2023 H1 Results presentation

27th July 2023

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Financial performance

Results overview

Highlights

- Banking business net revenues were 37% higher YoY for 1H23 reflecting the increase in Net interest income thanks to an optimal positioning for rate increases and cost control on liabilities
- Customer funds were higher YoY driven by Off-balance sheet funds after another excellent quarter in terms of net fund-takings
- New production in Retail mortgages, Consumer loans and Corporate financing was above the bank's expectations, in a highly competitive environment
- Internal targets on digitalisation and sustainable financing were also exceeded
- No change in the positive dynamics of the NPLs was observed all across business segments
- 1H23 Net income was 53% higher compared to 1H22, including the payment of the banking tax. RoTE for this period stands at 9.2%

Retail customer funds
+3.3%
YoY

New net fund-takings
EUR2.4bn
in 1H23

Consumer finance new lending
+16.2%
YoY

Net interest income
+82.7%
YoY

NPL ratio *unchanged*
1.4%
2Q23

Banking business net revenues
+36.7%
YoY

Fully-loaded CET1 ratio
+31bp
QoQ

1H23 Net income
EUR250mn
+53.4%
YoY

Financial **performance**

Market concerns on banking industry

After the resolution of two entities for different idiosyncratic reasons, the focus is on liquidity and contagion risk

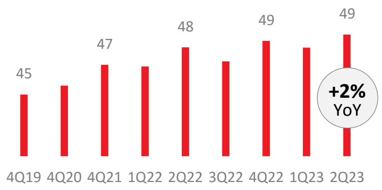
Funding risk at Kutxabank

- The Kb Group's funding structure rests on a broad and stable deposit base with strong retail bias
- Weight of guaranteed deposits by existing deposit guarantee schemes is consequently very high
- At the same time, reliance on capital market funding is very low
- Customer deposit volume, although cyclical, clearly shows an upward trend over the last few years so far
- The proportion of cash deposits continues to be very significant on a temporary basis

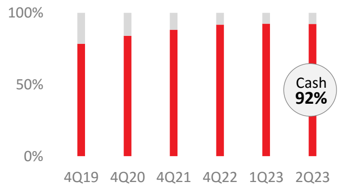
Customer deposit breakdown by segment

	EURbn	%
Retail & SME	39.1	80%
Non-FIN Corporates	2.9	6%
Public sector	5.9	12%
FIN Corporates	1.2	2%
TOTAL Customer deposits	**49.5**	**100%**

Customer deposit evolution (EUR billion)

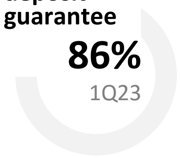


Customer deposit mix: cash vs term-deposits

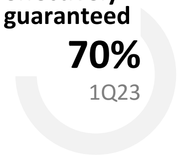


Guaranteed deposits

Eligible deposits to fall under deposit guarantee



Amount of deposits effectively guaranteed



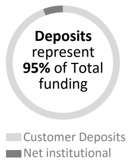
Deposits with a markedly stable nature

- ✓Deposit base profile is well reflected in the significant proportion of guaranteed deposits covered by DGFs
- ✓Large Retail deposit base with a very high level of transactionality
- ✓As of 2Q23 almost 50% of non-Retail deposits are operational

Funding mix: Deposits vs Institutional funding (2Q23)

	EURbn	%
Covered bonds	1.4	32%
SP/SNP	2.0	45%
ECB Funding	0.6	13%
CP	0.4	9%
ABS	0.1	1%
Subtotal Institutional	**4.5**	**100%**
Excess deposits on CBs	2.0	
Net institutional funding	**2.5**	

Funding mix



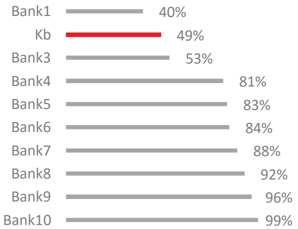
Financial performance

Market concerns on banking industry

After the resolution of two entities for different idiosyncratic reasons, the focus is on liquidity and contagion risk (cont.)

Following the recent sharp increase in market interest rates banks could have suffered investment losses on their fixed income portfolios, especially with respect to its Hold to Maturity portfolios where such losses are not crystallized until the bonds are sold.

Weight of Kb's HTC portfolio is one of the lowest in the sector[(1)], combining a moderate duration with a highly conservative credit profile



ALCO portfolio size to CET1 capital

1.26x

2Q23

Therefore, Kb's unrecognized losses from the HTC portfolio are certainly modest

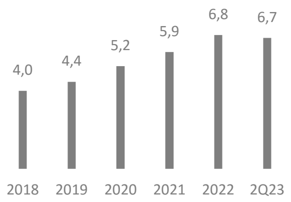
Unrealised losses[(2)] to RWA

35bp

2Q23

ALCO portfolio (2Q23)

