FINANCIAL REPORT

January to December 2023

1. Highlights

Net Operating income of Unicaja Banco increased 51% in the year, driven by core banking business.

01	Net Interest income YoY variation: **+26.1%**	**Net Interest Income continued to improve, increasing by 6.4% in the quarter.**
02	Customer spread: **2.75%**	**Customer spread increases by 13 bps QoQ, but still not fully capturing the Euribor repricing.**
03	Core banking results YoY variation (Core Banking = NII + Fees – OPEX): **+39.6%**	**Core banking business profit increases by 40% due to the improvement of net interest income, net fees and drop in operating costs.**
04	Staff costs YoY evolution: **-3.8%**; Cost to income ratio: **46.7%**	**Operating costs decline driven by the staff costs reduction, thus improving the cost to income ratio by 7 pps in the last twelve months.**
05	Retail customers funds QoQ variation: **+1.5%**	**Moderate growth of retail deposits.**
06	NPL ratio: **3.1%**; Gross NPAs YoY variation: **-949M**	**Strong NPAs reduction QoQ and strengthen of coverages, implies a net NPA YoY drop of 31.3%.**
07	NPLs coverage: **63.7%**; Cost of risk bps.: **27**; NPAs Coverage: **68.2%**	**Significant coverage increase, particularly in real estate (+7.3 pps in the quarter), enabling to continue the accelerated reduction of NPAs and to substantially enhance profitability.**
08	CET 1 Fully loaded: **14.7%**	**The significant capital generation enabled to ask for authorization for a share buy-back of up to €100M, or 3.8% of the capital, allowing to a dividend pay-out proposal of around €132M.**
09	Loan to Deposits: **73.7%**; LCR: **308%**; NSFR: **149%**	**Strong liquidity position.**

Annex I- Alternative Performance Measures (APMs) details the definition and calculation of the ratios and variables used throughout the document

2. Key figures

TABLE 1 (*Million euros / % / pp)*	**31/12/23**	**30/09/23**	**31/12/22**	**QoQ**	**YoY**
BALANCE SHEET					
Total assets	97,153	95,245	98,969	2.0%	-1.8%
Gross loans and advances to customers (1)	49,893	51,270	54,891	-2.7%	-9.1%
Performing gross loans and advances to customers (1)	48,325	49,533	52,953	-2.4%	-8.7%
On-balance sheet customers funds (1)	88,825	87,536	90,081	1.5%	-1.4%
Off-balance sheet customer funds and insurance	21,087	20,759	20,249	1.6%	4.1%
Shareholders equity	6,523	6,565	6,465	-0.6%	0.9%
Total equity	6,646	6,539	6,459	1.6%	2.9%
(1) Excluding valuation adjustments and intercompanies					
RESULTS (cumulative figures)					
Net interest income	1,353	973	1,073		26.1%
Gross income	1,776	1,333	1,606		10.6%
Pre-provision profit	917	692	744		23.2%
Consolidated net income	267	285	278		-4.0%
Cost to income (2)	46.7%	45.9%	53.7%	0.8 pp	-7.0 pp
Return On Tangible net Equity (ROTE) (2)	5.3%	5.7%	4.4%	-0.4 pp	0.9 pp
(2) In the calculation of the efficiency ratio and ROTE, the impact of the temporary bank tax, which in 2023 amounts to €63.8 million, has been eliminated. Withoout excluding the temporary bank tax, the cost to income ratio would stand, as of 31 December 2023, at 48.4% and Rote at 4.2%.					
RISK MANAGEMENT					
Non performing loans (NPL) (a)	1,568	1,737	1,938	-9.7%	-19.1%
Foreclosed assets (b)	1,253	1,597	1,833	-21.5%	-31.6%
Non performing assets -NPA- (a+b)	2,821	3,334	3,771	-15.4%	-25.2%
NPL ratio	3.1%	3.4%	3.5%	-0.2 pp	-0.4 pp
NPL coverage	63.7%	65.8%	66.5%	-2.1 pp	-2.9 pp
Foreclosed assets coverage	73.9%	66.6%	64.1%	7.3 pp	9.8 pp
Non performing assets (NPA) coverage	68.2%	66.2%	65.3%	2.0 pp	2.9 pp
Cost of risk	0.27%	0.29%	0.62%	0.0 pp	-0.4 pp
LIQUIDITY					
Loan to deposit ratio	73.7%	76.8%	78.6%	-3.1 pp	-4.9 pp
LCR	308%	259%	284%	49.0 pp	23.7 pp
NSFR	149%	147%	143%	1.5 pp	6.0 pp
SOLVENCY					
CET1 ratio *phased in*	15.0%	14.5%	13.6%	0.5 pp	1.3 pp
CET1 *ratio fully loaded*	14.7%	14.2%	13.0%	0.5 pp	1.7 pp
Total capital ratio *phased in*	18.8%	18.2%	17.0%	0.6 pp	1.8 pp
Total capital ratio *fully loaded*	18.5%	17.9%	16.4%	0.6 pp	2.2 pp
Risk weighted assets (RWA) *phased in*	29,892	30,984	34,133	-3.5%	-12.4%
Texas ratio	32.9%	38.1%	42.3%	-5.2 pp	-9.3 pp
OTHER DATA					
Employees (average number)	7,523	7,607	7,853	-1.1%	-4.2%
Branches in Spain	957	958	968	-0.1%	-1.1%
ATMs	2,374	2,407	2,469	-1.4%	-3.8%

QoQ (variation 4Q23 vs 3Q23) - YoY (variation 4Q23 vs 4Q22)

3. Macroeconomic environment

In the last months, the **world economy** has performed better than expected, in a scenario of continued monetary policy tightening by the main central banks and high uncertainty facing various sources of geopolitical instability, most notably the conflicts in the Middle East and the war between Russia and Ukraine, which will soon be two years old. In any case, the International Monetary Fund's growth forecasts for 2023 anticipate a GDP growth rate of 3.0%, 0.5 p.p. lower than in 2022 and below the average of the last twenty years (3.6%). For 2024 and 2025, the moderation path is expected to continue, with output growth below 3%. Inflation has gradually declined, although in most economies it has remained above the target level set by the monetary authorities. This process is expected to continue in the coming months, provided that there are no episodes of tension in international energy markets and that monetary policy measures unfold their full effects on the real economy.

However, a disaggregated analysis reveals notable differences between economic areas, with growth in the United States standing out, sustained largely by the strength of the labour market and the buoyancy of consumption, and also in China, given the expansionary fiscal policies applied to counteract the effects of the real estate crisis, which has been in place since September 2021.

In the specific case of the **Eurozone**, the main indicators have confirmed the prolongation of the weakness of activity in the second part of 2023, both in the domestic demand components and in the contribution of the foreign sector. The European Central Bank (ECB) estimates that, for both 2023 and the current year, GDP will increase at rates of 0.6% and 0.8%, respectively. It will not be until 2025 that the growth rate of production will reach levels of 1.5% - in line with its potential growth - supported, among other factors, by an increase in household disposable income in real terms, with a positive impact on private consumption, as well as by the recovery of activity in export markets.

In any case, cumulative projected growth for the period 2023-2024 is significantly lower than in the previous two years. Inflation continued its downward trend, despite the pressure from food and the significant contribution of service-related components. In December, inflation stood at 2.9%, 0.5 p.p. below core inflation (3.4%). It is projected to remain high for a prolonged period, exceeding expected levels if price increases in the most volatile components persist, and significant second-round effects are generated, both via wages and margins. The projected path of price increases is 3.2% for 2024 (5.4% in 2023), not converging to the monetary policy target until 2025, when the estimated rate is 2.1%.

Considering macroeconomic developments and the outlook for the future, the ECB considers that policy rates are at sufficiently restrictive levels for inflation to converge to its medium-term target levels. Thus, at its last meeting on 14 December, the ECB decided to maintain the intervention rate at 4.50% and the marginal lending and deposit rates at 4.75% and 4.00%, respectively. It also announced the adoption in 2024 of measures aimed at reducing the size of the Eurosystem's balance sheet, including the end of the full reinvestment of the principal of maturing securities under the Pandemic Emergency Purchase Programme (PEPP).

In this context, expectations of a reduction in official interest rates in the United States and the Eurozone have led to a downward movement in the long end of the yield curve. The 10-year benchmark for the United States fell by 45 b.p. in December compared to the previous month to 4.09%, with the fall in the euro zone countries being more pronounced, 55 b.p. to 2.87% for the whole. In December, the 12-month Euribor stood at 3.70%.

Spanish economic situation

Against this backdrop, and even though it has been more resilient than other countries and the Eurozone as a whole, largely due to its sectoral structure, the economic data for the fourth quarter reveal that the Spanish economy continues to show clear signs of a slowdown in activity. The latest GDP data for the third quarter point to a quarter-on-quarter increase of 0.3%, 0.1 p.p. less than in the previous quarter. In year-on-year terms, the increase was 1.8%, compared with 2.0% in the previous quarter. The drivers of growth in the quarter were, from the demand side, the components linked to consumption, both private and public, given that gross capital formation contracted by 1.0% and the contribution of foreign demand was negative. On the supply side, of note was the performance of services (0.9%), especially those branches linked to tourism. Both industry and construction experienced falls of 0.7%, being more pronounced in the primary sector (-4.3%). For the fourth quarter, the Bank of Spain estimates a rate of change of 0.3% with respect to the previous quarter.

