

Audit Report on Consolidated Financial Statements
issued by an Independent Auditor

CAJA LABORAL POPULAR COOP. DE CRÉDITO
Consolidated Financial Statements
and Consolidated Management Report
for the year ended
31 December 2024

AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report originally issued in Spanish.
In the event of discrepancy, the Spanish - language version prevails

To the shareholders of Caja Laboral Popular Coop. de Crédito:

Report on consolidated financial statements

Opinion

We have audited the consolidated financial statements of Caja Laboral Popular Coop. de Crédito (the Parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated equity and the consolidated financial position of the Group at 31 December 2024, and of its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the applicable financial reporting framework in Spain.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

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

Key audit matters

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

Estimate of expected credit losses on the loan and advances portfolio at amortised cost

Description As disclosed in Note 25.b.2) to the accompanying consolidated financial statements, the carrying amount of the Group's loan and advances portfolio at amortised cost as at 31 December 2024, net of valuation adjustments, stood at 15,124,003 thousand euros. Valuation adjustments included allowances for expected credit losses (ECLs) amounting to 300,671 thousand euros. Note 13.h) to the accompanying consolidated financial statements presents the principles and valuation criteria applied by the Group in estimating ECLs on both an individual and collective basis.

Estimating ECLs on the loan and advances portfolio at amortised cost is one of the most complex and significant estimates.

The approach used to estimate ECLs entails the use of a high level of judgement regarding the classification of transactions based on risk, the identification and classification of credit-impaired exposures or those for which there is a significant increase in credit risk, the use of assumptions that affect the amount of provisions, and the estimation of the recoverable amounts of financing granted to borrowers whose ECLs are assessed on an individual basis taking the latest available information and the realisable value of collateral related to lending transactions.

In its assessment of credit risk on a collective basis, the Group uses models that, based on its experience and banking sector-specific data, as well as forecasts of future conditions, enable it to estimate the loss allowance for credit risk on a collective basis, as well as models involving specific calculations to for the assessment on an individual basis.

Therefore, we determined the estimation of ECLs on the loan and advances portfolio at amortised cost to be a key audit matter.

Our

response

Our audit approach in relation to this matter included assessing and evaluating the internal control environment associated with the process for estimating ECLs and performing substantive procedures for the loss allowances for ECLs estimated on both an individual and a collective basis.

In assessing and evaluating the internal control environment, we performed, among others, the following procedures:

- ▶ Evaluating the alignment of the various policies and procedures with applicable regulatory requirements.

- ▶ Reviewing the established procedures in the lending process to assess the probability of collecting the loans and advances based on the borrower's ability to pay and financial information.
- ▶ Reviewing the procedures in place for regular monitoring of risks, primarily those related to updates of financial information and the periodic review of the borrower's case file, as well as the monitoring alerts implemented by the Group to identify assets under special monitoring (on a watch list) or that are credit-impaired.
- ▶ Assessing the design of the relevant controls in place for managing and valuing the collateral associated with credit operations.

We also performed the following procedures, among others:

- ▶ Regarding the estimation of ECLs assessed on an individual basis, we reviewed a sample of exposures—to evaluate whether they were classified appropriately—and the assumptions used by management to identify ECLs, including the borrower's financial position, forecasts of future cash flows, and, where applicable, the valuation of collateral.
- ▶ Regarding the estimation of ECLs assessed on a collective basis, we reviewed a sample of exposures to evaluate their segmentation and classification by verifying supporting documentation for certain attributes included in the databases, e.g., the ageing of past-due amounts, the existence of forbearance measures, or the value of collateral.
- ▶ We also we recalculated the estimate of ECLs assessed on a collective basis, replicating the model that applies coverage ratios in accordance with the Entity's segmentation and classification criteria, and where applicable, the discounts applied to the value of associated collateral.

Lastly, we assessed whether the information disclosed in the notes to the accompanying consolidated financial statements is appropriate, in accordance with the regulatory framework for financial reporting applicable to the Group.

Valuation of liabilities under insurance contracts

Description The Group's insurance business is carried out through its Seguros Lagun Aro, S.A. and Seguros Lagun Aro Vida, S.A. subsidiaries, whose products (insurance contracts) are marketed primarily through the Group's bank branches.

The Group recognises the liabilities related to those insurance contracts in accordance with International Financial Reporting Standard 17 (IFRS 17) *Insurance Contracts*. Obligations created by insurance contracts are presented in the consolidated balance sheet under "Liabilities under insurance or reinsurance contracts", which amounted to 459,452 thousand euros as at 31 December 2024, of which 376,772 thousand euros related to "Liabilities for remaining coverage" (see Note 29 to the accompanying consolidated financial statements).

As disclosed in Note 13.t) to the accompanying consolidated financial statements, the valuation of these liabilities requires the application of complex measurement models based on the characteristics of the underlying insurance contracts.

The measurement models applied by the Group—a general approach (the Building Block Approach or BBA) and a simplified approach (the Premium Allocation Approach or PAA)—require management to make complex calculations, e.g., the calculation of the present value of future cash flows, the determination of the non-financial risk adjustment and, for the BBA measurement model, the calculation of the contractual service margin.

Calculating the present value of future cash flows requires the use of actuarial valuations, which involve a large number of individual calculations, as well as the application of key assumptions for projecting the liability for remaining coverage based on the type of insurance product sold, e.g., the discount rate, mortality rates, age and gender of policyholder. For future cash flows related to liabilities for claims incurred, it requires assumptions for actuarial projections that rely on both historical data and forward-looking assumptions.

Given the complexity and the level of judgement involved in these estimates, as well as the significance of insurance liabilities in the Group's consolidated balance sheet, we determined the valuation of these liabilities to be a key audit matter.

Our response

Our audit procedures consisted of, among others, obtaining an understanding, with the involvement of our actuarial specialists, of the process for measuring liabilities under insurance contracts. This included evaluating the design and implementation of the relevant controls of the process, including information system controls relating to the measurement and recognition of these liabilities.

We also performed substantive audit procedures which included, among others, the following:

- ▶ Assessing the suitability of the accounting policies adopted by the Group based on IFRS 17.
- ▶ Assessing the completeness and accuracy of the key data used by the Group to estimate the present value of future cash flows.
- ▶ Reviewing compliance with the requirements of IFRS 17 in applying the BBA and PAA measurement methods, and evaluating the correct segregation of contracts and the consistency in applying the accounting models.
- ▶ For products measured using the BBA, reviewing the methodology applied and assessing the reasonableness of the key actuarial assumptions used by Group management in calculating the present value of future cash flows, the contractual service margin, and the non-financial risk adjustment, as well as the independent recalculation of the present value of future cash flows for a sample of products.
- ▶ For products measured using the PAA, reviewing the methodology applied and assessing the reasonableness of the key actuarial assumptions used in calculating the present value of future cash flows of liabilities of insurance contracts for incurred claims, and, for a sample of products, performing an independent recalculation and assessing the reasonableness of the estimates based on a range of best estimates.

We also assessed whether the information disclosed in the notes to the accompanying consolidated financial statements is appropriate, in accordance with the regulatory framework for financial reporting applicable to the Group.

Evaluation of provisions for litigation and other contingencies

Description	<p>As disclosed in Note 13.u) to the accompanying consolidated financial statements, the Group has recognised provisions to cover several administrative or legal proceedings to which it is party as a result of the normal course of business.</p> <p>The balance of "Provisions - Other provisions" as at 31 December 2024 was 231,140 thousand euros. The Group recognises provisions to cover expenditures, losses and/or to settle probable or certain liabilities arising from ongoing litigation or claims and obligations arising from development of the Group's operations, as explained in Note 36 to the accompanying consolidated financial statements.</p> <p>Estimating the amount of provisions requires a high degree of judgement on the part of management, as it must assess the impact of myriad factors, including:</p> <ul style="list-style-type: none"> ▶ The probability of success of ongoing litigation and the estimation of the amount of the resulting obligation. ▶ Criteria and trends in court rulings and changes in applicable regulations. ▶ Historical claims data and payments made. <p>Group management estimates the related provisions based on available information regarding the different types of litigation and claims brought against the Group.</p> <p>Given the uncertainty inherent in the estimation and the potential impact on the Group's consolidated financial statements, we determined the evaluation of provisions for litigation and other contingencies to be a key audit matter.</p>
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Our response	<p>Our audit procedures consisted of, among others, obtaining an understanding of the process for estimating these contingencies, which included evaluating the design of the Group's internal controls for evaluating provisions for litigation and other contingencies, as well as analysing the main types of lawsuits, claims, and litigation in progress and the related accounting provisions.</p> <p>We also performed the following substantive procedures, among others:</p> <ul style="list-style-type: none"> ▶ We analysed the Group's assessment of recent legal rulings and regulatory changes that could affect the valuation of the provisions recognised. ▶ We checked the correctness of the historical data used for determining these provisions and analysed a selection of lawsuits and claims, verifying the correct grouping of cases by type for the calculation of provisions. ▶ We assessed the reasonableness of the assumptions used to estimate the amount of provisions.
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- ▶ We obtained confirmation letters from the lawyers and advisors working with the Group to verify the existence of the claims received and compare their evaluation of the expected outcome of the claims and litigation, and evaluate the potential existence of omitted liabilities.
- ▶ We performed specific audit procedures to gain knowledge about the outcome of litigation and claims after the reporting period for the purposes of identifying indications that the estimations used may require adjustments.

We also assessed whether the information disclosed in the notes to the accompanying consolidated financial statements is appropriate, in accordance with the regulatory framework for financial reporting applicable to the Group.

Security of information systems

Description The continuity of the Group's business processes is highly dependent on its technological infrastructure.

In this regard, assessment of issues such as the organisation and governance framework, to adequately manage the technological risks that could affect information systems, as well as controls over physical and logical security and the maintenance, development and operation of systems, databases and applications used in the financial reporting process is critical to mitigate the potential risk of fraud or error as a result of changes in software. Therefore, we determined the risks associated with information technology to be a key audit matter.

Our response In performing our audit, we assessed, with the involvement of our information technology specialists, the Group's internal control environment in relation to the operating systems, databases and key applications involved in the financial reporting process. In this regard, our engagement consisted primarily of testing access controls, changes to programs and logical security of operating systems, databases and applications, as well as maintenance, development and operational controls over key financial reporting software and systems.

Other matters

On 15 March 2024, other auditors issued their audit report on the 2023 financial statements, in which they expressed an unqualified opinion.

Other information: Consolidated management report

Other information refers exclusively to the 2024 consolidated management report, the preparation of which is the responsibility of the Parent's directors and is not an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. In conformity with prevailing audit regulations in Spain, our responsibility in terms of the consolidated management report entails:

- a. Checking only that the consolidated non-financial information statement has been provided as stipulated by applicable regulations and, if not, disclose this fact.
- b. Assessing and reporting on the consistency of the remaining information included in the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in a) above has been provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2024 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the Parent's directors and the Audit and Regulatory Compliance Committee for the consolidated financial statements

The directors of the Parent are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU and other provisions in the financial reporting framework applicable to the Group in Spain, and for such internal control as they determine necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Parent's Audit and Regulatory Compliance Committee is responsible for overseeing the process for preparing and presenting the consolidated financial statements.

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's directors.
- ▶ Conclude on the appropriateness of the use by the Parent's directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ We plan and perform the audit of the Group to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the Group to express an opinion on the consolidated financial statements. We are also responsible for the direction, supervision, and review of the work performed for purposes of the Group audit. We are solely responsible for our audit opinion.

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

We also provide the Parent's Audit and Regulatory Compliance Committee with a statement that we have complied with relevant ethical requirements related to independence and communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, the safeguards adopted to eliminate or reduce the threat.

From the matters communicated with the Parent's Audit and Regulatory Compliance Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

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

Report on other legal and regulatory requirements

Additional report to the Parent's Audit and Regulatory Compliance Committee

The opinion expressed in this audit report is consistent with the additional report we issued to the Parent's Audit and Regulatory Compliance Committee on 14 March 2025.

Term of engagement

At the General Meeting held on 22 April 2023, we were appointed auditor of the Group for three years, as from the year ended 31 December 2024.

ERNST & YOUNG, S.L.
(Registered in Spain's Official Register of Auditors
under No. S0530)

(Signed on the original version in Spanish)

Jaume Pallerols Cat
(Registered in Spain's Official Register of Auditors
under entry no. 22702)

14 March 2025

CAJA LABORAL POPULAR COOP. DE CRÉDITO Y SOCIEDADES DEPENDIENTES
CONSOLIDATED BALANCE SHEET AT 31 December 2024
(Expressed in thousands of euros)

ASSETS	Note	2024	2023 (*)
Cash, cash balances at central banks and other on demand deposits (**)	22	2,963,600	1,417,707
Financial assets held for trading	23	3,239	8,038
Derivatives		2,226	2,647
Equity instruments		1,013	2,621
Debt securities		-	2,770
<i>Memorandum item: provided or given as security with the right to sell or pledge</i>		-	-
Financial assets not held for trading, which are necessarily valued at fair value through profit or loss	26	22,357	12,391
Equity instruments		20,279	10,378
Debt securities		2,078	2,013
<i>Memorandum item: provided or given as security with the right to sell or pledge</i>		-	-
Financial assets at fair value with changes in other comprehensive income	24	1,246,987	996,268
Equity instruments		201,852	162,657
Debt securities		1,045,135	833,611
<i>Memorandum item: provided or given as security with the right to sell or pledge</i>		-	-
Financial assets at amortised cost	25	22,174,091	23,381,618
Debt securities		6,764,861	7,947,509
Loans and advances		15,409,230	15,434,109
<i>Memorandum item: provided or given as security with the right to sell or pledge</i>		522,988	870,142
Derivatives – hedge accounting	27	47,571	57,411
Investments in joint ventures and associates	28	371	381
Associates		371	381
Assets covered by insurance and reinsurance contracts	29	24,012	25,011
Tangible assets	30	413,692	393,005
Property, plant and equipment		363,448	340,009
For own use		345,111	326,033
Leased out under operating leases		18,337	13,976
Investment properties		50,244	52,996
<i>Of which: leased out under operating leases</i>		39,636	42,259
<i>Pro-memoria: acquired under a financial lease</i>		-	-
Intangible assets	31	33,868	33,559
Goodwill		33,425	33,425
Other intangible assets		443	134
Tax assets	32	134,914	165,956
Current tax assets		3,602	727
Deferred tax assets		131,312	165,229
Other assets	33	28,517	74,351
Insurance contracts linked to pensions		-	-
Inventories		2,039	35,148
Rest of other assets		26,478	39,203
Non-current assets and disposal groups of items classified as held for sale	34	14,036	23,795
TOTAL ASSETS		27,107,255	26,589,491

(*) Presented solely and exclusively for comparative purposes (Note 2.3 and 3.c).

(**) See details in the consolidated cash flow statement.

Notes 1 to 69 and Appendices I to III are an integral part of consolidated balance sheet at 31 December 2024.

CAJA LABORAL POPULAR COOP. DE CRÉDITO Y SOCIEDADES DEPENDIENTES
CONSOLIDATED BALANCE SHEET AT 31 December 2024
(Expressed in thousands of euros)

LIABILITIES	Note	2024	2023 (*)
Financial liabilities held for trading	23	1,487	2,177
Derivatives		1,487	2,177
Financial liabilities at amortised cost	35	23,575,743	23,034,073
Deposits		23,294,136	22,748,782
Central banks		-	184,265
Credit institutions		2,467	1,552
Customers		23,291,669	22,562,965
Debt securities issued		-	-
Other financial liabilities		281,607	285,291
<i>Pro-memoria: subordinated liabilities</i>		-	-
Derivatives – hedge accounting	27	337,632	434,648
Liabilities covered by insurance and reinsurance contracts	29	459,452	475,544
Provisions	36	257,354	153,795
Pensions and other post-employment defined benefit obligations		15,749	17,785
Other long-term employee benefits		-	-
Pending procedural issues and tax disputes		-	-
Commitments and guarantees given		10,465	14,392
Remaining provisions		231,140	121,618
Tax liabilities	32	75,849	112,577
Current tax liabilities		12,650	9,249
Deferred tax liabilities		63,199	103,328
Capital refundable on demand		695	-
Other liabilities	33	58,447	82,488
<i>Of which: social welfare fund</i>		20,030	15,109
Liabilities included in disposal groups of items that have been classified as held for sale		-	-
TOTAL LIABILITIES		24,766,659	24,295,302
NET EQUITY	Note	2024	2023 (*)
Own funds	37	2,299,569	2,126,236
Capital		850,841	818,761
Paid-up capital		850,841	818,761
<i>Memorandum item: uncalled capital</i>		-	-
Cumulative gains		-	-
Revaluation of reserves		-	-
Other reserves		1,196,693	1,101,895
Reserves or accumulated losses from investments in joint ventures and associates		44	37
Other		1,196,649	1,101,858
(-) Treasury shares		(3,291)	(2,864)
Profit/(loss) attributable to owners of the parent company		255,326	208,444
(-) Interim dividends		-	-
Other accumulated comprehensive income	38	40,701	167,837
Items that will not be reclassified to profit or loss		32,669	29,493
Items that may be reclassified to profit or loss		8,032	138,344
Minority interests (non-controlling interests)		326	116
Other accumulated comprehensive income		-	-
Other items		326	116
TOTAL NET EQUITY		2,340,596	2,294,189
TOTAL NET EQUITY AND LIABILITIES		27,107,255	26,589,491
Pro-memoria: off-balance sheet exposures			
Financial guarantees granted	41	160,325	159,686
Loan commitments granted	42	1,307,860	1,180,033
Other commitments granted	42	468,591	442,426

(*) Presented solely and exclusively for comparative purposes (Note 2.3 and 3.c).
Notes 1 to 69 and Appendices I to III are an integral part of consolidated balance sheet at 31 December 2024.

CAJA LABORAL POPULAR COOP. DE CRÉDITO Y SOCIEDADES DEPENDIENTES
CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 December 2024
(Expressed in thousands of euros)

	Note	2024	2023 (*)
Interest income	43	826,614	652,083
(Interest expenses)	44	<u>184,661</u>	<u>93,207</u>
INTEREST MARGIN		641,953	558,876
Dividend income	45	4,123	3,661
Profit or loss of entities accounted for using the equity method	46	(7)	10
Fee and commission income	47	148,722	141,921
(Fee and commission expense)	48	11,525	10,732
Profit or (-) loss on retirement of financial assets and liabilities not measured at fair value through profit or loss, net	49	(77,432)	(118,356)
Gains or (-) losses on financial assets and liabilities held for trading, net	50	1,395	(1)
Gains or (-) losses on non-trading financial assets, which are necessarily measured at fair value through profit or loss, net	49	652	3,735
Gains or (-) losses on financial assets and liabilities stated at fair value through profit or loss, net	51	-	-
Gains or (-) losses from hedge accounting, net	52	(1,628)	20
Exchange rate differences [gain or (-) loss], net	53	745	329
Other operating income	54	15,140	15,042
(Other operating expenses)	55	30,147	60,774
Of which: mandatory contributions to social welfare funds		19,218	14,297
Income from assets covered by insurance or reinsurance contracts	56	213,262	204,199
(Expense for liabilities covered by insurance or reinsurance contracts)	56	170,997	152,800
GROSS MARGIN		734,256	585,130
(Administration expenses)	57	<u>283,438</u>	<u>249,945</u>
(Staff costs)		159,662	144,977
(Other administrative costs)		123,776	104,968
(Amortisation)	58	27,884	25,671
(Provisions or (-) reversal of provisions)	59	145,923	36,720
(Impairment or (-) reversal of impairment of financial assets not measured at fair value through profit or loss or (-) net gains through modification)	60	<u>(14,038)</u>	<u>29,011</u>
(Financial assets at fair value with changes in other comprehensive income)		(463)	(1,321)
(Financial assets at amortised cost)		(13,575)	30,332
(Impairment or (-) reversal of impairment of investments in joint ventures and associates)	61	-	-
(Impairment or (-) reversal of impairment on non-financial assets)	62	<u>570</u>	<u>2,368</u>
(Tangible assets)		575	1,237
(Other)		(5)	1,131
Profit or (-) loss on retirement of non-financial assets, net	63	8,527	5,563
Gains or (-) losses from non-current assets and disposal groups classified as held for sale not eligible as discontinued operations	64	<u>6,030</u>	<u>(3,999)</u>
GAINS OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS		305,036	242,979
(Expense or (-) income from taxes on earnings gains from continuing operations)	39	49,697	34,538
GAINS OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS		255,339	208,441
Gains or (-) losses after tax from discontinued operations		-	-
PROFIT/(LOSS) FOR THE YEAR		255,339	208,441
Attributable to minority interests (non-controlling interests)		13	(3)
Attributable to the owners of the parent company	37	255,326	208,444

(*) Presented solely and exclusively for comparative purposes (Note 2.3 and 3.c).

Notes 1 to 69 and Appendices I to III are an integral part of the consolidated income statement for the year ended 31 December 2024.

CAJA LABORAL POPULAR COOP. DE CRÉDITO Y SOCIEDADES DEPENDIENTES
CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE
YEAR ENDED 31 December 2024
(Expressed in thousands of euros)

	<u>Note</u>	<u>2024</u>	<u>2023 (*)</u>
PROFIT/(LOSS) FOR THE YEAR		255,339	208,441
OTHER COMPREHENSIVE INCOME		(127,136)	58,971
Items that will not be reclassified to profit or loss		3,176	823
Changes in the fair value of equity instruments measured at fair value with changes in other comprehensive income	38	4,356	1,113
Income tax related to items that will not be reclassified		(1,180)	(290)
Items that may be reclassified to profit or loss		(130,312)	58,148
Hedging of net investments in foreign countries (effective portion)		-	-
Currency conversion		-	-
Cash flow hedges (effective portion)	38	(188,443)	(17,986)
Gains or (-) losses of value recorded in net equity		(188,443)	(17,986)
Transferred to profit and loss		-	-
Other reclassifications		-	-
Hedging instruments (non-designated items)		-	-
Debt instruments at fair value with changes in other comprehensive income		7,055	98,097
Gains or (-) losses of value recorded in net equity		(5,676)	26,588
Transferred to profit and loss		12,731	71,509
Other reclassifications		-	-
Non-current assets and disposal groups of items held for sale		-	-
Share of other recognised income and expenses of investments in joint ventures and associates		-	-
Income tax related to items that can be reclassified in gains or (-) losses	39	51,076	(21,963)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		128,203	267,412
Attributable to minority interests (non-controlling interests)		13	(3)
Attributable to the owners of the parent company		128,190	267,415

(*) Presented solely and exclusively for comparative purposes (Note 2.3 and 3.c).

Notes 1 to 69 and Appendices I to III are an integral part of the consolidated statement of recognised income and expenditure for the year ended 31 December 2024.

CAJA LABORAL POPULAR COOP. DE CRÉDITO Y SOCIEDADES DEPENDIENTES

TOTAL STATEMENT OF CHANGES IN CONSOLIDATED NET EQUITY FOR THE YEAR ENDED 31 December 2024

(Expressed in thousands of euros)

As at 31 December 2024

Sources of changes to net worth	Capital	Other reserves	(-) Treasury stock	Profit/(loss) attributable to owners of the parent company	(-) Interim dividends	Other accumulated comprehensive income	Minority interests	Total
Opening balance as at 1 January 2024	818,761	1,101,895	(2,864)	208,444	-	167,837	116	2,294,189
Effects of error corrections	-	-	-	-	-	-	-	-
Effects of changes in accounting policies (Note 3)	-	-	-	-	-	-	-	-
Opening balance as at 1 January 2024 (*)	818,761	1,101,895	(2,864)	208,444	-	167,837	116	2,294,189
Total comprehensive profit (loss) for the period	-	-	-	255,326	-	(127,136)	13	128,203
Other changes in net equity	32,080	94,798	(427)	(208,444)	-	-	197	(81,796)
Issuance of ordinary shares	36,830	290	-	-	-	-	-	37,120
Issuance of preference shares	-	-	-	-	-	-	-	-
Issuance of other equity instruments	-	-	-	-	-	-	-	-
Exercise or maturity of other issued equity instruments	-	-	-	-	-	-	-	-
Conversion of debt into net equity	-	-	-	-	-	-	-	-
Capital reduction	(4,779)	-	-	-	-	-	-	(4,779)
Dividends (or remuneration paid to members)	-	-	-	-	(57,539)	-	-	(57,539)
Purchase of treasury stock	-	-	(427)	-	-	-	-	(427)
Sale or cancellation of treasury stock	-	-	-	-	-	-	-	-
Reclassification of financial instruments from net equity to liabilities	(463)	-	-	-	-	-	-	(463)
Reclassification of financial instruments from liabilities to equity	492	-	-	-	-	-	-	492
Transfers between equity components	-	93,716	-	(151,255)	57,539	-	-	-
Increase or (-) decrease in net equity resulting from business combinations	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-	-
Other increases or (-) decreases in net equity	-	792	-	(57,189)	-	-	197	(56,200)
Of which: discretionary allocation to community projects and welfare funds	-	-	-	-	-	-	-	-
Closing balance as at 31 December 2024	850,841	1,196,693	(3,291)	255,326	-	40,701	326	2,340,596

(*) Presented solely and exclusively for comparative purposes (Note 2.3 and 3.c).

Notes 1 to 69 and Appendices I to III are an integral part of the total statement of changes in consolidated net equity for the year ended 31 December 2024.

CAJA LABORAL POPULAR COOP. DE CRÉDITO Y SOCIEDADES DEPENDIENTES

TOTAL STATEMENT OF CHANGES IN CONSOLIDATED NET EQUITY FOR THE YEAR ENDED 31 December 2024

(Expressed in thousands of euros)

As at 31 December 2023 (*)

Sources of changes to net worth	Capital	Other reserves	(-) Treasury stock	Profit/(loss) attributable to owners of the parent company	(-) Interim dividends	Other accumulated comprehensive income	Minority interests	Total
Opening balance as at 1 January 2023	797,870	1,072,721	(2,507)	139,060	-	77,405	-	2,084,549
Effects of error corrections	-	-	-	-	-	-	-	-
Effects of changes in accounting policies (Note 3)	-	(25,030)	-	(4,522)	-	31,461	-	1,909
Opening balance as at 1 January 2023 (*)	797,870	1,047,691	(2,507)	134,538	-	108,866	-	2,086,458
Total comprehensive profit (loss) for the period	-	-	-	208,444	-	58,971	(3)	267,412
Other changes in net equity	20,891	54,204	(357)	(134,538)	-	-	119	(59,681)
Issuance of ordinary shares	29,630	126	-	-	-	-	-	29,756
Issuance of preference shares	-	-	-	-	-	-	-	-
Issuance of other equity instruments	-	-	-	-	-	-	-	-
Exercise or maturity of other issued equity instruments	-	-	-	-	-	-	-	-
Conversion of debt into net equity	-	-	-	-	-	-	-	-
Capital reduction	(8,739)	-	-	-	-	-	-	(8,739)
Dividends (or remuneration paid to members)	-	-	-	-	(36,064)	-	-	(36,064)
Purchase of treasury stock	-	-	(357)	-	-	-	-	(357)
Sale or cancellation of treasury stock	-	-	-	-	-	-	-	-
Reclassification of financial instruments from net equity to liabilities	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liabilities to equity	-	-	-	-	-	-	-	-
Transfers between equity components	-	52,678	-	(88,742)	36,064	-	-	-
Increase or (-) decrease in net equity resulting from business combinations	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-	-
Other increases or (-) decreases in net equity	-	1,400	-	(45,796)	-	-	119	(44,277)
Of which: discretionary allocation to community projects and welfare funds	-	-	-	-	-	-	-	-
Closing balance as at 31 December 2023	818,761	1,101,895	(2,864)	208,444	-	167,837	116	2,294,189

(*) Presented solely and exclusively for comparative purposes (Note 2.3 and 3.c).

CAJA LABORAL POPULAR COOP. DE CRÉDITO Y SOCIEDADES DEPENDIENTES

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 December 2024

(Expressed in thousands of euros)

	Note	2024	2023 (*)
A) CASH FLOW FROM OPERATING ACTIVITIES		1,658,772	159,443
Profit/(loss) for the year		255,339	208,441
Adjustments to obtain cash flows from operating activities		170,185	98,692
Depreciation/Amortisation	58	27,884	25,671
Other adjustments (a)		142,301	73,021
Net increase/decrease in operating assets		848,271	1,362,115
Financial assets held for trading		4,799	1,504
Financial assets not intended for trading, which are necessarily measured at fair value through profit or loss		(9,966)	30,279
Financial assets designated at fair value through profit or loss		-	-
Financial assets at fair value through other comprehensive income		(226,493)	(73,131)
Financial assets at amortised cost		979,555	1,324,939
Other operating assets		100,376	78,524
Net increase/decrease in operating liabilities		385,144	(1,509,254)
Financial liabilities held for trading		(690)	(1,507)
Financial liabilities designated at fair value through profit or loss		-	-
Financial liabilities at amortised cost		541,670	(1,436,617)
Other operating liabilities		(155,836)	(71,130)
Income tax receipts/payments		(167)	(551)
B) CASH FLOWS FROM INVESTMENT ACTIVITIES		(31,054)	(30,933)
Payments		(63,811)	(62,463)
Tangible assets	30	(63,502)	(62,329)
Intangible assets		(309)	(134)
Investments in joint ventures and associates		-	-
Subsidiaries and other business units	28	-	-
Non-current assets and liabilities classified as held for sale		-	-
Other payments related to investment activities		-	-
Receipts		32,757	31,530
Tangible assets (b)	30	14,802	8,750
Intangible assets		-	-
Investments in joint ventures and associates	28	-	-
Subsidiaries and other business units	28	-	-
Non-current assets and liabilities classified as held for sale		17,955	22,780
Other receivables related to investment activities		-	-
C) CASH FLOWS FROM FINANCING ACTIVITIES		(81,825)	(61,201)
Payments		(118,945)	(90,957)
Interim	37	(57,539)	(36,064)
Subordinated liabilities		-	-
Amortisation of own equity instruments	37	(60,979)	(54,536)
Acquisition of own equity instruments	37	(427)	(357)
Other payments related to financing activities	4	-	-
Receipts		37,120	29,756
Subordinated liabilities		-	-
Issuance of own equity instruments	37	37,120	29,756
Disposal of own equity instruments		-	-
Other receivables related to financing activities		-	-
D) EFFECT OF EXCHANGE RATE CHANGES		-	-
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		1,545,893	67,309
F) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1,417,707	1,350,398
G) CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		2,963,600	1,417,707
PRO-MEMORIA			
COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	22		
Of which: held by group entities but not available to the group			
Cash		102,895	94,534
Balances of cash equivalents at central banks		2,805,296	1,261,130
Other financial assets		55,409	62,043
Less: Bank overdrafts refundable on demand		-	-

(*) Presented solely and exclusively for comparative purposes (Note 2.3 and 3.c).

(a) This includes mainly provisions for impairment and provisions that have not resulted in a cash outflow.

(b) These amounts include the profit or loss generated on sale.

CAJA LABORAL POPULAR COOP. DE CRÉDITO Y SOCIEDADES DEPENDIENTES
NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31
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1. Nature of the Entity

Caja Laboral Popular Coop. de Crédito (hereinafter the Parent Company, Laboral Kutxa or Caja Laboral), with registered office in Mondragón (Gipuzkoa), was formed on 2 November 2012, as a credit cooperative resulting from the merger, through the formation of a new company, between Caja Laboral Popular Coop. de Crédito and Ipar Kutxa Rural, S.Coop. de Crédito. The aforementioned Parent Company is classified as a cooperative.

The Parent Entity is supervised by the Bank of Spain.

The Parent Entity's capital is not quoted on the stock exchange.

1.1 Integration between Caja Laboral and Ipar Kutxa

In 2012, following the resolutions adopted by the governing bodies of Caja Laboral Popular Coop. de Crédito and Ipar Kutxa Rural, S. Coop. de Crédito, the two entities were merged to create a new credit cooperative called "Caja Laboral Popular Coop. de Crédito", with the purpose, registered office, capital and other provisions set out in its Articles of Association and governed by Law 13/1989, of 26 May, on Credit Cooperatives and other applicable legal provisions.

Under the terms of the merger, the two merged credit cooperatives were dissolved and extinguished without going into liquidation, with 2 November 2012 being the date on which this was entered in the Companies Register of Gipuzkoa and the date from which the operations of the merged entities were deemed to have been performed by the New Credit Cooperative for accounting purposes.

1.2 Articles of Association

The Articles of Association of the Group's Parent Company state that its business operations will not be limited to any specific territory and that its corporate purpose is to service the financial needs of its members and third parties by carrying out the activities typical of a credit institution. To this end, it may carry out all types of lending, borrowing and service transactions which financial institutions are permitted to provide, including those relating to the promotion and fulfilment of its cooperative purpose, paying particular attention to its members' financial needs and complying with the legal limits on lending to third parties.

Credit cooperatives are affected by legal regulations that govern, among other things, the requirements to:

- a) Maintain a minimum percentage of liquid assets on deposit at the Bank of Spain in order to cover their minimum reserve coefficient requirements.
- b) Contribute to the Deposit Guarantee Fund which is designed to guarantee deposit holders' ability to recover a minimum amount of their deposits.
- c) Distribute the annual net surplus to the Education and Development Fund and to reserves.

CAJA LABORAL POPULAR COOP. DE CRÉDITO Y SOCIEDADES DEPENDIENTES
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- d) Maintain a minimum level of equity that is determined by the investments made and the risks assumed.

Caja Laboral Popular Coop. de Crédito and its subsidiaries

Caja Laboral is the Parent Company of a Group of Investee Entities that comprise Caja Laboral Popular and its Investee Entities (hereinafter, the Group or Laboral Kutxa Group). As a result, the Parent Company is obliged to draw up, in addition to its own individual annual accounts, which are also subject to obligatory auditing, the Group's consolidated annual accounts which include, where applicable, the corresponding holdings in Subsidiary Companies and Jointly Controlled Companies and the investments in Associated Companies. The entities comprising the Group carry out diverse business activities.

As at 31 December 2024, the total assets, equity and net result of the Parent Company represent 97.97%, 96.24% and 92.78%, respectively, of same items of the Group (as at 31 December 2023: 97.98%, 97.27% and 89.34%, respectively).

Below is a summary of the individual balance sheet, the individual profit and loss account, the individual recognised income and expenditure statement, the individual total changes in equity statement and the individual cash flow statement of the Parent Company corresponding to the years ended 31 December 2024 and 2023, prepared in accordance with the same accounting principles and standards and measurement criteria applicable to the individual annual accounts of the Parent Company.

- a) Individual balance sheet as at 31 December 2024:

ASSETS	2024	2023 (*)
Cash, balances in cash with central banks and other demand deposits	2,933,711	1,398,014
Financial assets held for trading	3,239	8,038
Financial assets not intended for trading, which are necessarily measured at fair value through profit or loss	19,863	9,994
Financial assets at fair value through other comprehensive income	751,282	525,353
Financial assets at amortised cost	22,092,793	23,312,907
Derivatives – hedge accounting	47,571	57,411
Investments in subsidiaries, joint ventures and associates	155,021	160,786
Tangible assets	391,859	371,116
Intangible assets	-	-
Tax assets	123,657	151,573
Other assets	24,212	34,334
Non-current assets and disposal groups of items classified as held for sale	14,036	23,525
Total assets	26,557,244	26,053,051

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NET EQUITY AND LIABILITIES

	2024	2023 (*)
Financial liabilities held for trading	1,487	2,177
Financial liabilities at amortised cost	23,608,431	23,067,854
Derivatives – hedge accounting	337,632	434,648
Provisions	248,842	147,632
Tax liabilities	52,958	90,790
Capital refundable on demand	695	-
Other liabilities	54,579	78,442
Total liabilities	24,304,624	23,821,543
Own funds:	2,233,822	2,079,353
Capital	850,841	818,761
Other reserves	1,146,091	1,074,378
Profit/(loss) for the year (Interim dividends)	236,890	186,214
Other accumulated comprehensive income	18,798	152,155
Total net equity	2,252,620	2,231,508
Total net equity and liabilities	26,557,244	26,053,051

PRO-MEMORIA

Financial guarantees granted	160,446	161,317
Loan commitments granted	1,298,870	1,177,723
Other commitments granted	471,435	449,377

(*) Presented solely and exclusively for comparative purposes.

CAJA LABORAL POPULAR COOP. DE CRÉDITO Y SOCIEDADES DEPENDIENTES
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b) Individual profit and loss account for the year ended 31 December 2024:

	2024	2023 (*)
Interest income	808,021	640,528
(Interest expenses)	184,630	93,186
Interest margin	623,391	547,342
Dividend income	3,705	9,813
Fee and commission income	127,371	125,295
(Fee and commission expense)	10,789	10,428
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	(64,468)	(110,043)
Gains or (-) losses on financial assets and liabilities held for trading, net	1,395	(1)
Gains or (-) losses on non-trading financial assets, which are necessarily measured at fair value through profit or loss, net	554	807
Gains or (-) losses from hedge accounting, net	(1,628)	20
Exchange rate differences [gain or (-) loss], net	750	329
Other operating income	39,021	40,998
(Other operating expenses)	30,146	60,624
Gross margin	689,156	543,508
(Administration expenses)	264,284	231,040
(Amortisation)	27,713	25,421
(Provisions or (-) reversal of provisions)	143,757	38,520
(Impairment or (-) reversal of impairment of financial assets not measured at fair value through profit and loss or (-) net gains from modification)	(14,145)	30,160
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	(7,282)	(2,145)
(Impairment or (-) reversal of impairment of non-financial assets)	567	1,031
Gains or (-) losses on retirement of non-financial assets and shares, net	(392)	448
Gains or (-) losses from non-current assets and disposal groups of items classified as held for sale and not eligible as discontinued operations	6,025	(7,767)
Gains or (-) losses before tax from continuing operations	279,895	212,162
(Expenditure or (-) income from tax on earnings from continuing operations)	43,005	25,948
Gains or (-) losses after tax from continuing operations	236,890	186,214
Gains or (-) losses after tax from discontinued operations	-	-
Profit/(loss) for the year	236,890	186,214

(*) Presented solely and exclusively for comparative purposes.

CAJA LABORAL POPULAR COOP. DE CRÉDITO Y SOCIEDADES DEPENDIENTES
NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31
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- c) Individual statement of recognised income and expenditure for the year ended 31 December 2024:

	<u>2024</u>	<u>2023 (*)</u>
PROFIT/(LOSS) FOR THE YEAR	236,890	186,214
OTHER COMPREHENSIVE INCOME	(133,357)	49,671
Items that will not be reclassified to profit or loss	2,423	414
Changes in the fair value of equity instruments measured at fair value with changes in other comprehensive income	3,365	575
Income tax related to items that will not be reclassified	(942)	(161)
Items that may be reclassified to profit or loss	(135,780)	49,257
Cash flow hedges (effective portion)	(188,443)	(17,986)
Gains or (-) losses of value recorded in net equity	(188,443)	(17,986)
Transferred to profit and loss	-	-
Debt instruments at fair value with changes in other comprehensive income	(141)	86,398
Gains or (-) losses of value recorded in net equity	(221)	21,460
Transferred to profit and loss	80	64,938
Other reclassifications	-	-
Income tax related to items that can be reclassified in profit or (-) loss	52,804	(19,155)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	103,533	235,885

(*) Presented solely and exclusively for comparative purposes.

- d) Total statement of changes in individual equity for the year ended 31 December 2024:

Changes during the 2024 financial year

	<u>Own funds</u>	<u>Other accumulated comprehensive income</u>	<u>Total net equity</u>
Opening balance as at 1 January 2024	2,079,353	152,155	2,231,508
Effects of error corrections	-	-	-
Effects of changes in accounting policies	-	-	-
Opening balance as at 1 January 2024	2,079,353	152,155	2,231,508
Total comprehensive profit (loss) for the period	236,890	(133,357)	103,533
Other changes in net equity	(82,421)	-	(82,421)
- Issuance of ordinary shares	37,119	-	37,119
- Capital reduction	(4,779)	-	(4,779)
- Dividends (or remuneration paid to members)	(57,251)	-	(57,251)
- Transfers between equity components	(57,539)	-	(57,539)
- Reclassification of financial instruments	29	-	29
- Other increases or (-) decreases in equity	-	-	-
Total other changes in net equity	(82,421)	-	(82,421)
Closing balance as at 31 December 2024	2,233,822	18,798	2,252,620

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Changes during the 2023 financial year (*)

	Own funds	Other accumulated comprehensive income	Total net equity
Opening balance as at 1 January 2023	1,953,489	102,484	2,055,973
Effects of error corrections	-	-	-
Effects of changes in accounting policies	-	-	-
Opening balance as at 1 January 2023	1,953,489	102,484	2,055,973
Total comprehensive profit (loss) for the period	186,214	49,671	235,885
Other changes in net equity			
- Issuance of ordinary shares	29,756	-	29,756
- Capital reduction	(8,739)	-	(8,739)
- Dividends (or remuneration paid to members)	(36,064)	-	(36,064)
- Transfers between equity components	-	-	-
- Other increases or (-) decreases in equity	(45,303)	-	(45,303)
Total other changes in net equity	(60,350)	-	(60,350)
Closing balance as at 31 December 2023	2,079,353	152,155	2,231,508

(*) Presented solely and exclusively for comparative purposes.

e) Individual cash flow statement for the year ended 31 December 2024:

	2024	2023 (*)
Cash flows from operating activities:	1,631,774	174,452
Profit/(loss) for the year	236,890	186,214
Adjustments made to obtain cash flows from operating activities	(119,026)	104,200
Net increase/decrease in operating assets	1,098,443	1,335,387
Net increase/decrease in operating liabilities	415,634	(1,450,798)
Income tax receipts/(payments)	(167)	(551)
Cash flow from investment activities:	(13,627)	(55,161)
Payments	(100,933)	(98,946)
Receipts	87,306	43,785
Cash flows from financing activities	(82,450)	(60,844)
Effect of exchange rate fluctuations	-	-
Net increase/decrease of cash and cash equivalents	1,535,697	58,447
Cash and cash equivalents at the beginning of the year	1,398,014	1,339,567
Cash and cash equivalents at the end of the year	2,933,711	1,398,014

(*) Presented solely and exclusively for comparative purposes.

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2. Basis for presentation of the consolidated annual accounts

2.1 True picture

Under Regulation (EC) No. 1606/2002 of the European Parliament and of the Council, of 19 July 2002, all companies governed by the law of a Member State of the European Union and whose securities are listed on a regulated market of any Member State must present their consolidated financial accounts for the years beginning on or after 1 January 2005 in accordance with the International Financial Reporting Standards (hereinafter, IFRS) previously adopted by the European Union, hereinafter EU-IFRS. In order to adapt the accounting regime of Spanish credit institutions to these regulations, the Bank of Spain published Circular 4/2004, of 22 December, on Public and Confidential Financial Reporting Standards and Formats for Financial Statements, which was superseded on 1 January 2018 by Bank of Spain Circular 4/2017, of 27 November 2017.

During the 2022 financial year, Bank of Spain Circular 6/2021 of 22 December, which amended Circular 4/2017 of 27 November to credit institutions on public and confidential information standards and financial statement formats, and Circular 4/2019 of 26 November to financial credit institutions on public and confidential financial information standards and financial statement formats, came into force.

These consolidated annual accounts of the Group are presented in accordance with the provisions of the International Financial Reporting Standards adopted by the European Union (hereinafter, "EU-IFRS"), taking into consideration Bank of Spain Circular 4/2017 of 22 November, which replaces Bank of Spain Circular 4/2004 of 22 December, and its subsequent amendments. This circular constitutes the development and adaptation to the sector of Spanish credit institutions of the International Financial Reporting Standards approved by the European Union.