Evolution and breakdown by type of counterparty



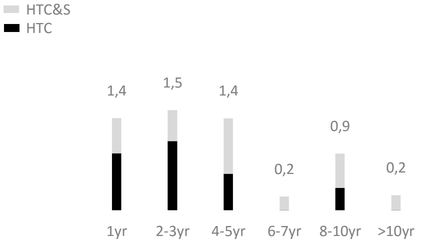
	EURbn	%
Govies	4.9	74%
SSA	0.4	6%
Covered	0.6	9%
Corporate	0.2	4%
Fin-unsec	0.5	8%
TOTAL	**6.7**	**100%**

ES 86%
Other EU 14%

Portfolio breakdown

Portfolio	Amount (EURbn)	WAL	Duration
HTC&S	3.51	2.43	1.39
HTC	3.14	4.59	3.12
Blended	**6.65**	**3.55**	**2.29**

Maturity profile



(1) Own elaborated based on data publicly disclosed by entities. Sample of banks: Santander, BBVA, Caixabank, B. Sabadell, Unicaja, Bankinter, Abanca, Ibercaja and Cajamar. Data as of March 2023 for all the sample including Kb.
(2) Without the tax effect, the estimated gross impact would be 48bp.

Financial performance
Channeling sustainable financing

New sustainable financing in 1H23

EUR1.3bn

1.6x the YtD-target met

Green buildings

31% of new mortgages

Green Consumer loans

x2.7 YoY

Green insurance

+3.3% YoY

Sustainable financing to Corporates

c.EUR0.8bn 1H23

Customer Funds with sustainable investment objective

22% market share[3] in Investment funds compliant with **article 9**

…while moving forward with the launch of new products to expand our Sustainable Banking model

- EPSVs[1] meet the requirements to be categorized as Art. 8 based on the disclosure regulations (funds intending to promote ESG characteristics)
- Formal approval by the Governing Bodies of the Sustainable Financing Frameworks to further promote this line of business
- New partnerships with Mugabi and Agentia R+ for the promotion of building rehabilitation and the channeling of Next Generation Funds
- Joining PCAF[2], a further step in our commitment to sustainability and the calculation of carbon emissions financed by the company
- The second edition of the Kutxabank Group's Climate Report is soon to be published

Sustainable financing is based on internal criteria defined by the Entity that are not necessarily 100% aligned with the EU Taxonomy Regulation.

(1) A specific pension product under Basque law.

(2) PCAF: An industry-led partnership to facilitate transparency and accountability of the financial industry to the Paris Agreement.

(3) Data as at 2Q23. Source: Inverco.

Financial **performance**

Launching the second green benchmark-bond

Alignment of financing plans with the strategic sustainability objectives

An effective tool to channel liquidity into assets and projects with a positive environmental and social impact

Enabling investors to participate in Kutxabank's long-standing commitment to sustainability and its efforts to make the business and balance sheet more sustainable

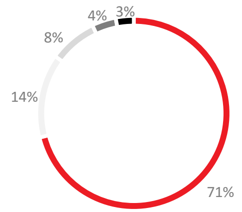
The transaction

- Kutxabank's second Green Bond representing the Entity's fourth bailinable debt issuance since 2019, and the second so far this year
- According to 2023 Funding Plan the transaction also seeks to maintain the subordination buffers required by rating agencies to support the preferred deposit and senior debt rating levels, in addition to maintaining the management buffer over the own funds and eligible liabilities requirement (MREL) beyond September, when eligibility expires on one of the current issued benchmarks

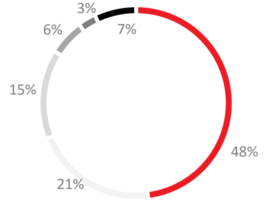
Format	Reset Rate Green Senior Non-Preferred Notes
Issuer rating	A3 (Stable)/BBB+ (Stable)/AL (Positive) by M/F/Dbrs
Issue rating	Baa2/BBB+/BBBH by M/F/Dbrs
Status	Senior Non-Preferred Notes
Size	EUR500mn
Tenor	4NC3
Issue date	06/06/2023
Settlement	06/15/2023
Re-offer spread	155bp
Coupon	4.750%, Act/Act (ICMA), Following Business Day, Unadj.
Use of Proceeds	An amount equal to the net proceeds of the Notes will be used for Green eligible projects as described in the Issuer's Green Bond Framework(1)
ISIN code	ES0343307031
Listing/Gov law	AIAF/Spanish law

Transaction stats

By INVESTOR TYPE



By GEOGRAPHY



(1) The Green Bond Framework and Green Bond allocation and impact reports are available for viewing on the Issuer's website: https://www.kutxabank.com/cs/Satellite/kutxabank/en/investor_relations/fixed_income/sustainable-financing
The Issuer's Green Bond Framework follows the ICMA Green Bond Principles.

