 euros respectively, which are recorded under the "Interest expense" heading of the condensed consolidated profit and loss account (Note 17).

b) Mortgage bonds

The detailed information of the mortgage securities issued by the Unicaja Group (specifically, mortgage bonds) as at June 30, 2024 and December 31, 2023 was as follows:

				Thousands of euros			
Issue	**ISIN Code**	**Issue date**	**Issue amount**	**Balance as at 6/30/2024**	**Balance as at 12/31/2023**	**Maturity date**	**Interest rate**
Liberbank - December 2018	ES0468675022	19.12.2018	1,500,000	1,500,000	1,500,000	19.12.2025	Euribor 3M + 0.65%
Liberbank - September 2019	ES0468675030	9/25/2019	1,000,000	1,000,000	987,096	9/25/2029	0.25%
Liberbank - September 2019 (1st extension)	ES0468675030	6/2/2020	50,000	50,000	49,355	9/25/2029	0.25%
Liberbank - September 2019 (2nd extension)	ES0468675030	6/3/2020	150,000	150,000	148,065	9/25/2029	0.25%
Unicaja mortgage-backed securities December 2023	ES0480907023	12/14/2023	1,500,000	1,500,000	1,500,000	12/14/2028	3.5%
				4,200,000	**4,184,516**		

These issues are admitted to trading on the AIAF fixed income market and are secured by mortgages that constitute primary assets of the Special Coverage Set Registry (RECC) in accordance with RD 21/2021, without prejudice to the issuer's universal asset liability.

As of June 30, 2024 and December 31, 2023, the amount of mortgage securities issues repurchased by the Bank amounted to 3 billion euros, corresponding to the "Liberbank December 2018 Mortgage Bonds" issues and "Unicaja December 2023 Mortgage Bonds" issues.

c) Non-convertible subordinated debt

The detail of outstanding bonds and debentures issued by the Unicaja Group as of June 30, 2024 and December 31, 2023 was as follows:

				Thousands of euros			
Issue	**ISIN Code**	**Issue date**	**Issue amount**	**Balance as at 6/30/2024**	**Balance as at 12/31/2023**	**Maturity date**	**Interest rate**
Unicaja Banco. Subordinated debentures (November 2019)	ES0280907017	11/13/2019	300,000	300,000	300,000	11/13/2029	2.875%
Unicaja Banco. Subordinated debentures (January 2022)	ES0280907025	1/19/2022	300,000	300,000	299,142	7/19/2032	3.125%
Unicaja Banco. Subordinated debentures (March 2024) (EMTN Program)	EM0280907041	3/22/2024	300,000	300,000	-	6/22/2034	5.5%
				900,000	**599,142**		

The first issue of subordinated debentures of Unicaja was issued on November 13, 2019, in the amount of 300,000,000 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'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 Group was issued on January 19, 2022 for an amount of 300,000,000 euros, at a price equivalent to 99.714% of their nominal value, the unit nominal value of the bonds being 100,000 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 July 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 3.05% per annum. Interest is payable annually for interest periods due on July 19 of each year.

The third issue of subordinated debentures of Unicaja Group was issued on March 22, 2024 (issue under the EMTN Program) for an amount of 300,000,000 euros, at a price equivalent to 99.672% of their nominal value, the unit nominal value of the bonds being 100,000 euros. Subordinated debt bonds are listed on the Spanish AIAF fixed income market. Its maturity is set for June 22, 2034, with the possibility of early redemption at the Bank's discretion at any given time between March 22, 2029 and June 22, 2029. 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. The Bank also 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 March 22, 2029 and June 22, 2029, for their outstanding principal amount and any interest accrued and unpaid thereby. Bonds yield an interest at a rate of 5.5% per annum until June 22, 2029 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 2.8% per annum. Interest is payable annually for interest periods due on June 22 of each year.

d) Other non-convertible bonds

The detail of outstanding bonds and debentures issued by the Unicaja Group as of June 30, 2024 and December 31, 2023 was as follows:

				Thousands of euros			
Issue	**ISIN Code**	**Issue date**	**Issue amount**	**Balance as at 6/30/2024**	**Balance as at 12/31/2023**	**Maturity date**	**Interest rate**
Unicaja Senior Preferred Debt Dec. 2026	ES0380907040	1.12.2021	600,000	600,000	599,646	12/1/2026	1%
Unicaja Senior Preferred Debt Dec. 2026 (Extension)	ES0380907040	22.12.2021	60,000	57,277	57,687	12/1/2026	1%
Unicaja green medium-term senior preferred debt June 2022 (EMTN Program)	ES0380907057	30.06.2021	500,000	-	499,368	30/6/2025	4.5%
Unicaja green medium-term senior non-preferred debt Nov. 2022 (EMTN Program)	ES0380907065	11/15/2022	500,000	500,000	499,245	11/15/2027	7.25%
Unicaja medium-term senior preferred debt Feb. 2023 (EMTN Program)	ES0280907033	2/21/2023	500,000	500,000	499,525	2/21/2029	5.125%
Unicaja green medium-term senior preferred debt Sep. 2023 (EMTN Program)	ES0380907073	9/11/2023	300,000	300,000	299,528	9/11/2028	6.5%
				1,957,277	**2,454,999**		

On December 1, 2021, Unicaja issued "Preferred" senior debt in the amount of 600,000,000 euros. Subsequently, on December 22, 2021, Unicaja increased this issue by an additional 60,000,000 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 in December 2021 accrue: (i) a fixed interest rate of 1% 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, 2026.

On May 26, 2022, Unicaja registered a medium-term debt issuance program (EMTN) up to a limit of 3.5 billion euros with the Spanish National Securities Market Commission (CNMV). 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 made a first issue of 500,000,000 euros in preferred senior debt bonds at a fixed interest rate, with a term of three years, which were qualified 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 499,775,000 euros. The maturity date is set for June 30, 2025 (three years from the issue date), with Unicaja 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. This voluntary early total repayment option was exercised on June 30, 2024. The interest rate the bonds yield is fixed at 4.5% per annum. These bonds are listed on the Spanish AIAF fixed income market.

- On November 15, 2022, Unicaja made a second issue of 500,000,000 euros in non-preferred senior debt bonds at a fixed interest rate, with a term of five years, which were qualified 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 499,245,000 euros. The maturity date is set for November 15, 2027 (five years from the issue date), with Unicaja 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 the bonds yield is fixed at 7.25% per annum. These bonds are listed on the Spanish AIAF fixed income market.

- On February 21, 2023, Unicaja made a third issue of 500,000,000 euros in preferred senior debt bonds at a fixed interest rate, with a term of three years, which were qualified as “green bonds”. This was 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 99.905% of their nominal value, i.e. for an amount of 499,525,000 euros. The maturity date was set for February 21, 2029 (five years from the issue date), Unicaja having a voluntary redemption option on February 21, 2028 (four years from the issue date) or if an bond disqualification event occurs for MREL computation purposes. The interest rate the bonds yield is fixed at 5.125% per annum. These bonds are listed on the Spanish AIAF fixed income market.

On May 30, 2023, Unicaja registered with the Spanish National Securities Market Commission (CNMV) a medium-term debt issuance (EMTN) program with the limit of 3.5 billion euros. The debt instruments to be issued under this program will in any case have a unit face value of more than 100,000 euros and the final terms will be determined for each tranche of the issue.

Within the framework of this new program:

- On September 11, 2023, Unicaja made a first issue of 300 million euros in non-preferred senior debt bonds at a fixed interest rate, with a term of five years and rated as “green bonds”. This is a single series of bonds, belonging to a single tranche, consisting of 3,000 bonds with equal terms and conditions and with a unit face value of 100,000 euros. The bonds were issued at a price of 99.843% of their nominal value, i.e. for an amount of 299,528,000 euros. The maturity date is set for September 11, 2028 (five years from the issue date), with Unicaja having a voluntary redemption option on September 11, 2027 (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 6.5% per annum. These bonds are listed on the Spanish AIAF fixed income market.

On May 28, 2024, Unicaja registered a medium-term debt issuance (EMTN) program with a limit of 3.5 billion euros with the Spanish National Securities Market Commission (CNMV). The debt instruments to be issued under this program will in any case have a unit face value of more than 100,000 euros and the final terms will be determined for each tranche of the issue.

e) Movement of issues

The detailed information and the movement of issues, repurchases or repayments of debt securities, carried out during the six-month period ended June 30, 2024, both by the parent company itself and by other Group companies, were as follows:

Thousands of euros

	Balance as at 1/1/2024	Issuances	Repurchases/repayments	Exchange rate and other adjustments	Balance as at 6/30/2024
Debt securities issued in a European Union Member State that required the filing of a prospectus	4,239,232	300,000	(500,058)	9,755	4,048,929
Debt securities issued in a European Union Member State that did not require the filing of a prospectus	-	-	-	-	-
Other debt securities issued outside a European Union Member State	-	-	-	-	-
TOTAL	**4,239,232**	**300,000**	**(500,058)**	**9,755**	**4,048,929**

In the six-month period ended June 30, 2024 and 2023, no debt securities were issued by associates or joint ventures accounted for using the equity method or by entities outside of the Group that are secured by a Group company.

The detailed information and the movement of issues, repurchases or repayments of debt securities, carried out during the six-month period ended December 31, 2023, both by the parent company itself and by other Group companies, are as follows:

Thousands of euros

	Balance as at 1/1/2023	Issuances	Repurchases/repayments	Exchange rate and other adjustments	Balance as at 12/31/2023
Debt securities issued in a European Union Member State that required the filing of a prospectus	3,329,354	2,299,054	(1,502,666)	113,490	4,239,232
Debt securities issued in a European Union Member State that did not require the filing of a prospectus	-	-	-	-	-
Other debt securities issued outside a European Union Member State	-	-	-	-	-
TOTAL	**3,329,354**	**2,299,054**	**(1,502,666)**	**113,490**	**4,239,232**

8.6.5. Other financial liabilities

The breakdown of the balance of this heading in the condensed consolidated balance sheets as at June 30, 2024 and December 31, 2023 was as follows:

Thousands of euros	**6/30/2024**	**12/31/2023**
Debentures to be paid (*)	217,178	282,831
Tax collection accounts	1,662,349	660,008
Special accounts	879,616	371,086
Financial guarantees	-	-
Deposits received and other	920,602	801,499
	3,679,745	**2,115,424**

(*) Includes an amount of 87,275,000 euros as of December 31, 2023 corresponding to the outstanding balance of ordinary contributions to the Deposit Guarantee Fund, which were settled during the first half of 2024 and no extraordinary contributions to the Deposit Guarantee Fund were made during the six-month period ended June 30, 2024 or during 2023. Additionally, it includes an amount of 54,755,000 euros at June 30, 2024 relating to lease liabilities (52,930,000 euros at December 31, 2023) (Note 10.3).

The amount recorded by the Group as of June 30, 2024 and December 31, 2023 under "Deposits received" mainly corresponds to guarantees in favor of the Group deposited with other financial institutions as a result of its operations with derivative instruments and simultaneous transactions.

8.7. Reclassifications of financial instruments

During the first six months of fiscal year 2024 and all of fiscal year 2023, the Group has not made material reclassifications between portfolios of financial instruments.

9. Hedging derivatives

As of June 30, 2024 and December 31, 2023, 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 Bank 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.

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 conducted 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 June 30, 2024 and December 31, 2023 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.

Below is the detailed information of the fair value and cash flow hedging instruments used by the Group as of June 30, 2024:

Thousands of euros **6/30/2024**

	Debtor fair value	Creditor fair value	Notional Amount	Change in fair value used to calculate hedge ineffectiveness	Hedged item
Fair value hedge:	**1,191,117**	**297,664**	**21,053,885**	**893,453**	
Futures on securities and interest types	**-**	**-**	**-**	**-**	
Future sales on interest rates	-	-	-	-	
Other Securities Operations	**25,638**	**-**	**2,338,274**	**25,638**	
Financial swaps on securities	-	-	-	-	
Security options	-	-	-	-	
Term operations	25,638	-	2,338,274	25,638	Debt securities
Currency options	**-**	**-**	**-**	**-**	
Purchased currency options	-	-	-	-	
Currency options issued	-	-	-	-	
Other operations on types of interest	**1,165,479**	**297,664**	**18,715,611**	**867,815**	
Interest rate swaps (IRS bonds)	37,125	156,732	3,392,051	(119,607)	Issued bonds and securities
Interest rate swaps (Senior Bonds)	-	34,940	1,960,000	(34,940)	Issued bonds and securities
Interest rate swaps (IRS IPF customers)	-	-	-	-	-
Interest rate swaps (IRS loan portfolio)	54,830	13,328	3,973,143	41,502	Loan Portfolio
Interest rate swaps (Securitizations)	157,915	308	158,462	157,607	Asset-backed securities
Interest rate swaps (IRS on IPF)	-	-	-	-	
Subordinated liabilities	12,552	30,315	900,000	(17,763)	Subordinated Issue
Interest rate swaps (IRS fixed income)	903,057	62,041	8,331,955	841,016	Debt securities
Interest rate swaps (Structured Terms)	-	-	-	-	
Cash flow hedging:	**7,180**	**484,689**	**5,323,381**	**(477,509)**	
Other Securities Operations	**4,499**	**-**	**119,531**	**4,499**	
Financial swaps on securities	-	-	-	-	
Security options	4,499	-	119,531	4,499	Equity instruments
Term operations	-	-	-	-	
Other operations on types of interest	**2,681**	**469,200**	**5,117,240**	**(466,519)**	
Interest rate swaps (IRS loan portfolio)	-	599	4,294	(599)	Coverage of loans to customers
Interest rate swaps (IRS deposits in central banks)	-	-	-	-	
Interest rate swaps (IRS fixed income)	2,681	468,601	5,112,946	(465,920)	Debt securities
Other foreign exchange operations	**-**	**15,489**	**86,610**	**(15,489)**	
Currency swaps (CCS fixed income)	-	15,489	86,610	(15,489)	Debt securities
Total	**1,198,297**	**782,353**	**26,377,266**	**415,944**	

Below is the detailed information of the fair value and cash flow hedging instruments used by the Group as of December 31, 2023:

Thousands of euros					12/31/2023
	Debtor fair value	Creditor fair value	Notional Amount	Change in fair value used to calculate hedge ineffectiveness	Hedged item
Fair value hedge:	**1,140,077**	**651,256**	**23,295,707**	**488,821**	
Futures on securities and interest types	**-**	**-**	**-**	**-**	
Future sales on interest rates	-	-	-	-	
Other Securities Operations	**1,004**	**163,674**	**4,944,447**	**(162,670)**	
Financial swaps on securities	-	-	-	-	
Security options	-	-	-	-	
Term operations	1,004	163,674	4,944,447	(162,670)	Debt securities
Currency options	**-**	**-**	**-**	**-**	
Purchased currency options	-	-	-	-	
Currency options issued	-	-	-	-	
Other interest rate transactions	**1,139,073**	**487,582**	**18,351,260**	**651,491**	
Interest rate swaps (IRS bonds)	76,238	120,933	3,492,051	(44,695)	Issued bonds and securities
Interest rate swaps (Senior Bonds)	-	40,995	2,460,000	(40,995)	Loans and advances
Interest rate swaps (IRS IPF customers)	-	-	-	-	Loans to customers
Interest rate swaps (IRS loan portfolio)	38,130	56,993	3,925,960	(18,863)	Loan portfolio
Interest rate swaps (Securitizations)	120,291	357	171,896	119,934	Asset-backed securities
Interest rate swaps (IRS on IPF)	-	-	-	-	
Subordinated liabilities	28,630	38,188	600,000	(9,558)	Subordinated issue
Interest rate swaps (IRS fixed income)	875,784	230,116	7,701,353	645,668	Debt securities
Interest rate swaps (Structured Terms)	-	-	-	-	
Cash flow hedging:	**82,318**	**496,782**	**4,545,884**	**(414,464)**	
Other Securities Operations	**4,499**	**-**	**119,531**	**4,499**	
Financial swaps on securities	-	-	-	-	
Security options	4,499	-	119,531	4,499	
Term operations	-	-	-	-	
Other interest rate transactions	**-**	**406,816**	**4,342,094**	**(406,816)**	
Interest rate swaps (IRS loan portfolio)	-	499	501,146	(499)	Coverage of loans to customers
Interest rate swaps (IRS deposits in central banks)	-	-	-	-	
Interest rate swaps (IRS fixed income)	-	406,317	3,840,948	(406,317)	Debt securities
Other foreign exchange operations	**77,819**	**89,966**	**84,259**	**(12,147)**	
Currency swaps (CCS fixed income)	77,819	89,966	84,259	(12,147)	Debt securities
Total	**1,222,395**	**1,148,038**	**27,841,591**	**74,357**	

Below is the detailed information of the items hedged by the Group as of June 30, 2024 and December 31, 2023 through the hedging instruments detailed above:

6/30/2024

	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	**10,736,135**	**6,650,739**	**(1,014,080)**	**(212,068)**	**1,222,290**	**-**
Debt securities	10,289,012	-	(961,433)	-	961,422	-
Balances in foreign currency	-	-	-	-	-	-
Issued bonds and securities	-	2,859,373	-	(57,427)	57,421	-
Customer deposits	-	3,594,782	-	(150,730)	150,800	-
Deposits from credit institutions	-	196,584	-	(3,911)	-	-
Loans to customers	447,123	-	(52,647)	-	52,647	-
Cash flow hedging	**11,743,898**	**-**	**-**	**-**	**(17,808)**	**17,808**
Deposits with credit institutions	-	-	-	-	-	-
Debt securities	11,622,987	-	-	-	(18,256)	18,256
Loans to customers	5,737	-	-	-	593	(593)
Equity instruments	115,174	-	-	-	(145)	145
Total	**22,480,033**	**6,650,739**	**(1,014,080)**	**(212,068)**	**1,204,482**	**17,808**

12/31/2023

	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	**13,924,518**	**7,083,153**	**(757,502)**	**(176,371)**	**927,729**	**-**
Debt securities	13,458,258	-	(719,874)	-	720,640	-
Balances in foreign currency	-	-	-	-	-	-
Issued bonds and securities	-	3,052,036	-	(48,900)	48,969	-
Customer deposits	-	3,737,562	-	(120,455)	120,492	-
Deposits from credit institutions	-	293,555	-	(7,016)	-	-
Loans to customers	466,260	-	(37,628)	-	37,628	-
Cash flow hedging	**10,917,718**	**-**	**-**	**-**	**16,184**	**(16,184)**
Deposits with credit institutions	-	-	-	-	-	-
Debt securities	10,796,803	-	-	-	15,832	(15,832)
Loans to customers	5,741	-	-	-	497	(497)
Equity instruments	115,174	-	-	-	(145)	145
Total	**24,842,236**	**7,083,153**	**(757,502)**	**(176,371)**	**943,913**	**(16,184)**

The Unicaja 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 “Changes in fair value of hedged items in a portfolio hedged for interest rate risk” heading includes the accumulated valuation adjustments corresponding to the portfolio of loans and receivables that are hedged through macro hedges to mitigate interest rate risk, the balance of this heading amounting as at June 30, 2024 to a negative amount of 140,882,000 euros, while as at December 31, 2023 it had a negative balance of 63,020,000 euros.

The breakdown of the “Changes in the fair value of the items covered in a portfolio with interest rate risk coverage” heading as at June 30, 2024 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	04/27/2048	467,578	(34,452)
J.P. Morgan Securities	1.57%	6-month Euribor	4/26/2048	123,565	(9,037)
BNP Paribas	2.39%	6-month Euribor	12/28/2027	250,000	(14,834)
Banco Santander	2.39%	6-month Euribor	12/28/2027	250,000	(14,834)
BBVA	1.14%	6-month Euribor	4/25/2032	630,000	(52,591)
BBVA	1.17%	6-month Euribor	5/24/2032	273,000	(21,339)
BBVA	1.43%	6-month Euribor	6/17/2032	39,000	(638)
BBVA	1.63%	6-month Euribor	9/16/2032	178,000	(2,889)
BBVA	1.57%	6-month Euribor	10/27/2034	262,000	3,751
BBVA	1.79%	6-month Euribor	11/22/2034	376,000	592
BBVA	2.12%	6-month Euribor	12/27/2034	227,000	3,304
BBVA	2.31%	6-month Euribor	1/19/2035	64,000	(1,029)
BBVA	2.53%	6-month Euribor	2/16/2035	29,000	60
BBVA	2.83%	6-month Euribor	3/30/2035	66,000	1,022
BBVA	2.68%	6-month Euribor	5/18/2035	52,000	612
BBVA	2.12%	6-month Euribor	6/02/2033	72,000	699
BBVA	2.45%	6-month Euribor	6/23/2035	44,000	720
				3,403,143	**(140,882)**

The breakdown of the "Changes in the fair value of the items covered in a portfolio with interest rate risk coverage" heading as at December 31, 2023 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	4/27/2048	488,528	(29,625)
J.P. Morgan Securities	1.57%	6-month Euribor	4/26/2048	130,432	(8,098)
BNP Paribas	2.39%	6-month Euribor	12/28/2027	250,000	(12,349)
Banco Santander	2.39%	6-month Euribor	12/28/2027	250,000	(12,347)
BBVA	1.14%	6-month Euribor	4/25/2032	630,000	(39,655)
BBVA	1.17%	6-month Euribor	5/24/2032	273,000	(15,836)
BBVA	1.43%	6-month Euribor	6/17/2032	39,000	348
BBVA	1.63%	6-month Euribor	9/16/2032	178,000	1,721
BBVA	1.57%	6-month Euribor	10/27/2034	262,000	15,363
BBVA	1.79%	6-month Euribor	11/22/2034	376,000	12,037
BBVA	2.12%	6-month Euribor	12/27/2034	227,000	13,416
BBVA	2.31%	6-month Euribor	1/19/2035	64,000	809
BBVA	2.53%	6-month Euribor	2/16/2035	29,000	1,008
BBVA	2.83%	6-month Euribor	3/30/2035	66,000	3,062
BBVA	2.68%	6-month Euribor	5/18/2035	52,000	2,279
BBVA	2.12%	6-month Euribor	6/02/2033	72,000	2,752
BBVA	2.45%	6-month Euribor	6/23/2035	44,000	2,095
				3,430,960	**(63,020)**

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 condensed 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 the above table for a breakdown of the gains and losses for the six-month period ended June 30, 2024 and the 2023 fiscal year associated with the hedging instrument.

- Gains and losses on the hedged item that are attributable to the hedged risk: See the above table for a breakdown of the gains and losses for the six-month period ended June 30, 2024 and the 2023 fiscal year 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 likely forecast transaction, if it may affect the condensed consolidated profit and loss account. 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 the “Interest income and other similar income” heading in the condensed consolidated income statement as a rectification of income due to hedging operations: negative rectification of 24,616,000 euros in the six-month period ended June 30, 2024 (negative rectification of 68,119,000 euros in the six-month period ended June 30, 2023) (Note 16).

- Amount recognized during the period under the “Interest expenses” heading in the condensed consolidated income statement as rectification of expenses for hedging operations: positive rectification of 80,533,000 euros in the six-month period ended June 30, 2024 (positive rectification of 44,855,000 euros in the six-month period ended June 30, 2023) (Note 17).

- Ineffectiveness recognized in income for the period arising from cash flow hedges: No inefficiencies were recorded during the first half of 2024 and 2023.

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 Group (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.

10. Other assets and liabilities

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

The breakdown of the balance of this heading in the condensed consolidated balance sheets as of June 30, 2024 and December 31, 2023 was as follows:

Thousands of euros	6/30/2024	12/31/2023
Cash	468,734	513,327
Deposits at the Bank of Spain	7,634,228	7,338,402
Other demand deposits	283,187	186,071
Valuation adjustments - Accrued interest	2,188	2,232
	8,388,337	**8,040,032**

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

The detail of the heading “Non-current assets and disposal groups classified as held for sale” in the which includes the fair value of assets that do not form part of the Group’s operating activities and whose recovery of their fair value will foreseeably take place through the price obtained on their disposal, is shown below. The amount of these assets at June 30, 2024 amounts to 280,599 thousand euros (333,895,000 euros at December 31, 2023).