Although employment was more dynamic than activity during the first part of the year, the growth rates of both variables have been converging in the second half of the year. In December, Social Security enrolment recorded a monthly increase of 0.1% in seasonally adjusted terms.

The trend of moderating inflation has been consolidating since October, due to the marked moderation in energy prices. In December, inflation stood at 3.1%. Compared with the peak reached in July 2022, the cumulative fall is 7.7 p.p. For its part, core inflation moderated marginally, showing rates of 3.8%.

Given these developments and the context of high uncertainty, the latest projections of the Bank of Spain project GDP growth of 2.4% in 2023. Growth has been estimated at 1.6% for 2024 and 1.9% for 2025. Inflation is projected to average 3.4% in 2023, falling to 3.3% for 2024, heavily conditioned by decisions on the extension of the VAT reduction on electricity and gas, and the special tax on electricity.

Regarding the real estate market, during the fourth quarter the main indicators of activity have shown notable signs of decline, albeit more moderately than expected. Housing investment is showing modest growth, with declines in the percentage of construction work being carried out, with no change in trend in the short term. On the demand side, the main limiting factors are the gradual rise in the cost of financing and the weakening of the economy. In November, housing sales and purchases fell by 15.1% in year-on-year terms. In this line, new mortgages showed a year-on-year decline of 22.3%. Regarding prices, they continued their upward trend. In the third quarter, the general house price index increased in year-on-year terms by 4.5%, higher than in the previous quarter (3.6%), being more pronounced in the new housing segment (11.0%) than in the used segment (3.2%).

Financial Sector

The evolution and outlook for economic activity and employment, together with the increase in the cost and tightening of conditions for accessing credit, have been reflected in the flow of new financing. In November, lending to households fell in year-on-year terms by 1.9%, being more pronounced in the case of companies (3.3%).

On the liabilities side, deposits continued their downward trend, with a year-on-year fall in November of 0.9% for both households and companies. The contraction in this source of financing, together with that from the Eurosystem, was partly offset by issues of debt instruments and greater recourse to the interbank market.

The rise in market interest rates has not been fully reflected for the moment in the cost of new operations, particularly in retail mortgages, so that increases in the contribution of credit to net interest income are to be expected in the coming months. On the other hand, the average cost of liabilities continues to rise, so that the evolution of net interest income in the coming months will reach its highest levels in the sector, given the current downward trend in reference rates. The weighted average lending rate for housing loans stood at 3.79% in November. For operations granted to non-financial companies it reached 5.10%.

On the other hand, despite the context of high interest rates and slower economic growth, the volume of doubtful loans remained stable. In October, the doubtful loans ratio stood at 3.6%.

4. Balance sheet

TABLE 2 *(Million euros)*	**31/12/23**	**30/09/23**	**31/12/22**	**QoQ**	**YoY**
Cash and cash balances at central banks	8,040	6,846	4,662	17.4%	72.5%
Assets held for trading & Fin. assets at fair value thr. P&L	918	204	208	348.9%	342.0%
Fin. assets at fair value through o/ comprehensive income	1,502	1,453	1,008	3.3%	49.0%
Financial assets at amortised cost	52,353	51,797	55,316	1.1%	-5.4%
Loans and advances to central banks and credit instit.	2,291	880	990	160.3%	131.5%
Loans and advances to customers	50,062	50,917	54,326	-1.7%	-7.8%
Debt securities at amortised cost	25,099	24,824	26,867	1.1%	-6.6%
Hedging derivatives	1,222	1,990	1,813	-38.6%	-32.6%
Investment in joint ventures and associates	940	930	965	1.0%	-2.6%
Tangible assets	1,766	1,871	1,996	-5.6%	-11.5%
Intangible assets	85	85	75	0.1%	13.5%
Tax assets	4,720	4,699	5,076	0.4%	-7.0%
Non current assets held for sale & Other assets	508	546	984	-7.0%	-48.4%
TOTAL ASSETS	**97,153**	**95,245**	**98,969**	**2.0%**	**-1.8%**
Financial liabilities held for trading & at fair value thr. P&L	463	53	53	773.1%	768.3%
Financial liabilities at amortised cost	86,556	85,132	88,933	1.7%	-2.7%
Deposits from central banks	954	944	5,321	1.0%	-82.1%
Deposits from credit institutions	5,773	4,124	3,418	40.0%	68.9%
Customer deposits	73,475	73,299	74,386	0.2%	-1.2%
Other Issued Securities	4,239	4,181	3,329	1.4%	27.3%
Other financial liabilities	2,115	2,583	2,478	-18.1%	-14.6%
Hedging derivatives	1,148	1,063	1,082	8.0%	6.1%
Provisions	957	1,010	1,085	-5.3%	-11.8%
Tax liabilities	414	453	364	-8.6%	13.6%
Other liabilities	968	994	992	-2.5%	-2.4%
TOTAL LIABILITIES	**90,507**	**88,705**	**92,510**	**2.0%**	**-2.2%**
Own Funds	6,523	6,565	6,465	-0.6%	0.9%
Accumulated other comprehensive income	121	-29	-7		
Minority Interests	2	2	0		
Total Equity	**6,646**	**6,539**	**6,459**	**1.6%**	**2.9%**
Total Liabilities and Equity	**97,153**	**95,245**	**98,969**	**2.0%**	**-1.8%**

Source: Consolidated Balance Sheet (PC1 statement of the Bank of Spain). Prior period results have been restated due to the entry into force of IFRS 17.

Total assets increase by 2.0% up to €97,153 million.

The higher cost of credit, caused by rising interest rates since the second quarter of 2022, has limited the demand, leading to early repayments, mainly in the variable rate portfolio. *Loans and advances to customers* decreased by 1.7% in the quarter, and by 7.8% in the year.

The fixed income portfolio is mainly composed of government bonds, classified in the amortized cost portfolio (*debt securities at amortized cost*). Its size increases by 1.1% in the quarter, the yield stands at 2.63% and has a duration of 2.2 years.

Hedging derivatives mainly include interest rate risk hedges of assets at amortized cost.

Non-current assets held for sale and Other assets which mainly includes property assets, declines by 7.0% during the fourth quarter, and by 48.4% in the year.

Customer deposits increases by 0.2% in the quarter, driven by the private sector which increase by 1.0% in the quarter and by 1.3% through the year.

5. Customer Funds

TABLE 3 (*Million €) Exc. valuation adjustments*	31/12/23	30/09/23	31/12/22	QoQ	YoY
On-balance sheet customer funds	**77,660**	**77,652**	**77,930**	**0.0%**	**-0.3%**
Customer funds (excluding bonds)	**69,224**	**68,759**	**69,833**	**0.7%**	**-0.9%**
Public Sector	**5,454**	**5,646**	**6,889**	**-3.4%**	**-20.8%**
Private sector	**63,770**	**63,113**	**62,943**	**1.0%**	**1.3%**
Sight deposits	52,053	52,432	57,049	-0.7%	-8.8%
Term deposits	10,128	8,668	5,874	16.8%	72.4%
Repos	1,589	2,012	20	-21.0%	
Issues	**8,436**	**8,894**	**8,097**	**-5.1%**	**4.2%**
Mortgages securities	5,382	5,839	5,839	-7.8%	-7.8%
Other values	2,455	2,455	1,659	0.0%	48.0%
Subordinated liabilities	599	599	599	0.0%	0.0%
Off-balance sheet cust. funds & insurance	**21,087**	**20,759**	**20,249**	**1.6%**	**4.1%**
Mutual funds *	11,404	11,227	11,249	1.6%	1.4%
Pension funds	3,611	3,677	3,682	-1.8%	-1.9%
Insurance savings	4,926	4,683	4,268	5.2%	15.4%
Other managed assets	1,146	1,172	1,050	-2.2%	9.2%
TOTAL CUSTOMER FUNDS	**98,747**	**98,411**	**98,178**	**0.3%**	**0.6%**
Retail customers funds	**88,825**	**87,536**	**90,081**	**1.5%**	**-1.4%**
Wholesale funds (Markets)	**9,922**	**10,875**	**8,097**	**-8.8%**	**22.5%**

(*) Includes mutual funds discretional portfolios

The volume of retail customer funds amounts to €88,825 million, increasing by 1.5% in the fourth quarter.

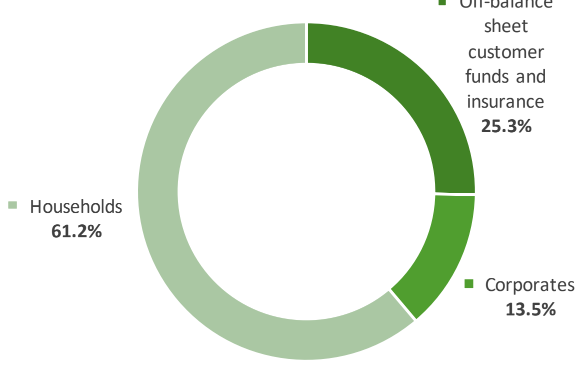
The most demanded savings products in the year were term deposits, off-balance sheet products and Letras del Tesoro (Treasury bills) deposited in the Bank, which are not included in the aggregate of retail customer funds. Term deposits increase by 16.8% in the last quarter and by 72.4% through the year. Insurance savings grew by 15.4% in the year, supported by the marketing of a unit-linked product aimed at customers with a conservative investment profile.