Financial **performance**

Digital transformation of the business model

Digital clients account for **62%** while **digital channels account for almost 45% of sales**

Digital indicators

Customer-experience rating

4.25/5

Digital sales in different products

Pension plans 67%	**Investment funds** 38%
Mortgages 52%	**Card business** 21%
Consumer 50%	**Insurance** 10%

Latest developments

- Kutxabank store opening
- Customer Experience enhancement (project UXUI)
- Omnichannel Mortgage developments
- More than 200 new ATMs

Financial performance
1H23 results summary

1H23 Net income

EUR250mn
+53.4%
YoY

ROTE(1)
9.2%
2Q23

(EUR million)	1H23	1H23-1H22
Net interest income	510.8	82.7%
Net Fees+Ins. business	303.8	-4.0%
Core banking business	**814.7**	**36.7%**
Equity method&Dividends&TI	78.3	34.0%
Other operating income (OOI)	-78.0	145.0%
Gross margin	**815.0**	**30.9%**
Operating expenses	-317.3	5.1%
Pre-provisioning profit	**497.7**	**55.2%**
Provisions	-143.8	27.1%
Other income	8.8	-40.0%
Tax and others	-112.5	90.6%
Net income	**250.2**	**53.4%**

Core banking business grew by 37% YoY, mainly due to net interest income, which increased as a result of the rise in interest rates and the effective management of liability costs. Insurance business income affected by IFRS17 while Fees also impacted mainly by the suppression of large deposits balance commissions

Stronger than expected equity investments contribution

Includes the payment of the Banking tax (1st year) and the first disbursement from the Single Resolution Fund.

Contained increase in Operating expenses beating projections, leading to a **PPP YoY growth of 55.2%**.

The Group maintains a high level of prudent provisioning

(1) The 2Q data shows the ROTE considering only the 1H23 results. Considering a twelve-month period, RoTE would still stand at 7.7%.

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Financial performance
Top-line results

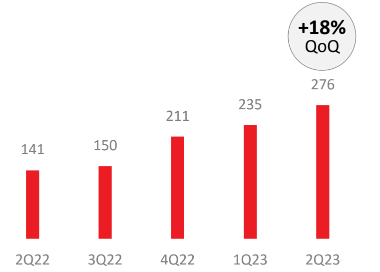
Net interest income (NII)

EUR**511**mn
+82.7%
YoY

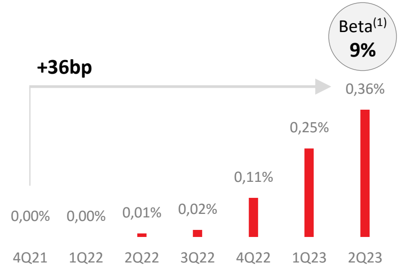
Highlights

- Interest income continues to grow strongly, with room for further increases given the evolution of the Euribor and the optimal balance sheet positioning. Only 50% of the floating mortgage book has been repriced above the 3% so far.
- Loan book yield has increased by 2.8x since 4Q21, with an absolute variation of 184bp over the same period. Beta analysis on the deposit side also shows that costs are still at a very low level.

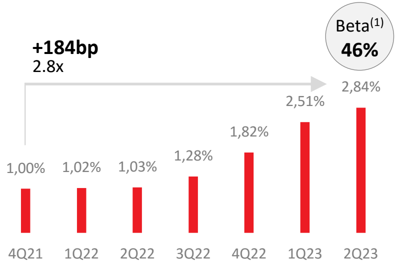
NII QoQ evolution (EUR million)



Deposit yield QoQ evolution



Loan book yield QoQ evolution



Expected Deposit beta evolution and NII sensitivity

Conducting a highly conservative projection these are the deposit betas considered for the internal NII forecast at end of each period:

~32% 2023e

~45% 2024e

NII sensitivity (annual):

Interest rates 100bp → EUR**50-100**mn

[1] Calculated as the ratio of the difference between the increase in the loan/deposit yield in the observation period vs the Eur12m at the end of that period.

Financial performance
Top-line results

New loan production remains solid although prepayments accelerate

Retail mortgage production recovers from previous quarters

Residential mortgages

EUR**1.8**bn
1H23

✓>85% of new mortgages are made with Premium and Premium Plus clients

...while Consumer financing remains strong

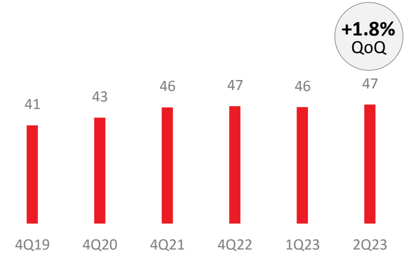
Consumer loans

+16.2%
YoY

***Point of sale* financing**

c.60%
YoY

Performing loan book YoY evolution (EUR billion)



- The slowdown in the mortgage market and the acceleration in mortgage repayments due to the rise in Euribor are restraining the growth in volumes
- Pressure on margins continues as well
- Kb's flexible pricing strategy focused on value preservation and customer management
- Performing loan book shows a 1.8% QoQ growth supported by wholesale segments

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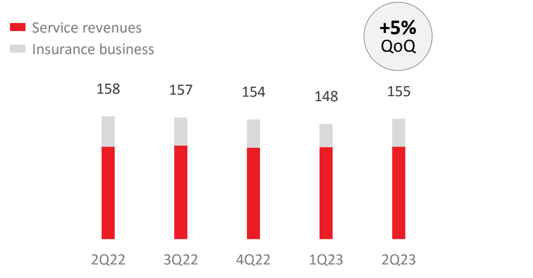
Financial performance
Top-line results

