FINANCIAL REPORT

January to September 2023

1. Highlights

The growth in banking business margins brings after-tax profit to €285M.

01	Net Interest income YoY variation: **+25.4%**	**Net Interest Income growth accelerates.**
02	Customer spread: **2.61%**	**The customer spread increases by 36 bps during the quarter, but still not fully capturing the Euribor repricing.**
03	Fee YoY variation: **+1.6%**	**Recurring business supports the fee income heading in a seasonally weak quarter.**
04	Staff costs YoY evolution: **-4.9%**; Efficiency ratio: **45.9%**	**Staff costs decline and the efficiency ratio improves by 6 pps in the last twelve months.**
05	Retail customers funds QoQ variation: **-1.3%**; Beta: **8.7%**	**The deposit structure (granular, with high percentage of individuals) allows a contained funding cost.**
06	Performing Loans QoQ variation: **-3.3%**; Retail mortgages QoQ variation: **-1.4%**	**Stock declines due to early redemption of floating rate loans, maturities of loans with ICO guarantees and low demand at sectoral level**
07	NPAs QoQ variation: **-7.9%**; Cost of risk bps.: **30**; NPAs coverage ratio QoQ variation: **+0.8 pp**	**NPAs reduction, accelerated by portfolio sales. Coverages are being strengthened.**
08	Non preferred Green bonds issuance (in million euros): **300**; Oversubscription: **x 4.5**	**Successful issuance of green bonds to meet MREL requirements of January 2024**
09	CET 1 Fully loaded: **14.2%**	**The reduction in the risk-weighted assets means a significant capital generation in the quarter.**
10	Loan to Deposits: **76.8%**; LCR: **259%**; NSFR: **147%**	**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)*	30/09/23	30/06/23	30/09/22	QoQ	Ytd	YoY
BALANCE SHEET						
Total assets	95,245	97,259	112,956	-2.1%	-3.8%	-15.7%
Gross loans and advances to customers (1)	51,270	53,151	55,294	-3.5%	-6.6%	-7.3%
Performing gross loans and advances to customers (1)	49,533	51,231	53,343	-3.3%	-6.5%	-7.1%
On-balance sheet customers funds (1)	87,536	88,662	89,780	-1.3%	-2.8%	-2.5%
Off-balance sheet customer funds and insurance	20,759	21,004	20,119	-1.2%	2.5%	3.2%
Shareholders equity	6,565	6,429	6,626	2.1%	1.3%	-0.9%
Total equity	6,539	6,480	6,496	0.9%	1.0%	0.7%
(1) Excluding valuation adjustments and intercompanies						
RESULTS (cumulative figures)						
Net interest income	973	616	776			25.4%
Gross income	1,333	831	1,259			5.9%
Pre-provision profit	692	402	605			14.4%
Consolidated net income	285	148	272			4.9%
Cost to income (2)	45.9%	47.9%	51.9%	-2.0 pp	-7.8 pp	-6.0 pp
Return On Tangible net Equity (ROTE) (2)	5.7%	5.2%	3.9%	0.5 pp	1.3 pp	1.8 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.						
RISK MANAGEMENT						
Non performing loans (NPL) (a)	1,737	1,921	1,951	-9.6%	-10.4%	-11.0%
Foreclosed assets (b)	1,597	1,698	1,887	-5.9%	-12.9%	-15.3%
Non performing assets -NPA- (a+b)	3,334	3,619	3,838	-7.9%	-11.6%	-13.1%
NPL ratio	3.4%	3.6%	3.5%	-0.2 pp	-0.1 pp	-0.1 pp
NPL coverage	65.8%	65.8%	64.7%	-0.1 pp	-0.8 pp	1.0 pp
Foreclosed assets coverage	66.6%	64.9%	63.4%	1.7 pp	2.5 pp	3.2 pp
Non performing assets (NPA) coverage	66.2%	65.4%	64.1%	0.8 pp	0.8 pp	2.1 pp
Cost of risk	0.30%	0.30%	0.29%	0.0 pp	-0.3 pp	0.0 pp
LIQUIDITY						
Loan to deposit ratio	76.8%	78.6%	79.4%	-1.8 pp	-1.8 pp	-2.6 pp
LCR	259%	284%	272%	-25.0 pp	-25.3 pp	-13.0 pp
NSFR	147%	143%	142%	4.0 pp	4.5 pp	5.0 pp
SOLVENCY						
CET1 ratio *phased in*	14.5%	14.1%	13.6%	0.4 pp	0.8 pp	0.9 pp
CET1 *ratio fully loaded*	14.2%	13.8%	13.0%	0.4 pp	1.2 pp	1.2 pp
Total capital ratio *phased in*	18.2%	17.8%	17.0%	0.5 pp	1.2 pp	1.2 pp
Total capital ratio *fully loaded*	17.9%	17.4%	16.4%	0.5 pp	1.5 pp	1.5 pp
Risk weighted assets (RWA) *phased in*	30,984	31,916	34,240	-2.9%	-9.2%	-9.5%
Texas ratio	38.1%	40.9%	42.9%	-2.8 pp	-4.0 pp	-4.7 pp
OTHER DATA						
Employees (average number)	7,607	7,692	8,063	-1.1%	-3.1%	-5.7%
Branches in Spain	958	958	966	0.0%	-1.0%	-0.8%
ATMs	2,407	2,450	2,482	-1.8%	-2.5%	-3.0%

QoQ (variation 3Q23 vs 2Q23) - Ytd (variation 3Q23 vs 4Q22) YoY (variation 3Q23 vs 3Q22)

Prior period results have been restated due to the entry into force of IFRS 17.

3. Macroeconomic environment

The **world economy** has experienced some deceleration in recent months, within a high inflation rates context, tightened financial conditions, and geopolitical tension, which has been worsened by the conflict in the Middle East.

The latest OECD projections (as of September 2023) point to global GDP growing by 3.0% this year and 2.7% in 2024. Inflation is also projected to decline gradually, remaining above the central banks' target level in most economies.

Economic activity in the **Eurozone** has shown reduced growth in the first part of the year and the weakness is expected to intensify in the third quarter. Accordingly, the European Central Bank (ECB) has revised downwards its GDP growth estimates to 0.7% for 2023, 1% for 2024 and 1.5% for 2025. As for inflation, although it remains on a downward path, standing at 4.3% in September (4.5% for core inflation), forecasts indicate that it will remain high for some time, not reaching the monetary policy target of 2% until 2025.

Continued high inflation, has prompted the ECB to keep tightening monetary policy. At its last meeting, held on 14 September, it raised interest rates by 25 bps, taking the intervention rate to 4.50% and the marginal lending and deposit facility rates to 4.75% and 4.00%, respectively. It also confirmed that it will keep policy rates on hold for as long as necessary.

In this context, interest rates have rebounded upwards and in September the 12-month Euribor already exceeded the 4% barrier, accumulating an increase of more than 450 bps since December 2021.

Spanish economic situation

The **Spanish economy** has shown greater resilience than that of other Eurozone countries, although in the third quarter it has shown signs of slowing down. The driving forces behind this growth during the first half of the year are consumption and gross capital formation, on the demand side, given that the contribution of external demand is negative. On the supply side, the contribution of services, especially tourism, stands out. Industry and the primary sector, on the other hand, experienced setbacks.