In this report the abbreviations "IAS" and "IFRS" are used to refer to International Accounting Standards and International Financial Reporting Standards, respectively, and the abbreviations "IFRIC" and "SIC" are used to refer to the Interpretations of the International Financial Reporting Standards Interpretations Committee and the former Standing Interpretations Committee, respectively, all of which were approved by the European Union, and on the basis of which these consolidated annual accounts were prepared.

The consolidated annual accounts were prepared taking into consideration all of the accounting principles and standards and the obligatory measurement criteria that have a significant effect on these, so that they reflect a true image of the equity and of the financial situation of the Group as at 31 December 2024 and of the consolidated results of its operations, changes in net equity and cash flows that took place in the Group during the year ended on that date.

Note 13 summarises the most important accounting principles and policies and the measurement criteria applied in the preparation of the consolidated annual accounts of the Group for 2024.

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The consolidated annual accounts were prepared from the accounting records held by the Entity and by the other entities that are part the Group. However, since the accounting principles and measurement criteria applied in the preparation of the consolidated annual accounts of the Group for 2024 may differ from those applied by some of the entities that are part of the Group, the necessary adjustments and reclassifications were introduced during the consolidation process to make these principles and criteria consistent with each other and to bring them into line with the EU-IFRS applied by the Entity.

The information contained in these consolidated annual accounts is the responsibility of the Directors of the Parent Company of the Group.

The Group's consolidated annual accounts for 2024 were prepared by the Directors of the Group's Parent Company at the meeting of the Governing Board held on 28 February 2025, and are pending approval by the General Assembly of the Group, which is expected to approve them without any material changes.

Unless otherwise stated, these consolidated annual accounts are expressed in thousands of euros.

2.2 Consolidation principles

The Group has been defined in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union. The Subsidiaries, Joint Ventures and Associates are all investees.

2.2.1) Subsidiaries

"Subsidiaries" are defined as entities over which the Group has control, a situation that arises when the Group is exposed, or is entitled to, variable returns from its involvement in the investee and has the ability to influence such income through its power over the investee.

For control to exist, the following must be applicable:

- **Power:** An investor has power over an investee when it has rights in force that provide it with the ability to control the related activities, i.e. those that significantly affect the investee's returns.
- **Returns:** An investor is exposed, or is entitled to, variable returns from its involvement in the investee when the returns it obtains from such involvement can vary depending on the financial performance of the investee. The returns may be only positive, only negative or both positive and negative.
- **Relationship between power and returns:** An investor controls an investee if the investor not only has power over the investee and is exposed, or has rights, to variable returns due to its involvement in the investee, but also has the ability to use its power to influence the returns obtained from such involvement in the investee.

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Additionally, the Group takes into consideration any facts or circumstances which may affect the assessment of whether or not control exists and the analyses described in the guidelines for the implementation of the relevant legislation (for example, whether the Group holds a direct or indirect interest of more than 50% of the voting rights of the entity being assessed).

Relevant information on holdings in subsidiary entities as at 31 December 2024 and 2023 are shown in Appendix I.

The annual accounts of the subsidiaries are consolidated with those of the Entity by applying the full consolidation method. As a result, all the balances derived from the transactions between the consolidated companies under this method that are significant have been eliminated in the consolidation process. Additionally, the participation of third parties in:

- The Group's equity is presented under "Minority Interests (non-controlling interests)" in equity in the consolidated balance sheet.
- The consolidated profit/(loss) for the year is presented under the heading "Profit/(loss) for the year – Attributable to minority interests (non-controlling interests)" in the consolidated income statement.

The profit or loss generated by subsidiaries acquired by the Group during the year is consolidated taking into account only those relating to the period between the date of acquisition and the year-end. In addition, the profit or loss generated by subsidiaries disposed of by the Group during the year is consolidated taking into account only that relating to the period from the beginning of the year to the date of disposal.

Inter-company transactions, balances and income and expenditure on transactions between Group companies are eliminated. Profits and losses arising from intra-group transactions that are recognised as assets are also eliminated. The accounting policies of subsidiaries have been modified when necessary to ensure uniformity with the policies adopted by the Group.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary corresponds to the fair value of the assets transferred, the liabilities incurred with the previous owners of the entity and the shares in equity issued by the Group. The consideration transferred includes the fair value of any asset or liability that originates from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the acquisition date. For each business combination, the Group may choose to recognise any non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Costs related to the acquisition are recognised as expenses in the financial year in which they were incurred.

If the business combination is carried out in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value on the acquisition date through profit or loss.

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Any contingent consideration to be transferred by the Group is recognised at fair value on the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit and loss or as a change in equity. A contingent consideration that is classified as equity is not remeasured and its subsequent settlement is recorded in equity.

Goodwill is initially measured as the excess of the total consideration transferred and the fair value of the non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the consolidated results.

The Group's insurance companies are subject to supervision and regulation by various bodies. The laws in force in the various jurisdictions together with the need to comply with minimum capital requirements and supervisory activity are circumstances that could affect the ability of such entities to transfer funds in the form of cash, dividends, loans or advances.

2.2.2) Changes in ownership interests in subsidiaries without a change in control

Transactions with non-controlling interests that do not result in a loss of control are recorded as equity transactions – i.e. transactions with the owners in their capacity as such. The difference between the fair value of the consideration paid and the corresponding proportion acquired of the carrying amount of the subsidiary's net assets is recognised in equity. Gains or losses on the disposal of non-controlling interests are also recognised in equity.

2.2.3) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured at its fair value on the date when control is lost and the change in the carrying amount is recognised in profit or loss. The fair value is the initial carrying amount for the purpose of subsequent recognition of the retained interest as an associate, joint venture or financial asset. In addition, any amount previously recognised in accumulated other comprehensive income in equity in relation to that entity is accounted for as if the Group had sold the related assets or liabilities directly. This could mean that the amounts previously recognised in equity are reclassified to the consolidated income statement.

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2.2.4) Joint ventures – Jointly Controlled Entities

A joint venture is a contractual arrangement whereby two or more entities, referred to as participants, undertake an economic activity that is subject to joint control, that is, to a contractual agreement to share the power to govern the financial and operating policies of an entity or other economic activity, in order to benefit from its operations, and in which the unanimous consent of all participants, which share control and have rights to its net assets, is required for making decisions on relevant activities.

“Joint ventures” are also considered to be investments in entities which, although not subsidiaries, are jointly controlled by two or more unrelated entities, including the Group.

The equity method was applied in the consolidation process for the annual accounts of Joint Ventures - Jointly Controlled Entities, in accordance with the provisions of accounting regulations.

As at 31 December 2024 and 2023 there are no investments in Jointly Controlled Entities.

2.2.5) Associates

Associates are investees over which the Group is in a position to exercise significant influence. Such significant influence is generally, but not exclusively, the result of holding an interest, either directly or indirectly through one or more other investees, of 20% or more of the investee's voting rights.

In the consolidation process the equity method was applied for associates, as defined in IAS 28. Consequently, the investments in associates were measured at the fraction represented by the Group's ownership interest in their capital, after taking into consideration the dividends received from them and other equity eliminations. The results of transactions with an associate are eliminated in the proportion of the Group's interest. If, as a result of losses incurred by an associate, its equity becomes negative, it is recognised in the Group's consolidated balance sheet with a zero value, unless the Group has an obligation to provide financial support.

The relevant information on holdings in Associated Entities as at 31 December 2024 and 2023 are shown in Appendix I.

Because the accounting principles and standards and the measurement criteria applied in the preparation of the consolidated annual accounts of the Group for the years 2024 and 2023 may differ from those applied in some of the subsidiaries, jointly-controlled entities and associates, during the consolidation process any necessary significant adjustments or reclassifications were applied to unify the accounting principles and standards and the measurement criteria.

As at 31 December 2024 and 2023, no entity in the Group held an interest in the capital of other credit institutions, national or foreign, equal to 5% or more of their capital or voting rights.

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In addition, as at 31 December 2024 and 2023, no credit institution, national or foreign, or groups, as understood under Article 4 of the Securities Market Law, which includes a credit institution, national or foreign, possesses any holding of more than 5% of the capital or voting rights of any credit institution included in the Group.

2.2.6) Structured entities

In those cases in which the Group invests in or incorporates entities for the transfer of risks or other purposes, or for the purpose of allowing customers access to certain investments, it is determined, considering the provisions of the regulatory framework, whether control as described above exists and therefore whether or not they should be consolidated. In particular, consideration is given to whether the Group earns success fees and the possibility of revoking the managers of the underlying assets. These entities include the "Asset Securitisation Funds" which are consolidated in those cases where, based on the above analysis, it is determined that the Group has maintained control.

Voluntary benefit entities, investment funds and pension funds and companies managed by the Group (in most cases, retail funds without a legal personality in which investors acquire aliquot units providing them with ownership of the managed assets) are not regarded as meeting the requirements of the regulatory framework to be considered as structured entities, in addition to the fact that they are analysed using the same criteria as other subsidiaries.

These entities and funds are self-sufficient as far as their activities are concerned and do not depend on a capital structure that could make them unable to carry on their activities without additional financial support. Fees accrued during the year for the services rendered to these entities and funds by the Group (mainly asset management services, portfolio deposits) are recorded under "Commission income" in the consolidated income statement (Note 47) together with fees generated by the depositing of portfolios owned by third parties.

2.2.7) Changes in the scope of consolidation

Changes in the scope of consolidation

There have been no changes in the scope of consolidation of the Caja Laboral Group during the 2024 financial year.

On 15 February 2023, the company "Lagun Klik, S.L., Sociedad Unipersonal" was incorporated, in which "Caja Laboral Popular Coop. de Crédito" has an indirect holding of 100% via "Caja Laboral Euskadiko Kutxa Cartera S.L.U.". Its activity consists of intermediation in the search for services, the sale of products between individuals and professionals, and the development and operation of computer applications that facilitate the search for and provision of services.

Likewise, the company "Partners Group LAMIAK S.C.A., SICAV-RAIF", with registered office in Luxembourg, was incorporated on 22 May 2023. This is an alternative investment fund in which Caja Laboral Popular Coop. de Crédito holds a 99% shareholding.

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2.3 Information comparability

The accounting information prepared in accordance with the criteria of the International Financial Reporting Standards, adopted by the European Union, for the year ended 31 December 2024 is presented in all cases, for comparison purposes, with reference to the figures for 2023. The information relating to 2023 is presented solely for the purposes of comparison with that of 2024 and does not form part of the Group's consolidated annual accounts for 2024.

Subsequent to the approval of the 2023 financial statements, the Group detected that part of the interest accrual on certain debt instruments was accounted for separately, when it should have been accounted for on a net basis. Consequently, the comparative figures of the items affected by this error have been corrected (Note 3.c).

2.4 Seasonality of transactions

Given the Group's business activities, its transactions are not of a cyclical or seasonal nature. For this reason, specific breakdowns are not included in the consolidated annual accounts for 2024.

3. Changes and errors in accounting policies and estimates

a) Critical aspects of the assessment and estimation of uncertainty

The information contained in these consolidated annual accounts is the responsibility of the Directors of the Parent Company. Estimates have been used, where appropriate, in these consolidated annual accounts, in the measurement of certain assets, liabilities, income, expenses and commitments, which have been made by the Senior Management of the Parent Company and Investees and ratified by their Directors. These estimates relate to:

- The impairment losses on certain financial assets (Note 13.h).
- The estimated value and useful life, applied to the elements of Tangible Assets and Intangible Assets (Notes 2, 13.q and 13.r).
- The fair value of certain financial assets not listed on regulated markets (Note 13.e).
- The cost and anticipated development of provisions and contingent liabilities (Note 13.u).
- Assumptions used to calculate insurance liabilities (Note 13.t).
- The assumptions used in the calculation of liabilities and commitments for pre-retirement schemes (Note 13.o).
- The assessment of the ability to utilise the capitalised tax credits (Note 13.p).
- The valuation of consolidated goodwill (Note 13.aa).
- The estimated calculation of Corporate Income Tax (Note 39).

These estimates have been made on the basis of the best information available as of 31 December 2024 on the items concerned and considering the current economic and geopolitical environment as well as possible future developments. It is possible that future events may make it necessary to change the year-end estimates in any direction in the coming years. Any such change will be made prospectively, recognising, where applicable, the effects of the change in estimate in the related consolidated income statement.

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b) Changes in accounting criteria

Changes in accounting policies, either because they amend an accounting regulation that governs a certain transaction or event or because the Governing Board of the Parent Entity decides to change the accounting policy for justified reasons, are applied retroactively unless:

- It is not feasible to determine the effects in each specific year of changing an accounting policy with respect to comparative information in a previous year, in which case the new accounting policy is applied at the beginning of the earliest year for which retrospective application is feasible. When it is not feasible to determine the cumulative effect, at the beginning of the current year, of applying a new accounting policy to all prior years, the new accounting policy is applied prospectively, from the earliest feasible date or,
- The accounting rule or regulation that modifies or establishes the criterion sets the date from which it should be applied.

During 2024 there have been changes in the accounting regulations applicable to the Group compared with those applied for the previous period. The following is a list of the changes that might be considered most important:

a) Standards and interpretations approved by the European Union applied for the first time in this financial period

Standard, interpretation or amendment	Date of application of the IASB
Presentation of financial statements: Classification of liabilities as current or non-current (Amendments to IAS 1)	1 January 2024
Lease liability in a sale and with subsequent leaseback (Amendments to IFRS 16)	1 January 2024
Supplier financing arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024

b) Standards and interpretations issued by the IASB that are not applicable for this financial period

Standard, interpretation or amendment	Date of adoption by the EU	Date of application in the UE	Date of application of the IASB
Non-convertibility (Amendments to IAS 21)	13 November 2024	1 January 2025	1 January 2025
Classification and measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	Pending	Pending	1 January 2026
Renewable Electricity Contracts (Amendments to IFRS 9 and IFRS 7)	Pending	Pending	1 January 2026
IFRS 18 Presentation and disclosure in financial statements	Pending	Pending	1 January 2027

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a) Standards and interpretations approved by the European Union applied for the first time in this financial period

Amendments to IAS 1 Presentation of financial statements: Classification of financial liabilities as current or non-current

These amendments clarify the requirements to be applied in classifying liabilities as current or non-current. In particular, these amendments clarify the following concepts:

- Right to defer settlement. If a company's right to defer settlement depends on future covenants, the company has the right to defer payment even if it does not meet those future covenants using information as of the reporting date.
- Expected deferrals. The classification of a liability is unchanged by the probability that the company will exercise its right to defer payment for at least 12 months after the end of the period.
- Settlement via own equity instruments. There is an exception to the requirement to settle liabilities through own equity instruments that impacts the classification of the liability.

Amendments to IFRS 16: Lease liability in a sale and leaseback sale

- This amendment elaborates on the requirements that a seller-lessee must use to quantify the lease liability arising on sale and leaseback, with the objective that the seller-lessee does not recognise any gain or loss related to the right of use it retains.

Amendments to IAS 7 and IFRS 7: Supplier financing arrangements

- The amendments to IAS 7 Cash Flow Statements and IFRS 7 Financial Instruments; Disclosures clarify the characteristics of financing arrangements and introduce new disclosures intended to help users of financial statements understand the effects of these arrangements on liabilities, cash flows and exposure to liquidity risk.

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b) Standards and interpretations issued by the IASB that are not applicable for this financial period, or have not yet been approved by the EU

Amendments to IAS 21 Non-convertibility

The amendments clarify how companies should assess whether a currency is convertible and how they should determine the spot rate when there is no convertibility, as well as requiring disclosures to enable users of financial statements to understand the impact of a currency not being convertible.

This amendment is applied to the financial periods beginning on or after 1 January 2025.

Amendments to IFRS 9 and IFRS 7: Classification and measurement of Financial Instruments

The amendments clarify that financial liabilities are retired on the “settlement date”. However, they introduce an accounting policy option to retire liabilities, which are settled by means of an electronic payment system, before the settlement date provided that certain conditions are met.

Furthermore, the amendments clarify, through additional guidelines, the classification of financial assets with ESG (Environmental, Social and Governance) characteristics and other contingent events. Clarifications on non-recourse loans and contractually linked instruments have also been developed. Finally, new disclosures have been introduced for financial instruments with ongoing features and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for the financial periods beginning on or after 1 January 2026.

Amendments to IFRS 9 and IFRS 7: Renewable energy contracts

These amendments allow for a better accounting reflection of renewable energy contracts in the financial statements through the following amendments to IFRS 9 and IFRS 7:

- ▶ Clarify the application of “own use” requirements;
- ▶ Allow hedge accounting if these contracts are used as hedging instruments; and
- ▶ Add new breakdowns to understand the effect of these contracts on financial performance and cash flows.

The amendments are effective for the financial periods beginning on or after 1 January 2026.

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IFRS 18 Presentation and disclosure in financial statements:

IFRS 18 mainly introduces, among other changes, three new requirements to improve companies' reporting of their financial performance and to provide investors with a better basis for analysing and comparing companies:

- Improves the comparability of the statement of financial performance by introducing three new categories: operational, investment and financing; as well as new subtotals: operating profit and profit before financing and income tax.
- Provides greater transparency of management-defined performance metrics by introducing new guidance and breakdowns.
- Provides guidance to provide a more useful grouping of information in the financial statements.

This standard shall apply from 1 January 2027.

c) Errors and changes in accounting estimates

Accounting errors

Errors in the preparation of consolidated annual accounts arising in previous years are the result of omissions or inaccuracies caused by failures to use reliable information, which was available when the consolidated annual accounts for such periods were prepared and which the Parent Company should have used in the preparation of said consolidated statements.

Errors relating to previous years are corrected retroactively in the first consolidated annual accounts that are prepared after the discovery, as if the error had never taken place:

- by restating the amounts of the items in the various consolidated financial statements affected by the error, including the notes to the consolidated financial statements, disclosed in the consolidated annual accounts for comparative purposes, for the period and subsequent periods in which the error occurred and, if applicable,
- by restating the consolidated opening balance sheet for the earliest period presented if the error occurred prior to the first consolidated financial statements presented for comparative purposes.

When it is impracticable to determine the period-specific effects of an error in comparative information in a prior period, opening balances are restated for the earliest periods for which such restatement is practicable. If it is impracticable to determine the cumulative effect at the beginning of the current period of an error on all prior periods, comparative information is restated by correcting the error prospectively from the earliest date for which such restatement is practicable.

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Errors from previous years that affect the consolidated equity are corrected in the year they are discovered using the appropriate consolidated equity account. In no case may prior period errors be corrected using the consolidated income statement of the period in which they are discovered, except where they are immaterial or where it is impracticable to determine the effect of the error as described in the preceding paragraph.

In 2024, the Parent Company detected that part of the interest accrual on certain debt instruments was accounted for separately, generating an increase in the interest income caption (Note 43) and the same increase in the interest expense caption (Note 44), when the presentation of the recording of such interest should have been made on a net basis in the interest income caption (Note 43).

The Parent Company has corrected the error retroactively, modifying the figures for the year 2023, although as this is a reclassification between items, it has had no impact on the balance sheet, equity, profit or loss for the year or on the cash flow statement.

The corrections made to the comparative figures in the Profit and Loss Account for the year ended 31 December 2023 have been as follows:

(Thousand euros)	2023 FY comparative	Correction	2023 FY Corrected
Interest income	692,655	(40,572)	652,083
(Interest expenses)	133,779	40,572	(93,207)
Interest margin	558,876	-	558,876

Changes in accounting estimates

A change in an accounting estimate is an adjustment to the carrying amount of an asset or liability, or to the periodic consumption of an asset, that results from an assessment of the present condition of the item and the expected future benefits and obligations associated with the related assets and liabilities.

Changes in accounting estimates are the result of obtaining additional information or knowledge about new events and therefore are not error corrections. These changes are recorded on a prospective basis in the consolidated profit and loss statement for the year or for the year and future years affected by the change.

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4. Allocation of surplus for the year

Law 13/1989 on Credit Cooperatives, as amended by Law 20/1990 on the Fiscal Regime of Cooperatives, establishes that the amounts not destined to the Mandatory Reserve Fund and the Education and Promotion Fund shall be at the disposal of the General Assembly, which may distribute them as follows:

- Distribution or return among the members.
- Allocation to the Voluntary Reserve Fund.

The Articles of Association of the Parent Company establish that the available surplus, once the obligations that may arise from the coverage of the capital requirement or the solvency ratio have been met, will be used:

- A minimum of 50% to the Mandatory Reserve Fund.
- A maximum of 25% to meet social and inter-cooperative promotion needs. Specifically, a minimum of 10% will be allocated to the Education and Promotion Fund and a maximum of 15% to the Inter-cooperative Welfare Fund.
- The rest will be available to the General Assembly, which may distribute it as follows: return to members or provision to voluntary or analogous Reserve Funds.

The amount earmarked for cooperative returns shall be distributed equally between working members and other member.

In accordance with the Articles of Association of the Parent Company, the return to members will be credited to working members in proportion to their work advances and to the remaining members in proportion to the operations carried out with the Parent Company.

The proposed distribution of the Parent Company's surplus for 2024 which the Governing Board of the Parent Company will submit for the approval of the General Assembly, and that approved for 2023, is as follows:

	2024	2023
Distribution:		
- Gross interest on contributions to Share capital (Note 37)	63,927	57,539
- Mandatory Reserve Fund	96,091	71,486
- Education and Promotion Fund (*)	-	-
- Cooperative Returns	48,045	35,743
- Inter-cooperative Welfare Fund	28,827	21,446
Profit/(loss) for the year	236,890	186,214

- (*) The amount allocated to the Education and Promotion Fund corresponds to the minimum mandatory sum of 19,218 thousand euros in 2024 and 14,297 thousand euros in 2023 (Note 55).

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5. Information by business segment

In accordance with IFRS 8, the financial compliance of the business segments is reported below on the basis of the information that the Parent Company Management uses internally to assess the performance of these segments.

IFRS 8 requires reporting of all operating segments whose revenues account for at least 10% of the aggregate revenues of all operating segments, or whose results account for at least 10% of the greater of the following: (i) the aggregate profit of all the operating segments that have not reported losses, (ii) the aggregate reported loss of all the operating segments that have reported losses. Or, if the assets account for at least 10% of the aggregated assets of all the operating segments. Similarly, information shall also be provided on those operating segments, regardless of their size, that represent, in aggregate, at least 75% of the Group's ordinary revenues.

Business segment reporting is a basic tool for monitoring and managing the various activities of the Laboral Kutxa Group:

a. Segmentation criteria

- Segmentation by business

The business units described below have been established based on the different business areas established according to the structure and organisation of the Laboral Kutxa Group:

- Retail Banking
- Insurance Business

The "Retail Banking" business offers both investment and savings products. In investment, the main areas of activity are the marketing of mortgage products, consumer credit, working capital and corporate finance. As regards savings, the main products are deposits (on demand and term deposits), bank guarantees, means of payment services (credit and debit cards), investment funds, pension funds and EPSVs (Voluntary Social Welfare Entities). This business is carried out mainly by Caja Laboral Popular Coop. de Crédito, through its network of branches, or by specific companies 100% dependent upon the former, which are considered a direct extension of the activity carried out by the Parent Company. Strategic, management and operational decision-making is concentrated in the Governing Board of Caja Laboral Popular Coop. de Crédito.

The "Insurance Business" includes the activity carried out by the Group through Seguros Lagun-Aro Vida, S.A. and Seguros Lagun-Aro, S.A. The Group carries out its life insurance activity, through marketing life risk, life savings and unit linked insurance. It also offers non-life insurance, mainly motor insurance, liability insurance and multi-risk insurance, mainly home insurance. Strategic, management and operational decision-making is concentrated in the Boards of Directors of both companies.

Notwithstanding the above, the decisions of the different companies within the Group are made within the framework of the control that comes with being part of the Laboral Kutxa Group.

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- Geographical segmentation

The Group operates through a network of 284 branch offices, as at 31 December 2024, with 169 located in the Autonomous Community of the Basque Country, 36 in Navarra and 79 in the rest of Spain (283 branches at 31 December 2023, 169 in the Autonomous Community of the Basque Country, 36 in Navarra and 78 in the rest of Spain).

The geographical distribution of the Group's financial assets, loans and receivables is detailed in Note 21 of these consolidated annual accounts. Almost all of the Group's revenues are generated in Spain.

Therefore, as regards the criteria for segmentation by geographical area, there are no differences in the Group's area of activity (Autonomous Community of the Basque Country and Navarra and the rest of Spain) that justify segmented and differentiated information on the activity according to this criterion.

b. Basis and methodology used in preparing segmented information

The information presented is based on the individual accounts of each of the companies that make up the Laboral Kutxa Group, with the eliminations and adjustments relating to consolidation.

Each business unit is considered to be a separate business, so there are flows of income and expenses between businesses for the provision of services for the distribution of products, services or systems. Adjustments and eliminations mainly relate to eliminating inter-segment income statements. The final impact on the Group's income statement is zero.

c. Segmentation by business

The main contributions to the consolidated balance sheet and consolidated income statement, excluding the effect of transactions with group companies, for 2024 and 2023, are presented below:

	2024		
	Retail Banking	Insurance Business	Group Total
Consolidated income statement:			
Contribution to gross margin	720,904	13,352	734,256
Administration expenses	277,790	5,648	283,438
Profit/(loss) for the year	248,584	6,755	255,339
Consolidated balance sheet:			
Total assets	26,693,439	632,447	27,325,886
	2023		
	Retail Banking	Insurance Business	Group Total
Consolidated income statement:			
Contribution to gross margin	560,784	24,346	585,130
Administration expenses	243,470	6,475	249,945
Profit/(loss) for the year	193,963	14,478	208,441
Consolidated balance sheet:			
Total assets	25,957,120	632,371	26,589,491

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6. Minimum ratios

6.1 Minimum equity ratios

The Basel Committee on Banking Supervision leads the way in harmonising international financial regulation. In December 2010, the Committee approved a new regulatory framework (Basel III) that increases capital requirements with better quality instruments and seeks consistency and consistent application across institutions and countries. The new capital agreement improves transparency and comparability of capital ratios. In addition, it introduces a new set of prudential tools in the area of liquidity and leverage.

The European Union transposed the above-mentioned agreements (Basel III), through Directive 2013/36/EU (CRD-IV) of the European Parliament and of the Council, of 26 June 2013, relating to the taking up of the business of credit institutions and the prudential supervision of credit institutions and investment firms and Regulation (EU) No. 575/2013 (CRR) of the European Parliament and of the Council, of 26 June 2013, on prudential requirements for credit institutions and investment firms in the Official Journal of the European Communities, applicable from 1 January 2014.

In order to adapt the national legal system to the regulatory changes imposed internationally, Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions and Royal Decree 84/2015, of 13 February, which implemented the aforementioned law, were approved, continuing the transposition initiated by Royal Decree-Law 14/2013, of 29 November, and Bank of Spain Circular 2/2014, which establishes the regulatory options for requirements applicable during the transitional period.

Royal Decree 84/2015, of 13 February, which implements Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions, completes the regulatory development of the aforementioned Law, while consolidating all the standards on the regulation and discipline of credit institutions that had been issued until its publication into a single text.

It should also be noted that during the 2015-2019 period new regulations were published that complement the CRR Regulation on matters related to equity, liquidity, Pillar I risks and Capital requirements.

Thus highlighting that on 9 February 2016 the Bank of Spain issued its Circular 2/2016 on supervision and solvency which completes the adaptation of the Spanish legal system to Directive 2013/36/EU and Regulation (EU) No. 575/2013.

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Finally, in June 2019, the new capital regulatory framework amending the previous one (CRR /CRD IV) entered into force by the European governing bodies. Among its measures, the reform package included the adoption of Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 (hereinafter CRD V) amending Directive 2013/36/EU as regards exempt entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures, and Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 (hereinafter CRR II) amending Regulation (EU) 575/2013 as regards the leverage ratio, the net stable funding ratio, own funds and eligible liabilities requirements, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, significant exposures and reporting and disclosure requirements.

The regulations mentioned in the preceding paragraphs have been completed by the transposition of CRD V into Spanish law by Royal Decree-Law 7/2021, published on 27 April, Royal Decree 970/2021, published on 9 November, amending Royal Decree 84/2015 and Bank of Spain Circular 5/2021, published on 23 December, amending Bank of Spain Circular 2/2016, thus finalising the adaptation to Spanish law of the supervisory and solvency requirements for credit institutions established in European regulations.

Under the requirements set out in the CRR Regulation, credit institutions must at all times comply with a total capital ratio of 8%. However, it should be noted that the regulators may exercise their powers under the new regulatory framework and require institutions to maintain additional capital levels.

In this regard, on 5 December 2024, the Parent Company received a communication from the Bank of Spain regarding the decision on the minimum prudential requirements applicable to the Company, whereby Laboral Kutxa must maintain a total capital ratio (TSCR) of no less than 9.125% of the total risk exposure amount. This requirement includes the minimum total capital ratio of 8% required in Article 92(1)(c) by Regulation (EU) No. 575/2013 and the Pillar 2 own funds requirement of 1.125%.

Likewise, the Parent Company is subject to the combined buffer requirement, so including the capital conservation buffer of 2.5%, the requirements reach 7.63% (in terms of Common Equity Tier 1 Ratio, or CET1) and 11.625% (in terms of Total Capital Ratio).

In addition, the countercyclical capital buffer (CCB) applicable to exposures located in Spain has been set at 0.5%, enforceable as of 1 October 2025.

The strategic objectives set by the Management of the Group's Parent Company in relation to the management of its own resources are as follows:

- Comply at all times, both at individual and consolidated level, with the applicable regulations on minimum capital requirements.

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- Seek maximum efficiency in the management of shareholders' equity so that, together with other profitability and risk variables, the use of shareholders' equity is considered as a fundamental variable in the analyses associated with the Group's investment decisions.

In order to meet these objectives, the Group has a series of policies and processes for managing its own resources, the main guidelines of which are as follows:

- The Group has a monitoring and control unit that reports to the Entity's Risk Department and analyses the levels of compliance with the Bank of Spain's regulations on equity.
- When planning its strategic and commercial initiatives, the Group factors in, as a key decision-making factor, their potential impact on the Group's eligible capital and the relationship between capital usage, returns and risk.
- Monitoring through the continuous supervision of the Group's solvency situation and its future planning, which includes both a central scenario that incorporates the most probable compliance assumptions for the next three years, and various stress scenarios aimed at assessing its financial capacity to overcome particularly adverse situations of various natures.

The Group's management of its own funds complies, as far as conceptual definitions are concerned, with the provisions of the solvency regulations described above:

	2024	2023
<u>Tier 1 common capital (CET1)</u>		
Capital	850,709	818,210
Qualifying results	162,572	129,459
Reserves	1,196,693	1,101,896
Valuation adjustments	40,701	167,837
(-) Other deductions	(73,617)	(71,690)
(-) CET1 adjustments due to prudential filters	28,272	(106,714)
	<u>2,205,330</u>	<u>2,038,998</u>
<u>Additional Tier 1 Capital</u>		
Qualifying equity instruments	-	-
	<u>-</u>	<u>-</u>
<u>Tier 2 Capital</u>		
Equity instruments and subordinated loans	-	-
Supplementary hedging for credit risks using the standard method	-	-
Valuation adjustments	-	-
Education and Promotion Fund	-	-
(-) Transitional adjustments	-	-
	<u>-</u>	<u>-</u>
Other items and deductions	-	-
	<u>-</u>	<u>-</u>
Total eligible equity	<u>2,205,330</u>	<u>2,038,998</u>
Total minimum equity	<u>710,059</u>	<u>684,057</u>
Risk weighted assets	<u>8,875,740</u>	<u>8,550,712</u>

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As at 31 December 2024 and 2023, the key figures for the Group's minimum capital are as follows:

	2024	2023
Tier 1 Common Capital Ratio (CET1)	24.85 %	23.85 %
Tier 1 Capital Ratio	24.85 %	23.85 %
Total Capital Ratio	24.85 %	23.85 %

At the date of the present consolidated annual accounts, the Group complies with the above legislation.

6.2 Minimum reserve ratios

The Official Journal of the European Union, of 21 December 2011, published EU Regulation 1358/2011 of the European Central Bank, of 14 December 2011, amending EU Regulation 1745/2003 on the application of minimum reserves. The amendment consisted of reflecting the reduction, approved by the Governing Council of the European Central Bank on 8 December 2011, of the minimum reserve ratio to be held by institutions from 2% to 1%, as of the reserve maintenance period that began on 18 January 2012.

At 31 December 2024 and 2023, as well as throughout the years 2024 and 2023, the Parent Company has complied at all times with the minimum required for this ratio by the applicable regulations at any given time.

The amount of cash that the Parent Company holds in the Bank of Spain account for this purpose amounts to 2,805,296 thousand euros as of 31 December 2024 (1,261,130 thousand euros as of 31 December 2023) (Note 22), although the obligation to maintain the balance required by applicable regulations to comply with the indicated minimum reserve ratio is calculated on the average of the final balances of the day held in that account during the maintenance period.

7. Remuneration of the Directors and Senior Management of the Parent Company

a) Remuneration of the Governing Board

Since May 2022, the members of the Governing Board are remunerated through attendance allowances, except for its Chairman. The allowances are intended to compensate both the dedication and the responsibility of the position and have amounted to 95 thousand euros in the 2024 financial year and 93 thousand euros in 2023.

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The amounts accruing to the four working members who were members of the Governing Board as at 31 December 2024 (4 working members as at 31 December 2023), including those of the Chairman, for the performance of their duties were as follows:

	Short-term remuneration	
	2024	2023
Members of the Governing Board (*)	405	350
	405	350

In addition, as at 31 December 2023, the accrued income for the Chairman of the Governing Board amounted to 185 thousand euros.

(*) *Caja Laboral Popular compensates the dedication of the Chairman with the fixed remuneration criteria applied to the rest of the working partners. The Chairman does not earn variable remuneration.*

b) Remuneration to Senior Management

10 people have been considered as Senior Management personnel of the Parent Company, who are members of the Board of Directors as at 31 December 2024 (9 people as at 31 December 2023).

The following table sets out the remuneration accrued for the group defined above.

	Short-term remuneration	
	2024	2023
Senior Management	1,616	1,497
	1,616	1,497

In addition to the amounts accrued during the year to the members of the Parent Company's Governing Board and Senior Management indicated above, set out below is a breakdown of income and expenses recorded in the income statement for 2024 and 2023 in relation to the members of the Parent Company's Governing Board and Senior Management:

	Financial income		Financial expenses		Fee and commission income	
	2024	2023	2024	2023	2024	2023
Governing Board Members and Senior Management	41	39	26	8	6	5

The members of the Parent Company's Senior Management who act on behalf of the Company on the Boards of Directors of Group investee entities have received no remuneration due to their positions as Directors of such Investee companies in 2024 and 2023.

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- c) Loans, credits, term deposits and guarantees and commitments to members of the Governing Board and Senior Management

Set out below is a breakdown of asset and liability balances recorded in the balance sheet that relate to transactions carried out with members of the Governing Board and Senior Management of the Parent Company as at 31 December 2024 and 2023:

	Assets - granted (gross amount)		Liabilities - On demand and term deposits		Guarantees and Commitments	
	2024	2023	2024	2023	2024	2023
Governing Board Members and Senior Management	1,680	1,416	1,544	1,756	-	-

8. Agency contracts

In accordance with Article 21 of Royal Decree 84/2015, of 13 February, implementing Law 10/2014, of 26 June, on the organisation, supervision and solvency of credit institutions, Appendix II contains a list of the individuals or legal entities to whom the Parent Company, as at 31 December 2024 and 2023, had granted powers to deal with customers on a regular basis on behalf of the Parent Company, for the purpose of arranging or formally agreeing business transactions of the type normally engaged in by a credit institution.

The list of these agents has been duly reported to the Bank of Spain as at 31 December 2024 and 2023.

9. Environmental impact

The Group's global operations are governed, inter alia, by Laws on environmental protection and employee health and safety. The Group deems that it substantially complies with these Laws and that the procedures it uses are designed to encourage and ensure compliance with said Laws.

The Parent Company has acquired several commitments that showcase its commitment to reducing and measuring its environmental impact, such as the commitments acquired as a founding signatory of the United Nations Principles for Responsible Banking and its incorporation in 2024 to the Global Alliance for Banking on Values.

During the financial years 2024 and 2023, in the opinion of the Parent Company's Governing Board, climate risks do not have a significant impact on the consolidated financial statements for the financial years 2024 and 2023 and, therefore, it has not been considered necessary to record any provision for environmental risks and expenses, given that there are no contingencies in this connection that could significantly affect these annual accounts.

The Group's global operations are governed, inter alia, by Laws on environmental protection and employee health and safety. The Group deems that it substantially complies with these Laws and that the procedures it uses are designed to encourage and ensure compliance with said Laws.

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10. Single Resolution Fund and Deposit Guarantee Fund

10.1 Single Resolution Fund

Law 11/2015 and Royal Decree 1012/2015 transpose Directive 2014/59/EU, establishing the framework for the resolution of credit institutions and investment firms in the context of the Single Resolution Mechanism and its Single Resolution Fund.

The Single Resolution Fund, in force since 1 January 2016, is a financing instrument for the Single Resolution Board, funded by contributions from credit institutions and investment firms. These contributions, accrued on 1 January each year, are calculated on the basis of the proportion of net liabilities (net of own funds and guaranteed amount of deposits) of each institution, adjusted for its risk profile, as set out in Regulation (EU) 2015/63. During the transitional period until 31 December 2024, the contributions will be progressively increased to 1% of guaranteed deposits.

On 21 February 2024, the Single Resolution Board notified that the contribution target had been reached, hence in 2024 no expenses were incurred in relation to these contributions (compared to the EUR 4,339 thousand recognised in 2023, see Note 55).

10.2 Deposit Guarantee Fund

The Parent Company is a member of the Deposit Guarantee Fund for Credit Institutions.

Royal Decree 2606/1996, of 20 December, amended by Royal Decree 1012/2015, of 6 November, establishes that the Management Committee of the Deposit Guarantee Fund shall determine the annual contributions of entities belonging to the Deposit Guarantee Fund for Credit Institutions.

The Management Committee of the Deposit Guarantee Fund for Credit Institutions, pursuant to the provisions of Article 6 of Royal Decree-Law 16/2011 and Article 3 of Royal Decree 2606/1996, has set the contribution to be made by all the member institutions to the deposit guarantee fund at 1.75 per thousand of the amount of guaranteed deposits at 31 December of each year (1.75 per thousand in 2022). The contribution of each entity is calculated according to the amount of the guaranteed deposits and its risk profile, taking into consideration indicators such as capital adequacy, asset quality and liquidity, which have been developed by Bank of Spain Circular 5/2016, of 27 May, amended by Circular 1/2018, of 31 January. Likewise, the contribution to the securities guarantee fund has been set at 2 per thousand of 5% of the guaranteed amount of securities and other financial instruments as of 31 December of each year.

The expense for these contributions is accrued in accordance with IFRIC 21 at 31 December of each financial year in which the payment obligation exists.

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In addition, on 30 July 2012, the Management Committee agreed on an extraordinary charge to be paid by the entities, to be paid in ten equal annual instalments, the total amount for the Entity being 35,227 thousand euros. The last payment of 3,523 thousand euros was made on 30 July 2022, with no outstanding amount recorded at 31 December 2024 and 2023 for the aforementioned commitment.

On the other hand, Royal Decree-Law 6/2013 increased, on an exceptional and one-off basis, the annual contribution by an additional 3 per thousand on deposits held at 31 December 2012, which was already paid and accrued.

In the 2024 financial year, this Committee agreed –in application of Article 6 of Royal Decree-Law 16/2011 and Article 3 of Royal Decree 2606/1996– that no contribution would be made to the deposit guarantee compartment, compared to the 1.75 per thousand of guaranteed deposits at 31 December 2022 recognised in 2023.

In 2024, the expense incurred for all contributions to be made to this body amounted to 91 thousand euros (31,354 thousand euros in 2023), which was recognised under “Other operating expenses” in the accompanying income statement (Note 55).

11. Audit fees

During the 2024 and 2023 financial years, the fees for the audit of the individual and consolidated financial statements of the Group companies and other services provided to Group companies by the Parent Company’s auditor, Ernst & Young S.L. (PricewaterhouseCoopers Auditores, S.L. in the 2023 financial year), and by companies related to the auditor by control, common ownership or management, were as follows:

	Thousands of euros	
	2024	2023
Audit Services	548	631
Other Verification Services	96	114
Total Audit and Related Services	644	745
Tax Advisory Services	-	-
Other Services	80	173
Total Other Professional Services	80	173

On the other hand, in the 2024 financial year, the different Caja Laboral Group companies have paid audit fees to firms other than the Parent Company’s auditor in the amount of 58 thousand euros (39 thousand euros in the 2023 financial year).

12. Subsequent events

In the period between 31 December 2024 and the date of preparation of these consolidated financial statements, no events have occurred that significantly affect the Group.

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13. Accounting principles and standards and valuation criteria applied

The most significant accounting principles and standards applied in the preparation of these consolidated financial statements are described below:

a) Going concern principle

In preparing the consolidated financial statements, it has been assumed that the management of the entities included in the Group will continue for the foreseeable future. Therefore, the application of the accounting standards is not intended to determine the value of the consolidated equity for the purpose of its global or partial transfer or the resulting amount in the event of liquidation.

Furthermore, at the date of preparation of these financial statements, the Entity's main reference indicators show solvency and liquidity levels that do not pose any risk to the continuity of the business.

b) Accrual principle

These consolidated financial statements, except with respect to the consolidated cash flow statements, have been prepared on the basis of the real flow of goods and services, irrespective of the date of payment or collection.

c) Other general principles

The consolidated financial statements have been prepared in accordance with the historical cost approach, although modified by the revaluation, where appropriate, of land and buildings carried out on 1 January 2004, as indicated in Note 13.q, as well as the measurement at fair value of financial assets with changes in other comprehensive income and other financial assets and liabilities (including derivatives).

The preparation of the consolidated financial statements requires the use of certain accounting estimates. Similarly, Management is required to exercise judgement in the application of the Group's accounting policies. These estimates may affect the amount of assets and liabilities and the breakdown of contingent assets and liabilities at the date of the consolidated financial statements and the amount of income and expenses over the period covered by the consolidated financial statements. Although the estimates are based on Management's best understanding of the current and foreseeable circumstances, the final results could differ from such estimates.

d) Nature and operation of Financial derivatives

Financial derivatives are instruments that, in addition to providing a loss or a gain, may enable, under certain conditions, the offset of all or part of the credit and/or market risks associated with balances and transactions, using as underlying interest rates, certain indices, the prices of some securities, cross currency exchange rates or other similar references. The Group uses financial derivatives traded on organised markets or traded bilaterally with counter-parties on an over-the-counter (OTC) basis.

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Financial derivatives are used to trade with customers who request them, to manage the risks of the Group's own positions (hedging derivatives) or to benefit from changes in their prices. Financial derivatives which may not be considered hedges are regarded as trading derivatives. The conditions that enable them to be accounted for as hedges are as follows:

- i) The financial derivative should cover the risk of changes in the value of assets and liabilities due to fluctuations in the interest rate and/or exchange rate (fair value hedge), the risk of changes in estimated cash flows resulting from financial assets and liabilities, highly probable foreseeable commitments and transactions (cash flow hedge) or the net investment risk in a foreign operation (hedging of net investment in foreign operations).
- ii) The financial derivative must effectively eliminate some risk inherent to the hedged item or position for the entire expected term of the hedge. Therefore, it must have prospective effectiveness, effectiveness at the time the hedge is entered into under normal conditions, and retrospective effectiveness, sufficient evidence that the effectiveness of the hedge will be maintained throughout the life of the hedged item or position.
- iii) It must be adequately documented that the financial derivative was entered into specifically to hedge specific balances or transactions and how it was intended to achieve and measure effective hedging, provided that this is consistent with the Group's own risk management.

