Pillar 3 Disclosures report

2024

UCI

Content

1. Introduction

1.1 UCI Group

ABOUT US

Unión de Créditos Inmobiliarios, S.A., Establecimiento Financiero de Crédito (hereinafter, UCI EFC) is a Financial Credit Establishment (EFC) established in 1980, whose sole shareholder is U.C.I., S.A (hereinafter, Grupo UCI, UCI or the "entity") since 1989. It is registered in the Bank of Spain's Special Register of Institutions under number 8512, governed by the regulations applicable to EFCs, as well as its internal governance policies and procedures.

U.C.I, S.A., the holding company of the UCI Group, is a Financial Holding Company, in accordance with the provisions of Articles 15 bis and ter of Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions.

UCI, S.A. EFC is a company that owns and carries out the main activity of the UCI Group, consisting of meeting the demand for housing through responsible, transparent and personalised financing solutions, contributing, in turn, to the renovation of the real estate stock, mainly through the granting of mortgage loans for the purchase of housing.

The markets in which the UCI Group operates through its subsidiaries and branches are Spain, Portugal, Greece and Brazil. The activity of UCI, S.A. EFC is carried out in Spain and Portugal, through its branch. In Greece, the activity carried out by the Group's subsidiary, UCI Hellas Credit and Loan Receivables Servicing Company, S.A., focuses on the management and maintenance of loans granted by financial institutions. In Brazil, there is direct and indirect participation in the financial intermediation activity of mortgage loans through Real Estate Agencies, through the companies detailed below.

UCI, Unión de Créditos Inmobiliarios, promotes financial solutions to facilitate access to housing. The purpose is to promote responsible home buying through personalized loans and mortgages that put customers and their life projects at the centre. It contributes to the rehabilitation of homes and the renovation of the country's housing stock under a criterion of sustainability, energy efficiency and respect for the environment, thus contributing to the challenges of the SDGs (Sustainable Development Goals).

More information about the entity and the services it offers can be found on the entity's corporate website, www.uci.com.

MISSION, VISION AND VALUES OF THE ENTITY

Mission

- To generate a positive impact on stakeholders and our society.
- To produce world-class financial services through an integrated work model.
- Create a stimulating and creative work environment.

Vision

- To be a leader in specialized real estate financing.
- To be the preferred entity of customers.
- To respond to the social demand for access to housing.
- To offer a wide range of responsible products.

Values

- Commitment: it is an emotional bond that leads an employee to get involved with UCI and go beyond their obligations, personally contributing to the success of the Company.
- Excellence: it is fulfilling responsibilities at all times with the maximum demand and quality in the management of internal and external customers. Excellence is the sister of all other values.
- Innovation: it is feeling the need to apply new ideas, products, services and practices, in order to continuously improve. Innovation requires awareness and balance to transport ideas, from the imaginary or fictitious field to the field of realizations and implementations.
- Integrity: it is choosing to do the right thing, what is in accordance with the principles, without putting personal interests first and always taking into account the primacy of the client's interest. It is to carry out the work honestly and in compliance with the methods, practices and policies in force.
- Passion for the customer: it is the continuous search to give them the best possible service, considering them the central axis of the activity, trying at all times to exceed their expectations, and always acting in an honest, impartial and, above all, professional manner. It is to think about the needs you have today and those you may have in the future. Passion for the internal and external customer.
- Teamwork: this is the attitude that any employee of the Company has in contributing with their knowledge and means to achieve a common goal, always looking after the general interest of UCI.

LINKING THE STRATEGY TO THE BANK'S RISK APPETITE

Grupo UCI carries out comprehensive risk management, where the definition and control of risk appetite is a key element. Risk appetite is defined at an aggregate level and taking into account the different types of risks that the company is willing to assume to achieve its risk strategy based on the annual strategic plan.

As part of UCI's Risk Appetite Framework (RAF), a formal Risk Appetite Statement (RAS) is included, which sets out the articulation, in written form, of the aggregate level of risk that UCI is willing to tolerate in the implementation of its strategy.

The risk appetite statement is the responsibility of the risk owners and approval is the responsibility of the Board of Directors through its delegated body, the Joint Audit-Risk Committee of the Board. Its functions also include the establishment of a specific treatment for indicators that exceed the established levels.

ECONOMIC AND REGULATORY CONTEXT

In 2024, Spain's global macroeconomic characteristics presented several highlights:

- Economic growth: The world economy grew at a moderate pace, with significant variations across regions and sectors. In Spain, GDP growth was slower than expected but remained on a path of gradual recovery.
- Inflation: At the global level, the disinflation process was consolidated, although inflationary pressures in services showed resistance. In Spain, inflation slowed more than anticipated but still remained above pre-pandemic levels.
- Monetary policy: Central banks, such as the European Central Bank and the Federal Reserve, faced the challenge of balancing controlling inflation with supporting economic growth. In Europe, a more intense easing of monetary policy was observed compared to the United States.
- Financial markets: There were increases in the yield on long-term sovereign debt in the world's major economies. In Europe, sovereign spreads against the German Bund declined

in Spain and Italy but increased in France.

- Energy prices: Crude oil prices came in below anticipated levels due to weak demand from China, while natural gas prices rebounded on supply disruptions.
- Employment and confidence: In Spain, employment and confidence indicators showed signs of weakness, although with a trend of gradual improvement.

EXECUTIVE SUMMARY

UCI Group has closed the 2024 financial year with a Medium-High overall risk profile determined mainly by credit risk and the evolution of interest rates with an unfavourable impact on the financial margin and profitability. The entity satisfactorily complies at an individual and consolidated level with the requirements of the prudential requirements of financial credit institutions.

Highlights in relation to risk management for the 2024 financial year include:

- Credit risk and concentration: The bank closed the year with a very satisfactory compliance with the projections made in the "NPL and NPA Plan, or Non-Performing Asset Reduction Plan" presented to Bank of Spain in response to the SREP[1] 2024 letter.
- Operational risk: The implementation of a TPRM (Third-Party Risk Management) system has reinforced the analysis of ICT risks, business continuity, data protection and privacy in the contracting of new services and specifically in the outsourcing of essential functions in compliance with the requirements established in Circular 2/2016 and Guidelines on outsourcing (EBA/GL/2019/02).

  Obtaining ISO 22301 certification and renewal of ISO 27001 certification, guaranteeing business continuity and information security.
- ESG Risk: For the fifth consecutive year UCI Spain has achieved the GPTW Certification, awarded by the consulting firm Great Place To Work, a leader in the identification and certification of Excellent Places to Work. In addition, our subsidiary in Portugal has achieved this certification for the fourth consecutive year.
- Solvency risk: A leverage ratio, a total capital ratio (TSCR) and total capital requirements (OCR) are maintained in accordance with the specifications established by the supervisor and the internal objectives set by the entity.

During the 2024 financial year, it has continued to implement measures and policies that allow it to progressively increase the generation of recurring revenues through its core business in order to improve its future profitability and solvency. Specifically, the plan to reduce non-performing assets is a fundamental part of the success of the entity's business plan. The sale of non-performing loans and non-performing loans, although the NPL rate and the entity's balance sheet structure have improved, explains the impact on the result at the end of the year.

[1] Supervisory Review and Evaluation Process (SREP)

Insights into key indicators

Situation of the entity at the end of 2024

	EFC 2024	GROUP 2024
Available own funds (amounts)		
Common Equity Tier 1 (CET1) capital	532,25	489,86
TIER 1	532,25	511,86
Total capital	694,54	661,03
Risk-weighted exposure amounts		
Total amount of risk exposure	4.263,49	4.168,33
Capital ratios (%)		
Common Tier 1 (CET1) ratio	12,48%	11,53%
TIER 1	12,48%	12,05%
Total ratio	16,29%	15,56%
Leverage ratio		
Leverage ratio (%)	5,60%	5,31%
Liquidity coverage ratios (LCRs)		
Total high-quality liquid assets (HQLA)	311	315
Total net cash outflows	360	360
Liquidity coverage ratio (LCR) (%)	115,18%	116,67%
Net Funding Ratio (NSFR)		
Total stable funding available	7.564	7.803
Total stable funding required	7.284	7.298
Net stable funding ratio (NSFR) (%)	138,46%	142,56%
Balance		
Total Assets	9.829	9.888
Total Net Worth	740	613
Total Liabilities	9.090	9.275

Data in millions of euros

Most relevant headings of the Balance Sheet

Active	GROUP 2024
1. Cash and deposits in central banks	0,001
1.1. Cash	0,001
2. Deposits with credit institutions	396,4
2.4. Temporary acquisition of assets	248,7
2.5. Other accounts	147,8
3. Money market transactions through counterparties	-
4. Customer credit	8.790,9
4.2. Other private sectors	8.790,9
4.2.2. Secured debtors	7.821,7
4.2.5. Other term debtors	0,4
4.2.8. Non-performing assets	1.109,9
4.2.9. Valuation adjustments (+/-)	-141,1
5. Debt securities	68,7
5.2. Public Administrations	68,7
6. Other capital instruments	-
7. Trading derivatives	51,7
8. Other financial assets	2,8
9. Adjustments to financial assets for macro-hedges	-
10. Hedging derivatives	174,2
11. Non-current assets held for sale (tangible assets)	121,7
12. Participations	-
13. Insurance contracts linked to pensions	-
15. Material Asset	158,0
15.1. For own use	21,5
15.1.1. Amortised cost	21,5
15.2. Real estate investments	136,5
15.2.1. Amortised cost	140,9
15.2.2. Impairment allowances (-)	-4,4
16. Intangible Asset	5,4
17. Tax assets	83,4
18. Accruals	-0,1
19. Other assets	34,7
TOTAL ASSETS	**9.887,8**

Passive	GROUP 2024
1. Central bank deposits	-
2. Deposits from credit institutions	6.966,8
2.2. Term accounts	6.386,1
2.6. Temporary transfer of assets	556,2
2.7. Other Accounts	2,6
2.8. Adjustments by rating (+/-)	21,8
2.8.1. Accrued interest	21,8
3. Money market transactions through counterparties	-
4. Customer deposits	-2,2
4.2. Other private sectors	-2,2
5. Debits represented by negotiable securities	1.912,9
5.3. Other securities associated with transferred financial assets	1.904,6
5.7. Valuation adjustments (+/-)	8,2
6. Trading derivatives	52,9
7. Short Positions of Securities	-
8. Subordinated liabilities	195,6
8.1. Debits represented by subordinated negotiable securities	22,0
8.2. Subordinated deposits	172,0
8.4. Valuation adjustments (+/-)	1,6
9. Other financial liabilities	29,5
10. Adjustments to financial liabilities for macro-hedging	-
11. Hedging derivatives	34,6
14. Provisions	23,9
14.4. Other provisions	23,9
15. Tax liabilities	42,9
15.1. Currents	1,7
15.2. Deferred	41,1
16. Accruals	12,9
17. Other liabilities	5,6
17.2. Other	5,6
TOTAL LIABILITIES	**9.275,2**

Equity	GROUP 2024
1. Minority interests	-
2. Valuation Adjustments	95,9
2.3. Cash flow hedges	96,0
2.5. Exchange Differences	-0,1
3. Equity	516,6
3.1. Capital or endowment fund	227,4
3.1.1. Issued capital	227,4
3.2. Share premium	247,6
3.3. Reservations	111,4
3.3.1. Accumulated reserves (losses) (+/-)	111,4
3.7. Profit attributable to the group (+/-)	-69,8
TOTAL NET WORTH	612,5
TOTAL LIABILITIES AND EQUITY	**9.887,8**

Data in millions of euros

Most relevant headings of the Income Statement

Income Statement	GROUP 2024
Interest Income (010)	617,82
(Interest Expense) (090)	585,16
Commission Income (200)	7,13
(Commission Expenses) (210)	4,63
Gains or (-) losses on financial assets and liabilities held for trading, net (280)	0,67
Gains or (-) losses on non-trading financial assets compulsorily measured at fair value through profit or loss, net (287)	-0,22
Exchange differences [gain or (-)], net (310)	-0,15
Other operating income (340)	5,06
(Administration Fees) (360)	86,28
(Personnel costs) (370)	33,91
(Other administration costs) (380)	52,37
(Amortization) (390)	5,36
(Property, plant and equipment) (400)	3,23
(Real estate investments) (410)	0,85
(Other intangible assets) (420)	1,28
(Provisions or (-) reversal of provisions) (430)	1,45
(Impairment or (-) reversal of impairment of financial assets not measured at fair value through profit or loss) (460)	11,83
(Impairment or (-) reversal of impairment of non-financial assets) (520)	0,04
(Property, plant and equipment) (530)	-0,09
(Real estate investments) (540)	-1,85
(Others) (570)	1,98
Gains or (-) losses from non-current assets and disposal groups of items classified as held for sale that are not eligible for discontinued business (600)	2,18
(Expenses or (-) income from income tax on continuing operations) (620)	7,55
Attributable to Parent Owners (690)	**-69,81**

Data in millions of euros

Rating UCI

	DBRS	FITCH
Long Term	A (low)	BBB+
Last Review	October'24	February'25
Short Term	R-1 (low)	F2
Last Review	October'24	November'24
Outlook	Stable	Stable
		FITCH
ESG Entity Rating		2
Last Review		September'24

RISK PROFILE

UCI Group has closed the 2024 financial year with a Medium-High overall risk profile determined mainly by credit risk and the evolution of interest rates with an unfavourable impact on the financial margin and profitability. The entity satisfactorily complies at an individual and consolidated level with the requirements of the prudential requirements of financial credit institutions.

Credit risk is Grupo UCI's main exposure, largely determined by the business model, focused on granting mortgage loans to individuals.

The weight of the portfolio prior to 2012 and the NPL ratio (NPL) and NPA increase in foreclosed assets mean that the credit risk profile is high. However, the credit quality of the post-2012 generations (inclusive) increase substantially, positively influencing exposure to this risk as their relative weight on the balance sheet increases. This portfolio at the end of the 2024 financial year represents 48.6%.

With respect to the generations of firms after 2012 (inclusive), the NPL rate amounts to 0.86%, with an excellent performance of the main risk indicators in the granting of operations.

Given the level of non-performing loans and as a result of supervisory requirements, the plan to reduce non-performing assets was updated. The bank closed the year with a very satisfactory meeting of the projections established in the plan with respect to NPL and NPA rates.

Credit concentration risk does not present relevant concentrations of risk by geography, product, type of customer or marketing channel. Any type of significant sectoral or individual concentration continues to be avoided without incurring deviations from regulatory ratios.

With regard to structural balance sheet interest rate risk, the changes in interest rates experienced during 2024 have not resulted in non-compliance with any regulatory indicator or indicator established by the Board of Directors.

The bank consolidates the incorporation of the aspects established in the EBA Guidelines on the Management of Interest Rate Risk in the Banking Book (IRRBB) and the Assessment and Monitoring of Credit Spread Risk (CSRBB) of non-trading activities (EBA/GL/2022/14), where compliance is observed in all disturbance scenarios.

The reduction in the stock of foreclosed assets, the positive evolution of valuations and the obtaining of overall capital gains on the sale (+€6.1 million) determine a downward trend in market risk.

The application of the Standardised Method in the calculation of capital requirements for operational risk determines €6.3 million in this concept, representing 1.06% of the entity's total capital requirements.

During the 2024 financial year, the entity's Operational Risk Incident System recorded 72 operational risk incidents at a cost of €0.16 million (€0.27 million in 2023). Only 2 incidents exceed the threshold of €20,000.

With regard to the DORA Regulation, the supervisor informed the entity of the non-applicability of this regulation, although it is true, due to a criterion of good market practices, the main aspects established in the Regulation have been implemented under the principle of proportionality.

The implementation of a TPRM (Third-Party Risk Management) system has reinforced the analysis of ICT risks in the contracting of new services and specifically in the outsourcing of essential functions in compliance with the requirements established in Circular 2/2016 and Guidelines on outsourcing (EBA/GL/2019/02).

Reputational risk is associated with changes in the perception of the Group, or of the brands that make it up, where an action, event or situation could have a negative or positive impact on the reputation of the organization. Determined by the latent risk of the mortgage sector, it does not present a deviation with respect to the peers.

The main metrics of this risk indicate a high degree of customer satisfaction in the granting and monitoring of the loan.

With regard to strategic risk, the evolution of interest rates has had an unfavourable impact on profitability due to the structure of the bank's portfolio. In this regard, the implementation of a business plan has continued, which establishes measures and policies that allow the generation of recurring revenue to be progressively increased through the bank's core business in order to improve profitability.

The plan to reduce non-performing assets is a fundamental part of the success of the entity's business plan. The sale of non-performing loans and non-performing loans, although the NPL rate and the bank's balance sheet structure have improved, have had an impact on the result of -€21.7 million and +€1.5 million, respectively.

At UCI, environmental, social and corporate governance factors continue to be gradually integrated into our risk management and cross-cutting risk management processes, such as risk appetite, the granting of operations or the exercise of identifying emerging risks.

Credit quality agency Fitch has upgraded UCI's ESG entity rating to '2' from '3', reflecting the company's strong ESG performance and integration of ESG considerations into its business, strategy and management.

Grupo UCI has a leverage ratio and a capital level that respond to the minimum regulatory requirements, including P2R and P2G supervisory expectation.

A total capital ratio (TSCR) and total capital requirements (OCR) are maintained in accordance with the specifications established by the supervisor and the internal objectives set by the entity.

During the 2024 financial year, the level of solvency has made it possible to absorb the impacts derived from the plan to reduce non-performing assets through the sale of non-performing or non-performing loans.

In the latest stress test (FLESB), the strength of the business model has once again been demonstrated and, consequently, that solvency levels are sufficient to cope with severe macroeconomic scenarios.

Credit risk stands out in the distribution of risk-weighted assets (RWA) as it is our main activity (98.9% of the total).

The liquidity and funding risk profile remained stable despite the increase in the adaptation factor in the calculation of the LCR and NSFR regulatory ratios. Both indicators were above the limits, maintaining a robust liquidity buffer.

The amortization objectives of consumed financing lines were achieved, aligned with our self-financing strategy.

Compliance with sustainable commitments to grant operations aligned with the criteria of the European Investment Bank, the European Investment Fund or sustainability rating companies such as Sustainalytics.

1.2 Scope of application

The scope of application of this report refers to the consolidated group of UCI (UCI Group, UCI or the entity), although in some sections reference will be made to the sole proprietorship Unión de Créditos Inmobiliarios, S.A., Establecimiento Financiero de Crédito (hereinafter, UCI EFC), depending on the existence of specific criteria or specific and relevant characteristics of this individual company.

Consolidation Perimeter

The perimeter of companies that consolidate at the accounting level in the UCI Group in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU) and taking into account the provisions of BdE Circular 4/2017, and its corresponding amendments, is equivalent to the prudential consolidation perimeter by the full integration method. all these companies comply with the requirements for consolidation for solvency purposes established in Article 18 of Regulation (EU) No 575/2013 of the European Parliament and of the Council.

Transfer of own funds between subsidiaries and the parent

The Entity does not identify any impediment to the transfer of Equity between the subsidiaries and the parent, beyond those arising from compliance with the minimum capital requirements of Circular 2/2016. From an operational point of view and since the activity is concentrated in UCI EFC, if the Parent Company (UCI SA) wishes to make a dividend payment to its shareholders, it must proceed in accordance with the following scheme:

- Calculate the minimum capital requirements of UCI EFC.
- Make a dividend payment to its parent company for the amounts that may be in excess.
- The parent company, UCI SA, will account for the dividend received as financial income, and may choose two ways:
    - Wait until the end of the year and apply the result to reserves and then distribute the surplus part not attributable to the Legal Reserve and respecting the limits established between first and second category Own Funds.
    - Make a payment on account accompanied by the corresponding Audit Report with respect to the Treasury, so that it is verified that it is viable, in addition to taking into account the above considerations regarding the Legal Reserve and the limits on the composition of the Own Funds.

1.3 Pillar 3 Overview

The main objective of Pillar 3 Disclosures report is to provide specific information on the entity on its financial situation and activity in which the market and other interested parties may have an interest in order to assess the risks faced by the entity, its market strategy, its risk control, its internal organisation and its situation in order to comply with the minimum capital requirements provided for in the solvency regulations.

This document also complies with Part Eight of Regulation (EU) 575/2013 of the European Parliament and of the Council, which constitutes Basel Pillar 3, relating to public information obligations on the institution's risk profile, the risk management and control system and own funds and solvency levels. When displaying this information, UCI has followed the definition in said Regulation and the subsequent developments of this standard.

Government: Policy, Review and Approval

Grupo UCI has a formal information disclosure policy with prudential relevance to define the requirements, the preparation process, the frequency and the associated governance in compliance with the provisions of Directive 2013/36/EU, Regulation (EU) No. 2019/876 of 20 May 2019 (hereinafter, the EU Regulation or CRR II) amending Regulation (EU) No. 575/2013, as well as the Supervision and Solvency Law (10/2014) of the Bank of Spain.

The preparation of the Prudential Relevance Report is supported by several processes associated with the internal control framework with defined responsibilities for both the review and certification of the information contained therein through various levels of the organization.

Additional information in relation to the ICFR (Internal Control System on Financial Reporting) can be found on the UCI Group's corporate website, Investors main menu section, Corporate Governance chapter and remuneration policy.

https://uci.com/es/inversores/gobierno-corporativo/

The conclusions of this report are presented to the Joint Audit and Risk Committee prior to its approval. The content of the report is subject to verification by the entity's internal audit and by the corresponding risk control units.

The document "Pillar 3 Disclosures report" is published annually and as soon as possible. In any case, the publication will not be later than the date of approval of the entity's annual accounts.

The information required by the regulations in force that must be included in this report is presented, in accordance with said regulations, referenced to the consolidated annual accounts of U.C.I., S.A. and Subsidiaries (UCI Group) at the end of the year.

The Prudential Relevance Report, like the annual accounts, is available on the UCI Group (www.uci.com) website in the Investors section of the main menu in the Investor Information chapter.

https://uci.com/es/inversores/informacion-economico-financiera-inversores/

1.4 Applicable regulatory framework

Royal Decree 309/2020, of 11 February, establishes the legal regime for financial credit institutions in Spain. This decree regulates aspects such as the authorization, registration, permitted activities, and supervision of these establishments.

The application of Circular 2/2016 in the context of Royal Decree 309/2020 ensures that credit financial institutions operate under a robust regulatory framework, promoting the stability and solvency of the Spanish financial system.

On 2 February 2016, Bank of Spain Circular 2/2016 for credit institutions on supervision and solvency was published, which provides for the adaptation of the Spanish legal system to Directive 2013/36/EU and Regulation (EU) No 575/2013, which is applicable to the Bank, which was amended by Circular 5/2021. of 22 December, of the Bank of Spain.

The aforementioned Community Regulation (EU) No 575/2013 establishes uniform rules that credit institutions must comply with in relation to:

1) regulatory capital requirements relating to elements of credit risk, market risk, operational risk and settlement risk.
2) requirements to limit large risks.
3) the coverage of liquidity risk relating to fully quantifiable, uniform and standardised elements, once they have been developed by a delegated act of the Commission.
4) the establishment of the leverage ratio, and
5) information and public disclosure requirements.

This Regulation also introduced a review of the concept and components of the regulatory capital requirements for institutions. These are made up of two elements: Tier 1 capital and Tier 2 capital. In turn, Tier 1 capital is equal to the sum of Common Equity Tier 1 capital and Additional Tier 1 capital. In other words, Tier 1 capital is made up of those instruments that are capable of absorbing losses when the entity is in operation, while Tier 2 capital items will absorb losses mainly when the entity, where appropriate, is not viable.

Institutions must generally comply with the following own funds requirements:

- An ordinary Tier 1 capital ratio of 4.5% (CET1).
- A Tier 1 capital ratio (common plus additional) of 6%.
- A total capital ratio of 8%.

In addition to these requirements, as established by Law 10/2014 on the regulation, supervision and solvency of credit institutions, the Bank must meet the following capital requirements:

- Maintain a capital conservation percentage of 2.5% of Common Equity Tier 1 capital.
- Maintenance of a countercyclical capital percentage that can reach up to 2.5% of Common Equity Tier 1 capital.

The level that this buffer must reach has been set since 2016 on a quarterly basis by the national authorities based on macroeconomic variables, when excessive credit growth is observed that may be a source of systemic risk.

With regard to liquidity, Bank of Spain Circular 1/2022 of 24 January 2022 to financial credit institutions on liquidity, prudential rules and reporting obligations.

Pursuant to Article 68(2)(a) of Law 10/2014, the Bank of Spain requires UCI EFC to maintain a total capital ratio (or SREP total capital requirement ratio, as defined in section 1.2 of Guidelines EBA/GL/2022/03, hereinafter TSCR) at a consolidated and individual level. not less than 10,000% of the total amount of exposure at risk (TREA), which includes:

i. The minimum total capital ratio of 8% required in Article 92(1)(c) of Regulation (EU) No 575/2013, which the institution must maintain at all times and.

ii. An equity requirement of 2.000% in excess of the minimum (P2R), in accordance with Article 69.1 of Law 10/2014, which the entity must maintain at all times, of which 56.25% must be met with Common Equity Tier 1 (CET 1) capital and 75% with Tier 1 capital, at least, in accordance with section 6 of article 94 of Royal Decree 84/2015.

It is also recalled that the entity and the group are subject to total capital requirements (OCR) as defined in section 1.2 of the EBA/GL/2022/03 Guidelines which include, in addition to the "TSCR ratio", the combined capital buffer requirement as defined in Article 43 et seq. of Law 10/2014 and its implementing regulations.

This prudential requirement (OCR) will be applicable from 1 January 2024.

On the other hand, the need to establish an equity requirement in excess of the 3% leverage ratio requirement, as defined in section 1.2 of Guidelines EBA/GL/2022/03 (P2R-LR), which the institution would have to maintain at all times to address the risk of excessive leverage, has been analysed. whereas the Bank of Spain, in application of Article 68(2)(a) of Law 10/2014, has not considered it necessary to establish such a surcharge for the institution.

As of December 31, 2024, as well as during the 2024 financial year, the consolidated and individual capital level of the entity were above the requirement for that year.

Most relevant regulatory developments for the entity

On 19 July 2024, the banking package (CRR3/CRD6) amending the Capital Requirements Regulation and Directive was published in the Official Journal of the European Union to implement the completion of Basel III in the EU and introduce elements related to supervision, sustainability, and crypto assets. The Regulation applies from 1 January 2025 (with exceptions) and Member States will have until 10 January 2026 to transpose the Directive.

On 1 October 2024, the Bank of Spain approved a change to the methodological framework for setting the counter-cyclical capital buffer (CCA) applicable to exposures located in Spain by setting its target percentage at 1% for a standard level of cyclical systemic risks, and has resolved that the percentage of the CCA in force since the fourth quarter of 2024 applicable to exposures located in Spain it will be 0.5%, payable from 1 October 2025. Subsequently, and subject to cyclical systemic risks remaining at a standard level, the CCA rate is expected to be raised to 1% from the fourth quarter of 2025 (to be applied from 1 October 2026).

Principle of proportionality

This Pillar 3 Disclosures report has been prepared taking into account the principle of proportionality provided for in Article 74(2) of Directive 2013/36/EU, which aims to ensure that internal governance systems are consistent with the institution's individual risk profile and business model, so that the objectives of the regulatory provisions and requirements are effectively achieved.

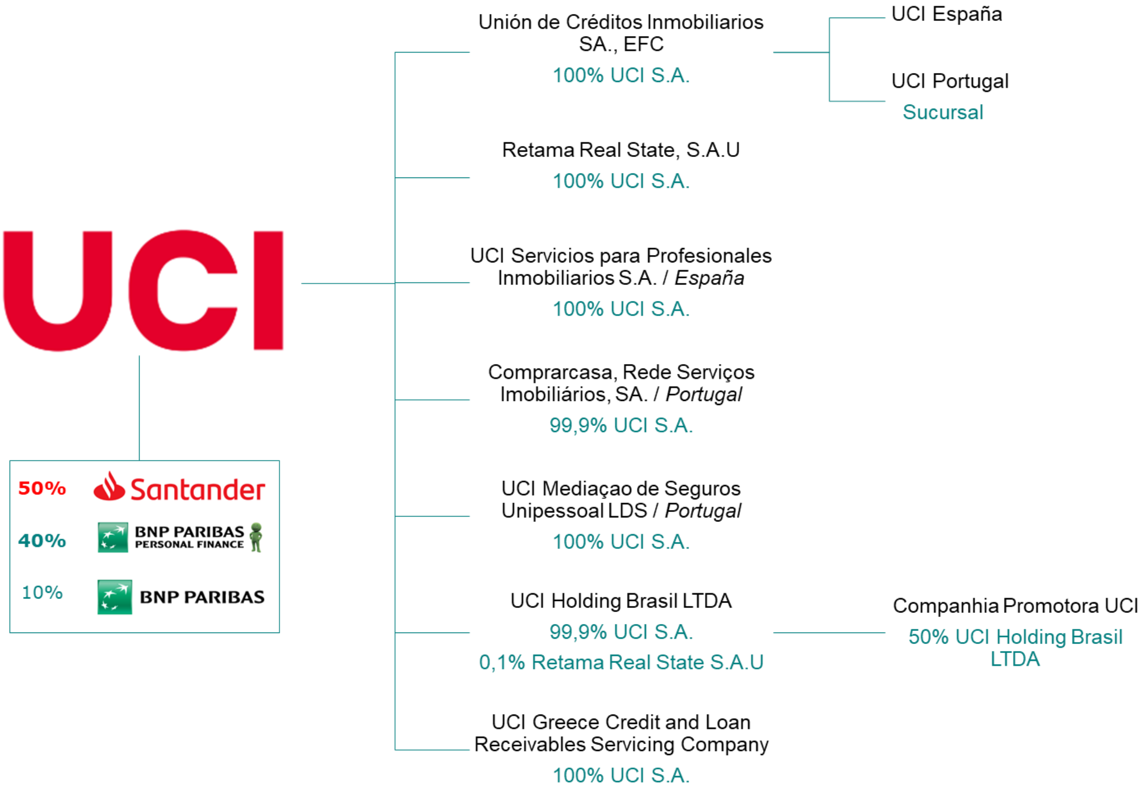
2. Global view of risks

2.1 Corporate Governance Principles and Practices

UCI Group assumes a set of principles and values that express its commitment to corporate governance, business ethics and corporate social responsibility. These principles are detailed below:

- Establishment of an adequate definition of the bases that define the structure, organization and operation of the Entity, which guarantee strategic coordination between all the areas that make up the organization, always keeping a proportionality to the nature, scale and complexity of the risks inherent to the business model and activities carried out by UCI, S.A. EFC and any company of the UCI Group to which it is applicable.
- Development of the activity and decision-making, through processes, which guarantee clarity, veracity and transparency before the different stakeholders, including shareholders, in terms of the information of their interest in relation to the companies in which they participate.
- Implementation and promotion of an ethical corporate culture, which is part of decision-making processes, in which integrity and honesty prevail, which contributes to the development of a commitment by all members of the organization in compliance with the principles and corporate values of the organization and, ultimately, of the UCI Group.
- Ensure regulatory compliance with the principles of integrity, professionalism and independence, so that the organization complies, in all cases, (i) with current and applicable regulations, (ii) with the internal policies and procedures established in accordance with the best practices, principles and recommendations in the field of good corporate governance and (iii) with the international standards and guidelines approved at all times by the competent authorities.
- Promotion of knowledge, dissemination and awareness of the organisation's own values, the policies and procedures that govern the operation of the activity and the relevant sectoral guidelines.