The number of employed persons increased by 209,200 in the third quarter of 2023 (1.0% compared to the previous quarter) and stands at 21,265,900, the highest figure in the historical series.

Inflation rebounded in September to 3.5% (2.6% in August), due to higher oil prices and certain foodstuffs such as olive oil, fruit and vegetables, as a result of the drought. Core inflation moderated marginally in September, as in the previous month, showing rates of 5.8%.

The Bank of Spain estimates GDP growth for the third quarter of 0.3% (vs. 0.4% and 0.5% in the first two quarters of the year), and annual growth of 2.3% in 2023, 1.8% in 2024 and 2% in 2025. These estimates are supported by the resilience of the labour market, the recovery in confidence, the expected intensification of the roll-out of the Next Generation EU Programme, as well as the easing of inflationary pressures. Inflation is estimated to stand at 3.6% in the average year, rising to 4.3% in 2024, due to higher energy prices, and falling to 1.8% in 2025.

Main indicators show a slowdown in the Spanish real estate market. In the first 8 months of the year, sales transactions declined by 6.5%, compared to the same period of the previous year, while prices are rising at a more moderated pace than in previous quarters (3.6% year-on-year in the first half of the year).

Financial Sector

Rising interest rates are allowing bank margins to recover despite lower activity levels.

Lending is down 3.2% year-on-year in August and private sector deposits are down 2.1%.

Credit quality continued to improve further to a 3.5% NPL ratio within the sector as of June 2023, with high coverage levels (63% as of June 2023).

The sectoral Return on assets (RoA) has improved and return on equity (RoE) stood above the cost of capital (according to Bank of Spain estimates).

CET1 ratio remained unchanged in the first quarter of 2023 and is clearly above requirements, providing a significant aggregate loss buffer capacity.

The sector is making progress in the development of the *Strategic Protocol to Strengthen the Social and Sustainable Commitment of Banking*, and in the *Roadmap to Strengthen Financial Inclusion in Rural Areas*, as well as in the development of a banking model that combines face-to face and digital attention.

4. Balance sheet

TABLE 2 *(Million euros)*	**30/09/23**	**30/06/23**	**30/09/22**	**QoQ**	**Ytd**	**YoY**
Cash and cash balances at central banks	6,846	6,879	16,245	-0.5%	46.8%	-57.9%
Assets held for trading & Fin. assets at fair value thr. P&L	204	203	190	0.5%	-1.6%	7.8%
Fin. assets at fair value through o/ comprehensive income	1,453	1,169	1,098	24.3%	44.2%	32.3%
Financial assets at amortised cost	51,797	53,750	56,722	-3.6%	-6.4%	-8.7%
Loans and advances to central banks and credit instit.	880	1,065	1,030	-17.4%	-11.1%	-14.5%
Loans and advances to customers	50,917	52,685	55,693	-3.4%	-6.3%	-8.6%
Debt securities at amortised cost	24,824	25,354	27,295	-2.1%	-7.6%	-9.1%
Hedging derivatives	1,990	1,533	2,201	29.8%	9.8%	-9.6%
Investment in joint ventures and associates	930	986	950	-5.6%	-5.3%	-2.1%
Tangible assets	1,871	1,925	2,125	-2.8%	-6.3%	-12.0%
Intangible assets	85	80	76	6.2%	13.4%	11.5%
Tax assets	4,699	4,705	5,111	-0.1%	-7.4%	-8.1%
Non current assets held for sale & Other assets	546	674	943	-19.0%	-44.5%	-42.1%
TOTAL ASSETS	**95,245**	**97,259**	**112,956**	**-2.1%**	**-3.8%**	**-15.7%**
Financial liabilities held for trading & at fair value thr. P&L	53	50	50	5.4%	-0.6%	6.6%
Financial liabilities at amortised cost	85,132	87,109	102,668	-2.3%	-4.3%	-17.1%
Deposits from central banks	944	936	10,238	0.9%	-82.3%	-90.8%
Deposits from credit institutions	4,124	4,541	9,069	-9.2%	20.7%	-54.5%
Customer deposits	73,299	74,095	77,843	-1.1%	-1.5%	-5.8%
Other Issued Securities	4,181	3,854	2,872	8.5%	25.6%	45.6%
Other financial liabilities	2,583	3,684	2,646	-29.9%	4.3%	-2.4%
Hedging derivatives	1,063	1,115	996	-4.6%	-1.7%	6.7%
Provisions	1,010	1,023	1,204	-1.2%	-6.9%	-16.1%
Tax liabilities	453	460	436	-1.4%	24.3%	3.9%
Other liabilities	994	1,022	1,105	-2.8%	0.1%	-10.1%
TOTAL LIABILITIES	**88,705**	**90,779**	**106,460**	**-2.3%**	**-4.1%**	**-16.7%**
Own Funds	6,565	6,429	6,626	2.1%	1.3%	-0.9%
Accumulated other comprehensive income	-29	49	-131			
Minority Interests	2	3	0			
Total Equity	**6,539**	**6,480**	**6,496**	**0.9%**	**1.0%**	**0.7%**
Total Liabilities and Equity	**95,245**	**97,259**	**112,956**	**-2.1%**	**-3.8%**	**-15.7%**

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 decline by 2.1% down to €95,245 million.

Loans and advances to customers decreased by 3.4% in the quarter, affected by the redemption of the double pension payment of June. The higher cost of credit, caused by rising interest rates since the second quarter of 2022, has limited the demand, leading to early repayments.

The securities portfolio is mainly composed of government bonds, classified in the amortized cost portfolio (*debt securities at amortized cost*). Its size decreases by 2.1% in the quarter, the yield stands at 2.58% and has a duration of 2.4 years.

Hedging derivatives mainly record interest rate risk coverages of assets at amortized cost.

Non-current assets held for sale and Other assets declines by 19% during the third quarter, and mainly includes property assets.

Customer deposits decreases by 1.1% in the quarter, and by 1.5% through the year, mostly in public sector deposits with high balances.

5. Customer Funds

TABLE 3 (*Million €) Exc. valuation adjustments*	**30/09/23**	**30/06/23**	**30/09/22**	**QoQ**	**Ytd**	**YoY**
On-balance sheet customer funds	**77,652**	**78,188**	**80,987**	**-0.7%**	**-0.4%**	**-4.1%**
Customer funds (excluding bonds)	**68,759**	**69,594**	**73,016**	**-1.2%**	**-1.5%**	**-5.8%**
Public Sector	**5,646**	**5,572**	**6,693**	**1.3%**	**-18.0%**	**-15.6%**
Private sector	**63,113**	**64,021**	**66,323**	**-1.4%**	**0.3%**	**-4.8%**
Sight deposits	52,432	54,141	57,652	-3.2%	-8.1%	-9.1%
Term deposits	8,668	7,915	5,257	9.5%	47.6%	64.9%
Repos	2,012	1,965	3,414	2.4%		-41.1%
Issues	**8,894**	**8,594**	**7,971**	**3.5%**	**9.8%**	**11.6%**
Mortgages securities	5,839	5,839	6,212	0.0%	0.0%	-6.0%
Other values	2,455	2,156	1,159	13.9%	48.0%	111.8%
Subordinated liabilities	599	599	599	0.0%	0.0%	0.0%
Off-balance sheet cust. funds & insurance	**20,759**	**21,004**	**20,119**	**-1.2%**	**2.5%**	**3.2%**
Mutual funds *	11,227	11,360	11,205	-1.2%	-0.2%	0.2%
Pension funds	3,677	3,719	3,652	-1.1%	-0.1%	0.7%
Insurance savings	4,683	4,742	4,270	-1.2%	9.7%	9.7%
Other managed assets	1,172	1,184	991	-1.0%	11.6%	18.2%
TOTAL CUSTOMER FUNDS	**98,411**	**99,192**	**101,106**	**-0.8%**	**0.2%**	**-2.7%**
Retail customers funds	**87,536**	**88,662**	**89,780**	**-1.3%**	**-2.8%**	**-2.5%**
Wholesale funds (Markets)	**10,875**	**10,530**	**11,326**	**3.3%**	**34.3%**	**-4.0%**

(*) Includes mutual funds discretional portfolios

The volume of retail customer funds amounts to €87,536 million, declining by -1.3% in the last three months and by -2.8% through the year.