Hedges may be applied to individual items or balances or financial asset and liability portfolios. In this latter case, the set of financial assets or liabilities to be hedged should share the same type of risk, this being understood to be the case when sensitivity to interest rate fluctuations of the individual items hedged is similar.

The Parent Company uses derivatives of different types to hedge its exposure: interest rate derivatives, equity derivatives, currency derivatives, etc., depending on the type of risk underlying the item to be hedged. Hedging instruments that can be used include Interest Rate Swaps (IRS), Call Money Swaps (CMS), FRAs, Interest Rate Futures, Bond Futures, Equity Index Futures, Equity Futures, Forward Foreign Exchange Swaps, Interest Rate Options, Equity Index Options, Equity Options, Currency Options, Interest Rate Structure Options, Equity Structure Options and Equity Swaps.

Hedging transactions with derivative instruments contracted by the Group, which are generally considered to be fair value hedges, are intended to fully or partially hedge the risk of changes in the fair value of certain liabilities or deposits issued by the Parent Company in the event of changes in interest rates or the fair value of certain equity instruments and debt securities in the portfolio of financial assets at fair value through other comprehensive income.

Financial derivatives embedded in other financial instruments or in other prime contracts are recognised separately as derivatives if their risks and characteristics are not closely related to those of the host contracts and provided that such prime contracts are not classified as "Financial assets held for trading" or "Financial assets and liabilities designated at fair value through profit or loss".

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The Parent Company uses netting and collateral agreements signed with counter-parties as a risk mitigation policy in this respect, thus minimising exposure to a possible bankruptcy of the counter-party. At 31 December 2024, deposits received and delivered as collateral amount to 690 and 299,136 thousand euros, respectively, and are recognised under "Financial liabilities at amortised cost - Other financial liabilities" and "Financial assets at amortised cost - Loans and advances" (1,320 thousand euros and 398,873 thousand euros, respectively, in 2023) (Notes 35 and 25).

The valuation criteria for financial derivatives are described in section e) Financial assets of this Note.

e) Financial assets

Financial assets are included for the purpose of their measurement in one of the following portfolios:

- i) Financial assets at amortised cost.
- ii) Financial assets at fair value with changes in other comprehensive income.
- iii) Financial assets necessarily measured at fair value with changes in profit and loss:
 - a. Financial assets held for trading.
 - b. Financial assets not intended for trading, which are necessarily measured at fair value through profit or loss
- iv) Financial assets designated at fair value through profit or loss.

The classification in the previous categories is made on the basis of the following two elements:

- The Group's business model for the management of financial assets, and
- the characteristics of the contractual cash flows of financial assets.

Business model

The business model is the way in which financial assets are managed to generate cash flows. The business model is determined considering how groups of financial assets are jointly managed to achieve a specific objective. Therefore, the business model does not depend on the intentions of the Group for an individual instrument, but is determined for a set of instruments.

The business models used by the Group are:

- Maintenance of financial assets to receive their contractual cash flows: Under this model, financial assets are managed with the objective of collecting their specific contractual cash flows and not to earn an overall return by holding and selling assets. Notwithstanding the above, pre-maturity disposals of assets are permitted under certain circumstances. Sales that may be consistent with a model of holding assets to receive contractual cash flows include infrequent or insignificant sales, sales of maturing assets, sales motivated by increased credit risk and sales made to manage concentration risk.

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- Sale of financial assets.
- Combination of the two previous business models (maintenance of financial assets to receive their contractual cash flows and sale of financial assets): This business model implies the sale of more frequent and higher value assets, these being essential to the business model.

Characteristics of contractual cash flows of financial assets

A financial asset must be classified in the initial moment in one of the following two categories:

- Those whose contractual conditions give rise, on specified dates, to cash flows consisting only of principal and interest payments on the outstanding principal amount.
- Rest of financial assets.

For purposes of this classification, the principal of a financial asset is its fair value at the time of initial recognition, which may change throughout the life of the financial asset; for example, if there are redemptions of the principal. Likewise, interest is understood as the sum of the consideration for the time value of money, for the financing and structure costs, and for the credit risk associated with the amount of principal pending collection during a specific period, plus a profit margin.

Classification of portfolios for measurement purposes

The Group classifies a financial asset for measurement purposes:

- In the “Financial assets at amortised cost” portfolio when the following two conditions are met:
 - a. it is managed under a business model whose objective is to hold financial assets to receive contractual cash flows; and
 - b. the contractual conditions give rise to cash flows on specified dates, which are only payments of principal and interest on the outstanding principal amount (SPPI test).
- In the “Financial assets at fair value with changes in other comprehensive income” portfolio, when the following two conditions are met:
 - a. it is managed with a business model whose objective combines the receipt of the contractual cash flows of the financial assets and the sale, and
 - b. the contractual conditions give rise to cash flows on specified dates, which are only payments of principal and interest on the outstanding principal amount (SPPI test).

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- The “Financial assets held for trading” portfolio includes all instruments for which any of the following characteristics are met:
 - a. they are originated or acquired with the aim of realising them in the short term.
 - b. they are part of a group of financial instruments identified and jointly managed for which there is evidence of recent actions to obtain short-term gains.
 - c. they are derivative instruments that do not meet the definition of a financial guarantee contract nor have they been designated as hedge accounting instruments.
- In the “Financial assets at fair value with changes in profit and loss” portfolio: provided that due to the Company’s business model for its management or due to the characteristics of its contractual cash flows it is not appropriate to classify it in any of the previous portfolios.

An exception to the general valuation criteria described above are investments in equity instruments. The Group generally exercises an irrevocable option on initial recognition to include in the portfolio of financial assets at fair value through other comprehensive income investments in equity instruments that are not classified as held for trading and which, if this option is not exercised, would otherwise be classified as financial assets at fair value through profit or loss.

With regard to the assessment of the business model, this does not depend on the intentions for an individual instrument, but is determined for a set of instruments, taking into consideration the frequency, amount and timing of sales in previous years, the reasons for such sales and the expectations regarding future sales. Infrequent or insignificant sales, sales close to the maturity of the asset and sales motivated by, among other things, an increase in the credit risk of the financial assets or to manage concentration risk may be consistent with the model of holding assets to receive contractual cash flows.

If a financial asset contains a contractual provision that may modify the timing or amount of contractual cash flows (such as early amortisation provisions or an extension of the contractual term), the Entity determines whether the cash flows to be generated over the life of the instrument due to the exercise of the contractual provision are solely payments of principal and interest on the principal amount outstanding. This considers the contractual cash flows that may be generated before and after the change in the timing or amount of the contractual cash flows.

At the same time, in the event that a financial asset provides for a periodic interest rate adjustment but the frequency of that adjustment does not match the term of the benchmark interest rate (for example, the interest rate is adjusted every three months to the one-year rate), the Group assesses, at initial recognition, this mismatch in the interest component to determine whether the contractual cash flows represent only principal and interest payments on the principal amount outstanding.

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Contractual terms that, at initial recognition, have a minimal effect on cash flows or are dependent on the occurrence of exceptional and highly unlikely events (such as liquidation of the issuer) do not preclude classification in the amortised cost or fair value through other comprehensive income portfolios.

- v) Derivatives - hedge accounting that includes the financial derivatives purchased or issued by the Group which qualify for consideration as accounting hedges.

The adoption of IFRS 9 on hedge accounting was approved by the governing bodies on 2 June 2023, and entered into effect on 1 January 2023. Laboral Kutxa has adapted its accounting policies and processes to the new regulations, which have also been approved by the governing bodies of the Parent Company.

The adoption of the new accounting framework for hedge accounting has not led to any significant quantitative changes in the financial statements. The key points to consider in order to comply with these regulations are described below.

Hedging relationships should involve an official designation and formal documentation, which should include the following items:

- Risk management objectives and strategy.
- Identification of the hedged item and the hedging instrument.
- Nature of the risk.
- Methodology for measuring effectiveness, together with sources of ineffectiveness and how to determine the hedge ratio.

These sections are supplemented by the effectiveness requirements:

- An economic relationship must exist between the hedged item and the hedging instrument.
- The credit risk does not dominate the changes in value resulting from this economic relationship.
- Achieve the hedge ratio for accounting purposes, which is the ratio of the amount of the hedged item to the amount of the hedging instrument.

This relationship should be the same at both the accounting and operational levels.

Fair value hedges

This type of hedge hedges changes in the fair value of assets or liabilities or unrecognised firm commitments or a component thereof attributable to a specific risk that could affect the income statement.

In fair value hedges, differences in value are recognised by differentiating between the following options:

- If the hedged item is measured at fair value through other comprehensive income, the change in fair value of the hedged item is recognised in the income statement.

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- If it is an equity instrument, changes in hedges are accounted for in other comprehensive income.

Cash flow hedges

Cash flow hedges hedge the volatility in the income statement caused by changes in cash flows arising from the specific risk associated with an asset or liability financial instrument or a highly probable transaction.

The proportion of the change in the hedging instrument that is determined to be an effective hedge shall be recognised in other comprehensive income. However, any remaining change shall be recognised in profit or loss for the year.

- vi) Changes in the fair value of the hedged items in a portfolio with interest rate risk hedging as the counterpart of the amounts credited to the consolidated income statement resulting from the measurement of the financial instrument portfolios which are efficiently hedged against the interest rate risk through fair value hedging derivatives.
- vii) Investments in joint ventures and associates which include equity instruments in Jointly-controlled Entities and Associates.

Jointly-controlled Entities are the Investees which are jointly controlled by the Group and by another entity or entities not related to the Group and joint ventures. Joint ventures are contractual arrangements whereby two or more entities or venturers enter into transactions or hold assets in such a way that any strategic financial or operational decision affecting them requires the unanimous consent of all the venturers, without such transactions or assets being embedded in financial structures separate from those of the venturers.

Associates are investees in which the Group has significant influence. Significant influence is generally, but not exclusively, expressed by holding an interest, directly or indirectly through one or more other Investees, of 20% or more of the voting rights of the Investee.

- viii) Assets covered by insurance or reinsurance contracts that correspond to the rights to be reimbursed by the insurance companies of part or all of the disbursement required in order to cancel a defined-benefit obligation when the insurance policies fail to meet the conditions to qualify as a Plan asset.
- ix) Non-current assets and disposal groups that have been classified as held for sale of a financial nature corresponding to the carrying amount of individual items, integrated in a disposal group or forming part of a business unit that are intended to be disposed of (discontinued operations) and whose sale is highly probable to be completed, in the condition in which such assets are currently held, within one year from the reporting date. Therefore, the carrying amount of these financial items will presumably be recovered through the price obtained upon disposal. There are other non-current assets held for sale of a non-financial nature, the accounting treatment of which is described in Note 13.v).

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Recognition and measurement

At the time of initial recognition, all financial instruments will be recorded at their fair value. They are subsequently measured at the accounting close in accordance with the following criteria:

- i) Financial assets are measured at fair value except financial assets at amortised cost and investments in joint ventures and associates and financial derivatives that have such equity instruments as underlying assets and are settled through their delivery.
- ii) The fair value of a financial asset is understood to be the amount at which it may be delivered between duly informed interested parties in an arm's length transaction. The best evidence of fair value is the quoted price in an active market that corresponds to an organised, transparent and deep market.

Where there is no market price for a specific financial asset, fair value is estimated on the basis of the value established on recent transactions involving similar instruments and, alternatively, sufficiently verified measurement models. Similarly, the specific characteristics of the asset to be measured are taken into account and in particular, the different types of risks associated with the financial asset. However, the limitations of the measurement models developed and possible inaccuracies in the assumptions required by these models may mean that the fair value of a financial asset may not exactly match the price at which the asset could be bought or sold at the measurement date.

- iii) The fair value of financial derivatives with a quoted price in an active market is their daily quoted price and if, for exceptional reasons, their quoted price cannot be established on a given date, they are measured using methods similar to those used to measure OTC financial derivatives.

Derivatives without a market or for which there is a little active market are valued following the most consistent and appropriate economic methodologies, maximising the use of observable inputs and considering any factors that a market participant would value, such as: a) recent transactions in other instruments that are substantially the same, b) discounted cash flows, c) market models for valuing options. The techniques applied are those used preferentially by market participants and have been shown to provide the most realistic estimate of the price of the instrument.

Upon initial recognition, all financial derivatives are recorded at fair value. At the time of initial recognition, the best evidence of the fair value of a financial instrument is normally the transaction price. The Laboral Kutxa Group does not carry out any relevant transactions with derivative instruments whose fair value at initial recognition differs from the transaction price.

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- iv) Financial assets at amortised cost are measured at amortised cost, using the effective interest rate method. Amortised cost is understood to be the acquisition cost of a financial asset adjusted for principal repayments and the portion recognised in the consolidated income statement, using the effective interest method, of the difference between the initial cost and the corresponding redemption value at maturity and less any impairment loss recognised directly as a reduction in the carrying amount of the asset or through an allowance account. In the case of Loans and receivables that are hedged in fair value hedging transactions, changes in their fair value related to the risk or risks hedged in such hedging transactions are recognised.

The effective interest rate is the discount rate that exactly matches the value of a financial instrument to the estimated cash flows over the expected life of the instrument based on its contractual terms, such as early amortisation options, but without regard to future credit risk losses. For fixed interest rate financial instruments, the effective interest rate coincides with the contractual interest rate established at the time of acquisition plus, where applicable, any fees which, due to their nature, can be assimilated to an interest rate. For floating rate financial instruments, including inflation indexed bonds, periodic re-estimations of cash flows to reflect the movement of interest rates and expected inflation change the effective interest rate prospectively.

For financial instruments that are not recorded at fair value through profit or loss, the fair value is adjusted by adding or subtracting the transaction costs directly attributable to their acquisition or issue. In the case of financial instruments at fair value through profit or loss, directly attributable transaction costs are recognised immediately in the consolidated income statement.

Transaction costs are defined as expenses directly attributable to the acquisition or disposition of a financial asset, or to the issuance or assumption of a financial liability, which would not have been incurred if the Entity had not carried out the transaction.

Receivables from trade transactions that do not have a significant financing component and trade receivables and short-term debt instruments that are initially measured at transaction price or principal amount, respectively, continue to be measured at that amount less the estimated impairment loss as described in Note 13 (h).

In 2019, the Group completed an internal project to identify the direct and incremental transaction costs of credit investment operations. As a result, certain identified transaction costs are initially recognised as an increase in the value of the asset and included in the determination of the effective interest rate, reducing it for financial assets through their accrual over the life of the transaction (Note 25 b.2).

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Changes in the carrying amount of financial assets are generally recognised with a balancing entry in the consolidated income statement, with a distinction being made between those arising from the accrual of interest and similar items, which are recognised under “Interest income”, and those arising from other causes, which are recognised at their net amount, in the “Gains or (-) losses on financial assets and liabilities held for trading, net”, “Gains or (-) losses on non-trading financial assets necessarily measured at fair value through profit or loss, net” and “Gains or (-) losses on assets and liabilities designated at fair value through profit or loss, net” in the consolidated income statement.

However, changes in the carrying amount of the instruments included under “Financial assets at fair value through other accumulated comprehensive income” are recognised temporarily under “Other accumulated comprehensive income” in consolidated Net Equity unless they arise from exchange differences on monetary financial assets. The amounts included in the heading “Other accumulated comprehensive income” remain part of the consolidated Net Equity until the reduction in the consolidated balance sheet of the asset in which they originate occurs, at which time they are written off against the income statement and consolidated gains, recorded under “Gains or losses upon derecognition in financial assets and liabilities not measured at fair value through profit or loss, net”, in the case of debt instruments and “Other reserves”, in the case of equity instruments.

For financial assets designated as hedged items and accounting hedges, measurement differences are recorded on the basis of the following criteria:

- i) Fair value hedges:
 - a. If the hedged item is measured at fair value through other comprehensive income, the change in fair value of the hedged item is recognised in the income statement.
 - b. If it is an equity instrument, changes in hedges are accounted for in other comprehensive income.
- ii) Measurement differences relating to the ineffective portion of cash flow hedges and net investments in foreign operations are recognised directly in the consolidated income statement.
- iii) In cash flow hedges, measurement differences arising on the effective portion of the hedged item are recognised temporarily in consolidated equity under “Accumulated other comprehensive income”.
- iv) In hedges of net investments in foreign operations, measurement differences arising on the effective portion of the hedged item are recognised temporarily in consolidated equity under “Accumulated other comprehensive income”.

In the latter two cases, measurement differences are not recognised in the income statement until the gain or loss on the hedged item is recognised in the consolidated income statement or until reaching the maturity date of the hedged item.

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Reclassification between financial instrument portfolios

Only when the Group changes its business model for the management of financial assets would all the affected financial assets be reclassified in accordance with the following sections. Such reclassification is made prospectively from the date of reclassification, with no restatement of previously recognised gains, losses or interest. In general, changes in the business model occur very infrequently, in the following cases:

- i) When the Group reclassifies a debt instrument from amortised cost to fair value through profit or loss, the Group estimates its fair value on the date of reclassification. Any loss or gain that arises, due to the difference between the previous amortised cost and the fair value, will be recognised in the consolidated income statement.
- ii) If the Group classifies a debt instrument from fair value through profit or loss to amortised cost, the fair value of the asset at the date of reclassification becomes its new gross carrying amount.
- iii) If the Group reclassifies a debt instrument from amortised cost to fair value through other comprehensive income, the entity shall estimate its fair value on the date of reclassification. Any loss or gain that arises due to differences between the previous amortised cost and fair value will be recognised in other comprehensive income. The effective interest rate and the estimate of the expected credit losses will not be adjusted as a result of the reclassification.
- iv) If a debt instrument is reclassified from the fair value portfolio through other comprehensive income to that of amortised cost, the financial asset will be reclassified at fair value on the reclassification date. The cumulative loss or gain on the date of reclassification in other accumulated comprehensive income of equity will be cancelled using as a balancing item the carrying amount of the asset on the date of reclassification. Thus, the debt instrument will be measured at the date of reclassification as if it had always been measured at amortised cost. The effective interest rate and the estimate of the expected credit losses will not be adjusted as a result of the reclassification.
- v) If the Group reclassifies a debt instrument from the fair value portfolio through profit or loss to that of fair value through other comprehensive income, the financial asset will continue to be measured at fair value, without modifying the accounting for changes in value registered previously.
- vi) If the Group reclassifies a debt instrument from the fair value portfolio through other comprehensive income to that of fair value through profit or loss, the financial asset will continue to be measured at fair value. The loss or gain accumulated previously in "Other accumulated comprehensive income" of the net equity will be transferred to the result for the year on the reclassification date.
- vii) When the investment in a subsidiary, joint venture or associate ceases to qualify as such, the retained investment, if any, will be measured at its fair value on the reclassification date, recognising any gain or loss that arises, as a difference between the carrying amount prior to reclassification and said fair value, in profit or loss or in other comprehensive income, as applicable, based on the subsequent measurement of the investment retained.

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No reclassifications between financial instrument portfolios have been made during the 2024 and 2023 financial years. During the 2023 financial year and in order to try to take advantage of investment opportunities with higher IRR existing in the market that will allow for greater sustainability in the future profit and loss account, the Parent Company has sold financial assets at amortised cost / held-to-maturity investments within the maximum percentage established in its internal policy.

f) Financial liabilities

Classification

Financial liabilities are classified in the consolidated balance sheet according to the following criteria:

- i) Financial liabilities held for trading include financial liabilities that have been issued for the purpose of repurchase in the near term, are part of a portfolio of jointly identified and managed financial instruments for which recent actions have been taken to realise short-term gains, are derivative instruments not designated as accounting hedging instruments, or arise from the firm sale of financial assets purchased under resale or borrowed.
- ii) Financial liabilities designated at fair value through profit or loss that correspond to financial liabilities designated at initial recognition by the Group or when doing so provides more relevant information because:
 - This eliminates or significantly reduces inconsistencies in recognition or measurement that would arise from measuring assets or liabilities, or recognising their gains or losses, on different bases.
 - A group of financial liabilities is managed and its performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy and information about that Group is also provided on a fair value basis to key management personnel.
- iii) Financial liabilities measured at amortised cost that correspond to the financial liabilities that do not fit into any of the other categories on the consolidated balance sheet and relate to operations typically carried out by financial institutions to bring in funds, regardless of how they are instrumented and their terms.
- iv) Derivatives – hedge accounting that includes the financial derivatives purchased or issued by the Group which qualify for consideration as accounting hedges.
- v) Changes in the fair value of the hedged items in a portfolio with interest rate risk hedging as the counterpart of the amounts credited to the consolidated income statement resulting from the measurement of the financial instrument portfolios which are efficiently hedged against the interest rate risk through fair value hedging derivatives.

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- vi) Capital repayable on demand which includes the amount of financial instruments issued by the Group which, having the legal nature of equity, do not meet the requirements to qualify as equity. They are measured as financial liabilities at amortised cost unless the Group has designated them as financial liabilities at fair value through profit or loss if the conditions are met.

The Parent Company's Articles of Association provide that the repayment of the members' contributions is subject to the approval of the Parent Company's Governing Board and to the condition that such repayment does not result in an insufficient coverage of the minimum share capital, equity or solvency ratio.

- vii) Liabilities included in disposal groups classified as held for sale which relate to the credit balances arising from Non-current assets and disposal groups classified as held for sale.

Recognition and measurement

Financial liabilities are recorded at amortised cost, as defined for financial assets in Note 13.e, except in the following cases:

- i) Financial liabilities included under the headings "Financial liabilities held for trading" and "Financial liabilities at fair value through profit or loss" are carried at fair value, as defined for financial assets under Note 13.e. Financial liabilities hedged in fair value hedging transactions are adjusted and changes in their fair value in relation to the risk hedged in the hedging transaction are recorded under the heading "Micro-hedging transactions" in the heading to which the financial liabilities belong.
- ii) Financial derivatives for which the underlying is an equity instrument whose fair value cannot be determined in a sufficiently objective manner and which are settled through their delivery are measured at cost.

Changes in the carrying amount of financial liabilities are generally recognised with a balancing entry in the consolidated income statement, with a distinction being made between those arising from the accrual of interest and similar items, which are recognised under "Interest expenses", and those arising from other causes, which are recorded at their net amount under "Gains or (-) losses on financial assets and liabilities held for trading, net" and "Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net" in the consolidated income statement.

In the case of financial liabilities designated as hedged items and accounting hedges, measurement differences are recorded taking into account the criteria indicated for Financial Assets in Note 13.e.

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g) Transfers and derecognition of financial instruments from the consolidated balance sheet

Transfers of financial instruments are accounted for by taking into consideration the manner in which the risks and rewards associated with the transferred financial instruments are transferred, based on the following criteria:

- i) If the risks and rewards are substantially transferred to third parties, such as in unconditional sales, sales under repurchase agreements at fair value at the date of repurchase, sales of financial assets with a call or put option issued deep-out-of-the money, asset securitisations in which the transferor does not retain subordinated financing or grant any credit enhancement to the new holders, etc., the transferred financial instrument is derecognised from the consolidated balance sheet and any rights or obligations retained or created as a result of the transfer are recognised simultaneously.
- ii) If the risks and rewards associated with the transferred financial instrument are substantially retained, such as in sales of financial assets under repurchase agreements for a fixed price or for the sale price plus interest, securities lending contracts where the borrower has an obligation to return the same or similar assets, etc., the transferred financial instrument is not derecognised and continues to be measured on the same basis as before the transfer. However, the associated financial liability is recognised for accounting purposes at an amount equal to the consideration received, which is subsequently measured at amortised cost, the income from the transferred, but not derecognised financial asset and the expense of the new financial liability.
- iii) If neither the risks and rewards associated with the transferred financial instrument are substantially transferred nor retained, such as in sales of financial assets with a call or put option issued neither deep-out-of or deep-in the money, securitisations where the transferor assumes subordinated financing or other credit enhancements for a portion of the transferred asset, etc., a distinction is made between:
 - If the Group does not retain control of the transferred financial instrument, in which case it is derecognised from the balance sheet and any rights or obligations retained or created as a result of the transfer are recognised.
 - If the Group retains control of the transferred financial instrument, in which case it continues to recognise it on the balance sheet for an amount equal to its exposure to changes in value and an associated financial liability is recognised for an amount equal to the consideration received. Such liabilities are subsequently measured at amortised cost unless they qualify for classification as financial liabilities designated at fair value through profit or loss. Because they do not constitute a present obligation, the amount of financial instruments (such as asset-backed securities and loans) owned by the Company that constitute financing for the Company to which the financial assets are transferred shall be deducted in calculating the amount of this financial liability to the extent that those instruments specifically finance the transferred assets. The net amount of the transferred asset and the associated liability shall be the amortised cost of the rights and obligations retained, if the transferred asset is measured at amortised cost, or the fair value of the rights and obligations retained, if the transferred asset is measured at fair value.

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Therefore, financial assets are only derecognised from the consolidated balance sheet when the cash flows they generate have been extinguished or when the risks and rewards associated with them have been substantially transferred to third parties. Similarly, financial liabilities are only derecognised from the consolidated balance sheet when the obligations that they generate have been extinguished or when they are purchased with a view to their cancellation or replacement.

At 31 December 2024 and 2023 the Group has no financial assets or liabilities derecognised as a result of the previous regulations applicable before 1 January 2004 (Notes 25 and 35).

h) Impairment of financial assets and other credit exposures

The Group applies impairment requirements to debt instruments measured at amortised cost and at fair value through other comprehensive income, as well as to other exposures involving credit risk such as loan commitments given, financial guarantees given and other commitments given.

The objective of the impairment requirements of IFRS 9 is to recognise expected credit losses from operations, assessed on a collective or individual basis, taking into account all available reasonable and supportable information, including forward-looking information.

Impairment losses for the period on debt instruments are recognised as an expense under "Impairment or (-) reversal of impairment of financial assets not measured at fair value through profit or loss and net gains or losses on modification" in the consolidated income statement. Impairment losses on debt instruments are recognised against a provision allowance account which reduces the carrying amount of the asset.

Hedges for impairment losses on exposures that involve credit risk other than debt instruments are recorded as a provision in "Provisions - Commitments and guarantees granted" on the liability side of the balance sheet. The provisions and reversals of these hedges are recorded under the heading "Provisions or (-) reversal of provisions" in the consolidated income statement.

The impairment criteria, by type of instrument and portfolio are summarised below:

Debt instruments measured at amortised cost and off-balance sheet exposures

In order to determine impairment losses, the Group monitors debtors individually, at least for all significant debtors, and collectively, for groups of financial assets with similar credit risk characteristics indicative of the debtors' ability to pay outstanding amounts. When a particular instrument cannot be included in any group of assets with similar risk characteristics, it will be analysed on a solely individual basis to determine whether it is impaired and, if so, to estimate the losses due to impairment.

The Group has policies, methods and procedures to estimate the losses that may arise as a result of its credit risks, both due to insolvency attributed to counter-parties and due to country risk. These policies, methods and procedures are applied in the granting, modification, evaluation, monitoring and control of debt instrument transactions and off-balance sheet exposures, as well as in the identification of their possible impairment and, where appropriate, in the calculation of the amounts necessary to cover estimated losses.

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Accounting classification based on credit risk attributable to insolvency

The Group has established criteria to identify borrowers with weaknesses or objective evidence of impairment and classify them according to their credit risk.

The following sections develop the classification principles and methodology used by the Group.

1) Definition of the classification categories:

Debt instruments not included in the portfolio of financial assets held for trading, as well as off-balance sheet exposures, are classified, based on the credit risk due to insolvency, as:

- i) Standard exposures:
 - a. Comprises all operations that do not meet the requirements for classification in other categories (Stage 1).
 - b. Standard exposure subject to special monitoring: This category includes all transactions that, without meeting the criteria for classification as doubtful or write-offs, present significant increases in credit risk since initial recognition (Stage 2) or other qualitative criteria indicated by current regulations and in the Group's internal credit risk management policies, including, among others, defaults between 30 and 90 days.

The Group has a system of ratios and indicators to assess the existence of significant increases in credit risk for risks with legal entities. This system is based on the monitoring and detection of transactions affected by the customer's asset situation, their cash generation capacity and the relationship between cash generation capacity and bank debt. Exceeding certain thresholds in the indicators defined by the entity will determine the existence of a significant increase in credit risk.

- ii) Doubtful risk (Stage 3):
 - a. Doubtful risk due to the default of the holder: This category comprises the amount of debt instruments, irrespective of the holder and collateral, that are overdue in principal, interest or contractually agreed charges that are more than 90 days old, unless they should be classified as write-offs. Also included in this category are the guarantees given if the guaranteed party has fallen into arrears in the guaranteed transactions.

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This category shall include the amounts of all transactions of a holder where transactions with overdue amounts more than 90 days old exceed 20% of the outstanding amounts to be collected. For the sole purpose of determining the aforementioned percentage, the gross carrying amount of non-performing transactions for overdue amounts shall be taken as the numerator and the gross carrying amount of all debt instruments granted to the holder as the denominator. If the percentage calculated in this way exceeds 20%, both debt instruments and off-balance-sheet exposures involving credit risk of the holder shall be transferred to NPLs.

- b. Doubtful risk for reasons other than default of the holder: This includes debt instruments, whether due or not, in which, without the circumstances being present to classify them as write-offs or doubtful due to the default of the holder, there is reasonable doubt as to their total repayment (principal and interest) under the terms agreed in the contract; as well as off-balance sheet exposures not classified as doubtful due to the holder's default, for which payment by the Group is probable and their recovery is doubtful.

This category would include, inter alia, transactions where the holders are in a situation involving impairment in their solvency. The Entity has a system of ratios and indicators to identify the existence of impairment in solvency for risks with legal entities. This system is based on the monitoring and detection of transactions affected by the customer's asset situation and their cash generation capacity. Exceeding certain thresholds in the indicators defined by the Entity will determine the existence of an impairment in solvency and, consequently, their classification as doubtful risk.

- iii) Write-off risk: This category shall include debt instruments, whether due or not, for which, after individual analysis, recovery is considered remote due to a marked or irrecoverable deterioration in the creditworthiness of the transaction or the holder. Classification in this category will entail the full write-off of the gross carrying amount of the transaction and the full derecognition of the asset.

2) Classification criteria for transactions:

The Group applies diverse criteria to classify borrowers and transactions into different categories based on their credit risk. These categories include:

- Automatic criteria;
- Specific criteria for refinancing; and
- Criteria based on models for monitoring certain parameters.

The automatic factors and the specific rating criteria for refinancing constitute a rating and cure process and are applied on the entire portfolio. Furthermore, and with the objective of early identification of the weaknesses and impairment of the transactions, the Group establishes a monitoring model that allows their corresponding treatment to be assigned, depending on the different levels of default risk.

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For significant borrowers, a predictive default model is established which consists of a system of variables/alerts with which it aims to detect future default situations of customers, calibrate and quantify their seriousness and establish different levels of probability of default risk. An expert team of risk analysts analyses the borrowers with active alerts to draw conclusions regarding the existence of weaknesses or objective evidence of impairment and, in the case of evidence of impairment, whether the event or events causing the loss have an impact on the estimated future cash flows of the financial asset or its group.

Unless other reasons for classification as doubtful risk persist, transactions classified as doubtful for reasons of late payment may be reclassified to normal risk if, as a result of the collection of part of the overdue amounts, the reasons for their classification as doubtful risk disappear and the holder has no overdue amounts more than 90 days old in other transactions at the date of reclassification to normal risk. In the case of doubtful assets for reasons other than late payment, they may be reclassified to normal risk if there is no reasonable doubt as to their full repayment under the contractually agreed terms and the holder has no overdue amounts more than 90 days past due on other transactions at the date of reclassification to normal risk.

Transactions purchased or originated with credit impairment

The credit loss expected on the purchase or origination of these assets is not part of the hedge or gross carrying amount at initial recognition. When a transaction is purchased or originated with credit impairment, the hedge is equal to the cumulative amount of changes in expected credit losses over the life of the transactions after initial recognition and interest income on these assets is calculated by applying the effective interest rate adjusted for credit quality to the amortised cost of the financial asset.

Refinancing and restructuring operations

The credit risk management policies and procedures applied by the Group ensure that borrowers are closely monitored and that provisions are made when there is evidence of impairment in their solvency. For this purpose, the Group constitutes the insolvency provisions for transactions in which the borrower's circumstances requires them, prior to formalising the restructuring/refinancing transactions, which should be understood as follows:

- Refinancing operation: a transaction which, irrespective of the holder(s) or collateral, is granted or used for economic or legal reasons related to current or foreseeable financial difficulties of the holder(s) to repay one or more transactions granted by the institution itself or by other institutions in its group, to the holder(s) or to one or more other companies in its economic group, or by which such transactions are brought fully or partially up to date with payments, in order to make it easier for the holders of the transactions being repaid or refinanced to repay their debt (principal and interest) because they are unable, or are expected to be unable, to meet their conditions in due time and form.

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- Restructured operation: a transaction in which, for economic or legal reasons related to current or foreseeable financial difficulties of the holder(s), the financial terms are modified in order to facilitate the repayment of the debt (principal and interest) because the holder is unable, or is expected to be unable, to comply with those terms in a timely manner, even if such modification was foreseen in the contract. In all cases, restructured operations are those in which there is a release of debt or assets are received in order to reduce the debt, or in which the conditions are modified to extend their maturity, to vary the amortisation table in order to reduce the instalments in the short term or to reduce their frequency, or establish or extend the grace period for the payment of principal and/or interest, unless it can be proven that the conditions are modified for reasons other than the financial difficulties of the holders and are similar to those applied in the market at the modification date to operations granted to holders with a similar risk profile.

If a transaction is classified within a specific risk category, the refinancing operation does not entail any automatic improvement in its risk assessment. Refinanced transactions are initially classified according to their characteristics, mainly the borrower's financial difficulties and the existence of certain clauses such as long grace periods.

Subsequently to the initial classification, a reclassification into a lower risk category shall be considered if there is significant evidence of improvement in the expected recovery of the operation, either because the borrower has been paying for a long period or the initial debt has been repaid in a significant percentage.

In cases where the date of classification as doubtful of a refinanced or restructured transaction is after the date of the refinancing or restructuring transaction, one year must have elapsed from the date of classification of the transaction as doubtful risk in order to reclassify the transaction out of the doubtful risk category.

Criteria for hedge estimates

The Group applies the criteria described below to calculate allowances and provisions for credit risk losses.

In relation to transactions identified as having no appreciable risk (basically those carried out with central banks, public administrations and companies and financial institutions, all of which belonging to the European Union or to certain countries considered to be risk-free), a hedge percentage of 0% is applied, except in the case of transactions classified as doubtful, where an individualised estimate of impairment is made.

1) Individual hedging estimates:

The following items must be estimated individually:

- i) Hedging of doubtful debt transactions and those under special surveillance of individually significant debtors. The Group has established a threshold of 3 million euros in terms of total risk exposure in order for borrowers to be considered significant.
- ii) The hedging of doubtful transactions that do not belong to a homogeneous risk group.

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- iii) The hedging of transactions identified as having no appreciable risk and classified as doubtful, both because of non-performing loans and for reasons other than non-performing loans.

For the calculation of the estimate of such hedges, analysts assign the corresponding level of provisions on the basis of individual customer and transaction analysis and on the basis of:

- i) Generation of cash flows: for debtors who are estimated as being capable of generating future cash flows through their own business activity, permitting through the development of their activity and the economic-financial structure of the borrower, the partial or full re-payment of the debt owed.
- ii) Recovery of collateral: debtors without the ability to generate cash flows with the development of their own activity, estimating the recovery of the debt through the execution of collateral.

Similarly, the minimum hedges to be considered as an individualised estimate will be those applicable using the criteria of collective estimation for risks subject to analyses by accounting classification or, in the case of development sector transactions, according to the criteria established in Royal Decree-Law 2/2012, of 3 February.

2) Collective hedging estimates:

The following are subject to collective estimation:

- i) Exposures classified as normal risk (including those classified under special surveillance), except for exposures classified as normal under special monitoring which, in accordance with the Group's policies, are subject to individual estimation.

For those debtors who do not exceed the threshold of significance and who, moreover, have not been classified as doubtful, the Group has established parameters that, once surpassed, assume their automatic classification as normal risk subject to special monitoring (as general criteria basis, more than 30 days and less than 90 days past due with arrears exceeding the amount of 300 euros).
- ii) Exposures classified as doubtful that are not assessed through individual hedge estimation

The impairment estimation process takes into account all credit exposures, both debt instruments and off-balance sheet exposures. In this regard, the Group has used the parameters and methodology established by the IFRS in force under a loss incurred methodology, as well as the rest of the local regulations in force, and which, based on the statistical data and models that aggregate the average performance of the banking sector entities in Spain and that support their full compatibility with the framework formed by IFRS, are applied to define the classification and calculation of the impairment of the balance sheet and off-balance sheet exposures. This methodology takes into account, among other things, the segment of credit risk to which the transaction belongs, effective collateral and personal collateral received, the economic-financial situation of the debtor and, if applicable, the age of overdue amounts.

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In addition, due to the current geopolitical situation, the Group has carried out an analysis of the impact that the impairment of the economic and financial situation will have on the expected loss of its financial assets. As a result of this assessment, the Group has strengthened impairment allowances for certain exposures classified as normal and normal under special monitoring in 2024 and 2023. Specifically, valuation adjustments have been recorded which mainly affect the following groups:

- i) Certain exposures classified as normal risk under special monitoring.
- ii) Exposures classified as normal risk belonging to certain sectors of economic activity considered vulnerable.
- iii) Certain credit transactions granted to borrowers who, due to their vulnerable situation, have benefited from the support measures described in Note 15.c).
- iv) Exposures classified as normal risk, but in default as defined in Article 178 of EU Regulation 575/2013 and Bank of Spain Circular 3/2019.
- v) Exposures that have been classified as doubtful after the entry into force of Royal Decree 463/2020, of 14 March, which declared a state of alarm for the management of the health crisis situation caused by COVID-19, and was effective until 31 May 2022.

These impairment losses have been recognised in the income statement with a charge to "Impairment or (-) reversal of impairment of financial assets not measured at fair value through profit or loss" and "Net gains or (-) losses on modification" (Note 60).

In the estimates of credit risk loss allowances, the recoverable amount of real estate collateral shall be the result of adjusting its reference value by the adjustments necessary to adequately reflect the uncertainty in its estimation and its reflection in potential declines in value until realisation and sale, as well as realisation costs, maintenance costs and costs of sale.

The Group determines the amount to be recovered from the effective security interests by applying to their reference value the discounts estimated on the basis of its experience and existing information on the Spanish banking sector, in accordance with the methodology required by IFRS and other applicable legislation.

Classification and hedging of credit risk due to country risk

Country risk is the risk involved in transactions with parties resident in a given country due to circumstances other than normal commercial risk (sovereign risk, transfer risk or risks arising from international financial activity). The Group classifies transactions conducted with third parties into different groups according to the economic trends of the countries, their political situation, the regulatory and institutional framework and the payment capacity and experience, and assigns percentages of insolvency provisions, pursuant to that set forth in current regulations.

Doubtful assets due to materialisation of country risk are considered to be those transactions with end obligors resident in countries with prolonged difficulties in servicing their debt, where the possibility of recovery is considered doubtful, as well as off-balance sheet exposures whose recovery is considered remote due to circumstances attributable to the country.

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The Group has no significant provisions in this respect at year-end 2024 and 2023, respectively.

Collateral

Collateral and personal guarantees for which the Group demonstrates their validity as a credit risk mitigant are considered effective. The analysis of the effectiveness of the collateral/guarantees takes into account, among other things, the time required to enforce the guarantees, the Group's ability to enforce the guarantees and its experience in enforcing guarantees.

Under no circumstances shall collateral/guarantees whose effectiveness depends substantially upon the credit quality of the debtor, or of any group to which the debtor may belong, be admissible.

In compliance with these conditions, collateral/guarantees can be defined as:

- i) Real estate collateral in the form of first charge real estate mortgages:
 - a. Finished buildings and building elements:
 - Housing.
 - Offices, commercial premises and multi-purpose industrial buildings.
 - Other buildings, such as single-purpose industrial buildings and hotels.
 - b. Urban land and regulated building land.
 - c. Other real estate.
- ii) Collateral in the form of pledged financial instruments:
 - Cash deposits
 - Debt securities and equity instruments issued by creditworthy issuers.
- iii) Other types of collateral:
 - Personal property received as collateral.
 - Second and subsequent mortgages of properties.
- iv) Personal guarantees that imply the direct and joint liability of the new guarantors to the customer, who are persons or entities whose solvency is sufficiently demonstrated for the purposes of guaranteeing full repayment of the transaction according to the agreed conditions.

The Group has collateral assessment criteria for assets located in Spain aligned with current regulations. In particular, the Group applies criteria for the selection and contracting of appraisal providers aimed at guaranteeing their independence and the quality of the valuations, all of which are appraisal companies and agencies registered in the Special Register of Appraisal Companies of the Bank of Spain, and the valuations are carried out in accordance with the criteria established in Order ECO/805/2003 on valuation standards for real estate and certain rights for certain financial purposes.

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The real estate collaterals for credit operations and properties are appraised when they are granted or registered, the latter through a purchase, foreclosure or in lieu of payment and when the asset has suffered a significant reduction in value. In addition, different updating criteria are applied, including the annual updating of doubtful and foreclosed risks as a general rule.

Debt securities measured at fair value

The amount of impairment losses incurred in debt securities included under the heading “Financial assets at fair value through changes in other comprehensive income” is equal to the positive difference between their acquisition cost, net of any amortisation of principal, and their fair value less any impairment loss previously recognised in the consolidated income statement.

When there is objective evidence that the decline in fair value is attributable to impairment, the latent losses recognised directly under “Accumulated other comprehensive income” in consolidated equity are recorded immediately in the consolidated income statement. If subsequently all or part of the impairment losses are recovered, the amount involved is recognised, in the consolidated income statement for the recovery period.

In the case of debt securities classified under the heading “Financial assets at fair value through other comprehensive income”, the Parent Company considers that an impairment has occurred in the event of a non-payment of principal or coupon in excess of 90 days.

For debt securities classified under the heading “Non-current assets and disposal groups classified as held for sale”, any losses previously recognised in consolidated equity are considered realised and are recognised in the consolidated income statement at the time of their classification.

Equity instruments

In the case of equity investments in jointly controlled entities and associates, the Group estimates impairment losses by comparing the investments’ recoverable and carrying amount. Such impairment losses are recognised in the consolidated income statement for the period in which they arise and subsequent recoveries are recognised in the consolidated income statement for the recovery period.

The Group considers, among others, the following indications to determine if there is evidence of impairment.

- Significant financial difficulties.
- Disappearance of an active market for the instrument in question due to financial difficulties.
- Significant changes in results compared to data collected in budgets, business plans or targets.
- Significant changes in the market of the issuer’s equity instruments or its products or possible products.
- Significant changes in the global economy or in the economy of the environment in which the issuer operates.
- Significant changes in the technological or legal environment in which the issuer operates.

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The amount of impairment losses on investments in subsidiaries and associates included under “Investments in jointly-controlled entities and associates” is estimated by comparing their recoverable amount with their carrying amount. The latter is the higher of fair value less costs to sell and value in use.

Income and expenditure on financial assets and liabilities

Income and expenditure on financial instruments at amortised cost are recognised using the following criteria:

- a) Accrued interest is recorded in the income statement, using the effective interest rate of the transaction over the gross carrying amount of the transaction (except in the case of doubtful assets, which is applied to the net carrying amount).
- b) Other changes in value are recognised as income or expenditure when the financial instrument is derecognised, when it is reclassified, and, in the case of financial assets, when there are impairment losses or gains on its subsequent recovery.

Income and expenditure on financial instruments at fair value through profit or loss are recognised in accordance with the following criteria:

- a) Changes in fair value are recognised directly in the income statement, differentiating, for instruments other than derivatives, between the portion attributable to accrued income on the instrument, which is recorded as interest or dividends depending on their nature, and the remainder, which is recorded as gains or losses on financial transactions in the appropriate line item.
- b) Accrued interest on debt instruments is calculated using the effective interest rate method.