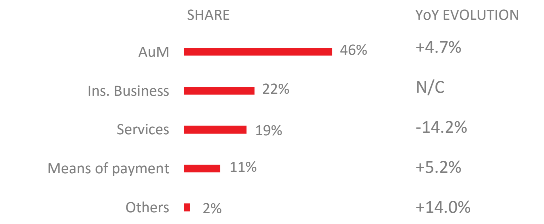
Income from Services & Insurance business

EUR**304**mn
-4.0%
YoY

Total Services revenues YoY evolution (EUR million)



Total Services revenues distribution



Highlights

- Despite the higher contribution of most revenue lines, the suppression of large deposits balance commissions in the wholesale segments negatively impacts the specific *Services* line, undermining the total revenue volume.
- Additionally, the application of IFRS17 also pushes down total Income from Services & Insurance business[1] on a YoY basis.

kutxabank seguros

- Despite the negative impact derived from the IFRS17 application Insurance business continues to provide stable and recurring revenues
- Close to 65,000 new policies have been commercialized year-to-date
- Excellent performance of auto insurance (+35% in the new production premiums YoY)

[1] Including Net fees and revenues from the Insurance business through "Other operating income (OOI)".

Financial performance
Top-line results

Off-balance resources

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2nd AuM by investment net fund-takings in 1H23

EUR**2.4**bn in 1H23

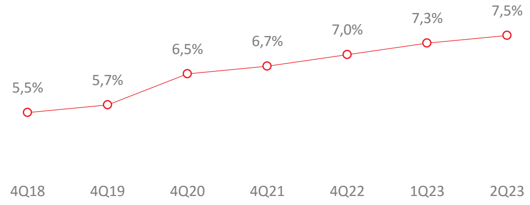
15% of total net fundraising of Spanish market

Market share in investment funds all across Spain(1)

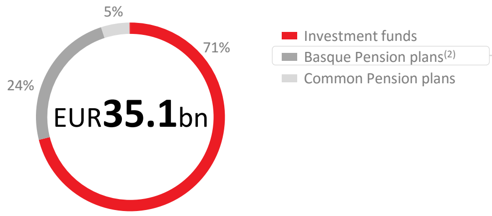
kutxabank gestión

Fineco Banca Privada Kutxabank

+46bp YtD



Off-balance funds mix



Absolut leader in the Basque Country

Market share
48%
2Q23

>65% of sales through digital channels

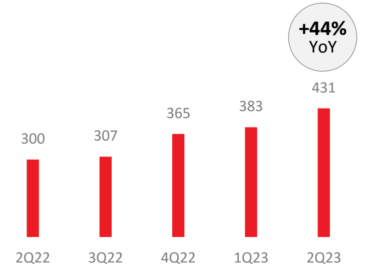
(1) Market share in investment fuds all across Spain for Kutxabank Gestión and Fineco, Kb's private banking specialised unit. Source: Inverco.
(2) A specific pension product under Basque law.

Financial performance
Top-line results

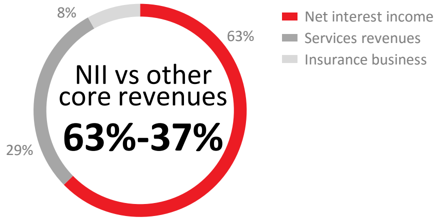
Core banking business

EUR**815**mn
+36.7%
YoY

Core banking income QoQ evolution (EUR million)



Income source diversification (1H23)



Highlights

- Banking business net revenues were significantly higher YoY reflecting the increase in Net interest income while Service revenues continue to be a solid and reliable source of income.
- The revenue diversification structure of the banking business continues to provide stability and soundness to the Group's results.

Financial **performance**

Other Income and Expenses

Equity method & Dividends

EUR**75**mn
1H23

Other operating income (OOI)

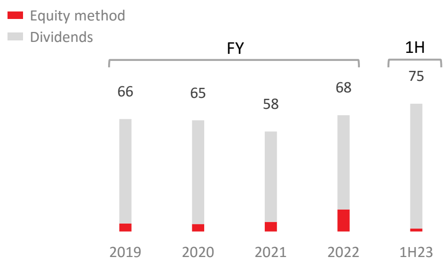
EUR-**78**mn
1H23

Including the payment of EUR 47.2 million of the banking tax

Pro-forma P&L summary *ex*Banking tax

(EUR million)	1H23	1H23 *Pro-forma*
Core banking business	815	N/A
Gross margin	815	862
Pre-provisioning profit	498	545
Net income	250	>295

Revenues from the equity portfolio (EUR million)



New banking tax

- 4.8% on interest and commissions amount
- Estimated aggregate impact of EUR120Mn (2023-2024), exceeding 15% of annual profit for each year

47mn 2023

~70mn 2024e

- Kb has filed an appeal against the order that develops the new bank levy, requesting the suspension of its execution

Efficiency Ratio(1)

38.9%
2Q23

Efficiency ratio(1) *ex*Banking tax

36.8%
2Q23

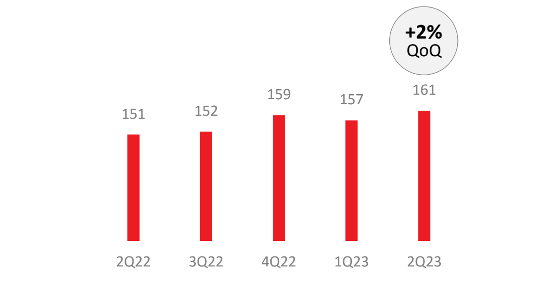
(1) The 2Q data shows the efficiency level considering only the 1H23 results. Considering a twelve-month period, the efficiency ratio would be 43.0% (41.6% excluding the Banking tax).