Mutual funds increase by 1.6% during the quarter and by 1.4% during the year. Purchases of Treasury bills deposited in the Bank, amount to €1,420 million in the year and, if added to customer funds, they would have increased by 0.2% in the year.

The Bank has a very granular and stable deposit base, which allows it to contain the cost of retail funding (beta of 10.4%), as deposit volume per customer is small and highly transactional, with a low cost in line with their characteristics.

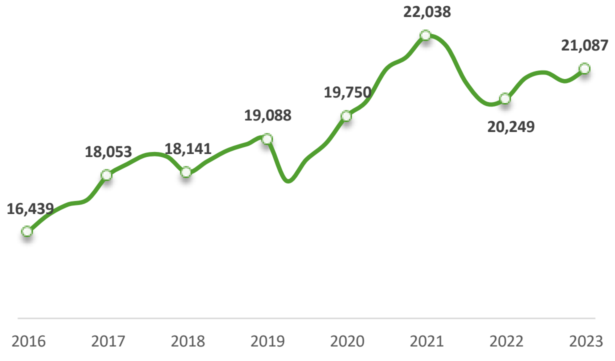
Retail Funds sector and product breakdown

Exc. Public Sector



Off-balance sheet funds evolution

In € million



6. Performing loans

TABLE 4 *(Million €) Exc. valuation adjustments*	**31/12/23**	**30/09/23**	**31/12/22**	**QoQ**	**YoY**
Public sector	**4,799**	**4,966**	**5,767**	**-3.4%**	**-16.8%**
Private sector	**43,525**	**44,567**	**47,186**	**-2.3%**	**-7.8%**
Business	**10,503**	**11,048**	**12,695**	**-4.9%**	**-17.3%**
Real Estate developers	508	519	663	-2.0%	-23.3%
SMEs and self-employed	4,808	5,218	6,233	-7.9%	-22.9%
Other corporates	5,187	5,311	5,799	-2.3%	-10.5%
Individuals	**33,022**	**33,519**	**34,491**	**-1.5%**	**-4.3%**
Mortgages	30,134	30,641	31,617	-1.7%	-4.7%
Consumer and other	2,888	2,878	2,874	0.3%	0.5%
PERFORMING LOANS TO CUSTOMERS	**48,325**	**49,533**	**52,953**	**-2.4%**	**-8.7%**

The performing loans portfolio amounted to €48,325 million, after declining by 2.4% in the fourth quarter and by 8.7% in the year.

There is a significant reduction in the demand for credit, an increase in early repayments in the variable rate portfolio and a concentration of maturities of loans with ICO guarantees granted during the pandemic period, factors that explain the annual decline in the loan book.

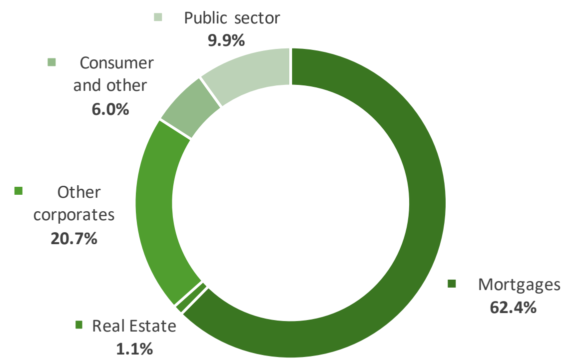
€7,022 million of new loans have been granted throughout 2023, 30.1% less than during the previous year. This figure includes €2.291 million in retail mortgages.

The market share of new mortgages stands at 5.6% of the national total (source: General Council of Notaries. Data as of November 2023, accumulated over the last 12 months).

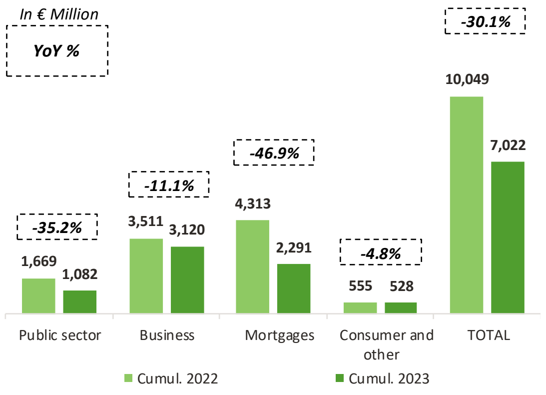
Mortgage portfolio declines by 1.7% QoQ, and by 4.7% YoY. The pace of early repayments and amortizations has accelerated in the last quarters, reaching annual rates of 9.6% in the variable rate portfolio.

The corporates lending portfolio has decreased by 4.9% in the quarter and by 17.3% through the year, related to a weak demand within the SMEs segment (declining by 7.9% in the quarter and 22.9% in the year) and the developer segment (declining by 2.0% in the last quarter and by 23.3% through the year). In addition, significant repayments of ICO guaranteed loans in the "Other corporates" segment have been made.

Gross performing loans sector breakdown



Cumulative Lending Operations



7. NPL & foreclosed assets

TABLE 5 *(Million euros)*	**31/12/23**	**30/09/23**	**31/12/22**	**QoQ**	**YoY**
NON PERFORMING LOANS	**1,568**	**1,737**	**1,938**	**-9.7%**	**-19.1%**
Public sector	**2**	**14**	**14**	**-87.2%**	**-87.2%**
Private sector	**1,566**	**1,723**	**1,924**	**-9.1%**	**-18.6%**
Business	**673**	**822**	**899**	**-18.1%**	**-25.1%**
Real Estate	62	134	142	-54.2%	-56.6%
SMEs and self-employed	487	545	613	-10.7%	-20.6%
Other corporates	125	143	144	-12.6%	-13.2%
Individuals	**893**	**901**	**1,025**	**-0.9%**	**-12.9%**
Mortgages	836	855	981	-2.2%	-14.8%
Consumer and other	57	46	44	23.1%	28.8%
TOTAL NPL RATIO	**3.1%**	**3.4%**	**3.5%**	**-0.2 pp**	**-0.4 pp**
Public sector	**0.0%**	**0.3%**	**0.2%**	**-0.2 pp**	**-0.2 pp**
Private sector	**3.5%**	**3.7%**	**3.9%**	**-0.2 pp**	**-0.4 pp**
Business	**6.0%**	**6.9%**	**6.6%**	-0.9 pp	-0.6 pp
Real Estate	10.8%	20.6%	17.6%	-9.8 pp	-6.8 pp
SMEs and self-employed	9.2%	9.5%	9.0%	-0.3 pp	0.2 pp
Other corporates	2.4%	2.6%	2.4%	-0.3 pp	-0.1 pp
Individuals	**2.6%**	**2.6%**	**2.9%**	**0.0 pp**	**-0.3 pp**
Mortgages	2.7%	2.7%	3.0%	0.0 pp	-0.3 pp
Consumer and other	1.9%	1.6%	1.5%	0.4 pp	0.4 pp

Non-performing loans decreased by €169 million in the quarter and by €370 million in last twelve months, down to €1,568 million, with no signs of deterioration in credit quality.

The volume of NPL entries during the year is 14% lower than in the previous year, and over 50% of these were due to subjective reasons (with no defaults or defaults of less than 90 days). The maturity and expiry of interest-only periods of loans guaranteed by the ICO have not deteriorated the NPL ratio of the corporate segment and, on the other hand, the use of the Code of Good Banking Practices by households has been very limited.

The Individuals NPL ratio stood at 2.6%, below the sectorial average, which reached 3.2% at the end of September. The mortgage NPL ratios stands at 2.7%, with no signs of deterioration due to the rise in interest rates, as variable rate mortgages are the oldest and therefore have a lower financial burden and a lower LTV ratio.

The NPL ratio declines by 25 bps in the quarter down to 3.14%, while coverage ratio remain stable at 63.7%.