As an exception, the Group would recognise changes in the value of a financial liability designated at fair value through profit or loss, if applicable, as follows:

- a) the amount of the change in the fair value of the financial liability attributable to changes in that liability's own credit risk is recognised in other comprehensive income, which would be transferred directly to an item in reserves if the financial liability were derecognised; and
- b) the remaining amount of the change in the fair value of the liability is recognised in profit or loss.

Income and expenditure on financial assets at fair value through other comprehensive income are recognised in accordance with the following criteria:

- a) Accrued interest or, where appropriate, accrued dividends shall be recognised in the income statement. Interest is treated in the same way as assets at amortised cost.
- b) Exchange rate differences are recognised in the income statement in the case of monetary financial assets and in other comprehensive income in the case of non-monetary financial assets.

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- c) In the case of debt instruments, impairment losses or gains on subsequent recoveries are recognised in the income statement.
- d) The remaining changes in value are recognised in other comprehensive income.

Thus, when a debt instrument is measured at fair value through other comprehensive income, the amounts to be recognised in profit or loss are the same as those that would be recognised if it were measured at amortised cost.

When a debt instrument at fair value through other comprehensive income is derecognised, the cumulative gain or loss in equity is reclassified to profit or loss. In contrast, when an equity instrument at fair value through other comprehensive income is derecognised, the amount of the gain or loss recognised in other accumulated comprehensive income is not reclassified to profit or loss, but to an item in reserves.

For each of the above portfolios, the recognition would change if these instruments were part of a hedging relationship.

i) Measurement of foreign currency accounts

The Group's functional currency is the Euro. Therefore, all balances and transactions denominated in currencies other than the Euro are considered denominated in foreign currency.

The equivalent value in thousands of euros of the total foreign currency assets and liabilities held by the Group as at 31 December 2024 and 2023 is as follows:

	2024		2023	
	Assets	Liabilities	Assets	Liabilities
US dollars	68,181	22,998	128,189	20,925
Pounds sterling	4,540	972	3,589	945
Japanese yen	7,839	1,521	8,277	262
Swiss franc	3,183	195	3,055	355
Other	1,083	3,183	1,873	5,334
	84,826	28,869	144,983	27,821

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The equivalent value in thousands of euros of foreign currency assets and liabilities, classified by type, held by the Group as at 31 December 2024 and 2023 is as follows:

	2024		2023	
	Assets	Liabilities	Assets	Liabilities
Cash, cash balances at central banks and other on demand deposits	18,116	-	22,566	-
Financial assets held for trading	1,013	-	1,598	-
Financial assets not intended for trading, which are necessarily measured at fair value through profit or loss	5,116	-	4,888	-
Financial assets at fair value through other comprehensive income	48,310	-	34,946	-
Financial assets at amortised cost	12,271	-	75,990	-
Hedge accounting derivatives	-	-	4,995	-
Financial liabilities held for trading	-	-	-	-
Financial liabilities at amortised cost	-	28,695	-	26,555
Commitments and guarantees given	-	174	-	1,266
	84,826	28,869	144,983	27,821

When initially recognised, debtor and creditor balances denominated in foreign currency are translated to the functional currency using the spot exchange rate at the date of recognition, understood as the exchange rate for immediate delivery. After initial recognition, the following rules are applied to translate balances denominated in foreign currency to the functional currency:

- Monetary assets and liabilities are converted at the year-end exchange rate, understood as the average spot exchange rate at the date to which the financial statements relate.
- Non-monetary items measured at historical cost are translated at the exchange rate at the date of acquisition.
- Non-monetary items measured at fair value are converted at the exchange rate on the date on which fair value is determined.
- Income and expenses are converted by applying the exchange rate on the transaction date. Nonetheless, the average exchange rate for the period is used for all transactions carried out in that period, unless there have been significant fluctuations. Amortisation is translated at the exchange rate applicable to the corresponding asset.

Exchange rate differences arising on the conversion of receivable and payable balances denominated in foreign currency are generally recorded in the consolidated income statement. However, in the case of exchange differences arising on non-monetary items measured at fair value whose adjustment to fair value is recognised in consolidated equity under "Accumulated other comprehensive income", the exchange rate component of the revaluation of the non-monetary item is disclosed.

Balances in the annual accounts of Investees where the functional currency is not the Euro are translated into euros as follows:

- Assets and liabilities are converted through the application of the year-end exchange rate.

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- ii) Income and expenses and cash flows are converted at the average exchange rates for the year.
- iii) Equity is converted at historical exchange rates.

Exchange rate differences resulting from the conversion of the Investees' annual accounts where the functional currency is not the Euro are recorded under "Other accumulated comprehensive income" in consolidated Equity.

None of the functional currencies of the Investees relates to economies deemed highly inflationary according to the criteria established in this respect. Consequently, at year-end 2024 and 2023 it has not been necessary to adjust the financial statements of any Investee to correct them for the effects of inflation.

j) Recognition of income and expenses

Income and expenses relating to interest and similar items are generally carried on an accruals basis and under the effective interest rate method. Dividends received from other companies are recognised as income when the right to receive them arises.

Fees paid or received for financial services, irrespective of their contractual denomination, are classified into the following categories, which determine their recognition in the consolidated income statement:

- a) Credit fees: those that are an integral part of the performance or effective cost of a financing transaction. These fees are received in advance, and may be:
 - i) Fees received for the creation or acquisition of financing transactions that are not valued at fair value with changes in profit and loss: they may include remuneration for activities such as the evaluation of the financial situation of the borrower, the evaluation and registration of various guarantees, the negotiation of transaction conditions, the preparation and processing of documentation and the closing of the transaction. They are deferred and recognised in the consolidated income statement over the life of the transaction as an adjustment to the performance or effective cost of the transaction. The total amount of financial fees accrued in 2024 is 8,882 thousand euros (5,087 thousand euros in 2023).
 - ii) Fees agreed as compensation for the commitment to grant financing, when said commitment is not valued at fair value with changes in profit and loss and it is probable that the Group enters into a specific loan agreement. The recognition of income for these fees is deferred, being charged to the consolidated income statement over the expected life of the financing as an adjustment to the performance or effective cost of the transaction. If the commitment expires without the entity making the loan, the fee is recognised as income at the time of expiry.
 - iii) Fees paid on the issuance of financial liabilities measured at amortised cost. They are included together with the related direct costs of the carrying amount of the financial liability, and are recognised in the consolidated income statement as an adjustment to the effective cost of the transaction.

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- b) Non-credit fees: are those derived from the provision of financial services other than financing operations, and may be:
 - i) Related to the execution of a service provided over time, such as fees for account management and those received in advance for issuing or renewing credit cards: the income will be recorded in the consolidated income statement over time, measuring the progress towards full compliance with the execution obligation, in accordance with the criteria detailed in the following section. In the case of investment management fees on behalf of third parties, they shall be recorded by measuring the progress towards compliance with the obligation, applying the general criteria for the recognition of income and expenses to the costs of obtaining and complying with said contract.
 - ii) Related to the provision of a service that is executed at a specific moment: These commissions are accrued when the customer gains control over the service, such as in the case of subscription of securities, currency exchange, advice or loan syndication (in this case, when the Group does not retain any part of the operation for itself or retains it under the same risk conditions as the rest of the participants). For credit operations where drawdown is optional for the credit holder, the availability fee for the undrawn portion shall be recorded as income in the consolidated income statement at the time of collection.

An exception to the above criteria are financial instruments measured at fair value through profit or loss. For these instruments, the amount of the fee is recorded immediately in the consolidated income statement. Accrued fees derived from products or services typical of the financial activity are presented separately from those derived from products and services that do not correspond to the typical activity, which are presented in the "Other operating income" heading of the consolidated income statement.

k) Offsetting of balances

Debit and credit balances arising from transactions which, contractually or by operation of law, can be offset and which are intended to be settled on a net basis or to be realised simultaneously as an asset and settled as a liability, are presented in the consolidated balance sheet at their net amount.

l) Financial guarantees

A financial guarantee contract is an agreement that requires the issuer to make specific payments to reimburse the creditor for any loss incurred when a specific debtor fails to comply with repayment obligations in accordance with the original or amended conditions of a debt instrument, regardless of their legal form, which may be, among others, a guarantee, financial surety, insurance policy or credit derivative.

The entity issuing financial surety agreements recognises them under "Financial liabilities measured at amortised cost - Other financial liabilities" at their fair value plus transaction costs that are directly attributable to the issue of the instrument, unless involving contracts issued by insurance companies.

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Initially, unless evidence indicates otherwise, the fair value of a financial guarantee contract issued to a non-associated third party within an isolated transaction under conditions of mutual independence the premium received plus, where appropriate, the present value of cash flows to be received, applying an interest rate that is similar to that applied to financial assets granted by the Entity for similar terms and at similar risk levels. At the same time the present value of the future cash flows yet to be received is recognised as a credit on the asset side of the balance sheet, using the aforementioned interest rate.

After initial recognition the contracts are treated in accordance with the following criteria:

- i) The value of fees or premiums to be received for financial guarantees is updated by recording the differences in the consolidated income statement as financial income.
- ii) The value of financial guarantee contracts that have not been classified as doubtful is the amount initially recognised under liabilities minus the portion attributed to the consolidated profit and loss account on a straight line basis over the expected life of the guarantee, or in accordance with other criteria, provided that they are a truer reflection of the perceived financial risks and benefits derived from the guarantee.

Guarantees provided are classified according to the insolvency risk attributable to the customer or to the transaction, and the need to set up provisions for them is estimated by applying criteria similar to those indicated in Note 13.h.

Provisions for these transactions are recorded under "Provisions - Commitments and guarantees given" on the liability side of the consolidated balance sheet (Note 36). Provisions and reversals of provisions are recorded under "Provisions or reversal of provisions" in the consolidated income statement.

m) Leases

Lease contracts are presented on the basis of the economic substance of the transaction irrespective of their legal form and are classified from the outset as finance or operating leases.

- i) A lease is considered a finance lease when all the risks and benefits incidental to the ownership of the assets subject to the contract are substantially transferred.

Whenever the Group acts as a lessor of an asset, the sum of the current values of the amounts that will be received from the lessee plus the guaranteed residual value, usually the purchase option price when the lease terminates, are recorded as financing provided to third parties. It is therefore included in the heading "Financial assets at amortised cost" on the consolidated balance sheet, in accordance with the nature of the lessee.

When the Group acts as lessee, it recognises the cost of the leased assets in the consolidated balance sheet, depending on the nature of the leased asset, and simultaneously recognises a liability for the same amount, which is the lower of the fair value of the leased asset or the sum of the present values of the amounts payable to the lessor plus, where appropriate, the exercise price of the purchase option. These assets are depreciated using similar rates as those applied to property, plant and equipment for own use as a whole.

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Financial income and expenses arising on these contracts is credited and charged, respectively, to the consolidated income statement such that the return is consistent over the contract term.

- ii) Lease contracts which are not considered finance leases are classified as operating leases.

When the Group acts as the lessor, the acquisition cost of the leased assets is recorded under "Tangible assets - Property, plant and equipment". Such assets are depreciated in accordance with the policies adopted for similar property, plant and equipment for own use and the income from lease contracts is recognised in the consolidated income statement on a straight-line basis.

However, when the Group acts as a lessee, that indicated in the tangible asset standard applies.

n) Assets under management

Assets managed by the Group that are owned by third parties are not included in the consolidated balance sheet. Fees and commissions generated by this activity are recorded under "Fee and commission income" in the consolidated income statement (Note 47).

ñ) Investment funds and pension funds managed by the Group

The investment funds and pension funds and EPSVs (Voluntary Welfare Entities) managed by the Group are not shown in the consolidated balance sheet as their assets are owned by third parties (Note 66). The fees accrued in the year for the various services rendered to these funds by the Group (asset management services, deposit of portfolios, etc.) are recorded under "Fee and commission income" in the consolidated income statement (Note 47).

o) Personnel expenses and post-employment benefits

Remuneration paid to employees upon the termination of their employment is considered as post-employment benefits. Post-employment benefits, including those covered by internal or external pension funds, are classified as defined contribution plans or defined benefit plans, depending on the terms of these obligations, taking into account all commitments made both within and outside the terms formally agreed with employees.

Post-employment benefits are recognised as follows:

- i) In the consolidated income statement: the cost of services provided by employees, both during the year and in prior years (where not recognised in prior years), net interest on the provision (assets), and the gain or loss arising on settlement.

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- ii) In the consolidated statement of changes in equity: the new valuations of the provision (asset) resulting from consolidated actuarial gains or losses, the return on plan assets which have not been included in net interest on the provision (asset), and variations in the present value of the asset resulting from changes in the present value of the flows available to the Group, which are not recorded in the net interest on the provision (asset). The amounts recognised in the consolidated statement of changes in equity will not be reclassified to the consolidated income statement in future years.

Accordingly, defined benefit plans are recognised in the consolidated income statement as follows:

- a) Current service costs, as personnel expenses.
- b) Net interest on the provision, as interest expenses.
- c) Net interest on the asset, as interest income.
- d) The cost of past services as provisions or (-) reversal of provisions.

New Network

In 2016, 2017 and 2018, the Parent Company defined specific working and economic conditions for a certain group of members of Caja Laboral Popular Coop. de Crédito. Under this plan, certain members were granted certain employment conditions and a financial consideration, which accrues until the date of termination of the member's service.

The accrued obligation at year-end 2024 and 2023 is recorded under "Provisions - Pensions and other post-employment defined benefit obligations" in the balance sheet at that date (Note 36).

PD 61

In addition, during 2020, the Parent Company formalised a plan known as "PD 61", approved by the Governing Board and aimed at a specific group of working partners, with a period of validity from 1 January 2021 to 30 June 2023. As with the previous plans, this scheme is voluntary and targeted exclusively at certain individuals and subject to a written request from them to sign up for the programme.

The main characteristic of this new scheme is as follows:

- i) It established the possibility for members born in 1961 to receive a specific financial consideration/assistance at the time of the cessation of their activity on reaching the age of 60 or 61, in accordance with the option they had exercised at the time of signing the corresponding contract.

The accrued obligation at year-end 2024 and 2023 is recorded under "Provisions - Pensions and other post-employment defined benefit obligations" in the balance sheet at that date (Note 36).

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PD 62

In addition, during 2020, the Parent Company formalised a plan known as “PD 62”, approved by the Governing Board and aimed at a specific group of working partners, with a period of validity from 1 January 2021 to 30 June 2024. As with the previous plans, this new scheme is voluntary and targeted exclusively at certain individuals and subject to a written request from them to sign up for the programme.

The main characteristic of this new scheme is as follows:

- i) it established the possibility for members born in 1962 to receive a specific financial consideration/assistance at the time of the cessation of their activity on reaching the age of 60 or 61, in accordance with the option they had exercised at the time of signing the corresponding contract.

The accrued obligation at year-end 2023 is recorded under “Provisions – Pensions and other post-employment defined benefit obligations” in the balance sheet at that date (Note 36).

PD 63

In addition, during 2021, the Parent Company formalised a plan known as “PD 63”, approved by the Governing Board and aimed at a specific group of working partners, with a period of validity from 1 January 2022 to 30 June 2025. As with the previous plans, this new scheme is voluntary and targeted exclusively at certain individuals and subject to a written request from them to sign up for the programme.

The main characteristic of this new scheme is as follows:

- i) it established the possibility for members born in 1963 to receive a specific financial consideration/assistance at the time of the cessation of their activity on reaching the age of 60 or 61, in accordance with the option they had exercised at the time of signing the corresponding contract.

The accrued obligation at year-end 2024 and 2023 is recorded under “Provisions – Pensions and other post-employment defined benefit obligations” in the balance sheet at that date (Note 36).

PACA 64 and 65

The Entity has also formalised a “PACA 64 and 65” plan in 2023, approved by the Governing Board and aimed at a specific group of working members, which will come into force on 1 January 2024. As with the previous plans, this scheme is voluntary and targeted exclusively at certain individuals and subject to a written request from them to sign up for the programme.

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The main characteristic of this new scheme is as follows:

- i) members born in 1964 and 1965 are entitled to receive a specific consideration/financial aid at the time of cessation of their activity at an age between 60 and the legal retirement age minus two years, in accordance with the option exercised at the time of signing the corresponding contract. In addition, for members born before 1964, there is the possibility of joining the Plan by means of the “second round” option. The fundamental difference with the previous revitalisation plans is the elimination of the time off period, so that the financial aid will be received in a single payment at the time of cessation of the activity.

The accrued obligation at year-end 2024 and 2023 is recorded under “Provisions – Pensions and other post-employment defined benefit obligations” in the balance sheet at that date (Note 36).

PACA 66

The Parent Company has also formalised a “PACA 66” plan in 2024, approved by the Governing Board and aimed at a specific group of working members, which will come into force on 1 January 2025. As with the previous plans, this scheme is voluntary and targeted exclusively at certain individuals and subject to a written request from them to sign up for the programme.

The main characteristic of this new scheme is as follows:

- i) provides the members born in 1966 with the possibility of receiving a specific financial consideration/assistance at the time of cessation of their activity at an age between 60 and the legal retirement age minus two years, in accordance with the option exercised at the time of signing the corresponding contract. This scheme does not include any time-off period, therefore financial aid will be received in a lump sum at the moment of cessation of the activity.

The accrued obligation at year-end 2024 is recorded under “Provisions - Pensions and other post-employment defined benefit obligations” in the balance sheet at that date (Note 36).

Severance payments

Under current Spanish labour legislation, the Group is obliged to compensate employees who are dismissed without just cause. There are no labour force reduction plans making it necessary to create a provision in this connection.

- p) Tax on income from continuing operations

Corporate income tax is treated as an expense and is recognised under “Income tax expenditure or income from continuing operations” in the consolidated income statement.

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The expenditure under the heading “Tax expenditure or income on the Gains from continuing operations” is determined by the tax payable calculated on the basis of the taxable income for the year, after taking into account the changes in the year due to temporary differences, tax credits and tax relief and tax loss carry-forwards. The taxable profit for the year may differ from the consolidated net profit for the year presented in the consolidated income statement since it excludes income or expense items that are taxable or deductible in other years and items that are never taxable.

Deferred tax assets and liabilities relate to the taxes that are expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the related tax bases, are accounted for using the liability method in the consolidated balance sheet and are quantified by applying to the related temporary difference or credit the tax rate that is expected to be recovered or settled.

A deferred tax asset, such as a tax paid in advance, a credit for deductions and credits and a credit for tax loss carryforwards, is recognised if it is probable that the Group will obtain sufficient future taxable profit against which it can utilise it. It is considered probable that the Group will obtain sufficient tax income when, inter alia:

- i) There are deferred tax liabilities that can be reversed in the same period as that in which the deferred tax asset is realised or in a subsequent period in which the deferred tax liability can be offset against the existing or anticipated tax loss carry-forward.
- ii) Tax losses have arisen due to the reasons identified and are unlikely to arise again.

However, the deferred tax asset arising from the recording of investments in Subsidiaries, Jointly-controlled entities or Associates is only recognised when it is probable that it will be realised in the foreseeable future and it is expected that sufficient taxable profit will be available in the future against which the asset can be utilised. It is also not recognised when initially recording an equity item, other than a business combination, that at the time of recognition has not affected accounting or taxable profit or loss.

Deferred tax liabilities are always recorded, except when goodwill is recognised or they arise on recording investments in Subsidiaries, Jointly-controlled entities or Associates if the Group is able to control the time of reversal of the temporary difference and, moreover, such temporary difference is unlikely to reverse in the foreseeable future. A deferred tax liability is also not recognised when initially recognising an asset or liability, other than a business combination, that at the time of recognition affects neither accounting profit nor taxable profit or loss.

At each accounting close, deferred tax assets and liabilities are reviewed in order to verify that they are still valid and make the relevant adjustments.

To conduct the above-mentioned analysis, the following variables are taken into consideration:

- Forecasts of the results of each Entity that, where applicable, gave rise to the possibility of recording deferred tax assets (since there is no tax consolidation group), based on the financial budgets approved by the Governing Bodies of each one, subsequently applying constant growth rates estimated by the Management of each Entity.

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- Estimation of the reversal of temporary differences, based on their nature, and;
- The term or deadline established by current laws for the reversal of the various tax assets.
- The interest rate scenario resulting from the monetary policies of the European Central Bank.

These plans and projections have been updated taking into account the current economic and geopolitical environment and its potential impact on the Parent Company's and the Group's future Gains projections, based on the best information available to management.

Income or expenses recognised directly in the consolidated equity statement that do not affect profits for tax purposes are recorded as temporary differences.

q) Tangible assets

Tangible assets include: property, plant and equipment held by the Group for current or future use which are expected to be used for more than one year, property, plant and equipment transferred to customers under operating leases, tangible assets associated with social welfare and investment properties, which include assets to be operated on a rental basis. Tangible assets are measured at acquisition cost less the relevant accumulated depreciation and, where appropriate, any impairment loss resulting from comparing the net value of each asset and the relevant recoverable amount. The acquisition cost of certain freely available property, plant and equipment for own use includes their fair value measurement as at 1 January 2004 in accordance with Transitional Provision One of Circular 4/2004 (repealed by Circular 4/2017). That fair value as at 1 January 2004 has been obtained based on independent expert valuations.

In the case of foreclosed assets, the acquisition cost relates to the lower of the net amount of the financial assets delivered in exchange for their foreclosure or the fair value at the time of foreclosure less estimated selling costs.

Depreciation is calculated systematically on a straight-line basis, by applying the years of estimated useful life of the various items over the acquisition cost of the assets less their residual value. Land on which buildings and other constructions stand is understood to have an indefinite life and therefore no depreciation is recorded. The annual tangible asset depreciation charge is recognised as a charge to the consolidated income statement and is calculated on the basis of the following average years of estimated useful life of the various groups of assets:

	Years of estimated useful life
Buildings and developments	24 - 50
Furniture	5 - 10
Installations	5 - 10
Machinery, electronic equipment and other	2 - 6

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At each accounting close, the Group analyses whether there are indications, either internal or external, that the net value of the elements of its material assets exceeds their corresponding recoverable amount. In this case, the Group reduces the carrying amount of the relevant asset to its recoverable amount and adjusts future depreciation charges in proportion to the adjusted carrying amount and new remaining useful life if it is necessary to re-estimate it. Moreover, when there is an indication that the value of an asset has been recovered, the Group records the reversal of the impairment loss recorded in previous periods and adjusts future depreciation charges accordingly. The reversal of the impairment loss of an asset may in no event entail an increase in its carrying amount in excess of that which would be obtained if the impairment losses had not been recorded in previous years.

At least at the end of each year the Group reviews the estimated useful lives of property, plant and equipment for own use in order to detect significant changes in the same which, if any, are adjusted through the relevant adjustment to the amount recorded in future consolidated income statements in respect of the depreciation charge in accordance with the new estimated useful life.

Conservation and maintenance expenses of property, plant and equipment for own use are recorded in the consolidated income statement in the year in which they are incurred.

Investment property of tangible assets corresponds to the net values of land, buildings and other constructions held by the Group for rental purposes or for capital appreciation on sale as a result of future increases in their respective market prices.

The criteria applied by the Group to recognise the acquisition cost of the assets assigned under operating lease with respect to depreciation and the estimate of their respective useful lives and the recording of impairment losses, agree with the those described for property, plant and equipment for own use.

The following accounting principles are used for the accounting of leases from the lessee's point of view:

- Lease term: the duration of the lease is equal to the non-cancellable period of a lease, plus the periods covered by the option to extend the lease if it is reasonably certain that the lessee will exercise this option and any periods covered by the option to terminate the lease if it is reasonably certain that the lessee will not exercise this option. In this regard, the Group applies the following criteria:
 - a) If the contract has a foreseen cancellation date that is different from that of the contract, this date is applied as the date of cancellation of the right of use.
 - b) If the contract expiry date is less than 50 years, the contract date is applied.
 - c) If the expiry date of the property lease is greater than 50 years, the expiry is limited to 50 years, coinciding with the longest period of real estate amortisation applied by the Group.
 - d) For leases with a duration of less than 1 year, it will not be activated and it will continue to be recorded through the profit and loss statement, since there is a high probability that the contract will be cancelled and renegotiated, resulting in a new contract with new conditions.

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- General recognition criteria: assets and liabilities arising from lease contracts are recognised at the lease start date, which is the date on which the lessor makes the leased asset available to the lessee for use.
- Initial measurement of the lease liability: At the start date of the contract, the Group recognises a lease liability for the value of the lease payments not paid at that date.

The discount rate used to calculate the value of these payments is based on the interest rate that the lessee would have to pay to borrow, for a similar term and with similar collateral, the funds necessary to obtain a property with a similar value to the asset by right of use in a similar economic environment (additional financing rate).

- Initial measurement of the asset by right of use: At the contract start date, the Group recognises a right-of-use asset measured at cost, including:
 - a) The amount of the initial measurement of the lease liability, as described above.
 - b) Any lease payment made on or before the start date, less any collection received from the lessor (such as incentives received for the signing of the contract).
 - c) The initial direct costs borne by the lessee. These include, but are not limited to, those costs directly related to the location of a tangible asset in the place and under the conditions necessary for the lessee to be able to exploit it.
 - d) Costs that are estimated to be incurred in the dismantling and removal of the leased asset, in the restoration of the site or in the return of the asset in the condition required by the contract, unless such costs are incurred for the production of stock. These costs are recognised as part of the cost of the right-of-use asset when the Group acquires the obligation to bear them.

Right-of-use assets, for the purposes of their presentation, are classified as tangible or intangible assets depending on the nature of the leased asset.

- Subsequent measurement of the lease liability. After its initial recognition, the Group measures the lease liability in order to:
 - a) Increase its carrying value reflecting accrued interest, which is calculated by applying the interest rate used in the initial measurement to the balance of the liability.
 - b) Reduce its carrying value reflecting the lease payments made.

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- c) Reflect the update of: (i) the duration of the lease as a result of a change in the assessment of the possibility of exercising options to extend or terminate the lease, (ii) the duration of the lease and lease payments as a result of a change in the assessment of the possibility of exercising the option to purchase the leased asset, (iii) lease payments as a result of a change in the assessment of amounts expected to be paid under the residual value guarantee, (iv) amounts of future variable lease payments dependent on an index or rate, as a result of a change in such index or rate. In the cases referred to in points (i) and (ii), as the update has occurred within the term of the lease, the revised payments will be discounted at the discount rate used in the initial measurement unless the variation in payments is due to a change in variable interest rates, in which case a revised discount rate will be used that reflects changes in the interest rate. The Group reviews the duration of the lease with regard to the amounts expected to be paid for residual value guarantees when a significant event or change occurs in terms of the exercise of the options contemplated in the contract. In the same way, the Group reviews the payments referenced at a certain index or rate when, in accordance with the contractual conditions, the amounts of these payments have to be updated.
- d) Reflect any modification of the lease.
- e) Reflect lease payments that were not considered unavoidable, such as those due to events, the occurrence of which was previously uncertain but which at the reference date are considered to be essentially fixed because they are unavoidable.

Variable lease payments not included in the measurement of the lease liability will be recognised in the income statement for the year in which the event or the circumstance that gives rise to said payments occurs.

Subsequent measurement of the right-of-use asset: after its initial recognition, the Group measures the right-of-use asset at cost:

- a) Minus its accumulated depreciation and any accumulated impairment loss. If ownership of the leased asset is transferred at the end of the contract or if the initial measurement of the cost of the right-of-use asset reflects that the lessee will exercise the purchase option, the right-of-use asset is amortised over the useful life of the leased asset. In other cases, it is depreciated over the shorter of the useful life of the asset or the term of the lease.
 - b) Adjusted to reflect changes in the current value of lease payments that should be made in accordance with the above.
- Simplified treatment for recognition and measurement: the Group records the following lease payments as expenses:
- a) Short-term leases (understood as those which on the start date have a duration equal to or less than twelve months), provided they do not include a purchase option.

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- b) Leases in which the leased asset is of little value, provided that the asset can be used without relying heavily on other assets (or being closely related to them) and that the lessee can obtain benefits by using the asset individually (or together with other easily accessible resources). The value of the leased asset is calculated in absolute terms based on its value in its new state.

In both cases, its allocation to the income statement is made on a straight-line basis over the term of the lease.

- Lease modification: The Group accounts for a modification of a separately recorded lease as a new lease if the modification extends the scope of the lease (by adding one or more leased assets) in exchange for an increase in the consideration in an amount similar to the specific price that would be paid if a separate lease were made on the assets added to the lease.

If these requirements are met, on the date the parties agree to the modification, the Group:

- (a) allocates the modified lease consideration between the lease and non-lease components,
- (b) determines the modified lease term
- (c) remeasures the lease liability, discounting the revised lease payments using a revised discount rate, determining for the remainder of the lease term and at the date of the modification
- (d) accounts for the revaluation of the lease liability.

r) Intangible assets

Intangible assets are non-monetary assets which are identifiable, but have no physical appearance. Intangible assets are considered identifiable when they may be separated from other assets because they may be sold, leased or disposed of individually or arise as a result of a contract or other legal transaction. An intangible asset is recognised when, in addition to conforming to the above definition, the Group considers the flow of economic benefits from that asset probable and its cost may be reliably estimated.

Intangible assets are recognised initially at acquisition or production cost and are subsequently measured at cost less, where appropriate, accumulated amortisation and any impairment loss.

Goodwill

Goodwill represents the advance payment by the Group for the future economic benefits arising from assets of an acquired entity that are not individually and separately identifiable and recognisable and is only recognised when acquired for a consideration in a business combination.

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Positive differences between the cost of equity investments in jointly controlled entities and associates and the corresponding underlying carrying amount acquired, adjusted at the date of first consolidation, are recognised as follows:

- i) If they are attributable to specific assets and liabilities of the acquired entities, they are allocated by increasing the value of the assets or reducing the value of the liabilities whose market values were higher or lower, respectively, than the net carrying amount at which they were recorded in their balance sheets and whose accounting treatment were similar to that of the same assets or liabilities, respectively, of the Group.
- ii) If they are assignable to specific intangible assets, they are allocated through their explicit recognition on the consolidated balance sheet provided that their fair value at the acquisition date may be reliably determined.
- iii) Remaining differences which may not be allocated are recorded as goodwill which is assigned to one or more specific cash generating units.

Negative differences arising between the cost of equity investments in jointly controlled entities and associates and the corresponding underlying carrying amount acquired, adjusted at the date of first consolidation, are recognised as follows:

- i) If they are attributable to specific assets and liabilities of the acquired entities, they are allocated by increasing the value of the liabilities or reducing the value of the assets whose market values are higher or lower, respectively, than the net carrying amount at which they appear in their balance sheets and whose accounting treatment is similar to that of the same liabilities or assets, respectively, of the Group.
- ii) Any remaining amounts that cannot be allocated are recognised in the consolidated income statement in the year in which the equity investment is made.

Other intangible assets are classified as having a defined useful life and are depreciated over their remaining estimated useful life using similar criteria to those used to depreciate property, plant and equipment.

The Group recognises potential impairment losses on these assets with a balancing entry in the consolidated income statement. The criteria for recognising impairment losses on these assets and, where applicable, recoveries of impairment losses recognised in prior years are similar to those for tangible assets.

s) Inventories

Inventories are non-financial assets that the Group holds for sale in the ordinary course of business, are in the process of production, construction or development for such purpose or are to be consumed in the production process or in the provision of services. Inventories include, inter alia, land and other properties held by the Group for sale in the property development business.

Inventories are measured at the lower of cost, which includes all costs incurred in acquiring and converting them, and other direct and indirect costs incurred in bringing them to their present location and condition, and their net realisable value. Net realisable value is defined as the estimated sale price of the inventories in the ordinary course of business, less the estimated cost of completing their production and the costs involved in selling them.

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The amount of any valuation adjustments to inventories, such as damage, obsolescence and write-downs, to net realisable value and other losses are recognised as an expense in the consolidated income statement in the year in which the impairment or loss occurs. Subsequent value recoveries are recognised in the consolidated income statement in the year in which they occur.

The carrying amount of inventories is written off the consolidated balance sheet and is charged to expenses in the consolidated income statement in the year the income from their sale is recognised. The indicated expenses are included under the heading "Other operating expenses" in the consolidated income statement.

t) Insurance operations

Assets and liabilities covered by insurance and reinsurance contracts.

The Group applies IFRS 17 from 1 January 2023, which replaces IFRS 4 "Insurance Contracts" as the accounting standard applicable to the recognition, measurement and presentation of insurance and reinsurance contracts with retrospective application from 1 January 2022.

Definition, classification and grouping

The Group assesses whether its contracts accept significant third-party insurance risk by agreeing to compensate the policyholder if an uncertain future event occurs that adversely affects the policyholder. This is how it identifies those insurance contracts that fall under IFRS 17.

The Laboral Kutxa Group groups insurance and reinsurance contracts taking into account the following aspects:

- Whether they are subject to similar risks and are managed jointly, also separating between direct insurance and reinsurance.
- Their profitability or onerousness (in general, the Group classifies the profitability of contracts into two groups: onerous contracts, and non-onerous contracts or contracts with no significant possibility of becoming onerous).
- And their year of issue or cohort, the latter criterion grouping together contracts issued in the calendar year, i.e., between 1 January and 31 December of each year.

As the Group has chosen the fair value transition approach, for long-term contracts (primarily life insurance and life savings) issued prior to the transition date of 1 January 2022, it has not been necessary to aggregate the contracts by previous cohorts. For contracts issued after the transition date, the Group classifies them by year of issue.

The Group has applied the analysis on the separation of non-insurance components only to insurance contracts under the scope of IFRS 17, concluding that there are no components within insurance contracts that need to be segregated. In the case of non-separable investment components, they are included in insurance contract liabilities, as appropriate, but excluded from insurance income or expense in the income statement.

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Measurement methods

IFRS 17 introduces three methods for measuring insurance contracts: the General Method or Building Block Approach (BBA), the Simplified Method or Premium Allocation Approach (PAA) and the Variable Fee Approach (VFA). The General Method shall be the default method for all contracts except those eligible to be valued under the Simplified Model or the Variable Fee Approach.

The General Method requires insurance and reinsurance contracts to be initially valued at the total of:

- The cash flows from fulfilment, comprising:
 - i. Estimates of future cash flows associated with insurance and reinsurance contracts within the limits of the contract. The Group estimates the expected value of future cash outflows less the expected value of future cash inflows that are within the limits of the contract. The cash flows are within the limits of the insurance contract if the Group can obligate the policyholder to pay the premiums or the Group has a substantive obligation to provide services under the insurance contract to the policyholder. This obligation ends when the Group has the practical ability to reassess the policyholder's risks and therefore set a price or level of benefits that reflects those risks. In general, the limit of the contract is determined as the end date, for renewable contracts as the time at which the Group can reassess risks, and for lifetime products as the date of death of the insured.
 - ii. An adjustment to reflect the time value of money and the financial risks associated with future cash flows. In general, the Group applies a *bottom-up* approach to discount rates, using the risk-free curve as a reference, to which a *spread* is added to reflect the illiquidity of the liabilities. The Group also applies the *top-down* approach for certain groupings, based on the reference rate of a portfolio of assets on which the credit risk is subtracted.
 - iii. A risk adjustment for non-financial risk (RA), which reflects the uncertainty of the amount and timing of future cash flow payments. The Group has decided to apply the Value at Risk (VaR) approach, whereby the risk adjustment is obtained by taking the distribution function of the insurance contract liability and placing it at a fixed percentile based on the uncertainty of the business and the timing of the calculation.
- The contractual service margin (CSM), which represents the future profit on insurance contracts issued. This amount is not recognised in the income statement on initial recognition, but is recognised as the contract services are rendered. When this margin is negative, the insurance contract is onerous and the loss must be recognised immediately in the income statement, with no contractual service margin recognised in the balance sheet.

Subsequently, the carrying amount of a group of insurance contracts recognised at the end of each reporting period is the sum of:

- The remaining hedge liability, comprising the cash flows arising from performance relating to future services allocated at that date plus the contractual service margin.

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- Incurred claims liabilities, comprising cash flows from claims incurred but not paid, discounted to reflect the time value of money, and a risk adjustment for non-financial risk.

At subsequent points in time, changes in cash flows related to the present or past service are recognised in the income statement, whereas those related to a future service adjust the CSM or loss component.

In respect of profit or loss for the period, the transfer of insurance contract services in the period shall be recognised as insurance revenue. This amount is determined by the units of cover which are the amount of insurance contract services provided under the contracts during the expected period of cover. The Group relies primarily on the sum assured for risk life products and the insured benefits for life savings contracts.

The Simplified Method is used to measure the remaining cover liability for contracts with a term of less than one year and for contracts with a longer term that meet the requirements of the standard. Under this simplified method, the remaining cover liability consists of the premiums received less the cash flows from the purchase of the insurance. The allocation to profit or loss is made on a straight-line basis over the coverage period of the contract. However, the Group does not adjust the remaining cover liability for the time value of money, given that the insurance premiums fall due within the coverage period of the contracts, which is one year or less. In turn, the groups of contracts valued under this method have a liability for claims incurred calculated under the General Method.

The Group has no contracts valued under the Variable Fee Approach.

Onerousness

An insurance contract is onerous when, at the date of initial recognition, the cash flows from performance that are allocated to the contract represent a total net outflow.

The Group has classified contracts measured under the General Method into onerousness groups, considering the fulfilment cash flows, acquisition costs and any other attributable cash flows. The assessment is generally done on a contract-by-contract basis.

During the life of a contract, the assumptions used to project future cash flows may change and, as a result, the expected return on a contract may increase or decrease. This means that a group of contracts initially classified as non-onerous may become onerous or, conversely, an initially onerous contract may become non-onerous, reversing the previously recognised loss.

For contracts measured under the Simplified Method, by default they are assumed to be non-onerous at initial recognition unless facts and circumstances indicate otherwise. The Group has developed a methodology, using existing internal reporting information (ratios and indicators) for monitoring business performance, in line with IFRS 17 criteria, and has concluded that none of the insurance contracts valued under the Simplified Method are onerous.

Income and expenses from insurance or reinsurance contracts

Insurance service income includes the release of the contractual service margin, the release of the risk adjustment, the release of expected claims and expenses and the release of premiums in the case of the simplified method.

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The actual amounts of claims incurred, acquisition and insurance service expenses, changes in cash flows related to past services and amounts related to onerous contracts are recognised as insurance service expense.

Insurance finance expense or income comprises the change in the carrying amount of the insurance contract group arising from the effect of the time value of money and changes therein and the effect of financial risk and changes therein.

In general, for those contracts measured under the general method, for the presentation of financial expenses and income from insurance contracts arising from the change in the discount rate, both due to the effect of the time value of money and the effect of financial risk, the Group has chosen the accounting policy option of splitting these financial expenses and income between recording them under “*Financial expenses on insurance contracts*” and “*Other comprehensive income*”, in order to minimise accounting asymmetries in the measurement and recognition of financial investments under IFRS 9 and insurance contracts under IFRS 17.

u) Provisions and contingent liabilities

The Group’s present obligations resulting from past events are considered provisions when their nature is clearly defined at the date of the financial statements but the amount or time of settlement are not defined and upon the maturity of which and in order to settle them the Group expects an outflow of resources which include economic benefits. Such obligations may arise due to the following:

- i) A legal or contractual provision.
- ii) An implicit or tacit obligation arising from a valid expectation created by the Group vis-à-vis third parties with respect to the assumption of certain types of liabilities. Such expectations are created when the Group publicly accepts liabilities, and derive from past performance or business policies that are in the public domain.
- iii) The virtually certain development of certain aspects of legislation, in particular, legislative bills which the Group will be unable to circumvent.

Contingent liabilities are possible obligations of the Group arising from past events whose existence is conditional on the occurrence or non-occurrence of one or more future events beyond the Group’s control. Contingent liabilities include the Group’s present obligations, the settlement of which is unlikely to give rise to a decrease in resources that bring in economic benefits or the amount of which, in extremely rare cases, cannot be measured with sufficient reliability.

Provisions and contingent liabilities are classified as probable when it is more likely than not that they will occur, possible when it is less likely that they will occur than not, and remote when their occurrence is extremely rare.

The Group includes in the consolidated annual accounts all significant provisions and contingent liabilities with respect to which it considers that it is more likely than not to have to fulfil the obligation. Contingent liabilities classified as possible are not recognised in the consolidated annual accounts, but are disclosed unless the possibility of an outflow of resources embodying economic benefits is considered remote.

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Provisions are quantified taking into consideration the best information available on the consequences of the event giving rise to them and are estimated at each accounting close. They are used to address the specific obligations for which they were recognised and may be reversed in full or in part when such obligations no longer exist or decrease.

At 31 December 2024 and 2023, the Group may be faced with certain litigation, liabilities and obligations arising from the ordinary course of its business. The provisions recorded in the Group's financial statements for these items are calculated on the basis of the cases existing at year-end and projections of potential future cases based on the entity's historical experience and the analysis of the Group's internal and external legal advisers. Both the Group's legal advisers and the Parent Company's senior management understand that the conclusion of these proceedings and claims will not have a significant effect, additional to that included as a provision, in the annual accounts for the years in which they are concluded.

v) Non-current assets and liabilities included in disposal groups classified as held for sale

The heading "Non-current assets and disposal groups classified as held for sale" in the consolidated balance sheet includes assets, regardless of their nature, which do not form part of operating activities and which include amounts expected to be realised or recovered within one year from the date of classification under this heading.

When, exceptionally, the sale is expected to occur in a period exceeding one year, the Group measures the cost of sale on a discounted basis, recording the increase in value due to the passage of time under "Gains or (-) Losses on non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations" in the consolidated income statement.

Accordingly, the recovery of the carrying amount of these items, which may be financial or non-financial in nature, is expected to occur through the price obtained on disposal, rather than through continued use.

Therefore, real estate assets and other non-current assets received by the Group to meet all or part of the payment obligations to it from its debtors are considered to be non-current assets held for sale, unless the Group has decided to make continuing use of these assets.

Furthermore, the heading "Liabilities included in disposal groups classified as held for sale" includes the credit balances associated with the disposal groups or the discontinued operations of the Group.

The assets classified as "Non-current assets and disposal groups classified as held for sale" are generally measured at the value of whichever is lower out of the carrying amount at the time they are considered as such and fair value net of the estimated selling costs of such assets, except those of a financial nature that are measured in accordance with the provisions of Note 13.e.ix). While they are classed as "Non-current assets and disposal groups classified as held for sale", tangible and intangible assets which are depreciable by nature are not depreciated.

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In the case of real estate assets foreclosed or received in payment of debts, regardless of the legal form used, they are initially recognised at the lower of the carrying amount of the financial assets applied, i.e., their amortised cost, taking into account the estimated impairment, and the fair value at the time of foreclosure or receipt of the asset less the estimated costs to sell, this being understood as the market value granted in complete individual appraisals revalued in accordance with the criteria set out in the regulations approved by the Bank of Spain less the costs to sell.

All legal process expenses shall be recognised immediately in the income statement for the period in which they are accrued. Registration costs and taxes paid may be included in the value initially recognised provided that this does not exceed the fair value less the estimated costs of sale. All costs incurred between the date of award and the date of disposal due to maintenance and protection of the asset, such as insurance or security services, will be recognised in the consolidated income statement for the period in which they are accrued.

After award or receipt, the reference valuation is updated, which serves as the starting point for the estimation of the fair value. For the purpose of determining fair value net of costs of sales, the Group takes into consideration both the appraisals made by different appraisal companies registered in the Special Registry of Bank of Spain and the discounts on the reference value estimated by the Bank of Spain, based on its experience and information from the Spanish banking sector. Also, when the property has a fair value less than or equal to 300,000 euros, updating is carried out by means of automated valuation models. In any case, when these properties have been on the balance sheet for three years, they shall be updated by means of a full appraisal. In addition, the appraisal company, which provides the valuation update, will be different from the one who performed the immediately preceding one.