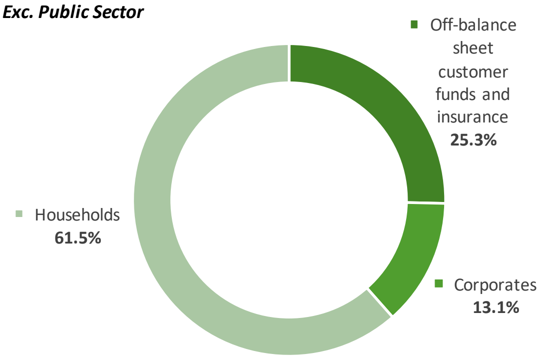
The third quarter of the year is seasonally negative for savings, due to the double pension payment in June, and to the spike in household spendings during the summer. In addition to these seasonal factors, other drivers are also contributing to the reduction in savings accumulated in the pandemic period, such as the rise in prices and the increase in interest rates, which encourages early repayment of loans.

The most demanded savings products in the year were term deposits, savings insurance and Letras del Tesoro (Treasury bills), which are not included in the aggregate of retail customer funds. Term deposits increase by 9.5% in the last quarter and by 47.6% through the year. Insurance savings grew by 9.7% in the year, supported by the marketing of a unit-linked product aimed at customers with a conservative investment profile.

Purchases of Treasury bills amount to €1,125 million year to date and accounted for 1.3 pps of the year-on-year decline in funds.

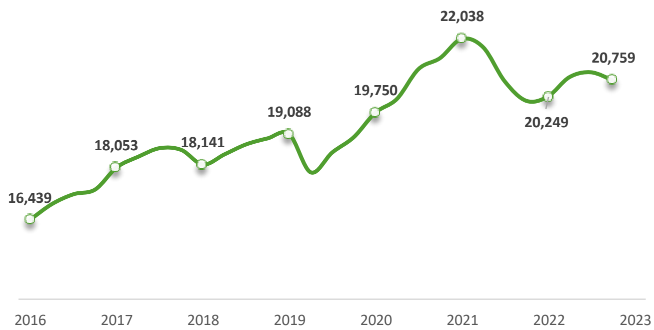
Retail Funds sector and product breakdown

Exc. Public Sector



Off-balance sheet funds evolution

In € million



The Bank has a competitive advantage in having a very granular and stable deposit base, which allows it to contain the cost of retail funding (beta of 8.7%), as of the impact of remunerating the more price-sensitive high-ticket items has a relatively small weight in the cost of the Bank's deposits.

In September, €300 million of five-year Senior non-preferred green bonds were issued at midswap +325 bps (25bps below the reference price), covering the MREL needs of January 2024, with an oversubscription of close to 4.5 times the issue, resulting in a very granular and geographically diversified book.

6. Performing loans

TABLE 4 *(Million €) Exc. valuation adjustments*	30/09/23	30/06/23	30/09/22	QoQ	Ytd	YoY
Public sector	**4,966**	**5,072**	**5,983**	**-2.1%**	**-13.9%**	**-17.0%**
Private sector	**44,567**	**46,159**	**47,359**	**-3.4%**	**-5.6%**	**-5.9%**
Business	**11,048**	**11,424**	**12,966**	**-3.3%**	**-13.0%**	**-14.8%**
Real Estate developers	519	544	731	-4.8%	-21.7%	-29.0%
SMEs and self-employed	5,218	5,413	6,457	-3.6%	-16.3%	-19.2%
Other corporates	5,311	5,467	5,778	-2.8%	-8.4%	-8.1%
Individuals	**33,519**	**34,735**	**34,393**	**-3.5%**	**-2.8%**	**-2.5%**
Mortgages	30,641	31,068	31,574	-1.4%	-3.1%	-3.0%
Consumer and other	2,878	3,667	2,819	-21.5%	0.1%	2.1%
PERFORMING LOANS TO CUSTOMERS	**49,533**	**51,231**	**53,343**	**-3.3%**	**-6.5%**	**-7.1%**

The performing loans portfolio amounted to €49,533 million, after declining by 3.3% in the third quarter and by 6.5% in the year.

Beyond the seasonal decline in the third quarter due to the repayment of the double pension advance in June, 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.

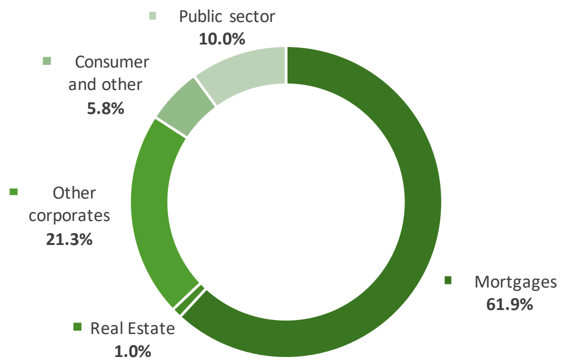
€5,179 million of new loans and credits have been granted throughout 2023, 33% less than during the previous year. This figure includes €1.866 million in retail mortgages.

The market share of new mortgages stands at 7.4% of the national total (source: General Council of Notaries. Data as of August 2023, accumulated over the last 12 months).

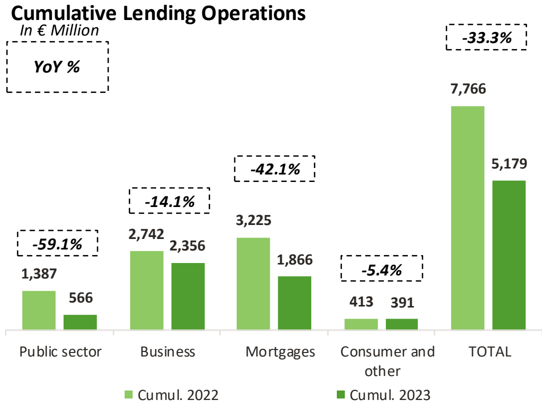
Mortgage portfolio declines by 1.4% QoQ, and by 3.1% YoY. The pace of early repayments and amortizations has accelerated in the last quarters, reaching rates of 10% a year in the variable rate portfolio.

The corporates lending portfolio has decreased by 3.3% in the quarter and by 13.0% through the year, related to a weak demand within the SMEs and developer segments, and to significant repayments of ICO guaranteed loans in the "Other corporates" segment.