The Group has estimated the fair value of real estate assets classified as non-current assets held for sale as the value obtained through an updated appraisal performed in accordance with the provisions of Ministerial Order ECO/805/2003 by an appraiser authorized by the Bank of Spain.

The detailed information of the non-current assets held for sale classified according to their purpose at June 30, 2024 and at December 31, 2023 was as follows:

Thousands of euros	6/30/2024	12/31/2023
Residential assets	**170,971**	**210,023**
Finished properties	**8,529**	**16,225**
Housing	5,413	5,820
Others	3,116	10,405
Properties under construction	**53,845**	**48,053**
Housing	52,167	46,147
Others	1,678	1,906
Land	**43,970**	**54,580**
Other assets	**3,284**	**5,014**
Loans and advances	3,284	5,014
Equity instruments	-	-
Non-property assets and other	-	-
	280,599	**333,895**

As at June 30, 2024 and 2023 there are no gains/losses recorded in the condensed consolidated recognized income and expense statement for equity instruments classified as non-current assets held for sale.

As of June 30, 2024 and December 31, 2023, almost all assets recorded under the “Non-current assets groups of disposable items that have been classified as held for sale” heading in the condensed consolidated balance sheet were received by the Bank or the other consolidated Group companies in full or partial satisfaction of their debtors’ payment obligations to them (foreclosed assets).

10.3. Tangible assets

The breakdown of the balance of this heading in the condensed consolidated balance sheets as at June 30, 2024 and December 31, 2023 was as follows:

Thousands of euros	6/30/2024	12/31/2023
Property, plant and equipment	1,203,811	1,227,166
Own use	1,203,811	1,227,166
Loaned under operating lease	-	-
Of which: Leasehold rights of use	*45,225*	*49,562*
Investment property	483,764	539,160
	1,687,575	**1,766,326**

The “Investment Property” heading in the condensed 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 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.

Leasehold rights of use

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 the rights of use by lease and the movements thereunder during the first six months of 2024 and all of 2023:

Thousands of euros			6/30/2024			12/31/2023
	Land and buildings	Others	Total	Land and buildings	Others	Total
Balances at the beginning	**49,562**	**-**	**49,562**	**65,312**	**-**	**65,312**
Recognitions	11,741	-	11,741	16,580	-	16,580
Write-downs	(18,017)	-	(18,017)	(26,870)	-	(26,870)
Amortization	(4,619)	-	(4,619)	(10,874)	-	(10,874)
Other changes	6,558	-	6,558	5,414	-	5,414
Balances at the end of the	**45,225**	**-**	**45,225**	**49,562**	**-**	**49,562**

With respect to the lease liabilities associated with the rights of use (which are recorded under "Financial liabilities at amortized cost") details of the balances are presented below (Note 8.6.5):

Thousands of euros	6/30/2024	12/31/2023
Lease liabilities:		
Current leases	6,624	9,529
Non-current leases	48,131	43,401
	54,755	**52,930**

Lease liabilities held by the Group as of June 30, 2024 and December 31, 2023 are broken down by maturity as follows:

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	Total
As at June 30, 2024	6,624	4,016	3,855	3,353	2,414	34,493	54,755
As at December 31, 2023	9,529	5,313	4,896	4,623	4,136	24,433	52,930

The impact on the condensed consolidated income statement due to the Group's rights of use by lease relating to the six-month periods ended June 30, 2024 and 2023 was:

Thousands of euros	6/30/2024	6/30/2023
Expenses for amortization of rights of use	4,619	5,710
Land and buildings	*4,619*	*5,710*
Others	-	-
Interest expense on lease liabilities	6	715
	4,625	**6,425**

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 condensed consolidated income statement as of June 30, 2024 and 2023 is presented below:

Thousands of euros	6/30/2024	6/30/2023
Short-term lease expenses	54	38
Expenses for low-value leases	434	396
	488	**434**

10.4. Intangible assets

The breakdown of the balance of this heading in the condensed consolidated balance sheets as at June 30, 2024 and December 31, 2023 was as follows:

Thousands of euros	6/30/2024	12/31/2023
Goodwill	22,911	25,995
Other intangible assets	64,405	58,831
	87,316	**84,826**

The “Other intangible assets” heading includes as at June 30, 2024 and December 31, 2023 mainly computer software used in the performance of the activities of the Unicaja Group companies.

The following is a breakdown of the goodwill recorded under “Intangible assets - Goodwill” in the Group’s condensed consolidated balance sheets as of June 30, 2024 and December 31, 2023 according to the company from which it arose:

Thousands of euros	6/30/2024	12/31/2023
Unión del Duero, Compañía de Seguros de Vida, S.A.U	22,911	25,995
	22,911	**25,995**

Detailed information regarding the goodwill held in Unión del Duero, Compañía de Seguros de Vida, S.A.U. is presented below:

						Thousands of euros
			Accumulated write-downs		Net amount	
	Initial amount	Initial registration	6/30/2024	12/31/2023	6/30/2024	12/31/2023
Unión del Duero, Compañía de Seguros de Vida, S.A.U	63,009	March 2018	(40,098)	(37,014)	22,911	25,995

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 end of the reference period.

The criteria used by the Unicaja Group to assess goodwill impairment in the first half of 2024 are consistent with those used in previous years.

During the six-month period ended June 30, 2024, the aforementioned goodwill was impaired by 3,084,000 euros (3,084,000 euros during the six-month period ended June 30, 2023) (Note 26).

10.5. Assets from reinsurance contracts

As at June 30, 2024, the balance of the "Assets under reinsurance contracts" heading of the condensed consolidated balance sheet includes the assets recorded for reinsurance contracts in accordance with the provisions of IFRS 17 "Insurance Contracts" in the amount of 1,586,000 euros (1,882,000 euros at December 31, 2023).

10.6. Liabilities from insurance contracts

As of June 30, 2024 and December 31, 2023, the balance of the "Liabilities under insurance contracts" heading in the condensed consolidated balance sheet includes the liabilities recorded for insurance contracts of the insurance companies of the Unicaja Group in accordance with the provisions of IFRS 17 "Insurance contracts." This heading consists of:

Thousands of Euros	6/30/2024	12/31/2023
Remaining hedging liabilities	**406,386**	**429,155**
Estimation of the present value of future cash flows (PVCF)	344,607	361,147
Risk adjustment (RA)	4,539	6,686
Contractual service margin (CSM)	14,182	14,642
Loss component (LC)	38,882	42,254
Remaining hedge liability associated with liabilities valued by "Premium Allocation Approach" (PAA)	4,176	4,426
Liability for incurred claims (LIC)	**11,038**	**12,222**
Estimation of the present value of future cash flows (PVCF)	11,038	12,222
Risk adjustment (RA)	-	-
	417,424	**441,377**

The detail as of June 30, 2024 and December 31, 2023 according to the valuation method used for insurance contracts (including all contracts regardless of their valuation method) was as follows:

Thousands of euros	6/30/2024	12/31/2023
Liabilities under insurance contracts valued by PAA (Premium Allocation Approach)	**8,865**	**9,239**
Liability for remaining coverage (LRC)	4,176	4,426
Liability for incurred claims (LIC)	4,689	4,813
Liabilities under insurance contracts valued by BBA (Building Block Approach)	**400,405**	**423,445**
Liability for remaining coverage (LRC)	355,309	373,963
Loss component (LC)	38,882	42,254
Liability for incurred claims (LIC)	6,214	7,228
Liabilities under insurance contracts valued by VFA (Variable Fee Approach)	**8,154**	**8,693**
Liability for remaining coverage (LRC)	8,017	8,512
Liability for incurred claims (LIC)	137	181
	417,424	**441,377**

10.7. Other assets

The breakdown of the balances of this heading in the condensed consolidated balance sheets as at June 30, 2024 and December 31, 2023 was as follows:

Thousands of euros	6/30/2024	12/31/2023
Insurance contracts linked to pensions	21,841	21,509
Inventories	32,068	38,524
Others	206,755	175,198
	260,664	**235,231**

As at June 30, 2024 and December 31, 2023, the “Insurance contracts linked to pensions” heading on the asset side of the condensed consolidated balance sheet amounted to 21,841,000 euros and 21,509,000 euros respectively, corresponding to post-employment benefits (Note 11.2.1).

As of June 30, 2024 and December 31, 2023, the “Other” item in this heading of the condensed consolidated balance sheet mainly includes asset accrual accounts.

The “Inventories” line in the condensed 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 on other assets (net) - Other assets”. in the condensed consolidated income statement for the year in which the write-down or reversal occurs.

Impairment losses associated with the “Inventories” heading are recorded under the “Impairment or reversal of non-financial assets - Other” entry in the condensed consolidated income statement (see Note 26).

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 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 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 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 appraisal reviews, in compliance with current regulations, the value of assets subject to mortgage guarantees (at least those subject to operations in doubtful or normal situations under special surveillance), foreclosed assets and those received in payment of debts by the Group are reviewed with a maximum frequency of three years, depending on the situation of the operation and the type of asset.

- For appraisals that do not have to comply with the requirements of Annex 9 of Circular 4/2017 of the Bank of Spain, 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 June 30, 2024 and December 31, 2023, the Unicaja Group had no inventories in the condensed consolidated balance sheet that were pledged to guarantee the fulfillment of debts.

10.8. Other liabilities

The breakdown of the balance of this heading in the condensed consolidated balance sheets as at June 30, 2024 and December 31, 2023 was as follows:

Thousands of euros	**6/30/2024**	**12/31/2023**
Accrued expenses	386,015	386,730
Operations underway	36,765	59,772
Others	86,427	80,507
	509,207	**527,009**

As of June 30, 2024 and December 31, 2023, the "Other" item in this heading of the condensed consolidated balance sheet mainly includes asset accrual accounts.

11. Changes in contingent assets and liabilities of the Group

11.1. Contingent assets

As of June 30, 2024 and December 31, 2023, the Unicaja Group had not identified any significant contingent assets.

11.2. Provisions and contingent liabilities

At the time of preparing these condensed interim consolidated financial statements, the Bank's Directors distinguish between:

– Provisions: amounts covering present obligations at the balance sheet date arising from past events which could give rise to a loss for the Group considered likely to occur and certain in terms of their nature but uncertain in terms of their amount and/or timing.

– Contingent liabilities: possible obligations that arise from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the control of the consolidated entities.

The Unicaja Group's condensed interim 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.

Provisions are quantified on the basis of the best information available on the consequences of the event giving rise to them and are re-estimated at each accounting close. These 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.

11.2.1. Provisions

The breakdown of the "Provisions" heading in the condensed consolidated balance sheets as of June 30, 2024 and December 31, 2023 was as follows:

Thousands of euros	**6/30/2024**	**12/31/2023**
Pensions and other benefit obligations defined as post-employment	79,803	91,258
Other long-term employee benefits	74,042	91,568
Provisions for contingent liabilities and commitments	116,230	116,596
Remaining provisions	606,949	657,631
	877,024	**957,053**

The movements during the six-month period ended June 30, 2024 based on the purpose of the provisions recorded are shown below:

Thousands of euros

	Pensions and other benefit obligations defined as post-employment	Other long-term employee benefits	Provisions for contingent liabilities and commitments	Remaining provisions	Total
Balance as at January 1, 2024	**91,258**	**91,568**	**116,596**	**657,631**	**957,053**
Endowment charged to profit or loss:	1,085	1,938	5,207	93,139	101,369
Funds to provisions	-	*583*	*5,207*	*93,139*	*98,929*
Interest cost (Note 17)	*1,085*	*1,355*	-	-	*2,440*
Recovery charged to profit or loss	-	-	(5,407)	(30,791)	(36,198)
Use of funds	(12,868)	(19,464)	-	(124,655)	(156,987)
Other changes	328	-	(166)	11,625	11,787
Balance as at June 30, 2024	**79,803**	**74,042**	**116,230**	**606,949**	**877,024**

The movements during the year ended December 31, 2023 based on the purpose of the provisions recorded were as follows:

Thousands of euros

	Pensions and other benefit obligations defined as post-employment	Other long-term employee benefits	Provisions for contingent liabilities and commitments	Remaining provisions	Total
Balance as at January 1, 2023	**127,539**	**132,696**	**125,615**	**699,480**	**1,085,330**
Endowment charged to profit or loss:	2,823	4,585	2,884	139,422	149,714
Funds to provisions	*73*	*1,210*	*2,884*	*139,422*	*143,589*
Interest cost (Note 17)	*2,750*	*3,375*	-	-	*6,125*
Recovery charged to profit or loss	-	(2,621)	(10,463)	(16,350)	(29,434)
Use of funds	(37,041)	(43,116)	-	(174,531)	(254,688)
Other changes	(2,063)	24	(1,440)	9,610	6,131
Balance as at December 31, 2023	**91,258**	**91,568**	**116,596**	**657,631**	**957,053**

The provisions recorded by the Group represent the best estimate of obligations to be paid in the future. 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. The estimated financial effect on the calculation of provisions and the amount of recovery of provisions was not significant during the six-month periods ended June 30, 2024 and December 31, 2023.

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.

The sub-caption "Pensions and other post-employment defined benefit obligations" corresponds to the amount of the commitments assumed by the Group with its employees, as described in Notes 2.12 and 41.1 to the consolidated financial statements for the year ended December 31, 2023.

The “Other Long-Term Employee Benefits” subheading includes the provisions made by the Unicaja Group mainly in connection with early retirement agreements, for which calculation the Group uses assumptions applied in accordance with market conditions and the characteristics of the group of employees concerned.

The heading “Provisions for contingent liabilities and commitments” includes the amount of provisions recorded to hedge credit risk tied to contingency risks, 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 main items under “Other provisions” heading include the balances as of June 30, 2024 and December 31, 2023 which were intended to cover contingency risks not covered by other specific funds, 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 and to mortgage loan origination fees, among others. In the opinion of the Group’s management, at period-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 June 30, 2024 and December 31, 2023, 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 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. As at June 30, 2024 and December 31, 2023, the amount of provisions recorded in the Group’s consolidated balance sheet for these items amounted to 180 million euros and 221 million euros respectively.

Agreements to limit interest rate fluctuations

In relation to the Unicaja Group's credit operations in the retail mortgage segment that have interest rate fluctuation limits ("floor clauses"), consideration should be given to the decisions that are taking place at different judicial instances regarding the validity of these agreements with respect to specific entities following the Supreme Court decision dated May 9, 2013 and the subsequent national and European jurisprudence applying them, which sets forth that 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.

On January 21, 2017, Royal Decree-Law 1/2017 of January 20, 2017 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 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 decision of the CJEU, Spain's Supreme Court issued several rulings that confirmed the validity of the novation agreements reached by the entities with their customers, classifying them as transactional when there is a waiver in relation to the claims arising from the interest rate limits, as long as the consumer has been given sufficient information to be aware of the economic and legal consequences of this claim.

In any case, Unicaja has various claims and lawsuits pending resolution in relation to this matter, so that at June 30, 2024, the provisions deemed necessary to cover possible losses on assets and to cover the outcome of the risks and contingencies that could affect the Group have been recorded. In this respect, as at June 30, 2024 the Group had provisions to cover this risk amounting to 84 million euros (106 million euros as at December 31, 2023).

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 onwards, non-significant claims were filed with the Customer Service Department and lawsuits were filed seeking a refund of expenses and taxes borne by the customers when originating a mortgage. The volume thereof subsequently increased in successive waves.

Subsequently, various decisions have been issued by national and European courts, including the Supreme Court Rulings of March 15, 2018, January 23, 2019, October 26, 2020 and January 27, 2021 and the CJEU Judgment of July 16, 2020.

In its ruling of January 27, 2021, the Supreme Court finalized the definition of the attribution of expenses in the event that the clause relating to the mortgage loan formalization expenses is declared null and void, attributing to the lender the appraisal expenses in mortgage loans in which the Real Estate Credit Contracts Act 5/2019 was not applicable.

This decision concludes this jurisprudential evolution by finally establishing that, if the clause is null and void, consumers are entitled to the restitution of all expenses paid for property registration, agency and appraisal fees, as well as half of the notary fees.

Finally, the most recent case law on this matter (rulings of the CJEU of January 25 and April 25, 2024 and of the Supreme Court of June 14, 2024) has dealt with the issue of the statute of limitations for claiming these expenses.

In view of the foregoing, as of June 30, 2024 and December 31, 2023, the provisions deemed necessary to cover possible losses on assets and to cover the outcome of the risks and contingencies that could affect the Group have been recorded.

11.2.2. Contingent liabilities

Below is given detailed information of the main variations in the Group's contingent liabilities as of June 30, 2024 with respect to the situation shown in the Group's consolidated financial statements as of December 31, 2023, To this end, detailed information of the contingent liabilities as of such dates is shown, no additional significant variation in the Group's contingent liabilities with respect to the situation and the information included in the Group's financial statements as of December 31, 2023 having occurred.

a) Contingent liabilities

The detailed information of the contingent liabilities as of June 30, 2024 and December 31, 2023 whose nominal value is recorded in memorandum accounts is shown below:

Thousands of euros	**6/30/2024**	**12/31/2023**
Financial guarantees granted	**67,595**	**71,682**
Financial endorsements	67,595	71,682
Other commitments granted	**2,528,684**	**2,766,020**
Technical endorsements	1,373,235	1,400,836
Irrevocable documentary credits	15,431	10,634
Other commitments	1,140,018	1,354,550
	2,596,279	**2,837,702**

As of June 30, 2024 and December 31, 2023, the "Other commitments" item mainly includes commitments for simultaneous transactions and transactions in organized markets within market parameters that have not yet been formalized. Likewise, at June 30, 2024 and December 31, 2023, debit orders received from customers who are within the reimbursement period allowed by the SEPA regulation amounting to 745,509,000 euros and 794,857,000 euros respectively, are also collected. Pursuant to Article 43 of Royal Decree-Law 19/2018 of November 23, 2018 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 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 "Commissions received" and "Interest income and other similar income" (at the amount relating to the revalued commission income) on the condensed consolidated income statements for the six-month periods ended June 30, 2024 and 2023. It was 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 - Provisions for contingent risks and commitments” of the condensed consolidated balance sheet (Note 11.2.1).

b) Drawable by third parties

As of June 30, 2024 and December 31, 2023, 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 condensed consolidated balance sheet at those dates were the following:

Thousands of euros	6/30/2024		12/31/2023	
	Amount to be drawn down	Limit granted	Amount to be drawn down	Limit granted
Immediate availability	**3,477,319**	**4,389,040**	**3,397,581**	**4,208,562**
Credit institutions	20,191	23,543	1,504	20,543
Public Administration sector	669,095	941,246	781,541	816,693
Other sectors	2,788,033	3,424,251	2,614,536	3,371,326
Conditional availability	**1,256,606**	**2,003,944**	**1,204,379**	**1,998,457**
Public Administration sector	446,653	462,860	380,408	390,952
Other sectors	809,953	1,541,084	823,971	1,607,505
	4,733,925	**6,392,984**	**4,601,960**	**6,207,019**

11.3. Assets assigned and received as collateral

As of June 30, 2024 and December 31, 2023, the assets owned by the Group guaranteed the transactions carried out by it, as well as various liabilities and contingent liabilities assumed by it. 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	6/30/2024	12/31/2023
Pledging of securities	3,224,341	6,539,278
Pledging of non-mortgage loans	-	-
	3,224,341	**6,539,278**

At June 30, 2024 and December 31, 2023 these amounts correspond, for the most part, to pledging of securities and non-mortgage loans, through a Bank of Spain policy, as a pledge to obtain long-term financing maturing in fiscal years 2024 and 2023 respectively.

As regards the terms and conditions of the pledge, the guarantees constituted by Unicaja Group in favor of the Bank of Spain were not affected and were 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. They 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.

12. Capital, share premium and other equity instruments issued other than capital

The details and movement recorded under "Equity" in the condensed consolidated balance sheet during the six-month periods ended June 30, 2024 and 2023 is presented in the accompanying condensed consolidated total statements of changes in net equity, with details of all movements over the aforesaid periods.

12.1. Capital and share premium

As at June 30, 2024 and December 31, 2023 the Bank's capital stock amounted to 663,708,000 euros, consisting of 2,654,833,479 fully subscribed and paid-up ordinary shares with a par value of 0.25 euros.

The share premium at June 30, 2024 and December 31, 2023 amounts to 1,209,423,000 euros, on both dates.

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).

12.2. Equity instruments issued other than share capital

At June 30, 2024 and December 31, 2023, the "Equity instruments issued other than capital - Equity components of compound financial instruments" heading includes the outstanding balance of the issues of Perpetual Contingently Convertible Bonds (PeCoCos) and Contingently Redeemable Preferred Stock of Unicaja. The breakdown of these issues as at June 30, 2024 and December 31, 2023 was as follows:

				6/30/2024			12/31/2023		
			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	47,360,493	47,360,493	47,360	47,360,493	47,360,493	47,360	13.882%	Perpetual
Contingently Redeemable Preferred Stock	ES0880907003	2,500	500,000,000	500,000	2,500	500,000,000	500,000	4.875%	Perpetual
				547,360			547,360		

<u>Perpetual Contingently Convertible Bonds (PeCoCos)</u>

The PeCoCos Bonds are bonds convertible into Unicaja common shares of one Euro par value each, belonging respectively, 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, 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 share premium. As of June 30, 2024 and December 31, 2023, 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 Group, 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 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 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, at its sole discretion, taking into account the solvency situation of Unicaja or the Unicaja 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 all cases that the unpaid interest will 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 or the Unicaja 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 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.

The Perpetual Contingent Convertible Bonds (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 adopts any measure leading to its dissolution and liquidation, either voluntary or involuntary, or if it is declared bankrupt, or (ii) if Unicaja adopts any measure that results in the approval of a reduction of capital stock in accordance with the provisions of Article 320 and subsequent articles 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 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 condensed consolidated balance sheet. The discretionary remuneration of the PeCoCos is recorded directly against the Group's equity.

On February 29, 2024, the Board of Directors of Unicaja Group, after verifying compliance with the conditions set forth in the issue prospectus, agreed to pay the discretionary remuneration of the Contingently Convertible Perpetual Bonds (PeCoCos) issued by the Bank, for a total gross amount of 6,850,000 euros, for the period from March 2023 to March 2024, it being paid on March 28, 2024 (total gross amount of 6,850,000 euros for the period from March 2022 to March 2023, which were approved by the Board of Directors of Unicaja on February 23, 2023 and paid on March 28, 2023).

<u>Contingently Redeemable Preferred Stock</u>

On November 18, 2021, Unicaja issued Contingently Redeemable Preferred Participations for an amount of 500,000,000 euros, coinciding with their nominal value. The Preferred Stock has a unit par value of 200,000 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 5.02% 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 condensed consolidated balance sheet. The discretionary remuneration of the Preferred Stock is recorded directly against the Group's equity.

During the six months ended June 30, 2024, discretionary remunerations of 12,087,000 euros (12,087,000 euros in the six months ended June 30, 2023) were paid in connection with the Contingently Redeemable Preferred Participations.

12.3. Own shares

As of June 30, 2024 and December 31, 2023, the Group held 36,770,285 and 2,927,266 own shares respectively.

The changes in own shares during the six-month period ended June 30, 2024 and in the financial year 2023 were as follows:

	6/30/2024		12/31/2023	
	Number of shares	**Thousands of euros**	**Number of shares**	**Thousands of euros**
Balance of Own Shares at the Beginning of the Period	**2,927,266**	**2,768**	**285,063**	**235**
Unicaja's direct acquisitions	51,854,850	57,485	9,231,783	9,056
Unicaja's direct sales	(18,011,831)	(16,497)	(6,589,580)	(6,523)
Balance of Own Shares at the End of the Period	**36,770,285**	**43,756**	**2,927,266**	**2,768**

13. Minority interests and income attributable to minority interests

The detailed information, by consolidated company, of the "Minority interests" heading in the condensed consolidated balance sheet and the "Income attributable to minority interests" heading in the consolidated income statement as of June 30, 2024 and December 31, 2023 was as follows:

Thousands of euros	6/30/2024		12/31/2023	
	Minority interest	Income attributable to minority interest	Minority interest	Income attributable to minority interest
Parque Industrial Humilladero, S.L.	434	(1)	439	(2)
Sociedad de Gestión San Carlos, S.A.	1,881	(81)	1,992	(169)
	2,315	**(82)**	**2,431**	**(171)**

14. Retained earnings and other reserves

The condensed consolidated statements of changes in shareholders' equity attached hereto include, among others, a reconciliation of the carrying amount at the beginning and the end of the six-month periods ended June 30, 2024 and 2023 of the "Total equity - Shareholders' equity - Other reserves" heading in the condensed consolidated balance sheets, where all changes to the aforesaid headings during the aforementioned periods are explained.