2.2 Governance and organization



UCI S.A. is the holding company of Grupo UCI.

UCI, S.A., EFC has as its main activity the granting of mortgage loans to individuals for the purchase of housing. It is headquartered in Spain and has a branch in Portugal.

Retama Real Estate, S.A.U. It is dedicated to the management of assets, specifically, the acquisition, disposal, encumbrance and lease by any title admitted by law of all kinds of real estate of any nature. Retama is headquartered in Spain and has branches in Portugal and Greece.

UCI Servicios para Profesionales Inmobiliarios, S.A.U., is a company domiciled in Spain, whose activity consists of the provision of services related to the real estate market, such as promotion, marketing, delivery of training courses or real estate intermediation.

Specifically, the activity of this company is focused, on the one hand, on the promotion of collaboration between agencies, in order to achieve maximum efficiency and effectiveness in the process of real estate intermediation, through the real estate network **Comprarcasa** that operates in Spain (in Portugal, it is the company **ComprarCasa, Rede Serviços Imobiliários, SA,** which carries out this activity); and, on the other hand, it is also dedicated to the promotion, leadership and active participation in different events and initiatives for professionals in the real estate sector, as well as their training (under the SIRA brand).

UCI Mediaçao de Seguros Unipessoal LDA is a company based in Portugal, whose activity consists of insurance mediation.

UCI Holding Brasil LTDA. is dedicated to direct or indirect participation in real estate businesses in Brazil or abroad. In turn, this company holds a 50% stake in the company Companhia Promotora UCI. whose activity is real estate brokerage, acting as a broker also in Brazil.

UCI Hellas Credit and Loan Receivables Servicing Company, S.A., is a company established in Greece that is dedicated to the management and maintenance of a portfolio of loans granted by financial institutions.

UCI, S.A. EFC has an organizational structure and an adequate and transparent management and control operating model, which pursues an efficient and proportional action to the nature, scale and complexity of the risks inherent to the business model and activity it carries out and, in turn, in accordance with the principles of good corporate governance, being the essential function of the sole shareholder and the Board of Directors to ensure that said structure is aligned with the business model and risks, for which it is entrusted with periodically evaluating the established organizational system and its impact on the Entity, adjusting, if necessary, both its structure and operation.

In turn, the governance of the Entity is composed, internally, by the Management, whose activity is reported to the Board of Directors and whose first level corresponds to the Chief Executive Officer, with the support of a Management Committee and different sectoral committees, constituted for the management of certain matters and risks.

Sole Shareholder

The Sole Shareholder of UCI, S.A. EFC, (UCI, S.A.) exercises the powers of the General Shareholders' Meeting and, in this capacity, has the functions provided for it in the applicable regulations and in the Bylaws of UCI, S.A. EFC.

Board of Directors

The Board of Directors is the highest decision-making body, except in those matters legally or statutorily reserved to the Shareholders' Meeting, in the case of UCI, S.A. EFC, Sole Shareholder, acting in a collegiate manner and under the support of its Committees, focusing especially on the strategic and management definition of the Entity, as well as the supervision and control of all those powers delegated to the Management.

The Board of Directors of UCI, S.A., EFC is ultimately responsible for the business strategy, key personnel decisions, internal organization, governance structure and practices, risk management and compliance obligations. The functions of the Council may be delegated to their respective Committees of the Council when appropriate, but not the responsibilities of the Council.

To this end, the Board of Directors is responsible for carrying out all those functions entrusted to it by law and bylaws, which, in summary, consist of:

- To approve and supervise the application of all the general policies of the Entity, from which the management of the company is defined.
- Define and review the entity's internal governance framework and strategy and periodically check that it remains adequate in the face of significant changes in the entity's size, complexity, geographic scope, business strategy, and market and regulatory requirements.
- Establish, together with senior management and those responsible for the different business lines, the group's risk appetite, and ensure its alignment with the business plan, regulatory requirements and the competitive landscape.
- To represent the company both before public authorities and private individuals of all kinds, maintaining in all cases a direct and effective channel of communication with the management bodies.
- Guide the establishment of the Group's corporate culture and values. With regard to this document, UCI's Board of Directors is responsible for defining a Corporate Governance system that guarantees effective and prudent management of the Entity, which includes the distribution of functions in the Entity and the Prevention of conflicts of interest and that monitors its application and responds to it.

The Board of Directors must periodically monitor and evaluate the effectiveness of the UCI governance system, taking appropriate measures to solve any deficiencies identified.

Number, duration of term of office and composition

The Board of Directors is made up of a number of three to nine members, one of whom holds the function of President. The Board of Directors shall in any case ensure that it has at least the number of independent members required by the applicable regulations. The term of office of the members of the Board of Directors is five years with the possibility of successive renewals.

As of December 31, 2024, the Board of Directors is composed of six Directors, of which one is Chairperson and Director, three are Directors and two are Independent Directors. It also has a non-Director Secretary.

The details of the composition of the Governing Body can be found in Annex I to this document.

Equal and balanced representation on the Board of Directors

UCI, S.A. EFC is aware of gradually achieving the objective of the under-represented sex on the Board of Directors and in senior management. It is based on the fact that at least 40% of the members must be of the underrepresented sex.

Suitability of directors and members of senior management and other key function holders

The suitability policy for directors and members of senior management and other key function holders is complemented by UCI's General Corporate Governance policy, in the area relating to the suitability of directors, members of senior management and key personnel.

The suitability policy for directors and members of senior management and other key function holders establishes the scope and content of the internal suitability assessment procedure for the members of the Board of Directors of Unión de Créditos Inmobiliarios, S.A., E.F.C. and its parent company U.C.I, S.A., as well as the members of senior management and those responsible for internal control functions or holders of key functions for the day-to-day development of the Entity's activity, and develops the procedure by which the obtaining or issuance of the required information will be verified.

This policy is intended, on the one hand, to provide the UCI Group with the highest levels of rigour and demand in terms of regulatory compliance by applying standards higher than those required by the applicable regulations and, on the other hand, to establish homogeneous parameters within the UCI Group for access to and exercise of administrative and senior management responsibilities.

In this regard, a procedure is established that defines and ensures the suitability and continuous evaluation of directors, members of senior management and those responsible for internal control functions or other managers who occupy key positions for the development of the Entity's main activity. To this end, the principles and criteria that govern the process of selection, appointment and renewal of the members of the Board of Directors of the Entity and of UCI, S.A. are included.

As general principles established in these policies, directors must at all times meet the conditions of suitability consisting of being persons of recognized commercial and professional repute, possessing adequate knowledge and experience to perform their functions and being in a position to exercise good governance of the Entity, without prejudice to the suitability of the Board of Directors as a whole. taking into account the different profile of its components in order to strengthen their independence and autonomy.

On the other hand, those defined as Key Personnel in the corresponding policies must have sufficient honourability, must have honesty and integrity and have sufficient knowledge, skills and experience for their positions at all times.

Directors' Remuneration Policy

The remuneration of UCI Directors is established on the basis of the criteria set out in the Remuneration Policy for UCI Directors and the Articles of Association.

UCI's remuneration practices will be compatible with proper risk management, with the business strategy and with the Group's values. In this regard, the Remuneration Policy for UCI Directors aims to prevent such practices from undermining the Entity's soundness by encouraging excessive risk-taking behaviour, and to establish a remuneration scheme appropriate to the responsibility assumed by the people to whom it applies, in order to attract and retain the most suitable profiles and to help the Entity meet their interests and business strategy.

The proposed Remuneration Policy, once approved by the Board, will be submitted to the

Shareholders' Meeting for approval and will be in force from the date of its approval by the Meeting and for the following three years.

Notwithstanding the foregoing, the Board of Directors shall periodically review the Remuneration Policy and shall be responsible for supervising its application.

Committees of the Board of Directors

The Board of Directors has a Nomination and Remuneration Committee and a Joint Audit and Risk Committee, which, in their supervisory role, facilitate the development and implementation of a sound internal governance framework, the composition, structure and functions of which are determined in the Regulations of the Board of Directors.

All the details on the composition, functions and operation of these can be found both in the Bylaws and in the Board Regulations, which are available in the "Corporate Governance and Remuneration Policy" space on the UCI website.

Joint Audit and Risk Committee

The purpose of the Joint Audit and Risk Committee is to improve the monitoring, information and decision-making of the Board of Directors in all matters within its competence, as well as to develop, execute and monitor the risk management, internal control and regulatory compliance control systems.

At the end of the 2024 financial year, this Committee was composed of three Directors, one for each shareholder (rotating) and two independent Directors. It has met on three occasions.

Nomination and Remuneration Committee

The Appointments and Remuneration Committee is constituted as a permanent internal body, of an informative and consultative nature, generally without executive functions, whose powers are to provide information and advice.

At the end of the 2024 financial year, this Committee was composed of three Directors, one for each shareholder and one independent Director. It has met five times.

The details of the composition of the Committees can be consulted in Annex I of this document.

Management bodies

Management Committee

UCI's senior management is led by the Chief Executive Officer (CEO), who reports to the Board of Directors. It has the Management Committee as the management body. As with the Board of Directors, members of Senior Management have the experience, competence and integrity to manage the business and the people under their supervision.

Among its functions, Senior Management, within the framework established by the Board of Directors and its Committees, plans and develops the company's strategy, organizes resources, leads human capital and organizes and controls processes.

The Management Committee implements and implements, under the direction of the Director-General, the strategies set by the Governing Board.

Senior management has, in turn, different sectoral or specific committees that are set up to support the management of certain specific matters and risks, which are defined, and their operation is regulated in the "UCI Committee Structure".

The Chief Executive Officer is appointed by the Board of Directors, to which he or she reports directly and exclusively, who must meet the experience and requirements required by the applicable regulations and the suitability policy of directors and members of senior management and other key function holders, and must thereby meet the requirements of commercial and professional repute and good governance required for that position.

For more information, please consult the UCI website, in the "Corporate governance and remuneration policy" space https://uci.com/es/inversores/gobierno-corporativo/

2.3 Risk Management Framework

UCI has a comprehensive risk management process, which includes effective oversight by the Board of Directors and senior management and the implementation of different appropriate policies and procedures to identify, quantify, assess, monitor, report and control or mitigate all significant risks in a timely manner and to assess the adequacy of capital and liquidity in relation to the risk profile and the macroeconomic and market situation.

UCI's Risk Management Framework encompasses all those principles and procedures implemented in the Entity, whose main objective is to implement a solid risk management culture throughout the Entity. To this end, risk management ensures that:

(a) frameworks, policies and procedures for risk-taking have been developed, in line with the risk management strategy and the established level of risk appetite.

(b) the uncertainties associated with the measurement of risk are recorded.

(c) appropriate limits are established in accordance with the risk appetite, risk profile and capital strength of the Entity, regularly communicated to and understood by relevant personnel; and

(d) senior management takes the necessary measures to monitor and control any significant risk in accordance with the Group's strategy and the level of risk appetite established.

UCI is aware of the importance of the impact that correct risk management can have on the business, and it is for this reason that it is committed to developing appropriate frameworks for the identification, measurement, management and control of risks. Risk management and control in the UCI Group are based on the following principles, which take into account regulatory requirements and market best practices:

- Involvement of the Board of Directors and senior management. UCI advocates for active participation and supervision of the Entity's governing bodies. The senior management team must promote, through their conduct, actions and communications, a coherent management and control of risk.

- Holistic approach to risk culture. The risk culture is based on the commitment and participation of all units and employees (regardless of the function they perform) getting involved and integrating the risk culture. All units and employees must know and understand the risks incurred in their daily activity and be responsible for their identification, assessment, management and reporting in a comprehensive and transparent manner.

- Comprehensive treatment of risk management and control. It must be ensured that the identification of risks encompasses all the Entity's material risks, on and off the balance sheet and at the group, portfolio and business line level, as well as the selection of appropriate risk measurement methodologies.

- Risk management and control must be conducted comprehensively across all businesses and for all types of risks, including any impacts that may result.

- Continuous communication on risk-related aspects, including risk strategy, is critical to a strong risk culture. The Board of Directors is responsible for the risks assumed by the Entity, so UCI establishes effective channels of information to the Board of Directors on the frameworks and policies related to risk management and all the significant risks faced by the Group.

- Adequate information management. An assessment, analysis and monitoring of the risks assumed should be undertaken to ensure a better understanding of risks and exposures and to allow for swift action to address and mitigate risks.

Risk culture

Having a solid risk culture is of vital importance and one of the keys that will allow Grupo UCI to respond to the variations of economic cycles, new customer demands and increased competition, positioning itself as an entity trusted by all its stakeholders.

One of the pillars on which the development of the risk culture is based is the implementation of the RMS transversal to the entire entity and integrated into the strategy, operations and culture of the Group.

Thus, excellence in risk management is one of the strategic priorities that the Group has set itself. This implies consolidating a strong risk culture throughout the organization, a risk culture that all UCI Group employees know and apply.

Our risk culture is defined through five principles:

1. **Commitment**. Risk culture is based on the commitment and participation of all units and employees (regardless of the role they perform) by getting involved and integrating risk culture as a "lifestyle" and not as an imposition.
2. **Responsibility**. All units and employees must know and understand the risks incurred in their daily activity and be responsible for their identification, assessment, management and reporting in a comprehensive and transparent manner.
3. **Simplicity**. Adapt the risk culture to the Group's business model where there are clear, documented and understandable processes and decisions for employees and customers.
4. **Customer orientation.** All risk actions are customer-oriented, in their long-term interests. The Group's vision is to be the leader in specialized real estate financing, earning the trust and loyalty of employees, customers, shareholders and society. The way to achieve this is to proactively contribute to the progress of customers with excellent risk management.
5. **Experience**. Through situations already experienced, be able to foresee the occurrence of adverse events. This experience will be acquired through a dynamic and evolving learning process, which will be shared and transferred to all levels.

Roles and responsibilities

The risk governance structure allows for effective supervision in line with risk appetite. It is supported by the management model of the three lines of defence, the structure of the committees and a solid risk culture.

Grupo UCI has a three-line of defence model to manage and control risks effectively:

• First line: Business functions that take on or generate exposure to risks are the first line of defines. The first line of defence identifies, measures, controls, monitors and reports the risks that originate and applies the internal regulations that regulate risk management. Risk generation should be in line with the approved risk appetite and associated limits.

• Second line: The risk management, control, and compliance functions make up the second line of defines, which independently monitors and challenges the risk management activities performed by the first line of defence. This second line of defence must ensure, within their respective areas of responsibility, that risks are managed in accordance with the risk appetite defined by senior management and promote a strong risk culture throughout the organisation.

• Third line: the internal audit function is independent to assure the Board of Directors, and senior management, of the quality and effectiveness of internal controls, governance and risk management systems, helping to safeguard value, solvency and reputation.

The risk management, compliance and internal audit functions have an appropriate level of separation and independence. Each of them has direct access to the Board of Directors and its Committees.

Risk Management Function (FGR)

In general, the FGR has the following characteristics:

• It is a central element of the organization that encompasses the entire Entity and is structured so that it can implement risk policies and control the Risk Management Framework and actively participates in all important risk management decisions.

• Ensures the identification, measurement, evaluation, monitoring and proper communication of all group risks by the relevant business lines or internal units, and compliance with the risk strategy.

• Independently assesses breaches of appetite or risk limits and reports to business units and the management body, recommending possible solutions.

• The head of the FGR is responsible for providing exhaustive and understandable information on risks and for advising the management body so that the Entity's overall risk profile can be understood.

• It has the appropriate authority, rank and resources, taking into account the criteria of proportionality to implement risk policies and the Risk Management Framework.

• Has direct access to the governing body in its oversight role and to its committees.

• Has access to all lines of business and internal units with potential to generate risk, as well as relevant subsidiaries and associates.

• The staff of the FGR possess adequate knowledge, competencies and experience in relation to risk management techniques and procedures, as well as markets and products.

• The FGR recommends through action plans improvements to the Risk Management Framework and corrective measures in the event of any non-compliance with policies, procedures and risk limits.

Internal Control Function (ICF)

Responsible for providing a reasonable degree of assurance as to the achievement of operations, reporting and compliance objectives.

The main functions of the FCI are as follows:

- Goal-oriented in different categories (operations, information, and compliance).
- Process that consists of continuous tasks and activities where the main inherent risks to which the entity is exposed are identified.
- Management monitoring, providing reasonable security.
- Follow-up actions and reviews of the System, adapting to the structure of the entity.
- Issuance of reports according to the standards established by senior management, the board or the supervisor.
- Carried out through the definition and implementation of controls that, based on the inherent risks, will allow establishing a residual risk for each of them.

Compliance Function

The regulatory compliance function is a fundamental component of Corporate Governance in strengthening risk control mechanisms and enables the balance of the different elements of surveillance and supervision of the Entity.

In relation to compliance risk, as a second line of defence, the following functions stand out:

- Development of Codes of Conduct, frameworks and policies related to compliance risk.
- Define and establish a Compliance Risk Supervision and Surveillance Program.

- Preparation of periodic reports to Senior Management and the Board on relevant findings and incidents resulting from ongoing monitoring, assessment and management of compliance risk.
- Identify changes in the legal or regulatory environment and assess the potential impact on the Group's activities and compliance framework.
- Collaborate and exchange information with the Risk Function, facilitating an integrated approach to the control and management of the global risks to which the Group is exposed.
- Define and establish appropriate and effective mechanisms to prevent disciplinary offences, internal or external conduct that may facilitate or enable fraud, money laundering, terrorist financing or other economic crimes.
- Participate in the definition of training and certification plans.
- Coordination work in the preparation of the external expert report on AML/CFT.

Internal audit function

The Internal Audit Department independently reviews and provides objective assurance of compliance of all activities and units of the entity, including outsourced activities, with the entity's policies and procedures and regulatory requirements. Internal audit work is performed according to a detailed audit plan and program following a risk-based approach. Within the framework of the Audit function, the Joint Audit and Risk Committee assumes among its functions:

- Approval of the Internal Audit Statute.
- Approval of the Audit plan and Internal Audit resource plan.
- Receive reports from the head of Internal Audit on the performance of the function in relation to its plan and other matters.
- Approval of the appointment and dismissal of the head of Internal Audit.
- Approval of the remuneration of the head of Internal Audit.
- Give the Head of Internal Audit unrestricted access to the Joint Audit and Risk Committee, including in private meetings without management present, and communicate and interact directly with him/her.

The Joint Audit and Risk Committee authorises Internal Audit to:

- Have unfettered institution-wide access to all records, documents, information and buildings of the institution, including access to management information systems and minutes of all committees and decision-making bodies, subject to responsibility for the confidentiality and safeguarding of records and information.
- Assign resources, establish frequencies, select topics, determine scopes of work and apply the techniques that are required to achieve the audit objectives and issue reports.
- Obtain assistance from the necessary ICU staff, as well as other internal or external specialized services to carry out the audit work.

The scope of Internal Audit activities includes, but is not limited to, objective reviews of evidence in order to provide independent assessments to the Joint Audit and Risk Committee, senior management and external parties on the adequacy and effectiveness of governance, risk management and control processes for UCI. Internal Audit assesses the effectiveness and efficiency of the internal control framework. In particular, Internal Audit assesses:

a) the adequacy of the institution's governance framework.
b) whether existing policies and procedures remain adequate and comply with legal and regulatory requirements and with the entity's risk strategy and risk appetite.
c) the conformity of the procedures with the applicable legal and regulatory provisions and with the decisions of the management body.

d) whether the procedures are applied correctly and effectively.

e) the adequacy, quality and effectiveness of the controls carried out and reporting by the defence business units and the risk management and compliance functions.

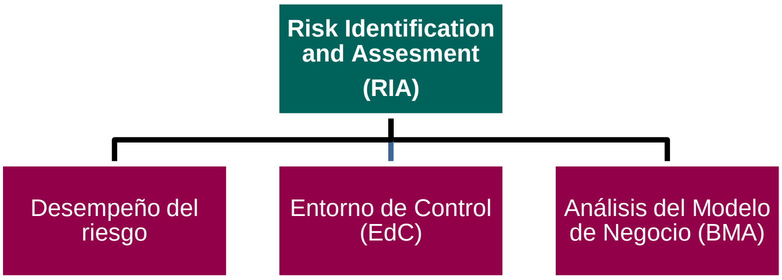
Risk Identification and Assessment (RIA)

Grupo UCI systematically assesses the entity's risk profile using a unique and robust methodology that allows it to analyse all types of risk to which it is exposed, in accordance with the identified corporate risk map. In addition, it yields results at different levels by type of risk and unit through a scoring system that classifies the profile into four categories: low, medium-low, medium-high and high.

The RIA (Risk Identification and Assessment) methodology, aligned with the methodology of the shareholders, the best practices in the market and taking as a reference the guidelines aimed at the supervisor established in the SREP, is based on the fundamental principles of the risk identification and assessment model, such as: self-assessment and suitability of the exercise, efficiency, holistic and comprehensive view of risk, through the use of common methodologies, convergence and alignment oriented to decision-making.

The exercise involves all three lines of defence, reinforcing our risk culture by analysing how risks evolve and identifying areas for improvement.

The assessment of the risk profile integrates the following blocks:



- Risk performance, which allows the exposure profile to each type of risk to be measured.
- Control environment, in which the distance to the target operating model of our advanced risk management is evaluated in accordance with regulatory requirements and market best practices.
- Business model analysis. Prospective analysis evaluates potential threats that may impact business planning and strategic objectives.

Scenario analysis

A fundamental tool to ensure robust risk management and control is the analysis of the possible impacts arising from the different scenarios related to the environment in which the Group operates, with the aim of determining capital and liquidity requirements.

In this regard, the UCI Group carries out internal capital and liquidity adequacy exercises (IACL) in which the entity develops its methodology to assess capital and liquidity levels under different scenarios based on adverse developments in different macroeconomic variables (GDP, interest rates, employment, house prices and credit differentials).

Structure of risk committees

The Board of Directors is ultimately responsible for risk management and control. It reviews and approves risk frameworks and appetite and promotes a strong risk culture across the organization. The Chief Risk Officer (CRO) sets the risk management strategy, promotes an appropriate risk culture and is responsible for overseeing all risks, as well as questioning and advising lines of business on their management.

The CRO has direct access to and reports to the Board's Audit-Risk Committee and the Board of Directors.

Risk governance keeps the line of control separate from the line of risk-taking:

	Joint Audit and Risk Committee of the Board	Risk Management Committee
Functions	To advise the Board of Directors on the entity's current and future overall risk appetite and its strategy in this area, and to assist it in monitoring the implementation of that strategy. This committee is responsible for risk management, in accordance with the powers delegated by the board. The commission does not accept or make decisions to take on more risk, it is not an executive committee, its job is to inform the Council.	This committee is responsible for managing risks and providing a holistic view of risks. It determines whether lines of business are managed according to risk appetite. It also identifies, tracks and assesses the impact of current and emerging risks on the Group's risk profile.
Chairs	Independent Director	Chief Risk Officer (CRO)
Composition	Three Directors, one for each shareholder (rotating) and two independent Directors, the CEO of UCI and the Secretary of the Board. UCI's risk management, compliance and internal audit functions are assisted.	Members of senior management and the risk management, compliance, financial and general intervention functions.
Frequency	At least once a year	Quarterly

For more information, please consult the UCI website, in the "Corporate governance and remuneration policy" space https://uci.com/es/inversores/gobierno-corporativo/

2.4 Risk Appetite Framework

Grupo UCI carries out comprehensive risk management, where the definition and control of risk appetite is a key element. Risk appetite is defined at an aggregate level and taking into account the different types of risks that the company is willing to assume to achieve its risk strategy based on the annual strategic plan.

As part of UCI's Risk Appetite Framework (RAF), a formal Risk Appetite Statement (RAS) is included, which sets out the articulation, in written form, of the aggregate level of risk that UCI is willing to tolerate in the implementation of its strategy.

The risk appetite statement is the responsibility of the risk owners and approval is the responsibility of the Board of Directors through its delegated body, the Board's Audit-Risk Committee. Its functions also include the establishment of a specific treatment for indicators that exceed the established levels.

The risk management function is responsible for the management, monitoring and communication of results to senior management and the Board of Directors in the different reports it prepares.

The main elements that underpin risk appetite are:

- A medium-low and predictable objective risk profile focused eminently on the granting of mortgage loans to individuals.
- A solid structure in terms of capital and liquidity, with risk profiles that do not compromise the Group's viability.
- An independent FGR with the active involvement of senior management in order to reinforce a solid risk culture and a sustainable return on capital.
- A remuneration policy that aligns the interests of employees and managers with the Group's risk appetite and long-term results.

The Risk Appetite Framework includes all the institution's risks according to the following taxonomy:

Credit and concentration risk is the risk of financial loss caused by the default or deterioration of the credit quality of a customer or a counterparty, to whom Grupo UCI has financed or with which a contractual obligation has been assumed. Concentration indicates the absence of diversification from the point of view of geographical exposure, type of customer, specific products or sales channel.

Structural balance sheet interest rate risk: this is the exposure to which the company is subject as a result of adverse movements in interest rates. This sensitivity is conditioned by the lags in the maturity and revision dates of the interest rates of the different items on the balance sheet.

Solvency risk: it is identified with the capacity of the Entity to generate funds to meet, under the agreed conditions, the commitments acquired with third parties. Solvency is closely linked to credit risk, as it represents the possible loss that would be caused to the Entity by the variation in conditions and characteristics, which could alter the company's ability to meet the contractual terms of its operations.

Liquidity and funding risk: this is the risk that the liquid financial resources necessary to meet the obligations contracted when they fall due are not available, or that they can only be obtained at a high cost.

Market risk: reflects the possibility of suffering losses arising from adverse movements in market prices and/or the negotiable instruments with which the Entity operates.

Operational risk: is the risk of suffering losses due to the inadequacy or failures of processes, employees and internal systems, or due to external events. It includes legal risk and regulatory and behavioural compliance risks.

Reputational risk: is the risk of a negative economic impact, current or potential, due to a deterioration in the perception of the financial institution by employees, customers, shareholders/investors and society in general.

Strategic risk: is the risk of loss or damage arising from strategic decisions, or their poor implementation, which affect the medium and long-term interests of the main stakeholders, or an inability to adapt to the evolution of the environment.

ESG risk: includes the environmental factor (E), to make decisions based on how companies' activities affect the environment, the social factor (S), to take into account the impact that the activities carried out by the company have on the community, and the governance factor (G), which studies the impact of the shareholders themselves and the management, and it is based on issues such as the structure of boards of directors, shareholder rights or transparency, among others.

2.5 Sustainability

This chapter includes the most relevant elements of the Sustainability Report, for more information, consult the Sustainability Report published on the bank's website, in the Information for Investors section:

https://uci.com/es/inversores/informacion-economico-financiera-inversores/

The consolidated Non-Financial Information Statement is part of the UCI Group's Management Report and is issued as a separate report. With this Sustainability Report, UCI reports on its situation in compliance with Article 49 of the Commercial Code, as amended by Law 11/2018, as a transposition of Directive 2014/95/EU into the legal system, with regard to the disclosure of non-financial information and diversity.

In 2024, the double materiality analysis has been carried out in accordance with Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (CSRD) and as the draft Law on Business Information on Sustainability, amending the Commercial Code, the Capital Companies Act and the Audit of Accounts Act, was not approved in 2024, the reporting of non-financial information has been chosen in accordance with the current Law, the aforementioned Law 11/2018 on Non-Financial Information and Diversity.

The total assets, equity and results for the year of the subsidiary Unión de Créditos Inmobiliarios S.A. E.F.C. represent practically all of the same items of the Group, so the scope of the information and the entities included in the perimeter of the Statement of Non-Financial Information corresponds to Unión de Créditos Inmobiliarios S.A., A Financial Credit Establishment in Spain and Portugal, whose perimeter covers 93% of the Group's employees and 98.35% of the outstanding balance under management.

The report is prepared using the criteria of the principles of the United Nations Global Compact, the 2030 Agenda with the Sustainable Development Goals and its three dimensions of sustainability: environmental, social and governance, using the GRI Standards as a reference and with the requirements set by the Spanish legislation applicable to this matter. such as Law 11/2018. In addition, taking into account, in turn, EU Regulation 2020/852 on the European Taxonomy, in reference to the classification of economic activities based on their contribution to climate change or damage to the environment.

This Report has been verified by Forvis Mazars Auditores, S.L.P., in its capacity as an independent provider of verification services, in accordance with the wording given by Law 11/2018 to article 49 of the Commercial Code, cited above.

This verification includes the documentary verification of the information collected in this document, as well as the analysis of the quality of the quantitative data used, justifying the coherence of the information reported with the results of the analysis of the needs and expectations of the stakeholders.

To this end, Forvis Mazars Auditores, S.L.P. adopts the requirements established in the Revised International Standard for Assurance Engagements 3000 in force, "Assurance Engagements other than Audit or Review of Historical Financial Information" (Revised NIEA 300) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Action Guide on Engagements for the Verification of the Status of Accountants. Non-Financial Information issued by the Institute of Chartered Accountants in Spain.

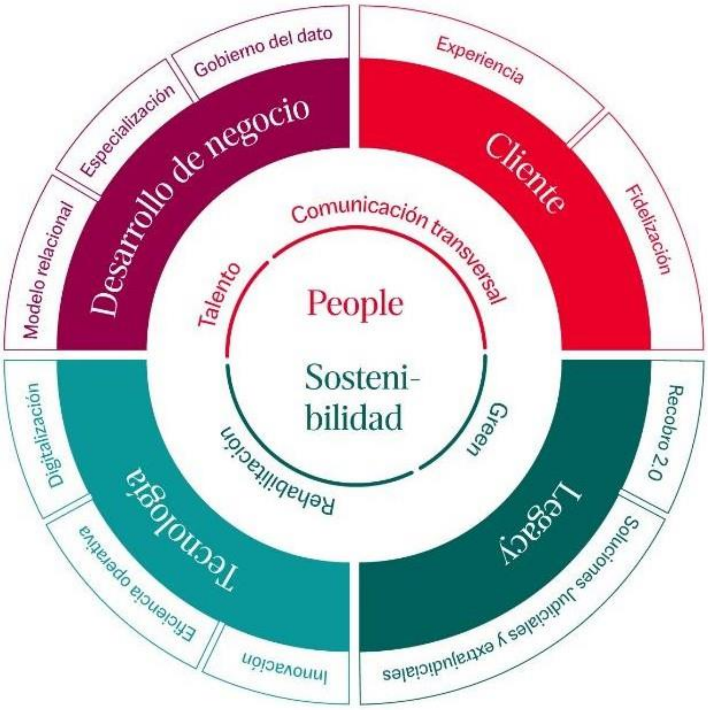
Once verified, the Report is approved by the UCI Board of Directors.

The strategy

In 2024, the bank's strategic plan has been defined with the axes, lines and strategic objectives for a 3-year horizon, with annual review.