Financial performance
Costs

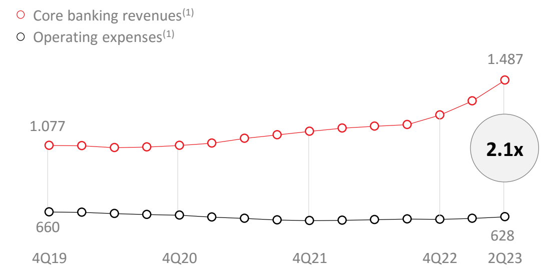
Operating expenses

EUR**317**mn
+5.1%
YoY

Operating costs QoQ evolution (EUR million)



Core banking revenues vs Operating expenses (EUR million)



Highlights

- Administrative expenses were EUR297.0mn, up 5.2% YoY, but performing better than budget. Increases in labor costs and other general expenses were the main drivers.
- Pure banking business margin (difference between Core banking revenues and Operating expenses) has more than doubled in the last 3 years.

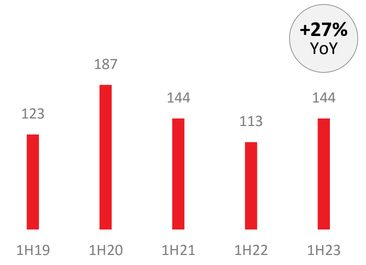
(1) Revenues and expenses for each period are calculated as the moving sum of the last four quarters.

Financial performance
Cost of risk

Credit risk impairments and other provisions

EUR**144**mn
+27.1%
YoY

Total provisions & impairments YoY evolution (EUR million)



Total provisions & impairments in detail (EUR million)

	1H23
Credit risk	25.1
Other provisions&cont.	41.6
Impairments on RE assts	77.0
TOTAL provisions	**143.8**

CoCR
11bp

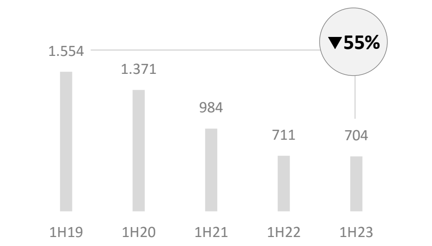
Highlights

- A significant level of provisioning effort is maintained in the face of geopolitical risk and macroeconomic uncertainties, even though there are still no signs of deterioration.
- Total provisions for 1H23 include write-downs on legacy RE assets in order to keep reducing the already low NPE.

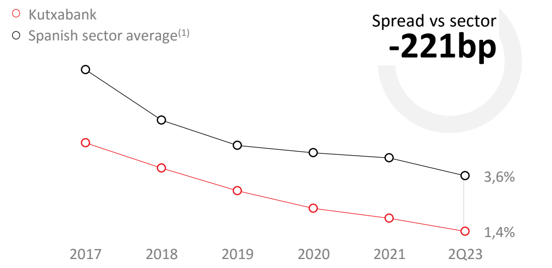
Asset quality
Stock of doubtful loans remains almost unchanged

Despite the challenging context there is **no sign of deterioration or trend change in any business segment**

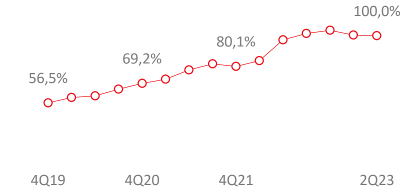
Stock of NPL YoY evolution (EUR million)



Kutxabank relative position: NPL ratio (%)



NPL Coverage level evolution



Total coverage including prudential provisioning of NPE according to ECB calendar

122.9%

(1) Source: BoS. Last data available for the sector: May-23.

Asset quality
Stock of doubtful loans remains almost unchanged

Risk migration: 2Q23 vs 1Q23

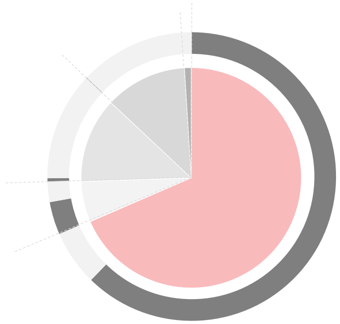
Loans and advances by segments and stages.