The breakdown of the reserves as at June 30, 2024 and December 31, 2023 was as follows:

Thousands of euros	**6/30/2024**	**12/31/2023**
Accumulated earnings	3,817,248	3,800,210
Revaluation reserves	-	-
Other reserves	140,145	38,181
Cumulative reserves or losses on investments in joint ventures and associates	*(70,425)*	*(88,784)*
Other reserves	*210,570*	*126,965*
	3,957,393	**3,838,391**

"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 reserves. Therefore, it includes legal, statutory and voluntary reserves arising from the distribution of profits.

"Other reserves" includes earnings or accumulated losses from investments in companies carried by the equity method (joint ventures and associated companies), 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	**6/30/2024**	**12/31/2023**
Parent company reserves	4,350,128	4,216,303
Legal reserve	*132,742*	*132,742*
Capitalization reserve	*31,301*	*31,301*
Unavailable reserve	*1,991,125*	*1,991,125*
Unrestricted reserves	*2,194,960*	*2,061,135*
Consolidation reserves attributable to the parent company, to consolidated companies and to investments in joint ventures and associates	(392,735)	(377,912)
	3,957,393	**3,838,391**

15. Asset securitization

As a result of the conditions agreed upon for the transfer of assets, the Unicaja Group retains substantial risks and rewards of the securitized assets, these were not written off from the condensed consolidated balance sheet. 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 Unicaja Group recognizes the bonds issued for the asset securitization funds arranged in each of these transactions, net of the aforementioned financial liability.

Between December 31, 2023 and June 30, 2024, there were no significant changes in the assets transferred through securitization transactions or in the amount of debt securities issued by the securitization funds held by the Group, which appear in the condensed consolidated balance sheet by reducing the recognized financial liability by the consideration received.

16. Interest income

The following is a breakdown of the source of income by interest and other similar most significant income earned by the Group for the six-month periods ended June 30, 2024 and 2023:

Thousands of euros	6/30/2024	6/30/2023
Deposits into credit institutions	28,780	8,190
Loans to customers	808,053	619,165
Debt securities	358,375	365,222
Doubtful assets	26,641	22,268
Rectification of income from hedging transactions (Note 9)	24,616	(68,119)
Deposits from central banks (see Note 8.6.1)	142,690	108,164
Other returns	6,591	12,307
	1,395,746	**1,067,197**

Likewise, a breakdown of the amounts recorded in the “Interest income and other similar income” chapter of the Group’s condensed consolidated income statements for the six-month period ended June 30, 2024 and 2023, classified according to the portfolio of financial instruments that gave rise to them, is presented below:

Thousands of euros	6/30/2024	6/30/2023
Cash, cash balances with central banks and other demand deposits	142,691	108,164
Financial assets held for trading	4,863	-
Financial assets not held for trading obligatorily valued at fair value through profit or loss (Note 8.3)	829	1,825
Financial assets at fair value through income (Note 8.3)	-	-
Financial assets at fair value through other comprehensive income (Note 8.4)	18,749	5,432
Financial assets at amortized cost (Note 8.5.1)	1,193,708	1,004,569
Rectification of income as a result of hedge accounting (Note 9)	24,616	(68,119)
Insurance activity (Note 8.4)	4,680	6,124
Other returns	5,610	9,202
	1,395,746	**1,067,197**

17. Interest expense

The breakdown of the balance in this chapter of the Group's condensed consolidated income statements for the six-month period ended June 30, 2024 and 2023 was as follows:

Thousands of euros	6/30/2024	6/30/2023
Deposits from central banks (see Note 8.6.1)	8,922	74,011
Deposits from credit institutions (Note 8.6.2)	77,069	94,715
Customer deposits (Note 8.6.3)	363,359	159,196
Marketable debt securities (see Note 8.6.4)	58,941	44,831
Subordinated liabilities (Note 8.6.4)	14,005	9,231
Rectification of expenses from hedging transactions (Note 9)	80,533	44,855
Cost attributable to pension funds established (Note 11.2.1)	2,440	2,919
Other interest	16,668	21,774
	621,937	**451,532**

Likewise, below is a breakdown of the amounts recorded in the "Interest expense" chapter in the Group's condensed consolidated income statements for the six-month period ended June 30, 2024 and 2023, classified according to the portfolio of financial instruments that gave rise to them:

Thousands of euros	6/30/2024	6/30/2023
Financial liabilities at amortized cost	525,798	389,632
Rectification of costs as a result of hedge accounting (Note 9)	80,533	44,855
Others	15,606	17,045
	621,937	**451,532**

18. Dividend income

The breakdown of the balance in this chapter of the condensed consolidated income statements for the six-month period ended June 30, 2024 and 2023 by portfolio and by type of financial instrument was as follows:

Thousands of euros	6/30/2024	6/30/2023
Equity instruments classified as:		
Financial assets at fair value through other comprehensive income	8,831	18,189
Investment in joint ventures and associates	-	-
	8,831	**18,189**
Equity instruments in the nature of:		
Shares	8,176	17,773
Units in Collective Investment Schemes	655	416
	8,831	**18,189**

19. Results of entities accounted for using the equity method

The breakdown by company of the balance in this chapter of the income statements for the six-month periods ended June 30, 2024 and 2023 was as follows:

Thousands of euros	6/30/2024	6/30/2023
Unicorp Vida, Compañía de Seguros y Reaseguros, S.A.	40,642	27,579
Hidralia, Gestión Integral de Aguas de Andalucía, S.A.	971	1,034
Sociedad Municipal de Aparcamientos y Servicios, S.A.	243	496
Madrigal Participaciones, S.A.	(7)	(58)
Ingeniería de Suelos y Explotación de Recursos, S.A.	2,050	1,870
Propco Malagueta, S.L.	(58)	(287)
Proyecto Lima, S.L.	(94)	(198)
Propco Eos, S.L.	(281)	166
Propco Orange 1, S.L.	36	(39)
Espacio Medina, S.L.	-	676
Kenta Capital Investment Management S.A.	(370)	113
Muelle Uno-Puerto Málaga S.A.	437	382
Oppidum Capital, S.L.	17,117	17,711
Sedes, S.A.	(313)	(245)
Global Berbice, S.L.	(200)	(255)
Sociedad de Gestión y Promoción de Activos, S.L.	(373)	(112)
Polígono Romica, S.A.	(23)	(7)
Lico Leasing S.A.	(521)	(427)
Other entities	(401)	(344)
	58,855	**48,054**

20. Fee revenue

The amount of accrued fee and commission income for the six-month periods ended June 30, 2024 and 2023 is presented below, classified according to the main items whereby they arose, as well as the headings in the condensed consolidated income statements for those periods in which they were recorded:

Thousands of euros	6/30/2024	6/30/2023
Interest income and other similar income		
Study and opening fees	10,393	9,831
	10,393	**9,831**
Fee revenue		
Fees for contingent liabilities	7,647	7,519
Fees for contingent commitments	1,858	1,596
Fees for collection and payment services	134,789	148,267
Fees for securities services	57,918	59,419
Foreign exchange and currency exchange fees	287	133
Fees for marketing of non-banking financial products	70,530	66,424
Other	5,422	7,345
	278,451	**290,703**
Other operating income		
Compensation fees for direct costs (Note 23)	1,119	752
	1,119	**752**

21. Fee expenses

The amount of accrued commission expenses for the six-month periods ended June 30, 2024 and 2023 is presented below, classified according to the main items whereby they arose, as well as the headings in the condensed consolidated income statements for those years in which they were recorded:

Thousands of euros	6/30/2024	6/30/2023
Interest expense	**1,787**	**2,716**
Commissions assigned to intermediaries	1,787	2,716
Other fees and commissions	-	-
Fee expenses	**22,699**	**21,602**
Active and passive transactions	2,858	4,227
Commissions assigned to other entities and correspondents	7,861	8,056
Commissions paid on securities transactions	1,993	1,291
Other fees and commissions	9,987	8,028
	24,486	**24,318**

22. Net gains or losses on financial assets and liabilities

The breakdown of the balance in this chapter of the condensed consolidated income statements for the six-month periods ended June 30, 2024 and 2023, based on the portfolios of financial instrument that gave rise to them, was as follows:

Thousands of euros	6/30/2024	6/30/2023
Gains or losses on write off of financial assets and liabilities not valued at fair value through profit or loss	**3,894**	**4,815**
Financial assets at amortized cost	-	4,815
Other financial assets and liabilities	3,894	-
Net gains or (losses) on financial assets and liabilities held to trade	**3,701**	**4,715**
Reclassification of financial assets at fair value through other comprehensive income	-	-
Reclassification of financial assets at amortized cost	-	-
Other gains or (-) losses	3,701	4,715
Gains or (losses) on financial assets not held for trading compulsorily measured at fair value through profit or loss	**(2,947)**	**98**
Reclassification of financial assets at fair value through other comprehensive income	-	-
Reclassification of financial assets at amortized cost	-	-
Other gains or (-) losses	(2,947)	98
Net gains or losses on financial assets and liabilities at fair value through profit or loss	**-**	**-**
Gains or (losses) resulting from hedge accounting	**(1,781)**	**(3,250)**
	2,867	**6,378**

During the six months ended June 30, 2024, the Group sold debt instruments classified in the portfolio of financial assets at fair value through other comprehensive income, which resulted in the realization of net gains of 3,894,000 euros recorded under “Net gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss” in the condensed consolidated statement of income.

During the six months ended June 30, 2023, the Group sold Spanish and foreign debt instruments recorded in the portfolio of financial assets at amortized assets for a carrying amount of 488,931,000 euros and 1,059,302,000 euros respectively. The results obtained from these disposals totaled 4,815,000 euros and were recorded in the “Net gains or losses on the derecognition of financial assets and liabilities not valued at fair value through profit or loss” heading in the condensed consolidated income statement. All sales made were within the limits established by the Group’s policies. In this sense, the regulations provide for the possibility of making sales of the portfolio at amortized cost, their being compatible with the business model of holding the financial assets to obtain the contractual cash flows, if they are infrequent/insignificant, and also in the event that they take place close to maturity and when the proceeds obtained therefrom correspond approximately to the proceeds to be received from outstanding contractual cash flows. The sales made by the Unicaja Group during the six-month period ended June 30, 2023 are consistent with the business model under which these assets are managed.

23. Other operating income and expenses

The breakdown of the balance in this chapter of the condensed consolidated income statements for the six-month periods ended June 30, 2024 and 2023 was as follows:

Thousands of euros	6/30/2024	6/30/2023
Profit or (loss) from the insurance service	**3,766**	**6,407**
Profit or (loss) from reinsurance contracts	**57**	**210**
Other income and expenses	**(99,329)**	**(135,305)**
Income from investment properties	15,910	19,121
Compensation fees for direct costs (Note 20)	1,120	752
Sales and income from the provision of non-financial services	5,337	3,976
Investment property operating expenses	(5,056)	(4,360)
Contribution to the Single Resolution Fund (Note 1.15)	-	(43,684)
Temporary levy of credit institutions (Note 1.16)	(78,603)	(63,844)
Financial contribution for monetizable deferred tax assets.	(11,426)	(12,680)
Expenses of companies with real estate activity	(14,524)	(17,588)
Agent commissions	(12,986)	(13,970)
Operational risk expenses	(1,701)	(1,607)
Other operating income and expenses	2,600	(1,421)
	(95,506)	**(128,688)**

The “Other income and expenses” heading includes other income from operating activities not included in other headings under this heading, such as compensation for certain expenses, indemnities received, income from various services rendered by the Bank or the Group’s subsidiaries, etc. It also includes the cost of sales for the rendering of services that constitute the typical activity of the consolidated non-financial companies included in the Group.

24. Personnel expenses

The makeup of the “Personnel expenses” chapter in the condensed consolidated income statements for the six-month periods ended June 30, 2024 and 2023 was as follows:

Thousands of euros	6/30/2024	6/30/2023
Wages and salaries	196,900	172,362
Social security	51,167	54,895
Provisions allocated to defined benefit pension plans	-	31
Provisions to defined contribution pension plans	9,556	8,260
Indemnities	458	2,730
Training expenses	1,429	1,395
Other personnel expenses	10,260	4,231
	269,770	**243,904**

The “Other personnel expenses” heading includes as of June 30, 2024 and 2023 mainly study grants, personnel insurance, risk prevention and other similar items.

Below is a breakdown of the average headcount of the parent company and the Group as of June 30, 2024 and December 31, 2023:

	Unicaja		Unicaja Group	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
Men	3,140	3,184	3,448	3,515
Women	3,660	3,688	4,114	4,162
	6,800	**6,872**	**7,562**	**7,677**

Below is the detailed information of the number of branches in the Unicaja Group’s network as of June 30, 2024 and December 31, 2023:

	Unicaja Group	
	6/30/2024	12/31/2023
Spain	952	957
	952	**957**

25. Other administration expenses

The breakdown of the balance in this chapter of the condensed consolidated income statements for the six-month periods ended June 30, 2024 and 2023 was as follows:

Thousands of euros	**6/30/2024**	**6/30/2023**
Real estate and facilities	13,756	16,297
Leasing	576	727
Computing	35,966	35,690
Communications	11,457	11,356
Advertising	7,993	7,611
Legal expenses	1,651	1,339
Technical reports	11,999	19,056
Surveillance services	6,226	6,264
Insurance premiums	868	769
By governing bodies	1,615	1,547
Representation expenses	1,515	1,597
Association dues	10,369	7,486
Outsourced services	7,054	5,658
Taxes	17,675	18,872
Other	6,082	5,307
	134,802	**139,576**

During the six-month period ended June 30, 2024, the auditor of Unicaja Group, S.A. and its Group, KPMG Auditores, S.L. and the companies associated with the auditor by control, common ownership or management have provided non-audit services, mainly related in limited review of financial information.

26. Impairment of value or reversal of investments in joint ventures or associated companies and non-financial assets

The makeup of these chapters of the condensed consolidated profit and loss accounts at June 30, 2024 and 2023 was as follows:

Thousands of euros	6/30/2024	6/30/2023
Impairment of value or reversal of investments in joint ventures or associated	**42**	**(1,472)**
Impairment of value or reversal of non-financial assets	**4,424**	**17,961**
Goodwill (Notes 5 and 10.4)	3,296	3,387
Other intangible assets	1,008	2,032
Other assets	120	12,542
	4,466	**16,489**

The detailed information by condensed consolidated balance sheet line item of the “Impairment losses - Other assets” heading in the above table as of June 30, 2024 and 2023 is shown below:

Thousands of euros	6/30/2024	6/30/2023
Impairment losses on tangible assets (net)	(2,494)	9,987
Impairment losses on inventories (net) (Note 10.7)	413	483
Impairment losses on other assets (net)	2,201	2,072
	120	**12,542**

Impairment losses on inventories include the amounts recorded by the Group for impairment of assets of investees, mainly those whose object of activity is related to the real estate business.

27. Gains (losses) when writing off non-financial assets and participations in accounts

The breakdown of the balance of these headings in the condensed consolidated income statements for the six-month periods ended June 30, 2024 and 2023 was as follows:

Thousands of euros		6/30/2024		6/30/2023
	Profit	Loss	Profit	Loss
Sale of tangible assets	3,252	(10,453)	2,542	(2,227)
For sale of investments	302	(532)	1,286	(1,421)
	3,554	**(10,985)**	**3,828**	**(3,648)**

28. 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 in the income statements for the six-month periods ended June 30, 2024 and 2023 was as follows:

Thousands of euros	6/30/2024		6/30/2023	
	Profit	**Loss**	**Profit**	**Loss**
Sale of tangible assets	9,941	(3,919)	7,195	(7,780)
Provisions for impairment losses on non-current assets for sale	121	-	1,580	(27,890)
Other	1,789	-	1,789	-
	11,851	**(3,919)**	**10,564**	**(35,670)**

29. Tax situation

29.1. Consolidated Tax Group

The Bank is the parent company of Tax Consolidation Group number 660/10, taxed for corporate income tax purposes under the Special Tax Consolidation System as regulated in Section VI of Title VII of the Corporate Income Tax Act 27/2014 of November 27, 2014.

29.2. Years open for review by the tax authorities

As at the date of preparation of these condensed consolidated financial statements, the consolidated Tax Group was subject to verification by the tax authorities regarding all its state management tax obligations from 2017 to 2023 and autonomous community and local tax obligations from 2020 and 2024 inclusively.

As a result of the merger by absorption of Liberbank, Unicaja also assumed all tax liabilities and was subrogated to 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 still have the 2019 to 2021 fiscal years open to inspection for corporate income tax purposes.

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.

On February 14, 2024, the Bank signed a final Statement of Conformity in the partial verification actions by the AEAT's Central Large Taxpayer Office, in relation to the corrective return of the Corporate Income Tax for the 2017 fiscal year. This return was filed to regularize certain off-accounting adjustments to the taxable base and certain deductions in the tax liability, with respect to concepts that were subject to regularization by the AEAT in the assessments for fiscal years 2014 to 2016, but which also had effects – favoring the taxpayer – in subsequent fiscal years.

The inspection admits Unicaja's claims and agrees to refund 8,123,000 euros plus the corresponding late payment interest.

29.3. 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 during the six-month periods ended June 30, 2024 and 2023 is presented below:

Thousands of euros	6/30/2024	6/30/2023
Income before tax	431,679	222,616
Income tax (30%)	129,503	66,785
Due to eliminations in the consolidation process	(20,173)	(14,707)
For permanent positive differences	28,030	27,322
Impairment of non-deductible equity instruments	-	-
Deductions and tax credits	-	-
Tax expense or income on the results from continuing operations	**137,360**	**74,489**

29.4. Tax assets and liabilities

The breakdown of the balance of these headings in the condensed consolidated balance sheets as at June 30, 2024 and December 31, 2023 was as follows:

Thousands of euros	Tax assets		Tax liabilities	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
Current	96,536	171,494	124,859	40,978
Deferred	4,427,298	4,548,086	341,612	372,983
	4,523,834	**4,719,580**	**466,471**	**413,961**

The above table includes uncertain liabilities recorded under IFRIC 23 as tax liabilities. The impact on the Unicaja Group is currently limited to the treatment of the deductions for technological innovation described later in this note (5,137,000 euros).

In this regard, The Bank's directors take the view that the recorded deferred tax assets will be realized in future years as the tax group to which it belongs obtains taxable income, as is expected to occur in the coming years. In this regard, the Directors consider that the Bank and its tax group will obtain taxable income in the coming years that will allow their recovery within the periods established by tax legislation for the offsetting of tax losses and the application of deductions.

The entry into force of Royal Decree-Law 14/2013 of November 29, 2013 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 balance sheet may, under certain conditions, become receivables from the tax authorities. This rule is pending regulatory development and, if applicable, administrative interpretation.

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 2,571,942,000 euros at June 30, 2024 (2,601,669,000 euros at December 31, 2023).

The equity benefit paid by the Group in connection with the monetization of these deferred tax assets is recorded under "Other operating expenses" (see Note 23).

In relation to the deduction for technological innovation in corporate income tax, in the financial sector, two rulings of the National Court of Spain 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 during the development of computer applications. The Spanish High Court considers that the projects in dispute are not covered by Article 35.2.b of the Consolidated Text of the Law on Corporate Income Tax and therefore cannot generate a deduction for purposes of this tax. Although these decisions are not yet final, given that they are being appealed against before the Supreme Court, the Unicaja Group Group estimated the tax risk associated with the application of these new criteria in the amount of 5,137,000 euros and recorded it as an uncertain tax liability based on IFRIC 23 during the second half of 2022. In addition, in those same six months the Group derecognized deferred tax assets amounting to 10,861,000 Euros, corresponding to deductions for technological innovation pending application.

29.5. 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 Group 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, for ship financing (hereinafter “ship tax lease”), classifying such regime as “State Aid” and urging the Kingdom of Spain to take steps to repay such aid among the beneficiaries, including Unicaja.

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.

After various legal vicissitudes, which the Bank has been outlining in its annual accounts for 2022 and 2023, on February 2, 2023, the Court of Justice of the European Union (CJEU), in a judgment on the 'ship tax lease', partially annulled the 2013 Commission Decision. It has also annulled the previous Decision of the General Court that had confirmed the legality of the Decision, which means that it has partially upheld the appeal filed by Unicaja together with a syndicate of investors and the Kingdom of Spain.

In this Decision, the CJEU confirms that the ship tax lease constituted an aid scheme, but declares that the Commission erred in identifying the investors as the sole beneficiaries of the State aid and, therefore, as the only ones affected by the recovery order, preventing the aid from being recovered from other entities that were also beneficiaries. Based on the foregoing, the Judgment partially annulled the Decision and, with it, the recovery order that gave rise to the proceedings conducted by the Spanish tax authorities.

This partial annulment of the Decision (and, with it, of the recovery order contained therein) has caused the national State aid recovery procedures to lapse, since there is no legal basis, nor calculation parameters, to proceed with recovery. Following the Decision, the Commission would not be able to recover exclusively from investors without verifying the beneficiary status of other entities and without enforcing recovery also against those entities.

Pursuant to the foregoing, the Central Delegation of Large Taxpayers of the AEAT has notified Unicaja of several State Aid Recovery Filing Agreements relating to the Shipping Companies in which Unicaja and the Entities of which it is the legal successor (Banco de Caja España de Inversiones, Salamanca y Soria, S.A. and Liberbank S.A.) had a shareholding. In these Decisions, the Central Delegation of Large Taxpayers agreed to annul the previous recovery proposals, without the need to issue any liquidation, thus terminating the various State Aid recovery procedures initiated in previous years. At the same time, the Central Delegation recalls that this would not prevent the initiation, in the future, of new State Aid recovery proceedings once, if necessary, the articles of the Decision annulled by the judgment of the CJEU are amended or replaced, or a new Commission Decision affecting the elements of the tax liability that are the subject of the proceedings now closed must be executed.

In addition, on May 8, 2024, the General Court handed down its decision on the cases that remained pending from the cassation, including the appellants' motion for dismissal. In this decision and in summary, the General Court confirms the loss of purpose of the claim referring to the identity of the beneficiaries and finds that the annulment of the Decision by the CJEU was partial and not complete. Consequently, the Decision remains valid as regards the declaration of illegal and incompatible aid by the SEAF and as regards the obligation of Spain to recover this aid, or part of it, from the EIGs and their investors.

Once a judgment has been rendered in these terms and without prejudice to the possibilities of appealing against it, the Commission would have to reopen the proceeding again. However, to date there has been no Commission pronouncement of a reopening the procedure. If there were, in no scenario could the Commission order the recovery from the investors of the advantage passed on to the shipping companies.

In this context and following the analysis performed by the Group's tax advisors, it has been decided to recover with a credit to income the amount recorded at the time to cover this risk, recorded under the heading “Tax liabilities with uncertainty”, in the amount of 8,908,000 euros, recorded under the heading “Provisions or reversal of provisions” in the condensed consolidated statement of income for the 6-month period ending on June 30, 2024.

30. Gains or 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 condensed consolidated income statement as a single amount under "Profit/loss after tax from discontinued operations," whether the component remains in the condensed consolidated balance sheet or has been removed from it, also including in this item the results obtained on its sale or disposal.

Over the six-month periods ending on June 30, 2024 and 2023, there were no gains or losses from discontinued operations.