Gross performing loans sector breakdown



Cumulative Lending Operations



7. NPL & foreclosed assets

TABLE 5 *(Million euros)*	30/09/23	30/06/23	30/09/22	QoQ	Ytd	YoY
NON PERFORMING LOANS	**1,737**	**1,921**	**1,951**	**-9.6%**	**-10.4%**	**-11.0%**
Public sector	**14**	**14**	**13**	**1.1%**	**0.2%**	**2.1%**
Private sector	**1,723**	**1,907**	**1,938**	**-9.6%**	**-10.4%**	**-11.1%**
Business	**822**	**857**	**904**	**-4.1%**	**-8.5%**	**-9.1%**
Real Estate	134	125	144	7.4%	-5.3%	-6.7%
SMEs and self-employed	545	596	621	-8.5%	-11.1%	-12.3%
Other corporates	143	136	139	5.0%	-0.7%	3.0%
Individuals	**901**	**1,050**	**1,034**	**-14.2%**	**-12.1%**	**-12.8%**
Mortgages	855	1,002	986	-14.7%	-12.9%	-13.3%
Consumer and other	46	48	48	-3.6%	4.6%	-3.2%
TOTAL NPL RATIO	**3.4%**	**3.6%**	**3.5%**	**-0.2 pp**	**-0.1 pp**	**-0.1 pp**
Public sector	**0.3%**	**0.3%**	**0.2%**	**0.0 pp**	**0.0 pp**	**0.1 pp**
Private sector	**3.7%**	**4.0%**	**3.9%**	**-0.2 pp**	**-0.2 pp**	**-0.2 pp**
Business	**6.9%**	**7.0%**	**6.5%**	-0.1 pp	0.3 pp	0.4 pp
Real Estate	20.6%	18.7%	16.5%	1.9 pp	2.9 pp	4.1 pp
SMEs and self-employed	9.5%	9.9%	8.8%	-0.5 pp	0.5 pp	0.7 pp
Other corporates	2.6%	2.4%	2.3%	0.2 pp	0.2 pp	0.3 pp
Individuals	**2.6%**	**2.9%**	**2.9%**	**-0.3 pp**	**-0.3 pp**	**-0.3 pp**
Mortgages	2.7%	3.1%	3.0%	-0.4 pp	-0.3 pp	-0.3 pp
Consumer and other	1.6%	1.3%	1.7%	0.3 pp	0.1 pp	-0.1 pp

Non-performing loans decreased by €184 million in the quarter and by €214 million in last twelve months, down to €1,737 million, with no signs of deterioration in credit quality.

The volume of NPL entries during the year is 23% lower than in the previous year, and almost 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 mortgage NPL ratio stood 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.

In July, a €194 million NPLs and write-offs portfolio was sold, generating a result of €-1.6 million.

The NPL ratio declines by 23 bps in the quarter down to 3.39%, while coverage ratio remain stable at 66%.

TABLE 6 *(Million euros)*	30/09/23	30/06/23	30/09/22	QoQ	Ytd	YoY
Credit	**51,270**	**53,151**	**55,294**	**-3.5%**	**-6.6%**	**-7.3%**
Stage 1	46,133	47,756	49,937	-3.4%	-6.4%	-7.6%
Stage 2	3,400	3,474	3,405	-2.1%	-7.4%	-0.1%
Stage 3	1,737	1,921	1,951	-9.6%	-10.4%	-11.0%
Provisions	**1,142**	**1,264**	**1,263**	**-9.6%**	**-11.4%**	**-9.5%**
Stage 1	190	191	150	-0.5%	-12.5%	27.3%
Stage 2	211	216	236	-2.1%	-1.3%	-10.3%
Stage 3	740	857	877	-13.6%	-13.7%	-15.6%
Coverage	**65.8%**	**65.8%**	**64.7%**	**-0.1 pp**	**-0.8 pp**	**1.0 pp**
Stage 1	0.4%	0.4%	0.3%	0.0 pp	0.0 pp	0.1 pp
Stage 2	6.2%	6.2%	6.9%	0.0 pp	0.4 pp	-0.7 pp
Stage 3	42.6%	44.6%	45.0%	-2.0 pp	-1.6 pp	-2.3 pp

TABLE 7 (*Million euros*)	**30/09/23**	**30/06/23**	**30/09/22**	**QoQ**	**Ytd**	**YoY**
TOTAL FORECLOSED ASSETS - GROSS BALANCE	**1,597**	**1,698**	**1,887**	**-5.9%**	**-12.9%**	**-15.3%**
Buildings under construction	257	258	261	-0.3%	2.3%	-1.4%
Residential	377	445	551	-15.3%	-24.3%	-31.7%
Land	789	802	911	-1.6%	-9.1%	-13.4%
Commercial RE	175	193	164	-9.6%	-19.2%	6.6%
TOTAL FORECLOSED ASSETS - PROVISIONS	**1,063**	**1,102**	**1,197**	**-3.5%**	**-9.5%**	**-11.1%**
Buildings under construction	174	174	168	-0.3%	-0.9%	3.4%
Residential	219	254	307	-13.7%	-22.7%	-28.8%
Land	575	565	641	1.7%	-4.1%	-10.4%
Commercial RE	96	109	80	-11.8%	-18.1%	20.1%
TOTAL FORECLOSED ASSETS - COVERAGE (%)	**66.6%**	**64.9%**	**63.4%**	**1.7 pp**	**2.5 pp**	**3.2 pp**
Buildings under construction	67.6%	67.6%	64.5%	0.0 pp	-2.2 pp	3.2 pp
Residential	58.1%	57.0%	55.7%	1.1 pp	1.3 pp	2.4 pp
Land	72.9%	70.4%	70.4%	2.4 pp	3.8 pp	2.5 pp
Commercial RE	54.9%	56.2%	48.7%	-1.3 pp	0.7 pp	6.2 pp

Net balance of foreclosed assets decreases to €534 million, 0.56% of the Group's total assets.

Foreclosed assets sales amounted to €315 million year to date, recording positive results. These sales include a small wholesale portfolio of €54 million. 46% of the total sales in the year are housing, 30% land and 24% tertiary sector assets and work-in-progress assets.

Foreclosed assets gross value declined by 5.9% during the quarter and by 15.3% in the last twelve months. The coverage level stands at 66.6%, after increasing by 1.7 pps during the last quarter.

Additionally, €113 million of gross assets classified as investment property were sold in the year, also with positive results.

NPAs declined by €284 million in the quarter (-7.9%), and by €504 million in the last twelve months (-13.1%) and their coverage level increased to 66.2% (2.1 pps higher than a year ago).