These valuations could be affected by the changes in property market prices and other macroeconomic variables due to the economic context and the current geopolitical situation. Thus, the impairment losses recognised on foreclosed real estate assets or assets received in payment of debts recorded by the Parent Company at 31 December 2024 correspond to the best estimate by the members of Senior Management at the date of preparation of these consolidated annual accounts.

In the event that the carrying amount exceeds the fair value of the assets net of selling costs, the Group adjusts the carrying amount of the assets by that excess amount, with a balancing entry under "Consolidated profit or (-) losses from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations" in the consolidated income statement. In the event of subsequent increases in the fair value of the assets, the Group may reverse the previously recognised losses by increasing the carrying amount of the assets up to the limit of the amount prior to their possible impairment, with a balancing entry under "Profit or (-) losses on non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations" in the consolidated income statement.

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Discontinued operations

A discontinued operation is a component of the Group that has been sold or otherwise disposed of or classified as a non-current asset held for sale and meets one of the following conditions:

- It represents a line of business or geographical area which is significant and separate from the rest.
- It is part of an individual and coordinated plan to sell, or otherwise dispose of, a significant and separate line of business or geographic area of the operation.
- It is a subsidiary acquired solely in order to be resold.

The results generated in the year by those components of the Group that have been considered as discontinued operations are recorded under "Profit or (-) losses after tax from discontinued operations" in the consolidated income statement, whether the Group component has been derecognised or remains in the Group at year-end. If, subsequent to being presented as discontinued operations, operations are classified as continuing, their income and expenses are presented both in the consolidated income statement for the year and in the comparative year published in the consolidated annual accounts, under the corresponding items according to their nature.

w) Consolidated cash flow statement

The consolidated cash flow statement uses certain terms with the following definitions:

- i) Cash flows are inflows and outflows of cash and cash equivalents, understood as short-term investments which are highly liquid and involve a low risk of changes in value.
- ii) Operating activities which are the Group's typical activities and other activities which may not be classified as investing or financing and the interest paid for any financing received, even if relating to financial liabilities classified as financing activities.
- iii) Investment activities that correspond to the acquisition, sale or disposal by other means of long-term assets and other investments not included in cash and cash equivalents, such as tangible assets, intangible assets, investments in subsidiaries, joint ventures and associates, non-current assets and disposal groups of items that have been classified as "Financial assets at fair value through other comprehensive income" and the liabilities included in said groups.

Variations caused by the acquisition or disposal of a set of assets or liabilities that make up a business or line of activity will be included in the item "other business units" in the individual financial statements, and in the item "subsidiaries and other business units" in the consolidated financial statements, whichever is the greater.

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- iv) Financing activities are the activities that give rise to changes in the size and composition of consolidated equity and the liabilities that do not form part of operating activities.

The Group regards the balances included under “Cash, cash balances at central banks and other on demand deposits” in the consolidated balance sheets as cash and equivalents.

x) Cooperative Education and Promotion Fund (FEP)

The Education and Promotion Fund is recorded under “Other liabilities” in the consolidated balance sheet.

The allocations to this fund which, in accordance with the Cooperatives Act and the Parent Company’s Articles of Association, are mandatory, and are recorded as an expense for the year. However, they are quantified on the basis of the profit for the year. The additional amounts that may be appropriated on a discretionary basis will be recognised as an application of the surplus for the year.

Grants, donations or other aid linked to the co-operative Education, Training and Promotion Fund in accordance with the law, or funds derived from the imposition of financial penalties by the co-operative on members, which, in accordance with the regulations, are linked to the aforementioned fund, shall be recognised as income of the co-operative and, simultaneously, the aforementioned fund shall be endowed for the same amount.

When the cooperative Education and Promotion Fund is used for its intended purpose, it is written off, normally with a credit to cash accounts; when it is used for the activities of a credit institution, the amount of the cooperative Education and Promotion Fund is reduced, and income is simultaneously recognised in the income statement of the credit cooperative in accordance with normal market conditions for this type of activity.

y) Total statement of changes in consolidated net equity and consolidated statement of recognised income and expenditure

These statements presented in these consolidated annual accounts show all changes affecting consolidated net equity during the year. The main characteristics of the information contained in both statements, is set out below:

i) Consolidated statement of recognised income and expenditure

This statement presents the income and expenditure generated by the Group as a result of its activities during the year, making a distinction between those recorded as profit in the consolidated income statement for the year and other income and expenditure recorded, in accordance with the provisions of current legislation, directly under consolidated net equity.

Therefore, this statement presents:

- a) The consolidated profit or loss for the year.
- b) The net amount of income and expenses recognised as “Other comprehensive income” that will not be reclassified to profit or loss.
- c) The net amount of income and expenses recognised as “Other comprehensive income” that can be reclassified to profit or loss.

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- d) "Total comprehensive income for the year", calculated as the sum of the previous three.

Changes in income and expenditure recognised as "Other comprehensive income" such as "Items that will not be reclassified to income" are broken down into:

- a) Actuarial gains or losses on defined benefit pension plans: includes the gains or losses for the period due to changes in the valuation of the obligations due to changes and differences in actuarial assumptions, certain income from assets subject to the plan and variations in the asset limit.
- b) Non-current assets and disposal groups held for sale: includes the gains and losses for the period that must be recorded in other comprehensive income as a result of the valuation of this type of assets, and that will not subsequently be reclassified to profit or loss.
- c) Share of other recognised income and expenses of investments in joint ventures and associates: this item, which shall appear only in the consolidated statement of recognised income and expense, shall include gains and losses for the period from entities accounted for using the equity method that are required to be recognised in other comprehensive income and are not subsequently reclassified to profit or loss.
- d) Changes in the fair value of equity instruments measured at fair value through other comprehensive income: includes the gains and losses for the period due to changes in the fair value of investments in equity instruments, when the entity has irrevocably chosen to recognise them in other comprehensive income.
- e) Gains or losses arising from hedge accounting of equity instruments measured at fair value through other comprehensive income, net: represents the change in the period in the ineffectiveness of the cumulative hedge in fair value hedges where the hedged item is an equity instrument measured at fair value through other comprehensive income. It shall include the difference between changes in the fair value of the equity investment recorded in "changes in fair value of equity instruments measured at fair value through other comprehensive income (hedged item)" and changes in fair value change of hedging derivatives recorded in "changes in fair value of equity instruments measured at fair value through other comprehensive income (hedging instrument)".
- f) Changes in the fair value of financial liabilities at fair value through profit or loss attributable to changes in credit risk: it shall reflect changes in the fair value for the period of financial liabilities designated at fair value through profit or loss attributable to changes in own credit risk.

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Changes in income and expenses recognised in “Other comprehensive income” as “items that may be reclassified to profit or loss” shall be broken down into:

- a) Hedging of net investments in foreign businesses (effective portion): includes the change in the period of the accumulated results as a consequence of changes in the exchange rate for the effective part of hedges, which are maintained and discontinued, of foreign businesses.
- b) Currency conversion: includes the differences that arise in the period as a result of the conversion of items from the functional currency to the presentation currency.
- c) Cash flow hedges (effective portion): includes the gains and losses for the period from the effective portion of the changes in the fair value of the hedging instruments in this type of hedging relationship.
- d) Hedging instruments (non-designated items): includes variations in the period of cumulative changes in the fair value of the following items when they are not designated as a component of the hedge: time value of options, futures elements of futures contracts, basis spread of exchange rate differences of financial instruments.
- e) Debt instruments at fair value through other comprehensive income: includes the gains or losses for the period on these instruments other than those due to impairment or exchange rate differences, which shall be recorded, respectively, under the headings “Impairment or (-) reversal of impairment of financial assets not measured at fair value through profit or loss” and “Exchange rate differences (gain or loss), net” in the income statement.
- f) Non-current assets and disposal groups held for sale: includes the gains and losses for the period that are required to be recognised in other comprehensive income as a result of the measurement of such assets and that may subsequently be reclassified to profit or loss.
- g) Share of other recognised income and expense of investments in joint ventures and associates. This item, which shall appear only in the consolidated statement of recognised income and expense, shall include gains and losses for the period from entities accounted for using the equity method that are required to be recognised in other comprehensive income and are subsequently reclassified to profit or loss.

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Additionally, each of the items in the previous section will be broken down into:

- a) Valuation gains or (-) losses recorded in equity: includes the amount of income, net of expenses incurred during the period, recognised directly in equity. Amounts recognised in equity in the period shall be retained in this item, even if in the same period they are transferred to the profit or loss account or transferred to the initial carrying amount of assets or liabilities or reclassified to another item in accordance with b), c) and d) below, respectively. Where this breakdown refers to the item in (b) of the preceding paragraph, it shall be titled "Exchange rate gains or losses recognised in equity".
- b) Transferred to profit and loss: includes the amount of valuation gains or losses previously recognised in equity, even if in the same period, that are recognised in the income statement (sometimes the effect of this presentation is referred to as a "recycling of income and expenses" and the amount transferred is referred to as a "reclassification adjustment").
- c) Transferred to the initial carrying amount of the hedged items: this breakdown, which shall be presented only for the item in c) of the previous section, shall include the amount of revaluation gains or losses previously recognised in equity, even if in the same period, that are recognised in the initial carrying amount of assets and liabilities as a result of cash flow hedges.
- d) Other reclassifications: includes the amount of the transfers made during the financial year between the various headings, in accordance with the criteria laid down in the rules in this heading.

The amounts of the items in this statement shall be recorded gross, with those items that can and cannot be reclassified to profit or loss being included in a separate line item at the end of the statement for income tax purposes.

ii) Statement of changes in consolidated net equity

This statement presents all movements recorded under consolidated net equity, including those that originate from changes in accounting policies and error corrections. This statement therefore shows a reconciliation of the carrying amount at the beginning and end of the year of all items comprising the consolidated net equity, grouping the movements according to their nature under the following headings:

- a) Effects of changes in accounting policies and Effects of error corrections: includes changes in consolidated equity arising from the retrospective restatement of financial statement balances resulting from changes in accounting policies or from the correction of errors.
- b) Total comprehensive income for the year: includes, in aggregate form, the total of the items registered in the above-mentioned consolidated statement of recognised income and expenses.

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- c) Other changes in net equity: includes all other items recorded under consolidated equity, such as capital increases or decreases, distribution of profit, transactions involving treasury shares, payments involving equity instruments, transfers between consolidated equity accounts and any other increase or decrease affecting consolidated equity.

z) Business combinations

Business combinations are those transactions whereby two or more economic entities or units are combined into a single entity or group of companies.

When the business combination involves the creation of a new entity that issues equity interests to the partners of two or more combining entities, one of the previously existing entities is identified as the acquirer and the transaction is accounted for in the same way as a transaction in which one entity acquires another.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of another company is the fair value of the assets transferred, the liabilities incurred vis-à-vis the former owners of the acquired company and the equity interests issued by the Entity. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the acquisition date. For each business combination, the Entity may choose to recognise any non-controlling interest in the acquired company at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquired company's identifiable net assets.

Costs related to the acquisition are recognised as expenses in the financial year in which they were incurred.

Any contingent consideration to be transferred by Entity is recognised at fair value on the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit and loss or as a change in equity. A contingent consideration that is classified as consolidated equity is not remeasured and its subsequent settlement is recorded in equity.

Goodwill is initially measured as the excess of the total consideration transferred and the fair value of the non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is less than the fair value of the net assets of the acquired subsidiary, the difference is recognised in the consolidated income statement.

The date of the business combination marks the start of a one-year period called the 'measurement period' during which the acquirer can adjust the provisional amounts recognised once it has all the information necessary to complete the estimates made when preparing the first set of consolidated annual accounts issued after the date of the business combination.

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aa) Goodwill

A positive difference between the cost of a business combination and the acquired portion of the net fair value of the assets and contingent liabilities of the acquired companies is recognised on the balance sheet as goodwill. Thus, goodwill represents the Group's prepayment of the future economic benefits arising from the assets of an acquired company that are not individually and separately identifiable and recognisable is recognised only when acquired for consideration in a business combination. Such goodwill is never amortised, but rather, at the end of each reporting period, goodwill is tested for impairment to reduce its fair value to below its carrying amount and, if so, written down in the consolidated income statement.

In order to detect possible signs of goodwill impairment, measurements are made based mainly on the distributed profit discount method, taking into account the following parameters:

- Key business assumptions. The cash flow projections used in the measurement are based on these assumptions. For those businesses with financial activity, variables are projected such as: the evolution of credit, non-performing loans, customer deposits and interest rates under a projected macroeconomic scenario, and capital requirements.
- Estimated macroeconomic variables and other financial values.
- Term of the projections. The projection time/period is typically 5 years, after which a recurrent level is reached both in terms of return and profitability. For this purpose, the economic scenario prevailing at the time of measurement is taken into account.
- Discount rate. The present value of future dividends used to calculate value in use is calculated using as a discount rate the entity's cost of capital (K_e) from the viewpoint of a market participant. It is determined using the CAPM method, based on the formula: " $K_e = R_f + \beta \times \text{Company's systemic risk ratio}$, $R_m = \text{Expected market yield}$ and $\alpha = \text{Non-systemic risk premium}$ ".
- Growth rate used to extrapolate cash flow projections beyond the period covered by the most recent forecasts, based on long-term estimates of key macroeconomic and business drivers, and taking into account the current state of the financial markets, a growth rate of 1% is estimated in perpetuity.
- The estimate made to assess the potential impairment of goodwill has been carried out taking into consideration the current economic and geopolitical environment.

Goodwill impairment losses are not subsequently reversed.

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14. Customer Service

This Department addresses queries, complaints and claims filed by customers through the appropriate channels.

The official response period is 2 months from receipt of the letter, 1 month if the claimant is a consumer, except in the case of claims relating to payment services, which must be resolved within fifteen business days of receipt, although the Entity is committed to dealing with these matters with the utmost diligence, without exhausting the aforementioned periods.

With regard to the activity of the Customer Service Department of the Parent Company, Caja Laboral Gestión, S.G.I.I.C., S.A. and Caja Laboral Pensiones, G.F.P., S.A. A total of 52,241 files were opened in 2024 (24,167 in 2023), of which 47,400 were admitted for processing (22,658 in 2023), to which a response was provided. 4,511 files were not admitted for processing (1,509 in 2023), for the various reasons set out in the Customer Service Regulations as causes for rejection of complaints or claims submitted for processing, leaving 330 files pending admission at 31 December 2024.

	2024	2023
No. of case files opened		
- In writing: prospectus / letter	44,347	18,978
- Internet	7,226	4,476
- By telephone	-	1
- Public bodies: OMIC / Autonomous Governments	668	712
	52,241	24,167
No. of case files admitted for processing	47,400	22,658
Nature of the Files		
- Complaints	4,336	3,328
- Claims	47,443	20,722
- Queries	79	11
- Suggestions	42	1
- Letters of congratulation / gratitude	6	4
- Sundry petitions	335	100
- Others	-	1
	52,241	24,167
	2024	2023
Amounts claimed		
- Amounts relating to cases for which the decision favoured the Entity:	1,239	2,935
- Amounts relating to cases for which the decision favoured the Customer:	21,370	5,374
Amounts indemnified by the Entity	21,370	5,374
	22,609	8,309

With regard to the reason for opening files, it should be noted that these focus on the following areas:

	2024	2023
Economic terms	0 %	1 %
Fees and expenses	95 %	89 %
Missing or inaccurate information	1 %	1 %
Centralised customer services	1 %	1 %
Branches by objective elements	0 %	0 %
Covering needs	0 %	0 %
Aspects of customer relations	1 %	2 %
Others:	2 %	6 %
- Speed and efficiency at ATMs	0 %	2 %
- Miscellaneous	2 %	4 %
	100 %	100 %

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With respect to the amounts claimed, the percentages are as follows:

	2024	2023
= < € 10	5.84 %	0.04 %
> 10 <= € 60	0.95 %	0.16 %
> 60 <= € 100	0.39 %	0.17 %
> 100 <= € 250	3.78 %	1.21 %
> 250 <= € 1,000	82.41 %	82.87 %
> € 1,000	6.63 %	15.56 %

With regard to the activity of the Seguros Lagun Aro Vida, S.A. Customer Care Service, 172 complaints and claims were received in 2024 (128 in 2023), and 179 files were processed in 2024 (117 processed in 2023). The results of the files processed corresponding to the files opened for processing in 2024 and 2023 were as follows:

	2024	2023
In favour of the customer	46	39
In favour of the Entity	107	62
Others	26	16
	179	117

The total number of complaints and claims in favour of the customer cost the Entity 50 thousand euros in 2024 (55 thousand euros in 2023). The average response time for complaints and claims was 15.61 days (10.83 days in 2023).

With regard to the activity of the Seguros Lagun Aro, S.A. Customer Care Service, 968 complaints and claims were received during the year (824 in 2023), and 961 files were processed in 2024 (795 in 2023).

The results of the files processed corresponding to the files opened for processing in 2024 and 2023 were as follows:

	2024	2023
In favour of the customer	444	361
In favour of the Entity	452	416
Others	65	18
	961	795

The total number of complaints and claims in favour of the customer cost the Group 84 thousand euros in 2024 (67 thousand euros in 2023). The average response time was 14.89 days in 2024 (13.71 days in 2023).

With regard to the activity of the Caja Laboral Bancaseguros O.B.S.V., S.L.U. Customer Care Service, 4 complaints were received in 2024 (1 in 2023), and 4 cases were processed in 2024 (1 in 2023).

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The results of the files processed corresponding to the files opened for processing in 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
In favour of the customer	-	1
In favour of the Entity	1	-
Others	<u>3</u>	<u>1</u>
	<u>4</u>	<u>2</u>

The total number of complaints and claims in favour of the customer cost the Group 0 thousand euros in 2024 (28.03 thousand euros in 2023). The average response time was 7.66 days in 2024 (13 days in 2023).

15. Credit risk

Credit risk is the risk of loss due to failure by the counter-party to meet the payments owed to the Laboral Kutxa Group, in part or in full, or outside the agreed terms. From a management perspective, Caja Laboral Popular Coop. de Crédito differentiates between the credit risk arising from the Treasury and Capital Markets activity (financial institutions and private fixed income) and the credit risk with customers, arising from traditional investment activity.

In relation to the latter, the Governing Board has delegated to the Main Operations Committee the maximum powers for all the amounts and risk figures, as well as the authorisation of defaults without limit on the amount. The Main Committee delegates powers to the Executive Committee, which in turn delegates to the Credit Risk and the Commercial Network departments. The Network's risk sanctioning capacity is established on the basis of the level of risk and an alert system that takes into account factors such as risk volume, product type and transaction margin.

The aforementioned Risk Department reports to the General Manager and includes the Credit Risk, Methodologies and Credit Risk Support and Legal departments, which represents an increase in the efficiency of the credit risk modelling, admission, monitoring and recovery processes and a deepening of the Parent Company's comprehensive risk control.

As regards Domestic and Commercial Credit Risk, all these aspects are specified in the Risk Policy Manual, the latest update of which was approved by the Governing Board on 31 January 2025, and other related documents: Domestic Risk Admission Policy, Collateral Policy, Pricing Policy and Recoveries Policy, and all their respective procedural documents.

These documents determine the procedures for the granting, controlling and monitoring of credit risk and describe the usable predictive models, their variables, weighting, and capacities and criteria for sanctioning risks, the acceptance process, and risk mitigation and reduction policies.

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The control mechanisms implemented by the Parent Company for the control of the effective monitoring of the above-mentioned policies, methods and procedures are based on the Global Risk Control Systems implemented in the Parent Company, as well as on the independent supervision of the Internal Audit Department, ensuring the quality of the risk acceptance and management systems.

Since 2020, initially as a result of the pandemic and subsequently with the high increase in inflation and interest rates, the Parent Company has reinforced its risk control methodologies both at a domestic level and in businesses and companies. With regard to household risk, the Group regularly reviews the doubtful assets behaviour of customers under public or private moratoriums. At the business and companies level, it has reinforced early monitoring and automatic rating systems.

The Credit Risk Department, through the Large Company Risk Analysis and SME Risk Analysis sections, is responsible for the admission process and monitoring of portfolio companies, the Business and Small Company section is responsible for the admission of the aforementioned segments and the private individuals section, for the admission of domestic risk.

The Amicable and Pre-litigation Recovery section aims to manage the protocols associated with premature alerts in companies, as well as to maximise recoveries of operations in the amicable (< 60 days of non-payment) and pre-litigation (> 60 days of non-payment) phases.

Lastly, the Legal Department provides legal advice and documentary coverage for risk operations, both initial operations and possible refinancing or restructuring of debt, as well as management of recovery litigation and the Group's legal defence against claims by customers and third parties.

The methodology department is responsible for preparing and maintaining the internal models designed to assess the credit risk associated with the different transactions. Caja Laboral Popular Coop. de Crédito has developed internal rating and scoring models that can differentiate between customers (rating) or transactions (scoring) depending on their risk level. For individuals the reactive risk acceptance process is based on binding ratings which are complemented using proactive pre-grant models, on the basis of the rating, of consumer loans automatically available to the customer in the various channels. For corporate customers, the admission processes work on the basis of a binomial analyst/manager scheme, with a customer/analyst mapping, and analysts are supported in their decision-making by internal ratings and a model of pre-default warnings. The internal models therefore constitute a basic element in the allocation of risk, and also allow the Parent Company to estimate both the expected loss and the regulatory capital assigned to each transaction.

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These internal models, which are subject to systematic reviews, are therefore used in the decision-making process and also for the construction and development of integrated databases that enable the calculation of LGDs, expected losses, capital consumption, etc., within the framework of CRR2 capital requirements. Also, both the scoring and rating models allow the Parent Company to calculate the associated costs and establish the pricing of the different Private and Corporate transactions.

In the area of policies for risk mitigation and reduction, this is achieved through various paths:

- In the admission process, although the admission criteria are based upon the borrowers' capacity to pay, in the calculation of which the internal models are essential protagonists, collateral constitutes the second means for collection. Bearing in mind that the majority of investment activity is related to home financing, the principal guarantee is the mortgage and the LTV relationship of the transactions is particularly valued. Collateral in the form of guarantees is very important, and cash deposits and financial assets as guarantees have lesser specific weighting.
- In the monitoring process, the Parent Company has internal models of pre-default, which make it possible to anticipate default situations, so that positions with a high probability of default are managed proactively.
- In the management of recoveries, a procedure has been established that includes the intervention of different agents in the recovery of the default, depending on the temporary phase in which the defaulting customer is. Within this context, it should be noted that in recovery management both internal agents (branches, remote banking, pre-litigation and litigation) act along with external agents (collection agencies).

In general, the Parent Company measures real estate security at its appraised value, having established a policy of updating the value of the property that meets the requirements laid down by Bank of Spain regulations.

As regards credit risk with financial institutions and private fixed income in the Treasury and Capital Markets area, the latest update of the risk policy approved by the Governing Board on 31 January 2024 sets an overall limit on Treasury activity in line with the Entity's risk appetite in relation to solvency and the MREL ratio, and also establishes limits by counter-party, concentration by reference and manager, and by country. To this end, a procedure for allocating limits based on external ratings and an alert system has been implemented.

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The breakdown by counter-party of Loans and advances - Customer (excluding "Other financial assets") at 31 December 2024 and 2023, with a breakdown of the amount covered by each of the main collateral and the distribution of collateralised financing as a percentage of the carrying amount of the financing over the amount of the latest available collateral appraisal or valuation, is shown below:

2024

	Total	Of which: Real estate collateral	Of which: other collateral	Secured loans. Carrying amount in relation to the amount of the last available appraisal (<i>loan to value</i>)				
				Less than or equal to 40%	Greater than 40% and less than or equal to 60%	Greater than 60% and less than or equal to 80%	Greater than 80% and less than or equal to 100%	Greater than 100%
Public Administrations)	1,066,872	2,160	3,234	2,160	-	-	-	3,234
Other financial companies and individual business owners (financial business activity)	76,650	47,251	238	40,958	5,489	666	89	286
Non-financial companies and individual business owners (non-financial business activity) (broken down according to purpose)	2,957,490	741,130	183,912	326,797	272,339	106,320	13,481	206,107
– Real estate construction and development (including land)	26,677	25,418	-	2,550	7,817	7,935	463	6,653
– Public works construction	61,536	8,931	7,751	3,079	4,504	851	169	8,079
– Other purposes	2,869,277	706,781	176,161	321,168	260,018	97,534	12,849	191,375
Large companies SMEs and individual business owners	865,634	44,974	25,746	35,262	7,609	863	1,236	25,751
Other households (broken down by purpose)	2,003,643	661,807	150,415	285,906	252,409	96,671	11,613	165,624
– Housing	10,880,903	9,927,550	11,140	2,644,259	2,917,508	3,529,754	460,646	386,524
– Consumer	10,053,687	9,806,215	9,527	2,576,204	2,882,664	3,515,899	458,716	382,260
– Other purposes	483,721	21,928	360	14,741	5,862	905	453	327
	343,495	99,407	1,253	53,314	28,982	12,950	1,477	3,937
TOTAL	14,981,916	10,718,091	198,524	3,014,174	3,195,336	3,636,740	474,216	596,151
PRO-MEMORIA Refinancing, refinanced and restructured operations	122,334	79,396	57	25,054	21,743	15,336	7,317	10,004

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	Total	Of which: Real estate collateral	Of which: other collateral	Secured loans. Carrying amount in relation to the amount of the last available appraisal (<i>loan to value</i>)				
				Less than or equal to 40%	Greater than 40% and less than or equal to 60%	Greater than 60% and less than or equal to 80%	Greater than 80% and less than or equal to 100%	Greater than 100%
Public Administrations)	1,080,739	2,850	1,102	2,850	-	-	-	1,102
Other financial companies and individual business owners (financial business activity)	59,991	36,271	227	20,398	5,488	238	10,095	279
Non-financial companies and individual business owners (non-financial business activity) (broken down according to purpose)	2,797,156	705,242	151,880	312,616	243,867	105,748	15,139	179,752
– Real estate construction and development (including land)	21,050	19,614	-	3,542	2,657	2,255	2,324	8,836
– Public works construction	61,467	11,065	7,043	4,093	3,208	3,228	105	7,474
– Other purposes	2,714,639	674,563	144,836	304,981	238,001	100,265	12,710	163,442
Large companies SMEs and individual business owners	771,606	30,107	18,242	21,447	6,264	1,687	573	18,378
Other households (broken down by purpose)	1,943,033	644,456	126,594	283,534	231,738	98,577	12,138	145,063
– Housing	10,910,950	9,953,217	14,116	2,701,065	2,844,285	3,400,398	521,605	499,980
– Consumer	10,072,128	9,819,053	11,522	2,625,423	2,808,921	3,384,932	518,427	492,872
– Other purposes	487,291	31,077	396	20,819	6,915	1,895	1,203	641
	351,531	103,087	2,198	54,823	28,450	13,571	1,975	6,466
TOTAL	14,848,836	10,697,580	167,325	3,036,929	3,093,640	3,506,384	546,839	681,113
PRO-MEMORIA Refinancing, refinanced and restructured operations	141,476	87,582	85	27,569	19,155	16,943	10,145	13,855

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The maximum amount of the Parent Company's credit risk covered by each of the main guarantees at 31 December 2024 and 2023, is shown below:

	2024						
	Real estate collateral	Pledge guarantee	Other types of collateral	Secured or insured personal collateral	Unsecured personal guarantee	Unclassified	Valuation adjustments
Customer loans and advances							
Balance drawn down	10,441,010	8,977	319,753	1,227,881	2,726,161	576,008	(213,354)
Value of the collateral	26,209,590	15,325	1,340,173	1,106,955	24,221	-	-
	2023						
	Real estate collateral	Pledge guarantee	Other types of collateral	Secured or insured personal collateral	Unsecured personal guarantee	Unclassified	Valuation adjustments
Customer loans and advances							
Balance drawn down	10,459,274	11,086	303,791	1,303,270	2,700,659	442,370	(247,327)
Value of the collateral	26,118,666	17,945	1,252,148	1,194,433	21,590	-	-

The value of collateral received to secure collection related to customer transactions, differentiating between collateral and other guarantees as at 31 December 2024 and 2023 are as follows:

Value of collateral received	2024	2023
Value of collateral	27,549,763	27,370,814
Of which: guarantees doubtful risks	428,958	449,850
Value of other collateral	1,146,501	1,233,968
Of which: guarantees doubtful risks	85,310	103,819
Total value of collateral received	28,696,264	28,604,782

Information on the value of financial collateral granted as at 31 December 2024 and 31 December 2023 is presented below:

	2024	2023
Loan commitments granted	1,307,860	1,180,033
Of which: amount classified as doubtful	8,529	9,584
Amount recorded under liabilities on the balance sheet	-	-
Financial guarantees granted	160,325	159,686
Of which: amount classified as doubtful	1,994	10,916
Amount recorded under liabilities on the balance sheet	8,754	11,097
Other commitments granted	468,591	442,426
Of which: amount classified as doubtful	3,237	4,575
Amount recorded under liabilities on the balance sheet	1,711	3,294

In line with Bank of Spain recommendations on transparency in financing for construction and real estate development, financing for home acquisition and assets acquired in payment of debt and the valuation of the markets' financing needs and using the detailed models required, the Group includes the following information:

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a) Exposure to the construction and real estate development sector

The financing for construction and real estate development and its hedges as at 31 December 2024 and 2023 are as follows:

	2024		
	Gross carrying amount	Excess gross exposure on maximum recoverable amount of effective collateral	Accumulated impairment
Financing for construction and real estate development (including land) (businesses in Spain)	45,177	22,528	18,499
Of which: with default/doubtful	12,104	11,911	11,097
Pro-memoria:			
Assets written off	93,673		
Pro-memoria:	Amount		
- Loans to customers excluding Public Administrations (businesses in Spain)	13,915,027		
- Total assets (total businesses)	27,107,255		
- Impairment of value and provisions for exposures classified as not doubtful (total businesses)	151,511		

	2023		
	Gross carrying amount	Excess gross exposure on maximum recoverable amount of effective collateral	Accumulated impairment
Financing for construction and real estate development (including land) (businesses in Spain)	43,274	25,918	22,224
Of which: with default/doubtful	16,887	15,481	14,649
Pro-memoria:			
Assets written off	93,679		
Pro-memoria:	Amount		
- Loans to customers excluding Public Administrations (businesses in Spain)	13,767,199		
- Total assets (total businesses)	26,589,491		
- Impairment of value and provisions for exposures classified as not doubtful (total businesses)	135,668		

The breakdown of financing for construction, property development and house purchases as at 31 December 2024 and 2023, is shown below:

	Financing for construction and real estate development	
	Gross carrying amount	
	2024	2023
Without real estate collateral	8,889	10,366
With real estate collateral	36,288	32,908
Buildings and other finished constructions	14,966	18,816
Housing	13,149	16,166
Others	1,817	2,650
Buildings and other constructions in progress	1,443	733
Housing	1,393	683
Others	50	50
Land	19,879	13,359
Consolidated urban land	19,665	13,140
Other land	214	219
Total	45,177	43,274

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The breakdown of credit to households for house purchases as at 31 December 2024 and 2023 is as follows:

	2024		2023	
	Gross carrying amount	Of which: doubtful	Gross carrying amount	Of which: doubtful
Loans for home purchase	9,865,215	124,643	9,875,485	126,391
Without mortgage collateral	199,712	2,018	206,825	2,586
With mortgage collateral	9,665,503	122,625	9,668,660	123,805

The breakdowns of mortgage credit to households for house purchase according to the percentage of total irrigation as a percentage of the latest available valuation as at 31 December 2024 and 2023 are as follows:

Gross book value in relation to the amount of the last appraisal (<i>loan to value</i>)						
	2024					Total
	Less than or equal than 40%	Greater than 40% and less than or equal than 60%	Greater than 60% and less than or equal than 80%	Greater than 80% and less than or equal to 100 %	Greater than 100%	
Gross carrying amount	2,454,337	2,836,960	3,498,112	467,779	408,315	9,665,503
Of which: with default/doubtful	19,234	32,832	27,485	15,418	27,656	122,625

Gross book value in relation to the amount of the last appraisal (<i>loan to value</i>)						
	2023					Total
	Less than or equal than 40%	Greater than 40% and less than or equal than 60%	Greater than 60% and less than or equal than 80%	Greater than 80% and less than or equal to 100 %	Greater than 100%	
Gross carrying amount	2,495,263	2,760,566	3,366,123	524,617	522,091	9,668,660
Of which: with default/doubtful	14,995	22,376	28,298	19,162	38,974	123,805

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The breakdown of assets received in payment of debts as at 31 December 2024 and 2023 is as follows:

	2024		2023	
	Gross carrying amount	Accumulated impairment	Gross carrying amount	Accumulated impairment
Real estate assets from financing of construction and real estate development	328,751	327,477	376,811	343,243
Buildings and other finished constructions	17,933	17,922	16,995	16,962
Housing	5,376	5,376	5,066	5,066
Others	12,557	12,546	11,929	11,896
Buildings and other constructions in progress	12,103	10,840	53,596	20,061
Housing	8,459	8,212	49,694	17,078
Others	3,644	2,628	3,902	2,983
Land	298,715	298,715	306,220	306,220
Consolidated urban land	117,057	117,057	121,041	121,041
Other land	181,658	181,658	185,179	185,179
Real estate assets from mortgage financing to households for home purchase	18,963	13,538	22,335	14,176
Other real estate assets foreclosed or received in payment of debts	13,773	10,885	26,024	21,851
Equity instruments foreclosed or received in payment of debts	-	-	-	-
Equity instruments of entities holding foreclosed real estate assets or received in payment of debts	-	-	-	-
Financing to entities holding foreclosed real estate assets or received in payment of debts	-	-	-	-
Total	361,487	351,900	425,170	379,270

The value of collateral received associated with construction and property development financing is presented below as at 31 December 2024 and 2023:

Value of collateral received – Construction and real estate development	2024	2023
Value of collateral	147,195	153,458
<i>Of which: guarantees doubtful risks</i>	25,374	29,109
Value of other collateral	3,111	1,684
<i>Of which: guarantees doubtful risks</i>	-	-
Total value of collateral received	150,306	155,142

The value of financial guarantees granted for construction and real estate development operations as at 31 December 2024 and 2023 is presented below:

	2024	2023
Financial guarantees granted for construction and real estate development	35,162	23,709
Amount recorded under liabilities on the balance sheet	636	767

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In compliance with the provisions of Law 8/2012, at 31 December 2024 and 2023 the Parent Company holds the real estate assets from the financing of construction and real estate development in an asset management company, the details and percentage of ownership of which are set out in Appendix I to these consolidated annual accounts.

b) Refinancing transactions

The risk re-instrumentation policy approved by the Parent Company defines the re-instrumentation of transactions as a risk management instrument focused on amicable recovery. Thus, a distinction is made between refinancing operations which involve the granting of a new operation to cancel an existing one, and restructured operations or novations by means of which one or more of the conditions of an open operation are amended.

This policy stipulates that the power to authorise these kinds of transaction, regardless of whether or not there is a non-payment issue, resides exclusively with the Risk Management Department in its various sections.

Circular 3/2020, which amends the accounting treatment of certain refinancing and restructuring operations, came into force in 2020 (Note 2.3). When refinancing and/or restructuring operations do not qualify as Stage 1, they shall be classified as:

b.1) Stage 2 - Standard subject to special monitoring

Those that are not Doubtful or Written-off, but have weaknesses. Operationally, this kind of classification will be assigned by default, if the refinancing/restructuring operation is not classified under any of the types below, but exhibits a significant increase in credit risk.

b.2) Stage 3 - Doubtful due to default

Those in which the refinanced or restructured operations are over 90 days past due.

b.3) Stage 3 - Doubtful for reasons other than borrower arrears

Those in which there are reasonable doubts about their full repayment. Indications or indicators will be observed to support this situation.

Hedging of credit risk loss (necessary provisioning) will be made by collective estimation, except those considered "significant" (over 3 million euros, this being the threshold applied for doubtful operations or those under special monitoring) or have been classified as Doubtful for reasons other than late payments due to non-automatic factors. In these cases, the provision will be estimated through individualised analysis.

The Risk Analyst will have a proposed provision obtained from the model for the individualised estimate and will then establish the required provision based on the model proposal and knowledge of the transaction.

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In line with the requirements of IFRS 9 and in compliance with the amendments introduced by Circular 6/2012, of 28 September, and Circular 4/2017, of 27 November, which defines the criteria for classifying transactions as refinancing, refinanced and restructured transactions, and following the policies established by the Parent Company in this respect, the detail, at 31 December 2024 and 2023, of refinancing, refinanced and restructured transactions is included below:

2024 FY

	TOTAL							Of which: with default/doubtful						
	Without collateral		With collateral				Accumulated impairment	Without collateral		With collateral			Accumulated impairment	
	Number of operations	Gross carrying amount	Number of operations	Gross carrying amount	Maximum amount of collateral that can be considered			Number of operations	Gross carrying amount	Number of operations	Gross carrying amount	Maximum amount of collateral that can be considered		
					Real estate collateral	Other collateral						Real estate collateral		Other collateral
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Administrations	-	-	1	4,320	4,320	-	(2,160)	-	-	1	4,320	4,320	-	(2,160)
Other financial companies and individual business owners (financial business activity))	2	12	2	247	247	-	(8)	1	10	2	247	247	-	(7)
Other non-financial companies and individual business owners (non-financial business activity)	762	60,188	282	39,240	36,132	121	(37,256)	422	34,974	217	25,104	23,644	104	(25,953)
Of which: financing for construction and development (including land)	4	8,475	20	9,245	7,686	-	(14,348)	3	4,292	16	3,547	3,500	-	(7,512)
Other housing	595	7,142	766	79,241	74,919	16	(28,632)	308	4,185	503	52,628	49,252	-	(25,570)
TOTAL	1,359	67,342	1,051	123,048	115,618	137	(68,056)	731	39,169	723	82,299	77,463	104	(53,690)
ADDITIONAL INFORMATION														
Financing classified as Non-current assets and disposal groups classified as held for sale.	-	-	-	-	-	-	-	-	-	-	-	-	-	-

2023 FY

	TOTAL							Of which: with default/doubtful							
	Without collateral		With collateral				Accumulated impairment	Without collateral		With collateral				Accumulated impairment	
	Number of operations	Gross carrying amount	Number of operations	Gross carrying amount	Maximum amount of collateral that can be considered			Number of operations	Gross carrying amount	Number of operations	Gross carrying amount	Maximum amount of collateral that can be considered			
					Real estate collateral	Other collateral						Real estate collateral	Other collateral		
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Administrations	-	-	1	5,700	5,700	-	(2,850)	-	-	1	5,700	5,700	-	-	(2,850)
Other financial companies and individual business owners (financial business activity))	5	33	2	255	255	-	(23)	4	33	2	255	255	-	-	(23)
Other non-financial companies and individual business owners (non-financial business activity)	971	100,532	308	47,978	44,134	171	(72,103)	539	59,050	245	33,396	31,143	107	-	(57,996)
Of which: financing for construction and development (including land)	5	9,813	21	12,771	10,931	-	(18,216)	4	5,041	16	6,716	6,404	-	-	(10,816)
Other housing	647	7,464	854	87,097	80,188	15	(32,607)	348	4,498	548	58,331	53,352	-	-	(29,336)
TOTAL	1,623	108,029	1,165	141,030	130,277	186	(107,583)	891	63,581	796	97,682	90,450	107	-	(90,205)
ADDITIONAL INFORMATION															
Financing classified as Non-current assets and disposal groups classified as held for sale.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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The following is a breakdown, as at 31 December 2024 and 2023, of the total gross amount of transactions classified as normal under special monitoring and as doubtful in that year following refinancing or restructuring:

	2024		
	Gross amount		
	Full property mortgage collateral	Other collateral	Without collateral
Public Administrations	-	-	-
Other legal entities and individual business owners	5,670	56	24,020
<i>Of which: Financing for construction and development</i>	246	-	-
Other private individuals	13,245	16	3,251
<i>Of which: Financing for construction and development</i>	-	-	-
	2023		
	Gross amount		
	Full property mortgage collateral	Other collateral	Without collateral
Public Administrations	-	-	-
Other legal entities and individual business owners	6,319	172	50,847
<i>Of which: Financing for construction and development</i>	258	-	-
Other private individuals	36,572	-	3,468
<i>Of which: Financing for construction and development</i>	-	-	-

The value of collateral received to secure collection related to refinancing and restructuring transactions, differentiating between collateral and other guarantees as at 31 December 2024 and 2023 are as follows:

Value of collateral received – Refinancing	2024	2023
Value of collateral	371,242	328,604
<i>Of which: guarantees doubtful risks</i>	217,068	240,100
Value of other collateral	50,265	89,930
<i>Of which: guarantees doubtful risks</i>	30,065	53,801
Total value of collateral received	421,507	418,534

The detailed movement in the balance of refinancing and restructuring transactions, net of associated provisions, during 2024 and 2023 is as follows:

	2024	2023
Opening balance	141,476	129,375
(+)/(-) Incoming/Outgoing refinancing and restructuring within the period	(9,062)	32,958
<i>Memorandum item: impact recorded in the profit and loss account for the period</i>	32,369	(5,755)
(-) Debt repayments	(15,476)	(13,611)
(-) Foreclosures	(218)	(621)
(-) Balance sheet retirement (reclassification to write-offs)	-	-
(+)/(-) Other variations	5,614	(6,625)
Balance at year end	122,334	141,476

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16. Liquidity risk

There are two different definitions of liquidity risk:

- Fund liquidity risk: the risk that the Parent Company may not be able to efficiently meet expected and unforeseen cash flows, present and future, as well as guarantee provisions resulting from its payment obligations, without its daily operations or financial situation being affected.
- Market liquidity risk: the risk that a financial institution cannot easily offset or unwind a position at market prices because of insufficient depth or market distortions.

The Parent Company has always considered liquidity as a strategic objective and has maintained systematic liquidity management and control over the last two decades. As part of this, Caja Laboral Popular Coop. de Crédito has a Liquidity Risk Policies and Procedures Guide approved by its Governing Board based on the Basel Committee on Banking Supervision's "Principles for sound liquidity risk management and supervision" (document dated September 2008) and establishes various liquidity objectives, as well as a contingency plan including alert levels and action protocols. It is also worth mentioning that in 2015 the Parent Company also prepared the Risk Appetite Framework, which is the subject of a systematic process of authorisation and improvement, in which the different tolerance thresholds for certain key liquidity risk indicators are included and, furthermore, the Recovery Plan, which updates the aforementioned alert levels and action protocols relating to situations of liquidity crisis.

Based on the tasks set out in the procedures, liquidity management is supported by a control system that, on the one hand, sets limits on certain key indicators and medium-term liquidity targets for the above and additional indicators and, on the other, systematically monitors the degree of compliance with these limits and targets. These limits and targets are monitored on the basis of a monthly updated financing plan containing forecasts of the performance of investible funds, lending and wholesale funding, which determine the performance of the indicators subject to the limits and targets, enabling the ALCO to have permanently updated information on the foreseeable performance of both these indicators and liquidity in general over the medium term. The ALCO therefore has time to prepare appropriate actions to correct any imbalances in the evolution of aggregates affecting liquidity. Liquidity targets include Available Liquid Assets as , well as various liquidity ratios, including the LCR, which at the end of 2024 reached very high levels in the Parent Company, more than covering the limit established by the regulator.

Specifically, at year-end 2024, the Parent Company has:

- An LCR ratio of 543%.