TABLE 6 *(Million euros)*	**31/12/23**	**30/09/23**	**31/12/22**	**QoQ**	**YoY**
Credit	**49,893**	**51,270**	**54,891**	**-2.7%**	**-9.1%**
Stage 1	45,086	46,133	49,282	-2.3%	-8.5%
Stage 2	3,238	3,400	3,671	-4.8%	-11.8%
Stage 3	1,568	1,737	1,938	-9.7%	-19.1%
Provisions	**998**	**1,142**	**1,289**	**-12.6%**	**-22.6%**
Stage 1	171	190	217	-10.1%	-21.3%
Stage 2	169	211	214	-20.1%	-21.1%
Stage 3	658	740	858	-11.2%	-23.3%
Coverage	**63.7%**	**65.8%**	**66.5%**	**-2.1 pp**	**-2.9 pp**
Stage 1	0.4%	0.4%	0.4%	0.0 pp	-0.1 pp
Stage 2	5.2%	6.2%	5.8%	-1.0 pp	-0.6 pp
Stage 3	42.0%	42.6%	44.3%	-0.7 pp	-2.3 pp

TABLE 7 (*Million euros*)	**31/12/23**	**30/09/23**	**31/12/22**	**QoQ**	**YoY**
TOTAL FORECLOSED ASSETS - GROSS BALANCE	**1,253**	**1,597**	**1,833**	**-21.5%**	**-31.6%**
Buildings under construction	249	257	251	-3.2%	-0.9%
Residential	321	377	498	-14.9%	-35.6%
Land	528	789	868	-33.1%	-39.2%
Commercial RE	156	175	216	-10.7%	-27.8%
TOTAL FORECLOSED ASSETS - PROVISIONS	**926**	**1,063**	**1,175**	**-12.9%**	**-21.2%**
Buildings under construction	193	174	175	11.3%	10.3%
Residential	209	219	283	-4.5%	-26.2%
Land	430	575	599	-25.1%	-28.1%
Commercial RE	93	96	117	-2.8%	-20.4%
TOTAL FORECLOSED ASSETS - COVERAGE (%)	**73.9%**	**66.6%**	**64.1%**	**7.3 pp**	**9.8 pp**
Buildings under construction	77.7%	67.6%	69.8%	10.1 pp	7.9 pp
Residential	65.2%	58.1%	56.9%	7.0 pp	8.3 pp
Land	81.6%	72.9%	69.0%	8.7 pp	12.5 pp
Commercial RE	59.7%	54.9%	54.1%	4.8 pp	5.5 pp

Net asset value of foreclosed assets decreases by €206 million, down to €327 million, 0.34% of the Group's total assets, of which land accounts for €98 million, less than a third of the total.

Foreclosed assets sales amounted to €487 million through the year, recording positive results of €7 million. 47% of the total sales in the year are housing, 27% land and 26% tertiary sector assets and work-in-progress assets.

Foreclosed assets gross value declined by 21.5% during the quarter and by 31.6% in the last twelve months (meaning a decrease of 39% and 50% respectively in net terms). Provisions were strengthened during the quarter, bringing the coverage level up to 73.9%, an increase of 7.3 pps.

Additionally, €216 million of gross assets classified as investment property were sold in the year.

NPAs declined by €513 million QoQ (-15.4%), and by €949 million in the last twelve months (-25.2%) and their coverage level increased to 68.2% (2.9 pps higher than a year ago).

TABLE 8 (*Million euros*)	**31/12/23**	**30/09/23**	**31/12/22**	**QoQ**	**YoY**
Non performing assets (NPA)- GROSS BALANCE	**2,821**	**3,334**	**3,771**	**-15.4%**	**-25.2%**
NPL	1,568	1,737	1,938	-9.7%	-19.1%
Foreclosed Assets	1,253	1,597	1,833	-21.5%	-31.6%
NPAs Ratio	**5.5%**	**6.3%**	**6.6%**	**-0.8 pp**	**-1.1 pp**
Non performing assets (NPA)- PROVISIONS	**1,924**	**2,206**	**2,464**	**-12.8%**	**-21.9%**
NPL	998	1,142	1,289	-12.6%	-22.6%
Foreclosed Assets	926	1,063	1,175	-12.9%	-21.2%
Non performing assets (NPA)- COVERAGE (%)	**68.2%**	**66.2%**	**65.3%**	**2.0 pp**	**2.9 pp**
NPL	63.7%	65.8%	66.5%	-2.1 pp	-2.9 pp
Foreclosed Assets	73.9%	66.6%	64.1%	7.3 pp	9.8 pp

8. Results

TABLE 9 *(Million euros)*	**31/12/23**	**31/12/22**	**YoY**	**YoY%**	**YoY%***
Interest income	2,346	1,275	1,071	84.0%	
Interest expense	-993	-202	-791		
NET INTEREST INCOME	**1,353**	**1,073**	**280**	**26.1%**	**26.1%**
Dividend income	25	18	6	33.3%	
Share of results of entities accounted for using the equity method	92	80	12	14.5%	
Net fee income	533	525	8	1.6%	
Trading income and exchange differences	20	52	-32	-61.9%	
Other operating income/expenses	-248	-144	-104	72.1%	
GROSS INCOME	**1,776**	**1,606**	**170**	**10.6%**	**14.5%**
Administrative costs	-768	-771	3	-0.4%	
Staff costs	-487	-506	19	-3.8%	
Other administrative costs	-281	-265	-16	6.1%	
Depreciation and amortization	-91	-90	0	0.1%	
PRE-PROVISION PROFIT	**917**	**744**	**173**	**23.2%**	**31.8%**
Provisions /reversal of provisions	-114	-94	-20	21.5%	
Impairments / reversal of impairments of financial assets	-146	-214	68	-31.7%	
NET OPERATING INCOME	**657**	**436**	**221**	**50.6%**	**65.2%**
Other profits or losses	-286	-53	-233		
PROFIT BEFORE TAX	**371**	**383**	**-12**	**-3.2%**	**13.5%**
Taxes	-104	-105	1	-1.2%	
CONSOLIDATED NET INCOME	**267**	**278**	**-11**	**-4.0%**	**19.0%**
ATTRIBUTABLE NET INCOME	**267**	**278**	**-11**	**-4.0%**	**19.0%**

* Excluding the impact of the temporary tax on banking, amounting to €63.8 million and recorded in the first quarter of 2023.

Quarterly performance of the income statement

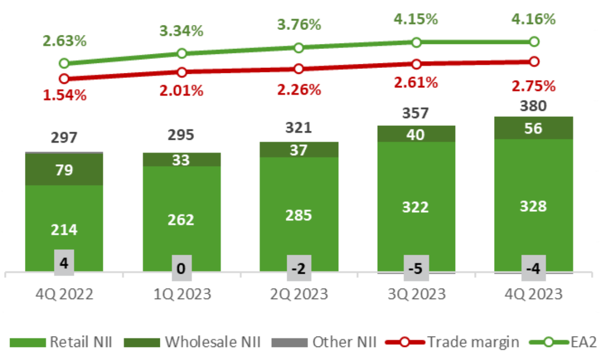
(Quarters prior to June 2023 restated following the first application of the IFRS 17)

TABLE 10 *(Million euros)*	**4Q 23**	**3Q 23**	**2Q 23**	**1Q 23**	**4Q 22**
Interest income	665	614	585	482	382
Interest expense	-285	-256	-264	-187	-85
NET INTEREST INCOME	**380**	**357**	**321**	**295**	**297**
Dividend income	0	6	18	0	3
Share of results of entities accounted using equity method	29	15	34	14	23
Net fee income	133	132	134	135	131
Trading income and exchange differences	4	7	0	9	17
Other operating income/expenses	-104	-14	-49	-79	-124
GROSS INCOME	**442**	**503**	**458**	**373**	**347**
Administrative costs	-195	-189	-193	-190	-186
Staff costs	-123	-120	-124	-120	-123
Other administrative costs	-73	-69	-69	-71	-62
Depreciation and amortization	-22	-24	-23	-22	-22
PRE-PROVISION PROFIT	**225**	**290**	**242**	**160**	**139**
Provisions /reversal of provisions	-27	-25	-30	-33	-10
Impairments / reversal of impairments of financial assets	-34	-37	-40	-35	-85
NET OPERATING INCOME	**164**	**228**	**171**	**93**	**43**
Other profits or losses	-207	-38	-21	-20	-32
PROFIT BEFORE TAX	**-42**	**190**	**150**	**73**	**12**
Taxes	23	-53	-36	-38	-6
CONSOLIDATED NET INCOME	**-19**	**137**	**114**	**34**	**6**
ATTRIBUTABLE NET INCOME	**-19**	**137**	**114**	**34**	**6**

Net interest income in the quarter amounts to €380 million, increasing by 6.4% in the fourth quarter and by 26.1% YoY.

The growth in NII relays both on wholesale business, which contribution increases by €16 million compared to the previous quarter, mainly coming from the fixed income portfolio, and retail business, which contributed €6 million more than in the last quarter, due to the repricing of the floating-rate loan portfolio and to higher rates on new production.

Customer spread stands at 2.75%, growing by 13 bps during the fourth quarter. This customer spread has not yet fully passed on the impact of the rise in interest rates. In the retail mortgage portfolio, which has the highest percentage of floating rate loans (close to 70% considering hedging), the average Euribor benchmark applied by year end is 3.50%, below the fourth quarter average 12-month Euribor of 3.95%. Thus, a positive impact is expected at the beginning of 2024 due to the delay in the application of the benchmarks.



The granularity of the Bank's deposits, and the high weight of those from retail customers (75% of the total), enabled the remuneration of these deposits to be adapted to their characteristics (low unit volume, high transaction volume and wide dispersion), standing at 60 bps on average in the fourth quarter.