TABLE 8 (*Million euros*)	**30/09/23**	**30/06/23**	**30/09/22**	**QoQ**	**Ytd**	**YoY**
Non performing assets (NPA)- GROSS BALANCE	**3,334**	**3,619**	**3,838**	**-7.9%**	**-11.6%**	**-13.1%**
NPL	1,737	1,921	1,951	-9.6%	-10.4%	-11.0%
Foreclosed Assets	1,597	1,698	1,887	-5.9%	-12.9%	-15.3%
NPAs Ratio	**6.3%**	**6.6%**	**6.7%**	**-0.3 pp**	**-0.3 pp**	**-0.4 pp**
Non performing assets (NPA)- PROVISIONS	**2,206**	**2,366**	**2,459**	**-6.8%**	**-10.5%**	**-10.3%**
NPL	1,142	1,264	1,263	-9.6%	-11.4%	-9.5%
Foreclosed Assets	1,063	1,102	1,197	-3.5%	-9.5%	-11.1%
Non performing assets (NPA)- COVERAGE (%)	**66.2%**	**65.4%**	**64.1%**	**0.8 pp**	**0.8 pp**	**2.1 pp**
NPL	65.8%	65.8%	64.7%	-0.1 pp	-0.8 pp	1.0 pp
Foreclosed Assets	66.6%	64.9%	63.4%	1.7 pp	2.5 pp	3.2 pp

8. Results

TABLE 9 *(Million euros)*	**30/09/23**	**30/09/22**	**YoY**	**YoY%**	**YoY%***
Interest income	1,681	893	788	88.3%	
Interest expense	-708	-117	-591		
NET INTEREST INCOME	**973**	**776**	**197**	**25.4%**	**25.4%**
Dividend income	25	16	9	54.4%	
Share of results of entities accounted for using the equity method	63	57	6	9.7%	
Net fee income	401	394	6	1.6%	
Trading income and exchange differences	15	35	-20	-55.8%	
Other operating income/expenses	-143	-20	-123		
GROSS INCOME	**1,333**	**1,259**	**75**	**5.9%**	**11.0%**
Administrative costs	-573	-586	13	-2.2%	
Staff costs	-364	-383	19	-4.9%	
Other administrative costs	-209	-203	-6	2.8%	
Depreciation and amortization	-69	-68	-1	1.0%	
PRE-PROVISION PROFIT	**692**	**605**	**87**	**14.4%**	**24.9%**
Provisions /reversal of provisions	-88	-84	-4	4.7%	
Impairments / reversal of impairments of financial assets	-112	-129	16	-12.8%	
NET OPERATING INCOME	**492**	**393**	**100**	**25.4%**	**41.6%**
Other profits or losses	-79	-21	-58		
PROFIT BEFORE TAX	**413**	**371**	**42**	**11.2%**	**28.4%**
Taxes	-128	-99	-28	28.5%	
CONSOLIDATED NET INCOME	**285**	**272**	**13**	**4.9%**	**28.4%**
ATTRIBUTABLE NET INCOME	**285**	**272**	**13**	**4.9%**	**28.4%**

* 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

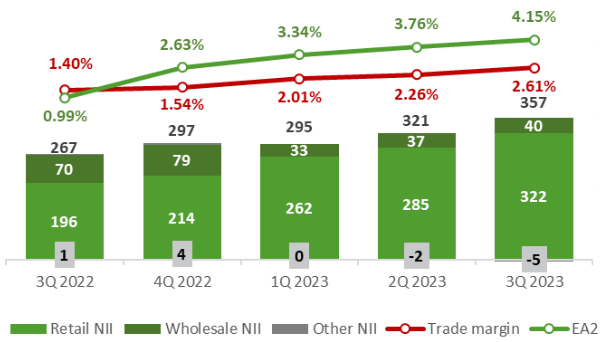
(Quarters prior to June 2023 restated following the first application of the IFRS 17)

TABLE 10 *(Million euros)*	**3Q 23**	**2Q 23**	**1Q 23**	**4Q 22**	**3Q 22**
Interest income	614	585	482	382	307
Interest expense	-256	-264	-187	-85	-40
NET INTEREST INCOME	**357**	**321**	**295**	**297**	**267**
Dividend income	6	18	0	3	3
Share of results of entities accounted using equity method	15	34	14	23	15
Net fee income	132	134	135	131	131
Trading income and exchange differences	7	0	9	17	8
Other operating income/expenses	-14	-49	-79	-124	3
GROSS INCOME	**503**	**458**	**373**	**347**	**426**
Administrative costs	-189	-193	-190	-186	-196
Staff costs	-120	-124	-120	-123	-125
Other administrative costs	-69	-69	-71	-62	-70
Depreciation and amortization	-24	-23	-22	-22	-22
PRE-PROVISION PROFIT	**290**	**242**	**160**	**139**	**209**
Provisions /reversal of provisions	-25	-30	-33	-10	-32
Impairments / reversal of impairments of financial assets	-37	-40	-35	-85	-40
NET OPERATING INCOME	**228**	**171**	**93**	**43**	**137**
Other profits or losses	-38	-21	-20	-32	2
PROFIT BEFORE TAX	**190**	**150**	**73**	**12**	**138**
Taxes	-53	-36	-38	-6	-37
CONSOLIDATED NET INCOME	**137**	**114**	**34**	**6**	**102**
ATTRIBUTABLE NET INCOME	**137**	**114**	**34**	**6**	**102**

Net interest income in the quarter amounts to €357 million, increasing by 11.5% in the third quarter and by 25.4% YoY.

The growth in NII relays on retail business, which contribution increases by €38 million compared to the previous quarter.

Customer spread stands at 2.61%, growing by 36 bps during the third 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 is 3.15%, still far from the current level of 12-month Euribor, which is around 4.15%. Considering the rate review periods of the mortgage portfolio, it is estimated that it will take almost a year to absorb 100% of the current rise in Euribor



The granularity of the Bank's deposits, and the high weight of those from individual customers (75% of the total), are a strength for the Bank and an advantage versus peers, as they have enabled it to contain financing costs, which amounted to 47 bps on average in the third quarter.

Wholesale business contributes with €3 million more than the previous quarter, related to the fixed income portfolio.

Million euros / %	3Q 2023			2Q 2023			1Q 2023			4Q 2022			3Q 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	5,813	48.1	3.28	10,212	77.9	3.06	8,721	48.5	2.26	12,020	35.9	1.19	16,938	2.1	0.05
F.I. Fixed income portfolio	25,661	162.1	2.51	26,347	154.5	2.35	27,050	142.1	2.13	27,552	128.2	1.85	27,159	101.6	1.48
F.I. Net loans (including NPLs) (1)	**51,667**	**402.2**	**3.09**	**53,002**	**347.1**	**2.63**	**54,002**	**288.7**	**2.17**	**55,479**	**223.3**	**1.60**	**55,432**	**198.1**	**1.42**
F.I. Other assets		1.2			4.5			2.4			3.9			3.8	
TOTAL ASSETS	**96,252**	**613.7**		**101,196**	**584.0**		**102,060**	**481.7**		**105,971**	**391.4**		**113,881**	**305.6**	
C.F. Financ. Intermediaries, Repos	6,552	67.3	4.07	12,209	104.9	3.45	12,759	85.1	2.70	17,475	34.0	0.77	21,563	2.1	0.04
C.F. Issuances (inc. singular bonds)	8,598	92.6	4.27	8,130	80.9	3.99	7,869	64.1	3.31	7,707	45.0	2.32	7,642	26.3	1.37
C.F. Customer deposits (2)	**66,729**	**79.8**	**0.47**	**67,336**	**62.3**	**0.37**	**67,776**	**26.5**	**0.16**	**69,150**	**9.4**	**0.05**	**69,778**	**2.4**	**0.01**
Sight deposits (PS)	52,944	22.2	0.17	54,278	20.2	0.15	55,838	9.8	0.07	57,158	5.4	0.04	57,475	1.7	0.01
Term deposits (PS)	8,212	30.2	1.46	7,420	19.5	1.06	6,074	7.0	0.47	5,303	1.6	0.12	5,218	0.6	0.05
C.F. Subordinated liabilities	599	10.4	6.91	599	9.2	6.16	599	8.2	5.56	599	6.0	3.95	599	4.9	3.22
C.F. Other liabilities		6.3			6.0			2.7			-0.2			2.9	
TOTAL LIABILITIES & NET EQUITY	**96,252**	**256.3**		**101,196**	**263.4**		**102,060**	**186.6**		**105,971**	**94.2**		**113,881**	**38.7**	
CUSTOMER SPREAD (1-2)			**2.61**			**2.26**			**2.01**			**1.54**			**1.40**
NET INTEREST INCOME		**357.4**			**320.6**			**295.1**			**297.2**			**267.0**	