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- 6,569 million euros of discountable (and available) liquid assets at the European Central Bank (ECB) (after haircuts) to cover unforeseen contingencies. Of this amount, 2,015 million euros are available in an ECB policy and 4,554 million euros are eligible assets in the ECB, which can be drawn down by pledging them. Over the year, the Entity has maintained high positive net liquidity levels.
- A balance in the current account of the Bank of Spain of 2,805 million euros, of which 230.3 million euros correspond to the cash ratio.
- The Loan to Deposits Ratio stands at 64.2%.
- Almost non-existent wholesale funding due to a prudent policy followed by the Entity.

The financing structure of the Parent Company is distributed in accordance with the following breakdown:

Financing structure	2024	
	Million euros	%
Customer deposits	23,105	86.29
Total Assets	26,776	

(1) Treasury stock is excluded

Liquidity needs in the medium-term are amply covered by the financing capabilities. Thus, the attached tables show the Net Liquid Assets available after the application of haircuts and the Emission Capacity of the Parent Company:

	Million euros	
	31/12/2024	
	Drawn	Available
Net Liquid Assets (2)	-	6,569

(2) Bank of Spain liquidity statements criteria (excluding equity instruments)

Issue capacity	Million euros
Issue capacity of Mortgage Bonds	6,844
Issue capacity of Territorial Bonds	606
	7,450

The attached table contains an analysis (in millions of euros) of the assets and liabilities of the Parent Company grouped by their residual maturity in accordance with the criteria of the liquidity statements sent to the Bank of Spain (excluding overdue balances, doubtful loans, foreclosures and non-performing assets):

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DISTRIBUTION OF ASSETS AND LIABILITIES BY MATURITY BRACKETS

	Million euros						
	Total balance	On demand	Up to 1 month	More than 1 month and up to 3 months	More than 3 months and up to 6 months	More than 6 months and up to 1 year	More than 1 year and up to 5 years
TOTAL Inflows	24,168	21	505	534	667	1,255	14,574
TOTAL Outflows	(23,688)	(17,881)	(751)	(698)	(1,135)	(2,892)	(95)
Net	480	(17,860)	(246)	(164)	(468)	(1,637)	14,479

2023

DISTRIBUTION OF ASSETS AND LIABILITIES BY MATURITY BRACKETS

	Million euros						
	Total balance	On demand	Up to 1 month	More than 1 month and up to 3 months	More than 3 months and up to 6 months	More than 6 months and up to 1 year	More than 1 year and up to 5 years
TOTAL Inflows	25,131	45	305	510	834	1,897	14,915
TOTAL Outflows	(23,280)	(19,107)	(758)	(193)	(620)	(2,204)	(158)
Net	1,851	(19,062)	(453)	317	214	(307)	14,757

17. Interest rate risk

Interest rate risk refers to the losses that may be incurred in the Parent Company's Income Statement and Equity Value as a result of an adverse movement in interest rates.

The Governing Board has delegated to the Assets and Liabilities Committee (ALCO) the function of managing this risk, within the limits set by the Board, which are reviewed each year. These limits are established in terms of the maximum permissible loss between two interest rate scenarios: market and unfavourable.

The ALCO systematically analyses exposure to the interest rate risk and through active management, attempts to anticipate through its decisions the negative impact that undesired changes in market interest rates may have on the income statement in the medium term. Its decisions are based on the measurement of the Parent Company's long-term performance under different interest rate scenarios, conducted through simulations that address structural on- and off-balance sheet positions.

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The accompanying table sets out the static gap of interest rate sensitive items, which represents an initial approximation to the Parent Company's exposure to interest rate fluctuations. However, given the limitations of the assumptions implicit in the gap, it should be noted that at Caja Laboral it is not the measurement technique used to measure the aforementioned risk, which is described in the preceding paragraph.

	Million euros								
	Balance on balance sheet at 31/12/2024	Up to 1 month	Between 1 and 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years
Sensitive assets	26,871	5,337	2,364	8,348	1,803	1,335	1,077	796	5,811
Money market	3,162	3,107	-	55	-	-	-	-	-
Credit market	15,945	1,675	2,333	4,961	1,280	1,035	870	674	3,117
Securities market	7,764	555	31	3,332	523	300	207	122	2,694
Sensitive liabilities	23,390	18,149	840	4,325	75	1	-	-	-
Wholesale market	3	1	-	2	-	-	-	-	-
Other creditors	23,387	18,148	840	4,323	75	1	-	-	-
Simple GAP		(12,812)	1,524	4,023	1,728	1,334	1,077	796	5,811
% of total liabilities		(48%)	6 %	15 %	6 %	5 %	4 %	3 %	22 %
Cumulative GAP		(12,812)	(11,288)	(7,265)	(5,537)	(4,203)	(3,126)	(2,330)	3,481
% of total liabilities		(48%)	(42%)	(27%)	(21%)	(16%)	(12%)	(9%)	(13%)

	Million euros								
	Balance on balance sheet at 31/12/2023	Up to 1 month	Between 1 and 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years
Sensitive assets	26,011	4,123	2,473	9,190	1,619	1,159	821	876	5,750
Money market	1,795	1,689	-	51	55	-	-	-	-
Credit market	16,341	2,045	2,395	5,158	866	1,122	623	819	3,312
Securities market	7,875	389	77	3,981	697	37	198	57	2,438
Sensitive liabilities	22,828	2,966	2,600	9,394	33	20	20	30	7,763
Wholesale market	183	181	-	1	-	-	-	-	-
Other creditors	22,645	2,785	2,600	9,393	33	20	20	30	7,763
Simple GAP		1,156	(127)	(204)	1,585	1,139	801	846	(2,013)
% of total liabilities		4 %	(0%)	(1%)	6 %	4 %	3 %	3 %	(8%)
Cumulative GAP		1,156	1,029	825	2,410	3,549	4,350	5,196	3,183
% of total liabilities		4 %	4 %	3 %	9 %	14 %	17 %	20 %	12 %

Those items with an associated contractual interest rate are considered to be interest rate sensitive and are therefore included in the gap. Other items are excluded, namely Measurement Adjustments, Non-classifiable Credit, Cash, Fixed Assets (including foreclosed assets), Derivatives, Sundry and Accrual Accounts, Social Welfare Fund, Special Funds, Capital and Reserves and Results for the year.

Within the aforementioned gap, the items considered sensitive are distributed among the different time periods in accordance with the criteria set out below. Floating rate products are placed in the time bracket corresponding to the time at which their interest rate will be revised (repriced). Fixed-rate items are allocated according to their residual maturity. For demand products, the Parent Company has made assumptions about their behaviour based on estimates of the variability of balances. Statistical analyses have been performed on each type of account with no explicit maturity date (interest-free, administered and indexed accounts) based on the evolution of the interest rate applied to these accounts and the market interest rate.

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According to the impact analyses carried out by the Parent Entity for the Supervisor, a 200 basis points decrease in interest rates would generate a reduction in the interest margin in the first year horizon of around 1.95% of Equity. The criteria established by the Supervisor for the preparation of these analyses are basically the maintenance of the initial balances and balance sheet structure, the evolution of interest rates in accordance with market expectations, the 5-year limit for non-maturity deposits, and a floor for market interest rates, ranging from -1.5% to 0% for maturities between demand and 50 years, respectively.

As for the impact on the economic value, the worst-case regulatory scenario for the SOT defined by the EBA entails a decrease of 86.9 million euros in the economic value of the Parent Company, i.e. around 3.94% of its Equity. The criteria used to calculate the Equity Value are the same as those previously mentioned in the interest rate gap section.

18. Other market risks

During 2024, the downside risks to growth and upside risks to inflation that had been forecast in 2023 have not materialised. On the contrary, the global business cycle has been better than expected and inflation has moderated in line with expectations (although it was only in late spring that the year-on-year rate of price indices eased). The ECB has acted accordingly and cut rates by 100bp (less than expected a year ago) as has the Fed.

With central banks cutting rates, the short end of the curve fell during the year (-32bp for the German 2-year to 2.07% and -1bp for the US 2-year to 4.24%). Longer tranche rates were raised (+69bp on the US 10-year TNote to 4.57% and +34bp on the German Bund).

Along with the positive trend of the curves, the other notable movement of the year has been the divergence in the European 10-year government bond spreads with Germany. The year closed with declines in Spain (-27bp to 66bp) and Italy (-54bp to 109bp) but with an increase in France (+31bp to 83bp).

The Bloomberg sovereign indices for Italy, Spain, Germany and France closed the year with yields of close to 5%, 3% 0.6% and -0.8%, respectively, while the US index closed on +0.6%.

In corporate bonds, minor net changes in credit spreads in 2024 supported by low levels of corporate defaults. The Bloomberg Investment Grade European index rose +4.7% and the High Yield index did better with +8.1%. The local currency Emerging Markets index gained +2.2%.

On the stock market, the S&P500 recorded a +23.3% and the Nasdaq a +28.6%, boosted by the Magnificent Seven. The Eurostoxx50 closed the year with a worse but positive performance: +8.3%, with the German Dax (+18.8%) and the Ibex (+14.8%) performing particularly well. The French CAC was down -2.2% for the year. The United Kingdom closed 2024 with an increase of +5.7%. The main Japanese index was up +28.2% and the MSCI Emerging Market Index posted a positive return of +5.1% for the year.

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The euro depreciated by 6.2% against the dollar and by 4.5% against the pound sterling during the year. On the other hand, the euro gained almost +4.5% against the Japanese yen.

Other assets such as gold and Bitcoin closed the year with strong gains. On the other hand, the oil price declined in 2024.

Given the low exposure to risky assets in the investment portfolios (corporate bonds and equities), the impact of their performance was positive but limited.

In this environment of higher interest rates, strategies have been implemented to improve the Entity's profit in the following years and to reduce the risk in the event of possible scenarios of falling interest rates. Specifically, capital losses (in net trading income) were realised through sales of financial assets at amortised cost and a new portfolio with a higher expected return was built, which will contribute positively to net interest income in future years.

19. Operational risk

This is the risk of incurring losses due to insufficient or failing procedures, human resources and internal systems or external events.

Caja Laboral Popular Coop. de Crédito has complied with its reporting obligations through the standard method, according to the methodology described in Regulation 575/2013 of the European Parliament and Council, of 26 June 2013.

On a qualitative level, the Group has risk maps and controls in all departments. Periodically, a self-assessment of these risks is carried out and then action plans are launched to mitigate the most critical ones.

The Group currently has a network of 64 coordinators and 30 validators to carry out the functions required by the system (self-assessments and action plans).

On a quantitative level, the Group has had an internal database of operational losses since 2002. Each loss is assigned to an event type and business line, defined by Regulation 575/2013 of the European Parliament and Council, of 26 June 2013.

Additionally, Caja Laboral Popular Coop. de Crédito belongs to the CERO Group (Spanish Operational Risk Consortium), in which the main financial entities are represented at state level and which shares information and experience related to operational risk.

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20. Insurance risks

The main insurance risks faced by the Group, are detailed below:

- Mortality risk: variations in the level, trend or volatility of mortality rates, where an increase in the mortality rate leads to an increase in the value of the commitments entered into.
- Longevity risk: variations in the level, trend or volatility of mortality rates, where a decrease in the mortality rate leads to an increase in the value of the commitments entered into.
- Slump risk: variations in the level, trend or volatility of the actual cancellation, renewal and surrender rates exercised by policyholders of insurance contracts, with respect to the applied slump assumptions.
- Expense risk: variations in the level, trend or volatility of the costs of executing insurance or reinsurance contracts relative to the surcharges provided for in the pricing and provisioning of products.
- Claims risk: variations in the claims frequency of insurance or reinsurance contracts with respect to the expected claims rate.

In order to adequately measure and monitor these risks, the Group uses insurance valuation assumptions consistent with Solvency II provision valuation mechanisms. These assumptions are based on the best estimation of mortality, longevity, slumps, expenses and claims experience in the economic environment, and are based on the best estimation of the performance of the Group's portfolio of insurance contracts.

In accordance with the regulations established by the Directorate General of Insurance, the Group has adapted to the new PASEM2020 and PER2020 tables, and for disability risks it uses the PEAIM-2007 tables.

In keeping with Spanish legislation, the Group's policies cover the consequences of the catastrophes covered by the Insurance Compensation Consortium, an entity that reports to the Ministry of Economy and Finance.

The Group also uses reinsurance contracts to reduce the risk of claims under the policies entered into. It is not considered that there is a significant concentration of risk due to the fact that the Group's insurance business is mainly based on insuring the personal risks of individuals and therefore, except for catastrophic risk, which is already covered by the Insurance Compensation Consortium, the level of risk is low.

At the date of preparation of these annual accounts, the Parent Company's Directors confirm that an internal risk and solvency assessment has been carried out and that the Group's Insurance Companies comply with the overall solvency requirements, taking into account their profile risk tolerances, approved risk tolerance limits as well as business strategy.

It has implemented processes that are proportionate to the nature, volume and complexity of the risks inherent to its activity and which enable it to properly determine and evaluate the risks it faces in the short and long term, and to which the Group's insurance companies are or could be exposed.

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In addition, the directors of the Parent Company confirm that the Group's Insurance Companies are in continuous compliance with capital requirements and insurance contract liability requirements.

The Group has performed a sensitivity analysis on how changes in the assumptions made regarding underwriting risk variables could impact the Group's insurance contract liabilities, income statement and equity. The analysis is based on a change in assumptions, with all other instances remaining constant.

For the Life business, the following stress scenarios have been considered for the actuarial assumptions used in the future estimates:

- A permanent 15% increase in mortality
- A permanent 20% decrease in mortality
- A permanent 50% increase in surrender and early cancellation rates.

For the Non-Life company, the following stress scenario has been considered:

- A 5% increase in claims benefits.

In the case of Life, the worst-case scenario would have almost no impact on insurance contract liabilities, as it would record an increase in the BEL of around 1 million euros, which would be absorbed mostly by the CSM. The loss not absorbed by the CSM would be recorded in the income statement. Therefore, the impact on profit and equity would in any case be less than 1 million euros.

In the case of Non-Life, this claims scenario would have an impact on incurred claims liabilities of around 2 million euros, with a negative impact on results and a reduction in equity of around 5 million euros and 4 million euros, respectively.

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21. Risk concentration

In accordance with Regulation 575/2013 of the European Parliament and of the Council and subsequent amendments on solvency requirements, as regards large exposures, defined as those exceeding 10% of shareholders' equity, no exposure to a subject or group may exceed 25% of its equity. If in an exceptional case exposures exceed that limit, the entity shall immediately report the value of the exposure to the competent authorities, which may grant the credit institution, if the circumstances so warrant, a limited period of time to comply with the limit. The Entity's risk Assumption policy takes into account the aforementioned limits and criteria, having established counter-party risk limits consistent with these requirements, as well as procedures for controlling overruns.

As at 31 December 2024 and 2023, there are no borrowers considered to be "large exposure", as there are none that exceed 10% of equity.

The Group's risk concentrations by geographical sector where the risk is located, by class of counter-party, indicating their carrying amount at 31 December 2024 and 2023, were as follows:

2024

	Total (carrying amount) (a)	Spain	Rest of the EU	America	Rest of the world
Central Banks and credit institutions	3,911,207	3,342,395	231,475	12,505	324,832
Public Administrations	8,204,726	7,140,501	1,064,225	-	-
– Central Government	6,523,251	5,987,193	536,058	-	-
– Other Public Administrations	1,681,475	1,153,308	528,167	-	-
Other financial companies and individual business owners	363,492	163,810	184,030	1,012	14,640
Non-financial companies and individual business owners	3,290,546	3,220,714	45,852	14,769	9,211
– Construction and real estate development	55,780	55,780	-	-	-
– Public works construction	153,751	153,751	-	-	-
– Other purposes	3,081,015	3,011,183	45,852	14,769	9,211
Large companies	971,794	911,330	37,210	14,485	8,769
SMEs and individual business owners	2,109,221	2,099,853	8,642	284	442
Other housing	10,924,766	10,898,802	19,160	2,481	4,323
– Housing	10,053,687	10,028,450	18,681	2,339	4,217
– Consumer	483,721	483,148	392	76	105
– Other purposes	387,358	387,204	87	66	1
TOTAL	26,694,737	24,766,222	1,544,742	30,767	353,006

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2023

	Total (carrying amount) (a)	Spain	Rest of the EU	America	Rest of the world
Central Banks and credit institutions	2,522,628	1,871,053	292,049	17,867	341,659
Public Administrations	9,137,905	8,616,921	520,984	-	-
– Central Government	7,500,730	7,307,279	193,451	-	-
– Other Public Administrations	1,637,175	1,309,642	327,533	-	-
Other financial companies and individual business owners	312,077	145,060	148,557	4,509	13,951
Non-financial companies and individual business owners	3,212,874	3,124,358	50,840	25,398	12,278
– Construction and real estate development	43,920	43,920	-	-	-
– Public works construction	148,901	148,830	71	-	-
– Other purposes	3,020,053	2,931,608	50,769	25,398	12,278
Large companies	910,145	831,587	42,838	23,924	11,796
SMEs and individual business owners	2,109,908	2,100,021	7,931	1,474	482
Other housing	10,919,656	10,898,230	16,097	2,224	3,105
– Housing	10,072,128	10,051,315	15,687	2,094	3,032
– Consumer	487,291	486,855	317	47	72
– Other purposes	360,237	360,060	93	83	1
TOTAL	26,105,140	24,655,622	1,028,527	49,998	370,993

- (a) The definition of exposures includes loans and advances, debt securities, equity instruments, derivatives (held for trading and hedging), investments in joint ventures and associates, and collateral granted, regardless of the item in which they are included on the balance sheet.

The distribution of activity by geographical area will be based on the country or autonomous community of residence of the borrowers, issues of the securities and counter-parties of the derivatives and collateral granted.

2024

AUTONOMOUS COMMUNITIES					
Business in Spain	Total (carrying amount) (a)	Basque Country	Navarre	Madrid	Others
Central Banks and credit institutions	3,342,395	72,627	-	3,093,941	175,827
Public Administrations	7,140,501	523,301	109,643	117,916	6,389,641
– Central Government	5,987,193	-	-	-	5,987,193
– Other Public Administrations	1,153,308	523,301	109,643	117,916	402,448
Other financial companies and individual business owners	163,810	51,169	925	98,917	12,799
Non-financial companies and individual business owners	3,220,714	1,721,030	298,558	493,766	707,360
– Construction and real estate development	55,781	40,960	7,640	-	7,181
– Public works construction	153,751	108,664	4,934	21,817	18,336
– Other purposes	3,011,182	1,571,406	285,984	471,949	681,843
Large companies	911,330	510,765	86,557	159,981	154,027
SMEs and individual business owners	2,099,852	1,060,641	199,427	311,968	527,816
Other housing	10,898,802	5,780,090	1,187,593	1,052,943	2,878,176
– Housing	10,028,450	5,159,669	1,100,695	1,032,977	2,735,109
– Consumer	483,148	298,333	61,851	12,755	110,209
– Other purposes	387,204	322,088	25,047	7,211	32,858
TOTAL	24,766,222	8,148,217	1,596,719	4,857,483	10,163,803

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Business in Spain	AUTONOMOUS COMMUNITIES				
	Total (carrying amount) (a)	Basque Country	Navarre	Madrid	Others
Central Banks and credit institutions	1,871,053	54,146	-	1,597,771	219,136
Public Administrations	8,616,921	476,172	108,860	210,711	7,821,278
– Central Government	7,307,279	-	-	-	7,307,279
– Other Public Administrations	1,309,642	476,172	108,860	210,711	513,899
Other financial companies and individual business owners	145,060	38,091	1,068	94,375	11,526
Non-financial companies and individual business owners	3,124,358	1,718,776	281,677	448,485	675,420
– Construction and real estate development	43,920	35,217	2,169	-	6,534
– Public works construction	148,830	106,919	6,324	19,615	15,972
– Other purposes	2,931,608	1,576,641	273,184	428,485	652,913
Large companies	831,587	457,891	64,018	163,904	145,774
SMEs and individual business owners	2,100,021	1,118,750	209,166	264,966	507,139
Other housing	10,898,230	5,887,475	1,202,564	919,186	2,889,005
– Housing	10,051,315	5,296,745	1,114,614	901,038	2,738,918
– Consumer	486,855	297,358	62,158	11,438	115,901
– Other purposes	360,060	293,372	25,792	6,710	34,186
TOTAL	24,655,622	8,174,660	1,594,168	3,270,528	11,616,266

(a) The definition of exposures includes loans and advances, debt securities, equity instruments, derivatives (held for trading and hedging), investments in joint ventures and associates, and collateral granted, regardless of the item in which they are included on the balance sheet.

The following notes provide details of the Group's risk concentration by type of transaction, business and geographical area, currency, risk quality, etc.

22. Cash, cash balances at central banks and other on demand deposits

The breakdown of this heading of the consolidated balance sheet at 31 December 2024 and 2023 is as follows:

	2024	2023
Cash	102,895	94,534
Balances of cash equivalents at central banks	2,805,296	1,261,130
Other on demand deposits	55,409	62,043
	2,963,600	1,417,707
By currency:		
In euros	2,945,484	1,395,141
In US dollars	7,972	11,044
In Swiss francs	547	431
In Pounds sterling	1,341	1,708
In Japanese yen	7,825	8,253
Others	431	1,130
	2,963,600	1,417,707

The average annual interest rate during 2024 and 2023 for cash balances at central banks and other demand deposits amounted to 3.239% and 2.757%, respectively.

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In accordance with Regulation (EC) No. 1745/2003 of the European Central Bank, credit institutions in the Member States of the European Union must comply with a minimum reserve ratio of 1% at 31 December 2024 and 2023, respectively, based on their eligible liabilities, as determined in the aforementioned regulation. At 31 December 2024 and 2023, a portion of the balance held in current account at the Bank of Spain is subject to compliance with the minimum reserve ratio, and the Parent Company complies with the minimum required for this ratio under current regulations.

23. Financial assets and liabilities held for trading

The breakdown of these headings of the consolidated balance sheet at 31 December 2024 and 2023 is as follows:

	Assets		Liabilities	
	2024	2023	2024	2023
Derivatives	2,226	2,647	1,487	2,177
Equity instruments	1,013	2,621	-	-
Debt securities	-	2,770	-	-
	<u>3,239</u>	<u>8,038</u>	<u>1,487</u>	<u>2,177</u>

The fair value of the items included in "Financial assets and liabilities held for trading" at 31 December 2024 and 2023, as well as the valuation techniques used, are included in Note 40.

The effect on the consolidated income statements for the years ended 31 December 2024 and 2023 arising from changes in the fair value of items classified as financial assets and liabilities held for trading is as follows (Note 50):

	Benefits		Losses	
	2024	2023	2024	2023
Derivatives	14,172	39,433	(13,287)	40,153
Equity instruments	1,043	943	(883)	768
Debt securities	10,362	2,285	(10,012)	1,741
	<u>25,577</u>	<u>42,661</u>	<u>(24,182)</u>	<u>42,662</u>

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The breakdown, by fair value measurement basis, of the effect on the consolidated income statement for the years ended 31 December 2024 and 2023 of changes in the fair value of items classified as financial assets and liabilities held for trading is as follows:

	Benefits		Losses	
	2024	2023	2024	2023
Items whose fair value is:				
Determined by reference to quoted prices (Level 1)	12,965	4,389	13,202	3,943
Estimated through a measurement technique based on:				
Market-based data (Level 2)	12,457	38,272	10,980	38,719
Non-market-based data (Level 3)	155	-	-	-
	25,577	42,661	24,182	42,662

The currency and maturity breakdown of the balances included under Financial assets and liabilities held for trading of the consolidated balance sheets at 31 December 2024 and 2023 is as follows:

	Assets		Liabilities	
	2024	2023	2024	2023
By currency:				
In euros	2,226	6,440	1,487	2,177
In US dollars	1,013	1,598	-	-
	3,239	8,038	1,487	2,177
By maturity:				
Up to 1 month	525	207	394	88
Between 1 and 3 months	238	310	188	682
Between 3 months and 1 year	703	537	229	654
Between 1 and 5 years	255	3,936	211	371
More than 5 years	505	427	465	382
Maturity not determined	1,013	2,621	-	-
	3,239	8,038	1,487	2,177

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a) Credit risk

The risk concentrations by geographical sector where the risk is located, by class of counter-party and by type of instrument, indicating their carrying amount at those dates, were as follows:

	2024		2023	
	Amount	%	Amount	%
By geographical area:				
Spain	2,226	68.72 %	6,293	78.29 %
Rest of the EU	-	-	114	1.42 %
Rest of the world	1,013	31.28 %	1,631	20.29 %
	3,239	100.00 %	8,038	100.00 %
By counter-party categories:				
Credit institutions	429	13.24 %	2,100	26.13 %
Resident Public Administrations	-	-	2,770	34.46 %
Other resident sectors	1,797	55.48 %	1,570	19.53 %
Other non-resident sectors	1,013	31.28 %	1,598	19.88 %
	3,239	100.00 %	8,038	100.00 %
By instrument types:				
Listed bonds and debentures	-	-	2,770	34.46 %
Other fixed-income securities	-	-	-	-
Derivatives not traded on organised markets	2,226	68.72 %	2,647	32.93 %
Listed shares	1,013	31.28 %	2,621	32.61 %
	3,239	100.00 %	8,038	100.00 %

The breakdown of the Financial assets held for trading based on external credit ratings assigned by the main rating agencies is as follows:

	2024		2023	
	Amount	%	Amount	%
A-rated risks	-	-	4,688	45.60 %
B-rated risks	-	-	181	2.25 %
Amounts not assigned	3,239	100.00 %	3,169	52.15 %
	3,239	100.00 %	8,038	100.00 %

b) Debt securities

The breakdown of the balance of debt securities included under this heading on the assets side of the consolidated balance sheet at 31 December 2024 and 2023 is as follows:

	2024	2023
Public Debt Other European Union Countries	-	-
Spanish/Regional Public Debt	-	2,770
Official Credit Institute	-	-
Other fixed-income securities	-	-
	-	2,770

The average annual interest rate during 2024 and 2023 on the debt securities of the banking business amounted to 0.785% and 0.929%, respectively.

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c) Equity instruments

The breakdown of the balance of Equity instruments on the assets side of the consolidated balance sheets as at 31 December 2024 and 2023 is as follows:

	2024	2023
Holdings in Spanish entities	-	-
Holdings in foreign entities	-	-
Holdings in Investment Funds	1,013	2,621
Other holdings	-	-
	<u>1,013</u>	<u>2,621</u>

d) Derivatives held for trading

The breakdown of the balance of Derivatives under the headings “Financial assets held for trading” and “Financial liabilities held for trading” in the consolidated balance sheets at 31 December 2024 and 2023 is as follows:

	2024		
	Notional value	Fair value	
		Assets	Liabilities
Purchase-sale of unmatured currencies	31,584	980	2
Purchases	21,755	43	426
Sales	-	-	-
Equity, index and interest rate futures	-	-	-
Purchased	-	-	-
Sold	-	-	-
Securities options	-	-	-
Purchased	322,631	-	-
Sold	-	-	-
Currency options	-	-	-
Purchased	-	-	-
Sold	-	-	-
Interest rate options	18,600	369	-
Purchased	1,917	-	6
Sold	-	-	-
Other interest rate transactions	-	-	-
FRAs	58,430	834	1,053
Financial swaps	-	-	-
Call Money Swap (CMS)	-	-	-
Other term transactions	-	-	-
Purchased	-	-	-
Sold	-	-	-
		<u>2,226</u>	<u>1,487</u>

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	Notional value	2023	
		Fair value Assets	Liabilities
Purchase-sale of unmatured currencies			
Purchases	38,012	124	790
Sales	53,851	806	630
Equity, index and interest rate futures			
Purchased	-	-	-
Sold	2,140	-	-
Securities options			
Purchased	17,950	115	-
Sold	454,597	-	-
Currency options			
Purchased	-	-	-
Sold	-	-	-
Interest rate options			
Purchased	18,600	720	-
Sold	-	-	-
Other interest rate transactions			
FRAs	-	-	-
Financial swaps	47,737	838	757
Call Money Swap (CMS)			
Other term transactions			
Purchased	-	-	-
Sold	2,809	44	-
		<u>2,647</u>	<u>2,177</u>

The notional and/or contractual amount of contracts corresponding to Derivatives held for trading does not imply a quantification of the risk assumed by the Group since its net position is obtained from the offsetting and/or combination of these instruments.

The collateral granted by the Group to certain investment funds, pension funds and voluntary social welfare entities (all managed by companies belonging to the Laboral Kutxa Group (see Appendix I)) are recorded as options issued on securities. The nominal value of these transactions at 31 December 2024 and 2023 amounts to 322 million euros and 455 million euros, respectively, with a fair value of 0 thousand euros in both cases.

The effect of taking into account both counter-party risk and own risk in the measurement of derivatives held for trading at 31 December 2024 and 2023 is not material.

The differences between the value of derivatives sold to and purchased from customers and those purchased from and sold to counter-parties, where there is a margin for the Group, are not material.

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24. Financial assets at fair value through other comprehensive income

The breakdown of this heading of the consolidated balance sheet at 31 December 2024 and 2023 is as follows:

	2024	2023
Equity instruments	201,852	162,657
Holdings in Spanish entities	28,076	21,283
Holdings in foreign entities	21,088	24,257
Holdings in Investment Funds	-	-
Holdings in Venture Capital Entities	151,876	116,305
Securities related to the Education and Promotion Fund	812	812
Debt securities	1,045,135	833,611
Spanish Government Debt Bonds	701,178	610,364
Treasury Bills	-	-
Government bonds and debentures	701,178	610,364
Other recorded debts	-	-
Other Spanish Government Debt	9,143	16,726
Foreign Government Debt	197,104	24,305
Issued by credit institutions	99,340	105,806
Residents	24,541	18,809
Non-residents	74,799	86,997
Other fixed-income securities	38,601	76,346
Issued by other residents	9,557	22,522
Issued by other non-residents	29,044	53,824
Doubtful assets	13,256	13,372
Value adjustments due to asset impairment	(13,487)	(13,308)
Micro-hedging transactions	-	-
	1,246,987	996,268

The quantifiable fair value of the items included in “Financial assets at fair value through other comprehensive income” at 31 December 2024 and 2023, as well as the measurement techniques used, are included in Note 40.

Note 38 breaks down the balance of “Other accumulated comprehensive income” in consolidated equity at 31 December 2024 and 2023 arising from changes in the fair value of items included in “Financial assets at fair value through other comprehensive income”.

The amount retired from equity during the financial years ended 31 December 2024 and 2023 from “Other accumulated comprehensive income” and recognised in the consolidated income statement for the sale of financial instruments classified as Financial assets at fair value through other comprehensive income amounted to 9,942 thousand euros and 52,702 thousand euros, respectively, both net of the related tax effect (Note 38).

In addition, during the year 2024, as a result of the sale of equity financial instruments classified in the “Financial assets at fair value through profit or loss” portfolio, an amount net of the tax effect of 138 thousand euros has been derecognised from equity under “Other accumulated comprehensive income - Items not to be reclassified to profit or loss”, with a charge to reserves (494 thousand euros charged to reserves in 2023).

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The currency and maturity breakdown of “Financial assets at fair value through other comprehensive income” in the consolidated balance sheets at 31 December 2024 and 2023 is as follows:

	2024	2023
By currency:		
In euros	1,198,677	961,322
In US dollars	43,564	29,825
In Pounds sterling	1,460	1,797
In Swiss francs	2,634	2,580
Others	652	744
	1,246,987	996,268
By maturity:		
Up to 1 month	4,327	20,754
Between 1 and 3 months	4,919	9,239
Between 3 months and 1 year	39,389	25,937
Between 1 and 5 years	335,017	223,857
More than 5 years	671,710	567,493
Maturity not determined	205,112	162,296
	-	-
Value adjustments due to asset impairment	(13,487)	(13,308)
	1,246,987	996,268

The movements during 2024 and 2023 in the heading “Financial assets at fair value through other comprehensive income” are shown below:

	2024	2023
Balance at the beginning of the year	996,268	822,701
Net additions/retirements	226,493	73,035
Movements due to changes in fair value	17,640	99,211
Impairment losses (net) charged to income (Note 60)	397	1,321
Others	6,189	-
Balance at the end of the year	1,246,987	996,268

The average annual interest rate during 2024 and 2023 on the debt securities of the banking business amounted to 3.780% and 2.279%, respectively. The average annual return on insurance business debt securities in 2024 and 2023 was 0.05% and 0.41%, respectively.

At 31 December 2024 and 2023, the Parent Company has subscribed shares in the capital of certain unlisted companies in respect of which there are outstanding uncalled payments amounting to 30 thousand euros in both years.

During 2023, the Parent Company sold fixed-income issues for a nominal amount of 908,435 thousand euros, giving rise to gross losses of 64,938 thousand euros, which were recognised under “Gains or (-) losses on retirement of financial assets and liabilities not measured at fair value through profit or loss, net” in the income statement for the year (Note 49).

At 31 December 2024 and 2023, the Parent Company does not hold a fair value hedge on fixed income issues included in the “Financial assets at fair value through other comprehensive income” portfolio.

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a) Credit risk

The risk concentrations by geographical sector within the Debt securities portfolio were as follows:

	2024		2023	
	Amount	%	Amount	%
Spain	757,399	71.55 %	680,927	80.40 %
Rest of the EU	273,120	25.80 %	116,737	13.78 %
Rest of Europe	-	-	-	-
Rest of the world	28,103	2.65 %	49,255	5.82 %
	1,058,622		846,919	100.00 %
Value adjustments due to asset impairment	(13,487)		(13,308)	
	<u>1,045,135</u>		<u>833,611</u>	

The breakdown of debt securities based on external credit ratings assigned by the main rating agencies is as follows:

	2024		2023	
	Amount	%	Amount	%
A-rated risks	797,192	76.28 %	687,205	82.44 %
B-rated risks	247,943	23.72 %	146,406	17.56 %
C-rated risks	-	-	-	-
Unrated doubtful assets	-	-	-	-
Amounts not assigned	-	-	-	-
	<u>1,045,135</u>	<u>100.00 %</u>	<u>833,611</u>	<u>100.00 %</u>

Due mainly to the expected recovery of future cash flows from certain financial assets, the evolution of the stock markets, the liquidity situation of certain fixed income issues and the increase in credit risk spreads, the Group considered certain debt instruments included in the Financial assets at fair value through other comprehensive income portfolio as impaired.

b) Impairment losses

The breakdown of the balance of "Impairment or (-) reversal of impairment of financial assets not measured at fair value through profit or loss and net (-) gains through modification - Financial assets at fair value through other comprehensive income" of the consolidated income statements for the years ended 31 December 2024 and 2023, is shown below (Note 60):

	2024	2023
Debt securities	(463)	(1,321)
Equity instruments	-	-
	<u>(463)</u>	<u>(1,321)</u>
Allocations charged to P&L		
Determined individually	(463)	(1,321)
Determined collectively	-	-
Recovery of allocations credited to P&L	-	-
Recovery of write-offs credited to P&L	-	-
Other allocations	-	-
	<u>(463)</u>	<u>(1,321)</u>

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The movement during 2024 and 2023 in the balance of Value adjustments due to asset impairment recorded under “Financial assets at fair value through other comprehensive income - Debt instruments”, is as follows:

	2024	2023
Balance at the beginning of the year	13,308	14,578
Net allocations/(recoveries) charged/(credited) to P&L	(463)	(1,321)
Transfer to write-offs against constituted funds	-	-
Other movements	642	51
	13,487	13,308

The breakdown, by measurement basis, of the balance of Value adjustments due to asset impairment recorded under “Financial assets at fair value through other comprehensive income” at 31 December 2024 and 2023, is as follows:

	2024	2023
By measurement basis:		
Determined individually	13,487	13,308
Determined collectively	-	-
	13,487	13,308

25. Financial assets at amortised cost

The breakdown of this heading of the consolidated balance sheet at 31 December 2024 and 2023 is as follows:

	2024	2023
Debt securities	6,764,861	7,947,509
Loans and advances	15,409,230	15,434,109
Credit institutions	285,227	445,130
Customers	15,124,003	14,988,979
	22,174,091	23,381,618

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The currency and maturity breakdown of “Financial assets at amortised cost” in the consolidated balance sheets at 31 December 2024 and 2023, is as follows:

	2024	2023
By currency:		
In euros	22,404,750	23,589,100
In US dollars	10,515	75,839
In Pounds sterling	1,739	83
In Japanese yen	14	24
In Swiss francs	2	44
Other	-	-
Valuation adjustments	(242,929)	(283,472)
	22,174,091	23,381,618
By maturity:		
On demand	386,300	266,426
Up to 1 month	247,394	38,923
Between 1 and 3 months	176,880	68,332
Between 3 months and 1 year	798,212	1,943,199
Between 1 and 5 years	3,387,005	3,385,357
More than 5 years	16,672,216	17,202,525
Maturity not determined	749,013	760,328
Valuation adjustments	(242,929)	(283,472)
	22,174,091	23,381,618

a) Debt securities

The breakdown of this heading of the consolidated balance sheet at 31 December 2024 and 2023 is as follows:

	2024	2023
Bonds and debentures	6,793,777	7,983,241
Spanish Government Debt Bonds	5,777,139	7,248,519
Public Debt Other European Union Countries	553,760	269,430
Issued by credit institutions	458,249	455,371
Residents	88,984	95,455
Non-residents	369,265	359,916
Issued by other Sectors	4,629	9,921
Residents	4,629	9,921
Non-residents	-	-
Promissory notes and other fixed income issues:	-	-
Issued by other Sectors	-	-
Residents	-	-
Non-residents	-	-
Value adjustments due to asset impairment	-	-
Micro-hedging transactions	(28,916)	(35,732)
	6,764,861	7,947,509

At 31 December 2024 and 2023 all the references in this portfolio are classified as Stage 1.

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The breakdown by currency, maturity and rating of “Financial assets at amortised cost - Debt securities” in the consolidated balance sheets at 31 December 2024 and 2023, is as follows:

	2024	2023
By currency:		
In Euros	6,793,777	7,916,895
In US dollars	-	66,346
Valuation adjustments	(28,916)	(35,732)
	6,764,861	7,947,509
By maturity:		
Up to 1 year	761,276	1,661,228
Between 1 and 5 years	910,526	947,642
More than 5 years	5,121,975	5,374,371
Valuation adjustments	(28,916)	(35,732)
	6,764,861	7,947,509
By ratings:		
A-rated risks	6,724,821	7,726,990
B-rated risks	68,956	256,251
Amounts not assigned	-	-
Valuation adjustments	(28,916)	(35,732)
	6,764,861	7,947,509

The movements during 2024 and 2023 in the heading “Financial assets at amortised cost - Debt securities” are shown below:

	2024	2023
Balance at the beginning of the year	7,947,509	9,065,591
Additions due to purchases	1,140,043	364,782
Amortisation	(1,648,853)	(1,144,999)
Disposals due to sale	(319,308)	(308,435)
Micro-hedge adjustments	6,816	14,493
Interest received	(344,316)	(231,668)
Interest accrual (*)	(17,030)	187,745
Impairment/(reversal of impairment) (Note 60)	-	-
Balance at the end of the year	6,764,861	7,947,509

(*) At 31 December 2024, the Group has adjusted the gross carrying amount of certain bonds to reflect the estimated contractual cash flows recalculated at the revised effective interest rate, taking into account expected inflation, recording a negative 231,282 thousand euros (0 thousand euros at 31 December 2023). A cash flow hedge is maintained for these bonds (Note 27), thus the effect on the consolidated income statement has been hedged and therefore has no effect on the consolidated income statement (Note 43).

The average annual interest rate during 2024 and 2023 for the “Financial assets at amortised cost – Debt securities” heading of the banking business amounted to 2.117% and 2.066%, respectively. The average annual return during 2024 and 2023 of the “Financial assets at amortised cost - Debt securities” caption of the insurance business amounted to 3.81% and 2.89%, respectively.

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The carrying amount shown in the above tables represents the maximum level of exposure to credit risk with respect to the financial instruments included therein.

The quantifiable fair value of the items included under “Financial assets at amortised cost - Debt securities” at 31 December 2024 and 2023, as well as the measurement techniques used, are included in Note 40.

During the 2024 financial year, the Parent Company purchased government bonds of EU states for a nominal amount of 586 million euros (317 million euros in the 2023 financial year). In addition, in the financial year 2024, state fixed-income issues with a nominal value of 1,059 million euros (1,118 million euros in the 2023 financial year) were redeemed at maturity.

During 2024, the Parent Company sold government debt securities for a nominal amount of 360 million euros (308 million euros during the year 2023), which generated losses of 64,468 thousand euros (losses of 45,105 thousand euros in 2023) recognised under “Gains or (-) losses on retirement of financial assets and liabilities not measured at fair value through profit or loss, net” (Note 49). The sales made do not exceed the thresholds established by the Entity’s business models.

At 31 December 2024 and 2023, the Parent Company maintains a fair value hedge on government debt issues, included in the “Financial assets at amortised cost” portfolio, for a notional amount of 350,000 thousand euros in both years. This hedging has been carried out by contracting OTC interest rate swaps with credit institutions, whose fair value at 31 December 2024 and 2023 amounts to (7,774) thousand euros and (8,608) thousand euros, respectively.

In addition, at 31 December 2024 and 2023, the Parent Company maintains a cash flow hedge on certain fixed income issues included in the “Financial assets at amortised cost” portfolio for a notional amount of 2,949 million euros (3,644 million euros in the 2023 financial year). This hedge has been carried out by contracting OTC swaps (interest rate - Eurozone inflation) with credit institutions and their fair value at 31 December 2024 and 2023 amounts to (319,790) thousand euros and (418,904) thousand euros, respectively.

At 31 December 2024 and 2023, the Parent Company has fair value hedging transactions on regional public debt and public debt of other European Union states for a nominal amount of 246 and 303 million euros, respectively, included in the “Financial assets at amortised cost” portfolio. These hedges are achieved by entering into OTC interest rate swaps with credit institutions. As at 31 December 2024, the fair value of the aforementioned hedging instruments amounts to 37,151 thousand euros (in 2023 the fair value of these hedging instruments amounted to 50,211 thousand euros).

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b) Loans and advances

The breakdown of this heading of the consolidated balance sheet at 31 December 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Loans and advances		
Credit institutions	285,227	445,130
Customers	<u>15,124,003</u>	<u>14,988,979</u>
	<u>15,409,230</u>	<u>15,434,109</u>

Regarding the breakdown of “Financial assets at amortised cost - Loans and advances - Customers” according to the internal or external credit ratings assigned, and regarding the default rates on these investments, as detailed in the note on Credit Risk, the Parent Company has developed internal scoring and rating models that grade customers (rating) or operations (scoring) according to their level of risk, in order to improve risk management, as well as to access the validation of said internal models for the calculation of regulatory capital in accordance with Basel requirements.

At year-end 2024 and 2023, the Parent Company has information on the scoring models for mortgages and consumer loans for individuals, as well as the rating model for SMEs. However, in order to provide complete information on the risk levels of the Group’s investment, it has been decided to include the details of Financial Assets at amortised cost - Loans and advances according to their credit quality for 31 December 2024 and 2023:

	<u>2024</u>		
	<u>Amount gross</u>	<u>Valuation adjustments for impairment</u>	<u>Amount amount</u>
Stage 1 (standard)	14,830,783	68,868	14,761,915
Stage 2 (standard, subject to special monitoring)	531,703	74,502	457,201
Stage 3 (doubtful)	<u>347,415</u>	<u>157,301</u>	<u>190,114</u>
TOTAL	<u>15,709,901</u>	<u>300,671</u>	<u>15,409,230</u>

	<u>2023</u>		
	<u>Amount gross</u>	<u>Valuation adjustments for impairment</u>	<u>Amount amount</u>
Stage 1 (standard)	15,123,295	81,646	15,041,649
Stage 2 (subject to special monitoring)	262,350	51,135	211,215
Stage 3 (doubtful)	<u>384,296</u>	<u>203,051</u>	<u>181,245</u>
TOTAL	<u>15,769,941</u>	<u>335,832</u>	<u>15,434,109</u>

The following indicates the default rate of the Parent Company, calculated as the relationship between the balances classified for accounting purposes as doubtful and the balance of Loans and Advances - Customers, without considering the valuation adjustments:

<u>2024</u>	<u>2023</u>	<u>2022</u>
2.27 %	2.52 %	2.50 %

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b.1) Loans and advances - Credit institutions

The breakdown of this balance sheet heading by type of instrument is as follows:

	2024	2023
Term accounts	-	105,948
Temporary acquisition of assets	-	-
Other accounts	285,227	339,182
Valuation adjustments	-	-
Value adjustments due to asset impairment	-	-
Others	-	-
	285,227	445,130

The average annual interest rate during 2024 and 2023 on the Loans and advances - Credit institutions amounted to 2.947% and 1.966%, respectively.