31. Transparency of information regarding financing for construction, real estate development, financing for home purchases and assets acquired in payment of debts

a) 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 Group, as part of its risk policy and in particular that relating to construction and real estate development, has in place a series of specific policies and strategies focused on enabling borrowers to meet their obligations and mitigating the risks to which it is exposed. In this sense, the Group looks for alternatives that allow projects to be completed and sold, studying the renegotiation of the risks if its credit position would improve and with the basic purpose of allowing borrowers to continue their business activity.

To this end, it takes into account its previous experience with the borrower, the borrower's history of repayment, the borrower's manifest willingness to pay, and the borrower's ability to generate cash flow or provide new guarantees before over-indebting the current guarantees.

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 Group studies 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. The analysis it carries out prioritizes the viability of the projects, such that an increase in investment is avoided in the case of those real estate assets for which a clear possibility of future sales is foreseen.

In the event that the support measures are not feasible or sufficient, other alternatives are sought, such as dation in payment or the purchase of assets, the last option being 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 in or leasing them.

To this end, the Unicaja Group has holding companies specializing in the management of urban development projects, the marketing of real estate and the leasing of real estate assets. The Group has specific units for devising these strategies and coordinating the actions of the instrumental subsidiaries, the network of offices and the rest of agents involved. Finally, the Group's website (www.unicajainmuebles.com) is one of the main tools it uses to keep the public interested in these assets informed.

b) Quantitative information

As of June 30, 2024 and December 31, 2023, the detailed information on the financing for construction and real estate development and its hedges (1) was as follows:

Thousands of euros — **6/30/2024**

	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)	**619,350**	**135,726**	**(47,087)**	**572,263**
Of which: Doubtful/ Stage 3	64,827	20,769	(37,029)	27,798
Pro memoria				
Non-performing assets (5)	368,513			

Thousands of euros — **12/31/2023**

	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)	**722,535**	**171,954**	**(37,616)**	**684,919**
Of which: Doubtful/ Stage 3	64,533	20,456	(22,054)	42,479
Pro memoria				
Non-performing assets (5)	346,802			

Pro memoria: Consolidated group data	**Book value**	
	6/30/2024	**12/31/2023**
Loans to customers, excluding public authorities (business in Spain)(carrying amount) (6)	44,298,674	44,644,719
Total consolidated assets (total business) (carrying amount) (7)	95,647,140	97,152,650
Impairment and provisions for normal classified exposures (total business) (8)	327,382	339,783

(1) The classification of financing in this statement will be made according to its purpose and not to the debtor's CNAE. This means, for example, that if the debtor is a) a real estate company but uses the financing granted for a purpose other than construction or real estate development, the financing 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, the credit 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, where appropriate, 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 lowest out 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) It 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, where appropriate, 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 heading on the financing for construction and real estate development in transactions recorded by credit institutions (business in Spain) as of June 30, 2024 and December 31, 2023 was as follows:

Thousands of euros	Gross book value (6)	
	6/30/2024	12/31/2023
Without real estate guarantee (*)	**240,295**	**263,415**
With real estate guarantee (1)	**379,055**	**459,120**
Finished buildings and other constructions (2)	227,040	265,874
Housing	95,752	196,932
Others	131,288	68,942
Buildings and other constructions under construction (3)	100,113	104,745
Housing	74,949	95,119
Others	25,164	9,626
Land	51,902	88,501
Consolidated urban land	19,372	21,753
Other land	32,530	66,748
Total (4)	**619,350**	**722,535**

(*) As of June 30, 2024, the carrying amount of financing identified as "Without real estate collateral" includes 81,227 thousand euros corresponding to real estate collateralized transactions that do not fully cover the exposure (113,667 thousand euros as of December 31, 2023). In addition, it includes secured transactions with public authorities amounting to 149,458 thousand euros (142,710 thousand euros as of December 31, 2023).

(1) Amount before deducting, where appropriate, accumulated impairment losses.

(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.

Detailed information of the guarantees received in the transactions recorded by credit institutions (business in Spain) for the six-month period from December 31, 2023 to June 30, 2024 is shown below:

Thousands of euros	Guarantees received	
	6/30/2024	12/31/2023
Value of collateral	472,243	549,480
Of which: guarantees doubtful risks	29,642	38,728
Value of other guarantees	25,342	35,638
Of which: guarantees doubtful risks	2,499	5,364
Total value of guarantees received	**497,585**	**585,118**

As of June 30, 2024 and December 31, 2023, the breakdown of loans to households for home purchases in the transactions recorded by credit institutions (businesses in Spain) was as follows:

Thousands of euros	6/30/2024		12/31/2023	
	Gross amount (2)	Of which: Non-compliant/Doubtful	Gross amount (2)	Of which: Non-compliant/Doubtful
Home purchase loans (1)	29,993,747	647,145	30,463,831	725,734
No real estate mortgage	157,807	2,366	167,371	2,461
With real estate mortgage (3)	29,835,940	644,779	30,296,460	723,273

(1) Loans, with or without a real estate mortgage guarantee, to households for home purchases corresponding to businesses in Spain.

(2) Amount before deducting, where appropriate, accumulated impairment losses.

(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 entailed by the total risk of the amount of the last available valuation (LTV ratio) on the transactions registered by credit institutions (businesses in Spain) as of June 30, 2024 and December 31, 2023 was as follows:

	June 30, 2024 (1)					
	LTV≤40%	40%<LTV≤60%	60%<LTV≤80%	80%<LTV≤100%	LTV>100%	Total
Gross book value (2)	**6,933,664**	**8,737,579**	**13,306,415**	**520,765**	**337,518**	**29,835,941**
Of which: Non-compliant / Doubtful (2)	106,230	150,503	216,916	81,092	90,037	644,778

	December 31, 2023 (1)					
	LTV≤40%	40%<LTV≤60%	60%<LTV≤80%	80%<LTV≤100%	LTV>100%	Total
Gross book value (2)	**7,019,582**	**8,877,766**	**13,478,297**	**534,959**	**385,856**	**30,296,460**
Of which: Non-compliant / Doubtful (2)	116,147	168,417	238,883	91,759	108,067	723,273

(1) The loan-to-value ratio 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, where appropriate, accumulated impairment losses. The amounts reported in the “Total” column for the “Carrying amount” and “Of which: doubtful” rows of this statement match the amounts reported in the “With real estate mortgage” row of statement PC 7-3.

The detailed information of the assets foreclosed to consolidated Group entities (businesses in Spain) (1) as of June 30, 2024 and December 31, 2023 was as follows:

Thousands of euros	6/30/2024			12/31/2023		
	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	**1,084,631**	**(808,819)**	**275,812**	**1,253,495**	**(926,118)**	**327,377**
Real estate assets from financing for construction and real estate development companies (3)	654,243	(549,403)	104,840	744,870	(627,517)	117,353
Finished buildings and other constructions	77,143	(70,117)	7,026	118,201	(103,479)	14,722
Housing	63,470	(59,303)	4,167	78,929	(74,355)	4,574
Others	13,673	(10,814)	2,859	39,272	(29,124)	10,148
Buildings and other constructions under construction	224,839	(170,995)	53,844	224,837	(176,786)	48,051
Housing	216,393	(164,226)	52,167	213,334	(167,188)	46,146
Others	8,446	(6,769)	1,677	11,503	(9,598)	1,905
Land	352,261	(308,291)	43,970	401,832	(347,252)	54,580
Consolidated urban land	298,575	(264,360)	34,215	347,852	(304,840)	43,012
Other land	53,686	(43,931)	9,755	53,980	(42,412)	11,568
Real estate assets from mortgage financing to households for house purchase	222,773	(128,858)	93,915	266,202	(149,464)	116,738
Rest of real estate assets foreclosed or received in payment of debts (4)	207,615	(130,558)	77,057	242,423	(149,137)	93,286
Equity instruments awarded or received in payment of debts	**6,956**	**(3,948)**	**3,008**	**10,234**	**(3,684)**	**6,550**
Investments in real estate entities	**163,763**	**(17,030)**	**146,733**	**163,370**	**(8,789)**	**154,581**
Equity instruments of entities holding real estate assets foreclosed or received in payment of debts (5)	118,858	-	118,858	124,562	-	124,562
Financing to entities holding real estate assets foreclosed or received in payment of debts (5)	44,905	(17,030)	27,875	38,808	(8,789)	30,019
	1,255,350	**(829,797)**	**425,553**	**1,427,099**	**(938,591)**	**488,508**

(1) This includes real estate assets foreclosed or received in payment of debts from financing granted relating 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 were recorded in the consolidated balance sheet, as established in point 164 of Annex 9 of Circular 4/2017 of November 27, before deducting the 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 come 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, as at June 30, 2024 the gross acquisition cost of foreclosed assets amounted to 1,084,631,000 euros, with a total coverage of provisions of 808,819,000 euros, which represents a coverage level over the gross acquisition cost of 74.6% (1,253,495,000 euros as at December 31, 2023, with a total coverage of 926,118,000 euros, which represented a coverage level of 73.9%).

32. Linked parties

In addition to the information presented in Note 7 in relation to the balances and operations carried out with the members of the Board of Directors of the parent company and with its senior management, the rest of the balances recorded in the condensed consolidated balance sheets as of June 30, 2024 and December 31, 2023 and in the condensed consolidated profit and loss accounts for the periods ended at those dates originating from transactions with related parties are shown below:

Thousands of euros **6/30/2024**

	Significant shareholders	Administrators and Managers	Individuals, companies or group entities	Other associates	Total
Expenses					
Financial expense	(687)	(20)	(19,643)	(417)	(20,767)
Management or collaboration contracts	(1,002)	-	(1,160)	-	(2,162)
R&D transfers and licensing agreements	-	-	-	-	-
Leasing	-	-	(13)	-	(13)
Reception of services	-	-	-	-	-
Purchase of goods (finished or in process)	-	-	-	-	-
Valuation allowances for non-performing or bad debts	-	-	-	-	-
Losses due to write-downs or disposal of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
Total expenses	**(1,689)**	**(20)**	**(20,816)**	**(417)**	**(22,942)**
Income					
Financial income	-	12	2,866	489	3,367
Management or collaboration contracts	-	-	1	-	1
R&D transfers and licensing agreements	-	-	-	-	-
Dividends received	-	-	-	-	-
Leasing	-	-	38	-	38
Provision of services	-	-	-	-	-
Sale of goods (finished or in process)	-	-	-	-	-
Gains on retirement or disposal of assets	-	-	-	-	-
Other income	-	-	-	-	-
Total earnings	**-**	**12**	**2,905**	**489**	**3,406**
Assets					
Purchase of tangible, intangible, or other assets	-	-	29	-	29
Financing agreements: credits and contributions from capital (lender)	201	1,495	93,361	16,231	111,288
Other transactions	-	-	-	-	-
Total assets	**201**	**1,495**	**93,390**	**16,231**	**111,317**
Liabilities					
Financing agreements, loans and contributions from capital (borrower)	53,591	3,737	1,111,133	43,459	1,211,920
Dividends and other distributed income	32,439	-	-	-	32,439
Total liabilities	**86,030**	**3,737**	**1,111,133**	**43,459**	**1,244,359**
Guarantees and commitments					
Guarantees and collateral provided	4	196	54,960	6,368	61,528
Financing commitments	-	-	-	-	-
Total guarantees and commitments	**4**	**196**	**54,960**	**6,368**	**61,528**

Thousands of euros					12/31/2023
	Significant shareholders	Administrators and Managers	Individuals, companies or group entities	Other associates	Total
Expenses					
Financial expense	(879)	(26)	(22,993)	(491)	(24,389)
Management or collaboration contracts	(1,547)	-	(12,893)	-	(14,440)
R&D transfers and licensing agreements	-	-	-	-	-
Leasing	-	-	(22)	-	(22)
Reception of services	-	-	-	-	-
Purchase of goods (finished or in process)	-	-	-	-	-
Valuation allowances for non-performing or bad debts	-	-	-	-	-
Losses due to write-downs or disposal of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
Total expenses	**(2,426)**	**(26)**	**(35,908)**	**(491)**	**(38,851)**
Income					
Financial income	14	26	5,932	1,536	7,508
Management or collaboration contracts	-	-	1	-	1
R&D transfers and licensing agreements	-	-	-	-	-
Dividends received	-	-	-	-	-
Leasing	-	-	35	-	35
Provision of services	-	-	-	-	-
Sale of goods (finished or in process)	-	-	-	-	-
Gains on retirement or disposal of assets	-	-	-	-	-
Other income	-	-	-	-	-
Total earnings	**14**	**26**	**5,968**	**1,536**	**7,544**
Assets					
Purchase of tangible, intangible, or other assets	-	-	-	-	-
Financing agreements: credits and contributions from capital (lender)	-	1,230	90,897	104,871	196,998
Other transactions	-	-	-	-	-
Total assets	**-**	**1,230**	**90,897**	**104,871**	**196,998**
Liabilities					
Financing agreements, loans and contributions from capital (borrower)	31,840	3,605	1,480,216	36,761	1,552,422
Dividends and other distributed income	38,876	-	-	-	38,876
Total liabilities	**70,716**	**3,605**	**1,480,216**	**36,761**	**1,591,298**
Guarantees and commitments					
Guarantees and collateral provided	5	215	52,819	19,246	72,285
Financing commitments	-	-	-	-	-
Total guarantees and commitments	**5**	**215**	**52,819**	**19,246**	**72,285**

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.

33. Fair value

The fair value of a financial asset or liability on a given date is understood to be the amount for which it could be sold or transferred between two independent and knowledgeable parties, acting freely and prudently under market conditions. The most objective and common reference for the fair value of a financial asset or liability is the price that would be paid for it on an organized, transparent, deep market ("quoted price" or "market price").

Where there is no market price for a certain financial asset or liability, its fair value is estimated based on the price established in recent transactions involving similar instruments or, in the absence thereof, on mathematical valuation models sufficiently contrasted by the international financial community. The use of these models takes into consideration the specific peculiarities of the asset or liability to be valued and, in particular, the different types of risks associated with the asset or liability. Notwithstanding the foregoing, the limitations of the valuation models developed and possible inaccuracies in the assumptions and parameters required by these models may result in the estimated fair value of an asset or liability not coinciding exactly with the price at which the asset or liability could be delivered or settled at the measurement date.

The fair value determination process established in the Bank ensures that assets and liabilities are valued in accordance with the application criteria established by the Group. In this regard, the valuation techniques used to estimate fair value comply with the following aspects:

- Realistic estimates of the price of the financial instrument based on consistent financial and economic methods commonly used by the market are used.
- The use of available information is maximized, using, as far as possible, observable data and recent transactions of similar characteristics.
- They are amply and sufficiently documented and justified.
- They are respected over time, provided that there is nothing that affects the reasons for their choice.
- The validity of the models is examined periodically using recent transactions and current market data.

Assets and liabilities are classified in one of the following levels, according to the method used to obtain their fair value:

- **Level 1**: assets and liabilities whose fair value is determined by taking quoted prices in active markets or that correspond to recent transactions. In general, the following are included in this level:
  - Listed debt securities (government bonds and debt instruments issued by Spanish and foreign issuers, as well as own securities issued by the Bank).
  - Listed equity instruments.
- **Level 2**: assets and liabilities for which there is no market price, so their fair value is estimated using recent quoted prices of similar instruments or valuation techniques in which all significant inputs used are based on data that are directly or indirectly observable in the market. In general, the following are included in this level:
  - Listed debt securities with low volume and level of market activity (Spanish regional government bonds and other private debt instruments).
  - Trading derivatives and over-the-counter hedging (interest rate swaps).

- **Level 3**: assets and liabilities whose fair values are derived from valuation techniques in which some significant input is not based on observable market data. In general, the following are included in this level:
  - Unlisted debt securities (unlisted debt bonds).
  - Loans and receivables.
  - Deposits.
  - Unlisted equity instruments.

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.

33.1. Valuation methods used

In cases where quotations cannot be observed (Level 1), 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.

The main valuation methods, assumptions and inputs used in estimating fair value for Levels 2 and 3, depending on the type of financial instrument in question, are presented below:

- **Debt securities**: The fair value of unquoted debt instruments is determined using the present value method (net present value), using the cash flows of each instrument and discounting them to calculate their present value.

  In general, the main observable inputs used in the valuation methodology are: interest rate curve, risk premiums, market comparables, credit spreads, etc.

- **Equity instruments**: The fair value of unlisted equity instruments has been determined taking into account valuations by independent experts, which have been used, 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).
  - Theoretical book value: this is obtained as the percentage share of the net book equity reflected in the financial statements.

   - Price resulting from market transactions or acquisition offers, made or received at a time close to the valuation date.

  In general, the main observable inputs used in the valuation methodology are as follows: CNAEs, macroeconomic inputs, market comparables, risk and market premiums. The main unobservable inputs used are: business plans, accounting net worth.

- **Derivatives**: The fair value of derivatives has been determined based on the type of instrument:

   - Swaps: method of discounting future cash flows using implicit money market curves and the swap curve.

   - Interest rate options: the Black-Scholes model and implied volatility matrices.

   - Options on indexes, shares and exchange rates: discounted cash flow method estimated from the forward curves of the respective underlying, quoted in the market, as well as the Black-Scholes model.

  Credit Valuation Adjustments (CVA) and Debit Valuation Adjustments (DVA) are added to derivatives valuation, both in assets and liabilities, in order to show the fair value impact of the counterparty's and own credit risks respectively. For this purpose, models and severities in line with the market have been used. 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.

  In general, the observable inputs used in the valuation methodology are: interest rate curves, quoted option prices, probability of default for the calculation of CVA and DVA, among others.

- **Loans and receivables**: The fair value of loans and receivables has been determined through the present value method (net present value), using the cash flows of each instrument, as established in the contracts and discounting them to calculate their present value, using:

   - Market interest rate curves at the valuation date.

   - Early termination ratios based on available internal historical information.

  In general, the observable inputs used in the valuation methodology are: interest rate curve, early cancellation ratios, etc.

- **Deposits**: includes deposits collected from central banks, financial institutions and customers. The fair value is obtained using the present value method which discounts future cash flows to the present time using market interest rates:

   - Market interest rate curves at the valuation date.

   - Internal model to estimate maturities of current accounts and other demand deposits calibrated based on available internal historical information. This modeling takes into account the sensitivity of their remuneration to market interest rates and the level of the balance sheet balances held on the balance sheet.

   - The credit spread is added to the risk-free curve based on the generic probabilities of loss of credit ratings.

- **Other financial liabilities**: mainly include amounts corresponding to tax collection accounts, clearing houses and liabilities associated with right-of-use assets. The fair value has been assimilated to the book value, since these are mainly short-term balances. In the case of liabilities associated with right-of-use assets, the present value of future lease payments during the mandatory period of the contract is presented.

The valuations calculated using the internal models would vary if other methods or other assumptions had been applied to the interest rate risk, credit risk spreads, market risk, exchange risk or their corresponding correlations and volatilities. Notwithstanding the foregoing, the Bank's Directors consider that the applied models and techniques adequately reflect the fair value of the financial assets and liabilities, as recorded on the condensed consolidated balance sheet, as well as the results generated by these financial instruments.

The main valuation methods used by the Group to determine the fair value of financial instruments have not been modified with respect to those used in the financial statements for the year 2023.

33.2. Fair value of financial assets and liabilities recorded at fair value

The fair value of financial assets and liabilities measured at fair value recorded in the balance sheet is presented below, together with their breakdown by level and the associated carrying value:

Thousands of euros | **6/30/2024**

		Fair value			
	Carrying amount	**Total**	**Level 1**	**Level 2**	**Level 3**
Assets					
Financial assets held for trading	813,837	813,837	764,565	49,272	-
Debt securities	756,815	756,815	756,815	-	-
Equity instruments	7,750	7,750	7,750	-	-
Derivatives	49,272	49,272	-	49,272	-
Non-trading financial assets mandatorily at fair value with changes in income	99,016	99,016	27,243	8,140	63,633
Equity instruments	41	41	-	-	41
Debt securities	35,383	35,383	27,243	8,140	-
Loans and advances	63,592	63,592	-	-	63,592
Financial assets at fair value through other comprehensive income	1,862,647	1,862,647	1,097,011	611,309	154,327
Equity instruments	345,911	345,911	76,410	115,174	154,327
Debt securities	1,516,736	1,516,736	1,020,601	496,135	-
Hedging derivatives	1,198,297	1,198,297	-	1,198,297	-
Liabilities					
Financial liabilities held for trading	461,254	461,254	415,500	45,754	-
Derivatives	45,754	45,754	-	45,754	-
Short positions	415,500	415,500	415,500	-	-
Hedging derivatives	782,353	782,353	-	782,353	-

Thousands of euros					12/31/2023
		Fair value			
	Carrying amount	Total	Level 1	Level 2	Level 3
Assets					
Financial assets held for trading	809,430	809,430	757,653	51,777	-
Debt securities	749,072	749,072	749,072	-	-
Equity instruments	8,581	8,581	8,581	-	-
Derivatives	51,777	51,777	-	51,777	-
Non-trading financial assets mandatorily at fair value with changes in income	108,562	108,562	27,212	8,053	73,297
Equity instruments	41	41	-	-	41
Debt securities	35,265	35,265	27,212	8,053	-
Loans and advances	73,256	73,256	-	-	73,256
Financial assets at fair value through other comprehensive income	1,501,554	1,501,554	1,228,068	115,174	158,312
Equity instruments	346,719	346,719	73,233	115,174	158,312
Debt securities	1,154,835	1,154,835	1,154,835	-	-
Hedging derivatives	1,222,395	1,222,395	-	1,222,395	-
Liabilities					
Financial liabilities held for trading	462,839	462,839	411,836	51,003	-
Derivatives	51,003	51,003	-	51,003	-
Short positions	411,836	411,836	411,836	-	-
Hedging derivatives	1,148,038	1,148,038	-	1,148,038	-

The movement during the six months ended June 30, 2024 and during the year ended December 31, 2023 in the fair value of the various types of financial instruments classified as Level 3 under IFRS 13 is presented below:

Thousands of euros

	Non-trading financial assets mandatorily at fair value with changes in income			Financial assets at fair value through other comprehensive income	
	Equity instruments	Debt securities	Loans and advances	Equity instruments	Debt securities
Balance as at 12/31/2023	**41**	**-**	**73,256**	**158,312**	**-**
Instrument recognitions	-	-	-	3,671	-
Instrument derecognitions	-	-	(8,601)	(5,472)	-
Changes in fair value recognized in profit or loss	-	-	(1,063)	-	-
Changes in fair value recognized in equity	-	-	-	(2,190)	-
Inter level transfers	-	-	-	6	-
Transfer to loans and receivables	-	-	-	-	-
Transfer to held-to-maturity investments	-	-	-	-	-
Balance as at 6/30/2024	**41**	**-**	**63,592**	**154,327**	**-**

Thousands of euros

	Non-trading financial assets mandatorily at fair value with changes in income			Financial assets at fair value through other comprehensive income	
	Equity instruments	Debt securities	Loans and advances	Equity instruments	Debt securities
Balance as at 12/31/2022	**41**	**-**	**112,986**	**51,091**	**-**
Instrument recognitions	-	-	-	2,366	-
Instrument derecognitions	-	-	(39,669)	(49)	-
Changes in fair value recognized in profit or loss	-	-	(61)	-	-
Changes in fair value recognized in equity	-	-	-	(1,887)	-
Inter level transfers	-	-	-	106,791	-
Transfer to loans and receivables	-	-	-	-	-
Transfer to held-to-maturity investments	-	-	-	-	-
Balance as at 12/31/2023	**41**	**-**	**73,256**	**158,312**	**-**

33.3. Fair value of financial assets and liabilities at amortized cost

The fair value of financial instruments at amortized cost recorded in the balance sheet is presented below, together with their breakdown by level and the associated carrying value.