The axes are as follows:

1. Business development: Identify new business opportunities, both in terms of product and service and also in relation to customers and channel, with a differentiated, unique commercial approach that positions us as financial specialists with a unique service.
2. Client: Enhance the firm's client strategy by including the new community model. Focused on meeting new customer needs.
3. Technology: Improve operational efficiency through innovation, implementation of procedures and automation, improving agility, specialist expertise and integration in both customers, channels, and other stakeholders throughout the process, both with internal development and outsourcing.
4. Legacy: Establish a collection strategy focused on the optimization of judicial and extrajudicial solutions.
5. People: Generate an attractive work environment for the development of existing talent and attract new talent through a diverse, inclusive, positive, fair, transparent and training-supported culture.
6. Sustainability: Integrate sustainability into the company's DNA and culture, involving all levels and areas of the company, as well as its stakeholders. It is about generating value, trust and reputation, aligning discourse with action and showing the positive impact of business activity on environmental, social and governance aspects.



Products

As a financial institution specialising in mortgage financing, it has various products in both Spain and Portugal to offer the right solution to the needs of each client who wants to buy a home. Different options ranging from the acquisition of a home, its refurbishment, simultaneous purchase and refurbishment, the self-developer mortgage for the construction of the home on the client's land, a mortgage for the second home and for the acquisition of housing for young people. In addition, the need of non-resident clients who want to acquire a home in the Iberian Peninsula is met.

Our mortgages are designed to encourage the development of more sustainable homes, aligned with awareness of climate change and energy savings.

To access a green mortgage, it is essential that the home or project meets certain energy efficiency criteria:

- **Energy certification A** or energy **consumption 10% better** than standard references for climate zones.
- **Reforms that reduce consumption**: The reform must achieve a 30% reduction in energy consumption to be eligible.

Sustainability is understood as a global challenge that motivates us to achieve the decarbonisation of cities and is addressed as part of the ESG commitment. To this end, financing is offered so that homeowners' associations can carry out the rehabilitation of their building. A loan for everyone, which improves the energy efficiency of each home.

The sustainability model

Governance and management of Sustainability

At UCI, a business culture is built that is committed to the environment and to the stakeholders that influence or are influenced by the activities it carries out and the impact on the planet. There is a governance structure and frameworks for action and policies that guarantee responsible and sustainable behaviour.

The Sustainability Department manages and promotes sustainability issues that impact the organization and those that have an impact on stakeholders and the environment with the other areas. This management is part of the Management Committee and reports directly to the CEO, which favours the design of strategies and transversal collaboration within UCI.

The sustainability strategy is developed in different phases and with different tools and establishes the lines of action to achieve the objectives set as an organisation.

Sustainability Policy	Double materiality study	Sustainability Plan	Sustainability Report
It defines the general principles of sustainability and the commitments to stakeholders for the creation of value in the long term.	Study from the perspective of Impact Materiality (UCI's impact on people and the environment) and Financial Materiality (Sustainability risks and opportunities for UCI)	It establishes the ESG strategy based on the material issues identified, the company's ESG framework, SDGs to which it contributes and commitments to stakeholders.	Annual report prepared in accordance with current regulations and on material issues in sustainability.

Framework for action

To integrate ESG standards and criteria into all processes and operations, there are internal policies that include sustainability regulations, and national and international initiatives related to sustainable development.

Sustainability Policy	Code of Ethics	Environmental Risk Management Policy	Diversity Policy	Consumer Protection Policy
It defines the general principles of sustainability and the commitments to stakeholders for the creation of value in the long term	It establishes a set of principles and guidelines aimed at guaranteeing the ethical and responsible behaviour of all UCI employees in the development of their activity.	It specifies the criteria and procedures to be followed in the granting of loans that may have a greater environmental impact.	It includes the objectives, principles and actions to guarantee diversity and inclusive culture in the organisation.	It details the 9 general principles that govern the relationship with customers to respect their interests and rights.

Information Security Policy	Anti-Corruption and Anti-Bribery Policy	General Conflicts of Interest Policy	Supplier Contracting Policy	Social Action Policy
It includes the main lines of action to guarantee the confidentiality, integrity and availability of ICU information.	It identifies the most common cases in which they can find acts of corruption and the way in which they should proceed in such situations.	It establishes guidelines to prevent and manage conflicts of interest in the activities of UCI employees, directors and entities.	It establishes the general framework for the selection, control and monitoring of service providers, as well as quality assessment.	It defines the lines of action for donations that are made: economic, in kind or through volunteering.

ESG Commitment

At UCI we work to achieve sustainable development with people and the environment as the axes of our activity. With this approach, the strategy is deployed, identifying in each ESG criterion the purpose and objectives to contribute to the achievement of a fairer and more sustainable society.

With the integration of these elements, an ESG model focused on sustainable and responsible business results is achieved with a committed team and meeting the needs of stakeholders.

The ESG commitment	
Creating value for stakeholders by incorporating ESG criteria into new lines of business	
And	Minimise the impact of the activity on the environment and promote the decarbonisation of the building stock through sustainable financing and rehabilitation.
S	Supporting the development of a more sustainable and caring society by boosting customer satisfaction, inclusive growth and supporting the creation of diverse and talented teams.
G	Integrate responsible management through a framework of action with well-defined policies and procedures, listening to stakeholders and prudent risk management.

Sustainability milestones

The promotion in the ESG field allows us to improve and advance in different projects:

- Sustainable Fitch has improved the ESG Entity Rating, in 2024 it has achieved a '2' from '3' in 2023 and a score of 63/100, reflecting the company's good ESG performance and the integration of ESG considerations into the business, strategy and management.
- The financing of rehabilitation projects in homes and homeowners' associations continues as an entity adhered to the ICO MITMA Residential Building Rehabilitation Line.
- ICO guarantees to facilitate the purchase of a first home for people under 35 years of age and families with dependent children, a guarantee is offered that covers up to 20% of the mortgage loan, and up to 25% in homes with an energy rating of D or higher.
- There are new commitments to grant sustainable operations aligned with the criteria of the

European Investment Bank, the European Investment Fund and Sustainalytics.

- Residential Energy Rehabilitation (RER) Plan, through the funds of the ELENA (European Local Energy Assistance Facility) program that will end in 2025.
- The ENGAGE (Engage for ESG activation investments) project, the European Union's financial instrument dedicated exclusively to the environment and climate action, continues.
- It has the Energy Efficient Mortgage Label (EEML). This seal guarantees that green mortgages and sustainable financing solutions meet the strictest criteria for caring for the environment.
- For the fifth consecutive year in Spain and for the fourth consecutive year in Portugal, the Certification as a Great Place to Work (GPTW) has been achieved.
- The draft revision of the entity's key documentary framework has been completed, reinforcing the main frameworks, policies and procedures in accordance with applicable regulations and market best practices.

Double Materiality Analysis

The entry into force of the Corporate Sustainability Reporting Directive (CSRD) requires the adoption of the European Sustainability Reporting Standards (NEIS), and, therefore, the performance of the double materiality study as a basis for identifying the content to be reported.

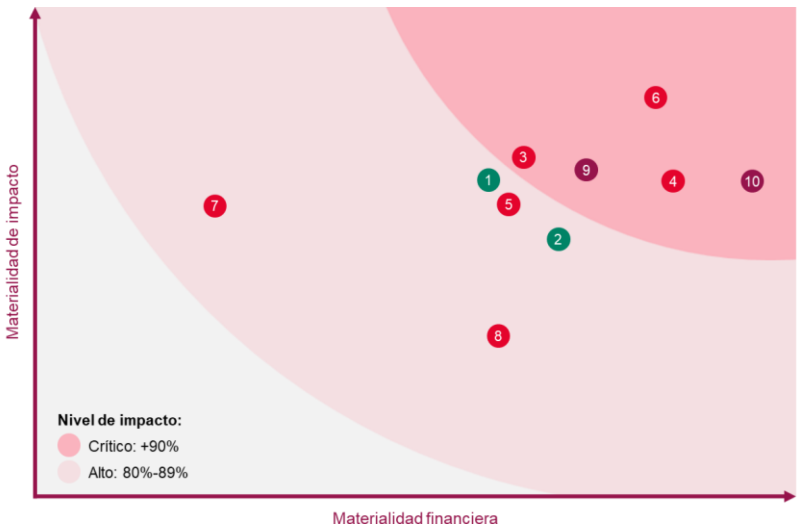
In 2023, the first double materiality study will be carried out, aligned with the requirements of the new regulations and the recommendations of the EFRAG. The 2024 study is an update of the previous one, taking into account Delegated Regulation 2023/2772 and the EFRAG implementation guide (IG 1 Materiality Assessment).

After the context analysis and as a result of phase 2, the material topics for 2023 have been consolidated to define the list of material topics for 2024. In order to obtain topics with a broad approach and aligned with the NEIS, some topics have been integrated into the same one (Talent Management and Training and Customer Experience and Loyalty). With the same objective, the themes have been renamed. Finally, two material issues for 2023 have been discarded because they are included in the mandatory report of the NEIS.

	TEMAS MATERIALES EN 2023	TEMAS MATERIALES EN 2024
A Ambiental	Oferta de productos financieros sostenibles	Financiación sostenible y responsable
	Gestión ambiental responsable	Gestión ambiental responsable
S Social	Bienestar y condiciones laborales	Bienestar y condiciones laborales
	Diversidad, equidad e inclusión	Diversidad, equidad e inclusión
	Talento y formación Eficiencia en la gestión interna	Gestión del talento y formación
	Calidad en el servicio y la experiencia del cliente Transparencia en la comunicación	Experiencia y fidelización del cliente
	Contribución a la sociedad	Contribución a la sociedad
	Relación con los profesionales inmobiliarios y otros actores clave	Relación con los partners de negocio
G Gobernanza	Transformación digital	Privacidad y protección de datos y ciberseguridad
	Gobierno corporativo y ética	Conducta empresarial

Gestión de los riesgos financieros y ESG Cumplimiento normativo	Se descartan como temas materiales 2024 al ser contenidos obligatorios del reporte de la NEIS 2.

Main results: Double Materiality Matrix



1	Financiación sostenible y responsable
2	Gestión ambiental responsable
3	Bienestar y condiciones laborales
4	Diversidad, equidad e inclusión
5	Gestión del talento y formación
6	Experiencia y fidelización del cliente
7	Contribución a la sociedad
8	Relación con los partners de negocio
9	Privacidad y protección de datos y ciberseguridad
10	Conducta empresarial

Ambiental Social Gobernanza

Contribution to the 2030 Agenda

As partners of the Global Compact, Spain promotes its vision aligned with the 2030 Agenda. To this end, the Sustainable Development Goals are specified, to which business activity and commitments are contributed, favouring sustainable development. Efforts are focused around five priority SDGs, four interrelated SDGs and one cross-cutting SDG:

Priority SDGs

SDG 4. Quality education

We support the community, with a focus on especially financial education.

SDG 8. Decent work and economic growth

We promote the well-being and development of employees in a safe and diverse work environment that favours change, innovation and the achievement of objectives.

Interrelated and cross-cutting SDGs

SDG 5. Gender equality

We guarantee and develop equal treatment and opportunities for all people.

SDG 7. Affordable and clean energy

We promote the renovation of buildings and the acquisition of housing in order to improve energy efficiency and reduce CO2 emissions.

SDG 10. Reducing inequalities

We contribute to people's well-being by promoting inclusive and diverse growth.

SDG 11. Sustainable cities and communities

We support inclusive urbanization and access to adequate housing through our sustainable financing and related projects.

SDG 13. Climate action

We combat climate change and its effects with sustainable financing solutions to drive the decarbonisation of the building stock.

SDG 12. Responsible production and consumption

We encourage sustainable development and the knowledge and dissemination of responsible practices, both among our employees and stakeholders.

SDG 16. Peace, justice and strong institutions

We ensure a strong governance structure and corporate culture throughout the organization.

SDG 17. Partnerships to achieve the goals

We create national and international alliances that generate value for the company and our stakeholders.

3. Capital

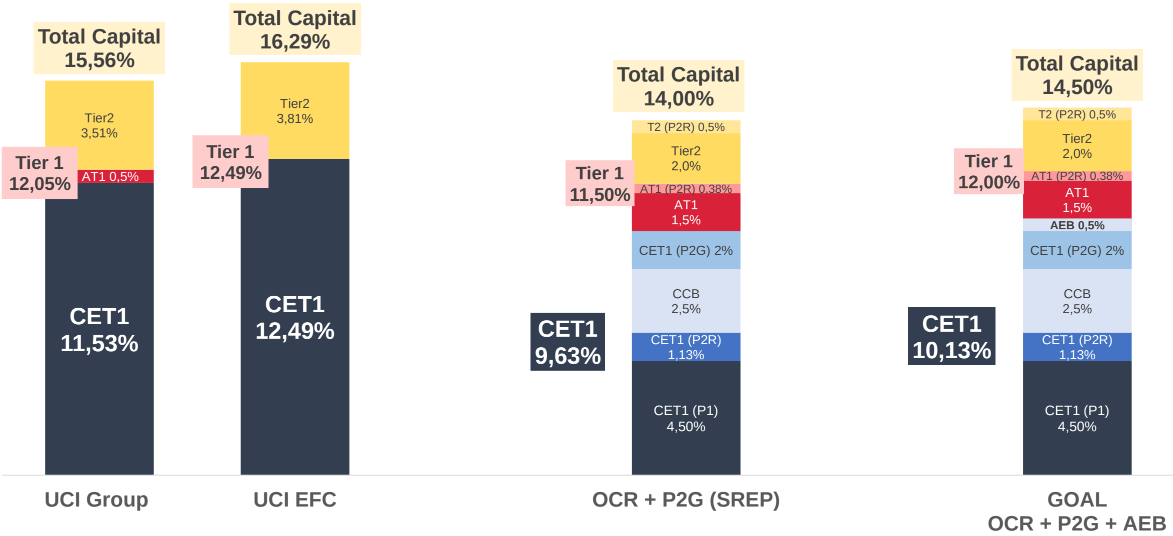
3.1 Annual evolution

The CET1 ratio is 11.53% (10.21% in 2023), above the minimum requirement of 9.625% (8.125% without P2G). This increase in CET1 is explained by the conversion of contingent convertible bonds or CoCos and by the positive effects of the plan to reduce non-performing assets.

The AT1 (Additional Tier 1) represents 0.52% made up entirely of contingent convertible bonds. In this way, the Tier 1 ratio amounts to 12.05% (12.40% in 2023), exceeding the minimum requirement of 11.5% (10% without P2G). Tier 2, made up of subordinated debt, represents 3.51%.

The total capital ratio stands at 15.56% (same level as 2023), above the minimum requirement of 14% (12.5% excluding P2G),

Therefore, a leverage ratio, a total capital ratio (TSCR) and total capital requirements (OCR) are maintained in accordance with the specifications established by the supervisor and the internal objectives set by the entity, ensuring a solid capital base and complying with the regulatory requirements of both Pilar1 and Pilar2.



3.2 Managing Solvency Risk

The management and adequacy of capital in Grupo UCI seeks to guarantee solvency and maximize profitability, complying with internal capital objectives, as well as regulatory requirements. It is a fundamental strategic tool for decision-making at the corporate level.

The Group's capital management activities include:

- Establishment of solvency objectives aligned with regulatory requirements and internal policies, to ensure a solid level of capital consistent with the risk profile and an efficient use of capital in order to maximize shareholder value.
- Capital planning is an essential part of the implementation of the three-year strategic plan.
- Assessment of capital adequacy to ensure that the capital plan is consistent with the risk profile and its risk appetite framework also in adverse scenarios.
- Preparation of internal capital reports, as well as for supervisory authorities and the market (IACL).

The Group's capital function is carried out at three levels:

Regulatory Capital

To manage regulatory capital, the starting point is the analysis of capital and leverage ratios under the criteria of current regulations and the scenarios used in planning to make the capital structure as efficient as possible, both in terms of cost and in compliance with prudential requirements.

Economic capital

The economic capital model aims to ensure that capital is appropriately allocated for all the risks to which it is exposed as a result of the activity and risk appetite and aims to optimise the Group's value creation.

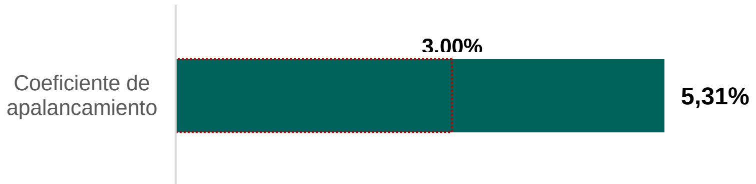
Profitability and pricing

To create value and maximise profitability by taking care of and choosing the most appropriate strategies based on profitability taking into account risk. That is why profitability and pricing are part of the key processes of the capital model.

3.3 Leverage ratio

This ratio shows the ratio of a credit institution's capital to assets and off-balance sheet items, regardless of their degree of risk.

At the end of the year, the leverage ratio stood at 5.31% (5.43% in 2023), far from the 3% requirement.



LEVERAGE RATIO ELEMENTS	**GROUP** 2024
TOTAL EXPOSURE	9.543,81
Assets	9.874,53
Derivatives contracts	13,22
Counterparty credit risk additions	0,00
Off-balance sheet items	47,84
Exhibitions excluded from total exposure	-367,87
TIER 1 CAPITAL	511,86
LEVERAGE RATIO	**5,31%**

Data in millions of euros

At the end of the year, the entity is not obliged to maintain a capital surcharge on the 3% leverage ratio requirement. This limit is monitored in different internal committees, ensuring that the ratio comfortably exceeds the level established in the solvency regulations.

C47.00-Calculation of the leverage ratio	GROUP 2024
SFT: Addition by Counterparty Risk (0020)	248,66
Off-balance sheet items with a conversion factor of 50 % in accordance with Article 429f of the CRR (0170)	47,84
Other assets (0190)	9.339,81
Total Exposure Measure for the Leverage Ratio (as defined by Tier 1 capital to be applied upon completion of the phase-in process) (0290)	9.636,32
Total Exposure Measure for Leverage Ratio (as defined as Transitional Tier 1 Capital) (0300)	9.636,32
Tier 1 capital (as defined upon completion of the phase-in process) (0310)	511,86
Tier 1 capital (as defined as transient) (0320)	511,86
Leverage ratio (as defined as Tier 1 capital to be applied upon completion of the phase-in process) (0330)	5,31%
Leverage ratio (as defined by transitional Tier 1 capital) (0340)	5,31%
Pillar I Leverage Ratio Requirement (0410)	3,00%
SREP Total Leverage Ratio (RRAPTP) Requirement (0420)	3,00%
Total Leverage Ratio (RRAT) Requirement (0440)	3,00%
Total Leverage Ratio (RRAT) and Pillar II Recommendation (P2G) Ratio Requirement (0450)	3,00%
RRAT and P2G: Tier 1 capital (0470)	3,00%

Data in millions of euros

3.4 Eligible own resources

For the purposes of calculating the minimum capital requirements, Tier 1 capital is considered to be the items defined as such, taking into account their corresponding deductions, in Part Two, Title I, Chapters 1, 2 and 3 of Regulation (EU) No 575/2013.

Equity in the prudential area is made up of: Tier 1 capital, resulting from the aggregation of Common Equity Tier 1 (CET1), Additional Tier 1 (AT1) and Tier 2 (T2) capital.

At the end of the year, the UCI Group's equity consisted of:

Common Equity Tier 1 (CET1) capital

- Share capital: in both cases it is paid-up share capital.
- Effective and express reserves[2:] generated against profits.
- Profit or loss for the year.

These computable elements are adjusted by prudential filters (Articles 32 to 35 CRR) and by deductions (Article 36 et seq. CRR) which are listed below:

- Deferred tax assets (DTAs): deduction of deferred tax assets that depend on future returns, net of related deferred tax liabilities that meet the requirements of Article 38.3 of the CRR. Deferred tax assets arising from temporary differences shall be exempt from the deduction provided that the limits established in Article 48 of the CRR are not exceeded. As of December 31, 2023, the entire deduction corresponds to deferred tax assets that do not originate from temporary differences.
- Securitisation transactions: securitisation positions, with a risk weight of 1250%, are incorporated, on which it has been decided to deduct directly from CET1 instead of applying the risk weight, in accordance with Article 36.1(k). On the perimeter of the ICU EFC.

Additional Tier 1 Capital (AT1)

It includes the issuance of debt instruments represented by convertible subordinated negotiable securities (CoCos).

[2] Fewer adjustments per rating

Tier 2 Capital (AT2)

It includes the issuance of subordinated debt that meets the computability requirements established in Article 63 of the CRR.

Understood as such, those that, for the purposes of priority of claims, are placed behind all common creditors. The Subordinated Financing of the parent company UCI SA is of the standard type:

- Term of not less than five years, counting from its effective disbursement; If the expiration date has not been set, a notice of at least five years must be stipulated for its withdrawal. In both cases, the total amount of Tier 2 instruments with a residual maturity of more than five years prior to the maturity of those instruments shall be reduced as own funds at the rate of the value obtained in the calculation, multiplying by the amount by the number of days remaining until the contractual maturity of the instruments. This calculation is made annually until the remaining period is less than one year, at which time they are no longer counted as such.
- In relation to subordinated debt, there are no inefficiencies in the calculation at the UCI Group level, nor at the UCI EFC level.
- They may not contain redemption, redemption or early redemption clauses at the option of the holder, without prejudice to the fact that the debtor may proceed with early redemption at any time if this does not affect the solvency of the Entity.

The amount of the different items that make up UCI Group's equity at the end of the year is as follows:

C_01.00 - Capital adequacy - Definition of equity	GROUP 2024
Own funds (0010)	661,03
Tier 1 Capital (0015)	511,86
Common Equity Tier 1 Capital (0020)	489,86
Capital instruments eligible as Common Equity Tier 1 (0030)	475,02
Fully Paid-Up Equity Instruments (0040)	227,44
Share premium (0060)	247,58
Accumulated Earnings (0130)	41,61
Cumulative gains from previous years (0140)	111,42
Eligible results (0150)	-69,81
Profit or loss attributable to owners of the parent company (0160)	-69,81
Other cumulative global profit (0180)	95,88
Other bookings (0200)	-0,08
Common Equity Tier 1 adjustments due to prudential filters (0250)	-95,88
Cash Flow Hedging Reserve (0270)	-95,88
(-) Other Intangible Assets (0340)	-2,24
(-) Other Intangible Assets Before Deducting Deferred Tax Liabilities (0350)	-2,24
(-) Deferred tax assets that depend on future income and do not result from temporary differences, net of related tax liabilities (0370)	-23,11
(-) Securitisation positions that may alternatively be subject to a risk weight of 1 250 % (0460)	-1,27
(-) Inadequate coverage of non-performing exposures (0513)	-0,07
Additional Tier 1 Capital (0530)	22,00
Capital instruments eligible as Additional Tier 1 capital (0540)	22,00
Fully paid-up and directly issued equity instruments (0551)	22,00
Tier 2 Capital (0750)	149,17
Equity instruments eligible as Tier 2 (0760)	149,17
Fully paid-up and outright equity instruments (0771)	149,17

Data in millions of euros

3.5 Own resources requirements

The entity calculates its total capital needs by simply adding the capital necessary to cover each of its risks independently, according to the result of the individual measurements of each risk.

Minimum capital requirements	Approach	EFC 2024	GROUP 2024
Credit risk	Pillar 1	334,58	333,46
Credit concentration risk	Simplified option	-	-
Operational risk	Pillar 1	6,50	6,48
Balance sheet structural interest rate risk	Simplified option + Focus on the impact of unfavourable interest rate movements	-	-
Aggregation of the capital needs of the different risks		**341,08**	**339,94**

Data in millions of euros

The entity's own funds at the end of the year are sufficient to cover the capital requirements of the different risks, the capital requirements according to the SREP (P2R) and the Pillar 2 recommendation (P2G) indicated in section 1.4 Applicable Regulatory Framework.

C_03.00 - Capital Adequacy - Ratios	GROUP 2024
Common Equity Tier 1 Ratio (0010)	**11,53%**
Surplus (+) / deficit (-) of Common Equity Tier 1 capital (0020)	298,64
Tier 1 capital ratio (0030)	**12,05%**
Surplus (+) / deficit (-) of Tier 1 capital (0040)	256,90
Total capital ratio (0050)	**15,56%**
Surplus (+) / deficit (-) of total capital (0060)	321,08
SREP (0130) Total Capital Requirement Ratio	10,00%
SREP Total Capital Requirement: Composed of Common Equity Tier 1 (0140)	5,63%
SREP Total Capital Requirement: Tier 1 (0150)	7,50%
Global Capital Requirement Ratio (0160)	12,50%
Global capital requirement: consisting of Common Equity Tier 1 capital (0170)	8,13%
Global capital requirement: consisting of Tier 1 capital (0180)	10,00%
Global Capital Requirement and Pillar II (P2G) Recommendation (0190)	14,00%
Global capital and P2G requirement: consisting of Common Equity Tier 1 capital (0200)	9,63%
Global Capital and P2G Requirement: Integrated by Tier 1 Capital (0210)	11,50%
Surplus(+)/Shortfall(-) of Common Equity Tier 1 capital in view of the requirements of Article 92 of the CRR and Article 104a of the CRD (0220)	193,35
Common Equity Tier 1 ratio without application of the transitional provisions of IFRS 9 (0300)	11,53%
Tier 1 capital ratio not applying the transitional provisions of IFRS 9 (0310)	12,05%
Total capital ratio excluding the transitional provisions of IFRS 9 (0320)	15,56%

Data in millions of euros

SUMMARY OF TOTAL RISK EXPOSURE AMOUNTS

C_02.00 - Capital Adequacy - Amounts of Risk Exposures	**GROUP** 2024
Total risk exposure (0010)	4.249,37
Amount of exposures weighted by credit risk, counterparty and dilution and incomplete transactions (0040)	4.168,25
Standard Method (0050)	4.066,91
Standardised Approach exposure categories excluding securitisation positions (0060)	4.066,91
Central Governments or Central Banks (0070)	76,72
Entities (0120)	97,08
Retail Exhibitions (0140)	72,93
Exposures secured by mortgages on real estate (0150)	2.582,82
Defaulted Exposures (0160)	1.043,23
Other (0211)	194,13
Securitization Positions (0470)	101,34
Total exposure to position, exchange rate and commodity risks (0520)	0,08
Amount of exposure to position, foreign exchange and commodity risks under standard methods (0530)	0,08
Currency (0560)	0,08
Total Operational Risk Exposure (0590)	81,04
Operational Risk Standard/Alternative Standard Methods (0610)	81,04

Data in millions of euros

CAPITAL BUFFERS

UCI Group must comply with the combined capital buffer requirement, understood as the total Common Equity Tier 1 capital necessary to comply with the obligation to have:

Capital Conservation Buffer (CCoB): This buffer was introduced to ensure that institutions have additional own funds that can be used in the event that they incur losses. The surcharge is 2.5% and is directly applicable and mandatory for all EU entities.

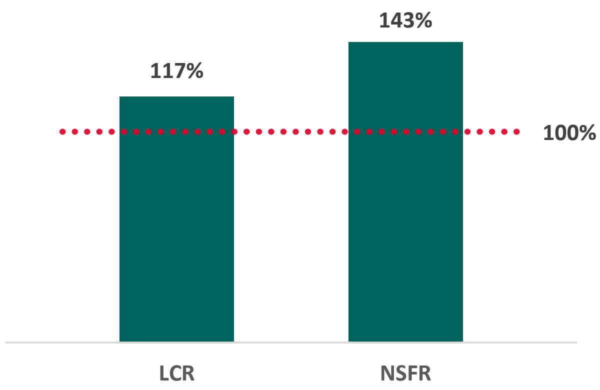
PROCEDURES APPLIED FOR THE ASSESSMENT OF THE ADEQUACY OF DOMESTIC CAPITAL

UCI Group adapts the procedure to the "Guide to the Self-Assessment Process of Capital and Liquidity of Credit Institutions" published by the Bank of Spain and which constitutes the basis for the preparation of the "Capital and Liquidity Self-Assessment Report" (hereinafter, IACL) which is sent annually to the supervisory authority.

4. Liquidity and funding risk

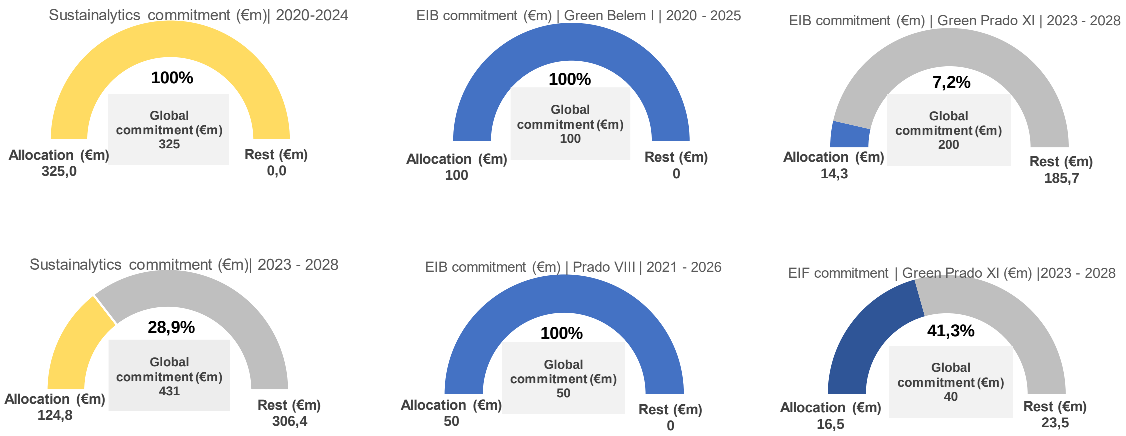
4.1 Annual evolution

At the end of the year, the Liquidity Coverage Ratio (LCR) stood at 116.67% (115.58% in 2023), and the Stable Net Funding Ratio (NSFR) stood at 142.56% (198.90% in 2023), both above the regulatory threshold of 100%.



The amount consumed from the financing lines stands at 2.96% (2.23% in 2023).

The following charts quantify the achievement of sustainable lending commitments with the European Investment Bank, European Investment Fund and Sustainalytics.



EIB: European Investment Bank

EIF: European Investment Fund

During the 2024 financial year, 100% of the commitments acquired until 2024 and even those set until 2025 or 2026 in some cases have been reached. The pending commitments extend until 2028 and show an excellent degree of global compliance.

4.2 Liquidity and funding risk management

Liquidity and funding risk is measured through various tools and metrics that cover the various risk factors defined within this risk. The objective is to have a minimum amount of liquid assets, and a financing structure adapted to the legal nature and business model.

It is considered relevant due to the need to develop self-financing strategies. Currently, these are based on the issuance of securitisation funds that guarantee the financial autonomy of the entity, which will allow the amortisation of the financing lines drawn down with the shareholders.

Regarding the regulation that applies to liquidity for CFEs (Circular 1/2022), the most relevant monitoring metrics are:

- LCR (Liquidity Coverage Ratio): aims to promote the short-term resilience of the entity's risk profile, guaranteeing the availability of liquid assets to withstand a scenario of considerable stress (idiosyncratic and market) for 30 calendar days. The regulatory requirement is 100%, which will have to be met every day of the year.
- NSFR (Net Stable Funding Ratio): requires maintaining a stable funding profile in relation to the composition of its off-balance sheet assets and activities. It is defined as the quotient between the amount of stable financing available and the stable financing required. The regulatory requirement is 100%, which will have to be met every day of the year.