Million euros / %	4Q 2023			3Q 2023			2Q 2023			1Q 2023			4Q 2022		
TABLE 11	**Av. Bal.**	**FI/FE**	**Yield**	**Av. Bal.**	**FI/FE**	**Yield**	**Av. Bal.**	**FI/FE**	**Yield**	**Av. Bal.**	**FI/FE**	**Yield**	**Av. Bal.**	**FI/FE**	**Yield**
F.I. Financial intermediaries, Repos	7,581	60.9	3.18	5,813	48.1	3.28	10,212	77.9	3.06	8,721	48.5	2.26	12,020	35.9	1.19
F.I. Fixed income portfolio	25,951	176.5	2.70	25,661	162.1	2.51	26,347	154.5	2.35	27,050	142.1	2.13	27,552	128.2	1.85
F.I. Net loans (including NPLs) (1)	**50,902**	**429.7**	**3.35**	**51,667**	**402.2**	**3.09**	**53,002**	**347.1**	**2.63**	**54,002**	**288.7**	**2.17**	**55,479**	**223.3**	**1.60**
F.I. Other assets		-1.6			1.2			4.5			2.4			3.9	
TOTAL ASSETS	**96,199**	**665.5**		**96,252**	**613.7**		**101,196**	**584.0**		**102,051**	**481.7**		**105,962**	**391.4**	
C.F. Financ. Intermediaries, Repos	6,786	74.8	4.37	6,552	67.3	4.07	12,209	104.9	3.45	12,759	85.1	2.70	17,475	34.0	0.77
C.F. Issuances (inc. singular bonds)	8,274	95.6	4.58	8,598	92.6	4.27	8,130	80.9	3.99	7,869	64.1	3.31	7,707	45.0	2.32
C.F. Customer deposits (2)	**66,937**	**101.5**	**0.60**	**66,729**	**79.8**	**0.47**	**67,336**	**62.3**	**0.37**	**67,776**	**26.5**	**0.16**	**69,150**	**9.4**	**0.05**
Sight deposits (PS)	51,807	27.3	0.21	52,944	22.2	0.17	54,278	20.2	0.15	55,838	9.8	0.07	57,158	5.4	0.04
Term deposits (PS)	9,413	43.6	1.84	8,212	30.2	1.46	7,420	19.5	1.06	6,074	7.0	0.47	5,303	1.6	0.12
C.F. Subordinated liabilities	599	10.7	7.06	599	10.4	6.91	599	9.2	6.16	599	8.2	5.56	599	6.0	3.95
C.F. Other liabilities		2.8			6.3			6.0			2.7			-0.2	
TOTAL LIABILITIES & NET EQUITY	**96,199**	**285.3**		**96,252**	**256.3**		**101,196**	**263.4**		**102,051**	**186.6**		**105,962**	**94.2**	
CUSTOMER SPREAD (1-2)			**2.75**			**2.61**			**2.26**			**2.01**			**1.54**
NET INTEREST INCOME		**380.2**			**357.4**			**320.6**			**295.1**			**297.2**	

F.I.: Financial Interest
F.E.: Financial expenses
PS: Private Sector

TABLE 12 (*Million euros*)	4Q 2023	3Q 2023	2Q 2023	1Q 2023	4Q 2022	QoQ	12M23 vs 12M22
FEE INCOME	**143**	**147**	**145**	**146**	**141**	**-2.5%**	**1.4%**
From payments and collections	72	75	75	73	74	-4.6%	-1.0%
From insurance	21	24	25	25	23	-10.6%	-2.6%
From mutual funds	34	33	31	33	34	3.0%	1.8%
From pension plans	3	3	2	3	3	-4.2%	-9.8%
Other fees	13	12	11	12	8	12.1%	33.7%
FEE EXPENSES	**11**	**15**	**11**	**11**	**10**	**-31.5%**	**-1.2%**
NET FEE INCOME	**133**	**132**	**134**	**135**	**131**	**0.9%**	**1.6%**

Fees increased by 1.6% year on year, driven by recurrent fees from mutual funds, which contributed €132 million, after growing by 3.0% in the last quarter and by 1.8% year-on-year.

Profit from associates amounted to €92 million in 2023, including dividends and results of associate entities, mainly from insurance companies.

Trading income and exchange differences reached €20 million in 2023, coming from the active management of the fixed income portfolio.

Other operating income and expenses records results from subsidiaries and real estate activity, the €88 million contribution to the Deposits Guarantee Fund (DGF), the €44 million contribution to the SRF (Single Resolution Fund) and €64 million of the temporary tax on banking. The latter two items account for most of the costs increase compared to the previous year.

Administrative expenses showed a year-on-year decrease of 0.4%. Personnel expenses fell by 3.8% year on year, after the synergies resulting from the merger with Liberbank.

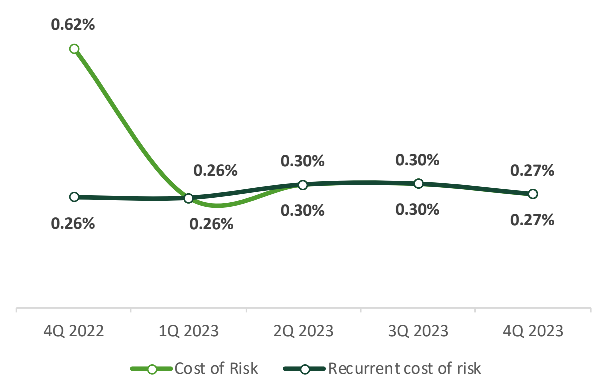
The cost to income ratio improves by 7 pps in the last twelve months, reaching 46.7% (48.4% without excluding the impact of the temporary banking tax).

Provisions /reversal of provisions amounted to €114 million year to date, to cover risks related to guarantees and litigation issues.

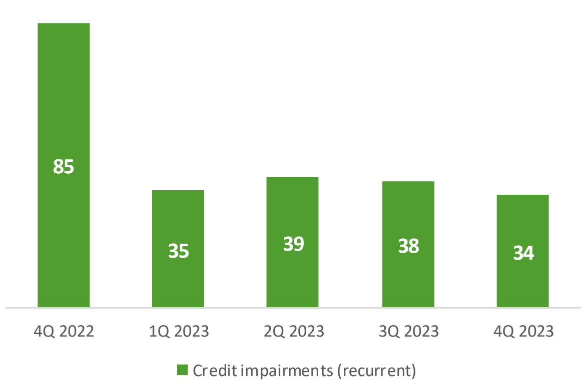
Impairments of financial assets decline by 32% compared to the previous year, totalling €146 million, entirely loan impairments, resulting in an annualized quarterly cost of risk of 27 bps (29 bps in 2023).

Other profits or losses, included mostly impairments on investees and properties, raising the coverage of foreclosed assets to 73.9%, enabling to maintain the strategy of accelerated reduction of non-performing assets and substantial improvement in structural profitability.

Annualized quarterly cost of risk evolution



Credit impairments (In € millions)



9. Liquidity

The Entity maintains very comfortable liquidity levels.

The evolution of retail business improved the liquidity indicators, so that the LTD ("Loan to Deposit" ratio, which shows the percentage that the balance of loans represents in relation to the balance of retail deposits), declined 4.9 pps in the last twelve months, to 73.7%.

The LCR (Liquidity Coverage Ratio), which indicates the level of short-term liquidity, stands at 308%.

The NSFR (Net Stable Financial Ratio), which measures the ratio between the stable resources and the resources that would be desirable according to the type of investments made by the Group reaches 149%.

At the end of the fourth quarter of 2023, Unicaja Banco recorded a position of liquid and discountable assets at the European Central Bank, net of assets used, of €29,238 million, which represents 30.1% of the total balance sheet.

10. Solvency

TABLE 13 *(Million € and %)*	**31/12/2023**	**30/09/2023**	**31/12/2022**	**QoQ**	**YoY**
Qualifying capital (PHASED-IN)	**5,624**	**5,648**	**5,818**	**-0.4%**	**-3.3%**
CET1 capital (BIS III)	4,476	4,489	4,659	-0.3%	-3.9%
Tier 1	547	547	547	0.0%	0.0%
Tier 2	600	612	612	-2.0%	-1.9%
Risk weighted assets	**29,892**	**30,984**	**34,133**	**-3.5%**	**-12.4%**
CET1 capital (BIS III) (%)	**15.0%**	**14.5%**	**13.6%**	**0.5 pp**	**1.3 pp**
Tier 1	1.8%	1.8%	1.6%	0.1 pp	0.2 pp
Tier 2	2.0%	2.0%	1.8%	0.0 pp	0.2 pp
Total capital ratio (%)	**18.8%**	**18.2%**	**17.0%**	**0.6 pp**	**1.8 pp**

Million € and %	**31/12/2023**	**30/09/2023**	**31/12/2022**	**QoQ**	**YoY**
Qualify capital FULLY LOADED	**5,537**	**5,541**	**5,569**	**-0.1%**	**-0.6%**
CET1 capital (BIS III)	4,390	4,380	4,410	0.2%	-0.5%
Tier 1	547	547	547	0.0%	0.0%
Tier 2	600	614	612	-2.3%	-1.9%
Risk weighted assets	**29,851**	**30,914**	**33,973**	**-3.4%**	**-12.1%**
CET1 capital (BIS III) (%)	**14.7%**	**14.2%**	**13.0%**	**0.5 pp**	**1.7 pp**
Tier 1	1.8%	1.8%	1.6%	0.1 pp	0.2 pp
Tier 2	2.0%	2.0%	1.8%	0.0 pp	0.2 pp
Total capital ratio (%)	**18.5%**	**17.9%**	**16.4%**	**0.6 pp**	**2.2 pp**

As of December 31, under phased-in, the Unicaja Banco Group had a CET 1 Common Equity Tier 1 of 15.0%, a Tier 1 Capital ratio of 16.8% and a Total Capital ratio of 18.8%. These ratios represent a buffer over the bank's required levels of 6.7 pps in CET 1 and 6.1 pps in Total Capital. Capital ratios include the net income pending approval from the ECB to be incorporated in the ratios and deducts accrued dividends.