At 31 December 2024 and 2023 all the references in this portfolio are classified as Stage 1.

b.2) Loans and advances - Customers

The breakdown, by various criteria, of the Customer balance of "Financial assets at amortised cost - Loans and advances" at 31 December 2024 and 2023, is as follows:

	2024	2023
By type and situation:		
Spanish Public Administrations	857,328	865,968
Non-Resident Public Administrations	200,000	100,000
Trade credits	238,981	265,062
Debtors with mortgage collateral	10,752,759	10,518,422
Debtors with other collateral	21,641	29,930
Other term debtors	2,246,454	2,438,196
Financial leases	193,860	160,049
Demand and sundry debtors	337,474	317,778
Reverse repurchase agreements with counter-party entities	-	-
Doubtful assets	347,415	384,296
Other financial assets	142,104	157,018
Valuation adjustments	(214,013)	(247,740)
Accrued interest and acquisition premium	32,871	41,098
Value adjustments due to asset impairment	(300,671)	(335,832)
Fees	(19,270)	(21,877)
Accumulated fair value changes not due to credit risk	(8,393)	-
Transaction costs (Note 13.e)	81,450	68,871
	15,124,003	14,988,979

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By borrower's sector of activity:

Spanish Public Administrations	857,328	971,668
Other resident sectors:	14,073,081	13,996,596
Agriculture, farming, hunting, forestry and fisheries	64,803	61,698
Industries	912,477	872,671
Construction	235,162	230,673
Services:	1,885,192	1,661,959
Commerce and hotel and catering	669,913	693,422
Transport and communications	264,960	236,978
Other services	950,319	731,559
Loans to individuals:	10,891,053	10,936,109
Housing	10,024,778	9,854,921
Consumer and other	866,275	1,081,188
Not classified	84,394	233,486
Valuation adjustments	(214,013)	(247,740)
Other non-resident sectors	265,503	127,415
Other financial assets	142,104	141,040
Reverse repurchase agreements with counter-party entities	-	-
	15,124,003	14,988,979

By geographical area:

- Bizkaia	3,191,334	3,286,967
- Gipuzkoa	4,130,622	4,269,636
- Araba	1,325,662	1,337,953
- Navarre	1,439,735	1,448,342
- New Network	4,843,057	4,893,821
- Not classified	32,940	-
- Other	374,666	-
Valuation adjustments	(214,013)	(247,740)

15,124,003 **14,988,979**

By interest rate applied:

- Fixed interest rate	4,830,421	4,913,350
Variable interest rate referenced to Euribor	9,914,222	9,725,235
Variable interest rate referenced to CECA	-	-
Variable interest rate referenced to IRMH	87,012	112,830
Others	506,361	485,304
Valuation adjustments	(214,013)	(247,740)
	15,124,003	14,988,979

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The currency and maturity breakdown of the balance of “Financial assets at amortised cost - Loans and advances” of the consolidated balance sheets as at 31 December 2024 and 2023, is as follows:

	2024	2023
By currency:		
In euros	15,325,746	15,227,076
In US dollars	10,515	9,493
In Pounds sterling	1,739	83
In Japanese yen	14	24
In Swiss francs	2	43
Others	-	-
Valuation adjustments	(214,013)	(247,740)
	15,124,003	14,988,979
By maturity:		
On demand	381,014	266,426
Up to 1 month	47,431	18,017
Between 1 and 3 months	154,132	68,332
Between 3 months and 1 year	259,647	244,659
Between 1 and 5 years	2,476,479	2,382,536
More than 5 years	11,550,241	11,828,276
Maturity not determined	469,072	428,473
Valuation adjustments	(214,013)	(247,740)
	15,124,003	14,988,979

At 31 December 2024 and 2023, the Group has no subordinated loans recorded under this heading.

The movement during the 2024 and 2023 financial years in the gross amount of the Customers balance of the heading “Financial assets at amortised cost - Loans and advances” by risk classification is as follows:

	Stage 1	Stage 2	Stage 3	Total
Balance at the close of the previous year	15,276,222	281,288	386,817	15,944,327
Net Concessions/(Amortisations)	(74,664)	(39,294)	(37,479)	(151,437)
Transfers between gross balances	(77,460)	20,895	56,565	-
Transfer to Non-current assets for sale	-	(51)	(2,406)	(2,457)
Transfer to write-offs	(803)	(488)	(19,201)	(20,492)
Balance at the close of 2023	15,123,295	262,350	384,296	15,769,941
	Stage 1	Stage 2	Stage 3	Total
Balance at the close of the previous year	15,123,295	262,350	384,296	15,769,941
Net Concessions/(Amortisations)	56,103	(53,746)	(42,840)	(40,483)
Transfers between gross balances	(347,727)	323,530	24,197	-
Transfer to Non-current assets for sale	-	(69)	(599)	(668)
Transfer to write-offs	(888)	(362)	(17,639)	(18,889)
Balance at the close of 2024	14,830,783	531,703	347,415	15,709,901

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As at 31 December 2024 and 2023, the Group has finance leases with customers on tangible assets which are accounted for as described in Note 13.m). The residual value of these contracts, which corresponds to the amount of the last lease instalment, is secured by the asset forming the object of the lease. As at 31 December 2024 and 2023, the breakdown of outstanding investment and residual values by type of object financed, are as follows:

Principal	2024	2023
Capital goods	43,642	37,249
Computer equipment	796	687
Materials and transport vehicles	80,096	61,031
Cars	25,736	22,059
Other assets	10,122	9,091
Total movable property	160,392	130,117
Immovable property	17,096	16,302
TOTAL	177,488	146,419

Principal	2024	2023
Capital goods	1,489	1,355
Computer equipment	30	28
Materials and transport vehicles	4,845	3,961
Cars	10,083	9,051
Other assets	342	300
Total movable property	16,789	14,695
Immovable property	1,586	1,704
TOTAL	18,375	16,399

Of these balances, a total amount of 2,041 thousand euros at 31 December 2024 and 2,769 thousand euros at 31 December 2023 relate to impaired assets, which are included under Doubtful assets.

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c) Impairment losses

The breakdown of the balance of "Impairment or (-) reversal of impairment of financial assets not measured at fair value through net loss (-) or gains on modification - Financial assets at amortised cost - Loans and advances" in the consolidated income statement for the years ended 31 December 2024 and 2023 (Note 60), is as follows:

	2024	2023
Loans and advances	(13,575)	30,332
Allocations	125,577	162,459
Recoveries of written-off assets	(3,467)	(8,177)
Other recoveries	(135,685)	(123,950)
Debt securities	-	-
	(13,575)	30,332
Allocations charged to P&L	125,577	162,459
Determined individually	8,206	41,320
Determined collectively	117,371	121,139
Recovery of allocations credited to P&L	(135,685)	(123,950)
Suspended items recovered	(3,467)	(8,177)
	(13,575)	30,332

The details at 31 December 2024 and 2023 of the balance of Impairment losses on assets of the heading "Financial assets at amortised cost - Loans and advances", is as follows:

	2024	2023
By measurement basis:		
Determined individually	49,556	101,452
Determined collectively	251,115	234,380
	300,671	335,832
By counter-party:		
Other resident sectors	300,016	335,612
Other non-resident sectors	655	220
	300,671	335,832

At 31 December 2024 the balance in generic hedging includes 74,502 thousand euros for the value adjustment of operations classified in Stage 2 amounting to 531,703 thousand euros (51,135 and 262,350 thousand euros, respectively, at 31 December 2023).

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The movement during 2024 and 2023 in the balance of Impairment losses on assets of the heading “Financial assets at amortised cost - Loans and advances”, is as follows:

	Stage 1	Stage 2	Stage 3	Total
Balance at 01/01/2023	81,107	53,227	184,416	318,750
Net allocations charged to P&L	1,329	(2,092)	36,047	35,284
Transfer to write-offs against constituted funds	-	-	(17,412)	(17,412)
Transfer between value adjustments	-	-	-	-
Others	(790)	-	-	(790)
Balance at the close of 2023	81,646	51,135	203,051	335,832
Net allocations charged to P&L	(12,778)	23,367	(28,270)	(17,681)
Transfer to write-offs against constituted funds	-	-	(17,480)	(17,480)
Transfer between value adjustments	-	-	-	-
Others	-	-	-	-
Balance at the close of 2024	68,868	74,502	157,301	300,671

The Parent Company has recognised an amortisation of bad debt of 1,409 thousand euros at 31 December 2024 (3,225 thousand euros at 31 December 2023), which increases the balance of “Impairment or (-) reversal of impairment of financial assets not measured at fair value through profit or loss – Financial assets at amortised cost” in the income statement (Note 60).

The amount of financial income accrued and not recognised in the consolidated income statement for impaired financial assets at 31 December 2024 and 2023 amounts to 57,198 thousand euros and 57,319 thousand euros, respectively.

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The breakdown of the carrying amount of impaired assets, without deducting impairment losses, is as follows:

	2024	2023
By geographical area:		
- Bizkaia	84,242	89,885
- Gipuzkoa	71,401	111,992
- Araba	34,043	28,840
- Navarre	35,883	35,326
- New Network	121,846	118,253
- Not classified	-	-
	347,415	384,296
By counter-party:		
Spanish Public Administrations	4,320	5,700
Other resident sectors	341,900	377,561
Other non-resident sectors	1,195	1,035
	347,415	384,296
By type of instrument:		
Trade credits	5,521	7,071
Loans and credits	326,229	363,395
Financial leases	3,859	5,371
Others	11,806	8,459
	347,415	384,296

The breakdown according to the age of the overdue amounts is as follows:

	2024	2023
Up to 6 months	172,023	203,378
Over 6 months without exceeding 9 months	18,548	17,916
Over 9 months without exceeding 12 months	16,769	15,381
Over 12 months without exceeding 15 months	10,771	13,966
Over 15 months without exceeding 18 months	8,606	9,536
Over 18 months without exceeding 21 months	9,598	8,292
More than 21 months	111,100	115,827
	347,415	384,296

The breakdown as at 31 December 2024 and 2023 of the balances of financial assets retired from the Group's consolidated balance sheet as their recovery is considered remote is as follows:

	2024	2023
Financial assets at amortised cost - Loans and advances - Customers	626,676	618,247
	626,676	618,247

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The movement in impaired financial assets derecognised because recovery is considered to be remote, is as follows:

	2024	2023
Balance at the beginning of the year	618,247	614,459
Additions:	20,399	22,121
Value adjustment due to asset impairment and other movements	18,889	20,613
Contractually payable interest	1,510	1,508
Recoveries:	(3,467)	(8,177)
For cash collection of principal	(3,467)	(8,177)
Definitive retirements:	(8,503)	(10,156)
For cancellation	(6,319)	(7,816)
For other items	(2,184)	(2,340)
Balance at year end	626,676	618,247

26. Financial assets not held for trading, which are necessarily valued at fair value through profit or loss

The breakdown of this heading of the consolidated balance sheet at 31 December 2024 and 2023 is as follows:

	2024	2023
Equity instruments	20,279	10,378
Holdings in collective investment institutions (*)	20,279	10,378
Debt securities	2,078	2,013
	22,357	12,391

(*) At 31 December 2024, 15,613 thousand euros relate to investment funds managed by the Group (5,490 thousand euros at 31 December 2023).

The fair value of the items included under “Financial assets not intended for trading, which are necessarily valued at fair value through profit or loss” at 31 December 2024 and 2023, as well as the measurement techniques used, are included in Note 40.

The effect on the consolidated income statements for the years ended 31 December 2024 and 2023 of changes in the fair value of items classified as “Financial assets not intended for trading, which are necessarily valued at fair value through profit or loss”, is as follows (Note 49):

	Gains		Losses	
	2024	2023	2024	2023
Equity instruments	3,406	7,225	(2,819)	(3,661)
Debt securities	132	171	(67)	-
	3,538	7,396	(2,886)	(3,661)

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The breakdown, by fair value measurement basis, of the effect on the consolidated income statement for the years ended 31 December 2024 and 2023 of changes in the fair value of items in the “Financial assets not intended for trading, which are necessarily valued at fair value through profit or loss” portfolio, is as follows:

	Gains		Losses	
	2024	2023	2024	2023
Items whose fair value is:				
Determined by reference to quoted prices (Level 1)	3,096	6,403	(2,448)	(3,423)
Estimated through a measurement technique based on:				
Market-based data (Level 2)	-	171	-	-
Non-market-based data (Level 3)	442	822	(438)	(238)
	<u>3,538</u>	<u>7,396</u>	<u>(2,886)</u>	<u>(3,661)</u>

The currency and maturity breakdown of the balances included in “Financial assets not intended for trading, which are necessarily valued at fair value through profit or loss” in the consolidated balance sheets at 31 December 2024 and 2023, is as follows:

	2024	2023
By currency:		
In euros	17,241	7,503
In US dollars	5,116	4,888
	<u>22,357</u>	<u>12,391</u>
By maturity:		
Up to 1 month	-	-
Between 1 and 3 months	-	-
Between 3 months and 1 year	-	-
Between 1 and 5 years	2,078	2,013
More than 5 years	-	-
Maturity not determined	20,279	10,378
	<u>22,357</u>	<u>12,391</u>

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The risk concentrations by geographical sector where the risk is located, by counter-party category and by type of instrument, indicating their carrying amount at those dates, were as follows:

	2024		2023	
	Amount	%	Amount	%
By geographical area:				
Spain	17,241	77.12 %	7,503	60.55 %
Rest of the EU	-	-	-	-
Rest of the world	5,116	22.88 %	4,888	39.45 %
	22,357	100.00 %	12,391	100.00 %
By counter-party categories:				
Credit institutions	2,078	9.30 %	2,013	16.24 %
Resident Public Administrations	-	-	-	-
Other resident sectors	15,163	67.82 %	5,490	44.31 %
Other non-resident sectors	5,116	22.88 %	4,888	39.45 %
	22,357	100.00 %	12,391	100.00 %
By instrument types:				
Listed bonds and debentures	-	-	2,013	16.25 %
Other fixed-income securities	2,078	9.29 %	-	-
Derivatives not traded on organised markets	-	-	-	-
Holdings in collective investment institutions	20,279	90.71 %	10,378	83.75 %
Listed shares	-	-	-	-
	22,357	100.00 %	12,391	100.00 %

The breakdown of "Financial assets not held for trading, which are necessarily valued at fair value through profit or loss" according to the external credit ratings awarded by the main rating agencies, is as follows:

	2024		2023	
	Amount	%	Amount	%
A-rated risks	-	-	-	-
B-rated risks	2,078	9.29 %	-	-
Amounts not assigned	20,279	90.71 %	12,391	100.00 %
	22,357	100.00 %	12,391	100.00 %

27. Derivatives - asset and liability hedge accounting

The breakdown of these headings of the consolidated balance sheet at 31 December 2024 and 2023 is as follows:

	Assets		Liabilities	
	2024	2023	2024	2023
Micro-hedges:	47,571	57,411	337,632	434,648
Fair value hedges	38,373	51,084	8,167	8,608
Cash flow hedges	9,198	6,327	328,988	425,231
Credit risk adjustment	-	-	477	809
	47,571	57,411	337,632	434,648

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The currency and maturity breakdown of the asset and liability headings of “Derivatives – hedge accounting” in the consolidated balance sheets as at 31 December 2024 and 2023 is as follows:

	Assets		Liabilities	
	2024	2023	2024	2023
By currency:				
In euros	47,571	52,416	337,632	434,648
In US dollars	-	4,995	-	-
	47,571	57,411	337,632	434,648
By maturity:				
Up to 1 month	-	-	-	-
Between 1 and 3 months	-	-	-	-
Between 3 months and 1 year	6	5,061	5,742	105,641
Between 1 and 5 years	8,408	10,826	2,032	8,608
More than 5 years	39,157	41,524	329,381	319,590
Undetermined maturity	-	-	477	809
	47,571	57,411	337,632	434,648

The breakdown of the balance of asset and liability headings of “Derivatives - hedge accounting” of the consolidated balance sheets as at 31 December 2024 and 2023, is as follows:

	2024		
	Notional value	Fair value	
		Assets	Liabilities
Other interest rate transactions			
Financial swaps	3,922,970	47,571	337,632
Other share operations			
Financial swaps	-	-	-
		47,571	337,632
	2023		
	Notional value	Fair value	
		Assets	Liabilities
Other interest rate transactions			
Financial swaps	4,763,721	57,411	434,648
Other share operations			
Financial swaps	-	-	-
		57,411	434,648

The notional and/or contractual amount of asset and liability headings of Derivatives - Hedge Accounting contracts does not represent the risk assumed by the Group as its net position is derived from the offsetting and/or combination of these instruments.

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The characteristics of the main hedges held by the Group at 31 December 2024 and their changes compared to December 2023, are described below:

Fair value hedging:

- Micro-hedges of the risk of changes in fair value due to changes in the risk-free interest rate of a number of government debt instruments individually considered and classified in the “Financial assets at amortised cost” portfolio. These hedges exchange the fixed rate exposure for a floating interest rate exposure.

At 31 December 2024 and 2023 these debt instruments (Hedged items) had a nominal value of 595,500 thousand euros and 652,988 thousand euros, respectively (Notes 24 and 25).

Cash flow hedges:

- Micro-hedges of the risk of changes in cash flows due to inflation on certain bonds in the “Financial assets at amortised cost” portfolio. The coupon on these bonds is linked to inflation in the Eurozone. The financial products used to hedge this exchange rate are swaps for a notional amount of 2,949,000 thousand euros at 31 December 2024 (3,644,000 thousand euros at 31 December 2023) (Note 25).

The notional value of certain types of financial instruments provides a basis for comparison with instruments recorded on the balance sheet, but does not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, does not indicate the Entity’s exposure to credit risk or price risk. Derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in the market interest rates or exchange rates related to their terms.

The contractual or notional aggregate of available derivative financial instruments, the extent to which the instruments are favourable or unfavourable and therefore the aggregate fair values of the financial asset and liability derivatives may fluctuate significantly.

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28. Investments in joint ventures and associates

The breakdown of this heading of the consolidated balance sheet at 31 December 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Jointly-controlled entities:		
Net value	-	-
Associates:		
Net value	371	381
Unlisted	371	381
Value adjustments due to asset impairment	-	-
	<u>371</u>	<u>381</u>

The movement during 2024 and 2023 in the balance of the heading “Investments in joint ventures and associates” is as follows:

	<u>2024</u>	<u>2023</u>
Balance at the beginning of the year	381	385
Acquisitions	-	-
Disposals due to sale	-	-
Retirements due to repayment of capital	-	-
Participation in results (Note 46)	(7)	10
Provision for impairment (Note 61)	-	-
Share of valuation gains/(losses)	-	-
Distribution of dividends	-	-
Others	(3)	(14)
Balance at year end	<u>371</u>	<u>381</u>

Relevant information on investments in jointly controlled entities and associates as well as subsidiaries that have been fully consolidated at 31 December 2024 and 2023 is included in Appendix I.

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29. Assets and liabilities covered by insurance and reinsurance contracts.

The breakdown of this heading of the consolidated balance sheet at 31 December 2024 and 2023 is as follows:

	Life		Non-life		Direct holding	Total		
	BBA	PAA	BBA	PAA	VFA	BBA	VFA	PAA
As at 31 December 2024								
Assets covered by insurance and reinsurance contracts:	-	3,166	426	20,420	-	426	-	23,586
Asset for remaining hedge	-	1,404	390	10,487	-	390	-	11,890
Asset for claims incurred	-	1,762	36	9,933	-	36	-	11,696
Liabilities covered by insurance and reinsurance contracts:	307,220	29,400	759	122,073	-	307,979	-	151,473
Liability for remaining coverage (LRC)	299,881	11,966	708	64,218	-	300,588	-	76,184
Best estimate of liabilities (PVCF)	284,868	11,966	405	64,218	-	285,273	-	76,184
Risk adjustment (RA)	2,518	-	45	-	-	2,562	-	-
Contractual service margin (CSM)	12,495	-	258	-	-	12,753	-	-
Liability for incurred claims (LIC)	7,339	17,434	51	57,855	-	7,391	-	75,289

	Life		Non-life		Direct holding	Total		
	BBA	PAA	BBA	PAA	VFA	BBA	VFA	PAA
As at 31 December 2023								
Assets covered by insurance and reinsurance contracts:	-	2,689	449	21,872	-	450	-	24,561
Asset for remaining hedge	-	1,299	421	9,150	-	421	-	10,448
Asset for claims incurred	-	1,390	29	12,722	-	29	-	14,113
Liabilities covered by insurance and reinsurance contracts:	329,879	27,695	850	117,120	-	330,729	-	144,815
Liability for remaining coverage (LRC)	324,393	11,553	799	60,593	-	325,192	-	72,146
Best estimate of liabilities (PVCF)	309,116	11,553	444	60,593	-	309,560	-	72,146
Risk adjustment (RA)	2,941	-	49	-	-	2,990	-	-
Contractual service margin (CSM)	12,336	-	306	-	-	12,642	-	-
Liability for incurred claims (LIC)	5,486	16,142	51	56,527	-	5,537	-	72,669

The Group uses actuarial and financial methods and modelling techniques to estimate insurance contract liabilities. These methods and techniques consist mainly of the valuation of estimated future cash flows discounted at the market interest rate at each closing date.

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The movement in the remaining hedging liability (LRC) and liabilities for incurred claims (LIC) during 2024 and 2023 is as follows:

	LIC	LCR		Total
		Loss component	Excluding loss component	
Insurance contract liabilities at 1 January 2024	78,206	125	397,213	475,544
Amounts related to changes in liability for remaining coverage in contracts valued under BBA or VFA	-	-	(10,829)	(10,829)
Expected claims incurred and other insurance service expenses	-	-	(6,634)	(6,634)
Changes in the risk adjustment for non-financial risk	-	-	(765)	(765)
Contractual Service Margin (CSM) recognised for services rendered	-	-	(3,430)	(3,430)
Amounts related to changes in liability for remaining coverage - contracts valued under PAA	-	-	(170,637)	(170,637)
Recovery of cash flows from the acquisition of insurance contracts under BBA or VFA	-	-	(4,124)	(4,124)
Total income from insurances	-	-	(185,590)	(185,590)
Claims incurred and other insurance service expenses	105,793	-	-	105,793
Amortisation of cash flows from the acquisition of insurance contracts	-	-	33,844	33,844
Changes that relate to past services originating from compliance related to liabilities from incurred claims (LIC)	24,421	-	-	24,421
Losses on onerous contracts and reversals of such losses	-	273	-	272
Total expenses of insurance services	130,214	273	33,844	164,330
Financial expenses originating from insurance contracts issued	752	1	3,964	4,717
Investment components	45,478	-	(45,478)	-
Other changes	745	-	-	745
Total amounts recognised in comprehensive income	238	(1)	6,998	7,235
Premiums received	-	-	198,376	198,376
Claims and other directly attributable expenses paid	(172,954)	-	-	(172,954)
Cash flow on acquisition of insurance contracts	-	-	(32,952)	(32,952)
Total cash flows	(172,954)	-	165,424	(7,530)
Insurance contract liabilities at 31 December 2024	82,679	398	376,375	459,452

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	LIC	LCR		Total
		Loss component	Excluding loss component	
Insurance contract liabilities at 1 January 2023	84,587	261	420,898	505,746
Amounts related to changes in liability for remaining coverage in contracts valued under BBA or VFA	-	-	(12,622)	(12,622)
Expected claims incurred and other insurance service expenses	-	-	(8,657)	(8,657)
Changes in the risk adjustment for non-financial risk	-	-	(1,057)	(1,057)
Contractual Service Margin (CSM) recognised for services rendered	-	-	(2,908)	(2,908)
Amounts related to changes in liability for remaining coverage - contracts valued under PAA	-	-	(158,494)	(158,494)
Recovery of cash flows from the acquisition of insurance contracts under BBA or VFA	-	-	(3,989)	(3,989)
Total income from insurances	-	-	(175,105)	(175,105)
Claims incurred and other insurance service expenses	113,320	-	-	113,320
Amortisation of cash flows from the acquisition of insurance contracts	-	-	31,896	31,896
Changes that relate to past services originating from compliance related to liabilities from incurred claims (LIC)	11,096	-	-	11,096
Losses on onerous contracts and reversals of such losses	-	(136)	-	(136)
Total expenses of insurance services	124,416	(136)	31,896	156,176
Financial expenses originating from insurance contracts issued	212	-	3,830	4,042
Investment components	61,851	-	(61,851)	-
Other changes	(329)	-	-	(329)
Total amounts recognised in comprehensive income	862	-	16,729	17,591
Premiums received	-	-	193,649	193,649
Claims and other directly attributable expenses paid	(193,393)	-	-	(193,393)
Cash flow on acquisition of insurance contracts	-	-	(32,833)	(32,833)
Total cash flows	(193,393)	-	160,816	(32,577)
Insurance contract liabilities at 31 December 2023	78,206	125	397,213	475,544

The initial recognition of the contractual service margin (CSM) for contracts valued under the general method (BBA) during the financial years 2024 and 2023 is as follows:

	2024			2023		
	Non- onerous contracts originated	Onerous contracts originated	Total	Non- onerous contracts originated	Onerous contracts originated	Total
Estimates of the present value of future cash outflows:						
Cash flow on acquisition of insurance contracts	(3,119)	-	(3,119)	(3,894)	-	(3,894)
Claims and other cash outflows	(6,408)	-	(6,408)	(7,886)	-	(7,886)
Estimates of the present value of future cash inflows	13,254	-	13,254	16,441	-	16,441
Risk adjustment for non-financial risk	(274)	-	(274)	(341)	-	(341)
Contractual service margin	3,453	-	3,453	4,319	-	4,319
Losses on net outflows recognised on initial recognition	-	-	-	-	-	-

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The impact of contracts recognised in the year at 31 December 2024 and 2023 is as follows:

	2024			2023		
	Non- onerous contracts originated	Onerous contracts originated	Total	Non- onerous contracts originated	Onerous contracts originated	Total
Estimates of the present value of future cash outflows:						
Cash flow on acquisition of insurance contracts	53	-	53	77	-	77
Claims and other cash outflows	5,711	-	5,711	6,522	-	6,522
Estimates of the present value of future cash inflows:						
Estimates of the present value of future cash inflows	(684)	-	(684)	(1,022)	-	(1,022)
Risk adjustment for non-financial risk	254	-	254	271	-	271
Insurance acquisition cash flow assets and other pre-recognition cash flows derecognised	-	-	-	-	-	-
CSM	3,212	-	3,212	3,683	-	3,683
Increase in insurance contract liabilities arising from contracts recognised in the year	8,545	-	8,545	9,531	-	9,531

Finally, the movement in the contractual service margin (CSM) at 31 December 2024 and 2023, for new contracts and amounts recognised on transition, is shown:

	New contracts and contracts measured under the full retrospective approach on transition.	Contracts measured under the fair value approach at transition	Total
Contractual service margin on 1 January 2024	5,092	7,549	12,641
Changes related to the current service			
CSM recognised for services rendered	(1,962)	(1,468)	(3,430)
Financial expenses or income from insurance contracts	247	38	285
Changes related to the future service			
Changes in the estimates adjusting the CSM	(249)	53	(196)
Losses on onerous contracts and reversals of such losses	-	-	-
Contracts initially recognised in the year	3,453	-	3,453
Contractual service margin on 31 December 2024	6,581	6,172	12,753

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	New contracts and contracts measured under the full retrospective approach on transition.	Contracts measured under the fair value approach at transition	Total
Contractual service margin on 1 January 2023	940	6,092	7,032
Changes related to the current service			
CSM recognised for services rendered	(1,174)	(1,734)	(2,908)
Financial expenses or income from insurance contracts	114	16	130
Changes related to the future service			
Changes in the estimates adjusting the CSM	893	3,311	4,204
Losses on onerous contracts and reversals of such losses	-	(136)	(136)
Contracts initially recognised in the year	4,319	-	4,319
Contractual service margin on 31 December 2023	5,092	7,549	12,641

30. Tangible assets

The breakdown of this heading of the consolidated balance sheet at 31 December 2024 and 2023 is as follows:

	2024	2023
<u>Property, plant and equipment</u>	<u>363,448</u>	<u>340,009</u>
For own use:	<u>345,111</u>	<u>326,033</u>
IT equipment and installations	17,965	14,675
Furnishings, vehicles and other installations	43,994	36,858
Buildings	293,418	290,485
<i>Of which: rights of use through leases</i>	<i>55,666</i>	<i>53,918</i>
Work in progress	25,587	19,879
Others	-	-
Valuation adjustments for impairment	(35,853)	(35,864)
Leased out under operating leases	18,337	13,976
<u>Investment properties</u>	<u>50,244</u>	<u>52,996</u>
Buildings	61,832	64,980
Rural properties, land and plots	419	419
Valuation adjustments for impairment	(12,007)	(12,403)
	<u>413,692</u>	<u>393,005</u>

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The movement during 2024 and 2023 in the balance of the heading “Tangible assets” is as follows:

	For own use	Leased out under operating leases	Associated with Social Welfare	Investment properties	Gross
Gross					
Balance at 01/01/2023	567,176	28,790	-	83,368	679,334
Additions	55,141	7,188	-	-	62,329
Withdrawals	(8,432)	(9,849)	-	(720)	(19,001)
Transfers	(1,675)	-	-	1,675	-
Transfers to/from non-current assets for sale	4,492	-	-	297	4,789
Balance at 31/12/2023	616,702	26,129	-	84,620	727,451
Balance at 01/01/2024	616,702	26,129	-	84,620	727,451
Additions	51,214	11,206	-	1,082	63,502
Withdrawals	(20,953)	(7,864)	-	(2,203)	(31,020)
Transfers	955	-	-	(955)	-
Transfers to/from non-current assets for sale	(1,379)	-	-	(2,036)	(3,415)
Balance at 31/12/2024	646,539	29,471	-	80,508	756,518
Accumulated depreciation					
Balance at 01/01/2023	241,523	15,262	-	18,302	275,087
Allocations	19,193	5,756	-	722	25,671
Withdrawals	(6,536)	(8,865)	-	(151)	(15,552)
Transfers	(273)	-	-	273	-
Transfers to/from non-current assets for sale	898	-	-	75	973
Balance at 31/12/2023	254,805	12,153	-	19,221	286,179
Balance at 01/01/2024	254,805	12,153	-	19,221	286,179
Allocations	27,683	5,729	-	775	34,187
Withdrawals	(16,791)	(6,748)	-	(888)	(24,427)
Transfers	370	-	-	(369)	1
Transfers to/from non-current assets for sale	(492)	-	-	(482)	(974)
Balance at 31/12/2024	265,575	11,134	-	18,257	294,966
Value adjustments due to asset impairment					
Balance at 01/01/2023	(34,920)	-	-	(11,464)	(46,384)
Allocations	(310)	-	-	(927)	(1,237)
Withdrawals	177	-	-	85	262
Transfers	-	-	-	-	-
Transfers to/from non-current assets for sale	(811)	-	-	(97)	(908)
Balance at 31/12/2023	(35,864)	-	-	(12,403)	(48,267)
Balance at 01/01/2024	(35,864)	-	-	(12,403)	(48,267)
Allocations	(137)	-	-	(429)	(566)
Withdrawals	15	-	-	303	318
Transfers	133	-	-	522	655
Transfers to/from non-current assets for sale	-	-	-	-	-
Balance at 31/12/2024	(35,853)	-	-	(12,007)	(47,860)
Net					
Balance at 31/12/2023	326,033	13,976	-	52,996	393,005
Balance at 31/12/2024	345,111	18,337	-	50,244	413,692

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During 2024, tangible assets were derecognised for a gross amount of 31,020 thousand euros, generating a loss in the amount of 392 thousand euros (derecognition of 19,001 thousand euros in 2023 with a gain of 448 thousand euros).

In addition, tangible assets for a gross amount of 63,502 thousand euros were recorded in 2024, mainly relating to the acquisition of new premises (additions of 62,329 thousand euros in 2023).

The breakdown of the balance of Property, plant and equipment for own use in the consolidated balance sheets at 31 December 2024 and 2023, is as follows:

	total	Accumulated depreciation	Adjustments due to impairment	Net
As at 31 December 2024				
IT equipment and installations	75,524	(57,272)	-	18,252
Furnishings, vehicles and other installations	169,040	(125,331)	-	43,709
Buildings	375,546	(82,130)	(35,853)	257,563
Work in progress	25,587	-	-	25,587
Others	842	(842)	-	-
	646,539	(265,575)	(35,853)	345,111
As at 31 December 2023				
IT equipment and installations	61,567	(46,893)	-	14,674
Furnishings, vehicles and other installations	168,939	(132,080)	-	36,859
Buildings	366,538	(76,053)	(35,864)	254,621
Work in progress	19,879	-	-	19,879
Others	842	(842)	-	-
	617,765	(255,868)	(35,864)	326,033

The fair value of Property, plant and equipment for own use is included in Note 40 to the Report.

The net balance at 31 December 2024 and 2023 of Property, plant and equipment for own use does not include any amount corresponding to property, plant and equipment not in use.

The gross value of the Group's Property, plant and equipment for own use that were in use and fully amortised at 31 December 2024 and 2023 amounts to approximately 137,973 thousand euros and 143,833 thousand euros, respectively.

At 31 December 2024 and 2023, the Parent Company has no property, plant and equipment for its own use or under construction for which there are restrictions on ownership or which have been pledged as collateral for the fulfilment of debts. At 31 December 2024 there is a commitment with third parties for an amount of 985 thousand euros for the acquisition of tangible assets and 825 thousand euros in 2023.

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The breakdown of the balance of Investment properties in the consolidated balance sheets at 31 December 2024 and 2023, is as follows:

	Gross	Accumulated depreciation	Adjustments due to impairment	Net
As at 31 December 2024				
Buildings	80,089	(18,257)	(12,007)	49,825
Rural properties, land and plots	419	-	-	419
	<u>80,508</u>	<u>(18,257)</u>	<u>(12,007)</u>	<u>50,244</u>
As at 31 December 2023				
Buildings	84,201	(19,221)	(12,403)	52,577
Rural properties, land and plots	419	-	-	419
	<u>84,620</u>	<u>(19,221)</u>	<u>(12,403)</u>	<u>52,996</u>

The fair value of the Investment properties is included in Note 40 to the Report.

The gross value of the Group's Investment properties that were rented and fully amortised at 31 December 2024 and 2023 amounts to approximately 1,989 thousand euros and 2,499 thousand euros, respectively.

Net operating income from rental income from the Group's Investment properties in 2024 and 2023 amounted to approximately 2,826 thousand euros and 2,572 thousand euros, respectively.

When dealing with the lease of commercial premises or similar, contracts have a defined maturity, with the term being established in each specific case.

The breakdown of the balance of assets transferred under operating leases in the consolidated balance sheets at 31 December 2024 and 2023, is as follows:

	Gross	Accumulated depreciation	Net
As at 31 December 2024			
Machinery	14,100	(4,307)	9,793
Furnishings and fixtures	260	(98)	162
IT Equipment	12,961	(5,834)	7,127
Medical equipment	792	(416)	376
Others	1,358	(479)	879
	<u>29,471</u>	<u>(11,134)</u>	<u>18,337</u>
As at 31 December 2023			
Machinery	9,977	(4,216)	5,761
Furnishings and fixtures	459	(261)	198
IT Equipment	13,800	(6,697)	7,103
Medical equipment	1,088	(592)	496
Others	805	(387)	418
	<u>26,129</u>	<u>(12,153)</u>	<u>13,976</u>

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Rental income from assets leased out by the Group under operating leases in 2024 and 2023 amounted to approximately 6,891 and 6,708 thousand euros, respectively. Operating expenses for all items of the Group's assets leased out under operating leases in 2024 and 2023 amounted to approximately 536 thousand euros and 510 thousand euros, respectively (Note 54).

The Group holds rights of use through leasing, mainly of office buildings, for the performance of its business activities.

The following is a breakdown of the leasehold rights of use and their movement during the year 2024:

	Land and buildings	Others	Total
Balance as at 1 January 2023	51,325	-	51,325
Additions	8,371	-	8,371
Withdrawals	(2,078)	-	(2,078)
Depreciation/Amortisation	(3,700)	-	(3,700)
Other movements	-	-	-
Balance at 31/12/2023	53,918	-	53,918
Additions	9,949	-	9,949
Withdrawals	(3,002)	-	(3,002)
Depreciation/Amortisation	(5,198)	-	(5,198)
Other movements	-	-	-
Balance at 31/12/2024	55,667	-	55,667

Details of the lease liabilities associated with the rights of use (which are recorded under "Financial liabilities at amortised cost") are shown below:

	2024	2023
Lease liabilities		
For current leases	57,959	55,019
For non-current leases	-	-
	57,959	55,019

Lease liabilities held by the Entity at 31 December 2024 and 2023 have the following maturity breakdown:

	2024	2023
Up to 1 year	8	72
Between 1 and 5 years	3,074	4,100
More than 5 years	54,877	50,847
	57,959	55,019

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31. Intangible assets

The breakdown of this heading of the consolidated balance sheet at 31 December 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Goodwill	33,425	33,425
Other intangible assets	<u>443</u>	<u>134</u>
	<u>33,868</u>	<u>33,559</u>

The breakdown of the Goodwill balance in the consolidated balance sheets at 31 December 2024 and 2023, is as follows:

	<u>2024</u>	<u>2023</u>
Seguros Lagun Aro, S.A.		
Gross	33,425	33,425
Adjustments due to impairment	<u>-</u>	<u>-</u>
	<u>33,425</u>	<u>33,425</u>

Until 20 December 2011, the Group directly held 36.05% of the share capital of Seguros Lagun Aro, S.A. and indirectly held 4.94%. On that date, the Group acquired 59.01% of the share capital, thus obtaining control of Seguros Lagun Aro, S.A., a company that operates as a risk insurer in the main non-life areas of the insurance sector, with the cover legally established for each branch.

Goodwill of 33,425 thousand euros arising on the acquisition is attributable to the customer base acquired and to the economies of scale that will presumably be generated by combining the Group's operations with those of Seguros Lagun Aro, S.A.

In accordance with the estimates and projections available to the directors of the Parent Company, the income forecasts attributable to the Group of the Investee companies generated by the goodwill adequately support the recorded net value thereof.

The movement during 2024 and 2023 in the Goodwill balance, excluding impairment losses, is as follows:

	<u>2024</u>	<u>2023</u>
Balance at the beginning of the year	33,425	33,425
Entries due to changes in the scope of consolidation due to business combinations	<u>-</u>	<u>-</u>
	<u>33,425</u>	<u>33,425</u>

No impairment losses have been recognised under "Impairment or (-) reversal of impairment of non-financial assets - Goodwill" in the consolidated income statement for the years ended 31 December 2024 and 2023.

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The macroeconomic and interest rate assumptions used in the evaluation of goodwill impairment are as follows:

Each year, the Parent Company submits the goodwill recognised as a result of the acquisition of 100% of Seguros Lagun Aro, S.A. to the impairment analysis established in the accounting standards, which include a sensitivity analysis. This analysis is based on the analysis of the impairment of the cash-generating unit to which this goodwill has been allocated, in this case Seguros Lagun Aro, S.A. This unit would be impaired if its carrying amount were to be higher than its value in use, defined as the present value of its estimated cash flows. This circumstance has not occurred since its acquisition.

The estimated cash flows are derived from the Seguros Lagun Aro, S.A. business plan, constructed on the basis of moderate growth rates and excluding the positive net flows that could arise from structural changes in the business or in its efficiency. Specifically, the projection of cash flows takes as a starting hypothesis the projection of the results of the financial years for which planning is prepared.

In relation to the goodwill generated in the business combination corresponding to the acquisition of the assets from Seguros Lagun Aro, S.A., at the end of 2024 and 2023 the Group has assessed whether there is any indication of impairment of the goodwill of Seguros Lagun Aro, S.A. and has estimated the recoverable amount. As the recoverable amounts are higher than their respective carrying amount, no impairment has been recognised.

The valuation methodology used was that of discounting future net distributable profits associated with the activity carried out by the insurance company for a projection period of 5 years (up to 2029 plus the calculation of its terminal value using a perpetual growth rate of 1%, which corresponds to the target inflation of the economic environment in which this company carries out its activity. Previous experience has been greater than this 1%). Financial projections are based on the following key variables: the changes in the gross margin of direct insurance (conditional upon expected business volumes and interest rates) and the changes in the rest of the income statement items and the solvency levels.

The present value of the flows to be distributed, used to calculate value in use, was calculated applying as a discount rate the cost of capital (K_e) of Seguros Lagun Aro, S.A. from the viewpoint of a market participant. It was determined using the CAPM (Capital Asset Pricing Model).

Using this method, the pre-tax discount rate applied to the cash flow projections was 6.22%, as this is the cost of capital considered internally. This estimate of the cost of capital is in line with those applied by independent analysts in the sector.

The annualised growth rates used in the projection period (CAGR) for earned premiums were between 1% and 5.47% and for technical insurance expenses between 1% and 3.43%.

The analysis as of 31 December 2024 has been carried out under the following key assumptions:

- a price increase that continues at both Company and sector level.
- actions that increase the number of customers.
- an increase in the average cost of claims (basically due to inflation), while maintaining the frequency of claims.

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- higher future financial returns from realised losses on asset portfolios.

At 31 December 2024 and 2023, a sensitivity analysis of the key valuation variables was carried out, concluding that there is no indication of impairment.

Under current tax legislation, at 31 December 2024 and 2023, the goodwill generated is not deductible for tax purposes.

At 31 December 2024, the amount recorded under the heading "Intangible assets – Other intangible assets" of 443 thousand euros corresponds to computer developments and patents deriving from the activity of Lagun Klik S.L. (134 thousand euros in the financial year 2023).

32. Tax assets and liabilities

The breakdown of these headings of the consolidated balance sheet at 31 December 2024 and 2023 is as follows:

	Assets		Liabilities	
	2024	2023	2024	2023
Current taxes:	3,602	727	12,650	9,249
Corporation tax	-	129	5,998	4,516
VAT	3,434	47	-	934
Public Treasury Debtor Withholdings	168	551	-	-
Others	-	-	6,652	3,799
Deferred taxes:	131,312	165,229	63,199	103,328
Valuation adjustments on financial instruments	15,796	15,098	33,888	75,560
Revaluation of fixed assets	-	-	27,318	27,768
Arrangement fees	214	357	-	-
Tax credits	40,626	109,099	1,925	-
Reinvestment of fixed assets	-	-	-	-
Provision for pensions and similar obligations	4,056	4,980	-	-
Insolvency fund and other provisions	62,687	32,313	-	-
Depreciation of fixed assets	-	-	-	-
Impairment of shareholdings	-	-	-	-
Revaluation of own financial funds	-	-	-	-
Deposit Guarantee Fund	-	-	-	-
Other	7,933	3,382	68	-
	134,914	165,956	75,849	112,577

As a result of the current corporate income tax regulations applicable to the Parent Company and Investees, in 2024 and 2023 certain differences have arisen between the accounting and tax criteria which have been recorded as deferred tax assets and liabilities when calculating and recording the corresponding income tax on continuing operations.