	T				T vs T-1			
	S1	S2	S3	Cov	S1	S2	S3	Cov
Households	93%	5%	1%	68%	-1.4%	1.4%	0.0%	+1%
Non-FIN Corporates	89%	8%	3%	154%	1.1%	-0.9%	-0.1%	+3%
o/w SME	*77%*	*16%*	*7%*	*141%*	*1.6%*	*-1.5%*	*-0.1%*	*-2%*
Public sector	100%	0%	0%	ns	0.0%	0.0%	0.0%	-
FIN Corporates	100%	0%	0%	ns	0.0%	0.0%	0.0%	-

Clear bias towards the household segment, dominated by the secured financing

Almost all the Households exposure is secured while less than half of the SME exposure is unsecured

Loan book breakdown (2Q23)



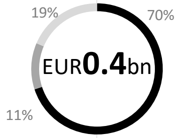
	SHARE	SECURED vs UNSEC.
Households	68.5%	91% / 9%
SME	6.0%	61% / 39%
Non-FIN Corporates	12.5%	3% / 97%
Public sector	12.0%	0% / 100%
FIN Corporates	1.0%	0% / 100%

Asset **quality**
NPAs in detail

Very manageable portfolio size in relation to the existing high coverage and solvency levels, which also shows a clear positive evolution

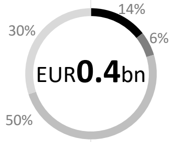
Floreclosed asset (FA) breakdown by origin (2Q23; EUR million)

	Gross	Provisions	Cov%	NAV
Developers	892.7	643.3	72%	249.3
Residential	105.9	65.1	61%	40.8
Others	93.5	27.2	29%	66.3
TOTAL	⬇1,092.1	⬆735.6	67%	⬇356.5



FA breakdown by type of asset (2Q23; EUR million)

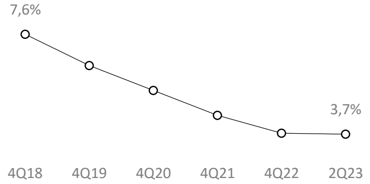
	Gross	Provisions	Cov%	NAV
Finished properties	101.8	50.6	50%	51.2
Ongoing developments	71.9	50.7	71%	21.2
Land	719.0	542.1	75%	176.9
Others	199.4	92.3	46%	107.1
TOTAL	1,092.1	735.6	67%	356.5

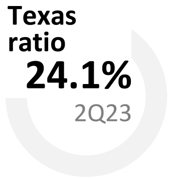


Total NPA: FA+NPL (2Q23; EUR million)

	Gross	Provisions	Cov%	NAV
Total NPLs	704.0	703.7	100%	0.3
Foreclosed assets	1,092.1	735.6	67%	356.5
TOTAL	1,796.1	1,439.3	80%	356.8

NPA% YoY evolution





Capital & Funding

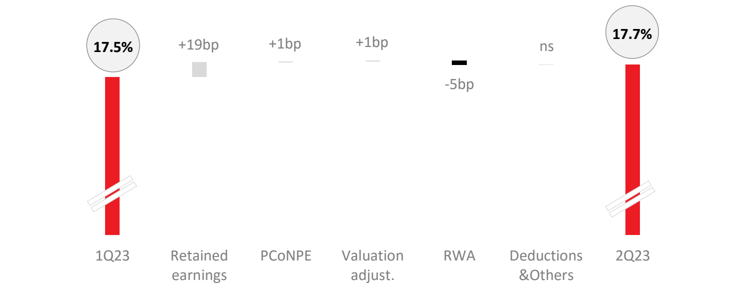
Capital remains at very high levels

CET1
Phased-in
17.7%
2Q23

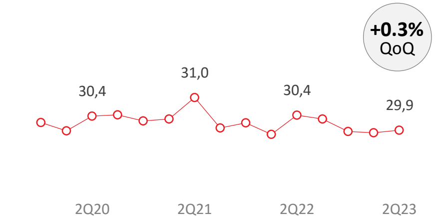
Highlights

- After deducting the 60% pay-out, retained earnings contribute +19bp.
- The slight inflation of RWAs in the quarter represents the only observable negative impact on the evolution of the ratio.
- Rest of potential drivers remain pretty stable.

CET1 phased-in 1Q evolution by components



RWA evolution (Phased-in; EUR billion)



Main impacts YtD (Phased-in; EUR mn)

	Impact vs4Q22	Impact (bp) vs4Q22	
Valuation adjustments	9	3	▲
Prudential provisions	7	2	▼
IFRS9	27	9	▼
IFRS17	41	14	▼
Risk-weighted assets	31	2	▼
Total earnings	250	84	
o/w retained	*100*	*33*	▲

RWA calculation method: STANDARD
100%

Fully-loaded CET1 ratio
17.6%
2Q23
+40bp YtD

Capital & Funding
Liquidity risk management

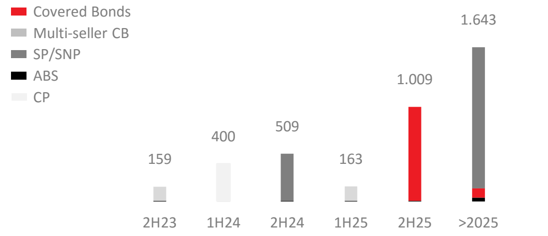
TLTRO repayments

- Repayments will be made on the scheduled date of each borrowing.
- The bulk of the position already repaid in 2023.