The components that make up liquidity requirements incorporate criteria of adaptation and proportionality, taking into account the idiosyncrasies and nature of financial credit institutions, their particular financing structure, and the liquidity risk of their activities.

Financing lines are available with shareholders (Banco Santander - BNP Paribas), which are reviewed at least once a year and simultaneously with both shareholders, in order to adapt them to the needs of the business within the entity's liquidity structure and policy. For assets that are not refinanced through securitisations placed on the market, refinancing is managed through these financing lines. The branches in Portugal and Greece are financed directly with their parent company in Spain.

With regard to the securitisation market, the bank has 30 years of experience and multiple issuances of securitisation funds to the market, consolidating itself as a fundamental pillar in the bank's financial architecture. During these three decades, its evolution has been marked by innovation, the ability to adapt to adverse contexts and a great commitment to sustainability and transparency.

The issuances comply with the standards published by the regulator ESMA in 2017, in terms of simplicity, transparency and standardization (STS compliant) and with the Capital Requirements Regulation (CRR). At the structuring level, it also incorporates mechanisms to protect the senior tranche placed with investors, such as the step-up call on the fifth anniversary, turbo-amortization, interest rate risk coverage or limits on the renegotiation of loan terms. All together it contributes to improving the financing capacity in the markets.

In addition to securitizations, an active policy has been developed for the use of collateral in financing with the delivery in repo of retained bonds and repurchased own issues, for which contact is maintained with entities external to the shareholders.

The development of the financing plan thus begins with the granting of the operations themselves with the implementation of responsible credit and purchase policies, which ensure the credit risk quality standards that investors and rating agencies subsequently require in the issuance of securitisation funds and which include criteria for charges on income and minimum personal contribution. among others. In turn, commercial policy encourages the sale of simple, transparent and standardized products with more attractive offers, which disregard progressivity or optionality, and in which different types of insurance are offered without linkage.

The development of an ESG framework has made it possible to reach a commitment with entities such as the European Investment Bank, the European Investment Fund or sustainability rating companies such as Sustainalytics to obtain financing, by granting operations under sustainability standards**.**

The margin generated by the activity is used on a recurring basis to first finance the new commercial activity and then to use any excess liquidity to reduce the exposure of the credit lines with shareholders, ensuring balanced compliance with prudential obligations.

4.3 Liquidity and funding risk information

The liquidity information at the end of the year is presented below.

LC_05.00 - Liquidity Buffer - Calculation	GROUP 2024
CALCULATIONS (0008)	
Liquidity Buffer (0010)	**315,08**
Liquidity Buffer Requirement (0021)	270,06
Applicable Adaptation Factor (0022)	0,75
Liquidity coverage ratio (%) (0030)	**116,67%**
Numerator Calculations (0039)	
Cash and other cash equivalents (tier 1): unadjusted (0040)	274,72
Deposits with credit institutions eligible as Tier 1 liquid assets (0041)	40,36
"Adjusted amount" of Tier 1 assets, excluding extremely high quality covered bonds (0091)	315,08
Liquidity Buffer (0290)	**315,08**
Denominator Calculations (0299)	-
Total departures (0300)	369,96
Inflows from activities subject to a minimum liquidity buffer of 5% of gross outflows (0321)	-
Inputs from activities subject to a liquidity buffer of at least 10% of gross outflows (0331)	9,88
For consolidated statements:	-
Reduction applicable to activities subject to a minimum liquidity buffer of 5 % of gross outflows (0351)	-
Reduction applicable to activities subject to a minimum liquidity buffer of 10% of gross outflows (0361)	9,88
Net Liquidity Outflow (for Consolidated Statements) (0371)	360,08
Minimum Group Mattress Requirement (0372)	37,00

Data in millions of euros

LC_08.00 Group: Structure of funding sources	GROUP 2024			
	Amount (0010)	Stable Funding Required (0020)	Stable Funding Available (0030)	Coefficient (0040)
STABLE FUNDING REQUIRED (0010)	**9.581**	**7298**		
Stable Funding Required from Central Bank Assets (0020)	325			
Stable Loan Financing Required (0050)	7.921	6.007		
Stable Funding Required from Other Assets (0100)	1.289	1.289		
Stable Funding Required for Off-Balance Sheet Items (0110)	46	2		
STABLE FUNDING AVAILABLE (0120)	**9.549**		**7.803**	
Stable financing available for capital items and instruments (0130)	661		661	
Stable funding available from other non-financial customers (except central banks) (0150)	1.911		1.863	
Stable funding available and committed lines within a group, if preferential treatment applies (0170)	6.977		5.279	
NSFR (0220)				**142,56%**

Data in millions of euros

Further information on the disclosure of liquidity requirements is included in Annex II.

PROCEDURES APPLIED FOR THE ASSESSMENT OF LIQUIDITY ADEQUACY

UCI Group adapts the procedure to the "Guide to the Self-Assessment Process of Capital and Liquidity of Credit Institutions" published by the Bank of Spain and which constitutes the basis for the preparation of the "Capital and Liquidity Self-Assessment Report" (hereinafter, IACL) which is sent annually to the supervisory authority.

5. Credit risk and concentration

5.1 Annual evolution

In the 2024 financial year, €446.8 million (€402.4 million in 2023) were granted, with satisfactory metrics regarding the granting of operations: *Loan to Value* of 57.5% (55.9% in 2023), personal contribution rate of 37.2% (37.5% in 2023), effort rate of 28.8% (29.5% in 2023) and cost of risk 0.12% (0.09% in 2023).

The execution of the non-performing asset reduction plan causes a very satisfactory decrease in the non-performing loan ratio (NPL) and non-performing asset ratio (NPA), standing at 12.43% and 13.93% respectively as of December 2024 (15.23% and 17.03% in 2023).

Due to the business model, it is worth noting the high quality of the collateral, mainly concentrated in exposures against residential real estate intended for primary residence. At the end of the year, 97.5% of the value of the portfolio was covered by mortgage guarantees.

The total provisions associated with the loan book, classified as non-performing loans, held at the end of the year represent a NPL coverage ratio of 19.33% (18.56% in 2023).

With regard to the concentration of credit risk, Grupo UCI continuously monitors the degree of concentration under different relevant dimensions: sectoral, individual, geographical, customer, product and channel.

With regard to sectoral concentration, the direct risk of the entity is grouped without considering the risk to natural persons (except that derived from the performance of business activities), in the twelve groupings of economic activity that are included in the CNAE 2009 sections and codes.

With regard to individual concentration, the total direct risk of the entity is determined (with the same criteria as in the calculation of the sectoral concentration index) with the 1,000 borrowers with respect to those with the highest direct exposure, whatever their personality or legal form. When several borrowers are linked, because they constitute an economic group or decision-making unit, they are grouped together and considered as a single risk.

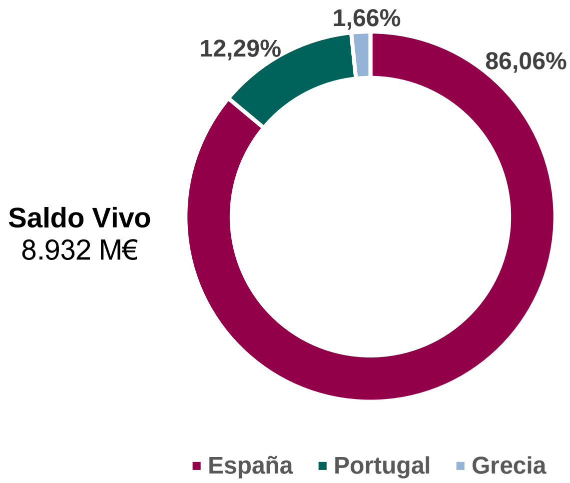
Sectoral and individual concentration rates are within regulatory limits. ICI 0.0003% (0.0003% in 2023) and ICS 2.1% (3.1% in 2023).

Grupo UCI is subject to the regulation on large risks, according to which the exposure contracted by an entity with respect to a client or a group of related clients is considered "large exposure" when its value is equal to or greater than 10% of its Tier 1 capital.

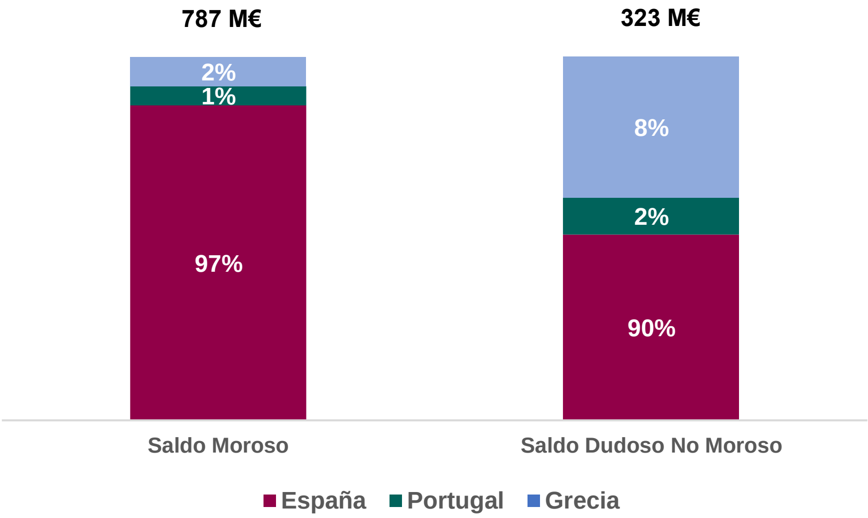
In addition, in order to limit large exposures, an exposure whose value exceeds 25% of its Tier 1 capital may not be assumed vis-à-vis a client or group of related clients, after taking into account the effect of mitigating the credit risk contained in the standard.

At the end of December, after applying risk mitigation techniques, Grupo UCI did not reach the aforementioned thresholds.

In geographical terms, credit risk is diversified in the main markets where it is present (Spain, Portugal, Greece and Brazil). In Spain and Portugal, the activity is focused on real estate financing loans and in Greece on the management and maintenance of loans granted by financial institutions.



The concentration of the non-performing balance by geographical area is as follows:



The geographical concentration of both the portfolio and the granting of new operations indicates a diversification throughout the national territory with a greater concentration in large urban centres. The level of concentration risk is considered low insofar as the concession is mainly made in large population centres such as Madrid, Barcelona, and the Mediterranean coast (Valencia, Malaga, Seville and Cádiz), which are considered mature and well-known markets.

Lending activity is dispersed throughout all the Spanish Autonomous Communities, with the highest degree of concentration in developer operations in Spain, where the risk formalised is not significant with respect to the total balance of the bank's investment portfolio (0.1% of the portfolio balance).

5.2 Credit risk management and concentration

Credit risk is defined as the risk of financial loss resulting from the default or deterioration of the credit quality of a customer or counterparty. It is the most relevant risk, both in terms of exposure and capital consumption, and includes credit risk in the granting of operations, in the balance sheet, analysis of guarantees and hedges.

UCI's Board of Directors, Senior Management and Risk Management participate in the credit risk management process, with the aim of designing, reviewing and improving credit risk policies and procedures in line with the bank's risk appetite.

In addition, the Delegation of Powers Policy sets out the responsibilities and delegated powers of the different bodies and persons responsible for granting, modifying, evaluating, monitoring and controlling operations.

It also establishes the requirements that must be met by the analysis and evaluations of operations before they are granted, the minimum documentation that must be available in the different types of operations for their concession and the actions that the entity must carry out when payments are not made under the terms set contractually.

LENDING

Information and Documentation

UCI bases its lending policy (Basic Acceptance Policy) on the review of three key concepts from the point of view of risk: intervening, guarantee and operation. The main objective of the policy is to ensure the customer's solvency and the consistency of the operation.

The first element is to assess the borrower's ability to pay, being a fundamental requirement in the "Lending Policy" at UCI, so that it is guaranteed to comply in a timely manner with the financial obligations assumed, considering exclusively the borrower's recurring income without depending on guarantors, guarantors or assets offered as collateral. which must always be considered as an exceptional means of recovery when the first one has failed.

In order to be able to assess the solvency and risk profile of the borrower, UCI has sufficient, accurate and updated information and data prior to the formalisation of the loan agreement, for which it will proceed as follows:

- By gathering from the client, the appropriate information about their needs and financial situation.
- Obtaining the application signed by all the participants, which is the tool through which the customer informs of their personal and professional data, and about the operation they want to carry out.
- Obtaining all the updated documentation of the file for all the participants, borrowers and possible guarantors, which will be made available to the decision-making body.
- By making the necessary queries to third-party files with the prior consent of the client.
- Having the possibility of conducting a customer survey to verify and clarify all the data of the operation.

This minimum documentation is included in the Technical Instruction "The documentation of the processing process", where a distinction is made between the different types of loans and customer profiles.

The information and data mentioned above are linked to the purpose of the loan, employment, sources of income that prove the ability to pay, composition of the household and dependents, commitments and periodic expenses associated with them. All this data evaluates the personal guarantee of the loan participants.

As a second basic element of the operation, UCI maintains a categorical rigor in the need for an accurate valuation of all the properties that are taken as collateral, either the financed property(s), or those that are taken as collateral for the operation, establishing this as a basis for determining a prudent relationship between the amount of the loan requested and the value of the guarantee. ignoring the potential revaluations of the same.

UCI controls and supervises the quality of independent valuations, with procedures for verifying and contrasting the quality of the appraisals carried out in order to prevent factors from outside the technical field from influencing their result.

Although the guarantors of an operation are an exceptional but available means of collection, UCI also assesses whether they have sufficient income to take charge of the loan, in the event that the holders cannot meet the payment of the loan instalments, requesting the same volume and detail of documentation as from a borrower.

All the documents that have served as a basis or support in the decision will have adequate traceability in the Entity's systems, with the dual objective of complying with the regulatory framework and facilitating future reviews, both internally and by third parties. All the documentation that has served as a basis for the study of the operation, as well as the data that have been extracted from it from which the feasibility has been analysed and the operation has been decided, as well as the decision taken regarding the viability of the operation together with the decision-making body responsible for it, They will be recorded in an easily accessible computer format.

Assessment of the borrower's creditworthiness

Based on the borrowers' loan application, documentation provided, consultation of third-party files authorized by the client, assessment of the borrower's ability to pay in a timely manner with the financial obligations assumed, verification of the prudent relationship between the amount of the loan and the value of the guarantee(s), without taking into account, potential revaluations of the same, as well as the level of personal contribution, it is assessed if it is in accordance with the Basic Acceptance Policy of the UCI.

In the event that the loan application corresponds to more than one borrower, the feasibility of the operation is studied jointly.

In the assessment of the ability of the borrowers to meet the financial obligations assumed in a timely manner, it is carried out based on reliable and up-to-date information on the usual sources of income of all those involved in the operation, taking into account the possible payments that the borrowers may have to face. as well as a prudent estimate of the charges corresponding to the loan requested. Both guarantors, guarantors or assets offered as collateral must be considered as an exceptional means of recovery when the former has failed.

Since guarantees are an exceptional but available means of recovery, it will also be necessary to assess whether they demonstrate sufficient income to take charge of the loan, which is why the same information and documentation is requested as in the case of the borrower.

In view of the nature of mortgage loans, which by definition are long-term operations, the entity only computes those incomes that will be recurring throughout the life of the loan.

In the case of borrowers who are self-employed or who receive irregular income, additional prudential factors are established.

Likewise, controls are reinforced in relation to nationality for money laundering and people affected by socio-political conflicts.

Likewise, all payments for declared debts or of which UCI may be aware must be taken into account and, in any case, the disposable income after payment of these, which must be sufficient to cover the borrower's living expenses.

A sensitivity analysis is carried out in the creditworthiness assessment of a transaction to reflect possible future negative events, including a reduction in revenue or an increase in interest rates, in the case of variable-rate loan contracts.

In the study of the transaction, UCI takes into account the foreseeable level of income to be received after retirement, in the event that it is expected that a substantial part of the credit or loan will continue to be repaid once the working life has ended, taking into account the most burdensome situation for the client between the income received from his work activity and the calculated estimate of the income he will receive after the end of his working life. retirement.

Although UCI currently grants all its loans in euros, there may be customers who receive their income in a currency other than the euro. In this case, the credit risk is increased by the possibility of default that entails a possible downward fluctuation in the currency in which the customer generates their income.

To mitigate this possibility, a reduction is applied to the total income in currencies other than the euro, which these customers receive at the time of studying a transaction.

In the case of loan agreements relating to real estate that expressly stipulate that the property in question will not be used as a dwelling by the borrower or a family member (i.e. buy-to-let contracts), the relationship between the future rental income of the property and the borrower's ability to meet its obligations is assessed.

Credit Decision and Loan Agreement

UCI is extremely diligent in the explanations it provides to the client so that they can understand the characteristics of the product and are able to make an informed decision and evaluate, according to their knowledge and experience, the suitability of the product offered to their interests.

UCI employees act in accordance with the principles of honesty, impartiality and professionalism, evaluating the personal and financial situation and respecting the preferences and objectives of their customers, highlighting any condition or characteristic of the products that does not respond to this objective.

The legal documentation that corresponds in each case is provided to the client with the necessary advance notice to allow a thoughtful evaluation on their part. To this end, the necessary procedures and controls are established, with the corresponding computer support in the applications.

The study of the solvency of the operation carried out on the basis of the request made and the documentation provided by the borrowers, as well as the decision taken regarding the viability of the operation, together with the decision-making body, are recorded in a computer format that is easily accessible and clearly traceable.

The decision to approve or deny the loan application (credit decision) is taken by the appropriate decision-making level, in accordance with the established policies, procedures and delegation of powers.

The decision of the operation is reflected in a decision record where all the conditions and prerequisites necessary to formalize the operation are collected.

The credit agreement is not formalized unless it has been verified that all the conditions and requirements set out in the credit decision have been met. The disbursement of the loan is made after the formalization of the credit agreement.

Finally, UCI integrates into its lending policy the environmentally sustainable financing established in the Guidelines on granting and monitoring loans (EBA/GL/2020/06), so that loans granted on objects or renovations with environmental energy efficiency benefit from more favourable financial conditions, as well as specific rules in relation to personal contribution. thus, reinforcing the bank's commitment to responsible and sustainable financing.

MODIFICATION OF THE CONDITIONS

Modifications to the credit conditions of an outstanding loan in UCI may be due to the fact that the customer wants to improve their financial conditions or that the customer has some type of payment difficulty in meeting the total instalment of the loan.

In the event that there is a modification of the financial conditions of a customer who wants to be subrogated to another entity or improve the conditions of their current loan, UCI has different solutions for studying and renegotiating the improvement of the conditions of their loan, in which improvements can be applied to customer requests according to a previous study of both the operation and the customer. These aspects are set out in the Clientele Policy.

Likewise, UCI has established a Restructuring Acceptance Policy in order to temporarily adapt the quota to those customers who have economic difficulties, to assume their payment obligations. The study of each situation will be individualized and documented in each of the clients, analysing the origin of these difficulties and their temporality.

Both policies are based on the assessment of the ability of borrowers to meet the financial obligations resulting from the Restructuring or Renegotiation in a timely manner.

Within the after-sales and recovery policies, the following solutions are offered, which have already been described:

- Refinancing operation
- Restructuring operation

- Renovation operation
- Renegotiation operation

The After-Sales and Restructuring Management Policies emphasize the customer's ability to pay to assume so many changes in conditions, refinancings and restructurings. Based on the number of unpaid instalments, non-payment periods, delinquent balance and accounting classification. Likewise, the Restructuring Acceptance Policy takes into account the following parameters: Nature of the reasons for the difficulty of payment, residual loan term and number of concatenations (number of previous restructurings).

For this reason, within the Restructuring Policies and in the Renegotiations, an updated analysis of the economic and financial situation of borrowers and guarantors, their ability to pay for operations under the new financial conditions, as well as the effectiveness of the guarantees provided (new and original) is carried out.

To do this, the customer's payment compliance is taken into account, both in normal management and in the management of non-payments. Likewise, the incorporation of new guarantees and the causes of non-payments and if they occur from the beginning of the loan, specific periods or with habitual defaults. ICU attending to customer protection.

In this regard, the Restructuring and After-Sales Policy reflects the decision-making bodies, the necessary documentation and steps to be followed to make the decision to grant a change of conditions, as well as the documentation to be provided according to the type of customer and the type of contractual modification that is made. Likewise, UCI's Delegation Policy includes the powers designated according to the Decision-Making Body.

In renegotiations with customers, the conditions stipulated with the customer are reviewed and if there is an offer of subrogation of the conditions that can be obtained in the market and those that UCI can give at that time.

The Restructuring policy focuses on the collection of the part of the loan recoverable per transaction, proceeding to the accounting classification and writing off the amounts that are considered not collectible or forgiven.

In a last step, in the case of restructurings or that the client does not see any solution feasible or does not consider it necessary and even so his payment situation remains the same, the options different possibilities of sale/adjudication of the client are evaluated and also UCI has a Judicial management policy The transfer of a file to Judicial requires the study and evaluation of it, examining the proposal made and determining its passage to judicial management.

ASSESSMENT, MONITORING AND CONTROL OF CREDIT RISK

General principles for the assessment, monitoring and control of credit risk

As part of the assessment, monitoring and control of credit risk, a detailed review of the surveillance, the reviews of credit and concentration risks is carried out in the executive and risk committees, as well as the KRIs of the Risk Management and the EWIs established between this area and the Operations Management according to the Risk Appetite with annual evaluation.

The UCI Group establishes a comprehensive risk management where the definition and control of risk appetite is a key element. In this context, the company defines and implements its Risk Appetite Framework (RAF), which seeks a general approach that includes the policies, processes, controls and systems by which risk appetite is established, communicated and monitored. It includes the statement of risk appetite, risk limits and tolerances and an outline of the roles and responsibilities of the persons in charge of the supervision, implementation and monitoring of the RAF.

The RAF thus considers the significant risks faced by the entity, in addition to aligning itself with the bank's strategy. An essential part of the RAF is the Risk Appetite Statement (RAS), which is the articulation, in written form, of the aggregate level of the types of risk that a financial institution is willing to avoid, reduce, share or accept in order to achieve its strategic objectives. It includes qualitative statements, as well as quantitative measures through limits and tolerances for each of the KRI's and individual risks that make up the different risk families.

Likewise, the Credit Risk department carries out an audit of the management of credit granting decisions, as well as the management of the Agencies in their management of operations, monitoring strict compliance with the credit granting policy.

The databases used for the review of data work are those used by the Reporting and Scoring departments for their different studies and on which they carry out their extractions.

Within the scope of concentration and risk, the source risk function falls to the Risk Directorate, with the following segmentations assigned:

a) Concentration risk: Geographic Segmentation New Production, segmentation Customer Typology New Production, Product segmentation New Production and Channel Segmentation New Production

b) Credit risk Segmentation by risk parameters (average LTV, personal contribution, effort rate, effort rate, score tranche and any other that is considered), segmentation by destination (Type of financing and use); Segmentation by Decision Score and the decision parameters will be taken into account in terms of match between the decision of Score and Decision Analyst.

The records generated by the application of this procedure are:

- ERM registration divided between indicators: reviewing in each Risk committee and working together the Risk, Operations and Customer Divisions when an alert is triggered early.
- Executive Committee/Risk/Recoveries: where concentrations and evolution of both production and non-payments are reviewed.
- Analyst reviews and agency reviews, saved by file reviewed.

All these Reports and Indicators are the ones that are used for the preparation of reports to the Board of Directors. They are also audited internally, by UCI's shareholder audits, as well as by external audits. Likewise, all the corresponding information is sent in the corresponding statements to the Bank of Spain

General principles for estimating credit risk loss coverage

The Entity is guided by the principles contained in Annex IX of Circular 4/2017 with regard to the management of its credit risk:

- Approval by the Board of Directors of the policies for estimating coverage, as well as their periodic monitoring, which is carried out by each Board, through the presentation of the main results and their evolution over time.
- Efficiency and simplicity, submitting its coverage estimation model to periodic (annual) review by the corresponding teams of its shareholders.
- Documentation and traceability.

The procedures and methodologies used are validated by the Board of Directors, and the results are periodically presented to the Board of Directors.

These procedures and methodologies are incorporated by the institution into the IACL exercise, which includes stress tests in terms of capital and liquidity, and which is submitted annually to the Board's Audit-Risk Committee for validation and approval, prior to being sent to the Bank of Spain.

The internal provisioning model is reviewed by the internal audit of one of the shareholders on an annual basis, in which the methodologies established for the estimation of coverage are reviewed. Likewise, an annual recalibration of the same has been established in the middle of each year. Finally, the entity continuously monitors the results of this with respect to the alternative solution.

The methodology used in the model is detailed in the procedure called "Methodology of the UCI IFRS9 provisioning model", performing an operation-by-operation calculation, generating a direct interface to the accounting applications.

GUARANTEES AND APPRAISALS

Definition and types of effective guarantees

UCI's Lending Policy establishes that the value of the properties taken as collateral in its credit operations is correctly quantified, and that the process to obtain such valuation is consistent with adequate and prudent risk management, as well as with the Group's other principles and regulatory requirements.

In order to achieve minimum quality of the guarantee, the goods are classified as established in the Basic Policy of Non-Acceptance28, establishing three groups of guarantees according to their criticality (high, medium, low).

UCI requires that the value of the properties taken as collateral in its credit operations be of the first rank and no cross-selling, or pledging, of any financial or non-financial asset will be taken into account.

Depending on the risk of the operation, a reinforcement may be requested through guarantees or double guarantee of the operation, as established in the procedure of "Guarantees and double guarantee".

UCI within the field of housing financing, and in the case of self-construction it can finance a small part of its purchase. On the other hand, guarantees such as land, warehouses, offices and industrial premises are not considered to be subject to financing. Although, in some special cases, such objects could be taken into account as possible additional guarantees, applying restrictive and prudent criteria and always guaranteeing the coherence of the transaction and the ability of the customer of the main asset to pay.

UCI has databases with detailed information on real estate assets, obtained either through the appraisers, or by their own means, which must contain minimum data regarding their valuation, the last complete appraisal. In addition, and according to automatic models, it incorporates dates, methods, conditions, visitor data, warnings, etc., as well as specific data, in the case of buildings under construction, which indicate the different progress indicators that are necessary for their control. The detail of this information is developed in the "Appraisals" procedures.

The loan policies, the details of the approved products, as well as the associated guarantees, their taxonomy and acceptance criteria, are duly defined and documented in each Product Sheet.

Valuation of security rights

General security rights valuation policies and procedures

UCI has written procedures, approved by the Board of Directors, on the valuation of collateral.

On an annual basis, for operations classified as normal risk, UCI verifies the existence of significant drops in their reference valuations. The verification of the existence of significant falls is carried out by using the "official average appraised value index of free housing" of the Ministry of Transport, Mobility and Urban Agenda.

In application of the principle of prudence, UCI establishes a conservative criterion in the review of the appraisal data, in relation to the quantitative elements for each type of collateral, established on the basis of the experience of the entity and taking into account the trend of market prices, or the opinion of independent valuers.

In order to ensure the effectiveness and sufficiency of the guarantees on real estate that are constituted as coverage for credit risk operations (mortgages or other legal figures), it is necessary that the appraisal, its origin and subsequent management, meet a series of conditions that must be taken into account to ensure its validity:

- When real estate valuation work is required, it must be carried out by appraisal companies or appraisers, approved by the Bank of Spain, complying with the regulatory requirements established on real estate valuation standards for the purposes of the mortgage market.
- The appraisers will always be external and independent.
- Appraisers must be approved internally through the "Appraiser Selection Procedure", which

includes the minimum requirements that appraisers must meet to achieve such approval, as well as the selection and control mechanism itself, in addition to the management of the appraisals carried out.

For the customer, when the appraisal is offered as a service, appropriate transparency criteria are established, as well as the requirements that the appraisal order must meet. Regardless of whether the appraisal is required directly by UCI, whether it is a service offered to the client, or whether it is the client who provides the appraisal work already carried out, both the appraisal company and the appraisal itself must comply with the internally established requirements.

To safeguard the independence and objectivity of their activity, care must be taken that the Appraisers carry out said activity diligently and based on exclusively technical criteria, rejecting any interference both in relation to the performance of their activity and the result of it.

In addition, the process of selecting appraisal companies ensures that there is no significant participation in the capital of said company in the Entity, as well as by natural or legal persons related to the marketing, ownership, exploitation or financing of assets appraised by the company.

The precautions and precautions mentioned in these paragraphs, which ensure the independence and objectivity of the appraisers, are part of the control and monitoring functions of the Appraisal Department, as well as their review by the areas that are part of the three levels of UCI insurance: Risk Policies and Methods, Internal Control and Internal Audit.

In the area of internal control, in those cases in which significant falls are observed in the reference valuation of the assets received as collateral, the Entity must update said valuation, in order to reflect such losses without the need for the updating period to elapse. The procedures for updating valuations are more rigorous in those transactions where the amount of the remaining risk may exceed the value of the guarantee, after its loss of value.

Specifically, the following procedure is followed: for all reference valuations, a comparison is made between the last reference valuation and the update of said valuation obtained by the official index of the Ministry of Housing. In the event that there is a divergence of more than 20% between the two amounts, downwards, it is evident that there is a need to update the valuation through independent approved appraisal companies or services. In the event that the divergence is greater than 20% between both amounts, upwards, UCI takes this circumstance into account in order to update the valuation through independent approved appraisal companies or services.

Minimum valuation procedures and frequencies for real estate collateral

In accordance with the accounting classification, there is a periodic update of the value of the guarantees of the loans in UCI's portfolio, carrying out the type of appraisal that corresponds in each case.

Following Final Provision 2, pt. 3.f of Circular 5/2020 BdE, of 25 November, there must be a rotation of appraisers, every two consecutive appraisals with the same appraiser, regardless of the type of appraisal.

General valuation procedures for real estate guarantees

There are three basic types of valuation:

i. 'Appraisal' or 'reappraisal': based on the different professional methods such as the cost method, the comparison method, the rent update method or the residual method, as well as any other method, of a similar nature and of individual application.

ii. 'Statistical update': update of a previous valuation and that is based on statistical methods that are not shown, but supported by contrast tests, that is, carried out through automatic and massive procedures, which determine the value of the properties by extrapolating from that of others, which share similar characteristics, and which appear in the appraisal companies' databases.

    In both cases, both appraisals or reappraisals and statistical updates must be carried out by approved appraisers.

iii. 'Initial update': this is the name given to the update of an available appraisal (ECO or statistical) weighted by an index of the evolution of the price of housing and published by an official body (currently the evolution of the price of housing published by the corresponding Ministry) or professional.

The Appraisal Department is responsible for analysing the existing casuistry and determining what is susceptible to statistical updating and what is not, depending on the characteristics of the properties and the available data.

In those situations, in which the discounted value of an asset or group of assets cannot be determined, due to the lack of a sufficiently deep market to allow the transparent formation of prices, the rules established by the national authorities for the updating of valuations are used, covering such a situation. Once the markets have returned to normal and the situation has been restored, these exceptional rules or criteria are no longer applied.