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

TABLE 12 (*Million euros*)	3Q 2023	2Q 2023	1Q 2023	4Q 2022	3Q 2022	QoQ	9M23 vs 9M22
FEE INCOME	**147**	**145**	**146**	**141**	**145**	**1.5%**	**1.2%**
From payments and collections	75	75	73	74	78	-0.1%	-0.5%
From insurance	24	25	25	23	22	-5.6%	-1.7%
From mutual funds	33	31	33	34	34	6.6%	2.0%
From pension plans	3	2	3	3	3	12.2%	-11.3%
Other fees	12	11	12	8	8	12.9%	22.8%
FEE EXPENSES	**15**	**11**	**11**	**10**	**15**	**45.6%**	**-3.8%**
NET FEE INCOME	**132**	**134**	**135**	**131**	**131**	**-1.9%**	**1.6%**

Fees increased by 1.6% year on year, driven by recurrent fees from insurance, which contributed €74 million, and mutual funds, which contributed €97 million.

Profit from associates amounted to €87 million in 2023, including dividends and results of associate entities, mainly from insurance companies.

Trading income and exchange differences reached €15 million in 2023, including the active management of liquidity and the fixed income portfolio.

Other operating income and expenses records the €44 million contribution to the SRF (Single Resolution Fund), €64 million of the temporary tax on banking, as well as the results from subsidiaries and other contributions.

Administrative expenses showed a year on year decrease of 2.2%. Personnel expenses fell by 4.9% year on year, after the synergies resulting from the 100% implementation of the planned branches closures, and 94.8% of the workforce adjustments.

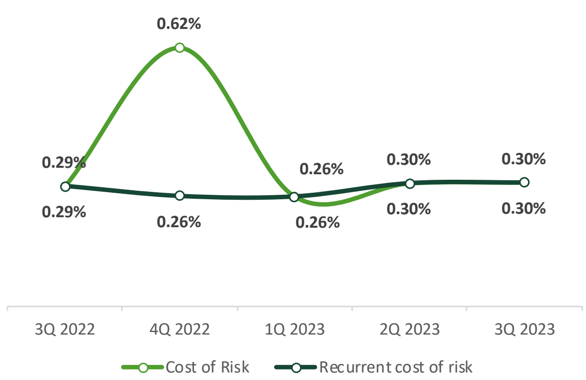
The efficiency ratio increased by 6 pps in the last twelve months, reaching 45.9% (excluding the impact of the temporary banking tax).

Provisions /reversal of provisions amounted to €88 million year to date, to cover risks related to guarantees and litigation issues.

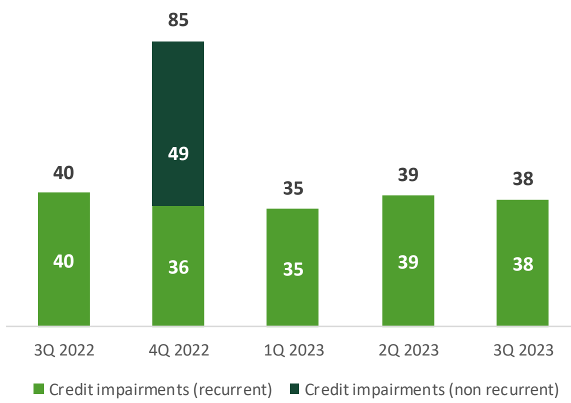
Impairments of financial assets totalled €112 million, mainly credit impairments, resulting in an annualized quarterly cost of risk of 30 bps.

Other profits or losses, included mostly impairments on investees and properties.

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 2.6 pps to 76.8%.

The LCR (Liquidity Coverage Ratio), which indicates the level of short-term liquidity, stands at 259%.

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 147%.

At the end of the third quarter of 2023, Unicaja Banco recorded a position of liquid and discountable assets at the European Central Bank, net of assets used, of €26,905 million, which represents 28.2% of the total balance sheet.

10. Solvency

TABLE 13 *(Million € and %)*	**30/09/2023**	**30/06/2023**	**30/09/2022**	**QoQ**	**Ytd**	**YoY**
Qualifying capital (PHASED-IN)	**5,648**	**5,667**	**5,838**	**-0.3%**	**-2.9%**	**-3.2%**
CET1 capital (BIS III)	4,489	4,501	4,669	-0.3%	-3.7%	-3.9%
Tier 1	547	547	547	0.0%	0.0%	0.0%
Tier 2	612	618	621	-1.0%	0.1%	-1.4%
Risk weighted assets	**30,984**	**31,916**	**34,240**	**-2.9%**	**-9.2%**	**-9.5%**
CET1 capital (BIS III) (%)	**14.5%**	**14.1%**	**13.6%**	**0.4 pp**	**0.8 pp**	**0.9 pp**
Tier 1	1.8%	1.7%	1.6%	0.1 pp	0.2 pp	0.2 pp
Tier 2	2.0%	1.9%	1.8%	0.0 pp	0.2 pp	0.2 pp
Total capital ratio (%)	**18.2%**	**17.8%**	**17.0%**	**0.5 pp**	**1.2 pp**	**1.2 pp**

Million € and %	**30/09/2023**	**30/06/2023**	**30/09/2022**	**QoQ**	**Ytd**	**YoY**
Qualify capital FULLY LOADED	**5,541**	**5,556**	**5,600**	**-0.3%**	**-0.5%**	**-1.0%**
CET1 capital (BIS III)	4,380	4,389	4,431	-0.2%	-0.7%	-1.2%
Tier 1	547	547	547	0.0%	0.0%	0.0%
Tier 2	614	620	621	-0.9%	0.4%	-1.2%
Risk weighted assets	**30,914**	**31,846**	**34,098**	**-2.9%**	**-9.0%**	**-9.3%**
CET1 capital (BIS III) (%)	**14.2%**	**13.8%**	**13.0%**	**0.4 pp**	**1.2 pp**	**1.2 pp**
Tier 1	1.8%	1.7%	1.6%	0.1 pp	0.2 pp	0.2 pp
Tier 2	2.0%	1.9%	1.8%	0.0 pp	0.2 pp	0.2 pp
Total capital ratio (%)	**17.9%**	**17.4%**	**16.4%**	**0.5 pp**	**1.5 pp**	**1.5 pp**

As of September 30, under phased-in, the Unicaja Banco Group had a CET 1 Common Equity Tier 1 of 14.5%, a Tier 1 Capital ratio of 16.3% and a Total Capital ratio of 18.2%. These ratios represent a buffer over the bank's required levels of 6.2 pps in CET 1 and 5.5 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 14.2%, Tier 1 Capital ratio 15.9% and Total Capital ratio 17.9%.