TLTRO maturity calendar

	Repayment date	Amount (EUR bn)	Status
TLTRO III.3 (03/2020)	03/2023	0.6	Repaid
TLTRO III.4 (06/2020)	06/2023	4.9	Repaid
TLTRO III.7 (03/2021)	03/2024	0.6	Pending

Capital market funding maturity profile (EUR million)



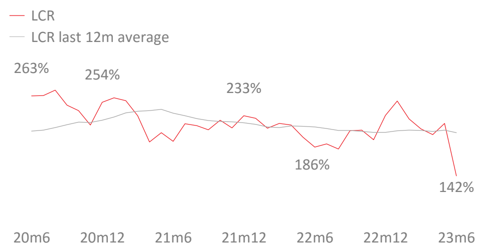
Bearable impact on ratios

- LCR now reflects the expected lowest point after having faced the repayment of the biggest part of the TLTRO borrowing. This level implies a sufficient buffer against the regulatory limit.
- The bank has a wide range of levers to expand this buffer if necessary.
- NSFR had already absorbed most of the repayment effect before 2Q23.

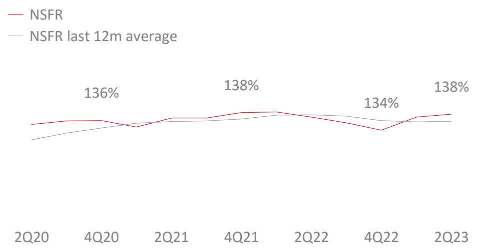
LCR
142%
23m6

NSFR
138%
2Q23

LCR% evolution



NSFR% evolution



Capital & Funding
Funding plan

- Despite the repayment of most of the TLTRO in 2023, no additional funding needs other than those related to the management of MREL are estimated.
- 2023 Funding Plan considered two transactions of bailinable debt instruments. Both of them have been already materialized in 1H23.
- Persistence of uncertainties regarding the second half of the year has been the driver for bringing forward the second of the planned issues.

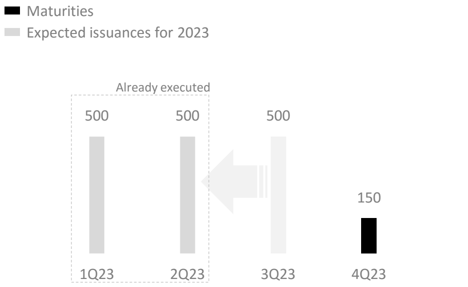
Outstanding bailinable debt instrument

ISIN code	Format	Amount (EUR bn)	Maturity date	Call date
ES0343307015	SNP	0.5	09/2024	09/2024
ES0243307016	SNP	0.5	10/2027	10/2026
ES0343307023	SP	0.5	02/2028	02/2027
ES0343307031	SNP	0.5	06/2027	06/2026

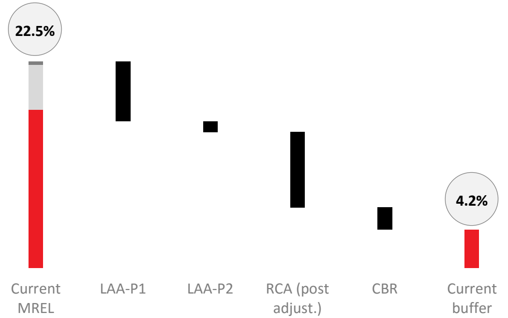
MREL strategy

- The Group will keep working on designing a MREL-management buffer consistent with its business model and risk profile which will involve maintaining the MREL at a certain comfortable level above the regulatory requirement
- Although no subordination requirement applies, in the building blocks of MREL Kutxabank will seek to maintain at all times a level of subordination sufficient to provide the necessary support for the quality of the risk currently assumed by bondholders and depositors. The excess might be filled with senior preferred

Debt maturities vs new issuances



MREL: current position vs final requirement



	Amount (EUR million)	% o/TREA
Current position	7,285	24.3%
o/w CET1	*5,285*	*17.7%*
o/w SNP	*1,500*	*5.0%*
o/w SP	*500*	*1.7%*
Loss Absorption Amount	2,754	9.2%
Recapitalisation Amount	2,754	9.2%
RCA post adjustments	2,514	8.4%
2022 MREL target	5,714	19.1%
2024 MREL target	6,016	20.1%
Current excess vs MREL-22	1,571	5.3%
Current excess vs Final target	1,269	4.2%

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Balance sheet

Total assets
EUR**64**bn
2Q23

Assets

Cash&CBs
5.6%

Loans and advances
74.2%

Debt instruments
11.1%

Equity investments
2.5%

Tangible assets
1.2%

Other assets
5.4%

Liabilities

Equity
9.5%

	EURbn	%
Shareholders' equity	6.0	93%
o/w Capital	*2.1*	*32%*
o/w Reserves	*3.7*	*61%*
Other comprehensive income	0.5	7%
Minority interests	ns	ns
Total Equity	**6.4**	**100%**