In the case of properties under construction or renovation, the amounts of the appraised certifications of the works carried out and paid for are incorporated into the initial valuation. Once the works are completed, a new appraisal is carried out corresponding to the finished property. The state of construction of a property will not interfere with its classification as a residential or non-residential property, and the ultimate purpose of the property must be used as a criterion.

The Appraisal Department is responsible for investigating and reviewing the warnings and conditions that the appraiser has identified.

In the case of novation of clients, before a notary or in a private contract, which require an updating of the value of the asset(s) of the operation, references of average market unit values by postal code, from appraisers, can be used.

Real estate guarantees for transactions classified as normal risk or normal risk under special surveillance

UCI determines, based on the appraisals received, the reference value of the collateral and subsequently, this value is updated in compliance with the minimum frequencies and procedures established by the entity, which must comply with the following criteria:

- Appraisal reports for granting risks with a mortgage guarantee of real estate must be carried out with an interior visit. The warnings and conditions highlighted by the appraiser in the Appraisal Reports are evaluated by the entity to establish possible discounts in the reference value of the guarantees, when the appraiser has not taken them into account.
- The verification of the existence of indications of significant falls in the valuations of real estate guarantees must be adequately documented, and can be carried out by the entity itself, considering the relevant factors, such as the evolution of the published indices of mortgage market prices or the opinion of an independent valuer.

Operations classified as normal risk under special surveillance

The verification of the existence of indications of significant falls in the reference valuations of the guarantees and the updating of these valuations must be carried out in accordance with the provisions for transactions classified as normal risk.

The reference value must be updated at least annually depending on the parameters and the volume of the portfolio defined in the Appraisal Policy.

Transactions classified as non-performing risk

The reference valuation of the collateral must be updated at the time of classifying the transaction as a non-performing risk and while maintaining this classification, with a minimum annual frequency.

When two consecutive valuations are carried out by means of a complete individual appraisal carried out by the same company, service or appraisal professional in charge of carrying out such an update, the appraisal valuation company, service or professional must be changed.

CLASSIFICATION OF TRANSACTIONS ACCORDING TO CREDIT RISK DUE TO INSOLVENCY

UCI's main asset is made up of loans from customers, who take out debt to buy a home.

The loans are granted under the precept that the debt will be paid in accordance with the conditions established in the deed, which is why at the beginning of the life of the loan the debt enters the "healthy portfolio" and remains there while the customer fulfils the contractual obligations.

However, depending on the customer's payment behaviour, the debt categorization may vary, i.e., as the customer shows a deterioration in their solvency, their classification will worsen. In the same way, debt can improve its classification if the customer recovers the lost solvency.

The criteria on the accounting classification and the level of provisioning required for each of the classifications defined below are set out in the procedures "Classification of debt and suspended products according to Circular 4/2019" and "Loan provisioning model according to IFRS9 regulations (Circular 4/2017 BdE)", which is responsible for the General Intervention area.

The classification of debt allows the portfolio to be evaluated, classified and controlled, in order to carry out adequate credit risk management. The classification is carried out at the level of operation and not of file.

Normal risk

These are those loans in which the recovery of the debt contracted by the customer is considered highly probable and may have from 0 to 90 days in default (both inclusive). Two classifications are distinguished:

- Normal (N – Stage 1): Includes loans that do not meet the requirements defined to classify them in other categories, being a necessary condition not to have any accumulated default.
- Special surveillance (EV – Stage 2): These are loans that have weaknesses that may mean assuming losses greater than those of other similar operations classified as normal risk.

Among the loans that can be categorized in this classification are loans that have undergone at least one restructuring or refinancing.

Also, loans that are more than 30 days in default and less than or equal to 90 that are in a healthy situation or that having had a restructuring or refinancing have passed the cure period.

Doubtful risk

These are loans in which the recovery of all amounts owed is considered unlikely. Within this group, two classifications are differentiated:

- Doubtful Subjective (DS – Stage 3): These are loans that have not been in default for more than 60 days but that, for reasons other than the customer's delinquency, present reasonable doubts about the total repayment of the debt under the contractually agreed conditions.
- Doubtful Defaulter (DM – Stage 3): These are operations that accumulate more than 90 days in non-payments.

Loans that have undergone at least one restructuring or refinancing are likely to be categorised in this classification, provided that certain circumstances apply.

Regarding restructuring policies, the profile of the customer eligible for them, as well as their characteristics and their accounting effects, are all aspects that are developed in the document "Restructuring Management".

Failed risk

The process of moving to Failed is made up of the following phases:

- Request for the file of possible passes to "failed" that meet the criteria.

- Study of the accounting impact of the "non-performing" of loans.
- Request for authorization to make the transfer to the Deputy Director General of the Area in accordance with the accounting studies.
- Analysis of the judicial situation of the file prior to its transfer to "failed".
- Completion of the transfer to "failed" by the head of the Judicial Department or Superior

The characteristics that the files must meet to propose a move to "failed" are:

- More than 48 months have passed since it became doubtful.
- Personal loans and if they have an associated mortgage, it must be closed/out of management or with the asset(s) awarded.
- Unsecured mortgage loans.
- Balance Sheet and Securitized Loans 100% provisioned: the percentage of provisions assigned to the loan must be determined beforehand.
- All the files must be in an expired judicial situation: analysing the impact of the possible failure of the operation as a whole.
- All the files of the operation 100% provisioned.

COVERAGE OF CREDIT RISK LOSS DUE TO INSOLVENCY

The main purpose of the loan provision is to have the necessary resources to be able to deal with possible expected losses on assets and to anticipate their impact on the income statement when they occur.

BdE Circular 4/2017 allows banks to have an internal model for estimating asset coverage. With BdE Circular 4/2019, credit financial institutions are under the protection of Circular 4/2017, so as of 1 January 2020 UCI is obliged to formulate its own financial statements under IFRS9 regulations.

The provisioning model is based on estimating the Expected Loss (PE) that may occur in the future on the loan if it reaches the end of its usual impairment cycle. It tries to value the credits and provision for the possible loss that may be incurred if the loan is considered doubtful, there is an award, dation in payment or mandate to sell the mortgage guarantee to cancel the client's debt and, finally, UCI proceeds to the sale of the foreclosed real estate assets.

In accordance with current solvency regulations, credit risk is covered by the existence and control of own funds capable of absorbing the risks assumed, as well as by the constitution of provisions to cover insolvencies. These coverages are classified into specific coverage for non-performing loans and non-performing loans, which aim to cover exposures to defaults or transactions with doubts about their full repayment, and normal risk coverage. These, in turn, are classified into normal risk coverage and normal risk coverage under special surveillance. The latter correspond to the coverage of operations that have weaknesses in their solvency, but that do not raise doubts about their full repayment.

REAL ESTATE ASSETS FORECLOSED OR RECEIVED IN PAYMENT OF DEBTS

UCI classifies the loans in the portfolio according to the risk they entail and, in accordance with the principle of prudence, reflects the potential loss in accounting terms through the provision of suspended products and provisions.

Ultimately, if the risk of loss of a loan is severe enough to make it irrecoverable, UCI considers delisting it from the balance sheet by means of a write-off, understood as the debt considered irrecoverable that is recorded in suspense accounts.

The situation of default, normally referring to loans without collateral, does not imply the termination of the legal relationship with the customer so, although it implies the recognition of a loss, it does not prevent the amounts owed from being claimed from the customer. Unlike what happens in cases of forgiveness, the situation of failure does not exempt the client from the obligation to pay the debt.

In those customers who experience difficulties in meeting their payment obligations within the contractual deadlines, once all avenues of amicable collection have been exhausted and after it has been verified that the customer does not face temporary payment difficulties, situations may arise such as the initiation of legal proceedings that end up leading to an award order or a dation in payment procedure, through which UCI acquires ownership of the mortgaged property. In the situations described above, such collateral would be considered as an available-for-sale asset, to the extent that the entity's intention is to sell it in the shortest possible time.

At the time of possession of the guarantee, UCI must face a series of expenses associated with it, so that from that moment all the costs of administration and maintenance of the properties, as well as those of marketing and sale, are borne by the entity. With a view to the possible sale of foreclosed assets in payment of debts, UCI takes into account the associated selling costs.

The assets foreclosed in payment of debts are managed by the Property Administration department, which will be in charge of coordinating aspects such as taking possession, adapting the real estate for its commercialization, as well as the physical maintenance and payments associated with them (reforms, community payments, etc.). IBI, Fees, etc.), as established in the internal procedures.

Likewise, the Property Administration department is responsible for managing the leases of real estate, the type of lease and its specific characteristics being defined in the Property Management Procedure.

In relation to the value of the accounting registration of the property, this will not be higher than the carrying amount of the financial assets applied. In addition, it is necessary to carry out a periodic update of the value of the guarantees through an updated appraisal.

CREDIT RISK REDUCTION TECHNIQUES

UCI bases its "Lending Policy" on the review of three key concepts from the point of view of risk: intervening, guarantee and operation.

UCI establishes that the value of the properties taken as collateral in its credit operations is correctly quantified, and that the process to obtain such valuation is consistent with adequate and prudent risk management, as well as with the Group's other principles and regulatory requirements. The use of guarantees is used as a credit reduction technique for Grupo UCI.

The main admissible techniques used are the following:

'Credit risk hedging with collateral or similar instruments' means a credit risk mitigation technique in which the credit risk reduction of an institution's exposure results from the institution's right, in the event of a counterparty's default or other specified credit events in relation to the counterparty, to settle or obtain transfer or ownership; or to retain certain assets or amounts, or to reduce the amount of exposure to the difference between the amount of the exposure and the amount of a credit to the institution or to replace it with the amount corresponding to that difference.

'Personal guaranteed credit risk hedging' means a credit risk mitigation technique in which the credit risk reduction of an institution's exposure results from the obligation by a third party to pay an amount in the event of default by the borrower or other specified events.

PRICING POLICY

The purpose of the pricing process procedure is to define the existing fixing process in UCI, as well as the internal control, reporting and internal governance system associated with it.

The pricing process comprises at least three distinct stages. The first consists of capturing liquidity and analysing its cost, to which the cost of the necessary coverage for each of the financed terms should be added; a second phase in which a minimum margin is established in order to guarantee the viability of the business; and a third phase in which the final price is set taking into account both the above factors and the prices of the competition at any given time.

5.3 Credit Risk and Concentration Information

EXPOSURE TO CREDIT RISK

C_02.00 - Capital Adequacy - Amounts of Risk Exposures	GROUP 2024
Total risk exposure (0010)	4.249,37
Amount of exposures weighted by credit risk, counterparty and dilution and incomplete transactions (0040)	4.168,25
Standard Method (0050)	4.066,91
Standardised Approach exposure categories excluding securitisation positions (0060)	4.066,91
Central Governments or Central Banks (0070)	76,72
Entities (0120)	97,08
Retail Exhibitions (0140)	72,93
Exposures secured by mortgages on real estate (0150)	2.582,82
Defaulted Exposures (0160)	1.043,23
Other (0211)	194,13
Securitization Positions (0470)	101,34
Total exposure to position, exchange rate and commodity risks (0520)	0,08
Amount of exposure to position, foreign exchange and commodity risks under standard methods (0530)	0,08
Currency (0560)	0,08
Total Operational Risk Exposure (0590)	81,04
Operational Risk Standard/Alternative Standard Methods (0610)	81,04

Data in millions of euros

INFORMATION ON NON-DOUBTFUL AND DOUBTFUL EXPOSURES

FI_18-0.a - Information on non-doubtful and doubtful exposures

	TOTAL	Not Doubtful (0020)					
			Unexpired or expired <= 30 days (0030)	Expired > 30 days ≤ 90 days (0055)	Of which: instruments without a significant increase in credit risk since initial recognition (phase 1) (0056)	Of which: instruments with a significant increase in credit risk since initial recognition, but without credit impairment (phase 2) (0057)	Of which: financial assets acquired or originated with credit impairment (0058)
DEBT INSTRUMENTS AT AMORTIZED COST (0180)	**9.420,80**	**8.310,95**	**8.255,60**	**55,35**	**7.617,67**	**693,28**	
Central Bank Cash Balances and Other Demand Deposits (0005)	**47,38**	**47,38**	**47,38**		**47,38**		
Debt securities (0010)	**40,05**	**40,05**	**40,05**		**40,05**		
Public administrations (0030)	40,05	40,05	40,05		40,05		
Loans & Advances (0070)	**9.333,38**	**8.223,53**	**8.168,17**	**55,35**	**7.530,24**	**693,28**	
Credit institutions (0100)	248,66	248,66	248,66		248,66		
Other financial companies (0110)	38,55	38,55	38,55		38,55		
Non-financial corporations (0120)	23,20	16,63	16,63		16,63		
Of which: small and medium-sized enterprises (0130)	23,20	16,63	16,63		16,63		
Homes (0150)	**9.022,97**	**7.919,69**	**7.864,34**	**55,35**	**7.226,40**	**693,28**	
Of which: loans secured by residential real estate (0160)	**8.912,62**	**7.820,79**	**7.765,96**	**54,83**	**7.133,44**	**687,35**	
DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (0201)							
NON-TRADING DEBT INSTRUMENTS COMPULSORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS OR DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (0231)							
DEBT INSTRUMENTS OTHER THAN THOSE HELD FOR TRADING (0330)	9.420,80	8.310,95	8.255,60	55,35	7.617,67	693,28	
DEBT INSTRUMENTS HELD FOR SALE (0335)							

Data in millions of euros

FI_18-0.a - Information on non-doubtful and doubtful exposures

	TOTAL	Doubtful (0060)												
			Unlikely Payment Not Due or Due ≤ 90 Days (0070)	Expired > 90 days <= 180 days (0080)	Expired > 180 days <= 1 year (0090)	Expired > 1 Year ≤ 2 Years (0101)	Expired > 2 years ≤ 5 years (0102)	Expired > 5 years ≤ 7 years (0106)	Expired > 7 years (0107)	Of which: instruments with a significant increase in credit risk since initial recognition, but without credit impairment (phase 2) (0109)	Of which: unpaid (0110)	Of which: instruments with credit impairment (phase 3) (0121)	Of which: financial assets acquired or originated with credit impairment (0900)	Of which: with impairment (0122)
DEBT INSTRUMENTS AT AMORTIZED COST (0180)	9.420,80	1.109,85	323,58	78,60	87,20	205,00	276,31	72,72	66,44		1.109,85	1.109,85		
Central Bank Cash Balances and Other Demand Deposits (0005)	47,38													
Debt securities (0010)	40,05													
Public administrations (0030)	40,05													
Loans & Advances (0070)	9.333,38	1.109,85	323,58	78,60	87,20	205,00	276,31	72,72	66,44		1.109,85	1.109,85		
Credit institutions (0100)	248,66													
Other financial companies (0110)	38,55													
Non-financial corporations (0120)	23,20	6,57							6,57		6,57	6,57		
Of which: small and medium-sized enterprises (0130)	23,20	6,57							6,57		6,57	6,57		
Homes (0150)	9.022,97	1.103,28	323,58	78,60	87,20	205,00	276,31	72,72	59,87		1.103,28	1.103,28		
Of which: loans secured by residential real estate (0160)	8.912,62	1.091,84	320,93	77,48	85,98	201,89	273,12	72,72	59,72		1.091,84	1.091,84		
DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (0201)														
NON-TRADING DEBT INSTRUMENTS COMPULSORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS OR DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (0231)														
DEBT INSTRUMENTS OTHER THAN THOSE HELD FOR TRADING (0330)	9.420,80	1.109,85	323,58	78,60	87,20	205,00	276,31	72,72	66,44		1.109,85	1.109,85		
DEBT INSTRUMENTS HELD FOR SALE (0335)														

Data in millions of euros

FI_18-0.b - Information on non-doubtful and doubtful exposures	TOTAL	Non-performing exposures - Accumulated value impairment and provisions (0140)				
		Of which: expired > 30 days <= 90 days (0910)	Of which: expired > 30 days <= 90 days (0910)	Of which: instruments without a significant increase in credit risk since initial recognition (phase 1) (0141)	Of which: instruments with a significant increase in credit risk since initial recognition, but without credit impairment (phase 2) (0142)	Of which: financial assets acquired or originated with credit impairment (0143)

DEBT INSTRUMENTS AT AMORTIZED COST (0180)	-241,44	-26,92	-2,20	-6,74	-20,18	
Loans & Advances (0070)	-241,44	-26,92	-2,20	-6,74	-20,18	
Other financial companies (0110)	-0,57	-0,57	0,00	-0,57		
Non-financial corporations (0120)	-2,62	-0,13	0,00	-0,13		
Of which: small and medium-sized enterprises (0130)	-2,62	-0,13	0,00	-0,13		
Homes (0150)	-238,25	-26,22	-2,20	-6,04	-20,18	
Of which: loans secured by residential real estate (0160)	-228,60	-24,25	-2,04	-5,00	-19,25	
DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (0201)						
NON-TRADING DEBT INSTRUMENTS COMPULSORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS OR DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (0231)						
DEBT INSTRUMENTS OTHER THAN THOSE HELD FOR TRADING (0330)	-241,44	-26,92		-6,74	-20,18	
DEBT INSTRUMENTS HELD FOR SALE (0335)						
OFF-BALANCE SHEET EXPOSURES (0550)						

Data in millions of euros

FI_18-0.b - Information on non-doubtful and doubtful exposures	Non-performing exposures - Accumulated impairment, negative cumulative changes in fair value due to credit risk and provisions (0150)										
	TOTAL	Unlikely Payment Not Due or Due ≤ 90 Days (0160)	Expired > 90 days <= 180 days (0170)	Expired > 180 days <= 1 year (0180)	Expired > 1 year ≤ 2 years (0191)	Expired > 2 years ≤ 5 years (0192)	Expired > 5 years ≤ 7 years (0196)	Expired > 7 years (0197)	Of which: instruments with a significant increase in credit risk since initial recognition, but without credit impairment (phase 2) (0950)	Of which: instruments with credit impairment (phase 3) (0951)	Of which: financial assets acquired or originated with credit impairment (0952)
DEBT INSTRUMENTS AT AMORTIZED COST (0180)	-214,52	-29,54	-9,41	-13,39	-47,79	-72,48	-18,09	-23,81		-214,52	
Loans & Advances (0070)	-214,52	-29,54	-9,41	-13,39	-47,79	-72,48	-18,09	-23,81		-214,52	
Other financial companies (0110)	0,00										
Non-financial corporations (0120)	-2,48							-2,48		-2,48	
Of which: small and medium-sized enterprises (0130)	-2,48							-2,48		-2,48	
Homes (0150)	-212,03	-29,54	-9,41	-13,39	-47,79	-72,48	-18,09	-21,33		-212,03	
Of which: loans secured by residential real estate (0160)	-204,35	-28,72	-8,73	-12,56	-45,35	-69,72	-18,09	-21,18		-204,35	
DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (0201)											
NON-TRADING DEBT INSTRUMENTS COMPULSORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS OR DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (0231)											
DEBT INSTRUMENTS OTHER THAN THOSE HELD FOR TRADING (0330)	-214,52	-29,54	-9,41	-13,39	-47,79	-72,48	-18,09	-23,81		-214,52	
DEBT INSTRUMENTS HELD FOR SALE (0335)											
OFF-BALANCE SHEET EXPOSURES (0550)											

Data in millions of euros

RESTRUCTURED AND REFINANCED EXHIBITIONS

FI_19.a - Restructured and refinanced exhibitions	Restructured or refinanced doubtful exposures (060)					
		Restructured instruments (070)	Refinancing (080)	Of which: with non-payment (090)	Of which: with impairment (100)	Of which: restructuring or refinancing of non-performing exposures prior to such restructuring or refinancing (110)
DEBT INSTRUMENTS AT AMORTIZED COST (180)	934,95	827,97	106,97	913,06	913,06	919,82
Loans & Advances (070)	934,95	827,97	106,97	913,06	913,06	919,82
Homes (150)	934,95	827,97	106,97	913,06	913,06	919,82
Of which: loans secured by residential real estate (160)	926,59	821,86	104,73	904,87	904,87	911,47
DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (201)	0,00	0,00	0,00	0,00	0,00	0,00
NON-TRADING DEBT INSTRUMENTS COMPULSORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS OR DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (231)	0,00	0,00	0,00	0,00	0,00	0,00
DEBT INSTRUMENTS OTHER THAN THOSE HELD FOR TRADING (330)	934,95	827,97	106,97	913,06	913,06	919,82
DEBT INSTRUMENTS HELD FOR SALE (335)	0,00	0,00	0,00	0,00	0,00	0,00

Data in millions of euros

FI_19.a - Restructured and refinanced exhibitions		Restructured or refinanced non-performing exposures (020)				Restructured or refinanced doubtful exposures (060)					
			Restructured instruments (030)	Refinances (040)	Of which: non-performing exposures restructured or refinanced in a trial period reclassified from the category of non-performing exposures (050)		Restructured instruments (070)	Refinancing (080)	Of which: with non-payment (090)	Of which: with impairment (100)	Of which: restructuring or refinancing of non-performing exposures prior to such restructuring or refinancing (110)
DEBT INSTRUMENTS AT AMORTIZED COST (180)	1.488,85	553,90	511,01	42,89	162,34	934,95	827,97	106,97	913,06	913,06	919,82
Loans & Advances (070)	1.488,85	553,90	511,01	42,89	162,34	934,95	827,97	106,97	913,06	913,06	919,82
Homes (150)	1.488,85	553,90	511,01	42,89	162,34	934,95	827,97	106,97	913,06	913,06	919,82
Of which: loans secured by residential real estate (160)	1.475,95	549,36	507,54	41,82	160,56	926,59	821,86	104,73	904,87	904,87	911,47
DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (201)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
NON-TRADING DEBT INSTRUMENTS COMPULSORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS OR DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (231)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
DEBT INSTRUMENTS OTHER THAN THOSE HELD FOR TRADING (330)	1.488,85	553,90	511,01	42,89	162,34	934,95	827,97	106,97	913,06	913,06	919,82
DEBT INSTRUMENTS HELD FOR SALE (335)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

Data in millions of euros

SECURITIZATION TRANSACTIONS

Since its inception, UCI has had a recurrent policy of going to the capital markets through the securitization of its credit assets. Thus, the holders of the securitisation bonds placed on the capital markets cover the liquidity of these operations until maturity.

Since 1994, UCI has issued 30 securitisation funds in Spain for an initial total amount of approximately €19,900 million, mostly placed on the capital markets, belonging to the RMBS UCI 1 to 19 and Prado I to Green Prado XI issues. In Portugal since March 2020, RMBS Green Belem 1 and RMBS Belem 2.

RMBS Green Prado XI issued in 2023, was the first operation to meet the EU's STS criteria and those of Sustainalytics' Green Bond Framework. This fund, made up of 490 million euros, was supported by the EIB Group and the Official Credit Institute (ICO) for a total of 300 million euros.

On December 22, 2023, a synthetic RMBS securitization transaction of mortgage loans to individuals was carried out, in order to carry out.

a significant transfer of risk (SRT) to a counterparty (insurer) through an insurance contract.

The following table presents, among other information, the structured entities (Asset-Securitisation Funds) that are subject to consolidation in the consolidated financial statements at the end of the financial year:

Program Name	Currency	Program amortization date	First date for withdrawal of the sold sections	Calls for the withdrawal of sold sections	Rechargeable securitization (S/N)	Nominal amount of accounts receivable as of 31.12.24	Nominal amount of the securitisation as at 31.12.24	Section identification					Reserve Fund	Reserve Fund	Expenses of the establishment of the Fund and the issuance of the Notes
								Section 1	Section 2	Section 3	Section 4	Section 5			
FTH UCI 12	Euro	16/09/2025	16/09/2025	10% Clean up Call	N	97,66	96,11	63,31	9,00	23,80	0,00	0,00	5,18	5,18	0,00
FTA UCI 14	Euro	21/03/2026	21/03/2026	10% Clean up Call	N	181,49	167,09	94,59	34,10	38,40	0,00	0,00	5,80	5,80	0,00
FTA UCI 15	Euro	18/03/2028	18/03/2028	10% Clean up Call	N	234,26	215,05	125,65	32,90	56,50	0,00	0,00	5,70	5,70	0,00
FTA UCI 16	Euro	18/12/2028	18/12/2028	10% Clean up Call	N	323,97	295,59	0,00	173,19	72,00	41,40	9,00	7,20	7,20	0,00
FTA UCI 17	Euro	17/03/2030	17/03/2030	10% Clean up Call	N	285,25	258,82	0,00	158,02	72,80	28,00	0,00	5,60	5,60	0,00
RMBS PRADO VII	Euro	15/09/2025	15/09/2025	Step up call	N	312,38	315,22	243,12	38,60	33,50	0,00	0,00	6,44	6,44	0,00
RMBS PRADO VIII	Euro	15/06/2026	15/06/2026	Step up call	N	318,12	321,16	223,16	50,00	26,40	21,60	0,00	6,42	6,42	0,20
RMBS PRADO IX	Euro	17/09/2026	17/09/2026	Step up call	N	363,31	364,72	301,32	24,40	39,00	0,00	0,00	7,29	7,29	0,26
RMBS PRADO X	Euro	16/03/2027	16/03/2027	Step up call	N	424,69	427,82	364,52	23,70	39,60	0,00	0,00	8,56	8,56	0,31
GREEN RMBS PRADO XI	Euro	20/06/2028	20/06/2028	Step up call	N	405,04	410,73	273,53	78,40	26,90	31,90	0,00	6,27	6,27	0,49
RMBS GREEN BELEM No.1	Euro	20/03/2025	20/03/2025	Step up call	N	133,51	138,49	77,79	25,50	35,20	0,00	0,00	2,03	2,03	0,00
RMBS BELEM No.2	Euro	23/09/2027	23/09/2027	Step up call	N	191,73	199,14	118,24	45,20	35,70	0,00	0,00	3,71	3,71	0,00

Data in millions of euros

Program Name	Currency	Program amortization date	First date for withdrawal of the sold sections	Calls for the withdrawal of sold sections	Rechargeable securitization (S/N)	Nominal amount of accounts receivable as of 31.12.24	Nominal amount of the securitisation as at 31.12.24	Section identification		
								Senior	Protected	First loss
VISIONARY 1	Euro	50425	50425	Step up call	N	589,54	589,48	550,42	37,56	1,51

Data in millions of euros

Securitization	Outstanding balance	Subjective non-performing balance	Subjective doubtful provision	Non-performing loans	Delinquent doubtful provision	Non-performing balance	Doubtful provision
PRADO VII	314,01	0,46	0,00	1,62	0,05	2,08	0,05
MEADOW VIII	319,42	0,52	0,00	1,58	0,04	2,10	0,04
PRADO IX	365,12	1,18	0,00	2,47	0,15	3,66	0,15
PRADO X	426,95	0,56	0,01	1,95	0,09	2,51	0,09
PRADO XI	405,82	1,08	0,06	1,72	0,12	2,81	0,18
ICU 12	97,93	2,10	0,02	8,15	0,43	10,26	0,45
ICU 14	182,14	2,71	0,11	26,86	4,72	29,57	4,83
ICU 15	235,32	4,75	0,32	35,24	7,26	39,99	7,58
ICU 16	325,30	6,36	0,50	51,72	11,88	58,08	12,39
ICU 17	286,45	5,64	0,35	49,60	11,57	55,24	11,92
BELEM 1	133,53	0,57	0,01	0,12	0,00	0,68	0,01
BELEM 2	191,75	1,95	0,06	0,27	0,04	2,22	0,10
Total	**3.283,73**	**27,89**	**1,45**	**181,31**	**36,34**	**209,20**	**37,79**

Data in millions of euros

As a result of the need to have two ratings with a minimum grade of at least "A" awarded by two different rating agencies in order to qualify as eligible assets in the ECB's liquidity operations, most of the securitisation bonds have lost this status. However, the Prado VI (series A), VII (series A), VIII (series A), IX (series A), X (series A and B) and XI (series A, B and C) bonds, as well as the series A and B of Belem 1 and Belem 2, are eligible assets at the end of the year.

	Rating Agencies																								
	S&P					Moody's					Fitch					DBRS					Scope				
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
ICU 12	AAA	AA	BBB																						
ICU 14	AAA	A+	B								AAA	A+	CCC												
ICU 15	AA	BB	B-								AAA	To	CCC	CCC											
ICU 16	AA-	BB	CCC+	CCC	D						AAA	BB +	CCC	CC	CC										
ICU 17	BBB+	CCC+	D	D							AA +	B -	CCC	CC											
PRADO VII						Aa1	Baa1				AAA	AA +									AAA	AA +			
MEADOW VIII											AAA	AAA	AA +			AAA	AAA	AA			AAA	AAA	AA		
PRADO IX											AAA	AA				AAA	AA				AAA	A+			
PRADO X											AAA	AA-				AAA	AA								
PRADO XI											AAA	AA +	AA			AAA	AA (H)	A(H)							
BELEM 1											AAA	AAA				AAA	AAA								
BELEM 2											AAA	AA +				AAA	A(H)								

CONCENTRATION OF RISKS BY ACTIVITY AND GEOGRAPHICAL AREA

CONCENTRATION OF RISKS BY ACTIVITY AND GEOGRAPHICAL AREA (Book value) TOTAL ACTIVITY	2024	Spain	Rest of the European Union	America
1. Credit institutions	**0,40**	0,39	0,003	
2. Public Administrations	**0,07**	0,07		
3. Other financial institutions				
4. Non-financial corporations and sole proprietors	**0,03**	0,03		0,0004
4.1 Construction and real estate development	0,01	0,01		
4.2 Civil works construction				
4.3 Other purposes	0,02	0,02		0,0004
4.3.1 Large companies				
4.3.2 SMEs and sole proprietors	0,02	0,02		0,0004
5. Other households and NPISHs	**8,76**	7,65	1,11	
5.1 Housing	8,76	7,65	1,11	
5.2 Consumption				
5.3 Other purposes				
TOTAL	**9,26**	**8,14**	**1,11**	**0,0004**

Data in millions of euros

DISTRIBUTION OF CREDIT TO CUSTOMERS BY ACTIVITY				Credit with real guarantee. Loan to value				
	TOTAL	Of which: Real estate guarantee	Of which: Other security rights	LTV<=40%	40%< LTV<=60%	60%< LTV<=80%	80%< LTV<=100%	LTV>100%
1 Public Administrations								
2 Other financial institutions								
3 Non-financial corporations and sole proprietors	**6,64**	**6,11**		**0,50**	**1,68**	**3,15**	**0,00**	**0,78**
3.1 Construction and real estate development (b)	6,18	6,11		0,50	1,68	3,15	0,00	0,78
3.2 Civil works construction								
3.3 Other purposes	0,46							
3.3.1 Large companies (c)								
3.3.2 SMEs and sole proprietors (c)	0,46							
4 Other households and NPISHs	**8.784,26**	**8.606,96**		**1.805,81**	**2.681,15**	**2.610,43**	**1.068,77**	**440,80**
4.1 Dwellings (d)	8.784,26	8.606,96		1.805,81	2.681,15	2.610,43	1.068,77	440,80
4.2 Consumption (d)								
4.3 Other purposes (d)								
TOTAL	8.790,90	**8.613,07**		**1.806,32**	**2.682,83**	**2.613,57**	**1.068,77**	**441,58**
PRO MEMORY								
Refinancing, refinancing and restructuring operations (Net)	1.488,85	1.475,95		116,98	279,94	365,51	299,88	413,64

Data in millions of euros

5.4 Capital requirements for credit and concentration risk

Due to the type of activity carried out by the UCI Group, most of the exposures are made up of exposures to natural persons secured by residential real estate.