The CET1 fully loaded ratio increases by +38 bps in the quarter, driven by the reduction of risk weighted assets related with the foreclosed assets sales, lower equity exposure and deleveraging mainly in the corporate segment.

The tangible book value per share (TBV per share) reached €2.21 as of September 30, 2023, after increasing by 2.3% in the last quarter.

Finally, the Texas ratio stays at 38.1%, after decreasing by 4.7 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 September 30 at €1.02 per share, representing a +10.0% appreciation during the last 12 months.

12. Rating

Fitch. On June 14, 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

The 2022-2024 Digital Plan is being implemented as planned.

The measures taken are contributing to the growth in active digital customers, reaching 64% of the total number of active customers by September 2023. Among the actions carried out, the construction of the Remote Sales platform specialised by product lines is a significant milestone in the capacities available for the digital marketing strategy.

At the end of the third quarter, 31% of the new customers were recruited through the digital channel. The contribution of digital channels to new customer loans was 49.4% of the total, 20.5% for saving accounts and 26% for subscriptions in mutual funds/delegated portfolio management.

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:

	30/09/2023	30/06/2023	30/09/2022
Total customer funds (1+2+3)	**98,411**	**99,192**	**101,106**
(1) Financial liabilities at amortized cost. Customer deposits (without valuation adjustments) (1a+1b)	73,413	74,249	78,014
(1a) Financial liabilities at amortized cost. Customer deposits	73,299	74,095	77,843
(1b) Valuation adjustments. Financial liabilities at amortized cost. Customer deposits	114	153	171
(2) Debt securities issued (w/o valuation adjustments) (2a+2b)	4,239	3,939	2,973
(2a) Debt securities issued	4,181	3,854	2,872
(2b) Valuation adjustments. Debt securities issued	58	85	101
(3) Funds managed through off-balance sheet instruments. *Management data*	20,759	21,004	20,119

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:

	30/09/2023	30/06/2023	30/09/2022
Retail customer funds (1-2-3-4+5)	**87,536**	**88,662**	**89,780**
(1) Total customer funds	98,411	99,192	101,106
(2) Covered bonds under the heading "Term deposits". Carrying amount (excluding valuation adjustments)	4,655	4,655	4,997
(3) Deposits from customers. Repos (excluding valuation adjustments)	2,012	1,965	3,414
(4) Issued debt securities (excluding valuation adjustments)	4,239	3,939	2,973
(5) Repos controlled by retail customers. *Management data*	30	29	59

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:

	30/09/2023	30/06/2023	30/09/2022
Wholesale funds (Markets) (1+2+3-4)	**10,875**	**10,530**	**11,326**
(1) Covered bonds under the heading "Term deposits". Carrying amount (excluding valuation adjustments)	4,655	4,655	4,997
(2) Deposits from customers. Repos (excluding valuation adjustments)	2,012	1,965	3,414
(3) Issued debt securities (excluding valuation adjustments)	4,239	3,939	2,973
(4) Repos controlled by retail customers. *Management measure*	30	29	59

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:

	30/09/2023	30/06/2023	30/09/2022
Repos controlled by retail customers. Management measure (1a)	**30**	**29**	**59**
(1) Deposits from customers. Repos (excluding valuation adjustments)	2,012	1,965	3,414
(1a) Repos controlled by retail customers *Management measure*	30	29	59
(1b) Rest of repos	1,982	1,936	3,356

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

Table 18:

	30/09/2023	30/06/2023	30/09/2022
Performing Gross loans w/o Repos and OFA (excluding valuation adjustments) (1-7)	**49,533**	**51,231**	**53,343**
(1) Loan portfolio and receivables. Gross amount (2a+3a-4-5-6)	51,270	53,151	55,294
(2) Financial assets held for trading with changes in profit or loss	204	203	190
(2a) of which: Loans and advances - Customers	*106*	*107*	*103*
(3) Financial assets at amortized cost	76,621	79,104	84,017
(3a) of which: Loans and advances - Customers	*50,917*	*52,685*	*55,693*
(4) Valuation adjustments (excluding other financial assets)	-704	-849	-890
(5) Reverse Repos	0	0	773
(6) Other financial assets	456	490	620
(7) Loan portfolio and receivables. Gross amount Stage 3 (excluding other financial assets)	1,737	1,921	1,951

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:

	30/09/2023	30/06/2023	30/09/2022
Loan to Deposits (LtD)	**76.8%**	**78.6%**	**79.4%**
(1) Numerator. Loans and advances to customers - excluding valuation adjustments	**51,270**	**53,151**	**55,294**
(2) Denominator. Customer deposits (non-market) - excluding valuation adjustments - (2a-2b-2c+2d)	**66,777**	**67,658**	**69,661**
(2a) Financial liabilities at amortized cost. Deposits from customers (excluding valuation adjustments)	73,413	74,249	78,014
(2b) Covered bonds under the heading “Term deposits”. Carrying amount (excluding valuation adjustments)	4,655	4,655	4,997
(2c) Deposits from customers. Repos (excluding valuation adjustments)	2,012	1,965	3,414
(2d) Repos controlled by retail customers. Management data	30	29	59

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:

	30/09/2023	30/06/2023	30/09/2022
NPL Ratio (1/2)	**3.4%**	**3.6%**	**3.5%**
(1) Loans and receivables. Gross amount Stage 3	1,737	1,921	1,951
(2) Loans and receivables. Gross amount	51,270	53,151	55,294

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:

	30/09/2023	30/06/2023	30/09/2022
NPL Coverage Ratio (1/2)	**65.8%**	**65.8%**	**64.7%**
(1) Loans and receivables. Total impairment losses on assets	1,142	1,264	1,263
(2) Loans and receivables. Gross amount Stage 3	1,737	1,921	1,951

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:

	30/09/2023	30/06/2023	30/09/2022
Foreclosed assets coverage (1/2)	**66.6%**	**64.9%**	**63.4%**
(1) Accumulated impairment losses on foreclosed real estate or properties received in payment of debts	1,063	1,102	1,197
(2) Gross carrying amount of foreclosed real estate or properties received in payment of debts	1,597	1,698	1,887

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:

	30/09/2023	30/06/2023	30/09/2022
NPA coverage ratio (1+2)/(3+4)	**66.2%**	**65.4%**	**64.1%**
(1) Loans and receivables. Total impairment losses on assets	1,142	1,264	1,263
(2) Accumulated impairment losses on foreclosed real estate or properties received in payment of debts	1,063	1,102	1,197
(3) Loans and receivables. Gross amount Stage 3	1,737	1,921	1,951
(4) Gross carrying amount of foreclosed real estate or properties received in payment of debts	1,597	1,698	1,887

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

Table 24:

	30/09/2023	30/06/2023	30/09/2022
Texas ratio (1+2)/(3+4+5)	**38.1%**	**40.9%**	**42.9%**
(1) Loans and receivables portfolio. Gross amount Stage 3	1,737	1,921	1,951
(2) Gross carrying amount of real estate foreclosed assets	1,597	1,698	1,887
(3) Loans and receivables portfolio. Total adjustments for impairment of assets	1,142	1,264	1,263
(4) Impairment of real estate foreclosed assets	1,063	1,102	1,197
(5) Total equity	6,539	6,480	6,496

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

Table 25:

	30/09/2023	30/06/2023	30/09/2022
Customer Spread (quarterly data) (1-2)	**2.61%**	**2.26%**	**1.40%**
(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*	3.09%	2.63%	1.42%
(2) Quarterly cost of customer deposits (excluding repos) over average quarterly balance of customer deposits (excluding repos). *Management Data.*	0.47%	0.37%	0.01%

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:

	30/09/2023	30/06/2023
Deposits's Beta (1/2)	**8.7%**	**7.1%**
(1) Deposit's average interest rate	0.33%	0.26%
(1a.) Financial costs of deposits during the year, annualized	224.9	177.7
(1b.) Deposit's average balance	67,276	67,555
(2) 12-month Euribor's Annual average	3.84%	3.69%

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:

	30/09/2023	30/06/2023	30/09/2022
Net fees (1-2)	**400.6**	**269.1**	**394.2**
(1) Fee and commission income	437.7	290.7	432.7
(2) Fee and commission expenses	37.0	21.6	38.5

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:

	30/09/2023	30/06/2023	30/09/2022
Core Revenues (1+2)	**1,373.7**	**884.8**	**1,170.4**
(1) Recurrent Net interest income (1a-1b-1c)	**973.0**	**615.7**	**776.2**
(1a.) Recurring interest and similar revenues	1,680.9	1,067.2	892.9
(1c.) Interest and similar charges	707.9	451.5	116.7
(2) Recurring net fees	**400.6**	**269.1**	**394.2**

Table 29:

	30/09/2023	30/06/2023	30/09/2022
Trading income +Exchange differences (1+2+3+4+5+6)	**15.5**	**8.3**	**35.0**
(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	19.4

(2) Net gain or (-) losses from financial assets and liabilities held for trading	9.1	4.7	13.7
(3) Net gain or (-) losses from non-trading financial assets mandatorily designated at fair value through profit or loss	0.2	0.1	-5.2
(4) Net gain or (-) losses from financial assets and liabilities designated at fair value through profit or loss	0.0	0.0	-4.1
(5) Net gain (-) losses from hedge accounting	-2.5	-3.3	5.2
(6) Net exchange differences, gains or (-) losses	3.9	2.0	6.0

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:

	30/09/2023	30/06/2023	30/09/2022
Other products / operating charges (1-2+3-4)	**-143.1**	**-128.7**	**-19.9**
(1) Other operating income	47.0	33.4	80.8
(2) Other operating expenses	198.4	168.7	113.0
(3) Income from assets under insurance or reinsurance contracts	8.3	6.6	12.3

Source: Consolidated public income statement.

Table 31:

	30/09/2023	30/06/2023	30/09/2022
Operating or transformation expenses (1+2)	**641.4**	**428.6**	**653.7**
(1) Administrative expenses	572.6	383.5	585.6
(2) Depreciation	68.8	45.1	68.1

Source: Consolidated public income statement.

Table 32:

	30/09/2023	30/06/2023	30/09/2022
Efficiency ratio (1+2)/3	**45.9%**	**47.9%**	**51.9%**
(1) Administrative expenses	572.6	383.5	585.6
(2) Depreciation	68.8	45.1	68.1
(3) Adjusted Gross margin (*) (3a. + 3b.)	1,397.3	894.5	1,258.7
(3a.) Gross Margin	1,333.4	830.7	1,258.7
(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:

	30/09/2023	30/06/2023	30/09/2022

Pre-provision profit (before impairments) (1-2-3)	**692.1**	**402.1**	**605.0**
(1) Gross income	1,333.4	830.7	1,258.7
(2) Administrative expenses	572.6	383.5	585.6
(3) Depreciation	68.8	45.1	68.1

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 34:

	30/09/2023	30/06/2023	30/09/2022
Impairment losses or reversal of impairment losses on loans and receivables. Management Data (1a + 1b)	**112.4**	**75.6**	**128.8**
(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	112.4	75.6	128.8
(1a) From loans and receivables to customers. *Management data*	112.4	74.4	129.2
(1b) From other financial assets at amortized cost	0.0	1.3	-0.4

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 35:

	30/09/2023	30/06/2023	30/09/2022
(1) Impairment or (-) reversal of impairment in value of loans and receivables to customers (annualised quarterly data). Management measure	152.1	156.8	160.0
(2) of which non-recurrent (annualised quarterly data). Management measure	*0.0*	*0.0*	*0.0*
(3) Average of the start/end of period in loans and receivables to customers (ex valuation adjustments)	51,270	53,151	55,294
Recurring cost of risk (1-2)/3	**0.30%**	**0.30%**	**0.29%**
Cost of risk (1/3)	**0.30%**	**0.30%**	**0.29%**

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 36:

	30/09/2023	30/06/2023	30/09/2022
Impairment/reversal in the value of other assets and other gains & losses (1+2-3-4-5)	**79.3**	**41.4**	**21.4**

(1) Impairment or (-) reversal in the impairment of the value of joint ventures or associates	-2.5	-1.5	-1.0
(2) Impairment or (-) reversal in the impairment of the value of non-financial assets	24.4	18.0	25.8
(3) Net gain or (-) loss on derecognition from the statements of non-financial assets and stakes	-0.7	2.0	5.8
(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	-56.6	-26.9	-2.4

Source: Consolidated public income statement.

Table 37:

	30/09/2023	30/06/2023	30/09/2022
Impairments and others (1+2+3+4-5-6-7)	**279.2**	**179.5**	**233.8**
(1) Provisioning or (-) provisioning reversals	87.5	62.4	83.6
(2) Impairment or (-) reversal in the value of financial assets not measured at fair value through profit and loss	112.4	75.6	128.8
(3) Impairment or (-) reversal in the value of joint ventures or associates	-2.5	-1.5	-1.0
(4) Impairment or (-) reversal in the value of non-financial assets	24.4	18.0	25.8
(5) Net gain or (-) loss on derecognition from the statements of non-financial assets and stakes	-0.7	2.0	5.8
(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	-56.6	-26.9	-2.4

Source: Consolidated public income statement.

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

Table 38:

	30/09/2023	30/06/2023	30/09/2022
ROTE (1/4)	5.7%	5.2%	3.9%
(1) Total comprehensive income of the last twelve months, net of interests from equity instruments other than capital (2-3)	332.3	296.7	231.1
(2) Total comprehensive income for the year	354.9	319.3	253.7
(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)	5,880	5,749	5,950
(5) Shareholders' equity	6,565	6,429	6,626
(6) Issued equity instruments other than capital (AT1)	547	547	547
(7) Intangible assets	85	80	76

(8) Equity goodwill	53	53	53

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

Table 39:

	30/09/2023	30/06/2023	30/09/2022
Tangible Book value per share (1/7)	**2.21**	**2.16**	**2.24**
(1) Tangible assets (2–3–4-5-6)	5,878	5,746	5,949
(2) Total Equity	6,565	6,429	6,626
(3) Issued equity instruments other than capital (AT1)	547	547	547
(4) Minority interests	2	3	0
(5) Intangible assets	85	80	76
(6) Equity goodwill	53	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 40:

	30/09/2023	30/06/2023	30/09/2022
Net liquid assets (1-2-3)	**26,905**	**24,241**	**22,926**
(1) Gross liquid assets	34,042	31,770	44,570
(2) Taken in ECB	944	936	10,250
(3) Repos and other pledges	6,192	6,594	11,394

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.