Thousands of euros					6/30/2024
		Fair value			
	Book value	Total	Level 1	Level 2	Level 3
Assets					
Financial assets at amortized cost	75,741,597	75,043,669	23,529,915	50,012	51,463,742
Debt securities	24,703,372	23,579,927	23,529,915	50,012	-
Loans and advances	51,038,225	51,463,742	-	-	51,463,742
Liabilities					
Financial liabilities at amortized cost	85,494,064	79,834,407	-	-	79,834,407
Deposits	77,765,390	72,195,930	-	-	72,195,930
Debt securities issued	4,048,929	3,958,732	-	-	3,958,732
Other financial liabilities	3,679,745	3,679,745	-	-	3,679,745

Thousands of euros					12/31/2023
		Fair value			
	Book value	Total	Level 1	Level 2	Level 3
Assets					
Financial assets at amortized cost	77,451,855	77,569,413	24,120,603	-	53,448,810
Debt securities	25,098,802	24,120,603	24,120,603	-	-
Loans and advances	52,353,053	53,448,810	-	-	53,448,810
Liabilities					
Financial liabilities at amortized cost	86,556,316	82,190,049	-	-	82,190,049
Deposits	80,201,660	75,962,255	-	-	75,962,255
Debt securities issued	4,239,232	4,112,370	-	-	4,112,370
Other financial liabilities	2,115,424	2,115,424	-	-	2,115,424

33.4. 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 227,811,000 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 54,850,000 Euros, already recorded in shareholders’ equity, were granted tax efficiency.

As of June 30, 2024 and December 31, 2023, the Group estimates that there are no significant differences between the carrying amount and fair value of the tangible assets.

34. Risk management

34.1. Financial instrument liquidity risk

The liquidity risk profile of the Unicaja Group as at June 30, 2024 had not changed significantly since the end of 2023 (see Note 25 of the notes to the consolidated financial statements of Unicaja and its subsidiaries at December 31, 2023).

The Assets and Liabilities and Budget Committee (ALBCO), made up of Senior Management, manages the liquidity risk inherent in the Group's business activity and the Bank's 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 centralized approach to liquidity risk management, applying integrated IT tools to perform liquidity risk analyses based on the cash flows estimated by the Group's Parent Company 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 analyses of various scenarios that 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.

34.2. 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 Group have been recorded in these financial statements, the Parent Company applies the same credit risk control policies and procedures to them.

The Parent Company's policies, methods and procedures related to credit risk control are approved by the Parent Company's Board of Directors. Unicaja's Audit and Regulatory Compliance Committee, the Internal Audit Department and the Corporate Global Risk Control Department have among their responsibilities that of overseeing the adequate compliance with these policies, methods and procedures, ensuring that they are adequate, are effectively implemented and are reviewed on a regular basis.

Credit risk control activities at the parent company are carried out by the Corporate Global Risk Control Department, which reports to Unicaja's General Control, Strategy and Relations with Supervisors Department. 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 by controlling the credit risk coverage needs, pursuant to the Parent Company's internal policies and the regulations applicable thereto. This Unit is also responsible for applying Unicaja's risk concentration limits, as approved by the Board of Directors.

The Unicaja Group has policies and procedures that limit the concentration of credit risk by counterparties, considered both individually and by economic group. The parent company establishes risk concentration limits taking into consideration factors such as the activities in which the counterparts are engaged, their rating and other characteristics common to them. The parent company performs sensitivity analyses to estimate the effects of possible variations in the delinquency rates of the different risk concentration groups.

The Group had no major risk concentrations as of June 30, 2024 and December 31, 2023. The total real-estate collateralized risk held by the Group with the private sector of residents in Spain amounted to 32,787,831,000 euros and 33,592,667,000 euros at June 30, 2024 and December 31, 2023 respectively.

Likewise, the Unicaja 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 Group's 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 Note 8. 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 analyses 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 had not been accrued for accounting purposes as at June 30, 2024 and December 31, 2023 amounted to 50,045,000 euros and 46,832,000 euros respectively.

The credit quality of the portfolio of loans and receivables as of June 30, 2024 and December 31, 2023 is detailed below:

Thousands of euros				**6/30/2024**
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross	**47,562,253**	**2,984,587**	**1,445,759**	**51,992,599**
Value corrections due to the impairment of assets	**162,295**	**167,409**	**625,575**	**955,279**
Of which: calculated collectively	162,295	130,401	500,116	792,812
Of which: calculated individually	-	37,008	125,459	162,467
Net amount	**47,399,958**	**2,817,178**	**820,184**	**51,037,320**

Thousands of euros				**12/31/2023**
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross	**46,296,763**	**3,261,386**	**1,593,791**	**51,151,940**
Value corrections due to the impairment of assets	**171,164**	**168,683**	**677,163**	**1,017,010**
Of which: calculated collectively	171,070	127,878	554,553	853,501
Of which: calculated individually	94	40,805	122,610	163,509
Net amount	**46,125,599**	**3,092,703**	**916,628**	**50,134,930**

The guarantees received and the financial guarantees granted as of June 30, 2024 and December 31, 2023 are detailed below:

Thousands of euros

Guarantees received	6/30/2024	12/31/2023
Value of collateral	33,557,827	33,571,836
Of which: Guarantees doubtful risks	*634,953*	*742,932*
Value of other guarantees	1,057,750	1,042,504
Of which: Guarantees doubtful risks	*153,474*	*163,713*
Total value of guarantees received	**34,615,577**	**34,614,340**

Thousands of euros

Financial guarantees granted	6/30/2024	12/31/2023
Loan commitments granted	4,733,925	4,601,960
Of which: amount classified as doubtful	*27,809*	*24,875*
Amount recorded as a liability on the balance sheet	*6,927*	*5,886*
Financial guarantees granted	67,595	71,682
Of which amount classified as doubtful	*5,256*	*305*
Amount recorded as a liability on the balance sheet	*3,220*	*2,995*
Other commitments granted	2,528,684	2,766,020
Of which: amount classified as doubtful	*333,227*	*329,529*
Amount recorded as a liability on the balance sheet	*106,083*	*107,715*
Total value of financial guarantees granted	**7,330,204**	**7,439,662**

Risk concentration by activity and geographical area

The carrying value of the Unicaja Group's total financing granted to its customers as of June 30, 2024 and December 31, 2023, excluding exposures held with public administrations, broken down by type of counterparty, type of guarantee and LTV ratio, is presented below:

Thousands of euros **June 30, 2024**

				LTV ratio of collateralized loans (e)				
	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	1,157,151	134,015	61,081	42,027	76,524	28,299	159	48,087
Non-financial corporations and individual employers	8,955,468	2,188,348	210,231	1,327,038	781,780	186,110	62,085	41,565
Real estate construction and development (b)	446,740	367,712	8,562	206,970	111,531	35,649	18,332	3,792
Civil engineering construction	91,640	6,051	309	3,755	2,405	199	-	-
Other purposes	8,417,088	1,814,585	201,360	1,116,313	667,844	150,262	43,753	37,773
Large companies (c)	4,600,042	202,862	64,165	175,969	69,385	9,462	4,291	7,920
SMEs and individual employers (c)	3,817,046	1,611,723	137,195	940,344	598,459	140,800	39,462	29,853
Other homes and non-profit institutions serving households	34,103,048	30,465,468	24,505	7,477,403	8,908,345	13,311,299	496,105	296,822
Housing	30,215,063	29,893,637	5,342	7,146,794	8,761,000	13,239,892	473,979	277,314
Consumption	860,940	15,509	4,136	15,505	2,354	1,266	349	172
Other purposes	3,027,045	556,322	15,027	315,104	144,991	70,141	21,777	19,336
Total	**44,215,667**	**32,787,831**	**295,817**	**8,846,468**	**9,766,649**	**13,525,708**	**558,349**	**386,474**
Pro memoria: Refinancing refinanced and restructured transactions	**705,177**	**453,966**	**28,616**	**175,389**	**124,418**	**91,841**	**53,656**	**37,279**

Thousands of euros **December 31, 2023**

				LTV ratio of collateralized loans (e)				
	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	531,175	112,439	167,312	22,387	72,388	17,887	75	167,014
Non-financial corporations and individual employers	10,102,457	2,445,331	354,691	1,487,686	922,708	255,453	64,737	69,438
Real estate construction and development (b)	554,888	427,597	25,524	217,344	168,850	34,048	26,274	6,605
Civil engineering construction	102,666	4,234	1,883	3,073	3,036	8	-	-
Other purposes	9,444,903	2,013,500	327,284	1,267,269	750,822	221,397	38,463	62,833
Large companies (c)	4,944,141	139,212	142,858	199,292	40,245	33,122	1,634	7,777
SMEs and individual employers (c)	4,500,762	1,874,288	184,426	1,067,977	710,577	188,275	36,829	55,056
Other homes and non-profit institutions serving households	34,042,729	31,034,897	52,065	7,645,905	9,101,758	13,509,326	514,146	315,827
Housing	30,694,223	30,366,190	7,578	7,254,809	8,922,157	13,429,624	488,470	278,708
Consumption	850,405	8,709	3,299	9,812	887	1,143	63	103
Other purposes	2,498,101	659,998	41,188	381,284	178,714	78,559	25,613	37,016
Total	**44,676,361**	**33,592,667**	**574,068**	**9,155,978**	**10,096,854**	**13,782,666**	**578,958**	**552,279**
Pro memoria: Refinancing refinanced and restructured transactions	**659,498**	**490,352**	**66,618**	**202,616**	**133,723**	**102,601**	**42,927**	**75,103**

(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.

Aggregate information as of June 30, 2024 and December 31, 2023, on the credit risk concentration of the Unicaja Group, broken down by geographical area of action and segment of activity, excluding exposures held with public administrations, is shown below:

Thousands of euros — **June 30, 2024**

	Total (a)	Spain	Other EU countries	The Americas	Rest of the world
Credit institutions	11,843,876	10,699,886	981,915	21,847	140,228
Other financial institutions	2,455,753	1,701,829	722,574	188	31,162
Non-financial corporations and individual employers	11,618,799	11,299,399	134,063	34,526	150,811
Real estate construction and development (b)	682,249	682,249	-	-	-
Civil engineering construction	182,622	179,199	5	3,297	121
Other purposes	10,753,928	10,437,951	134,058	31,229	150,690
Large companies (c)	6,547,016	6,232,841	132,779	31,113	150,283
SMEs and individual employers (c)	4,206,912	4,205,110	1,279	116	407
Other homes and non-profit institutions serving	34,137,497	33,969,582	78,477	33,672	55,766
Housing	30,226,340	30,060,800	77,401	33,405	54,734
Consumption	861,388	860,722	339	91	236
Other purposes	3,049,769	3,048,060	737	176	796
	60,055,925	**57,670,696**	**1,917,029**	**90,233**	**377,967**

Thousands of euros — **December 31, 2023**

	Total (a)	Spain	Other EU countries	The Americas	Rest of the world
Credit institutions	12,435,493	10,966,689	1,344,654	53,309	70,841
Other financial institutions	1,353,935	1,236,656	106,702	-	10,577
Non-financial corporations and individual employers	13,085,741	12,487,781	397,396	23,267	177,297
Real estate construction and development (b)	646,076	646,076	-	-	-
Civil engineering construction	180,067	179,840	-	227	-
Other purposes	12,259,598	11,661,865	397,396	23,040	177,297
Large companies (c)	7,187,001	6,646,271	370,271	170	170,289
SMEs and individual employers (c)	5,072,597	5,015,594	27,125	22,870	7,008
Other homes and non-profit institutions serving	34,084,271	33,913,273	77,831	33,374	59,793
Housing	30,704,572	30,536,272	76,713	32,772	58,815
Consumption	850,856	850,153	364	82	257
Other purposes	2,528,843	2,526,848	754	520	721
	60,959,440	**58,604,399**	**1,926,583**	**109,950**	**318,508**

(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" as defined in Commission Recommendation 2003/361/EC of May 6, 2003 concerning the definition of micro, small and medium-sized enterprises. Transactions with individual employers only include transactions with natural persons for the purpose of financing their business activities, both those carried out directly as individual employers and those carried out through unincorporated entities.

Below is a breakdown of Unicaja Group's credit risks as at June 30, 2024 and December 31, 2023, by autonomous community and by segment of activity, excluding exposures to public administrations:

Thousands of euros — **June 30, 2024**

	Total (a)	Andalusia	Madrid	Castilla (*)	Levante (*)	Asturias	Other autonomous communities
Credit institutions	10,699,886	7,929	9,066,980	15	183,214	-	1,441,748
Other financial institutions	1,701,829	502,174	701,718	19,274	16,639	11,478	450,546
Non-financial corporations and sole proprietors	11,299,399	2,952,776	4,085,557	1,478,198	932,012	492,875	1,357,981
Real estate construction and development (b)	682,249	224,088	228,402	85,613	17,404	37,963	88,779
Civil engineering	179,199	11,079	122,540	14,572	5,161	3,613	22,234
Other purposes	10,437,951	2,717,609	3,734,615	1,378,013	909,447	451,299	1,246,968
Large companies (c)	6,232,841	1,394,682	2,978,466	297,862	752,754	246,267	562,810
SMEs and individual employers (c)	4,205,110	1,322,927	756,149	1,080,151	156,693	205,032	684,158
Other homes and non-profit	33,969,582	11,105,564	7,807,053	6,187,782	3,103,426	1,661,250	4,104,507
Housing	30,060,800	8,717,896	7,582,857	5,550,932	3,033,289	1,450,006	3,725,820
Consumption	860,722	392,427	51,190	229,260	18,737	66,515	102,593
Other purposes	3,048,060	1,995,241	173,006	407,590	51,400	144,729	276,094
	57,670,696	**14,568,443**	**21,661,308**	**7,685,269**	**4,235,291**	**2,165,603**	**7,354,782**

Thousands of euros — **December 31, 2023**

	Total (a)	Andalusia	Madrid	Castilla (*)	Levante (*)	Asturias	Other autonomous communities
Credit institutions	10,966,689	-	10,966,623	-	66	-	-
Other financial institutions	1,236,656	621,372	502,214	26,365	29,808	47,092	9,805
Non-financial corporations and sole proprietors	12,487,781	5,951,995	2,406,950	1,553,190	639,553	576,198	1,359,895
Real estate construction and development (b)	646,076	385,634	79,903	87,598	17,191	44,626	31,124
Civil engineering	179,840	40,479	75,172	23,774	2,897	15,235	22,283
Other purposes	11,661,865	5,525,882	2,251,875	1,441,818	619,465	516,337	1,306,488
Large companies (c)	6,646,271	3,535,716	1,817,489	172,749	451,313	190,635	478,369
SMEs and individual employers (c)	5,015,594	1,990,166	434,386	1,269,069	168,152	325,702	828,119
Other homes and non-profit	33,913,273	10,325,259	8,906,461	6,673,535	1,532,348	2,697,644	3,778,026
Housing	30,536,272	8,644,951	8,654,054	5,918,001	1,487,425	2,445,763	3,386,078
Consumption	850,153	402,833	57,964	221,412	9,594	67,487	90,863
Other purposes	2,526,848	1,277,475	194,443	534,122	35,329	184,394	301,085
	58,604,399	**16,898,626**	**22,782,248**	**8,253,090**	**2,201,775**	**3,320,934**	**5,147,726**

(*) 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.

34.3. Interest rate risk exposure

The interest rate risk profile of the UnicajaGroup as at June 30, 2024 had not changed significantly since the end of 2023 (see Note 28 of the notes to the consolidated financial statements of Unicaja and its subsidiaries as at December 31, 2023).

Interest rate risk control is carried out in an integrated manner by the Assets and Liabilities and Budgets Committee (ALBCO). This committee is responsible for implementing the procedures to ensure that the 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 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.

34.4. Exposure to other market risks

The market risk profile of the Unicaja Group as at June 30, 2024 had not changed significantly since the end of 2023 (see Note 29 of the notes to the consolidated financial statements of Unicaja and its subsidiaries at December 31, 2023).

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 with changes in income, 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 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 Risk Control and Supervisory Relations 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 Financial 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 Group's operations in capital markets.

35. Subsequent events

In the period between June 30, 2024 and the date of preparation of these condensed interim consolidated financial statements there have been no events of special significance that have not been disclosed in the notes to the consolidated financial statements.

ANNEX I
UNICAJA'S INDIVIDUAL FINANCIAL STATEMENTS

Individual balance sheets as of June 30, 2024 and December 31, 2023.

	Thousands of euros	
	6/30/2024	**12/31/2023 (*)**
Cash, cash balances with central banks and other demand deposits	8,387,014	8,039,191
Financial assets held for trading	788,392	781,385
Non-trading financial assets mandatorily at fair value with changes in income	99,016	108,562
Financial assets at fair value through income	-	-
Financial assets at fair value through other comprehensive income	1,421,527	1,060,210
Financial assets at amortized cost	75,687,783	77,570,450
Derivatives - Hedge accounting	1,198,297	1,222,395
Changes in the fair value of the items covered in a portfolio with interest rate risk coverage	(140,882)	(63,020)
Investments in subsidiaries, joint ventures and associates	2,652,992	2,802,412
Tangible assets	1,470,560	1,511,696
Intangible assets	62,167	55,108
Tax assets	4,225,155	4,361,060
Other assets	247,989	232,189
Non-current assets and disposal groups of items classified as held for sale	77,108	91,195
Total assets	**96,177,117**	**97,772,833**
Financial liabilities held for trading	445,775	444,181
Financial liabilities valued at fair value through income	-	-
Financial liabilities at amortized cost	86,147,966	87,328,359
Derivatives - Hedge accounting	782,353	1,148,038
Changes in the fair value of the items covered in a portfolio with interest rate risk coverage	-	-
Provisions	863,040	940,752
Tax liabilities	450,646	358,809
Share capital repayable on demand	-	-
Other liabilities	516,301	549,911
Liabilities included in disposable groups of elements that have been classified as held for sale	-	-
Total liabilities	**89,206,080**	**90,770,050**
Own funds:	6,914,435	6,966,696
Capital or endowment fund	663,708	663,708
Share premium	1,322,995	1,322,995
Equity instruments issued other than share capital	547,360	547,360
Accumulated earnings	4,012,457	3,887,757
Revaluation reserves	-	-
Other reserves	278,607	274,996
Less: Own shares	(43,670)	(2,682)
Profit (loss) for the year	132,978	272,562
Less: Interim dividends	-	-
Other cumulative overall income:	56,601	36,087
Elements that will not be reclassified as income	38,358	39,171
Items that can be reclassified as income	18,243	(3,084)
Total net equity	**6,971,037**	**7,002,783**
Total liabilities and net equity	**96,177,117**	**97,772,833**
Commitments for loans granted	4,739,285	4,632,663
Financial guarantees granted	70,305	74,392
Other commitments granted	2,559,071	2,806,683

(*) Information presented, solely and exclusively, for comparative purposes.

Individual income statements for the six-month periods ended June 30, 2024 and 2023:

	Thousands of euros	
	6/30/2024	6/30/2023 (*)
Interest income and other similar income	1,392,565	1,072,709
Financial assets at fair value through other comprehensive income	18,749	5,432
Financial assets at amortized cost	1,196,418	1,016,205
Others	177,398	51,072
(Interest expense)	(623,522)	(452,258)
Net interest margin	**769,044**	**620,451**
Dividend income	54,998	51,601
Fee revenue	253,658	266,187
(Fee expenses)	(21,240)	(21,977)
Gains (losses) on derecognition of financial assets and liabilities not measured at fair value with changes in income, net	3,894	4,815
Net gains or (losses) on financial assets and liabilities held to trade	3,741	4,519
Gains or (losses) on financial assets not held for trading measured at fair value with changes in income, net	(2,947)	98
Gains or (losses) on financial assets and liabilities designated at fair value through changes in income, net	-	-
Net gains or (losses) resulting from hedge accounting	(1,781)	(3,250)
Net exchange differences (profit or loss)	1,412	1,965
Other operating income	13,861	17,809
Other operating expense	(115,507)	(146,681)
Gross margin	**959,132**	**795,537**
(Administration expenses)	(386,148)	(360,218)
(Amortization)	(39,488)	(39,608)
(Provisions or reversal of provisions)	(66,425)	(63,345)
(Impairment or reversal of impairment of financial assets not measured at fair value with changes in income and net gains or losses from modification)	(51,935)	(41,548)
Profit or loss from operating activities	**415,137**	**290,818**
Impairment of value or reversal of investments in joint ventures or associated companies	(148,155)	(29,557)
Impairment of value or reversal of non-financial assets	(2,075)	(1,264)
Net gains/losses on write-off of non-financial asset accounts	372	2,907
Negative goodwill recognized in profit or loss	-	-
Gains/losses from non-current assets and disposal groups of items classified as held for sale not eligible as discontinued operations	5,690	8,148
Gains or losses before tax from continuing operations	**270,969**	**271,052**
Income/expenses for taxes on profits from continuing activities	(137,991)	(94,282)
Gains or losses after tax from continuing operations	**132,978**	**176,770**
Profit/loss after tax from discontinued operations	-	-
Profit (loss) for the year	**132,978**	**176,770**

(*) Information presented, solely and exclusively, for comparative purposes.

Individual statements of recognized income and expense for the six-month periods ended June 30, 2024 and 2023:

	Thousands of euros	
	6/30/2024	6/30/2023 (*)
Profit (loss) for the year	**132,978**	**176,770**
Other comprehensive income	**20,515**	**72,883**
Elements that will not be reclassified as income	**(813)**	**58,384**
Actuarial gains (losses) on defined benefit pension plans	-	-
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	(1,516)	54,439
Net gains or (-) losses resulting from the entering into the accounts of equity instruments at fair value through other comprehensive income.	-	-
Changes in the fair value of financial liabilities at fair value with changes in profit or loss attributable to changes in credit risk	-	-
Tax on gains related to the items that will not be reclassified	703	3,945
Items that can be reclassified as income	**21,328**	**14,499**
Hedging of net investments in businesses abroad (effective part)	-	-
Conversion of foreign currency	(34)	-
Cash flow hedging (effective part)	35,438	20,310
Hedging instruments (non-designated elements)	-	-
Debt instruments at fair value through other comprehensive income	(4,936)	403
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	(9,140)	(6,214)
Total overall profit (loss) for the year	**153,493**	**249,653**

(*) Information presented, solely and exclusively, for comparative purposes.

Total statements of individual changes in total equity for the six-month periods ended June 30, 2024 and 2023:

	Capital and additional paid-in capital	Equity instruments issued other than share capital	Other net equity items	Accumulated earnings	Revaluation reserves	Other reserves	Own shares (-)	Profit (loss) for the year	Interim dividends (-)	Other cumulative overall income	Total
Opening balance as of 12/31/2023 (*)	**1,986,703**	**547,360**	**-**	**3,887,757**	**-**	**274,996**	**(2,682)**	**272,562**	**-**	**36,087**	**7,002,783**
Effects of error correction	-	-	-	-	-	-	-	-	-	-	-
Effects of changes to accounting policies	-	-	-	-	-	-	-	-	-	-	-
Opening balance at 1/1/2024	**1,986,703**	**547,360**	**-**	**3,887,757**	**-**	**274,996**	**(2,682)**	**272,562**	**-**	**36,087**	**7,002,783**
Total overall profit (loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**132,978**	**-**	**20,515**	**153,493**
Other changes in net equity	**-**	**-**	**-**	**124,699**	**-**	**3,611**	**(40,987)**	**(272,562)**	**-**	**-**	**(185,239)**
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)	-	-	-	(150,696)	-	-	-	-	-	-	(150,696)
Purchase of own shares	-	-	-	-	-	-	(57,485)	-	-	-	(57,485)
Sale or cancellation of own shares	-	-	-	27	-	-	16,498	-	-	-	16,525
Reclassification of financial instruments from net equity to liabilities	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liabilities to net equity	-	-	-	-	-	-	-	-	-	-	-
Transfers between components of net equity	-	-	-	272,562	-	-	-	(272,562)	-	-	-
Increase (decrease) in equity resulting from business combinations	-	-	-	-	-	-	-	-	-	-	-
Stock-based payments	-	-	-	-	-	-	-	-	-	-	-
Other increases (decreases) in net equity	-	-	-	2,806	-	3,611	-	-	-	-	6,417
Closing balance as at 6/30/2024	**1,986,703**	**547,360**	**-**	**4,012,456**	**-**	**278,607**	**(43,669)**	**132,978**	**-**	**56,602**	**6,971,037**

(*) Information presented, solely and exclusively, for comparative purposes.