The Pillar 1 methodology as set out in Regulation (EU) No 575/2013 is used to assess capital needs for credit risk.

Credit risk exposure and RWAs		RW %	Dec.-24 Amount of credit risk exposure	Dec.-24 APRs
Exhibition categories				
(a) Exposures to central governments or central banks	*Cash, central bank deposits and fiscal assets*	0%	93	0
	Deposits in credit institutions - Temporary acquisition of assets (reverse repo)	0%	249	0
	Non-monetizable deferred tax	250%	12	29
	Deferred tax of diff. Temporary	100%	48	48
(f) Exposures to institutions*	*Deposits with credit institutions in other accounts (banks)*	20%	149	30
	BNP counterparty notional derivatives	20%	84	17
	Notional derivatives BS counterparty	50%	89	44
	BNP counterparty trading derivatives	20%	4	1
	BS Counterparty Trading Derivatives	50%	11	5
(h) Retail exposures	*Healthy Unsecured Loans*	75%	97	73
(i) Exposures secured by mortgages on immovable property	*Healthy mortgage loans (LTV <= 80)*	35%	7.065	2.473
	Sound Mortgage Loans (LTV > 80)	75%	131	98
	Available off-balance sheet	50%	24	12
(j) Defaulted exposures	*Non-performing mortgage loans*	100%	916	916
	Non-performing loans without collateral	150%	4	6
	Non-current assets held for sale (REO's)	100%	122	122
(m) Elements relating to securitisation positions	*Securitisation FG tranche A*	15%	550	83
	Securitisation FG tranche B	50%	38	19
	Securitisation FG tranche C	1250%	0	0
(q) Other elements	*Real estate investments*	100%	158	158
	Other Assets	100%	36	36
			9.878	**4.168**

Data in millions of euros

**Article 120 Exposures to qualified entities. Regulation (EU) No 575/2013 of the European Parliament and of the Council*

Credit concentration risk

Sectoral credit concentration

To estimate the capital needs due to sectoral credit concentration in accordance with the **simplified option,** Grupo UCI calculates the ICS of its loan portfolio and the business (FRE) and cyclical (FRC) reducing factors.

Surcharge coefficient (%) = (ICS – 18) x FRE x FRC

The direct risk of the entity is grouped without considering the risk to natural persons (except that derived from the performance of business activities), in the twelve groupings of economic activity that are included in the CNAE 2009 sections and codes.

	GROUPINGS	INVESTMENT AMOUNT	%INVESTMENT
Realty	BRC	27,79	100%
Basic materials	MAT		
Non-bank finance	FNB		
Processing and manufacturing industries	IND		
Non-basic or discretionary consumption	CNB		
Telecommunications and information technology services	CIT		
Transport and logistics	TRL		
Business and Professional Services	SCP		
Basic necessities	PPN		
Public utility supplies	SUP		
Health and care	SALT		
Fossil energy	JAN		
	TOTAL	27,79	100%
	INDEX		ICS

Data in millions of euros

ICS= ∑X² / (∑X)² x 100. Where x is the value of the investment in each sectoral grouping.

CIS= 2.13%

Reducing factor related to the proportion of risk to companies over total entity risk (FRE)

$$FRE = \frac{\text{Importe de la columna Total de la fila 4 “Sociedades no financieras y empresarios individuales” del Estado C. 22.2}}{\text{Suma de las filas 1 a 5 de esa misma columna}}$$

- FRE= FRE yes; FRE / 35% < 1

$$FRE = \frac{27{,}79}{9.255.977} = 0{,}003 \quad FRE = \frac{0{,}003}{35\%} = 0{,}0086$$

Cyclical risk behaviour (CFR) reducing factor

The sector grouping with the highest risk is the real estate grouping (BRC). FRC= 1.

Calculation of capital needs due to sectoral credit concentration:

Surcharge coefficient (%) = (2.13 – 18) x 0.0086 x 1 = -0.1362

The entity's sectoral concentration index referring to its loan portfolio is 1.94, so as it is less than 18, it is entitled to a surcharge of 0% on its capital needs for Pillar 1 credit risk.

Individual credit concentration

To calculate the capital needs for individual credit concentration, in accordance with the **simplified option,** the bank calculates the ICI among the 1,000 borrowers with respect to those with the greatest direct exposure.

	INVESTMENT AMOUNT	% INVESTMENT
TOTAL INVESTMENT	8.931,60	100%

1000 ACCREDITED SENIORS	514,05	5,76%
INDIVIDUAL CONCENTRATION INDEX	**0,0003%**	

Data in millions of euros

ICI= $\sum X^2 / (\sum Y)^2 \times 100$. Where x is the value of the total direct investment of each borrower or group belonging to the 1,000 largest borrowers of the entity, and y is the amount of the total direct risk of the entity (considering the investment as a whole).

ICI= 0.0003%

Capital needs due to individual credit concentration:

The individual loan portfolio concentration ratio is 0.0003%, so you are entitled to a 0% surcharge on the capital needs for individual credit concentration according to the simplified option.

In addition, the list of the 10 highest indirect risks is included, indicating the owner and amount.

Internal Code	Outstanding debt
ES910000709	1,08
ES910000719	1,08
ES910000729	1,08
ES530025685	1,00
ES530025751	1,00
ES530025752	1,00
ES350052951	0,84
ES350053334	0,84
ES870018276	0,78
PT050011679	0,76

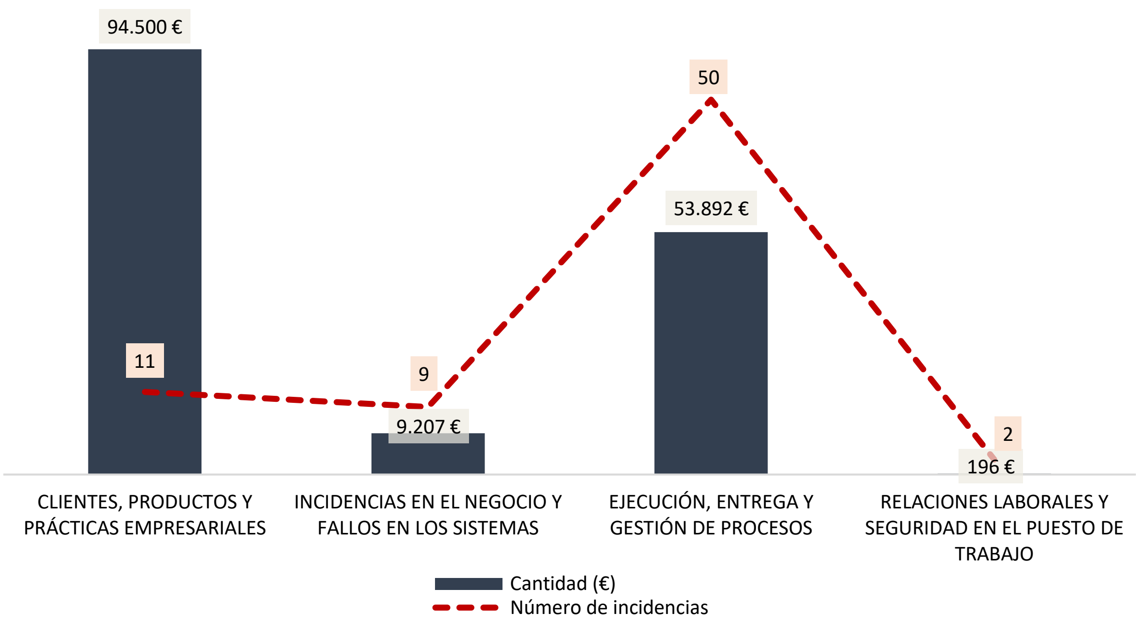
Data in millions of euros

6. Operational risk

6.1 Annual evolution

The application of the Standard Method (TSA) in the calculation of capital requirements for operational risk determines €6.3 million in this concept, representing 1.06% of the entity's total capital requirements.

During the 2024 financial year, the bank's Operational Risk Incident System has recorded 72 operational risk events at a cost of €0.16 million (€0.27 million in 2023). Only 2 events exceed the €20,000 threshold.



In relation to compliance and conduct risk, with regard to the operational risk derived from loans referenced to the IRPH (official BdE benchmark), the entity continues to monitor the benchmark portfolio. There has been a substantial reduction in the number of new lawsuits and pre-trial claims for IRPH reasons in recent years.

Grupo UCI applies measures and procedures in relation to the Prevention of Money Laundering (AML) and Terrorist Financing (CFT) in all the activities carried out by the entity.

In its commitment to the prevention of criminal risk, as well as to the prevention and eradication of bad practices in professional performance, the UCI Group has a Whistleblowing Channel (Ethical Alert channel) that makes it possible to report any conduct that is not aligned with current regulations or with UCI's internal policies and procedures and that may pose a risk to the company. During the 2024 financial year, no breach of the ethics alert has been recorded.

UCI obtains ISO 22301 certification and renews ISO 27001, guaranteeing business continuity and information security.

With regard to the DORA Regulation, the supervisor informed the entity of the non-applicability of this regulation, although it is true, due to a criterion of good market practices, the main aspects established in the Regulation have been implemented under the principle of proportionality.

The implementation of a TPRM (Third-Party Risk Management) system has reinforced the analysis of ICT risks in the contracting of new services and specifically in the outsourcing of essential functions in compliance with the requirements established in Circular 2/2016 and the provisions of the Guidelines on outsourcing (EBA/GL/2019/02).

The improvements in model risk are underpinned by strengthening governance regarding the documentation associated with the models.

6.2 Operational risk management

The objective in terms of operational risk control and management focuses on the identification, measurement, evaluation, control, mitigation and information of said risk. Within the operational risk, ICT risk, compliance and conduct risk and model risk are identified.

The priority is to identify and eliminate sources of risk, regardless of whether losses have occurred or not. Measurement also contributes to the establishment of priorities in operational risk management. Operational risk is inherent to all products, activities, processes and systems, and is generated in all areas of business and support. For this reason, all employees are responsible for managing and controlling the operational risks generated in their field of action.

With regard to operational risk, the organisational model adopted by the UCI Group based on the three lines of defence identifies the following pillars or independent levels of responsibility:

- Business and support functions. They are responsible for identifying, evaluating, managing, controlling and reporting on the operational risks of their activity.
- Internal control function. It is responsible for defining the methodology and solutions to identify, measure, control and correctly manage the Group's operational risk and, additionally, to control its correct deployment. It supports the business, and support functions and consolidates information on Group-wide operational risks for reporting to senior management and the risk management committees involved.
- Internal audit function. In relation to operational risk, it is the area responsible for reviewing compliance with the established operational risk identification, measurement, control and management model.

Operational risk incident management aims to avoid and/or reduce losses due to the inadequacy or failure of internal processes, people and systems, or external events. Its day-to-day management is the responsibility of the different areas and departments of the entity, which maintain lines of communication with the operational risk function, working with them to obtain information and implement actions, where appropriate, to manage risk. The interaction between the operational risk function and the rest of the areas and departments has been defined through its manager.

The Standard Method (TSA) is applied for the declarations of minimum capital requirements, establishing the necessary mechanisms for compliance with the requirements specified in the "Guide for the application of the ME in the determination of capital for operational risk" of BdE.

6.3 Operational Risk Information

C_02.00 - Capital Adequacy - Amounts of Risk Exposures	**GROUP** 2024
Total Operational Risk Exposure (0590)	81,04
Operational Risk: Standard/Alternative Standard Methods (0610)	81,04

Data in millions of euros

6.4 Capital requirement for operational risk

The calculation of regulatory capital for operational risk by Pillar 1 is carried out by applying the standard method[3].

Under this method, the procedure includes the following:

- Determine relevant revenues.
- Assign relevant revenue to lines of business.
- Apply weighting to lines of business.

[3] The calculation has been carried out using the standard method, as defined in Chapter 3 of Title III of Part Three of Regulation (EU) No 575/2013.

- Calculate capital consumption.

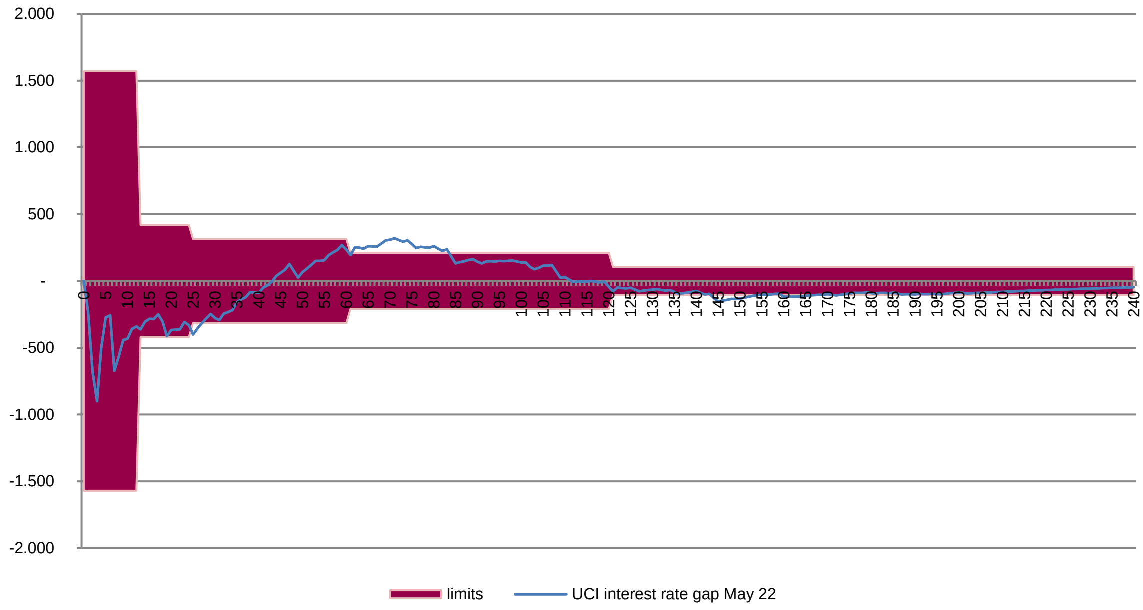
C_16.00.a - Operational Risk - Except Advanced Calculation Method		Relevant indicator			**GROUP** 2024	
		Year-3 (010)	Year-2 (020)	Last Year (030)	Own funds requirements (070)	Total Amount of Operational Risk Exposure (071)
Banking activities subject to the basic indicator method (010)						
Banking activities subject to the Standard Method or the Alternative Standard Method (020)					6,48	81,04
Subject to the standard method	Business Financing (030)					
	Negotiation & Sales (040)	-13,00	-76,19	-90,25		
	Retail brokerage (050)	7,78	6,24	7,13		
	Commercial Banking (060)					
	Retail Banking (070)	141,98	139,86	123,64		
	Payment & Settlement (080)					
	Agency Services (090)					
	Asset Management (100)					
Subject to the alternative standard method	Commercial Banking (110)					
	Retail Banking (120)					

Data in millions of euros

7. Balance sheet structural interest rate risk

7.1 Annual evolution

As of December 31, 2024, the interest rate gap does not exceed any of the limits established internally for the different time periods.



	]0 - 1M]	]1M - 3M]	]3M - 6M]	]6M - 1Y]	]1Y - 2Y]	]2Y - 5Y]	]5Y - 10Y]	]10Y - 20Y]
IRBB lender limit check (€)	OK	OK	OK	OK	OK	OK	OK	OK
Total Lender gap	-230	-789	-345	-468	-328	-101	-1	-87
Lender limit	-1.570	-1.570	-1.570	-1.570	-419	-314	-209	-105

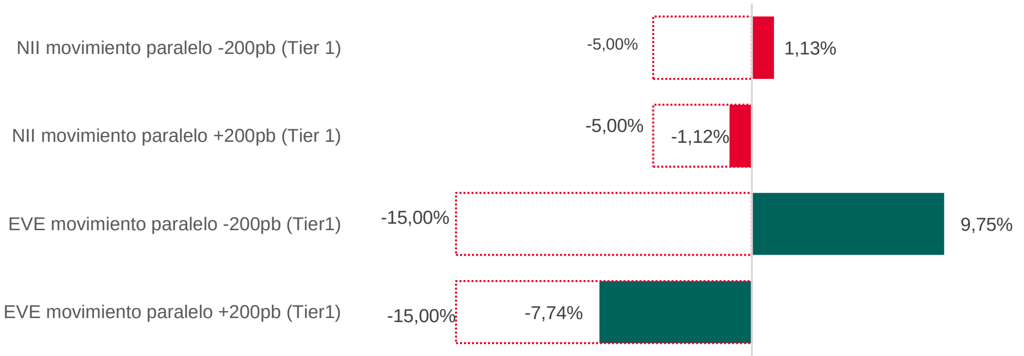
IRBB Borrower limit check (€)	OK	OK	OK	OK	OK	OK	OK	OK
Total Borrower gap	0	0	0	0	0	64	159	0
Borrower limit	1.570	1.570	1.570	1.570	419	314	209	105

IRRBB

Percentage change in the economic value (FSC) of Tier 1 capital in the face of a parallel movement of the interest rate curve of +/- 200bp stands at -7.74% and 9.75% respectively, without exceeding the regulatory limit of -15% of Tier 1 capital.

Percentage change in net interest income (NII) of Tier 1 capital in the face of a parallel movement of the interest rate curve of +/- 200bp stands at -1.12% and 1.13% respectively, without exceeding the regulatory limit of -5% of Tier 1 capital.

The figures indicated indicate that the variations in interest rates have not had an adverse impact on the economic value and equity of the entity.



7.2 Balance sheet structural interest rate risk management

This risk arises from possible variations in interest rates that may adversely affect the value of a financial instrument, a portfolio or the Group as a whole. It affects loans, deposits, debt securities and most assets and liabilities in trading books, as well as derivatives.

The ALM (Asset & Liability Management) area is internally responsible for the active management of this risk based on the monitoring of the entity's exposure and the taking of positions aimed at mitigating said exposure, always complying with the limits established for the Group.

To assess exposure to interest rate risk, the ALM area analyses from a static perspective, i.e., based on the current balance sheet, with its maturity and renewal terms, the maturity or repricing gaps between assets and liabilities. In addition, the entity calculates the economic value of the balance sheet, i.e. the net present value of all the expected flows on the balance sheet, considering that the maturity is not renewed. Based on the calculated economic value, the sensitivity of the economic value to different scenarios of interest rate changes is analysed. Dynamic analyses are also carried out, which, as the name suggests, go beyond the current balance sheet to calculate simulations about the future. This simulates the interest margin, as well as its sensitivity to changes in interest rates.

The indicators used in the analysis of the exposure of UCI's balance sheet to interest rate risk are approached from three perspectives:

Interest rate gap

The GAP analysis consists of grouping the portfolio balances according to the maturity and repricing of assets and liabilities in time intervals in order to estimate the sensitivity of the balance sheet to changes in interest rates.

- Positive gap situations, in which more assets mature and/or reprice than liabilities are favourable to interest rate hikes. To the extent that the structure of the balance sheet would more quickly incorporate changes in interest rates on assets, the net interest margin would be favoured by this circumstance, resulting in a greater flow of interest to be received by the entity.
- Negative gap situations, in which more liabilities mature and/or reprice than assets, are favourable to decreases in interest rates. In this case, the faster with which liabilities incorporate changes in interest rates means that the intermediation margin is favoured by rate cuts, via lower financial costs.
- The existence of a low gap in all maturities means that the net interest margin is less sensitive to changes in interest rates. The establishment of a maximum monthly GAP (-) or (+) will contribute to this fact, giving stability to the impacts on the net interest margin and therefore to the entity's results.

Banking Book Interest Rate Risk (IRRBB)

IRRBB risk monitoring mainly includes the sensitivity of NII and EVE to interest rate variations.

UCI calculates the impact on its EVE of a sudden parallel movement of +/- 200 basis points in the yield curve on a quarterly basis.

The entity notifies the competent authority once a year, as part of the IACL, of the change in the FSC resulting from the calculation. Where the reduction in FSC is greater than 15 % of the institution's Tier 1 capital in any of the six shock scenarios, the institution informs the competent authority.

The six scenarios are as follows:

i. parallel upward movement.
ii. parallel downward movement.
iii. positivisation (lowering short-term rates and rising long-term rates).
iv. flattening (rise in short-term rates and lowering long-term rates).
v. rising short-term rates; and
vi. Lowering short-term rates.

With respect to the NII, the quarterly calculation of the NII is made of a parallel movement of +/- 200 basis points in the yield curve.

The entity informs the competent authority when the decrease in the NII is greater than 5% of the Tier 1 capital in the 2 established disturbance scenarios.

Specific magnitude of interest rate shocks by EUR currency (bps):

Parallel: 200 bp	Short Term: 250 bp	Long Term: 100bp

Banking Book Credit Spread Risk (CSRBB)

The metrics used to track credit spread risk in the banking book (CSRBB) mainly include the sensitivity of NII and EVE to variations in spread curves.

7.3 Capital requirements for structural interest rate risk on the balance sheet

To assess the capital needs for structural interest rate risk on the balance sheet, on the one hand, Grupo UCI uses the simplified option, consisting of calculating the difference between the decrease in economic value (in the worst case scenario, article 68 bis paragraph 1 point a) of Law 10/2014 and the lower amount of the sum of the recurring margin of the last 3 years or 15% of the level capital 1 of the entity.

For these purposes, the recurring margin is calculated on the basis of the information contained in Income Statement F2.00 of Circular 4/2004, as follows:

Recurring Margin = Interest Income (MI) + Dividends + Fees - Administrative expenses - Amortizations.

M€	2022	2023	2024	Total
Margen de Interés (MI)	125,13	42,44	32,67	200,24
Dividendos	0,00	0,00	0,00	0,00
Comisiones	4,80	2,60	2,50	9,91
Gastos de administración	50,96	48,72	52,37	152,06
Amortizaciones	5,97	4,79	5,36	16,12
Margen recurrente	72,99	-8,46	-22,57	**41,96**
Tier1 (15%)			511,86	**76,78**

Data in millions of euros

To estimate capital needs, they are calculated as follows:

Decline in economic value - min (∑ Recurring margin (last 3 years); 15% Tier1)

Decrease in economic value = €39.60 million (Amount of the RI1 Statement).

Decrease in economic value €39.60M - min (∑ MR (last 3 years) €41.96 million; 15% Tier1 €76.78 million) = €2.36 million

From the above calculation, no capital needs are estimated due to structural balance sheet interest rate risk.

On the other hand, to assess the need for capital, the approach is applied to the impact of unfavourable movements in interest rates (in the worst-case scenario established in Article 68 bis, paragraph 1, point b) of Law 10/2014) on one-year results.

This impact is calculated as the sum of the impacts (sensitivities) on net interest income, and on the fair value of the banking book portfolios measured at fair value through profit or loss or other comprehensive income, the accounting hedge derivatives of these portfolios and other non-accounting hedge derivatives of the banking book.

In the event that this impact is greater than 50% of the recurring margin foreseen for the following year, the management measures envisaged to mitigate this impact are indicated, and the need for additional capital for this reason is assessed, avoiding double counting in relation to the capital allocated by economic value.

Taking into account the worst of the NII scenarios based on a parallel upward movement of 200 bps, the unfavourable impact would be €5.74 million, which is less than 50% of the recurring margin forecast for the following year (€10.19 million). Therefore, no additional capital needs are estimated due to structural balance sheet interest rate risk.

8. Market risk

8.1 Annual evolution

The marketing of foreclosed assets continues to show excellent performance. In 2024, 1,099 sales were carried out, placing the stock of foreclosed assets at 2.74% (3.02% in 2023). The coverage ratio of foreclosed assets amounts to 21.26% (21.57 in 2023).

8.2 Market risk management

Grupo UCI manages this risk through the price fluctuations associated with the foreclosed assets. The entity is not subject to capital requirements for this risk.

With respect to self-subscribed and retained bonds, these bonds are kept on the balance sheet until maturity, so price variations in the market do not imply the existence of market risk.

Hedge derivatives are considered to be cash flow hedging instruments whose purpose is to hedge liabilities against changes in interest rates and are within the regulatory limits for consideration as hedging.

Thus, variations in the price of these instruments in the market do not present market risk since they are classified as investment portfolios at maturity.

8.3 Capital requirements for market risk.

Grupo UCI's exposure to market risk is based on the presence of foreclosed assets on its balance sheet and the price volatility of these assets, so no additional capital needs are estimated due to market risk since this risk is not incurred.

9. Reputational risk

9.1 Annual evolution

The main metrics of this risk indicate a high degree of customer satisfaction in UCI Spain. The eKomi certificate, based on a unique platform where consumers talk about real shopping experiences, indicates a score of 4.9 out of 5 at the end of the year. The Google Business Profile score to help businesses manage their online presence has a score of 4.6 out of 5. On the other hand, UCI monitoring in the media indicates that 95% of the comments on the different social networks have been made with a positive feeling.

In addition, surveys are carried out at different stages of the granting of loans to find out the opinion of customers about the different services provided or their satisfaction with the services provided and thus detect points for improvement. It is measured through metrics such as NPS (*Net Promoter Score*) with a figure of 19.41 out of +/- 100 *or CSAT (Customer Satisfaction Score) with a figure of 90.8%.*

9.2 Reputational risk management

It is defined as the accumulation of perceptions and opinions that employees, customers, shareholders and investors and society in general have about the company. It is associated with changes in the perception of the Group, or of the brands that make it up, where an action, event or situation could have a negative or positive impact on the reputation of the organization.

The reputational risk management model is based on an eminently preventive approach, risk management and control, but also on crisis management processes. In this way, risk management encompasses both business and support activities.

10. Environmental, Social and Governance (ESG) Risk

10.1 Annual evolution

Environmental (E)

a) Sustainable business

The granting of sustainable or "green" operations represents 23.5% of the total concession of operations and achieves 157% of the target set for the 2024 financial year. On the other hand, the granting of loans for renovation has reached 92% of the target with an excellent RoE of 16.4%.

The highlights during the exercise are as follows:

- The RER Residential Energy Rehabilitation Plan allows the refurbishment of the building of a community of owners to improve the energy efficiency of a house.
- Financing for a community of owners to carry out the rehabilitation of their building. In this sense, the financing of rehabilitation projects in homes and homeowners' associations is given continuity as an entity adhered to the ICO MITMA Residential Building Rehabilitation Line.
- ICO guarantees to facilitate the purchase of a first home for people under 35 years of age and families with dependent children, offering a guarantee that covers up to 20% of the mortgage loan, and up to 25% in homes with an energy rating of D or higher.
- The purchase and reform mortgage *and* reform mortgage *continue to be optimised*, betting on achieving energy efficient homes through a higher energy certification after the reform.

b) Climate change risks

- **Physical risk**

The assessment of physical risks, in line with supervisory expectations, has provided information to strengthen our risk management and improve the resilience of our loan portfolio in the face of environmental challenges.

The physical risk measurement model identifies that approximately 10.5% of the entity's guarantees are exposed to some type of high physical risk.

The bank continues to monitor the evolution of environmental risks and adjust its strategy to meet the supervisor's expectations and ensure the long-term sustainability of financial operations.

- **Transition risk**

The climate change objectives set by the Paris Agreement are supported. UCI's ambition is to reach net zero emissions by 2050, and they are working to strengthen decarbonisation targets, and aim to support their clients in the green transition, contributing to the Paris objectives with the development of a complete offer of green and sustainable financing.

Work continues on the priority, interrelated and cross-cutting SDGs to which, by contributing with its business activity and commitments, it favours sustainable development.

The highlights during the exercise are as follows:

- UCI joins the European Coalition for the Financing of Energy Efficiency in which the 27 States of the European Union and fifty public and private financial institutions participate. The aim of this initiative is to boost cooperation and continue to mobilise private finance for energy efficiency.

Social (S)

A dedication to diversity is manifested in indicators such as the rate of employees with disabilities, promoting the inclusion of people from diverse backgrounds and abilities. In addition, gender inequality and pay disparity are analysed to ensure equal opportunities and remuneration for all employees.

In terms of personnel management, the turnover rate, the rate of new hires, and the rate of layoffs are closely monitored to understand and address challenges related to talent retention and job stability. In addition, its monitors the absenteeism rate and the training provided to employees to foster a healthy and constantly developing work environment. When it comes to occupational safety, different indices are evaluated to ensure a safe and secure working environment for all employees.

UCI Spain has achieved the Certification as a Great Place To Work, awarded by the consulting firm Great Place To Work, a leader in the identification and certification of Great Places to Work. In addition, our subsidiary in Portugal has achieved this certification for the fourth consecutive year. With 92% of the workforce participating in the evaluation survey, 76% of employees highlight UCI as "an excellent place to work". This result exceeds both the results of the previous edition (75%) and the minimum threshold to be considered a large company to work for, according to GPTW (65%).

With the aim of contributing to the improvement of social factors, the Entity's Equality Plan has continued to be reviewed, adapting it to the standards required by the Government through RD 901/2020.

The highlights during the exercise are as follows:

- UCI closes its 2024 social action with more than 1,800 beneficiaries and reinforces its social commitment with an investment of €60,000 and the participation of its employees.
- Education for young people, with a special focus on financial education. For the ninth consecutive year in the 'Your Finances, Your Future' programme, a programme promoted by the Junior Achievement Foundation and the Spanish Banking Association (AEB).
- The entity has renewed its commitment to the Dádoris Foundation, facilitating access to university studies for young people with high abilities and demonstrated performance with limited economic resources.
- UCI has strengthened its collaboration with the Prodis Foundation, an entity specialising in the training and labour inclusion of people with intellectual disabilities.
- Access to housing for vulnerable groups. As part of the global agreement between the ICU and the Spanish Red Cross, the entity has focused its support on the prevention of residential exclusion.
- Emergency responses. ICU employees contributed more than 6,000 euros to the Red Cross to help those affected by the floods caused by the DANA. In addition, in this campaign UCI contributed 5,000 euros.
- Within the framework of the largest forum for real estate professionals in Spain, Inmociónate, UCI collaborated with 8,000 euros in the "Inmosolidarios" initiative, which recognized five solidarity projects.
- UCI has financed accessibility works, including the installation or replacement of lifts in three communities of owners.
- As a member of the United Nations Global Compact, UCI reinforces its contribution to the achievement of Sustainable Development Goals (SDGs) 4, 8, 10 and 17, consolidating its role in building a fairer, more inclusive and sustainable society.

Corporate Governance (G)

The assessment of governance factors has been grouped into four subheadings:

- **Ethical considerations:** a commitment to integrity and respect for ethical principles in our daily activities is essential to achieve objectives and maintain the trust of customers and stakeholders.

  A firm commitment is maintained to the prevention and eradication of bad practices in professional performance, while committing to maintaining a safe, ethical and respectful work environment for all. Various policies and procedures are available that establish the standards to be followed in daily activities.