Customer deposits
72.6%

	EURbn	%
Retail & SME	39.1	80%
Non-FIN Corporates	2.9	6%
Public sector	5.9	12%
FIN Corporates	1.2	2%
TOTAL	**49.5**	**100%**

DCM Funding
4.4%

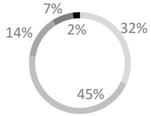
ECB funding
0.9%

Other liabilities
5.2%

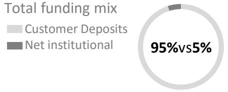
Institutional funding (2Q23)

	EURbn	%
Covered bonds	1.4	32%
o/w multi-seller CB	*0.3*	*7%*
SP/SNP	2.0	45%
ECB Funding	0.6	13%
CP	0.4	9%
ABS	0.1	1%
Subtotal Institutional	**4.5**	**100%**
Excess deposits on CBs	2.0	
Net institutional funding	**2.5**	
Pro-forma ECB net position	*-1.4*	

Institutional funding mix



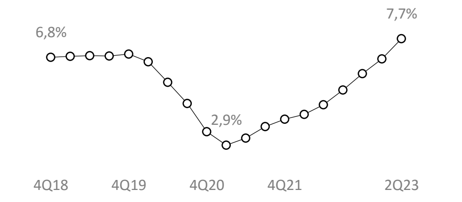
Total funding mix



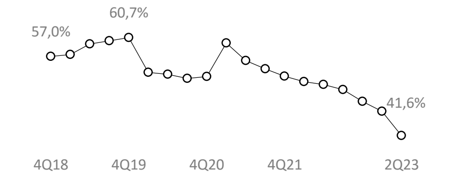
Annex
Key indicators

	2Q23	2Q22	2Q23 vs 2Q22	1Q23	2Q23 vs 1Q23
ROE	7.13%	4.37%	275 bp	6.28%	85 bp
ROTE	7.68%	4.69%	299 bp	6.76%	93 bp
ROA	0.63%	0.39%	24 bp	0.55%	8 bp
RORWA	1.39%	0.84%	55 bp	1.22%	17 bp
Cost to Income	41.62%	51.59%	-997 bp	46.33%	-472 bp
LCR	142.12%	185.64%	-43.52%	213.18%	-71.06%
NSFR	137.98%	137.16%	0.82%	137.14%	0.84%
LtD	96.09%	99.85%	-3.76%	95.22%	0.87%
# of customers	2,334,986	2,372,879	-1.6%	2,338,888	-0.2%
# of employees	5,023	4,989	0.7%	5,043	-0.4%
# of branches	696	737	-5.6%	701	-0.7%
# of ATMs	1,447	1,544	-6.3%	1,477	-2.0%

ROTE% evolution



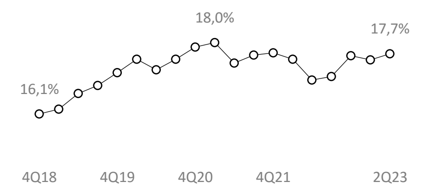
Cost to income% evolution



Annex
Solvency

	2Q23	2Q22	2Q23 vs 2Q22	1Q23	2Q23 vs 1Q23
Capital	2,060.0	2,060.0	0.0%	2,060.0	0.0%
Reserves	3,662.8	3,617.7	1.2%	3,659.4	0.1%
Retained earnings	89.1	65.3	36.5%	44.3	101.3%
Prudential Coverage of NPE	-161.2	-131.6	22.4%	-163.9	-1.7%
Minority interests	2.6	2.6	0.3%	2.5	6.7%
Valuation adjustments	479.8	410.9	16.8%	461.4	4.0%
Intangible assets	-381.4	-354.8	7.5%	-374.4	1.9%
Deductions	-466.5	-502.9	-7.2%	-466.9	-0.1%
CET I capital	5,285.2	5,167.2	2.3%	5,222.3	1.2%
Tier I capital	5,285.2	5,167.2	2.3%	5,222.3	1.2%
Total capital	5,285.2	5,167.2	2.3%	5,222.3	1.2%
RWA	29,930.7	30,431.0	-1.6%	29,843.0	0.3%
o/w Credit risk	27,533.0	28,138.5	-2.2%	*27,447.6*	0.3%
CET I ratio	17.66%	16.98%	68 bp	17.50%	16 bp
Tier I ratio	17.66%	16.98%	68 bp	17.50%	16 bp
Total Capital ratio	17.66%	16.98%	68 bp	17.50%	16 bp
Leverage ratio	nd	7.50%	-	7.62%	-
Pro-forma: CET I ratio fully loaded	*17.61%*	*16.64%*	97 bp	*17.45%*	*16 bp*
Pro-forma: Total Capital fully loaded ratio	*17.61%*	*16.64%*	97 bp	*17.45%*	*16 bp*
Pro-forma: Leverage fully loaded ratio	*nd*	*7.37%*	-	*7.60%*	-
MREL	24.34%	20.27%	407 bp	22.53%	181 bp

CET1% evolution (Phased-in)



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