	Capital and additional paid-in capital	Equity instruments issued other than share capital	Other net equity items	Accumulated earnings	Revaluation reserves	Other reserves	Own shares (-)	Profit (loss) for the year	Interim dividends (-)	Other cumulative overall income	Total
Opening balance as at 12/31/2022 (*)	**1,986,703**	**547,385**	**-**	**3,832,350**	**-**	**261,682**	**(148)**	**235,059**	**-**	**(119,082)**	**6,743,949**
Effects of error correction	-	-	-	-	-	-	-	-	-	-	-
Effects of changes to accounting policies	-	-	-	-	-	-	-	-	-	-	-
Opening balance at 1/1/2023	**1,986,703**	**547,385**	**-**	**3,832,350**	**-**	**261,682**	**(148)**	**235,059**	**-**	**(119,082)**	**6,743,949**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**176,770**	**-**	**72,883**	**249,653**
Other changes in net equity	**-**	**(17)**	**-**	**69,095**	**-**	**(1,311)**	**133**	**(235,059)**	**-**	**-**	**(167,159)**
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)	-	-	-	(147,241)	-	-	-	-	-	-	(147,241)
Purchase of own shares	-	-	-	-	-	-	(5)	-	-	-	(5)
Sale or cancellation of own shares	-	-	-	44	-	-	138	-	-	-	182
Reclassification of financial instruments from net equity to liabilities	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liabilities to net equity	-	-	-	-	-	-	-	-	-	-	-
Transfers between components of net equity	-	-	-	235,059	-	-	-	(235,059)	-	-	-
Increase (decrease) in equity resulting from business combinations	-	-	-	-	-	-	-	-	-	-	-
Stock-based payments	-	-	-	-	-	-	-	-	-	-	-
Other increases (decreases) in net equity	-	(17)	-	(18,767)	-	(1,311)	-	-	-	-	(20,095)
Closing balance as at 06/30/2023	**1,986,703**	**547,368**	**-**	**3,901,445**	**-**	**260,371**	**(15)**	**176,770**	**-**	**(46,199)**	**6,826,443**

(*) Information presented, solely and exclusively, for comparative purposes.

Individual cash flow statements for the six-month periods ended June 30, 2024 and 2023:

	Thousands of euros	
	6/30/2024	6/30/2023 (*)
Cash flows from operating activities	**727,000**	**3,087,646**
Profit (loss) for the year	132,978	176,770
Adjustments to obtain the cash flows from operating activities	405,323	220,500
Increase/decrease (net) of operating assets	1,604,845	4,645,636
Increase/decrease (net) of operating liabilities	(1,449,461)	(2,329,165)
Income tax collections/(payments)	33,315	373,905
Cash flows from investment activities	**18,851**	**(1,227,147)**
Payments	(44,808)	(1,285,130)
Collections	63,659	57,983
Cash flows from financing activities	**(398,029)**	**350,919**
Payments	(712,339)	(147,264)
Collections	314,310	498,183
Effect of exchange rate variations	**-**	**-**
Net increase/ decrease in cash and cash equivalents	**347,822**	**2,211,418**
Cash and equivalents at the beginning of the period	8,039,192	4,660,517
Cash and cash equivalents at the end of the period	8,387,014	6,871,935

(*) Information presented, solely and exclusively, for comparative purposes.

ANNEX II
GROUP ENTITIES AT JUNE 30, 2024

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	Advice	100%	0%	**100%**
Alqlunia Duero, S.L.U. (in liquidation)	B45541786	C/ Titán 8 - 2º, Madrid	Real estate development	100%	0%	**100%**
Analistas Económicos de Andalucía, S.L.U.	B29714045	C/ San Juan de Dios, 1-2	Economic activity study and analysis	100%	0%	**100%**
Andaluza de Tramitaciones y Gestiones, S.A.U.	A29600178	C/ Angosta del Carmen 2 Entreplanta, Málaga	Management and settlement of documents and deeds	100%	0%	**100%**
Análisis y Gestión de Innovación Tecnológica, S.L.U.	B91774422	Plaza de Santa María, 8, Cáceres	Real estate development	100%	0%	**100%**
Arco Explotaciones, S.L.U.	B10486348	Plaza de Santa María, 8, Cáceres	Real estate development	100%	0%	**100%**
Asturiana de Administración de Valores Mobiliarios, S.L.U.	B33473760	Plaza de la Escandalera, 2, Oviedo	Advice	100%	0%	**100%**
Banco Europeo de Finanzas, S.A.U.	A78963816	C/ La Bolsa, 4, piso 1 Málaga	Banking, financial activities	100%	0%	**100%**
Briareo Gestión, S.A.U.	A86081718	Camino Fuente de la Mora, 5, Madrid	Business consulting	100%	0%	**100%**
Caja Castilla La Mancha Iniciativas Industriales, S.L.U.	B45664224	Camino Fuente de la Mora, 5, Madrid	Holding company activities	100%	0%	**100%**
Camping Alto Gallego, S.L.U.	B10488286	Plaza de Santa María, 8, Cáceres	Catering	100%	0%	**100%**
Camín de la Mesa, S.A.U.	A74014085	C/ San Francisco, 14, Planta 4, Oviedo	Advice	100%	0%	**100%**
Cantábrica de Inversiones de Cartera, S.L.U.	B33473729	C/ Álvarez Garaya, 2, Planta 7, Gijón	Holding company activities	100%	0%	**100%**
CCM Brokers 2007 Correduría de Seguros, S.A.U.	A45652260	C/ Sillería, 18, Planta 3, Toledo	Insurance broker	100%	0%	**100%**
Concejo Explotaciones, S.L.U.	B10488328	Plaza de Santa María, 8, Cáceres	Property development	100%	0%	**100%**
Corporación Empresarial Caja Extremadura, S.L.U.	B10255404	Plaza de Santa María, 8, Cáceres	Holding company	100%	0%	**100%**
Cánovas Explotaciones, S.L.U.	B10488294	Plaza de Santa María, 8, Cáceres	Catering	100%	0%	**100%**
Ercávica Desarrollos, S.L.U.	B10490464	Plaza de Santa María, 8, Cáceres	Property development	100%	0%	**100%**
Explotaciones Santa Isabel, S.L.U.	B10485043	Plaza de Santa María, 8, Cáceres	Property development	100%	0%	**100%**
Factoría de Transformación de Operaciones y Servicios, S.L.U.	B45847837	C/ Ocaña, 1, Toledo	Other consultancy activities	100%	0%	**100%**
Finca Las Huelgas, S.A.U.	A33363920	Villamayor, Piloña	Farming	100%	0%	**100%**
Gestión de Inmuebles Adquiridos, S.L.U.	B92954197	C/ Mauricio Moro Pareto nº 6, 6ª planta, Edf. Eurocom, Málaga	Real estate development	0%	100%	**100%**
Grafton Investments, S.L.U.	B87977476	Camino Fuente de la Mora, 5, Madrid	Catering	100%	0%	**100%**
Hoteles Layos, S.L.U.	B10485472	Plaza de Santa María, 8, Cáceres	Catering	100%	0%	**100%**
Instituto de Economía y Empresa, S.L.U.	B02109999	Camino Fuente de la Mora, 5, Madrid	Business consulting	100%	0%	**100%**
La Algara Sociedad de Gestión, S.L.U.	B91933523	C/ Mauricio Moro Pareto nº 6, 4ª, Edf. Eurocom, Málaga	Real estate development	0%	100%	**100%**
Liberbank Contact, S.L.U. (in liquidation)	B02656924	Camino Fuente de la Mora, 5, Madrid	Call center activities	100%	0%	**100%**
Liberbank I.T., S.L.U.	B74365115	C/ San Francisco, 14, Planta 4, Oviedo	IT services	100%	0%	**100%**
Norteña Patrimonial, S.L.U.	B33473745	Plaza de la Escandalera, 2, Oviedo	Advice	100%	0%	**100%**

Company name	Tax ID Number	Registered Office	Activity	% of Capital Owned by The Group		
				% of Equity Interest		Total Holding
				Direct	Indirect	
Parque Industrial Humilladero, S.L.	B92503432	C/ Miguel Hernández, 1, Humilladero, Málaga	Industrial land development	0%	92.38%	**92.38%**
Peña Rueda, S.L.U.	B74022872	C/ San Francisco, 14, Planta 4, Oviedo	Advice	100%	0%	**100%**
Pico Cortés, S.L.U.	B74022898	C/ San Francisco, 14, Planta 4, Oviedo	Advice	100%	0%	**100%**
Pico Miravalles, S.L.U.	B74022880	C/ San Francisco, 14, Planta 4, Oviedo	Advice	100%	0%	**100%**
Planes e Inversiones CLM, S.A.U. (in liquidation)	A16144917	Camino Fuente de la Mora, 5, Madrid	Real estate development	100%	0%	**100%**
Pomarada Gestión, S.L.U.	B01800796	Camino Fuente de la Mora, 5, Madrid	Advice	100%	0%	**100%**
Procesa Recuperación de Activos, S.A.U.	A33516410	C/ San Francisco, 14, Planta 4, Oviedo	Advice	100%	0%	**100%**
Propco Blue 1, S.L.U. (in liquidation)	B93597904	C/ Mauricio Moro Pareto nº 6, 6ª planta, Edf. Eurocom, Málaga	Real estate development	0%	100%	**100%**
Puertu Maravio, S.L.U.	B74014069	C/ San Francisco, 14, Planta 4, Oviedo	Advice	100%	0%	**100%**
Puntida, S.L.U.	B39557269	Pasaje Puntida, 1, Santander	Other professional, scientific and technical activities	100%	0%	**100%**
Segurandalus Mediación, Correduría de Seguros, S.A.U.	A48484232	C/ Cuarteles nº 51 Ptl.1 Entreplanta Málaga	Insurance broker	100%	0%	**100%**
Segóbriga Desarrollos, S.L.U.	B10490449	Plaza de Santa María, 8, Cáceres	Property development	100%	0%	**100%**
Sierra del Acebo, S.L.U.	B74014077	C/ San Francisco, 14, Planta 4, Oviedo	Advice	100%	0%	**100%**
Sociedad de Gestión San Carlos, S.A.	A11504842	Avda. San Juan Bosco,46. San Fernando - Cádiz	Real estate development	0%	63.61%	**63.61%**
Tiatordos, S.A.U.	A74022864	C/ San Francisco, 14, Planta 4, Oviedo	Advice	100%	0%	**100%**
U Market Ebusiness, S.L.U.	B10490431	Camino Fuente de la Mora, 5, Madrid	Business consulting	100%	0%	**100%**
Unicaja Gestión de Activos Inmobiliarios, S.A.U.	A93229516	Avda. Andalucia, 10-12, Málaga	Real estate holding company	100%	0%	**100%**
Unicaja Pensiones, S.G.F.P., S.A.U.	A81553398	Camino Fuente de la Mora, 5, Madrid	Pension fund manager	0%	100%	**100%**
Unicaja Ventures, S.A.	A74188988	C/ San Francisco, 14, Planta 4, Oviedo	Holding company	100%	0%	**100%**
UnicajaServicios Financieros, S.A.U.	A81404592	Camino Fuente de la Mora, 5, Madrid	Other financial services	100%	0%	**100%**
Unicartera Gestión de Activos, S.L.U.	B84537356	C/ Bolsa nº 4, planta 5ª, Málaga	Debt collection and litigation management	100%	0%	**100%**
Unicorp Patrimonio, Sociedad de Valores, S.A.U.	A92067131	C/ Bolsa, Nº 4, 1ª planta, Málaga	Asset management	100%	0%	**100%**
Unigest, S.G.I.I.C., S.A.U.	A29558798	Avda. Andalucia, 10-12, Málaga	Collective investment institution manager	100%	0%	**100%**
Unimediación Operador Banca Seguros, S.L.U.	B92802271	C/ Bolsa nº 4, planta 2, Málaga	Insurance broker	100%	0%	**100%**
Uniwindet, S.L.U.	B18602680	C/ Bolsa, Nº 4, 5ª planta, Málaga	Renewable energies	100%	0%	**100%**
Unión del Duero Seguros de Vida, S.A.U.	A37042975	C/ Titán 8-11, Madrid	Life insurance	100%	0%	**100%**
Viacava – Incós de Energía, S.A.U.	A74235227	C/ San Francisco, 14, Planta 4, Oviedo	Catering	0%	100%	**100%**

ANNEX III
JOINT VENTURES AS OF June 30, 2024

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. (4)	B91701854	C/ Muñoz Olivé 1, portal 1-1-C - Sevilla	Real estate development	0%	40%	40%	-	140	125	-	-	-	-
Muelle Uno-Puerto Málaga, S.A, (2)	A92674522	Avda. de Andalucía 21-Entreplanta, Málaga	Real estate development	0%	39.74%	39.74%	1,101	36,023	11,033	18,330	2,009	4,776	(3,675)
Madrigal Participaciones, S.A. (1)	A47538301	Avda. Madrid, 120 Ed.El Portillo - León	Investment in assets, securities and financial companies	75.7%	0%	75.7%	(9)	919	20,993	-	1	-	(9)
Rochduero, S.L. (4)	B11824430	C/ Armas 10-A Jerez de la Frontera (Cádiz)	Real estate development	54.09%	0%	54.09%	-	-	-	-	-	-	-
Polígono Romica, S.A. (1)	A02182715	C/ Parque San Julián, 20, Cuenca	Real estate development	0%	50%	50%	(46)	-	798	-	85	531	(577)
Promociones 2020 San Lázaro, S.L. (3)	B10488302	C/ López del Vallado, 2, Oviedo	Property development	0%	20%	20%	-	-	3,995	3,728	6	1	(1)

(1) Financial data as of June 30, 2024.

(2) Financial data as of May 31, 2024.

(3) Financial data as of March 31, 2024.

(4) No data provided as it is an inactive company pending liquidation.

Note: The financial information used for the equity method for the equity interest in the joint ventures listed herein is the latest information available to the Bank as of the date of preparation of these condensed interim consolidated financial statements. When this financial information does not correspond to June 30, 2023, it is because information relating to a date very close to the said end date or because the joint venture has no relevant activity that could have a significant bearing on these condensed interim consolidated financial statements (either because it is in liquidation or for other reasons with similar effects).

ANNEX IV
ASSOCIATED COMPANIES AT June 30, 2024

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						
Alanja Desarrollos, S.L. (2)	B10490191	C/ Albacete, 3, Planta 5, Cáceres	Real estate activities	2.07%	17.93%	20%	256	228	(35)	28	(35)
Andalucía Económica, S.A. (5)	A41397514	C/ Diego de Riano nº 11, Piso 2º, Seville	Publishing, graphic arts and television	23.8%	0%	23.8%	604	537	2	67	2
Área Logística Oeste, S.L. (9)	B85273514	C/ Príncipe de Vergara, 15, Madrid	Real estate development	0%	27.28%	27.28%	-	-	-	-	-
B.I.C. Euronova, S.A. (3)	A29534765	Avenida Juan López Peñalver, 21 (Parque Tecnológico Andalucía), Campanillas, Málaga	Other professional, scientific and technical activities	20%	0%	20%	1,620	1,391	28	229	24
Baraka Home 20, S.L. (4)	B01998855	Carretera de Fuencarral, Campus Tribeca, Edificio 6, Alcobendas	Real estate activities	0%	29.96%	29.96%	25,520	15,187	357	10,333	369
Camping El Brao, S.A. (1)	A33357484	C/ Uría, 56 - 2 C, Oviedo (Asturias)	Camping	25%	0%	25%	-	-	-	-	-
Convivenzia Projet, S.L. (4)	B01993781	Plaza Nueva, 8, Planta 4, Sevilla	Real estate and construction	43.26%	6.68%	49.94%	5,494	5,308	(556)	186	(556)
Desarrollo Urbanísticos Cerro de Medianoche, S.L. (3)	B23532252	Plaza Jaén por la Paz, 2, Jaén	Real estate development	0%	24.72%	24.72%	3,203	3,199	(3)	5	(3)
Desarrollos Inmobiliarios Navalcan, S.L. (4)	B01674704	Carretera Nacional V, Kilometro 107.5, Toledo	Real estate development	0%	48.79%	48.79%	9,288	9,193	10	95	(4)
Desarrollos Inmobiliarios Peña Vieja, S.L. (2)	B39889258	Paseo Pereda, Planta 1, Santander	Real estate activities	15.16%	33.78%	48.94%	29,641	26,092	35	3,549	33
Desarrollos Inmobiliarios Ronda Sur, S.L. (3)	B74469313	C/ López del Vallado, 9, Oviedo	Real estate development	0%	37.14%	37.14%	7,189	7,134	-	54	5
Digital Finance & Insurance Services, S.L. (2)	B44884161	C/ Velazquez 100, 3º dcha., Madrid	Commercialization of banking and insurance products, creation of digital platforms	0%	34.09%	34.09%	1,723	1,367	(21)	357	(21)
Druet Real Estate, S.L. (4)	B02871390	C/ Príncipe de Vergara, 15, Madrid	Real estate and construction	0%	49.23%	49.23%	21,261	15,861	(27)	5,400	30
Euro 6000, S.L. (2)	B87990552	C/ Alcalá 27, Madrid	Auxiliary activities to financial services	23.2%	0%	23.2%	4,438	3,494	668	944	648
Experiencia Peñíscola, S.L. (2)	B02975605	Avenida de España, 17, Peñíscola	Real estate and construction	47.63%	0%	47.63%	13,822	10,426	(3)	3,396	(3)
Gestión e Investigación de Activos, S.A. (2)	A79332367	Paseo General Martinez Campos, 46-2ªplanta. Madrid	Real estate rental	31.71%	18.29%	50%	799	795	(6)	4	(6)
Global Berbice, S.L. (2)	B87959219	C/ Albacete, 3, Madrid	Holding company activities	5.28%	14.72%	20%	14,221	13,090	(1,002)	1,131	(1,002)
Griffin Real Estate Developments, S.L. (4)	B52579299	C/ Alvarez Garaya, 12, Gijón	Real estate development	0%	40.83%	40.83%	12,733	9,923	(217)	2,809	(213)
Hidralia, Gestión Integral de Aguas de Andalucía, S.A. (3)	A41461856	C/ Alisios.Edf Ocaso, nº 1,, Sevilla	Comprehensive water cycle management	20%	0%	20%	167,418	94,910	4,856	72,508	(1,336)

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						
Hormigones y Áridos Aricam, S.L. (7)	B83221598	Carretera de Fuenlabrada, Kilometro 18.500, Pinto	Sand and gravel mining	25%	0%	25%	-	(61)	-	61	-
Hostelería Asturiana, S.A. (3)	A33013160	C/ Gil de Jaz,16, Oviedo	Catering	40.42%	0%	40.42%	7,268	5,679	102	1,590	158
Industrializaciones Estratégicas, S.A. (4)	A45601580	Cuesta Carlos V, 5, Planta 2, Madrid	Real estate development	0%	35%	35%	3,735	2,330	(8)	1,405	(8)
Ingeniería de Suelos y Explotación de Recursos, S.A. (6)	A21102157	Paseo del Coso S/N, Minas de Riotinto, Huelva	Mining industry	30%	0%	30%	107,094	52,755	6,833	54,339	6,537
Inversiones Alaris, S.L. (3)	B31881055	Avda. Diagonal, 621, Barcelona	Share holdings	33.33%	0%	33.33%	7,597	5,229	(25)	2,368	(25)
Kenta Capital Investment Management, S.A. (3)	A10592426	C/ Miguel Ángel,11 28010 Madrid	Auxiliary activities to financial services	38%	0%	38%	4,987	3,121	(973)	1,865	(1,351)
La Reserva de Selwo Golf, S.L. (7)	B18671784	Pasaje Linaje 3, Planta 1, Piso 1, Málaga	Real estate development	0%	35%	35%	63	(3,875)	-	3,938	-
Leche del Occidente de Asturias, S.A. (1)	A33411109	C/ Arguelles, 27, Oviedo	Food industry	33.34%	0%	33.34%	-	-	-	-	-
Lico Leasing, S.A. (2)	A28167799	Pº General Martínez Campos, 46 - 2, Madrid	Financial leasing	34.16%	0%	34.16%	13,084	9,647	(1,525)	3,436	(1,985)
Mastercajas, S.A. (3)	A81584369	C/ Alcalá 27, Madrid	Other financial services	78.77%	0%	78.77%	3,864	3,841	126	23	126
Mejor Campo Abonos y Cereales, S.A. (10)	A24371866	Callejón de San Francisco, 1 - Bajo, Medina del Campo, Valladolid	Fertilizer and feed sales	27%	0%	27%	3	(58)	-	61	-
Oppidum Capital, S.L. (2)	B74341678	C/ Cimadevilla, 8, Oviedo	Holding company activities	44.13%	0%	44.13%	1,124,881	652,746	38,788	472,134	(8,534)
Parque Científico-Tecnológico de Almería S.A. (3)	A04418067	Avda. de la Innovación, nº 15, Edificio Pitágoras, Almería	Real estate development	0%	30.13%	30.13%	34,746	24,936	(1,054)	9,810	(905)
Participaciones Estratégicas del Sur, S.L. (2)	B90471350	C/ Luis Montoto Nº 65, 1º B	Other financial services	0%	30%	30%	15,676	13,970	10	1,706	-
Patrimonio Inmobiliario Empresarial, S.A. (11)	A83458067	C/ Santa Engracia, 69, Madrid	Real estate activities	29.09%	0%	29.09%	21,423	(21,423)	-	-	-
Propco Eos, S.L.U. (2)	B93673291	C/ Goya, 6, 2ª planta, Madrid	Real estate development	0%	20%	20%	27,832	25,459	(1,406)	2,373	(1,406)
Propco Epsilon, S.L. (2)	B93673283	C/ Goya, 6, 2ª planta, Madrid	Real estate development	0%	20%	20%	25,612	23,593	(691)	2,019	(691)
Propco Malagueta, S.L. (2)	B93562940	C/ Mauricio Moro Pareto (Edificio Eurocom Norte), 6, Málaga	Real estate development	0%	25%	25%	981	978	(231)	3	(231)
Propco Orange 1 S.L. (2)	B93597896	C/ Mauricio Moro Pareto (Edificio Eurocom Norte), 6, Málaga	Real estate development	0%	49%	49%	43,144	8,505	73	34,639	114
Proyecto Lima, S.L. (3)	B93562957	C/ Mauricio Moro Pareto (Edificio Eurocom Norte), 6, Málaga	Real estate activities	0%	25%	25%	450	269	(376)	181	(376)
Pryconsa- Ahijones, S.L. (4)	B88560768	Glorieta de Cuatro Caminos, 6, Madrid	Real estate development	0%	32.94%	32.94%	63,575	51,310	(2)	12,265	(2)
Santa Justa Residencial, S.L. (3)	B93514453	C/ Mauricio Moro Pareto (Edificio Eurocom Norte), 6, Málaga	Real estate development	0%	49.50%	49.50%	955	558	(1)	397	(1)

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						
Sedes, S.A. (2)	A33002106	C/ Arquitecto Galán, 2, Oviedo	Real estate and construction	39.9%	0%	39.9%	20,130	4,990	(784)	15,139	(674)
Sociedad Astur-Castellano Leonesa de Navegación, S.A. (1)	A33685306	Puerto del Musel, Gijón	Maritime transportation	23.05%	0%	23.05%	-	-	-	-	-
Sociedad de Gestión y Promoción de Activos, S.L. (3)	B74453432	C/ Fruela, 5, Oviedo	Real estate development	8.96%	40.77%	49.73%	74,771	49,253	(750)	25,519	(237)
Sociedad Municipal de Aparcamientos y Servicios, S.A. (3)	A29178902	Plaza Jesús “El Rico” 2-3, Málaga	Parking lots	24.5%	0%	24.5%	63,220	48,156	993	15,064	2,583
Sociedad Regional de Promoción del Principado de Asturias, S.A. (2)	A33055138	Parque Tecnológico de Asturias (Edificio Idepa), Llanera	Regional development company	29.33%	0%	29.33%	91,272	73,780	200	17,492	(31)
Unema Promotores Inmobiliarios, S.A. (8)	A92078013	C/ Strachan, nº1, planta 1. Málaga	Real estate development	0%	40%	40%	37	(1,674)	-	1,711	-
Unicorp Vida, Compañía de Seguros y Reaseguros, S.A. (3)	A78804390	C/ Bolsa, Nº4, 3ª planta. Málaga	Insurance	50%	0%	50%	4,974,362	490,905	68,162	4,483,457	52,915
World Trade Center Santander, S.A. (13)	A39348156	C/ Carlos Haya, 23, Santander	Real estate activities	31.5%	0%	31.5%	-	-	-	-	-
Zedant Desarrollos, S.L. (4)	B02865129	Calle Fernandez de la Hoz, 62, Madrid	Real estate activities	40.3%	4.81%	45.11%	11,600	6,735	(2)	4,865	3

1. Company in liquidation.
2. Financial data as of May 31, 2024.
3. Financial data as of June 30, 2024.
4. Financial data as of March 31, 2024.
5. Financial data as of February 28, 2024.
6. Financial data as of April 30, 2024.
7. Financial data as of December 31, 2022. Company in liquidation.
8. Financial data as of December 31, 2020. Company in liquidation.
9. Financial data as of September 30, 2017. Company in liquidation.
10. Financial data as of December 31, 2017. Company in liquidation.
11. Financial data as of December 31, 2016. Company in liquidation.
12. Financial data as of March 31, 2014. 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 condensed interim consolidated financial statements. When this financial information does not correspond to June 30, 2024, it is because information relating to a date very close to the end date has been used instead or because the associate has no relevant activity that could have a significant bearing on these financial statements (either because it is in liquidation or for other reasons with similar effects).