UCI has an Ethics Alert channel through which acts that are allegedly unlawful or contrary to current regulations and the internal policies and procedures of the UCI Group that are known in the performance of professional functions can be reported.

When it comes to financial responsibility, business practices are monitored and ensured to be ethical and sustainable, contributing positively to both the community and the long-term success of the company.

- **Strategy and risk management:** risk management is no longer a peripheral function but has acquired its own identity. It appears increasingly connected to the *Core Business* and is fully integrated into the strategy, where the figure of the Chief Risk Officer (CRO) and the direct involvement of the board reflect the growing relevance of the risk management function in the company.
- **Document framework**: To ensure effective management, a robust governance framework of frameworks, policies, and procedures is in place to meet the entity's internal and external requirements.
- **Transparency:** transparency and integrity in the disclosure of information about the products and services offered through our website, in communications with customers or with different stakeholders through multiple regulatory reports and financial and non-financial information.

Together, these considerations and practices strengthen stakeholder confidence, as well as helping to create a healthy, ethical and sustainable organizational environment, which is essential for the long-term financial and reputational success of the entity.

10.2 ESG risk management

UCI analyses the impacts derived from the different ESG risk factors, i.e. risks arising from climate change and environmental, social and governance deterioration.

Environmental (E)

The "E" for environmental refers to the effect that ICU activity has on the environment, directly or indirectly, analysed from different perspectives:

a) Sustainable business

Being committed to sustainable lending, they establish production commitments aligned with the criteria of the European Investment Bank, European Investment Fund or sustainability rating companies such as Sustainalytics.

b) Climate change risks

Climate change risks can be divided into two main categories: those arising from physical impacts and those arising from the transition to a low-carbon economy.

- **Physical risks**

  Physical risks of climate change are defined as those that derive from the increasing severity and frequency of extreme weather events or from a gradual and long-term change in climate. These risks can directly affect companies through damage to assets or infrastructures or indirectly through the alteration of their operations or the non-viability of their activities.

  In response to supervisory expectations on the risks arising from climate change and environmental deterioration, UCI has developed a methodology to assess physical risks in the loan portfolio, highlighting the importance of proactively managing physical risks to ensure the financial stability and resilience of the banking sector.

  The methodology is based on a measurement model that combines UCI's own data with those provided by a renowned appraisal company, with geospatial analysis and advanced risk assessment techniques. These measures are aligned with supervisory expectations to use accurate and reliable data to assess environmental risks and their impact on the quality of financial assets.

The model identifies 11 types of physical risks relevant to our loan portfolio: seismic, erosion, volcanic, maritime and river flooding, desertification, fire, natural space, hydraulic public domain, maritime-terrestrial public domain and livestock routes. This model makes it possible to identify areas that are particularly sensitive to physical risks in the process of granting operations.

- **Transition risks**

  The commitments made by the signatories of the Paris Agreement and the consequent transition towards a decarbonised production system imply a drastic transformation of the global economy through important changes in regulations, the market and technology.

  The 2015 Paris Agreement and the Sustainable Development Goals, as part of the United Nations 2030 Agenda for Sustainable Development, were a turning point in raising awareness for the world to move towards sustainability.

  One of the bank's priorities is to promote the transition to a more equitable, inclusive and sustainable future for all. At a time of technological and social transformation such as the one we are experiencing; diversity and inclusion are key for companies to create value for their stakeholders and society as a whole.

Social (S)

The "S" for social takes into account factors such as labour practices, diversity, safety, impact on communities, etc. A strong focus in these areas, in addition to reducing risk, also contributes to a positive reputation and long-term sustainability.

Corporate Governance (G)

The "G" for governance refers to the company's corporate governance, the composition of the Board of Directors, and the transparency policies and codes of conduct implemented, playing a crucial role in promoting ethical and transparent business practices.

11. Strategic risk

11.1 Annual evolution

The evolution of interest rates has had an unfavourable impact on profitability due to the structure of the bank's portfolio. In this regard, the implementation of a business plan has continued, which establishes measures and policies that allow the generation of recurring income to be progressively increased through the entity's core business in order to improve profitability.

The plan to reduce non-performing assets is a fundamental part of the success of the entity's business plan. The sale of non-performing loans and non-performing loans, although the NPL rate and the bank's balance sheet structure have improved, have had an impact on the result of -€21.7 million and +€1.5 million, respectively.

On the other hand, the RoE of the concession of new operations amounts to 15.27% (13.67% in 2023), showing a positive trend in the core business of Grupo UCI.

11.2 Strategic risk management

Strategic risk is defined as losses or damages arising from strategic decisions, or their poor implementation, which affect the long-term interests of the UCI's main stakeholders, or from an inability to adapt to the evolving environment.

Strategic risk management is transversal to the entire company and derives from other risks whose origin may be non-strategic in nature but can have a significant impact on the company's business model and strategy.

Strategic risk is analysed considering the correct definition of the business model and strategy, together with its transposition in the identification of the strategic axes and lines, associated with the selection of the projects to be developed to achieve the strategic objectives proposed and deployed in the functional plans.

12. Remunerations

Unión de Créditos Inmobiliarios, S.A. E.F.C., is a financial credit institution that is subject to Law 5/2015, of 27 April, on the promotion of business financing ("LFFE") and Royal Decree 309/2020, which develops the legal regime applicable to CFEs and consolidated groups or subgroups of CFEs with a parent company in Spain.

The aforementioned Royal Decree 309/2020 expressly establishes that EFCs will be governed, among others, by the rules on remuneration policy provided for credit institutions in Chapter V of Title I of Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions ("LOSS") and in its implementing regulations.

In this regard, the LOSS develops a series of principles that credit institutions and, by virtue of their regulatory reference, CFEs, must comply with when setting and applying the global remuneration policy, and in particular that applicable to categories of staff whose professional activities have an impact on the institution's risk profile ("Identified Staff"). all in a manner and to a measure commensurate with its size, its internal organization and the nature, scope and complexity of its activities.

In compliance with the above, UCI has a remuneration policy (the "Remuneration Policy" or the "Policy") in order to guarantee remuneration practices compatible with the Entity's adequate and effective risk management.

12.1 Nomination and Compensation Committee

The Board of Directors has a Nomination and Remuneration Committee (NRC), which, in its supervisory role, facilitates the development and implementation of a sound internal governance framework, the composition, structure and functions of which are determined in the Regulations of the Board of Directors, which stipulate the following:

Article 10. The Nomination and Compensation Committee

1. An Appointments and Remuneration Committee will be set up within the Board of Directors, consisting of three directors who do not perform executive functions in the Company.
2. One of the three directors who make up the Nomination and Remuneration Committee must be an independent director and will assume the leadership of the Nomination and Remuneration Committee.
3. The members of the Appointments and Remuneration Committee shall be appointed by the Board of Directors taking into account the knowledge, skills and experience of the directors and the tasks of the Committee.

Article 11. Powers of the Nomination and Remuneration Committee

1. *In matters of appointments*. Without prejudice to any other duties that may be assigned to it from time to time by the Board of Directors, the Appointments and Remuneration Committee shall perform the following functions in matters of appointments:

(a)To identify and recommend, with a view to approval by the Board of Directors or by the General Meeting of Shareholders, candidates to fill the vacant seats on the Board of Directors.

(b) Establish a representation target for the underrepresented gender on the Governing Body and develop guidance on how to increase the number of people of the underrepresented gender with a view to achieving that target.

(c) Assess the balance of knowledge, ability, diversity and experience of the Governing Body and develop a description of the functions and skills required for a particular appointment, assessing the expected time commitment to the performance of the position.

(d) To evaluate periodically, and at least once a year, the structure, size, composition and performance of the Board of Directors, making recommendations to it, with respect to possible changes.

(e) To evaluate periodically and at least once a year the suitability of the various members of the Board of Directors and of the Board as a whole, and to report to the Board of Directors accordingly.

(f) Periodically review the policy of the Board of Directors regarding the selection and appointment of members of senior management and make recommendations to it.

(g) Any others provided for in these Regulations or in the applicable regulations.

In carrying out its appointments tasks, the Nomination and Remuneration Committee takes into account, as far as possible and on an ongoing basis, the need to ensure that the decision-making of the Board of Directors is not dominated by one individual or a small group of individuals in such a way as to prejudice the interests of the Company as a whole.

2. *In terms of remuneration*. Without prejudice to any other duties that may be assigned to it at any time by the Board of Directors, the Appointments and Remuneration Committee shall perform the following functions in terms of remuneration:

(a) To propose to the Board of Directors decisions relating to remuneration, including those that have an impact on the Company's risk and risk management. In particular, it will report on the general remuneration policy of the members of the Board of Directors, general managers or similar, managers in charge of the risk function and with functions in compliance matters and other members of the identified staff (as this term is defined in the applicable regulations), ensuring compliance with it.

(b) Any others provided for in these Regulations or in the applicable regulations.

3. The Committee may use the resources it deems appropriate for the performance of its functions, including external advice, and shall receive appropriate funds for this purpose.

4. The Committee shall meet as many times as it is convened by agreement of the Committee itself or its Chairperson and at least once a year. It shall also meet whenever the Board of Directors or its chairperson requests the issuance of a report or the adoption of proposals.

5. The Committee shall be validly constituted when half of the directors who are part of it are present, present or represented, and shall adopt its resolutions by a majority of the attendees, present or represented.

Annual Information

At the end of the 2024 financial year, this Committee was composed of three Directors, one for each shareholder and one independent Director. It has met five times.

The details of the composition of the Appointments and Remuneration Committee can be found in Annex I to this document.

12.2 General principles of remuneration policy

Principle of proportionality

Article 32.1 of the LOSS includes the possibility for remuneration requirements to be applied to credit institutions to an extent commensurate with their size, their internal organisation and the nature, scope and complexity of their activities.

To this end, CRD V introduces objective thresholds beyond which credit institutions can neutralise certain adjustments to the variable remuneration of the Identified Group. These thresholds are those that have been included in the LOSS, after the modification made by Royal Decree-Law 7/2021. Notwithstanding the foregoing, the Bank of Spain may, by means of a Circular, reduce the aforementioned thresholds.

In accordance with the foregoing, the Board of Directors, at the proposal of the CNR, may exempt the application of the requirements provided for in Article 10.6 below, as well as the requirement of retention of 5 years relating to discretionary pension benefits contemplated in Article 10.10 of the

Policy, when it understands that, in view of the size, the internal organization and the nature, scope and complexity of the Entity's activities, the conditions are met to apply the principle of proportionality.

In particular, the requirements relating to the deferral and payment in shares or instruments of the variable remuneration granted to members of the Identified Staff shall not apply in any of the following circumstances:

- When UCI is not considered a large entity, as defined in Article 4(1)(146) of Regulation 575/2013, and the value of its assets is, on average and individually, in accordance with LOSS and Regulation 575/2013, equal to or less than €5,000 million during the four-year period immediately preceding the current financial year;
- When the annual variable remuneration of a member of the identified group does not exceed 50,000 euros and does not represent more than one third of their total annual remuneration.

In the event that the above thresholds are subject to modification, as a result of any regulatory change, UCI will apply the threshold or, where appropriate, the thresholds that are in force at any given time.

The application of the principle of proportionality does not exempt the members of the Identified Staff from complying with the general principles and the rest of the requirements established for variable remuneration in this Policy (i.e. malus and clawback clauses, and limitation of the variable remuneration ratio to fixed remuneration).

Balance of remuneration components (variable remuneration ratio to fixed remuneration)

The fixed and variable components are balanced in such a way that the fixed component represents a sufficiently high proportion of total remuneration, in order to prevent professionals from relying excessively on the variable components (thus reducing potential conflicts of interest) and to allow the Entity to use a completely flexible incentive policy. which includes the possibility of not paying any variable remuneration component.

The variable remuneration of the members of the Identified Staff may not exceed 100 per cent of the fixed components of the total remuneration of each of them, unless the UCI General Shareholders' Meeting approves to increase this percentage to a maximum limit of 200 per cent, following the procedures provided for in the LOSS.

Absence of personal hedging strategies

Members of the Identified Staff agree not to use any personal coverage strategy or any compensation and liability-related insurance that undermines the risk-adaptation effects implicit in their remuneration system.

12.3 Description of the identified group

The determination of the Entity's professionals who must be part of the Identified Staff is carried out in accordance with the provisions of Delegated Regulation 2021/923.

Delegated Regulation 2021/923 lays down specific criteria for the identification of persons whose professional activities have a significant impact on the risk profile of credit institutions. In accordance with the provisions of said Regulations, the process of identifying the members of the Identified Staff is based on a combination of qualitative criteria (for which the type of activity carried out by its staff at any given time will be taken into account, as well as the areas where they provide services) and quantitative criteria.

In accordance with the above, in general terms, the Identified ICU Collective is mainly composed of the following professional categories:

- Members of the Board of Directors.
- Members of the Management Committee.

- Holders of control functions (risks, regulatory compliance and internal audit).
- Other professionals whose professional activities have a significant impact on the Entity's risk profile.

Annual Information

As of December 31, 2024, the Identified Collective was made up of 20 members, of which 7 were members of the administrative body, 13 members of senior management.

12.4 Qualitative information on the remuneration of the identified group

COMPONENTS OF REMUNERATION

Fixed remuneration

Fixed annual remuneration or gross annual salary is the basic element of the Remuneration Policy. This concept is essentially linked to the characteristics of the positions held, such as, among others, (i) their organizational relevance, (ii) the impact on results, (iii) the scope of responsibility assumed and (iv) experience.

The fixed annual remuneration is determined according to the remuneration bands defined for each position. Bands establish a space in which people have a path to progress, so that their professional development is linked to the development of their remuneration, being designed so that people join the bands at their point of entry and progressively move up in them, to the extent that their performance meets expectations.

Variable Remuneration

Variable remuneration is the remuneration received by employees that varies depending on the degree of achievement of previously defined objectives.

This will be determined based on the risk profile and the incentive for good conduct, in addition to promoting the Group's culture and compliance with internal regulations to avoid conflicts of interest. It can be reviewed periodically and is subject to the criteria of the Human Resources Committee, depending on the budgetary availability of UCI, the priorities of the Action Plan, the remuneration package of each employee, etc.

Subsistence allowance for attendance at meetings of the Governing Body

There are certain UCI professionals who, even if they are not part of the Board of Directors, may receive remuneration and/or allowances for their attendance at Board meetings.

Social Benefits

ICU professionals can receive certain social benefits.

Among the social benefits that can be part of the remuneration package for ICU professionals are loans, life insurance and health insurance. For certain professional categories, UCI offers the award of a renting vehicle, or a permanent advance on expenses.

The Entity may review the social benefits, eliminating some or including new ones, with respect to the labour regulations, the applicable agreement and the UCI Remuneration Policy in force at any time.

In no case may the total remuneration in kind received by a professional exceed 30 per cent of his or her total salary receipts, nor may it lead to a reduction in the full amount of the minimum wage in money.

Compensation Policy Measures to Avoid Conflicts of Interest

The Entity adopts measures to avoid conflicts of interest when defining the structure of the organization and any possible changes that may occur to it.

The Human Resources Department seeks advice from the Legal and Compliance Department and the risk management area to verify that the Remuneration Policy complies with the requirements of MiFID and the other regulations on rules of conduct and conflicts of interest. In this regard, the Remuneration Policy has the following characteristics:

- The possibility of generating incentives that may induce competent persons to put their interests (or those of the Entity) before those of customers is prevented.
- The remuneration system has a balanced and efficient relationship between the fixed and variable components where the fixed component constitutes a sufficiently high part of the total remuneration to prevent professionals from relying excessively on the variable components.
- The remuneration system is flexible so that the application of the Policy allows the possibility of not paying any variable remuneration.
- There is no direct link between remuneration and the sale of certain financial instruments or specific categories of products.

Principles applicable to Customer Care Services (SAC)

In accordance with the Guide on the criteria for the organisation and operation of the customer services of institutions supervised by the Bank of Spain, the methods used to determine, where appropriate, the variable remuneration of the owner of the customer care services ("SAC") and the staff assigned to this service, must not compromise the objectivity of the SAC holder or staff or their independence.

In this sense, the parameters considered should not depend on, or be predominantly linked to, the objectives and performance of the business units they supervise, or other circumstances that may generate conflicts of interest.

The body or position that sets the objectives of the SAC and evaluates its performance should not be responsible for managing business units.

REQUIREMENTS APPLICABLE TO MEMBERS OF THE IDENTIFIED GROUP

Performance measurement

The members of the Identified Staff have a variable remuneration system consisting of an Individual Bonus and an Annual Team Bonus that take into account:

- The achievement of the budgeted objectives.
- The level of actual achievement of the objectives.
- Compliance with policies and procedures both at the area level and at the individual level through the assessment of the contribution of the department and the staff.

In the evaluation of the individual results of the members of the Identified Collective, quantitative (financial) and qualitative (non-financial) criteria are used. The right combination of quantitative and qualitative criteria depends on the roles and responsibilities of each professional. In all cases, the quantitative and qualitative criteria are balanced for each level and category and are clearly documented.

Reduction of variable remuneration at the time of performance evaluation

The Entity may reduce the total amount resulting from the variable remuneration if the following circumstances occur.

- Existence of negative results of the Entity either in relation to those of previous years or with the credit institutions that make up the UCI comparison group.
- Negative performance of capital ratios, either in relation to those of previous years or to the credit institutions that make up the UCI comparison group.
- Formal requirement or recommendation by the competent supervisory authority to UCI to restrict its dividend distribution policy.

The CNR will determine, where appropriate, whether the circumstances described have been met and the remuneration that, if any, should be reduced. When the person belonging to the Identified Collective affected is a director who is directly dependent on the Board of Directors or any of its members, this decision will correspond to the Board of Directors, at the proposal of the CNR.

Deferral and payment in shares or instruments

60 per cent of the variable remuneration will be paid immediately on the date scheduled for the generality of ICU employees. The remaining 40 per cent of the variable remuneration will be deferred for a period of four years, being paid, at the rate of one quarter, on each of the four anniversaries following the General Payment Date, in accordance with the following schedule:

- A fourth, on the first anniversary of the General Pass Date.
- A fourth, on the second anniversary of the General Pass Date.
- A fourth, on the third anniversary of the General Pass Date.
- A fourth, on the fourth anniversary of the General Subscription Date.

During the deferral period, the deferred remuneration will not be received more quickly than proportionately.

A substantial part, specifically 50 per cent, of the variable, deferred and non-deferred remuneration element, will be paid in instruments linked to the evolution of the value of the Entity's equity over a 4-year cycle, in order to link the variable remuneration with the positive or negative results of the Company.

The instrument that is delivered as part of the variable remuneration, both deferred and non-deferred, will be subject to a retention period of one year from its delivery, during which it will be unavailable and cannot be transferred.

Guaranteed variable remuneration

The members of the Identified Staff will not receive any type of guaranteed variable remuneration. However, its convenience could be considered exceptionally in the case of hiring new professionals, and provided that the Entity has a healthy and solid capital base, and its application is limited to the first year of validity of the contract.

Control Functions

The remuneration of the members of the Identified Staff who perform control functions will be based on the receipt of the annual fixed remuneration, established according to the level of responsibility, assigned functions, experience and skills of the professional.

In the event that staff members who perform control functions participate in the Entity's variable remuneration systems, they will be compensated according to the achievement of the objectives linked to their functions, regardless of the results of the business areas they control and supervise.

Reduction (malus) and recovery clauses (clawback)

Variable remuneration, including the deferred part, will be paid only if it is sustainable in accordance with the situation of the UCI as a whole, and if it is justified based on the results of the Entity, the business unit and the performance of the employee concerned.

The Board of Directors, at the proposal of the CNR, will be responsible for determining the application of the reduction (malus) and recovery (clawback) clauses, as well as the amount that, if any, must be reduced or returned to the Entity, taking into account the characteristics and circumstances of each particular case.

Variable remuneration reduction clause (malus)

The deferred variable remuneration that is pending payment may be reduced to 100 per cent of it, if during the deferral period, any of the following circumstances occur:

1. If the objectives set for the net profit of the ICU are not met, at least by 70 per cent.
2. When there is evidence of a very serious and noticeable decrease in financial performance by the corresponding business unit, in such a way that it does not reach 70 per cent of the budgeted results.
3. If the level of solvency or liquidity, or both, is below the limit set in the Risk Appetite Framework approved by the Board of Directors.
4. In the event of significant and very serious failures in risk management by the Entity or the corresponding business unit, due to non-compliance by the beneficiary with internal regulations.
5. Significant increase in the capital needs of the Entity or business unit in which the person belonging to the Identified Collective carries out his or her activity, not foreseen at the time of generating the exposures, provided that they are not due to regulatory changes.
6. Material restatement of the Group's financial statements, when considered so by the external auditors, provided that it significantly affects equity or the result of the year.
7. If any of the following circumstances occur:

(i) Replacement of directors agreed by the Bank of Spain.

(ii) A fraudulent action by the person belonging to the Identified Collective.

(iii) The occurrence of circumstances that determine the disciplinary dismissal of the person belonging to the Identified Collective in accordance with the applicable labour regulations or, in the case of a director, the occurrence of circumstances that give rise to their termination from the position of director due to the breach of their duties, the performance of any action or omission that causes damage to the Entity, or the concurrence of the necessary prerequisites for the Entity to be able to exercise the corporate liability action against it.

(iv) That the person belonging to the Identified Collective has caused serious damage to the Entity, through fault or negligence.

(v) Regulatory sanction or judicial conviction received by the person belonging to the Identified Collective or by UCI for acts that could be attributable to the unit for which said person is or has been responsible when the aforementioned events occurred.

(vi) Sanction received by the person belonging to the Identified Collective for proof of misconduct or serious error (i.e. breach of the code of conduct that especially affects risks).

(vii) Existence of negative effects derived from the marketing of inappropriate products and the person belonging to the Identified Group or the body to which he or she belongs has been responsible for making such decisions.

In any case, the reduction in variable remuneration will occur whenever a requirement or recommendation by the competent authority to the Entity to restrict its dividend distribution policy is in force.

Variable remuneration recovery clause (clawback)

The variable remuneration already paid to the members of the Identified Staff may be subject to clawback, partial or total, when during the three years immediately following its payment it becomes apparent that the collection was not, in whole or in part, in accordance with the conditions established for its accrual or took place on the basis of information whose falsity or inaccuracy is subsequently proved, or when any of the situations described in the previous malus clauses have been detected, having produced the payment of the variable remuneration.

Under these assumptions, UCI will require the person belonging to the Identified Collective to reimburse, in whole or in part, the aforementioned variable remuneration or even to offset said refund against other remuneration of any nature that they are entitled to receive.

The Board of Directors, at the proposal of the CNR, will be responsible for determining the application of the aforementioned reduction clauses (malus) and recovery (clawback), as well as the amount that, if any, must be reduced or returned to the Entity, taking into account the characteristics and circumstances of each particular case.

Discretionary Pension Benefits

In accordance with the provisions of the LOSS and Circular 2/2016, the pension policy of the Identified Staff will be compatible with UCI's business strategy, objectives, values and long-term interests.

In the event that, at any time, the Entity includes, at least, the executive directors, general managers and similar personnel, under the terms provided for in the regulations, who are part of the Identified Staff, as beneficiaries of social welfare systems that are considered discretionary pension benefits, a significant part of the contributions made to pension commitments, which will not be less than 15 per cent, must be based on variable components, and will be subject to the same requirements as for the variable remuneration of the Identified Staff.

When the member of the Identified Staff leaves the Entity as a result of retirement or previously for any other reason, discretionary pension benefits will be subject to a retention period of five years, counted from the date on which he or she ceases to provide services in the Entity for any reason.

The Entity will apply the same requirements for reduction and recovery clauses during the aforementioned retention period.

However, the 5-year retention period provided for in this article will not apply in those cases in which the requirements for applying the principle of proportionality are met.

Payments for early termination of contract

Termination payments for members of the Identified Staff will be related to the performance recorded during their period of activity and will be designed in such a way that they do not reward bad results or misconduct.

Payments for termination of the contract will be considered variable remuneration and, therefore, the adjustments provided for this type of remuneration will be applied to them.

Notwithstanding the foregoing, there are certain cases of payments for early termination that will not be subject to the adjustments of deferral, payment in instruments and limitation of the variable remuneration ratio with respect to fixed remuneration. These cases are as follows:

a) Severance payments that are mandatory under national labour law, or mandatory after a court decision.

b) Compensation corresponding to additional amounts due in application of a non-compete clause established in the contract that are paid in future years up to a maximum of the amount of fixed remuneration that would have been paid in the non-compete period if the staff were still employed, when the Entity is able to demonstrate the reasons and the adequacy of the amount of the severance pay.

c) Compensation calculated using an appropriate generic formula previously defined in the remuneration policy (in the cases referred to in paragraph 167 of the EBA Guide) where the Entity is able to demonstrate the reasons and the adequacy of the amount of severance pay.

d) Compensation in the cases referred to in paragraph 167 of the EBA Guide when it is not calculated using a generic formula defined in the remuneration policy, but the Entity has demonstrated to the competent authority the reasons and the adequacy of the amount of the severance pay.

Taking into account risks

The variable remuneration received by the members of the Identified Staff guarantees a correct correlation with the entity's results, including those related to the measurement of risk management and the solvency of the entity.

This variable remuneration will be based on an ideal range of quantitative metrics that evaluate the fulfilment of objectives and on qualitative factors related to compliance with supervisory and corporate social responsibility requirements. Likewise, they must be consistent with the management of present and future risks, in addition to being aligned with the strategic objectives of the entity and shareholders. The review of compliance with objectives will include the review of the impact of inspections and supervisory decisions, as well as judicial or administrative decisions that show bad practices or control failures.

The assumption of financial risks is an intrinsic part of UCI's business and must be measured, managed and controlled in order to maximise the risk-adjusted profitability assumed by the entities.

In this regard, the main risk to which the Group is subjected in its activity is basically credit risk.

In this sense, variable remuneration systems have specific risk management metrics, among which is the control of late payments and collection management as the most relevant. The Appointments and Remuneration Committee will take them into special consideration in the liquidation proposal.

Variable remuneration greater than 100% of the fixed remuneration

The approval of a variable remuneration greater than 100% of the fixed remuneration for the Identified Collective was not applicable to the variable remuneration accrued in 2024.

12.5 Quantitative information on the remuneration of the identified group

Aggregated quantitative information on remuneration paid during the preceding financial year to members of the remuneration supervisory body

The Board of Directors is the highest decision-making body and guarantor of the application of the remuneration policy.

In carrying out this function, the Board of Directors relies on the Appointments and Remuneration Committee, which assists the Board of Directors in matters of a remuneration nature attributed to it in the Regulations of the Board of Directors.

Aggregated quantitative information on remuneration

The remuneration paid to the identified group to which the current regulatory provisions on remuneration apply during the 2024 fiscal year are detailed below.

R_02.00 Additional information on the remuneration of the identified group	Supervisory function of the administrative body (0010)	Management function of the administrative body (0020)	Other members of senior management (0090)	Other identified group (0100)
Number of persons receiving contributions to discretionary pension benefits in year N (0240)	0,00	0,00	0,00	0,00
Total amount of contributions to discretionary pension benefits (in euro) in year N (including other variable remuneration modalities) (0250)	0,00	0,00	0,00	0,00
Total amount of variable remuneration granted over multi-year periods under programmes that are not renewed annually (in euros) (0260)	0,00	0,00	0,00	0,00
For entities that do not benefit from the derogation provided for in Article 94(3)(a) of Directive 2013/36/EU by type of entity Total amount of variable remuneration of identified staff members benefiting from at least one of the exceptions provided for in Article 94(3), point (b) of Directive 2013/36/EU, based on a low level of variable remuneration (0270)	0,00	0,00	221.789,25	0,00
For entities that do not benefit from the derogation provided for in Article 94(3)(a) of Directive 2013/36/EU by type of entity Total amount of fixed remuneration of identified staff members benefiting from at least one of the exceptions provided for in Article 94(3), point (b) of Directive 2013/36/EU, based on a low level of variable remuneration (0280)	73.250,00	0,00	1.367.619,69	0,00

Data in euros

R_03.00 - Remuneration of EUR 1 million or more per year [8303]	Remuneration: Salary bands in euros (0010)	Staff identified as being highly paid in accordance with Article 450(i) of the CRR (0020)
	0,00	0,00

Data in euros

R_05.00 - Derogations from the application of the payment requirements for parts of deferred variable remuneration and in instruments under Directive 2013/36/EU [8305]	Exceptions by type of entity provided for in Article 94(3)(a) of the CRD (0010)	Exceptions for the identified group provided for in Article 94(3)(b) of the CRD (0020)
Does the entity apply the exceptions relating to the requirement to pay a portion of deferred variable remuneration and in instruments under Article 94(3)(a) of the CRD to all of its identified staff? If you answered 'yes' to this question, you do not need to provide the information below. (0010)	No	
Does the institution apply the exception to the requirement set out in Article 94(1)(l) of the CRD (payment in instruments)? (0020)	No	Yes
If the institution applies the above derogation, but with a lower threshold as laid down in national law, indicate the threshold applied in euros. (0030)		
Number of identified staff members benefiting from the above exception (0040)	0,00	19,00
Percentage of identified personnel benefiting from the above exception (0060)	0,00	95,00
Total remuneration of identified personnel benefiting from the previous exception (0070)	0,00	1.662.658,94
Of which: variable remuneration (0080)	0,00	221.789,25
Of which: fixed remuneration (0090)	0,00	1.440.869,69
Does the institution apply the exception to the requirement set out in Article 94(1)(m) of the CRD (payment under deferral agreements)? (0100)	No	Yes
If the institution applies the above derogation, but with a lower threshold as laid down in national law, indicate the threshold applied in euros. (0110)		
Number of identified staff members benefiting from the above exception (0120)	0,00	19,00
Percentage of identified personnel benefiting from the above derogation (0130)	0,00	95,00
Total remuneration of the identified group benefiting from the previous exception (0140)	0,00	1.662.658,94
Of which: variable remuneration (0150)	0,00	221.789,25
Of which: fixed remuneration (0160)	0,00	1.440.869,69
Does the institution apply the exception to the requirement set out in point (o) of the second subparagraph of Article 94(1) (exceptions relating to payment in discretionary pension benefit instruments)? (0170)	No	No
Number of members of the identified group benefiting from the above derogation (0180)	0,00	0,00
Total remuneration of the identified group benefiting from the previous exception (0190)	0,00	0,00
Of which: variable remuneration (0200)	0,00	0,00
Of which: fixed remuneration (0210)	0,00	0,00

Data in euros

R_09.00 - Remuneration granted in respect of the year [8309]	Supervisory function of the management body (0010)	Management function of the management body (0020)	Other members of senior management (0030)	Other Personnel Identified (0040)
Fixed Remuneration (0005)				

Number of staff members identified (0010)	7,00	0,00	13,00	0,00
Total Fixed Remuneration (0020)	73.250,00	0,00	1.599.020,99	0,00
Of which: Cash (0030)	73.250,00	0,00	1.599.020,99	0,00
Of which: shares or equivalent ownership interests (0040)	0,00	0,00	0,00	0,00
Of which: instruments linked to shares or equivalent non-pecuniary instruments (0050)	0,00	0,00	0,00	0,00
Of which: other instruments (0060)	0,00	0,00	0,00	0,00
Of which: other modalities (0070)	0,00	0,00	0,00	0,00
Variable Remuneration (0075)				
Number of staff members identified (0080)	0,00	0,00	13,00	0,00
Total variable remuneration (0090)	0,00	0,00	286.789,25	0,00
Of which: Cash (0100)	0,00	0,00	254.289,25	0,00
Of which: deferred (0110)	0,00	0,00	13.000,00	0,00
Of which: shares or equivalent ownership interests (0120)	0,00	0,00	0,00	0,00
Of which: deferred (0130)	0,00	0,00	0,00	0,00
Of which: instruments linked to shares or equivalent non-pecuniary instruments (0140)	0,00	0,00	32.500,00	0,00
Of which: deferred (0150)	0,00	0,00	0,00	0,00
Of which: other instruments (0160)	0,00	0,00	0,00	0,00
Of which: deferred (0170)	0,00	0,00	0,00	0,00
Of which: other modalities (0180)	0,00	0,00	0,00	0,00
Of which: deferred (0190)	0,00	0,00	0,00	0,00
Total Compensation (0200)	73.250,00	0,00	1.885.810,24	0,00

Data in euros

R_10.00 - Special payments to staff whose professional activities have a significant impact on the risk profile of the entity (identified staff) [8310]	Supervisory function of the management body (0010)	Management function of the management body (0020)	Other members of senior management (0030)	Other Personnel Identified (0040)
Guaranteed variable remuneration granted (0005)				
Guaranteed variable remuneration granted — Number of identified staff members (0010)	0,00	0	0,00	0
Guaranteed variable remuneration granted — Total amount (0020)	0,00	0	0,00	0
Of which: guaranteed variable remuneration granted paid during the financial year that is not taken into account in the limitation of premiums (0030)	0,00	0	0,00	0
Severance payments granted in previous periods and paid during the financial year (0035)				
Severance payments granted in previous periods and paid during the financial year — Number of staff members identified (0040)	0,00	0	0,00	0
Severance payments granted in previous periods and paid during the financial year — Total amount (0050)	0,00	0	0,00	0
Severance payments granted during the financial year (0055)				
Severance payments granted during the financial year — Number of identified staff members (0060)	0,00	0	0,00	0
Severance payments granted during the financial year — Total amount (0070)	0,00	0	0,00	0
Of which: paid during the financial year (0080)	0,00	0	0,00	0
Of which: deferred (0090)	0,00	0	0,00	0
Of which: severance payments paid during the financial year which are not taken into account in the limitation of premiums (0100)	0,00	0	0,00	0
Of which: highest compensation awarded to a single person (0110)	0,00	0	0,00	0

Data in euros

Total remuneration accrued by each of the members of the Board of Directors

Bank of Spain Circular 2/2016 of 2 February. -Rule 60.l.ii

The total remuneration earned by each of the members of the board of directors of Unión de Créditos Inmobiliarios S.A. Establecimiento Financiero de Crédito in the last financial year is detailed below, with an individualized breakdown by remuneration concepts; all in the terms provided for in Article 37 of Royal Decree 84/2015 and, to the extent applicable, Article 450.1.h) of Regulation (EU) No 575/2013.