Unicaja Banco Group's CET 1 Common Equity Tier 1 ratio, under fully loaded, was 14.7%, Tier 1 Capital ratio 16.5% and Total Capital ratio 18.5%.

The CET1 fully loaded ratio increases by +54 bps in the quarter, driven by the reduction of risk weighted assets related with the foreclosed assets sales, NPL reduction and deleveraging mainly in the corporate segment.

In addition to the objective of distributing approximately 50% of net income in cash dividends each year, given the Entity's comfortable solvency position and subject to the required formal regulatory approval, it is intended to implement a share buyback programme in 2024 of €100 million, limited to a maximum of 3.8% of the Entity's total shares.

The tangible book value per share (TBV per share) reached €2.20 as of December 31, 2023, after increasing by 0.5% YoY.

Finally, the Texas ratio stays at 32.9%, after decreasing by 5.2 pps in the fourth quarter and by 9.3 pps in the last 12 months.

11. The Share

The share capital of Unicaja Banco is €663,708,369.75, divided into 2,654,833,479 registered shares of €0.25 par value each, fully subscribed and paid up, belonging to the same class and series, with identical voting and economic rights, and represented by book entries.

The Bank's main shareholders are Fundación Bancaria Unicaja which holds 30.2% of the share capital of Unicaja Banco, S.A., Indumenta Pueri 8.5% and Fundación Bancaria Caja de Ahorros de Asturias 6.6%. The remaining 54.7% of the share capital is held by other wholesale and retail investors.

Unicaja Banco's shares price closed as of December 29th at €0.89 per share.

12. Rating

Fitch. On December 11, 2023, the agency affirmed Unicaja Banco's long-term rating at “BBB-“, its short-term rating at “F3” and its outlook as Stable. Unicaja Banco's current ratings are therefore:

- Long-term IDR rating “BBB-“ Stable outlook
- Short-term IDR rating “F3”
- Senior preferred debt rating “BBB-“
- Non preferred senior debt rating “BB+”
- Subordinated debt rating (Tier 2) “BB”
- CoCos (AT1) “B+”

Moody's. On April 25, 2023, the agency confirmed Unicaja Banco's long-term deposits rating at “Baa3” with a stable outlook and its short-term rating (Short-term Bank Deposits) at P-3 (“Prime-3”). Therefore, Unicaja Banco's current ratings are:

- Long-term rating “Baa3” with stable outlook
- Short-term rating (Short-term Bank Deposits) “P3”
- Rating mortgage covered bonds “Aa1” (last available January 11, 2023)
- Subordinated debt rating (Tier2) “Ba3”

13. Digital Plan

In the fourth quarter of 2023 the implementation of the Digital Plan continued as planned in the Strategic Plan 2022-2024, ending the year with the successful launch of the new Digital Bank, including a renewed user experience and design, focused on an updated and intuitive navigation.

During 2023, significant progress was made in the digital strategy based on the implementation and development of key digital capabilities in Digital Onboarding, the Virtual Assistant as a marketing and customer service channel, the Digital Consumer Platform, the Digital Account Transfer service, the deployment of Remote Sales services, as well as the activation of all the capabilities of the Marketing Automation platform, managing the entire offer aimed at customers in an automated way, with an omnichannel vision and based on Artificial Intelligence models.

The drive maintained during 2023 consolidates the improvement achieved in the ratios of digital adoption, acquisition and digital sales. At the end of the fourth quarter, 64,4% of the total number of active customers were digital. 30% of the new customers were recruited through the digital channel. The contribution of digital channels to new customer loans was 49.2% of the total, 21.9% for saving accounts and 27% for subscriptions in mutual funds/delegated portfolio management.

14. Innovation

During the fourth quarter, Unicaja Banco continued to develop its Innovation strategy. Within the framework of its co-innovation laboratories, work continued the design of solutions that help our regulatory compliance processes more efficient. In addition, work has been carried out on the analysis of new digital acquiring solutions that add value to our companies.

On the other hand, a laboratory has been launched to create solutions that combine Voice Biometrics and Virtual Assistants technologies, with the aim of continuing to build a banking model that provides the greatest security for our customers, as well as facilitating their inclusion and access to our digital services.

Lastly, we continued to analyse the opportunities arising from the emergence of Generative Artificial Intelligence, with the aim of integrating it appropriately in the entity.

All these laboratories are part of an improvement process that allows us to incorporate innovations that improve our levels of efficiency, quality, personalisation and safety for our customers, but in a prudent, effective and sustainable manner.

15. Sustainability

Regarding sustainable and responsible banking, the following notable activities were carried out in the fourth quarter of the year:

- In order to make further progress in sustainable development, the policy of exclusions from financing for environmental and social risks was approved, committing the Bank not to finance activities that may be contrary to the Bank's principles of sustainability.
- As part of the development of the "Sustainable Business Agenda", the current range of ESG products continued to expand, with the approval of new mortgages that subsidise the interest rate for financing energy-efficient properties, and the extension of the "Ecomobility Loan", a green loan aimed at individuals that can be used to finance the purchase of sustainable cars, both new and semi-new, as well as electric recharging points.
- In the area of financial inclusion:
    - The bank has announced its decision to remove commissions from its customers for withdrawing cash from the mobile ATM service of the Valladolid Provincial Council, which covers 175 towns in the province, provided that withdrawals are of 120 euros or more.
    - Unicaja Banco has incorporated the figure of the digitalisation manager (150 professionals) in the branches of the commercial network with the highest volume of customers, providing support tailored to the customer who needs it, with the aim of easily acquiring the confidence and skills necessary to carry out transactions via the website, application, ATM or telephone in a secure environment.
- In the area of financial education:
    - The San Eloy Building is home to the new Edufinet Financial Education Centre in Salamanca, an initiative promoted by

Edufinet, with the collaboration of the Caja Duero Foundation and Funcas.
- The Edufinet Project and Funcas staged the play "Las cosas fáciles" in Malaga with Blanca Marsillach's company, which brought financial and digital education to more than 650 elderly people.
- Unicaja's Edufinet Project has been awarded first prize in the Financial Education category in the Over 65s section of the CECA Social Work and Financial Education 2022 Awards.
- The 6th Financial Education Congress of the Edufinet Project was held, with nearly 500 participants.

Appendix I:

ALTERNATIVE PERFORMANCE MEASURES (APM)

The information contained in this Appendix is prepared in accordance with the International Financial Reporting Standards adopted by the European Union (EU-IFRS). In addition, Unicaja Banco Group considers that certain Alternative Performance Measures (APM), as defined in the Directive on Alternative Performance Measures issued by the European Securities Market Authority (ESMA) on 5th October 2015 (ESMA / 2015 / 1415en), provide additional information that may be useful for analysing the Group's financial performance.

The Group considers that the APMs included in this appendix comply with ESMA Guidelines. These APMs have not been audited and in no way are a substitute for the financial information prepared under IFRS. Likewise, the definition that the Group uses of these APMs may differ from other similar measures calculated by other companies and therefore may not be comparable.

Following the recommendations of the aforementioned Guidelines, the breakdown of the APMs used by Unicaja Banco Group is attached below, including the definitions and matching items of the balance sheet, income statement and notes to the consolidated financial statements used by the Unicaja Banco Group on its annual or interim financial statements:

ALTERNATIVE PERFORMANCE MEASURES

(In € million or %)

Table 14:

	31/12/2023	30/09/2023	31/12/2022
Total customer funds (1+2+3)	**98,747**	**98,411**	**98,178**
(1) Financial liabilities at amortized cost. Customer deposits (without valuation adjustments) (1a+1b)	73,421	73,413	74,488
(1a) Financial liabilities at amortized cost. Customer deposits	73,475	73,299	74,386
(1b) Valuation adjustments. Financial liabilities at amortized cost. Customer deposits	-54	114	101
(2) Debt securities issued (w/o valuation adjustments) (2a+2b)	4,239	4,239	3,442
(2a) Debt securities issued	4,239	4,181	3,329
(2b) Valuation adjustments. Debt securities issued	0	58	113
(3) Funds managed through off-balance sheet instruments. *Management data*	21,087	20,759	20,249

Source: Consolidated public financial statement and Internal information using management criteria.
Purpose: To know the total balance and evolution of the resources managed by the Group, both on-balance and off-balance sheet.