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

CONSOLIDATED INTERIM MANAGEMENT REPORT FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

1. Introduction

This Condensed Interim Management Report presents the data and facts which are relevant at the end of the first half of 2024 so that the situation of the Unicaja Group (hereinafter, "the Unicaja Group" or "the Group") and the evolution of its business may be ascertained. The condensed interim consolidated financial statements for the first half of 2024, which this 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, 2017 and its subsequent amendments.

Unicaja Banco, S.A. (hereinafter, "Unicaja", 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. Likewise, the merger by absorption of Liberbank S.A. (as absorbed entity) by Unicaja Banco, S.A. (as absorbing entity) took place on July 31, 2021.

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 for the exercise of 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 regulation 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 Group.

Balance Sheet and Turnover	Millions of euros Jun-24	Millions of euros Dec-23	Annual Var. Millions of euros	Annual Var. %
Total assets (1)	95,647	97,153	(1,506)	-1.6
Performing loans and advances to customers (Gross amount) (2)	48,220	48,325	(105)	-0.2
Deposits – customers (3)	68,177	67,738	439	0.6%
Off-balance sheet funds raised	21,422	21,087	335	1.6%
Managed resources (4)	100,581	98,746	1,835	1.9
Of which: customers (not market) (5)	*89,598*	*88,824*	774	0.9

(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 counted 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 Jun-24	Millions of euros Jun-23	Annual Year-on-year Millions of euros	Annual Year-on-year %
Net interest margin	773.8	615.7	158.1	25.7
Gross margin	1,006	830.7	175.3	21.1
Operating margin (before write-downs)	557.8	402.1	155.7	38.7
Write-downs and other results	(126.1)	(179.5)	53.4	-29.7
Income before tax	431.7	222.6	209.1	93.9
Consolidated income for the year	294.3	148.1	146.2	98.7
Profit/loss attributed to the dominant entity	294.4	148.2	146.2	98.7

Profitability and Efficiency	% Jun-24	% Jun-23	Annual Year-on-year Millions of euros	Annual Year-on-year %
ROE (Net Income/Shareholders' Equity)	6.2%	4%	N/A	2.2 pp
ROTE (Net Income/Shareholders' Equity) Tangible equity)	6.5%	4.1%	N/A	2.4 pp
ROA (Net Income/Average Total Assets)	0.4%	0.3%	N/A	0.1 pp
RORWA (Net income/APR)	1.4	0.8%	N/A	0.6 pp
Efficiency Ratio (Operating Expenses with Amortization/Gross Margin)	44.6	51.6	N/A	(7.0) pp

Solvency	Jun-24	Dec-23	Annual Var. Millions of euros	Annual Var. % ppt
	Millions of euros or as a %			
Net equity	6,639	6,646	(7)	-0.1
Total capital	5,773	5,617	156	2.8
Common Equity Tier 1 (CET1) capital	4,326	4,470	(144)	-3.2%
Additional Tier 1 capital	547	547	-	- %
Tier 2 capital	900	600	300	50
Average Risk Weighted Assets	28,603	29,841	(1,238)	-4.1%
Total capital ratio	20.2	18.8	N/A	1.4 pp
CET1 ratio	15.1	15%	N/A	0.1 pp
CET-1 fully loaded ratio	15.1	14.7	N/A	0.4 pp

Risk Control	Jun-24	Dec-23	Annual Var. Millions of euros	Annual Var. % ppt
	Millions of euros or as a %			
Non-performing	1,417	1,568	(151)	-9.6
NPL ratio	2.9	3.1%	N/A	-0.2 pp
Non-performing loan coverage ratio	66	63.7%	N/A	2.3 pp
Cost of credit risk	0.24%	0.29%	N/A	-0.1 pp
Foreclosed real estate available for sale (gross)	1,085	1,253	(168)	-13.4
Foreclosed real estate asset coverage ratio	74.6	73.9%	N/A	0.7 pp

Liquidity	Jun-24	Dec-23	Annual Var. Millions of euros	Annual Var. % ppt
	Millions of euros or as a %			
Gross liquid assets	36,571	37,183	(612)	-1.6
Net liquid assets	30,909	29,238	1,671	5.7
Net Liquid Assets/Total Assets	32.3	30.1%	N/A	2.2 pp
LTD ratio	72.8%	73.7%	N/A	-0.9 pp
Liquidity coverage ratio (LCR)	312	308%	N/A	4.0 pp
Net stable funding ratio (NSFR)	157	149%	N/A	8.2 pp

Additional information	Jun-24	Dec-23	Annual Var. Number	Annual Var. %
	Units			
Branches in Spain	952	957	(5)	-0.5
Automatic teller machines	2,327	2,374	(47)	-2%
Average employees	7,562	7,677	(115)	-1.5

Credit Rating		Jun-24
Fitch	Short term	F3
	Long term	BBB-
	Perspective	Positive
	Senior preferred debt	BBB-
	Senior non-preferred debt	BB+
	Subordinated debt (Tier2)	BB
	Contingent convertible bonds (AT1)	B+
Moody’s	Long-term deposits	Baa2
	Short term	Prime-2
	Perspective	Stable
	Mortgage-backed securities	Aa1
	Subordinated debt (Tier2)	Ba2

2. Economic and Financial Scenario

During the first half of the year, economic activity accelerated somewhat on a global scale, mainly due to the better-than-expected performance of the services sector and the strength of consumption, in a context of a resilient labor market. The disaggregated analysis shows notable differences between economic areas, with growth in the United Kingdom and the Eurozone standing out, while the United States and China have shown more moderate increases than in previous quarters, as their activity has been impacted by the prolongation of trade tensions between the two countries.

This favorable dynamic has been reflected in an upward revision of the economic forecasts published by international economic organizations and leading analysts. Recently, the International Monetary Fund anticipated a global growth rate for 2024 of 3.2%. For 2025 it forecasts a slight rebound to 3.3%. Although these rates are in line with those recorded between the years following the end of the international financial crisis and the onset of the Covid pandemic, they are more modest than those achieved in historical perspective. Although the risks are oriented to the downside, there are important sources of uncertainty arising from the various sources of geopolitical instability, the rise in risk premiums, the future path of interest rates, given the different sensitivities shown by the Central Banks of the developed economies and the evolution of public accounts, in view of the possible application of adjustment programs.

With regard to inflation, we have seen a gradual decline, albeit at a slower pace than in the course of 2023, due to the inertia of services components, which remain at historically high levels and pressures from energy components, in line with the evolution of oil and gas prices. In this context, most Central Banks have reduced official interest rates. As for its future evolution, its downward adjustment is expected to be lower than expected due to the persistence of inflationary pressures.

In the specific case of the Eurozone, the main indicators have confirmed the prolongation of the incipient recovery of activity, reversing the trend that began in the second half of 2022, with the services sector as the main support. The European Central Bank (ECB) estimates that, for the current fiscal year, GDP will increase by 0.9%. It will not be until 2025 and 2026 that the production growth rate will reach levels of around 1.5%, aligning with those of its potential growth. This growth will be supported, among other factors, by an increase in household disposable income in real terms, which will have a positive impact on private consumption, as well as by the recovery of activity in export markets. Inflation continued its downward trend, despite the significant contribution of service-related components. In June, the inflation rate stood at 2.5%, 0.4 percentage points below core inflation (2.9%). Forecasts indicate that it will remain high for a prolonged period of time, exceeding expected levels if the increase in the prices of the most volatile components persists and generates significant second round effects, both in terms of wages and margins. The projected path of price increases is 2.5% for 2024, not falling below the monetary policy target level until 2026, when the estimated rate is 1.9%.

In view of the evolution of the macroeconomic situation and future prospects, the ECB, at its last meeting held on July 18, decided to maintain the intervention rate at 4.25%, while those corresponding to the marginal lending and deposit facilities remain at 4.50% and 3.75% respectively. It has also continued to implement measures aimed at reducing the size of the eurosystem's balance sheet, both through the Asset Purchase Program (APP) and the Pandemic Emergency Purchase Program (PEPP).

Expectations of a reduction in official rates at the September meeting have translated into a downward movement of the yield curves, especially in the short end of the curve. The 10-year benchmark for Germany is around 2.5%, 1 percentage point below the yield offered by Spanish and French debt, while for Italy it is close to 4%. In June, the 12-month Euribor stood at 3.65%.

Situation of the Spanish economy

In this context, the Spanish economy has performed well, better than expected, leading growth in the Eurozone. The latest GDP data for the first quarter of 2024 showed a quarter-on-quarter increase of 0.7%, 0.1 p.p. higher than in the previous quarter. On a year-on-year basis, the increase was 2.5%, compared to 2.1% in the last quarter. On the demand side, the drivers of growth were private consumption (2.7%), given the strength of the labor market and gross capital formation, which increased by 1.1%, with a positive contribution from external demand of 0.2 p.p. On the supply side, the performance of the construction sector, with a 3.4% variation with respect to the same period of the previous year and of the services sector, with a 2.7% variation, with a very positive contribution from the tourism-related branches, given that record figures have been reached, both from the point of view of foreign tourist arrivals and expenditures. For the second quarter of the year, the Bank of Spain estimates a variation rate of 0.5% with respect to the previous quarter.

The good performance of activity has been reflected in the main labor market indicators, with job creation intensifying over the course of the year. In the second quarter, seasonally adjusted Social Security enrollment increased by 0.8% quarter-on-quarter, with larger companies accounting for more than a third of the total.

In June, inflation resumed its correction path, after the increases recorded between February and May, due to the moderation of food and fuel prices. At the end of the first half of the year, inflation stood at 3.4%, impacted by the progressive withdrawal of indirect tax rebates. Core inflation remained at levels of around 3%.

In view of these developments and the positive carry-over effect of recent quarters, the Bank of Spain has increased projections for 2024, while not changing those for the following two years, where production is expected to converge to its long-term potential level. Thus, estimated growth for 2024 rises to 2.3%, 0.4 percentage points higher than the previous forecast and is set at 1.9% for 2025 and 1.7% for 2026. Inflation is to average 3% in 2024, falling to 2% and 1.8% in 2025 and 2026 respectively, with its evolution being highly conditioned by the contribution of the energy and services components.

With regard to the real estate market, the number of sale and purchase transactions continues to slow, although it should be borne in mind that these were starting from the highest levels in the last fifteen years. Nearly 250,000 transactions were carried out in the first five months of 2024, a drop of 4.1% compared to the same period of the previous year. As for prices, they continue their expansionary cycle, which has now lasted ten years, with a robust performance. In the first quarter of 2024, the housing price index increased year-on-year by 6.3%, even surpassing the 10% barrier in the new housing segment. Along these lines, new mortgages in April (the latest data available) showed a year-on-year increase of 28%.

Financial sector

The evolution and outlook for economic activity and employment, together with the slight reduction in the cost of financing, has been reflected in a certain recovery of new loan production. In May, the amount of new transactions granted to households for house purchases increased by 6.5% year-on-year. The new flows have not been able to offset the amortizations, which have continued to be made at a high rate, resulting in a contraction in the outstanding balance of the portfolio of more than 2%. On the other hand, household consumer credit increased 7.2% year-on-year, with a clear orientation towards financing the acquisition of durable goods. On the corporate side, new financing flows show signs of recovery, with stock levels remaining stable. In terms of prices, the average lending rate for housing loans reached 3.48% in May, while for transactions granted to non-financial companies it was around 5%.

On the liabilities side, household deposits increased by 2.5% year-on-year in May and those of non-financial corporations by 6.8%. The cost of liabilities has continued to increase, by more than 0.5 p.p. so far this year, reaching an average of 3% The average synthetic rate for household transactions stood at 0.55% in May, rising to 1.11% for companies.

The volume of non-performing loans remains constant. In April, the non-performing assets ratio stood at 3.6%.

3. Milestones over the period

Funds under management increased by 1.9% in the first half of the year. Time deposits and mutual funds are the most popular savings products due to the appreciation of net asset values and positive net subscriptions.

The *Resources under management* totaled 100,58 billion euros, after increasing by 1.9% in the first half of the year, with growth in both on-balance sheet (1.9%) and off-balance sheet (1.6%) resources.

Customer deposits (75.101 billion euros) make up the bulk of customer funds collected and include deposits from public administrations and private sectors. Private sector deposits include retail savings products (demand and time deposits) and wholesale products (repos and mortgage-backed securities accounted for as deposits).

Retail customer funds totaled 89,599 million euros, up 0.9% over the year. If we isolate the impact of the evolution of government deposits, which are by nature more unstable, the evolution of customer funds would be even better, with growth of 2.2% for the year.

The funds managed through off-balance sheet instruments and savings insurance accounted for 21.422 billion euros, the main product being mutual funds (12.169 billion euros), followed by savings insurance (4.33 billion euros), pension funds (3.655 billion euros) and other managed assets (1.268 billion euros). Following the net redemptions of the previous year, net subscriptions to mutual funds were reactivated.

Managed resources *Figures in millions of euros without valuation adjustments*

	Jun-24	Compos.	Dec-23	Annual Var.	% Var. Var.
Balance sheet funds	**79,158**	**78.7**	**77,661**	**1,497**	**1.9**
Customer deposits	**75,101**	**74.7**	**73,422**	**1,679**	**2.3**
Public Administration Bodies	**4,404**	**4.4**	**5,454**	**(1,050)**	**-19.3**
Private sector	**70,697**	**70.3**	**67,968**	**2,729**	**4%**
Demand deposits	51,767	51.5	52,053	(286)	-0.5
Term deposits	15,778	15.7	14,326	1,452	10.1%
Repos	3,152	3.1%	1,589	1,563	
Issuances	**4,057**	**4%**	**4,239**	**(182)**	**-4.3%**
Mortgage bonds	1,200	1.2%	1,185	15	1.3
Other values	1,957	1.9	2,455	(498)	-20.3
Subordinated liabilities	900	0.9	599	301	50.3
Off-balance sheet funds	**21,422**	**21.3**	**21,087**	**335**	**1.6%**
TOTAL FUNDS MANAGED	**100,580**	**100%**	**98,748**	**1,832**	**1.9**
Of which:					
Customer funds managed (retail)	**89,599**	**89.1**	**88,825**	**774**	**0.9**
On-balance sheet	*68,177*	*67.8*	*67,738*	*439*	*0.6%*
Off-balance sheet	*21,422*	*21.3*	*21,087*	*335*	*1.6%*
Markets	**10,981**	**10.9**	**9,923**	**1,058**	**10.7%**

Demand for credit is starting to pick up, with an increase in loan originations, while early repayments are decreasing.

Performing loans (excluding reverse repurchase agreements) increased by 0.2% during the year. Lending to companies fell by 5.3%, while lending to public administrations was up 3.3% and lending to individuals grew seasonally by 0.9% due to the double pension payment made in June. There has been a reactivation of demand, given the expectation that interest rates have peaked and a reduction in early cancellations.

The risk profile of the portfolio remains low, with a high weight of mortgages to individuals (61%) and loans to public administrations (10%). The corporate risk portfolio is highly diversified by business sector.

Loans and advances to customers *Figures in millions of euros without valuation adjustments*

	Jun-24	Compos.	Dec-23	Annual Var.	% Var. Var.
PERFORMING CREDIT	**48,269**	**100%**	**48,491**	**(222)**	**-0.5**
1. Credit to public administration bodies	**4,957**	**10.3**	**4,799**	**158**	**3.3**
2. Credit to the private sector	**43,264**	**89.6**	**43,525**	**(261)**	**-0.6**
Companies	**9,943**	**20.6**	**10,503**	**(560)**	**-5.3**
Real estate development and construction	*414*	*0.9*	*508*	*(94)*	*-18.5*
Individuals	**33,321**	**69.0**	**33,022**	**299**	**0.9**
Housing	29,647	61.4	30,134	(487)	-1.6
Others	3,674	7.6	2,888	786	27.2
3. Temporary assignments of assets (TAAs)	**48**	**0.1%**	**167**	**(119)**	**-71.3**
PERFORMING CREDIT without TAAs	**48,221**	**99.9**	**48,324**	**(103)**	**-0.2**
Pro memoria:					
TOTAL CREDIT	**49,638**		**49,893**	**(255)**	**-0.5**

In the first half of the year, 4.131 billion euros in new loans and credits were granted, including 1.2 billion euros in mortgages to individuals. The market share in mortgage formalizations amounts to 4.6% of the national total (source: General Council of Notaries, with data as of May 2024, accumulated over the last 12 months).

Risk and foreclosure coverage among the highest in the industry

The Group has continued reducing its doubtful assets, bringing the balance of doubtful assets to 1.417 billion euros at the end of the first half of 2024, down 9.6% on the previous year (a drop of 151 million euros), having maintained a conservative and prudent approach to management (more than half of the entries in doubtful assets for the year are subjective markings). The default rate fell by 0.29 percentage points compared to the same period of the previous year at 2.9% and the NPL coverage ratio decreased by 2.3 percentage points year-on-year to 66%.

ICO guarantees cover 11% of the corporate portfolio, 76% of which are classified as performing loans.

Credit Investment *Figures in millions of Euros*

	Gross Value	Value Adjustments	Carrying Amount	Coverage (%)
Stage 1	45,256	160	45,096	0.4%
Stage 2	2,964	168	2,796	5.7
Stage 3	1,417	607	810	42.8
TOTAL Credit investment	**49,637**	**935**	**48,702**	**65.8**

Risks under special monitoring (Stage 2) came to 2.964 billion euros, i.e. 6% of the gross loan portfolio with coverage of 5.7%.

"*Foreclosed assets available for sale"* saw an annual decrease of 13.5% and 36.1% in gross terms in the last twelve months and amounted to 277 million euros in net book value, representing 0.3% of the balance sheet.

Provisions on foreclosed assets amounted to 809 million euros at year-end 2024, representing a coverage level of 74.7%, 0.7 p.p. higher than at year-end 2023 and 9.7 p.p. more than twelve months earlier.

Foreclosed real estate assets *Figures in millions of euros*

	Gross Value	Value Adjustments	Carrying Amount	Coverage (%)
Homes under construction	249	189	60	75.9
Finished homes	247	162	85	65.6
Building land, rural properties and other land	474	392	82	82.7
Offices, premises, warehouses and other real estate	115	67	48	58.3
TOTAL FORECLOSED REAL ESTATE ASSETS	**1,085**	**810**	**275**	**74.7**

Note: The amount of the coverage includes both the impairment losses associated with the foreclosed real estate 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 real estate assets are finished housing (30.8% in terms of net book value) and land (30% in terms of net book value).

Sales of foreclosed assets during the first half of year totaled 201 million euros. 41% of the these sales correspond to housing, 28% to land and 31% to tertiary sector assets and construction work in progress, which have a positive impact on the income statement.

In addition, 127 million euros gross of assets classified as investment property have been sold during the first half.

Solid solvency position, with ample regulatory buffers (7.4 p.p. in Total Capital) and a comfortable liquidity position.

The Group maintains an excellent liquidity position, with a loan-to-deposit (LTD) ratio of 72.8%, a liquidity coverage ratio (LCR) of 312% and a net stable financial ratio (NSFR) of 157%.

Bankable liquid assets at the European Central Bank—net assets of all assets used—amount to 30.909 billion euros, a sum that represents 32.3% of the balance sheet total.

Discountable liquid assets *Figures in millions of euros*

	Jun-24
Liquid Assets	
Short-term cash surplus (1)	7,029
Reverse purchase agreements of bankable assets	907
Fixed-income portfolio and other bankable assets at the ECB	28,634
Total liquid assets (discounted value at the ECB)	**36,570**
Liquid Assets Used	
Taken out at the ECB	-
Assets sold under temporary assignments of assets and other pledges	5,661
Total liquid assets used	**5,661**
Available bankable liquid assets	**30,909**

(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*

	2024	2025	2026	>2026	TOTAL
AT1	-	-	500	-	500
Tier 2	300	-	-	600	900
Senior preferred debt	-	660	-	500	1,160
Senior non-preferred debt	-	-	500	300	800
Mortgage-backed securities	-	1,282	-	3,940	5,222
TOTAL	**300**	**1,942**	**1,000**	**5,340**	**8,582**

(*) It includes multi-currency covered bonds.

The highest quality capital, CET 1 Common Equity Tier 1, in the phased-in transient period was 15.12%, the Level1 Capital ratio was 17.04% and the Total Capital ratio was 20.18%. These ratios represent some leeway above the bank's required levels of 6.9 p.p. in CET 1 and 7.4 p.p. 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, Common Equity Tier 1 (CET1) amounts to 15.08%, the Tier 1 Capital ratio to 17% and the Total Capital ratio to 20.14%.

The growth in margins in the banking business doubled profit after tax to 294 million euros.

Unicaja Group income statement *Figures in millions of euros*

	Jun-24	Jun-23	V. Abs.	I.R.C.
Net interest margin	**773.8**	**615.7**	**158.1**	**25.7**
Commissions	255.8	269.1	(13.3)	-4.9
Dividends and other equity results	67.7	66.2	1.5	2.3
RFO + exchange rate differences	4.3	8.3	(4)	-48.2
Other products/operating expenses	(95.5)	(128.7)	33.2	-25.8
Gross margin	**1,006.1**	**830.6**	**175.5**	**21.1**
Operating expenses	448.2	428.6	19.6	4.6
Operating margin (before write-downs)	**557.9**	**402**	**155.9**	**38.8**
Write-downs and other results	(126.1)	(179.5)	53.4	-29.7
Income before tax	**431.8**	**222.5**	**209.3**	**94.1**
Income tax	137.4	74.5	62.9	84.4
Consolidated income for the year	**294.4**	**148**	**146.4**	**98.9**
Pro memoria:				
Basic Income (Net Interest Margin + Fees and Commissions - Operating Expenses)	**581.4**	**456.2**	**125.2**	**27.4**

"*Net interest margin*" amounted to 774 million euros and increased 25.7% year-on-year. The growth in net interest margin was supported both by the retail business, whose contribution increased by 95 million euros compared to the previous year and by the wholesale business, which contributed 57 million euros more. Income from loans and advances to customers increased by 237 million euros compared with the first half of 2023 due to the rise in interest rates that affected the variable-rate loan portfolio and the fixed-rate portfolio as it rolled over at higher rates. The rise in interest rates is also reflected in the fixed-income portfolio, in addition to the higher trading income, due to the improvement in the commercial GAP.