FY2024

Board of Directors (1)	FIXED REMUNERATION	VARIABLE REMUNERATION	DIETS	**TOTAL REMUNERATION**
Mr. Matías Rodríguez Inciarte (2)	42.000	-	-	**42.000**
Ms. Remedios Ruiz Maciá	-	-	-	**-**
Mr. Michel Falvert	-	-	-	**-**
Mr. Eric Henri Klesta (3)	-	-	-	**-**
Mr Jean François Georges Marie Deullin *(Independent Director)*	15.000	-	10.000	**25.000**
Mr. Eduardo Suárez Álvarez-Novoa *(Independent Director)* (4)	3.750	-	2.500	**6.250**
TOTAL	**60.750**	**-**	**12.500**	**73.250**

Data in euros

(1) Directors with a position in force as of December 31, 2024.Mr. Patrick Marie Alain Denis Miron de l'Espinay has not been a Director since July 26, 2024.

(2) The remuneration of Mr. Matías Rodríguez Inciarte is assigned to U.C.I., S.A (UCI Group)

(3) Mr. Eric Henri Klesta has been a Director since 26 July 2024.

(4) Mr. Eduardo Suárez Álvarez-Novoa has been a Director since 13 September 2024.

ANNEX I. Composition of the Board of Directors and Committees

Composition 31 December 2024

Board of Directors of Unión de Créditos Inmobiliarios, S.A., Establecimiento Financiero de Crédito

President and Director

- Mr. Matías Rodríguez Inciarte

Counsellors

- Ms. Remedios Ruiz Maciá
- Mr. Michel Falvert
- Mr. Eric Henri Klesta

Independent Directors

- Mr Jean François Georges Marie Deullin
- Mr. Eduardo Suárez Álvarez-Novoa

Non-Director Secretary

- Mr. Eduardo Isidro Cortina Romero

Committees of the Board of Directors of Unión de Créditos Inmobiliarios, S.A., Establecimiento Financiero de Crédito

Joint Committee on Audit and Risk

President

- Mr Jean François Georges Marie Deullin

Vocals

- Mr. Eduardo Suárez Álvarez-Novoa
- Ms. Remedios Ruiz Maciá

Non-Director Secretary

- Mr. Eduardo Isidro Cortina Romero

Nomination and Compensation Committee

President

- Mr Jean François Georges Marie Deullin

Counsellors

- Mr. Matías Rodríguez Inciarte
- Mr. Michel Falvert

Non-Director Secretary

- Mr. Eduardo Isidro Cortina Romero

ANNEX II. Additional information on liquidity and funding risk

LC_01.00 - Liquidity Buffer - Liquid Assets	GROUP		
	Amount/Market Value (0010)	Applicable Weighting (0030)	Value in accordance with Article 9 of RD 2015/61 (0040)
TOTAL LIQUID ASSETS UNADJUSTED (0010)	315,08	100%	315,08
Total Level 1 Assets Unadjusted (0020)	315,08	100%	315,08
Cash and cash equivalents (0030)	274,72		274,72
Coins & Banknotes (0040)	0,00	100%	0,00
Central Bank Assets (0060)	274,72	100%	274,72
Deposits with credit institutions eligible as Tier 1 liquid assets (0211)	40,36	100%	40,36
Demand or time deposits with a residual maturity of 30 calendar days or less (0212)	40,36	100%	40,36

Data in millions of euros

LC_02.00 - Liquidity Buffer - Outputs	GROUP		
	Amount	Standard weighting Applicable weighting	Exit
Departures (0010)	776,87		369,96
Outflows from unsecured transactions (0020)	776,87		369,96
Committed Lines (0460)	45,71		2,29
Lines of Credit (0470)	45,71		2,29
To retail customers (0480)	45,71	5%	2,29
Other liabilities and enforceable commitments (0885)	731,16		367,68
Operating expenses and liabilities resulting therefrom (0891)	4,19	100%	4,19
Unsecured Borrowed Assets (0917)		100%	
Unsecured Loans (1500)	726,97		363,49
Unsecured loans from credit institutions or other group undertakings that meet the requirements of Rule 11 (2) with the exception of point (d) (1502)	726,97	50%	363,49

Data in millions of euros

LC_03.00 - Liquidity Buffer - Inputs	GROUP			
	Amount (0009)	Applicable Weighting (0079)		Entry (0139)
	Inputs from activities subject to a minimum liquidity buffer of 10 % of gross outputs (0011)	Inputs from activities subject to a minimum liquidity buffer of 10 % of gross outputs (0081)	Inputs from activities subject to a minimum liquidity buffer of 5 % of gross outputs (0091)	Inputs from activities subject to a minimum liquidity buffer of 10 % of gross outputs (0141)
TOTAL ENTRIES (0010)	19,76			9,88
Receipts from unsecured transactions (0020)	19,76			9,88
Outstanding payments from non-financial customers (except central banks) (0030)	19,76			9,88
Other outstanding payments from non-financial customers (except central banks) (0050)	19,76	50%	50%	9,88

Data in millions of euros

LC_06.00.a - Structure of funding sources - Net stable funding required							2024 GROUP
	Amount			Applicable Required Stable Funding Factor			Total stable funding available (0070)
	Non-HQLA due to expiration		HQLA (0030)	Non-HQLA due to expiration		HQLA (0090)	
	< 1 Year (0010)	≥ 1 Year (0020)		< 1 Year (0070)	≥ 1 Year (0080)		
STABLE FUNDING REQUIRED (0010)	2,92	9252,60	325,09				7.297,76
Stable Funding Required from Central Bank Assets (0020)			325,09				
HQLA and Cash Exposures (0030)			325,09				
Other exposures to central bank non-HQLA assets (0040)					100,00%		
Stable Liquid Asset Financing Required (0050)							
Tier 1 assets eligible for 0% valuation haircuts applicable for the purposes of the LCR (0060)							
Free of encumbrances or subject to encumbrances with a residual maturity of less than six months (0070)							
Subject to charges with a residual maturity of at least six months but less than one year (0080)						50,00%	
Subject to charges with a residual maturity of one year or more (0090)						100,00%	
Tier 1 assets eligible for valuation haircuts of 7% applicable for LCR purposes (0100)							
Free of encumbrances or subject to encumbrances with a residual maturity of less than six months (0110)						10,00%	
Subject to charges with a residual maturity of at least six months but less than one year (0120)						50,00%	
Subject to charges with a residual maturity of one year or more (0130)						100,00%	
Tier 2A assets eligible for valuation haircuts of 15 % applicable for LCR purposes and shares or units in CIUs eligible for valuation haircuts of 0-20 % (0140)							
Free of encumbrances or subject to encumbrances for a residual maturity of less than six months (0150)						20,00%	
Subject to charges with a residual maturity of at least six months but less than one year (0160)						50,00%	
Subject to charges with a residual maturity of one year or more (0170)						100,00%	
Tier 2B assets eligible for valuation haircuts of 25-35 % applicable for LCR purposes and shares or units in CIUs eligible for valuation haircuts of 30-55 % (0180)							
Free of encumbrances or subject to encumbrances for a residual maturity of less than one year (0190)						55,00%	
Subject to charges with a residual maturity of one year or more (0200)						100,00%	
Stable Funding Required of Securities Other Than Liquid Assets (0210)							
Free of encumbrances or subject to encumbrances for a residual maturity of less than one year (0220)				50,00%	85,00%		
Subject to charges with a residual maturity of one year or more (0230)				100,00%	100,00%		
Stable Loan Financing Required (0240)	2,92	7918,02					6.006,60
Non-financial loans (0250)	2,92	7818,76					5.922,23
Free of encumbrances or subject to encumbrances for a residual maturity of less than one year (0260)	2,92	4744,23		40,00%	60,00%		2.847,71
Subject to charges with a residual maturity of one year or more (0270)		3074,53		100,00%	100,00%		3.074,53
Loans to financiers (0280)							
Free of encumbrances or subject to encumbrances for a residual maturity of less than one year (0290)				40,00%	100,00%		
Subject to charges with a residual maturity of one year or more (0300)				100,00%	100,00%		
Products related to trade finance off-balance sheet items (0310)		99,26		50,00%	85,00%		84,37
Stable Financing Required of Interdependent Assets (0320)							
Stable Financing Required of Assets Within a Group if Preferential Treatment Applies (0330)							
Stable funding required from contributions to the EEC default fund (0380)							
Stable Funding Required from Other Assets (0390)		1288,87		100,00%	100,00%		1.288,87
Stable Funding Required for Off-Balance Sheet Items (0400)		45,71		0,00%	0,00%		2,29
Lines committed within a group if preferential treatment is applied (0410)							
Lines compromised (0420)		45,71		5,00%	5,00%		2,29
Trade Finance Off-Balance Sheet Items (0430)				10,00%	10,00%		
Unprofitable Trade Finance Off-Balance Sheet Items (0440)				100,00%	100,00%		
Other off-balance sheet exposures identified by competent authorities (0450)							

Data in millions of euros

LC_07.00 - Structure of funding sources - Net stable funding available			2024 GROUP
	Amount (0005)	Applicable Stable Available Funding Factor (0045)	Total stable funding available (0070)

	< 1 Year (0010)	< 1 Year (0010)	≥ 1 Year (0020)	≥ 1 Year (0020)	
STABLE FUNDING AVAILABLE (0010)	6890,91	2658,56			7.802,85
Stable financing available for equity items and instruments (0020)		661,03		100%	661,03
Stable funding available from other non-financial customers (except central banks) (0060)	95,55	1815,45	50%	100%	1.863,23
Stable funding available and committed lines within a group, if preferential treatment applies (0080)	6795,36	182,08	75%	100%	5.278,60
Stable funding available from financial customers and central banks (0090)				100%	
Stable funding available provided when counterparty cannot be determined (0100)				100%	
Stable Funding Available from Interdependent Liabilities (0110)					
Stable funding available from other liabilities (0120)				100%	

Data in millions of euros

ANNEX III. Additional information on credit risk

INFORMATION ON NON-DOUBTFUL AND DOUBTFUL EXPOSURES

FI_18-0.c Information on non-doubtful and non-doubtful exposures	Maximum amount of security or personal security that can be considered (0198)	
	Collateral received and financial collateral received (0199)	
	Financial guarantees received on non-performing exposures (0205)	Financial guarantees received on doubtful exposures (0210)
DEBT INSTRUMENTS AT AMORTIZED COST (0180)	16,78	1,72
Loans & Advances (0070)	16,78	1,72
Non-financial corporations (0120)	0,09	
Of which: small and medium-sized enterprises (0130)	0,09	
Homes (0150)	16,70	1,72
Of which: loans secured by residential real estate (0160)	9,58	0,42
DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (0201)		
NON-TRADING DEBT INSTRUMENTS COMPULSORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS OR DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (0231)		
DEBT INSTRUMENTS OTHER THAN THOSE HELD FOR TRADING (0330)	16,78	1,72
DEBT INSTRUMENTS HELD FOR SALE (0335)		
OFF-BALANCE SHEET EXPOSURES (0550)		

Data in millions of euros

FI_18-0.d Information on Non-Doubtful and Doubtful Exposures	Maximum amount of security or personal security that can be considered (0198)	
	Collateral received and financial collateral received (0199)	
	Security rights received in non-performing exposures (0201)	Security rights received in respect of doubtful exposures (0200)
DEBT INSTRUMENTS AT AMORTIZED COST (0180)	7.660,17	890,66
Loans & Advances (0070)	7.660,17	890,66
Non-financial corporations (0120)	1,93	4,08
Of which: small and medium-sized enterprises (0130)	1,93	4,08
Homes (0150)	7.658,24	886,57
Of which: loans secured by residential real estate (0160)	7.658,24	886,57
DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (0201)		
NON-TRADING DEBT INSTRUMENTS COMPULSORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS OR DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (0231)		
DEBT INSTRUMENTS OTHER THAN THOSE HELD FOR TRADING (0330)	7.660,17	890,66
DEBT INSTRUMENTS HELD FOR SALE (0335)		
OFF-BALANCE SHEET EXPOSURES (0550)	45,91	

Data in millions of euros

FI_18-1 Inputs and Outputs of Non-Performing Exposures - Loans and Advances by Sector	Tickets to dubious exhibitions (0010)	(-) Questionable Exposure Exits (0020)
TOTAL INPUTS/OUTPUTS (0150)	**320,60**	**-673,63**
LOANS AND ADVANCES OTHER THAN THOSE HELD FOR TRADING OR FOR TRADING (0130)	320,60	-673,63
Non-financial corporations (0050)	0,04	
Of which: small and medium-sized enterprises (0060)	0,04	
Homes (0100)	320,56	-673,63
LOANS AND ADVANCES HELD FOR SALE (0140)		

Data in millions of euros

COMMERCIAL REAL ESTATE LOANS AND ADDITIONAL LOAN INFORMATION

FI_18-2.a Commercial Real Estate Loans and Additional Loan Information			Not doubtful (0030)				
		Of which: restructured or refinanced exhibitions (0020)		Unexpired or expired ≤ 30 days (0040)	Expired > 30 days ≤ 90 days (0050)	Of which: restructured or refinanced non-performing exposures (0060)	Of which: non-performing exposures restructured or refinanced in a trial period reclassified from the category of doubtful exposures (0070)
Residential Real Estate Secured Loans (0070)	8.912,62	1.475,95	7.820,79	7.765,96	54,83	571,08	164,68
Of which: loans with a loan-to-collateral ratio greater than 60 % and less than or equal to 80 % (0080)	2.621,67	365,51	2.363,00	2.347,26	15,74	157,02	40,75
Of which: loans with a loan-to-collateral ratio greater than 80 % and less than or equal to 100 % (0090)	1.115,25	299,88	893,90	887,20	6,69	105,99	34,62
Of which: loans with a loan-to-collateral ratio greater than 100 % (0100)	635,20	413,64	272,44	267,41	5,03	103,01	43,05

Data in millions of euros

RESTRUCTURED AND REFINANCED EXHIBITIONS

FI_19.b - Restructured and refinanced exhibitions	Accumulated impairment, accumulated changes in fair value due to credit risk and provisions (120)				
		Restructured or refinanced non-performing exposures - Accumulated impairment and provisions (130)	Restructured or refinanced non-performing exposures - Accumulated impairment, negative accumulated changes in fair value due to credit risk and provisions (140)		
				Restructured instruments (150)	Refinances (160)
DEBT INSTRUMENTS AT AMORTIZED COST (180)	-195,60	-16,79	-178,81	-148,94	-29,87
Loans & Advances (070)	-195,60	-16,79	-178,81	-148,94	-29,87
Homes (150)	-195,60	-16,79	-178,81	-148,94	-29,87
Of which: loans secured by residential real estate (160)	-189,60	-16,14	-173,46	-145,13	-28,33
DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (201)					
NON-TRADING DEBT INSTRUMENTS COMPULSORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS OR DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (231)					
DEBT INSTRUMENTS OTHER THAN THOSE HELD FOR TRADING (330)	-195,60	-16,79	-178,81	-148,94	-29,87
DEBT INSTRUMENTS HELD FOR SALE (335)					

Data in millions of euros

	Maximum amount of security or personal security that may be considered (168)	
	Collateral received and financial collateral received (169)	
	Financial guarantees received on restructured or refinanced exposures (180)	
FI_19.c - Restructured and Refinanced Exhibitions		Of which: financial guarantees received on restructured or refinanced non-performing exposures (185)
DEBT INSTRUMENTS AT AMORTIZED COST (180)	1.275,73	752,03
Loans & Advances (070)	1.275,73	752,03
Homes (150)	1.275,73	752,03
Of which: loans secured by residential real estate (160)	1.275,73	752,03
DEBT INSTRUMENTS OTHER THAN THOSE HELD FOR TRADING (330)	1.275,73	752,03

Data in millions of euros

FI_19.d - Restructured and refinanced exhibitions	Gross carrying amount / nominal amount of restructured or refinanced exposures (010)										Maximum amount of security or personal security that may be considered (168)	
	Restructured or refinanced non-performing exposures (020)				Restructured or refinanced doubtful exposures (060)						Collateral received and financial collateral received (169)	
											Security rights received in restructured or refinanced exposures (170)	
		Restructured instruments (030)	Refinances (040)	Of which: non-performing exposures restructured or refinanced in a trial period reclassified from the category of non-performing exposures (050)		Restructured instruments (070)	Refinancing (080)	Of which: with non-payment (090)	Of which: with impairment (100)	Of which: restructuring or refinancing of non-performing exposures prior to such restructuring or refinancing (110)		Of which: security rights received in restructured or refinanced non-performing exposures (175)
Loan commitments granted (340)												

Data in millions of euros

ANNEX IV. Internal Control System for Financial Reporting

Internal control is the process conducted by the Board of Directors, senior management, and the rest of the staff of Unión de Créditos Inmobiliarios, S.A., Establecimiento Financiero de Crédito (UCI EFC).

The scope of application refers to the consolidated group of ICUs (hereinafter UCI Group, UCI or the entity). The objective is to provide a reasonable degree of assurance as to the achievement of the objectives related to operations, reporting, and compliance.

The methodology implemented by the entity is based on the standards of COSO 2013 – Integrated Internal Control Framework, which allows the organization to develop, effectively and efficiently, an internal control system that adapts to changes in the environment, mitigating risks to acceptable levels and supporting the entity's decision-making and corporate governance.

This Framework sets out three categories of objectives:

Operational objectives: refer to the effectiveness and efficiency of the entity's operations, including financial and operational performance objectives and the protection of its assets against potential losses.

Reporting objectives: refer to internal and external financial and non-financial information and may cover aspects of reliability, timeliness, transparency, or other concepts established by the regulator or by the entity itself.

Compliance objectives: refer to compliance with the laws and regulations to which the entity is subject.

The following areas of application are distinguished:

Corporate: It will apply to the entire UCI Group, constituting a reference document for all the companies of the Group. It is articulated in such a way that the control functions exercised in the second and third lines of defence ensure a comprehensive vision of the Internal Control Framework from a consolidated perspective that includes all companies, subsidiaries and branches.

Objective: It considers the nature, scale and complexity of the risks inherent in the business model and the operations conducted by each subsidiary, investee, and branch company, as well as compliance with any applicable local regulations.

Subjective: Applies to all employees, management team and members of the UCI Group's management body.

The Framework sets out a total of seventeen principles that represent the fundamental concepts associated with each of the five components. All the principles are applicable to operational, reporting and compliance objectives.

The Internal Control System on Financial Reporting (ICFR) is the framework of internal processes and controls designed to ensure the accuracy and reliability of the organization's financial information. Its purpose is to mitigate risks, ensure regulatory compliance, and provide confidence to investors and other stakeholders.

For more information, please consult the UCI website, in the "Corporate governance and remuneration policy" space https://uci.com/es/inversores/gobierno-corporativo/

ANNEX V. Map of Articles of Regulation (EU) No 575/2013

The following table refers to the articles of Part Eight of Regulation (EU) No 575/2013 on disclosure of information to the different headings of the document detailing the information required. The Pillar 3 Disclosures report column indicates the exact section of Pillar 3 or another public document in which the information is fully or partially processed and may be distributed throughout the report in a more diluted manner.

GUIDELINES ON DISCLOSURE REQUIREMENTS UNDER PART EIGHT OF REGULATION (EU) No 575/2013

Article	Short Description	Pillar 3 Disclosures report Localization
431. Scope of disclosure requirements		
431.1	Publication requirements for Pillar 3 disclosures.	Report with Prudential Relevance
431.3	Institutions shall adopt a formal policy on the frequency of disclosure, its verification, scope and adequacy, as well as a policy to assess whether the data disclosed by them convey to market participants a complete picture of their risk profile.	1.3 General aspects of Pillar 3
431.4	All quantitative information should be accompanied by a qualitative description and any other supplementary information that may be required.	Report with Prudential Relevance
432. Non-significant, reserved or confidential information		
432.1	Entities may omit information considered non-material under certain conditions.	1.2 Scope of application
433. Frequency and Scope of Information Disclosure		
433	Institutions shall publish the information required under Titles II and III as set out in Articles 433a, 433b and 433c.	1.3 General aspects of Pillar 3
433 quarter. Disclosure of Information by Other Entities		
433 quarter.	Entities that are not subject to Articles 433a or 433b shall disclose the following information at the frequency indicated	1.3 General aspects of Pillar 3
434. Means of dissemination		
434.1	Institutions shall disclose all information required under Titles II and III in electronic format and in a single medium or location	1.3 General aspects of Pillar 3
434.2	Disclosure of equivalent data by entities in accordance with other requirements (e.g. accounting or public listing) may be deemed to have been made in compliance with this Part.	
435. Risk management policies and objectives		
435.1	Institutions shall disclose information on each risk category:	
435.1.a	The strategies and processes for managing these risks.	Chapter of each risk category
435.1.b	The structure and organisation of the relevant risk management function.	2.3 Risk Management Framework
435.1.c	Information transmission and risk measurement systems.	Chapter of each risk category
435.1.d	Hedging and risk reduction - policies, strategies and processes.	
435.1.e	Declaration approved by the management body on the adequacy of the entity's risk management mechanisms.	2.4 Risk Appetite Framework
435.1.f	Brief risk statement approved by the management body.	1.1 UCI Group
435.2	Information on the corporate governance system, including information on the composition of the board and its recruitment, and risk committees.	2.2 Governance and Organization
435.2.a	Members of the board who also hold a management position in the entity.	
435.2.b	The policy for selecting the members of the management body and their knowledge, skills and experience.	
435.2.c	The diversity policy, its objectives, and degree of compliance.	
435.2.d	Whether a risk committee has been set up specifically for this issue and the number of times it has met.	
435.2.e	The description of the flow of risk information to the management body.	

436. Scope of application of the requirements		
436	Institutions shall make public the following information on the scope of application of the requirements of this Regulation in accordance with Directive 36/2013/EU:	
436.a	The name of the entity to which the requirements of this Regulation apply.	1.2 Scope of application
436.c	A breakdown of the assets and liabilities in the consolidated financial statements prepared in accordance with the regulatory consolidation requirements under Sections 2 and 3 of Title II of Part One by type of risk	1.1 UCI Group
436.f	Impediments to the rapid transfer of own funds between the parent company and its subsidiaries.	1.2 Scope of application
437. Own funds		
437.1	Institutions shall make public the following information on their own funds:	
437.1.b	A description of the main characteristics of Common Equity Tier 1 and Additional Tier 1 instruments, as well as Tier 2 instruments, issued by the institution.	3.4 Eligible capital
437.1.c	The terms and conditions of all Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments.	
437.1.d	The indication, separately, of the nature and amount of:	
437.1.d.i	Each prudential filter applied in accordance with Articles 32 to 35;	3.4 Eligible capital
437.1.D.II	Each deduction made in accordance with Articles 36, 56 and 66;	
437.1.d.iii	Items not deducted in accordance with Articles 47, 51, 56, 66 and 79.	
438. Capital requirements		
438	Institutions shall disclose the following information on their compliance with Article 92 of this Regulation and the requirements set out in Articles 73 and Article 104(1)(a) of Directive 2013/36/EU:	
438.a	Summary of the method used to evaluate the adequacy of domestic capital to cover present and future activities.	3.5 Capital requirements
438.d	The total risk-weighted amount of the exposure and the corresponding total own funds requirement, determined in accordance with Article 92, broken down by the different risk categories set out in Part Three and, where applicable, an explanation of the effect on the calculation of own funds and the risk-weighted amounts of the exposure resulting from applying minimum capital levels and not deducting items from funds Own;	3.5 Capital requirements
440. Capital buffers		
440	Institutions shall disclose the following information in relation to their compliance with the requirement to have a countercyclical capital buffer in accordance with Chapter 4 of Title VII of Directive 36/2013/EU:	1.4 Applicable Regulatory Framework3.5 Capital Requirements
440.a	Geographical distribution of its relevant credit exposures for calculating its countercyclical capital buffer.	
440.b	The amount of the specific countercyclical capital buffer.	
442. Credit risk adjustments		
442	Institutions shall disclose the following information on the institution's exposure to credit risk and dilution risk:	
442.a	The scope and definitions of "non-performing" and "impaired" exposures that they use for accounting purposes, as well as the differences, if any, between the definitions of "non-performing" and "default" for accounting and regulatory purposes;	5.2 Credit risk management and concentration
442.b	A description of the approaches and methods adopted to determine adjustments for general and specific credit risk;	
442.c	Information on the amount and quality of non-defaulting, defaulting and restructured or refinanced exposures for loans, debt securities and off-balance sheet exposures, including the corresponding accumulated impairment, provisions and negative changes in fair value due to credit risk and amounts of collateral and financial collateral received;	
442.d	An analysis by age of non-performing exposures in accounting;	

442.e	Gross carrying amounts of defaulted and non-non-performing exposures, the cumulative amount of general and specific credit risk adjustments, the cumulative amount of write-offs made in relation to those exposures and the net carrying amounts and their breakdown by geographical area and by type of sector and by credit; debt securities and off-balance sheet exposures;	5.3 Credit Risk and Concentration Information
442.f	Any change in the gross amount of on-balance sheet and off-balance sheet defaulted exposures, including at least information on the opening and closing balances of such exposures, the gross amount of any such exposures that have been reversed in default or that have been derecognized from accounts;	
442.g	The breakdown of loans and debt securities by residual maturity	
444. Disclosure of information on the use of the standardised approach		
444	For institutions that calculate risk-weighted exposures in accordance with Part Three, Title II, Chapter 2, the following information shall be made public in relation to each of the exposure categories listed in Article 112:	
444.a	Names of designated ECAIs and export credit agencies and the reasons for any changes.	5.4 Capital requirements for credit risk and concentration
444.b	Exposure categories for which each ECAI is used.	
446. Disclosure of information on operational risk management		
446.a	The methods for assessing the own funds requirements for operational risk used by the credit institution	6.4 Capital requirement for operational risk
447. Disclosure of information on key indicators		
447	Institutions shall disclose, in the form of a table, the following key indicators:	
447.a	The composition of its own funds and its own funds requirements calculated in accordance with Article 92;	3.4 Eligible capital
447.b	The total amount of risk exposure calculated in accordance with Article 92(3);	3.5 Capital requirements
447.d	The combined buffer requirements that institutions are required to maintain in accordance with Chapter 4 of Title VII of Directive 2013/36/EU;	3.5 Capital requirements
447.e	Its leverage ratio and the measure of the total exposure of the leverage ratio, calculated in accordance with Article 429;	3.3 Leverage ratio
447.f	Information regarding your liquidity coverage ratio	4.3 Liquidity and funding risk information
447.g	Information regarding your net stable funding requirement	
448. Disclosure of information on interest rate risk exposures in relation to positions not held in the trading book		7. Structural balance sheet interest rate risk
449. Disclosure of information on exposures to securitisation positions		5.3 Credit Risk and Concentration Information
449 bis. Disclosure of information on environmental, social and governance risks (ESG risks)		10. Environmental, Social and Governance (ESG) Risk
450. Disclosure of information on remuneration policy		
	Disclosures on compensation of the identified group:	12. Remuneration
451. Disclosure of leverage ratio information		
451.1	Information on your leverage ratio, calculated in accordance with Section 429, and your management of the risk of excessive leverage:	1.4 Applicable Regulatory Framework3.3 Leverage Ratio
451 bis. Disclosure of liquidity requirements		
451 bis.1	Institutions subject to Part Six shall disclose information on their liquidity coverage ratio, their net stable funding ratio and their liquidity risk management in accordance with this Article.	4. Liquidity and funding risk
452 bis.2	Institutions shall disclose the following information in relation to their liquidity coverage ratio calculated in accordance with the delegated act referred to in Article 460(1):	4.3 Liquidity and funding risk information
456 bis.3	Institutions shall disclose information in relation to their net stable funding ratio	

457 bis.4	Institutions shall disclose information on the arrangements, systems, procedures and strategies put in place for the determination, measurement, management and monitoring of their liquidity risk, in accordance with Article 86 of Directive 2013/36/EU.	4.2 Liquidity and funding risk management
453. Disclosure of information on the use of credit risk mitigation techniques		5.2 Credit risk management and concentration