Table 15:

	31/12/2023	30/09/2023	31/12/2022
Retail customer funds (1-2-3-4+5)	**88,825**	**87,536**	**90,081**
(1) Total customer funds	98,747	98,411	98,178
(2) Covered bonds under the heading "Term deposits". Carrying amount (excluding valuation adjustments)	4,198	4,655	4,655
(3) Deposits from customers. Repos (excluding valuation adjustments)	1,589	2,012	20
(4) Issued debt securities (excluding valuation adjustments)	4,239	4,239	3,442
(5) Repos controlled by retail customers. *Management data*	103	30	20

Source: Consolidated public financial statements and internal information using management criteria
Purpose: To determine the total balance and evolution of the funds managed by the Group, both on-balance sheet and off-balance sheet, at the customer level without considering market operations.

Table 16:

	31/12/2023	30/09/2023	31/12/2022
Wholesale funds (Markets) (1+2+3-4)	**9,922**	**10,875**	**8,097**
(1) Covered bonds under the heading "Term deposits". Carrying amount (excluding valuation adjustments)	4,198	4,655	4,655
(2) Deposits from customers. Repos (excluding valuation adjustments)	1,589	2,012	20
(3) Issued debt securities (excluding valuation adjustments)	4,239	4,239	3,442
(4) Repos controlled by retail customers. *Management measure*	103	30	20

Source: Consolidated public financial statements and internal information using management criteria.
Purpose: To determine the total balance and evolution of the funds managed by the Group in the market operations area.

Table 17:

	31/12/2023	30/09/2023	31/12/2022
Repos controlled by retail customers. Management measure (1a)	**103**	**30**	**20**
(1) Deposits from customers. Repos (excluding valuation adjustments)	1,589	2,012	20
(1a) Repos controlled by retail customers *Management measure*	103	30	20
(1b) Rest of repos	1,486	1,982	0

Source: Internal information using management criteria**.**

Table 18:

	31/12/2023	30/09/2023	31/12/2022
Performing Gross loans w/o Repos and OFA (excluding valuation adjustments) (1-7)	**48,325**	**49,533**	**52,953**
(1) Loan portfolio and receivables. Gross amount (2a+3a-4-5-6)	49,893	51,270	54,891
(2) Financial assets held for trading with changes in profit or loss	918	204	208
(2a) of which: Loans and advances - Customers	*73*	*106*	*113*
(3) Financial assets at amortized cost	77,452	76,621	82,183
(3a) of which: Loans and advances - Customers	*50,062*	*50,917*	*54,326*
(4) Valuation adjustments (excluding other financial assets)	-530	-704	-892
(5) Reverse Repos	167	0	0
(6) Other financial assets	605	456	439
(7) Loan portfolio and receivables. Gross amount Stage 3 (excluding other financial assets)	1,568	1,737	1,938

Source: Consolidated public balance sheet.
Purpose: It allows to know the total balance and evolution of the Group's performing loans and advances (considered as those classified in stage 1 or stage 2).

Table 19:

	31/12/2023	30/09/2023	31/12/2022
Loan to Deposits (LtD)	**73.7%**	**76.8%**	**78.6%**
(1) Numerator. Loans and advances to customers - excluding valuation adjustments	**49,893**	**51,270**	**54,891**
(2) Denominator. Customer deposits (non-market) - excluding valuation adjustments - (2a-2b-2c+2d)	**67,738**	**66,777**	**69,833**
(2a) Financial liabilities at amortized cost. Deposits from customers (excluding valuation adjustments)	73,421	73,413	74,488
(2b) Covered bonds under the heading “Term deposits”. Carrying amount (excluding valuation adjustments)	4,198	4,655	4,655
(2c) Deposits from customers. Repos (excluding valuation adjustments)	1,589	2,012	20
(2d) Repos controlled by retail customers. Management data	103	30	20

Source: Consolidated public financial statements and internal information using management criteria.
Purpose: Liquidity indicator measuring the funds available to the Group in customer deposits in relation to the volume of loans and advances.

Table 20:

	31/12/2023	30/09/2023	31/12/2022
NPL Ratio (1/2)	**3.1%**	**3.4%**	**3.5%**
(1) Loans and receivables. Gross amount Stage 3	1,568	1,737	1,938
(2) Loans and receivables. Gross amount	49,893	51,270	54,891

Source: Consolidated public financial statements.
Purpose: Measures the quality of the Group’s loan portfolio, indicating the percentage of non-performing loans over total loans.

Table 21:

	31/12/2023	30/09/2023	31/12/2022
NPL Coverage Ratio (1/2)	**63.7%**	**65.8%**	**66.5%**
(1) Loans and receivables. Total impairment losses on assets	998	1,142	1,289
(2) Loans and receivables. Gross amount Stage 3	1,568	1,737	1,938

Source: Consolidated public financial statements**.**
Purpose: Defines the percentage of the NPL portfolio that is covered by provisions. An indicator of the expected recovery of these assets.

Table 22:

	31/12/2023	30/09/2023	31/12/2022
Foreclosed assets coverage (1/2)	**73.9%**	**66.6%**	**64.1%**
(1) Accumulated impairment losses on foreclosed real estate or properties received in payment of debts	926	1,063	1,175
(2) Gross carrying amount of foreclosed real estate or properties received in payment of debts	1,253	1,597	1,833

Source: Internal information using management criteria.
Purpose: Shows the extent to which foreclosed real estate assets are covered and, thus, their net exposure value and the quality of those assets.

Table 23:

	31/12/2023	30/09/2023	31/12/2022
NPA coverage ratio (1+2)/(3+4)	**68.2%**	**66.2%**	**65.3%**
(1) Loans and receivables. Total impairment losses on assets	998	1,142	1,289
(2) Accumulated impairment losses on foreclosed real estate or properties received in payment of debts	926	1,063	1,175
(3) Loans and receivables. Gross amount Stage 3	1,568	1,737	1,938
(4) Gross carrying amount of foreclosed real estate or properties received in payment of debts	1,253	1,597	1,833

Source: Consolidated public financial statements and internal information using management criteria.
Purpose: It measures the coverage level of distressed assets.

Table 24:

	31/12/2023	30/09/2023	31/12/2022
Texas ratio (1+2)/(3+4+5)	**32.9%**	**38.1%**	**42.3%**
(1) Loans and receivables portfolio. Gross amount Stage 3	1,568	1,737	1,938
(2) Gross carrying amount of real estate foreclosed assets	1,253	1,597	1,833
(3) Loans and receivables portfolio. Total adjustments for impairment of assets	998	1,142	1,289
(4) Impairment of real estate foreclosed assets	926	1,063	1,175
(5) Total equity	6,646	6,539	6,459

Source: Consolidated public balance sheet.
Purpose: Reflects the percentage of non-performing assets over total funds and equity.

Table 25:

	31/12/2023	30/09/2023	31/12/2022
Customer Spread (quarterly data) (1-2)	**2.75%**	**2.61%**	**1.54%**
(1) Quarterly yields on loans and advances to customers (excluding reverse repos) on average quarterly balances of loans and advances to customers, net (excluding reverse repos and other financial assets). *Management Data*	3.35%	3.09%	1.60%
(2) Quarterly cost of customer deposits (excluding repos) over average quarterly balance of customer deposits (excluding repos). *Management Data.*	0.60%	0.47%	0.05%

Source: Internal information using management criteria.
Purpose: Profitability metric that defines the difference between the customer loan portfolio's average profitability and the average cost of customer funds.

Table 26:

	31/12/2023	30/09/2023
Deposits's Beta (1/2)	**10.4%**	**8.7%**
(1) Deposit's average interest rate	0.40%	0.33%
(1a.) Financial costs of deposits during the year, annualized	270.2	224.9
(1b.) Deposit's average balance	67,191	67,276
(2) 12-month Euribor's Annual average	3.86%	3.84%

Source: Consolidated public income statement and Internal information using management criteria.
Purpose: Profitability metric representing the proportion of 12-month Euribor carried over to the financial cost of customer deposits.

Table 27:

	31/12/2023	30/09/2023	31/12/2022
Net fees (1-2)	**533.4**	**400.6**	**525.0**
(1) Fee and commission income	581.0	437.7	573.2
(2) Fee and commission expenses	47.6	37.0	48.2

Source: Consolidated public income statement.
Purpose: Reflects the net profit obtained from the rendering of services and marketing of products that are invoiced via fees.

Table 28:

	31/12/2023	30/09/2023	31/12/2022
Core revenues (1+2)	**1,886.7**	**1,373.7**	**1,598.4**
(1) Recurrent Net interest income (1a-1b)	1,353.2	973.0	1,073.4
(1a.) Recurring interest and similar revenues	2,345.9	1,680.9	1,275.0
(1b.) Interest and similar charges	992.7	707.9	201.6
(2) Recurring net fees	533.4	400.6	525.0

Source: Consolidated income statement.
Purpose: Reflects the result obtained by the Group from its core business activity.