"Commissions" amounted to 256 million euros, down 5% year-on-year, affected by the strengthening of *"Zero Commissions*" plans, which include improvements in the fee waiver plans for individual and professional customers, with the objectives of facilitating customer acquisition and increasing customer satisfaction, loyalty and retention, together with the decreasing evolution of average fees in mutual funds, due to the increase of balances in buy & hold funds with their lower commissions. Insurance commissions were up 6.3% year-on-year, due to the improvement in recurring activity. This income statement caption accounts for 25% of the gross margin.

"*Dividends and other results"* from investees amounted to 68 million euros, including dividends and results from associates, which mainly come from insurance companies. This is 1.5 million euros more than in the previous period.

"*Other operating income and expenses"* includes results from subsidiaries and real estate activities, as well as 79 million euros from the temporary lien of credit institutions. The decrease with respect to 2023, is due to lower Single Resolution Fund contribution costs.

"*Operating expenses"* rose 4.6% year-on-year, fundamentally due to the impact of the application of the industry's collective bargaining agreement. Personnel expenses increased by 10.6% year-on-year, while general and depreciation expenses fell by more than 3%. However, the higher growth of gross margin compared to operating expenses allowed the efficiency ratio to improve 7 percentage points over the last twelve months to 44.6%.

Finally, "Write-downs and other results" amounted to 126.1 million euros, of which 59.4 million euros correspond to loan loss provisions, bringing the annual cost of risk to 24 basis points.

Detail of write-offs and other results *Figures in millions of euros*

	Jun-24	Jun-23	V. Abs.
Credit write-off	59.4	75.6	(16.2)
Foreclosed asset write-off	-	37.1	(37.1)
Provisions and other results	66.7	66.8	(0.1)
TOTAL WRITE-DOWNS AND OTHER RESULTS	**126.1**	**179.5**	**(53.4)**

4. Branch Network

The Unicaja Group operates exclusively in Spain, mainly in Andalusia, Asturias, Cantabria, Castilla y León, Castilla-La Mancha, Extremadura and Madrid.

82% of the Unicaja Group's branches are concentrated in the autonomous communities of Andalusia (39%), Castilla-La Mancha (14%), Castilla y León (14%), Asturias (9%) and Extremadura (7%), the provinces of Málaga (13%), Asturias (9%), Madrid (9%), Toledo (6%) and Cádiz (6%) having the greatest specific weight.

As of June 30, 2024 the office network consisted of 952 centers, all in Spain: (offices open to the public according to the criteria of the Bank of Spain, including customer service desks).

DISTRIBUTION OF THE BUSINESS NETWORK					
		Operational branches as at 6/30/2024		Operational branches as at 12/31/2023	
Country	Autonomous Community	Number of Branches	Distribution (%)	Number of Branches	Distribution (%)
SPAIN	Andalusia	370	38.9 %	372	38.9 %
	Aragón	2	0.2 %	2	0.2 %
	Asturias	85	8.9 %	85	8.9 %
	Cantabria	47	4.9 %	47	4.9 %
	Castilla y León	131	13.8 %	131	13.7 %
	Castilla-La Mancha	129	13.6 %	129	13.5 %
	Catalonia	9	0.9 %	9	0.9 %
	Ceuta	1	0.1 %	1	0.1 %
	Valencian Community	9	0.9 %	10	1 %
	Extremadura	63	6.6 %	64	6.7 %
	Galicia	10	1.1 %	10	1 %
	La Rioja	1	0.1 %	1	0.1 %
	Madrid	84	8.8 %	84	8.8 %
	Melilla	3	0.3 %	3	0.3 %
	Murcia	4	0.4 %	4	0.4 %
	Navarra	1	0.1 %	1	0.1 %
	Basque Country	3	0.3 %	4	0.4 %
Total Number of Offices in Spanish Territory		**952**	**100%**	**957**	**100%**
TOTAL NUMBER OF BRANCHES		952		957	

As of March 31, 2024, according to Statement FI-132 published by the Bank of Spain, the market share of deposits to the private sector was 4.7% in the country as a whole and as follows by autonomous community: Andalusia (12.2%), Asturias (21.7%), Cantabria (21.6%), Castilla y León (18.7%), Castilla-La Mancha (16.4%) and Extremadura (19.3%).

Regarding the share of credit to the private sector, according to Statement FI-132 published by the Bank of Spain, it amounted to 3.9% in the country as a whole and to 10.1% in Andalusia, 17.2% in Asturias, 21.9% in Cantabria, 10.6% in Castilla y León, 14.3% in Castilla-La Mancha and 12.8% in Extremadura.

With respect to branches, the Unicaja Group Group's presence in Andalusia corresponded to 11.8% of its branches, in Asturias, to 18.6%, in Cantabria, to 22.2%, in Castilla y León, to 10.5%, in Castilla-La Mancha, to 11.7% and in Extremadura, to 9.5%, according to the latest available information from the Bank of Spain as of March 31, 2024. 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 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 which the Group considers a fundamental instrument for the implementation of its risk policy.
- A prudent risk exposure management model to which the Unicaja 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 Group's overall risk management and control policies, methods and procedures are approved and periodically revised by its Board of Directors.

Based on the current regulatory framework, Unicaja's organizational structure includes the Risk Control and Supervisory Relations Department (CRO), which is functionally separate from the areas that generate exposures. One of the functions of this department is to take control, from a global perspective, of all the risks for the Group. The organization of the Unicaja Group's executive 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 which is approved by the Bank's Board of Directors.

The Unicaja Group uses this framework 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.

The main aim of Unicaja's Risk Appetite Framework is therefore 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 appetite is understood as the risk level or profile that Unicaja 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 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 are established through a qualitative statement, risk indicators or metrics are selected and a calibration methodology is defined that allows target thresholds, early warnings and limits to be set.

The Global Risk Control Department monitors compliance with the risk appetite framework through the existing metrics for each type of risk, with this monitoring submitted to senior management and the Group's 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 Board of Directors is responsible for approving and overseeing the risk control and management policy, including fiscal risks.

In connection with the exercise of its responsibility for risk management, the Board of Directors shall:

- Devote sufficient time to consideration of risk-related issues In particular, it shall actively participate in the management of all material risks covered by the solvency regulations, ensure that adequate resources are allocated to risk management and be involved in the valuation of assets, the use of external credit ratings and internal models relating to these risks

- Approve and periodically review the strategies and policies for the assumption, management, supervision and reduction of the risks to which the Company is or may be exposed, including those presented by the macroeconomic situation in which it operates in relation to the phase of the economic cycle.

In particular, within the Risk Appetite Framework:

- Approving the Risk Appetite Framework and its subsequent modifications, at the Risk Committee's proposal.
- Taking this framework 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 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 approving, where appropriate, the maintenance of situations that involve an exceedance of a limit.

The Risk Committee

The following are among its main functions:

- To advise and support the Board of Directors in relation to the overall risk appetite, current and future, of the Company and the monitoring of its risk strategy and to assist the Board in monitoring the implementation of this strategy, taking into account all types of risks, to ensure that they are in line with the Company's business strategy, objectives, corporate culture and values.
- Actively participate in the development of the Company's risk strategy and risk management policy, as well as in major risk management decisions and seek to ensure that the risk management policy identifies or determines at least:
    - The different types of financial and non-financial risk (including, among others: operational, technological, legal, social, environmental, political and reputational, as well as risks related to corruption) that the Company faces, including financial or economic risks, contingent liabilities and other off-balance sheet risks.
    - A risk control and management model that the Company considers acceptable.
    - 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.
- 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.
- Monitor consistency between all major financial products and services offered to customers and the Company's business model and risk strategy.
- Analyze a range of possible scenarios, including stress scenarios, to assess how the Company's risk profile would react to external and internal events.

- Recommend to the Board any adjustments to the risk strategy deemed necessary as a result of, among others, changes in the Company's business model, market developments or recommendations made by the risk management function.
- In particular, within the Risk Appetite Framework:
    - Proposing to the Board of Directors the approval of the framework 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 framework.
    - Requesting, when it deems it convenient, information about the framework from the various units.
    - Propose the appropriate remedial measures according to the protocol established in the event of a limit violation.
    - Proposing to the Board of Directors, where appropriate, the maintenance of situations that involve the exceedance of a limit.

The Regulatory Audit and Compliance Committee

This Commission has functions pertaining to:

- Information and internal control systems, supervising, among others, the effectiveness of the internal financial and non-financial information control systems.
- Internal audits.
- Accounts audits.
- Observance of corporate governance rules.
- Regulatory compliance.
- Those structural and corporate modification operations the Entity plans to carry out.
- Related transactions.

Among these functions, with regard to risks, the supervision and evaluation of the control and management systems for financial and non-financial risks—including operational, technological, legal, social, environmental, political and reputational or corruption-related risks—in coordination, where necessary, with the Risk and Sustainability Committees.

The Digital Transformation, Innovation and Technology Committee

Among the functions conferred on this Commission is the monitoring of the technological risk in general.

The Sustainability Committee

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.

The Steering Committee

Among its functions, the following related to the Risk Appetite Framework 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 Risk Appetite Framework.
- Conveying the framework's main criteria, whether they be the initial criteria or their subsequent adaptations, to the rest of the Bank, through the units that are in charge of each area, with the aim of having a solid "risk culture" at Unicaja.
- Evaluating the implications of the framework 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.

The Assets and Liabilities Committee

Its functions include the following in the area of risk and the Risk Appetite Framework:

- Identify and analyze the material financial and non-financial risks to which the Entity is subject in the development of its activity, ensuring their adequate coverage, as well as participating in the definition and monitoring of the Risk Appetite Framework, analyzing the impact of the Entity's strategy and unique operations on the Entity's risk profile.

5.3. Risk Control Model

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 and concentration and management of non-performing loans
- Market risk.
- Interest rate risk and credit spread risk of activities outside the trading portfolio (IRRBB and CSRBB).
- 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 non-performing 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 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 Group also has scoring and rating models integrated in its approval, monitoring and recovery processes. The PD (probability of default), LGD (loss given default) and EAD (exposure at default) estimates are taken into account in different uses, such as the granting of operations, the calculation of provisions or the classification of credit transactions.

Additionally, it should be noted that in 2021 Unicaja received authorization from the European Central Bank to use internal models relating to the retail portfolio (not SMEs) to calculate its solvency ratios. At the end of 2023, approval was received to extend this authorization to the perimeter of exposures originated in Liberbank, S.A. prior to the integration.

Regarding the granting of credit transactions, Unicaja 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. 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.

The Unicaja Group has implemented systems for compliance with the Promotion of Business Activity Act 5/2015 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 also 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:

– 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, the credit risk of the financial investment is controlled and monitored by means of various checks:

- The preventive supervision of operations and credit receivers.
- The supervision of all impaired, doubtful or unpaid transactions.

Pursuant to the provisions of the regulations in force, the Unicaja Group has a policy for refinancing, restructuring, renewing and renegotiating transactions.

In addition, the Unicaja Group has methodologies, procedures, tools and rules of action for controlling and recovering irregular assets.

Unicaja adapted its policies, processes and tools in order to better identify and measure credit risk in the context derived from the COVID-19 coronavirus pandemic.

Market Risk

Market risk is defined as the possibility of a negative impact on the Bank's results due to the maintenance of portfolio positions as a result of adverse movements in the financial variables or risk factors that determine the value of such positions.

Even though market risk is assigned to trading positions for solvency purposes, the Unicaja 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 Bank 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 Group's operations in capital markets, serving as a means of diversification in order to avoid excessively concentrated exposures to market risk.

The Unicaja Group carries out the measurement and control function by establishing a scheme of delegations 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 Group. Thus, the executive 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).

Interest rate risk and credit spread risk of activities outside the trading book (IRRBB and CSRBB)

Interest rate risk (IRRBB) is defined as the current or future risk to both the earnings and economic value of the Bank arising from adverse interest rate fluctuations affecting interest rate sensitive instruments. On the other hand, credit spread risk (CSRBB) is the risk arising from changes in the market price of credit risk, liquidity risk and potentially other characteristics of credit risk instruments, which is not captured in another existing prudential framework, such as IRRBB, nor in the expected credit risk or immediate default risk.

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 IRRBB and CSRBB 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 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 Bank'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 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 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.

The Unicaja 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 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 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 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 Entity 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 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 that contemplates an expanded taxonomy that addresses new emerging or potential risks, incorporating, therefore, 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 and model management.

The Unicaja 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. It also has an Operational Risk Policy, approved by the Board of Directors.

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 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.

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 has a catalog of metrics for their quantification, control and monitoring within the Bank'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 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 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 Entity's strategic objectives, purpose and corporate values.

– The Code of Conduct, the Sustainability Policy, the Environmental, Energy and Climate Change Policy, the Criminal Risk Prevention Policy and reaction to non-compliance and the Policy for the Prevention of Corruption and Bribery, 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 Markets in Financial Instruments Directive (MiFID) and financial service user protection regulations.

– 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 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, 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.

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.

Risks related to environmental, social and governance (ESG) factors

Environmental, social and governance (ESG) factors may have a significant short-, medium- and long-term impact on the Bank's financial and non-financial risks, as any of these factors may have a material adverse impact on the Group's financial position, business and operating results.

Climate-related and environmental risks are risks arising from the Entity'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 in turn 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:

  - "Severe", where it arises from extreme events, such as droughts, floods and storms.
  - "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 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 Entity's financial losses that might arise directly or indirectly from the process of adapting to a lower carbon and more environmentally sustainable economy[1]. 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) and a loss of reputation if the public, counterparties or investors associate the Entity 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 includes climate-related and environmental risks), the Entity integrated this management into a global work program that serves to analyze financial and non-financial impacts, product design and marketing and good governance, with the aim of positioning itself as an Entity committed to sustainability and its derived impacts. In 2020 financial year, the Group began a series of initiatives aimed at measuring the impact of such risks on its financial structure and enabling it to act effectively in this area in the medium and long term. These initiatives included an Action Plan on Sustainable Finance, completed during the 2023 financial year, which has promoted the integration of ESG criteria into its business model.

[1] The European Union aims to achieve a neutral balance of greenhouse gas emissions by 2050 (see, e.g. the "European Green Pact", published by the European Commission in December 2019). This purpose has materialized in a binding normative text known as the "European Climate Law:" Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) 401/2009 and (EU) 2018/1999. As far as Spain is concerned, Law 7/2021, of May 20, on climate change and energy transition, which affects, among other aspects, transparency and disclosure of information by financial institutions, in general, and by banks, in particular, is worth highlighting.

With its 2022-2024 Strategic Plan and through the development of its ordinary activity, Unicaja aims to become a more profitable, sustainable and digital bank, one with a low risk profile and increasing shareholder remuneration. To this end, as one of the objectives of the aforementioned Strategic Plan, the Group is committed to sustainability:

a) Promoting sustainability proposals in all lines of business (financing, savings and investment).

b) Developing an advisory offering linked to Next Generation EU funds.

c) Developing and executing the Sustainable Finance Action Plan, aligned with supervisory expectations on climate and environmental risk management.

The Unicaja Group's General Framework for the management of environmental, social and governance aspects is established by the Sustainability Policy and the Environmental, Energy and Climate Change Policy. These documents establish the Bank's commitment to align its strategy with the Global Compact Principles, the 2030 Agenda and the United Nations Sustainable Development Goals, seeking not only to reduce negative impacts but also to enhance the positive impacts of its activities. In this line, in June 2024, Unicaja has adhered to the “Principles of Responsible Banking” of UNEP FI, which will facilitate management, the generation of positive impacts and reporting on sustainability.

In addition, in order to manage any impact of exposures linked to climate change, among other considerations, the Group approved a series of policies during fiscal year 2022 aimed at managing the different types of traditional financial risks: credit, market, liquidity and operational. Specific approval was given to the “Sustainability Integration Policy for liquidity, market and operational risk” and, in relation to credit risk and its importance, a specific policy was defined and revised by the Board of Directors in March 2024 (“Policy for the integration of credit risk management sustainability factors”).

ANNEX 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). The Unicaja Group also 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 Group are listed below:

ALTERNATIVE PERFORMANCE MEASURES (Millions of euros)		Jun-24	Dec-23
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 8.3)	64	73
	2. Financial assets at amortized cost - Loans and advances to customers (Note 8.5)	49,685	50,062
	3. Valuation adjustments	(478)	(530)
	4. Reverse repurchase agreements (Note 8.5.2)	48	167
	5. Other financial assets	541	605
	Figure (1+2-3-4-5)	**49,638**	**49,893**

Aim: 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	49,638	49,893
	2. Loans and receivables portfolio. Doubtful risk (1) (Note 8.5.2)	1,417	1,568
	Figure (1-2)	**48,221**	**48,325**

Aim: 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 non-performing financial assets.

Managed resources	1. Financial liabilities at amortized cost. Customer deposits (without valuation adjustments)	75,101	73,421
	(+) Financial liabilities at amortized cost. Customer deposits (Note 8.6.3)	75,203	73,475
	(-) Valuation adjustments	102	54
	2. Debt securities issued (without valuation adjustments)	4,057	4,238
	(+) Debt securities issued (Note 8.6.4)	4,049	4,239
	(-) Valuation adjustments	(8)	1
	3. Funds managed through off-balance sheet instruments*	21,422	21,087
	Figure (1+2+3)	**100,580**	**98,746**

Aim: 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 condensed interim consolidated financial statements or in the explanatory notes thereto but has instead been obtained from the records, databases or inventories of the Unicaja Group.

ALTERNATIVE PERFORMANCE MEASURES (Millions of euros)		Jun-24	Dec-23
Managed resources. Customers (non-market)	1. Managed resources (see the specific APM)	100,581	98,746
	2. Individual mortgage bonds under the "Term Savings" item. Cash value. Management figure (*)	4,022	4,198
	3. Customer deposits. Repurchase agreements (without valuation adjustments) (Note 8.6.3)	3,152	1,589
	4. Debt securities issued (without valuation adjustments) (Note 8.6.4)	4,057	4,239
	5. Repurchase agreements of assets held by retail customers. Management figure (*)	249	103
	Figure (1-2-3-4+5)	**89,599**	**88,823**

Aim: 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 condensed interim consolidated financial statements or in the explanatory notes thereto but has instead been obtained from the records, databases or inventories of the Unicaja Group.

		Jun-24	Dec-23
Managed resources (Markets)	1. Individual mortgage bonds under the "Term Savings" item. Cash value. Management figure (*)	4,022	4,198
	2. Customer deposits. Repurchase agreements (without valuation adjustments) (Note 8.6.3)	3,152	1,589
	3. Debt securities issued (without valuation adjustments) (Note 8.6.4)	4,057	4,239
	4. Repurchase agreements of assets held by retail customers. Management figure (*)	249	103
	Figure (1+2+3-4)	**10,982**	**9,923**

Aim: 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 condensed interim consolidated financial statements or in the explanatory notes thereto but has instead been obtained from the records, databases or inventories of the Unicaja Group.

		Jun-24	Dec-23
Default rate	1. Loans and receivables portfolio. Doubtful risk (Note 8.5.2)	1,417	1,568
	2. Loans and receivables portfolio. Gross	49,638	49,893
	Ratio (1/2)	**2.9**	**3.1%**

Aim: Measuring the quality of the loan portfolio, indicating the percentage of doubtful loans with respect to the total number of loans.

		Jun-24	Dec-23
Coverage of non-performing loans	1. Loans and receivables portfolio. Total valuation adjustments due to impairment of assets (Notes 8.5.5 and 34.2) (2)	935	998
	2. Loans and receivables portfolio. Doubtful risk Note 8.5.2	1,417	1,568
	Ratio (1/2)	**66**	**63.6%**

Aim: 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.

		Jun-24	Dec-23
Coverage of foreclosed assets	1. Accumulated impairment of assets foreclosed or received in payment of debts	809	926
	2. Gross carrying amount of assets foreclosed or received in payment of debts	1,085	1,253
	Ratio (1/2)	**74.6**	**73.9%**

Aim: Showing the level of coverage of foreclosed assets classified for accounting purposes as available-for-sale assets or inventories.

ALTERNATIVE PERFORMANCE MEASURES		Jun-24	Jun-23
ROE	1. Consolidated income for the last twelve months	412.7	255.4
	3. Shareholders' equity	6,629	6,429
	Ratio ((1+2)/3)	**6.2%**	**4%**

Aim: It measures the return obtained on funds invested/retained by/in the Group and hence is an indicator of ROE.

ROTE	1. Consolidated income for the year excluding AT1	389.1	232.8
	(1a) consolidated income (loss) for the last twelve months	412.7	255.4
	(1b) Equity instruments issued other than share capital (AT1)	23.6	22.6
	2. Shareholders' equity (excluding intangible assets, convertible debt securities and preferred stock)	5,943	5,750
	(2a). Shareholders' equity	6,629	6,429
	(2b). Equity instruments issued other than share capital (AT1)	547	547
	(2c). Intangible assets	87	80
	(2d). Goodwill on investments	52	52
	Ratio (1/2)	**6.5%**	**4%**

Aim: 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 last twelve months	412.7	255.4
	3. Total assets	95,647	97,153
	Ratio ((1+2)/3)	**0.4%**	**0.3%**

Aim: 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 last twelve months	412.7	255.4
	3. Risk-weighted assets (RWAs) (Note 1.13)	28,603	31,916
	Ratio ((1+2)/3)	**1.4**	**0.8%**

Aim: 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. Administrative expenses (consolidated profit and loss statement)	404.6	383.5
	2. Amortization (consolidated income statement)	43.7	45.1
	3. Gross margin (consolidated profit and loss statement)	1,006	830.7
	Ratio ((1+2)/3)	**44.6**	**51.6**

Aim: Knowing the percentage of funds used to generate the gross margin.

ALTERNATIVE PERFORMANCE MEASURES (Millions of euros)		Jun-24	Dec-23
Cost of risk	1. Impairment or (-) reversal of the impairment of the value of loans to and receivables from customers (8.1.2)	59.2	74.4
	1. Impairment the value or (-) reversal of the impairment of the value of Loans to and receivables from customers (consolidated annualized profit and loss statement)	118.8	149.9
	2. Balance at end of the period of loans and advances to customers (without valuation adjustments or TAAs)	49,638	53,151
	Ratio (1/2)	**0.24%**	**0.28%**

Aim: 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.

		Jun-24	Dec-23
Loan to Deposits (LtD)	**NUMERATOR: Loans and advances to customers without valuation adjustments**	**49,638**	**49,893**
	1. Financial liabilities at amortized cost. Customer deposits (without valuation adjustments) (Note 8.6.3)	75,102	73,421
	2. Individual mortgage bonds under the "Term Savings" item. Cash value. Management figure (*)	4,022	4,198
	3. Customer deposits. Repurchase agreements (without valuation adjustments) (Note 8.6.3)	3,152	1,589
	4. Repurchase agreements of assets held by retail customers. Management figure (*)	249	103
	(1-2-3+4) DENOMINATOR. Customer deposits without valuation adjustments-	**68,177**	**67,737**
	Ratio (NUMERATOR/DENOMINATOR)	**72.8%**	**73.7%**

Aim: Measuring the ratio of the funds the Group has in its customer deposits to the volume of loans and advances.

		Jun-24	Dec-23
Gross liquid assets	1. Short-term cash surplus (Interbank deposits + Excess balance in the ECB and operating accounts) (*)	7,029	6,580
	2. Reverse purchase agreements of bankable assets	907	1,437
	3. Fixed-income portfolio and other bankable assets at the ECB (*)	28,634	29,165
	Figure (1+2+3)	**36,570**	**37,182**

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.

Aim: Knowing the total balance and evolution of the Group's high quality liquidity assets (HQLA).

		Jun-24	Dec-23
Net liquid assets	1. Gross liquid assets (see APM above)	36,571	37,183
	2. Taken out at the ECB (Note 17.1)	-	954
	3. Temporary assignments of assets and other pledges (*)	5,661	6,990
	Figure (1-2-3)	**30,910**	**29,239**

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.

Aim: 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.