Table 29:

	31/12/2023	30/09/2023	31/12/2022
Trading income +Exchange differences (1+2+3+4+5+6)	**20.0**	**15.5**	**52.4**
(1) Net gain or (-) losses on derecognition from the statements of financial assets and liabilities (not measured at fair value) through profit or loss	4.8	4.8	31.9
(2) Net gain or (-) losses from financial assets and liabilities held for trading	11.9	9.1	14.7
(3) Net gain or (-) losses from non-trading financial assets mandatorily designated at fair value through profit or loss	0.4	0.2	-9.2
(4) Net gain or (-) losses from financial assets and liabilities designated at fair value through profit or loss	0.0	0.0	0.0
(5) Net gain (-) losses from hedge accounting	-2.0	-2.5	5.5
(6) Net exchange differences, gains or (-) losses	4.9	3.9	9.5

Source: Consolidated public income statement.

Purpose: Group under a single heading the contribution to the P&L account of the valuation of assets at fair value and the sale of fixed-income assets and equities mainly, not measured at fair value through profit or loss, as well as their hedges reflected in the P&L account.

Table 30:

	31/12/2023	30/09/2023	31/12/2022
Other products / operating charges (1-2+3-4)	**-247.6**	**-143.1**	**-143.8**
(1) Other operating income	64.3	47.0	82.7
(2) Other operating expenses	325.6	198.4	241.3
(3) Income from assets under insurance or reinsurance contracts	13.7	8.3	14.7

Source: Consolidated public income statement.

Table 31:

	31/12/2023	30/09/2023	31/12/2022
Operating or transformation expenses (1+2)	**858.6**	**641.4**	**861.7**
(1) Administrative expenses	768.1	572.6	771.3
(2) Depreciation	90.5	68.8	90.4

Source: Consolidated public income statement.

Table 32:

	31/12/2023	30/09/2023	31/12/2022
Efficiency ratio (1+2)/3	**46.7%**	**45.9%**	**53.7%**
(1) Administrative expenses	768.1	572.6	771.3
(2) Depreciation	90.5	68.8	90.4
(3) Adjusted Gross margin (*) (3a. + 3b.)	1,839.4	1,397.3	1,605.8
(3a.) Gross Margin	1,775.5	1,333.4	1,605.8
(3b.) Temporary tax on banking	63.8	63.8	0.0

(*) In order to facilitate comparison with previous periods, the impact of the temporary bank tax (€68 million as of 31 March 2023) has been deducted from the gross margin.
Source: Consolidated income statement.
Purpose: Reflects relative productivity by relating the income obtained to the expenses necessary to obtain that income.

Table 33:

	31/12/2023	30/09/2023	31/12/2022
Core profit (1+2-3-4)	**1,028.1**	**732.3**	**736.7**
(1) Gross Margin	1,353.2	973.0	1,073.4
(2) Net Fees	533.4	400.6	525.0
(3) Administrative expenses	768.1	572.6	771.3
(4) Depreciation	90.5	68.8	90.4

Source: Consolidated public income statement.
Purpose: Reflects the result obtained by the Group from its banking activity before taking into account the write-downs as defined in its APMs.

Table 34:

	31/12/2023	30/09/2023	31/12/2022
Pre-provision profit (before impairments) (1-2-3)	**917.0**	**692.1**	**744.0**
(1) Gross income	1,775.5	1,333.4	1,605.8
(2) Administrative expenses	768.1	572.6	771.3
(3) Depreciation	90.5	68.8	90.4

Source: Consolidated public income statement.
Purpose: Reflects the result obtained by the Group from its activity before considering the write-downs as defined in its APMs.

Table 35:

	31/12/2023	30/09/2023	31/12/2022
Impairment losses or reversal of impairment losses on loans and receivables. Management Data (1a + 1b)	**146.2**	**112.4**	**214.1**
(1) Impairment losses or (-) reversal of impairment and gains or losses on changes in cash flows of financial assets not measured at fair value through profit or loss and net gains or (-) losses on changes. Financial assets at amortized cost	146.2	112.4	214.1
(1a) From loans and receivables to customers. *Management data*	146.3	112.4	214.5
(1b) From other financial assets at amortized cost	0.0	0.0	-0.3

Source: Consolidated public income statement**.**
Purpose: Defines the figure for impairments of loans and receivables, booked in the impairment of financial assets not valued at fair value through profit and loss item.

Table 36:

	31/12/2023	30/09/2023	31/12/2022
(1) Impairment or (-) reversal of impairment in value of loans and receivables to customers (annualised quarterly data). Management measure	135.5	152.1	341.2
(2) of which non-recurrent (annualised quarterly data). Management measure	*0.0*	*0.0*	*196.4*
(3) Average of the start/end of period in loans and receivables to customers (ex valuation adjustments)	49,893	51,270	54,891
Recurring cost of risk (1-2)/3	**0.27%**	**0.30%**	**0.26%**
Cost of risk (1/3)	**0.27%**	**0.30%**	**0.62%**

Source: Consolidated public financial statement.
Purpose: Defines the Group's credit quality rating through the annual cost, in terms of impairment losses (loans and receivables write downs, booked to the item Impairment of financial assets not valued at fair value through profit and loss) of each gross customer loans unit.

Table 37:

	31/12/2023	30/09/2023	31/12/2022
Impairment/reversal in the value of other assets and other gains & losses (1+2-3-4-5)	**286.0**	**79.3**	**53.2**
(1) Impairment or (-) reversal in the impairment of the value of joint ventures or associates	-3.4	-2.5	0.5
(2) Impairment or (-) reversal in the impairment of the value of non-financial assets	42.6	24.4	70.5
(3) Net gain or (-) loss on derecognition from the statements of non-financial assets and stakes	-15.4	-0.7	8.3
(4) Recognised negative goodwill	0.0	0.0	0.0
(5) Gains or (-) losses arising from non-current assets and disposal groups of items classified as held for sale that cannot be classified as discontinued operations	-231.3	-56.6	9.5

Source: Consolidated public income statement.

Table 38:

	31/12/2023	30/09/2023	31/12/2022
Impairments and others (1+2+3+4-5-6-7)	**546.4**	**279.2**	**361.2**
(1) Provisioning or (-) provisioning reversals	114.2	87.5	93.9
(2) Impairment or (-) reversal in the value of financial assets not measured at fair value through profit and loss	146.2	112.4	214.1
(3) Impairment or (-) reversal in the value of joint ventures or associates	-3.4	-2.5	0.5
(4) Impairment or (-) reversal in the value of non-financial assets	42.6	24.4	70.5
(5) Net gain or (-) loss on derecognition from the statements of non-financial assets and stakes	-15.4	-0.7	8.3
(6) Recognised negative goodwill	0.0	0.0	0.0
(7) Gains or (-) losses arising from non-current assets and disposal groups of items classified as held for sale that cannot be classified as discontinued operations	-231.3	-56.6	9.5

Source: Consolidated public income statement.

Purpose: To show the volume of the Group's write-downs and provisions

Table 39:

	31/12/2023	30/09/2023	31/12/2022
Return on Tangible Equity ROTE (1/4)	**5.3%**	**5.7%**	**4.4%**
(1) Total comprehensive income of the last twelve months, net of interests from equity instruments other than capital (2-3)	**307.8**	**332.3**	**255.0**
(2) Total comprehensive income for the year	330.4	354.9	277.6
(3) Interests from equity instruments other than capital	22.6	22.6	22.6
(4) Shareholders' equity -excluding intangible elements, debt issues convertible into shares and preferred shares- (5-6-7-8)	**5,838**	**5,880**	**5,790**
(5) Shareholders' equity	6,523	6,565	6,465
(6) Issued equity instruments other than capital (AT1)	547	547	547
(7) Intangible assets	85	85	75
(8) Equity goodwill	52	53	53

Source: Consolidated public income statement and Consolidated public balance sheet.

Table 40:

	31/12/2023	30/09/2023	31/12/2022
Tangible Book value per share (1/7)	**2.20**	**2.21**	**2.18**
(1) Tangible assets (2–3–4-5-6)	5,836	5,878	5,789
(2) Total Equity	6,523	6,565	6,465
(3) Issued equity instruments other than capital (AT1)	547	547	547
(4) Minority interests	2	2	0
(5) Intangible assets	85	85	75
(6) Equity goodwill	52	53	53
(7) Nº of shares outstanding (thousand)	**2,654,833**	**2,654,833**	**2,654,833**

Source: Consolidated public balance sheet.
Purpose: To show the value that the Bank generates for its shareholders through its own business.

Table 41:

	31/12/2023	30/09/2023	31/12/2022
Net liquid assets (1-2-3)	**29,238**	**26,905**	**23,516**
(1) Gross liquid assets	37,183	34,042	31,921
(2) Taken in ECB	954	944	5,321
(3) Repos and other pledges	6,990	6,192	3,084

Any part of the gross assets already used or being used as collateral for financing, either with the ECB, for repos or other pledges, has been discounted.
Source: Internal information using management criteria.
Purpose: Defines the total balance and performance of the Group's HQLA (high quality liquid assets) netted out from assets of this nature that are being used as collateral for financing.