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The movements during 2024 and 2023 in Deferred tax assets and liabilities are shown below:

	Assets		Liabilities	
	2024	2023	2024	2023
Balance at the beginning of the year	165,229	213,900	103,328	98,368
Increases / (Decreases)	(33,917)	(48,671)	(40,129)	4,960
Allocation to credit loss allowances and other provisions	30,374	4,865	-	-
Valuation adjustments - financial instruments	9,341	(21,973)	(40,570)	5,518
Revaluation of fixed assets	-	-	(450)	(558)
Arrangement fees	(143)	(178)	-	-
Tax credits	(69,518)	(31,230)	(195)	-
Provision for pensions and similar obligations	(924)	(130)	-	-
Revaluation of own financial	-	-	-	-
Others	(3,047)	(25)	1,086	-
Balance at the end of the year	131,312	165,229	63,199	103,328

Deferred tax assets for tax loss carry-forwards are recognised to the extent that it is probable that the related tax benefit will be realised through taxable profits in the next 10 years, from the year-end date. At 31 December 2024, the Parent Company has recognised deferred tax assets for tax loss carryforwards and deductions pending application amounting to 0 thousand euros and 39,768 thousand euros, respectively (70,785 thousand euros and 38,314 thousand euros, respectively, at 31 December 2023), which are expected to be offset in future years against the taxable profits generated by the Parent Company, as contemplated in the annual business plans drawn up by management.

The Parent Company performs, on an annual basis, an exercise to assess the recoverability of the tax loss carryforwards recognised at 31 December 2024 on the basis of a projection of its future results, which supports their recoverability in a period of less than 10 years.

Pursuant to the provisions of the Final Provision Two of Royal Decree-Law 14/2013, of 29 November, on urgent measures for the adaptation of Spanish law to European Union regulations on the supervision and solvency of financial institutions, and its transposition to provincial legislation in accordance with the provisions of Provincial Regulation 17/2014, of 16 December, of the Provincial Council of Gipuzkoa, the Group has no deferred tax assets that can be converted into receivables from the tax authorities at 31 December 2024 (71 million euros at 31 December 2023). In addition, as from 2016, in order for this conversion to be effective, an equity benefit of 1.5% of the amount of the aforementioned assets is associated with it (Note 55).

Details of the Group's tax position are provided in Note 39.

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33. Other assets and liabilities

The breakdown of these headings of the consolidated balance sheet at 31 December 2024 and 2023 is as follows:

	Assets		Liabilities	
	2024	2023	2024	2023
Inventories	2,039	35,148	-	-
Accruals for accrued fees and commissions	26,433	39,180	-	-
Other accruals	-	-	36,529	66,034
Transactions in progress	45	23	38	63
Social welfare fund	-	-	20,030	15,109
Other	-	-	1,850	1,282
	28,517	74,351	58,447	82,488

As indicated in Note 10, at 31 December 2024 and 2023 there is no outstanding balance corresponding to the extraordinary expenses paid into the Deposit Guarantee Fund as established in Royal Decree Law 2/2012, of 3 February.

During the 2024 financial year there have been sales of inventories for a gross amount of 46,586 thousand euros and a net carrying amount of 38,075 thousand euros at a selling price of 46,995 thousand euros. The sale of these inventories generated a gain of 8,920 thousand euros. During the 2023 financial year, inventories were sold for a gross amount of 17,121 thousand euros and a net carrying amount of 13,424 thousand euros at a selling price of 18,539 thousand euros. The sale of these inventories generated a gain of 5,115 thousand euros.

Social welfare fund

The breakdown of the Community projects fund, included under "Other liabilities" in the consolidated balance sheets at 31 December 2024 and 2023, is as follows:

	2024	2023
Education and Promotion Fund	20,030	15,109
Allocation:	20,030	15,109
Applied to Tangible assets	-	-
Applied to other investments - Financial assets at fair value through other comprehensive income	812	812
Expenses committed during the year	14,297	11,449
Current year maintenance expenses	(14,297)	(11,449)
Amount not committed	19,218	14,297
Revaluation reserves	-	-
	20,030	15,109

The movement during the 2024 and 2023 financial years in the Community projects fund balance is as follows:

	2024	2023
Balance at the beginning of the year	15,109	14,886
Mandatory allocation charged to surplus for the year (Notes 4 and 55)	19,218	14,297
Maintenance costs for the year	(14,297)	(11,449)
Others	-	(2,625)
Balance at year end	20,030	15,109

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Law 13/1989 on Credit Cooperatives, amended by Law 20/1990 concerning the Tax Regime applicable to Cooperatives, maintains the distribution criteria contained in Royal Decree 2860/1978, of 3 November 1978, under which 10% of the net surplus, at least, should be allocated to the Education and Promotion Fund (Note 4).

The transfers to this Fund are to be used, among other purposes, for the development of cooperativism and to meet the welfare or cultural needs of the community, or to be invested in assets that meet these objectives. In this respect, the obligatory provision for the 2024 and 2023 financial years amounted to 19,218 and 14,297 thousand euros, respectively, earmarking 6,148 and 3,027 thousand euros in the 2024 financial year (4,923 and 2,862 thousand euros in the 2023 financial year) to finance the MONDRAGON Group's corporate institutions and the inter-cooperative Education and Promotion Fund, respectively.

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

The breakdown of this heading of the consolidated balance sheet at 31 December 2024 and 2023 is as follows:

	2024	2023
Property, plant and equipment for own use	19,123	17,651
Investment properties	-	2,484
Foreclosed tangible assets	358,165	377,960
Value adjustments due to asset impairment	(363,252)	(374,300)
	<u>14,036</u>	<u>23,795</u>

Movements during 2024 and 2023 in "Non-current assets and disposal groups classified as held for sale" are as follows:

	2024	2023
Individualised items:		
Balance at the beginning of the year	23,795	53,482
Additions	668	2,457
Disposals due to sale	(3,277)	(5,938)
Net impairment charges (Note 64)	(8,918)	(23,298)
Transfers to tangible assets (Note 30)	1,768	(2,908)
Transfers to written-off assets	-	-
Transfers to inventories (Note 33)	-	-
Balance at the end of the year	<u>14,036</u>	<u>23,795</u>

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The breakdown of impairment losses or reversals of impairment losses on non-current assets and disposal groups classified as held for sale recognised in the consolidated income statement for the years ended 31 December 2024 and 2023 is as follows (Note 64):

	2024	2023
Tangible assets	(8,856)	(15,613)
Other assets	(62)	(7,685)
	<u>(8,918)</u>	<u>(23,298)</u>
Allocations charged to P&L	<u>(8,918)</u>	<u>(23,298)</u>
	<u>(8,918)</u>	<u>(23,298)</u>

The movement during 2024 and 2023 financial years in the balance of impairment losses on assets under “Non-current assets and disposal groups classified as held for sale” is as follows:

	2024	2023
Balance at the beginning of the year	374,300	381,053
Net allocations charged to P&L	8,918	23,298
Transfer of Financial assets at amortised cost (Note 25)	-	-
Transfers to written-off assets against constituted funds and disposals due to sales	(20,621)	(29,143)
Transfer to inventories (Note 33)	-	-
Transfers to tangible assets (Note 30)	655	(908)
	<u>363,252</u>	<u>374,300</u>

The breakdown of the balance of impairment losses under “Non-current assets and disposal groups classified as held for sale” at 31 December 2024 and 2023 is as follows:

	2024	2023
Individualised items	<u>363,252</u>	<u>374,300</u>
	<u>363,252</u>	<u>374,300</u>

35. Financial liabilities at amortised cost

The breakdown of this heading of the consolidated balance sheet at 31 December 2024 and 2023 is as follows:

	2024	2023
Central bank deposits	-	184,265
Deposits with credit institutions	2,467	1,552
Customer deposits	23,291,669	22,562,965
Debt securities issued	-	-
Other financial liabilities	<u>281,607</u>	<u>285,291</u>
	<u>23,575,743</u>	<u>23,034,073</u>

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The currency and maturity breakdown of “Financial liabilities at amortised cost” in the consolidated balance sheets at 31 December 2024 and 2023, is as follows:

	<u>2024</u>	<u>2023</u>
By currency:		
In euros	23,547,048	23,007,518
In US dollars	22,840	19,680
In Pounds sterling	972	945
In Swiss francs	189	344
In Japanese yen	1,511	252
Others	3,183	5,334
	<u>23,575,743</u>	<u>23,034,073</u>
By maturity:		
On demand	16,957,158	17,900,846
Up to 1 month	1,017,356	826,574
Between 1 and 3 months	867,212	418,325
Between 3 months and 1 year	4,145,775	3,151,466
Between 1 and 5 years	377,456	286,958
More than 5 years	2,714	11,811
Maturity not determined	144,974	412,077
Valuation adjustments	<u>63,098</u>	<u>26,015</u>
	<u>23,575,743</u>	<u>23,034,073</u>

a) Central bank deposits

The breakdown of the balance of Deposits at central banks in the consolidated balance sheets as at 31 December 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Bank of Spain	-	180,000
Valuation adjustments	<u>-</u>	<u>4,265</u>
	<u>-</u>	<u>184,265</u>

As indicated in Note 16, in accordance with the Parent Company's active funding and liquidity monitoring policy, in June 2020 the third series of targeted longer-term refinancing operations (TLTRO III) announced by the European Central Bank for an amount of 1,680 million euros was undertaken. In 2021, the Entity increased financing by 180 million euros, reaching a total amount of 1,860 million euros. In December 2023, 820 million euros was repaid, with 180 million pending repayment. Finally, on 26 June 2024, the outstanding nominal amount of the issue was redeemed. On the one hand, the nominal amount of 180 million euros and on the other hand 7.79 million euros of accrued interest.

During 2023 and 2024 and until the maturity of the issue, interest has accrued on the basis of the average deposit facility in that period.

The average annual interest rate during 2024 and 2023 on Central bank deposits amounted to 4.08% and 2.92%, respectively.

The limit assigned by the Bank of Spain to the Parent Company at 31 December 2024 in the system of loans guaranteed by public funds amounted to 2,012,033 thousand euros (2,873,729 thousand euros at 31 December 2023).

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b) Deposits with credit institutions

The breakdown of the balance of Deposits at credit institutions in the consolidated balance sheets as at 31 December 2024 and 2023 is as follows:

	2024	2023
Term accounts	2,437	1,416
Repurchase agreements	-	-
Other accounts	-	117
Valuation adjustments	30	19
	2,467	1,552

The average annual interest rate during 2024 and 2023 for bank deposits was 3.69% and 3.35%, respectively.

c) Customer deposits

The breakdown of the balance of Customer deposits in the consolidated balance sheets as at 31 December 2024 and 2023, is as follows:

	2024	2023
Spanish Public Administrations	763,057	699,102
Repurchase agreements with counter-parties	-	-
Other resident sectors:	22,469,519	21,816,359
Demand deposits:	16,528,773	17,566,644
Current accounts	8,035,328	7,026,191
Savings accounts	8,467,974	10,509,118
Others	25,471	31,335
Fixed-term deposits:	5,728,123	3,607,043
Time deposits	5,642,644	3,531,868
Others	85,479	75,175
Repurchase agreements	153,970	625,230
Valuation adjustments	58,653	17,442
Accrued interest	57,836	16,662
Micro-hedging transactions	817	780
Other non-resident sectors	59,093	47,504
	23,291,669	22,562,965

The average annual interest rate during 2024 and 2023 for Customer deposits by product amounted to:

	2024	2023
Demand deposits	0.05 %	0.02 %
Fixed-term deposits	2.24 %	0.79 %

At 31 December 2024 and 2023 there are no outstanding mortgage bonds.

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The currency and maturity breakdown of the balance of Customer deposits in the consolidated balance sheets as at 31 December 2024 and 2023, is as follows:

	2024	2023
By currency:		
In euros	23,262,974	22,536,410
In US dollars	22,840	19,680
In Pounds sterling	972	945
In Swiss francs	189	344
In Japanese yen	1,511	252
Others	3,183	5,334
	23,291,669	22,562,965
By maturity:		
On demand	16,930,386	17,886,154
Up to 1 month	769,351	826,531
Between 1 and 3 months	865,660	418,223
Between 3 months and 1 year	4,138,206	2,969,886
Between 1 and 5 years	377,418	286,711
More than 5 years	2,711	1,906
Maturity not determined	144,839	151,823
	23,228,571	22,541,234
Valuation adjustments	63,098	21,731
	23,291,669	22,562,965

d) Other financial liabilities

The breakdown of the balance of "Other financial liabilities" in the balance sheets at 31 December 2024 and 2023, is as follows:

	2024	2023
Payment obligations	26,239	18,049
Guarantees received	8,931	5,703
Clearing houses	2,142	36,831
Collection accounts	123,282	116,311
Special accounts	854	1,399
Accruals for financial guarantees	2,194	2,040
Other	117,965	104,958
	281,607	285,291

Under "Other items", the Group recognises a lease liability of 57,959 thousand euros at 31 December 2024 (Note 30) (55,019 thousand euros at 31 December 2023).

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36. Provisions

The breakdown of this heading of the consolidated balance sheet at 31 December 2024 and 2023 is as follows:

	2024	2023
Pensions and other post-employment defined benefit obligations	15,749	17,785
Other long-term employee benefits	-	-
Pending procedural issues and tax disputes	-	-
Commitments and guarantees given	10,465	14,392
Remaining provisions	<u>231,140</u>	<u>121,618</u>
	<u>257,354</u>	<u>153,795</u>

The movements during 2024 and 2023 in the heading “Provisions” are shown below:

	Pensions and other post- employment defined benefit obligations	Other long- term employee benefits	Pending procedural issues and tax disputes	Commitments and guarantees given	Remaining provisions	Total
As at 31 December 2023						
Balance at the beginning of the year	18,251	-	-	17,524	106,710	142,485
Additions, including increases in existing provisions	9,092	-	-	6,958	32,898	48,948
(-) Amounts used	(9,333)	-	-	-	(34,978)	(44,311)
(-) Unused amounts reversed during the period	(225)	-	-	(10,033)	(1,970)	(12,228)
Other movements	-	-	-	(57)	18,958	18,901
Balance at the end of the year	<u>17,785</u>	<u>-</u>	<u>-</u>	<u>14,392</u>	<u>121,618</u>	<u>153,795</u>
As at 31 December 2024						
Balance at the beginning of the year	17,785	-	-	14,392	121,618	153,795
Additions, including increases in existing provisions	8,304	-	-	17,987	142,903	169,194
(-) Amounts used	(8,734)	-	-	-	(54,816)	(63,550)
(-) Unused amounts reversed during the period	(1,606)	-	-	(21,515)	(150)	(23,271)
Other movements	-	-	-	(399)	21,585	21,186
Balance at the end of the year	<u>15,749</u>	<u>-</u>	<u>-</u>	<u>10,465</u>	<u>231,140</u>	<u>257,354</u>

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a) Pensions and other post-employment defined benefit obligations

At 31 December 2024, the Parent Company has acquired with some of its partners future commitments arising from the voluntary agreement to join the "PD 63", "Red Nueva", "PACA 64", "PACA 65" and "PACA 66" ("PD 61", "PD 62", "PD 63", "Red Nueva", "PACA 64" and "PACA 65" at 31 December 2023). Consequently, the Entity has set up funds to cover the commitments of active employees. In the case of the Revitalisation Plans (PDs), these are accrued from the date of implementation of the aforementioned plans until the date on which the employees cease to render their services to the Entity for the salary supplements and other social security charges that they will receive until the effective retirement of the member. In the case of the Early Retirement Assistance Schemes (PACAs), due to the elimination of the period of time off, unlike in the case of the previous revitalisation schemes, the full benefit is accrued on the date of implementation of the scheme.

In addition, another group entity has entered into a voluntary agreement to join a fund for the commitments of active staff. The plan consists of an allowance to be accrued from the date of signature of the contract until reaching the age stipulated by the plan. The present value of the commitments entered into by the Group relating to post-employment remuneration and the way in which these commitments were covered are as set out below:

	<u>2024</u>	<u>2023</u>
Commitments assumed	<u>15,749</u>	<u>17,785</u>
	<u>15,749</u>	<u>17,785</u>
Hedges		
Internal funds	<u>15,749</u>	<u>17,785</u>
	<u>15,749</u>	<u>17,785</u>

On 31 December 2024 and 2023, the valuation of future benefit flows relating to the hedging of post-employment benefit obligations has been carried out by applying the projected unit credit method and considering the estimated retirement age of each employee as the earliest age at which he/she is entitled to retire.

The hypotheses considered in the valuation are the following:

	<u>2024</u>	<u>2023</u>
Discount rate	0 %	0 %
Growth in advance gross future consumption	0 %	0 %
Growth in benefits	0 %	0 %
Retirement age	Earliest possible age	Earliest possible age

With the entry into force of the Early Retirement Assistance Scheme (PACA) 1964, 1965, 1966, and the rest of the Group's plans do not require the use of these assumptions as there is no time off (Note 13.o).

The CPI estimate used in the valuation is 2.8% for the year 2025, 2.1% for the year 2026, 1.7% for the year 2027, 1.8% for the year 2028 and 2.0% for the year 2029 and beyond. As at 31 December 2023, the estimate used for these years was 2.9% for the year 2024, 2.9% for the year 2025, 2.9% for the year 2026, 2% for the year 2027 and beyond.

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b) Remaining provisions

The balance of “Provisions – Other provisions”, which, among other items, includes provisions set aside to cover possible expenses, losses and/or probable or certain liabilities arising from litigation or claims in progress or obligations arising from the Group’s business activities, has been estimated by applying prudent calculation procedures consistent with the conditions of uncertainty inherent in the obligations they cover.

The Entity’s general policy is to record provisions for legal proceedings in which the risk of loss is deemed probable and no provisions are recorded when the risk of loss is possible or remote. The amounts to be provisioned are calculated according to the best estimate of the amount necessary to settle the relevant claim or lawsuit, based, inter alia, on an individual analysis of the facts and legal opinions of internal and external advisers or taking into consideration the historical average amount of losses arising from claims and lawsuits of this nature. The final date of the release of resources which incorporate economic benefits for the Entity depends on each one of the obligations. In some cases, the obligations do not have a fixed settlement period and, in other cases, they depend on ongoing legal proceedings.

At 31 December 2024, the Parent Company, due to the increase in litigation during the year, either through lawsuits or claims before the Customer Care Service, and the expectation that this trend may continue in the future, has increased its provisions for contingencies for products sold or marketed by a total amount of 142 million euros (32,898 thousand euros in 2023). Among the main legal causes of this increase are those related to mortgage arrangement fees, due to the Supreme Court’s ruling 857/2024, of 14 June, on the statute of limitations. This ruling means that, contrary to existing legal expectations, whereby it was understood that the deadline for consumers to be able to claim mortgage arrangement fees would be set at April 2024, the Supreme Court has changed its initial criterion and, following the doctrine of the Court of Justice of the European Union, has set the start of the limitation period for the claim action at the date of the finality of the individual judgement of each consumer declaring the nullity of their clause.

The Group has estimated the obligations relating to each claim and/or legal proceeding and has recognised, when necessary, adequate provisions that reasonably cover the liabilities that might arise from the claims received and/or from the legal proceedings opened.

c) Reference rate for mortgages in Spain

In relation to the reference rate for mortgages in Spain, a number of legal proceedings have emerged in relation to the use of the official reference rate known as the IRPH (Mortgage Loan Reference Index) in certain mortgage loan contracts.

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The legal aspect in question is the control of transparency based on Article 4.2 of Directive 93/13, in cases where the borrower is a consumer. Since the IRPH is the price of the contract and is included in the definition of the main object of the contract, it must be drafted in a clear and understandable manner so that the consumer is in a position to assess, on the basis of clear and understandable criteria, the economic consequences the contract will have for the consumer.

In judgement 669/2017, the Supreme Court confirmed that the IRPH clause complied with the transparency controls. Subsequently, a court of first instance referred the interpretation of EU law on this clause to the CJEU, whose ruling of 3 March 2020 established the following:

1. The ruling does not annul the IRPH clauses, but refers to the national courts to assess their transparency, understood not only in formal terms, but also in terms of the average consumer's ability to understand the calculation method and its economic implications.
2. It is considered that the essential elements of the IRPH calculation are accessible, as they are published in Circular 8/1990 and in the BOE, and that the information on the past evolution of the index is relevant for transparency.
3. If the IRPH is declared null and void, the Court may replace it with the supplementary index of Law 14/2013 (IRPH Entidades, average of IRPH Cajas and IRPH Bancos).

On 12 November 2020, the Supreme Court handed down four judgements (595 to 598) applying the case law of the CJEU and concluded that, although the lack of information on the past evolution of the IRPH violates the control of transparency, this only makes possible an examination of its abusive nature, and that the clause, in principle, is not abusive.

A new ruling of the CJEU, handed down on 12 December 2024, reaffirms that in order to overcome the transparency control it suffices to include precise information on the functioning and evolution of the IRPH, either by referring to the BOE and the Bank of Spain Circular 5/1994 or by means of a description that contemplates the configuration of the index with average APRs and the negative spread warned by the Bank of Spain. Furthermore, it is established that the clause will only be declared null and void if it also fails to pass the unfairness test, assessed on the basis of the calculation method and the differential applied, compared with other market indices at the time of contracting.

In case of nullity, the court may choose to maintain the loan by replacing the clause or, if the contract is annulled, the amounts will be returned without interest or with the legal interest in the case of those provided by the customer.

Finally, it should be noted that the IRPH clause will be valid if it includes the reference to the BOE and the Bank of Spain Circular 5/1994; otherwise, it will be up to the court to determine whether it is abusive.

The Parent Company's senior management considers the modification of this doctrine by the Supreme Court to be remote, which is why no provision has been made.

At 31 December 2024 and 2023, the total amount of outstanding IRPH-indexed mortgage loans with individuals is approximately 86.5 and 111.6 million euros, respectively.

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37. Own funds

The breakdown of this heading of the consolidated balance sheet at 31 December 2024 and 2023 is as follows:

	2024	2023
Capital	850,841	818,761
Other reserves	1,196,693	1,101,895
(Treasury shares)	(3,291)	(2,864)
Profit/(loss) attributable to owners of the parent company	255,326	208,444
(Interim dividends)	-	-
	2,299,569	2,126,236

Capital

The Parent Company's share capital is made up of contributions made and paid by working members, collaborating members and Associated Cooperatives. In accordance with the Parent Company's Articles of Association (Note 1), the total amount of contributions made by each member may not exceed 20% of share capital, for legal entities, and 2.5% of share capital, for individuals. Members' liability for the Entity's debts is equal to the value of their contributions.

For each year, the General Assembly, at the proposal of the Governing Board, approves, where appropriate, the remuneration on account applicable to these contributions, which, in accordance with the Regulations concerning the Credit Cooperative Law, may not exceed the legal interest rate increased by six points. The rate applied for contributions to share capital in 2024 and 2023 was 7.5% and 7% per annum, respectively, and 7.5% for 2024 is pending approval at the General Meeting.

The movements during 2024 and 2023 in the Parent Company's share capital balance are shown below:

	2024	2023
Balances at the beginning of the year	818,761	797,870
Cooperative returns from the distribution of previous year's surplus (Note 4)	35,743	28,623
Capitalised remuneration of contributions to share capital in the present year	-	-
Contributions to share capital		
- Associated cooperatives	359	304
- Members and others	728	703
Less, liquidation of contributions owing to departures		
- Associated cooperatives	(504)	(1,620)
- Members and others	(4,275)	(7,119)
Transfers to capital classed as financial liabilities	29	-
Balance at the end of the year	850,841	818,761

At 31 December 2024, the only entity that directly or indirectly holds a stake of 10% or more of the Entity's share capital is LagunAro, Entidad de Previsión Social Voluntaria, which holds 14.62% (14.88% in 2023).

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During 2013 and 2012, the Parent Company issued two new capital contributions:

- i) The first issue was aimed at working members, collaborating members and Partner Cooperatives, with a subscription term from April to October 2012. At 31 December 2024 and 2023, the amount subscribed for this first issue was 34,221 and 34,364 thousand euros, respectively. The remuneration associated with the first issue is an annual rate of 7.5% up to 15 December 2015, on which date the remuneration was aligned with the rate on other ordinary contributions approved at the Entity's General Assembly.
- ii) The second issue was launched in December 2012 and is targeted at customers with specific ties to the Entity. At 31 December 2024 and 2023, the amount subscribed for this second issue was 52,612 and 53,122 thousand euros, respectively. The remuneration on this second issue is an annual rate of 6% until 30 December 2014, on which date remuneration aligned with the rate on other ordinary contributions approved at the Parent Company's General Assembly.

Contributions (shares in the Entity) are transferable "inter vivos" only to other members and to parties acquiring such status, in accordance with the terms and conditions contained in the Parent Company's Articles of Association, and by succession "mortis causa", if the successor is a member or acquires member status within six months. In the event of departure, the member or his/her successors are entitled to request the reimbursement of the contributions to share capital, the value of which, following the relevant reduction, where appropriate, by a percentage determined by the Governing Board on the basis of the reason for the forfeiture of member status, will be estimated based on the balance sheet approved by the General Assembly following the definitive departure date. The reimbursement period will be set by the Governing Board and may not exceed five years following the date of departure or one year from the member's death, where appropriate.

Final Provision Six of Royal Decree 1309/2005, of 4 November, introduced certain amendments to Article 10 of Royal Decree 84/1993 which approved the Regulations on credit cooperatives, enabling credit cooperatives to establish restrictions in their articles of association on the reimbursement of members' contributions to capital. The Parent Company's Articles of Association provide that the repayment of the members' contributions is subject to the approval of the Governing Board and to the condition that such repayment does not result in an insufficient coverage of the minimum share capital, equity or solvency ratio.

Under the Parent Company's Articles of Association, minimum share capital is 10,000 thousand euros and must be fully paid up.

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At 31 December 2024 and 2023, the equity instruments held by the Parent Company and Caja Laboral Euskadiko Kutxa Cartera, S.L.U. of the Subsidiaries and the nominal value of each of them, as well as the disbursements pending at those dates, are as follows:

	2024			2023		
	Number of shares	Nominal value (in euros)	Payments pending	Number of shares	Nominal value (in euros)	Payments pending
Seguros Lagun Aro Vida, S.A.	285,000	111.88	-	285,000	111.88	-
Seguros Lagun Aro, S.A.	87,360	90.15	-	87,360	90.15	-
Caja Laboral Gestión, SGIIC, S.A.	1,045,000	6.01	-	1,045,000	6.01	-
Caja Laboral Pensiones, G.F.P., S.A.	250,000	10	-	250,000	10	-
Caja Laboral Euskadiko Kutxa Cartera, S.L.U.	1,237,500	6	-	1,237,500	6	-
Caja Laboral Bancaseguros O.B.S.V., S.L.U.	10,000	1	-	10,000	1	-
ISGA Inmuebles, S.A.	60,000	1	-	60,000	1	-
Lamiak S.C.A, SICAV - RAIF	31,384	1	-	29,700	1	-
Lagun Klik S.L.	3,000	1	-	3,000	1	-

Other reserves

The breakdown of the balance of Other reserves in the consolidated balance sheets as at 31 December 2024 and 2023 is as follows:

	2024	2023
Reserves or accumulated losses from investments in joint ventures and associates:	44	37
Associated entities	44	37
Jointly-controlled entities	-	-
Others:	1,196,649	1,101,858
Reserves (losses) attributed to the Parent Company	1,331,656	1,263,435
Reserves (losses) attributed to the Subsidiaries	(135,007)	(161,577)
	1,196,693	1,101,895

Movements during 2024 and 2023 in the balance of Other Reserves are shown below:

	2024	2023
Balance at 31/12/2023	1,101,895	1,047,691
Allocation of the previous year's profit	93,716	52,678
Impact on reserves of adaptation to IFRS 17	-	-
Capital reduction	-	-
Net members' contributions	290	126
Dividends (or remuneration paid to members)	-	-
Others	792	1,400
Balance at 31/12/2024	1,196,693	1,101,895

Law 13/1989, of 26 May 1989, on Credit Cooperatives, partially amended by Law 20/1990, of 19 December, on the Tax Regime applicable to Cooperatives, established new bases for arranging credit in relation to these entities. In 1993 Royal Decree 84/1993, of 22 January, was published, approving the Regulations for the implementation of Law 13/1989, of 26 May, on Credit Cooperatives. The criteria for the distribution of the surplus available for the year are set out in Note 4.

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The breakdown by Entity of the balance of Other reserves - Reserves/ (losses) attributed to Subsidiaries at 31 December 2024 and 2023, is as follows:

	2024	2023
Seguros Lagun-Aro Vida, S.A. (*)	(5,473)	(14,724)
Caja Laboral Gestión, SGIIC, S.A.	5,544	1,257
Caja Laboral Pensiones, G.F.P., S.A.	803	648
Seguros Lagun-Aro, S.A. (*)	19,989	14,211
Caja Laboral Kutxa Cartera, S.L.U.	3,381	3,403
Caja Laboral Bancaseguros O.B.S.V., S.L.U.	4,860	4,469
ISGA Inmuebles, S.A. (*)	(163,717)	(170,841)
Lamiak S.C.A, SICAV - RAIF	(355)	-
Lagun Klik S.L.	(39)	-
	(135,007)	(161,577)

(*) Includes the consolidated effect of the entity Seguros Lagun Aro 2003, A.I.E.

Mandatory Reserve Fund

At 31 December 2024 and 2023, the heading “Other reserves” includes 970,075 thousand euros and 898,300 thousand euros, respectively, corresponding to the Mandatory Reserve Fund. Law 13/1989 established that at least 50% of the available surplus for the year should be allocated to this Mandatory Reserve Fund. Law 20/1990 amended previous legislation and established that at least 20% of the available surplus for the year should be allocated to the Mandatory Reserve Fund. The distribution provided for in the Parent Company’s Articles of Association at the current date is at least 50% of the available surplus for the year and is disclosed in Note 4.

Reserve for loan loss provisioning

Until the entry into force of Law 13/1989, qualified credit cooperatives were required to allocate at least 15% of the available surplus for each financial year to this Reserve. Laws 13/1989 and 20/1990 do not require any specific provisions for such an insolvency reserve fund within the criteria for distributing available surplus for the year.

The breakdown of the balance of “Reserves or accumulated losses from investments in joint ventures and associates” at 31 December 2024 and 2023, is as follows:

	2024	2023
Associates:	44	37
Ategi Green Power, S.L.	44	37
Jointly-controlled entities:	-	-
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The breakdown by Entity of the contribution to the Group's attributable profit at 31 December 2024 and 2023, is as follows:

	2024	2023
Parent Company	218,758	175,341
Subsidiaries:	36,561	33,093
Caja Laboral Gestión S.G.I.I.C., S.A.	12,716	9,717
Caja Laboral Pensiones, G.F.P., S.A.	176	155
Seguros Lagun Aro, S.A.	2,121	5,340
Seguros Lagun Aro Vida, S.A.	4,634	9,138
Seguros Lagun-Aro 2003, A.I.E.	-	-
Caja Laboral Euskadiko Kutxa Cartera, S.L.U.	(17)	(22)
Caja Laboral, Bancaseguros, O.B.S.V. S.L.U.	1,424	2,128
ISGA Inmuebles, S.A.	14,380	7,049
Lamiak S.C.A, SICAV - RAIF	1,270	(342)
Lagun Klik S.L.	(143)	(70)
Entities accounted for using the equity method:	7	10
- Associates:	7	10
Ategi Green Power, S.L.	7	10
	255,326	208,444

38. Other accumulated comprehensive income

The breakdown of this heading of the consolidated balance sheet at 31 December 2024 and 2023 is as follows:

	2024	2023
Items that may be reclassified to the income statement:	8,032	138,344
Hedging derivatives Cash flow hedges (effective portion):	(32,532)	103,147
Financial assets through other comprehensive income:	40,564	35,197
Debt instruments	40,564	35,197
Items that will not be reclassified to profit or loss	32,669	29,493
Financial assets through other comprehensive income:	32,669	29,493
Equity instruments	32,669	29,493
	40,701	167,837

The balance included in "Other accumulated comprehensive income - Financial assets through other comprehensive income - Debt instruments" of the Net Equity corresponds to the net amount of those variations in the fair value of said fixed income financial instruments that must be classified as an integral part of the Group's Net Equity. When financial assets are sold, changes are recorded in the income statement.

The balance included in "Accumulated other comprehensive income - Financial assets through other comprehensive income - Equity instruments" in Equity corresponds to the net amount of those changes in the fair value of such equity instruments that should be classified as part of the Group's equity. When financial assets are sold, changes are recorded in equity under "Other reserves" (Note 37).

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The movement in total “Other accumulated comprehensive income” in equity during 2024 and 2023, is as follows:

	2024	2023
Balance at the beginning of the year	167,837	108,866
Net movement charged to reserves	138	(494)
Net movement charged /(credited) to P&L	9,590	51,698
Sales and amortisations (Note 24)	9,942	52,702
Impairment losses (net) charged to P&L	(352)	(1,004)
Net revaluations / (losses)	(1,185)	20,717
Variations in micro-hedging cash flows (*)	(135,679)	(12,950)
	40,701	167,837

(*) See Note 43.

For a proper reading of the evolution of this caption, it is necessary to consider the financial market circumstances in 2024 and 2023, as explained in Note 18.

The breakdown by Entity of the amount included in “Other accumulated comprehensive income” in equity at 31 December 2024 and 2023, is as follows:

	2024	2023
Parent Company	18,798	152,155
Subsidiaries:	21,903	15,682
- Seguros Lagun-Aro Vida, S.A.	23,497	19,269
- Seguros Lagun Aro, S.A.	(1,594)	(3,587)
Associates and Jointly-controlled companies	-	-
	40,701	167,837

39. Tax position

The Parent Company and the Investees file individual corporate income tax returns in accordance with the tax regulations applicable to each of them.

Pursuant to Provincial Regulation 2/97 of the Gipuzkoa Tax Regime for Cooperatives, the tax rate applicable to credit cooperatives is 28%. In the remaining subsidiaries, the applicable tax rate was set at 24%.

The applicable legislation for the 2024 corporate income tax return of the main investees is that corresponding to Provincial Regulation 2/2014, of 17 January, of the Provincial Council of Gipuzkoa and Provincial Regulation 11/2013, of 5 December, of the Provincial Council of Bizkaia, depending on the territory where each investee carries out its activity and, therefore, where it files the corresponding corporate income tax return.

The directors of the Parent Company and the Investees have calculated the amounts associated with this tax for the year 2024 and those open to inspection in accordance with the provincial regulations in force at the end of each year.

The tax losses and deductions generated under Gipuzkoa’s provincial regulations are limited to 30 years.

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The Parent Company's reconciliation of the individual accounting profit for 2024 and 2023 to the taxable income for corporate income tax purposes is as follows:

	2024	2023
Accounting profit before tax for the year (*)	299,113	226,459
Permanent differences		
Increases		
- Non-deductible expenses	257	245
- Other	-	-
- Costs recognised in net equity	-	-
Decreases		
- Mandatory allocation to the Education and Promotion Fund (Note 55) (*)	(19,218)	(14,297)
- Allocation to the Intercooperative Social Fund	(21,446)	(17,174)
- Gross deductible interest paid on account for contributions to share capital	(47,388)	(43,154)
- 50% of the mandatory allocation to the Mandatory Reserve Fund	(48,045)	(35,743)
- Reinvested capital gains from the sale of real estate for exploitation	(1,054)	(438)
- Deductions for double taxation	(276)	(6,755)
- Ineligible income	-	(3)
- Other	-	-
Accounting base of the tax	161,943	109,140
Temporary differences		
- Arising in the current year	94,022	18,862
- Revitalisation Plan	(3,300)	(466)
- Allocations to other provisions	108,480	17,375
- Arrangement fees (IFRS 9)	(510)	(637)
- Revaluation of own financial liabilities - mortgage bonds	-	-
- Others	1,430	2,590
Portfolio value adjustment	(12,078)	-
Taxable income	255,965	128,002
Offsetting tax-loss carryforwards	(252,803)	(128,002)
Taxable base	3,162	-
Total tax due (28%)	886	-
Deductions and allowances	(886)	-
Total tax due minus tax credits	-	-
Withholdings and payments on account	(167)	(551)
Corporate income tax to be paid / (refunded)	(167)	(551)

(*) Profit before tax, excluding the mandatory allocation to social welfare funds, included under "Other operating expenses" in the income statement (Note 55).

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The composition of "Income tax expense or (-) income from continuing operations" in the Parent Company's income statement for 2024 and 2023, is as follows:

	2024	2023
Accounting base at the applicable rate	42,535	30,559
Deductions and allowances	1,151	(3,889)
Other	(681)	(722)
	43,005	25,948

The composition of "Expense or (-) income on income tax from continuing operations" in the consolidated income statement for the years 2024 and 2023, is as follows:

	2024	2023
Accounting base at the applicable rate	45,344	30,559
Deductions and allowances	(2,809)	(3,889)
Other	470	(722)
Tax on profits of the Parent Company	43,005	25,948
Tax on profits of the Investee Entities:		
Accounting base at the applicable rate	6,692	8,590
Other	-	-
	49,697	34,538

In addition to Expense or (-) income on income tax from continuing operations in the income statement, deferred taxes arising from Other accumulated comprehensive income in equity have been generated or reversed in 2024 and 2023 for the following items and amounts:

	2024	2023
Hedging derivatives Cash flow hedges (effective portion)	(52,764)	(5,036)
Financial assets at fair value through other comprehensive income	2,629	27,969
	(50,135)	22,933

At 31 December 2024 and 2023, the detail of the Parent Company's tax loss carryforwards from previous years pending offset in future years is as follows:

	Last financial year for offsetting	2024	2023
Tax loss carry-forwards	2042	-	252,803
		-	252,803

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At 31 December 2024 and 2023, the detail of the Parent Company's income tax deductions and allowances pending utilisation in future years is as follows:

	Last financial year for utilisation	2024	2023
Deductions for double taxation	2041 to 2054	10,557	11,328
Deductions with joint limit on quota at 35%	2038 to 2054	19,879	17,922
Deductions with joint limit on quota at 70%	2040 to 2054	9,332	9,064
		39,768	38,314

Deductions with a joint limit of 70% of the tax liability correspond mainly to deductions generated as a result of investments made by the Parent Company in R&D&I.

The Parent Company's directors consider it probable that future taxable profits will be generated that will allow the aforementioned amounts to be applied, and therefore all of these tax deductions, allowances and tax loss carryforwards have been capitalised as deferred tax assets (Note 32).

Under current legislation, taxes cannot be considered finally settled until the returns filed have been inspected by the tax authorities, or the four-year limitation period has elapsed.

At 31 December 2024, the Parent Company has the main taxes applicable to it for the last four financial years pending inspection by the tax authorities.

The Parent Company's directors consider that the liabilities, if any, that might arise from the years that remain open for inspection would not have a material effect on the consolidated financial statements for the year 2024. Due to the different interpretations that may be afforded to tax regulations applicable to the transactions performed by the Group, for the years pending inspection certain contingent tax liabilities could exist. However, in the opinion of the Parent Company's directors, the possibility of such contingent liabilities arising is remote and, in any event, the tax liability which could arise would not have a significant effect on the Group's consolidated financial statements as a whole.

40. Fair value of the consolidated balance sheet assets and liabilities

i) Fair value of financial assets and liabilities.

As indicated in Note 13, the Group's financial assets are recorded in the accompanying consolidated balance sheet at fair value except financial assets at amortised cost. Similarly, the Group's financial liabilities are recorded in the accompanying consolidated balance sheet at their fair value, with the exception of Capital repayable on demand and Financial liabilities at amortised cost, which are not covered by accounting hedges.

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The following table summarises the fair values at the end of 2024 and 2023 of the financial assets and liabilities listed below, classified according to the different measurement methodologies used by the Group to determine their fair value:

	<u>2024</u>	Total Reasonable	Notional balance	Fair value hierarchy		
				Level 1	Level 2	Level 3
Cash, cash balances at central banks and other on demand deposits		2,963,600	2,963,600	-	-	2,963,600
Financial assets held for trading		3,239	3,239	1,013	2,226	-
Financial assets at fair value through other comprehensive income		1,246,987	1,246,987	1,069,767	-	177,220
Financial assets not held for trading, which are necessarily measured at fair value		22,357	22,357	15,163	-	7,194
Financial assets at amortised cost		22,174,091	22,155,369	6,746,139	-	15,409,230
Derivatives – hedge accounting		47,571	47,571	-	47,571	-
TOTAL FINANCIAL ASSETS		26,457,845	26,439,123	7,832,082	49,797	18,557,244
Financial liabilities held for trading		1,487	1,487	6	1,481	-
Financial liabilities at amortised cost		23,575,743	23,575,743	-	-	23,575,743
Derivatives – hedge accounting		337,632	337,632	-	337,155	477
TOTAL FINANCIAL LIABILITIES		23,914,862	23,914,862	6	338,636	23,576,220

	<u>2023</u>	Total Reasonable	Notional balance	Fair value hierarchy		
				Level 1	Level 2	Level 3
Cash, cash balances at central banks and other on demand deposits		1,417,707	1,417,707	-	-	1,417,707
Financial assets held for trading		8,038	8,038	5,435	2,603	-
Financial assets at fair value through other comprehensive income		996,268	996,268	870,986	-	125,282
Financial assets not held for trading, which are necessarily measured at fair value		12,391	12,391	5,490	2,013	4,888
Financial assets at amortised cost		23,381,618	23,380,319	7,957,701	-	15,422,618
Derivatives – hedge accounting		57,411	57,411	-	57,411	-
TOTAL FINANCIAL ASSETS		25,873,433	25,872,134	8,839,612	62,027	16,970,495
Financial liabilities held for trading		2,177	2,177	-	2,177	-
Financial liabilities at amortised cost		23,034,073	23,034,073	-	-	23,034,073
Derivatives – hedge accounting		434,648	434,648	-	433,838	810
TOTAL FINANCIAL LIABILITIES		23,470,898	23,470,898	-	436,015	23,034,883

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The criteria used to determine fair value are as follows:

Level 1: using listed prices on active markets for the same financial instruments.

Level 2: using listed prices on active markets for similar instruments or other measuring techniques in which all significant inputs are based on market data that is observable either directly or indirectly.

Level 3: using measurement techniques in which some significant inputs are not based on observable market data.

In particular, the measurement techniques and assumptions used to determine fair values were as follows:

- Cash, cash balances at central Banks and other on demand deposits: Fair value is considered to coincide with the carrying amount as these consist of on demand deposits or amounts that can be realised in the short-term.
- Debt securities: For public debt assets and certain fixed-income securities issued by credit institutions, fair value is based on listed prices on active markets (Level 1). For certain fixed income securities whose return is linked to the evolution of interest rates, measurement techniques based on discounted cash flows using the interest rate curve and the market spread for similar instruments have been used (Level 2). For all other debt securities, prices calculated by authorised external valuers (Level 3) have been used.
- Equity instruments: The listed price on active markets (Level 1) has been used, except for certain Investment Funds and Venture Capital Funds for which prices calculated by external valuers (Levels 2 and 3) have been used.
- Financial assets at amortised cost - Loans and advances - Customers: It is estimated that there are no significant differences between their carrying amount and their fair value due to the fact that the vast majority of the loans granted by Caja Laboral are indexed to a variable interest rate and/or, if they are not, their maturity date is less than 12 months. The level of credit risk provisions for the credit risk portfolio has also been quantified in accordance with the applicable accounting regulations and is considered sufficient to cover the credit risk.

However, in the current economic and financial environment and given that there is no market for these financial assets, the amount for which these assets could be exchanged between interested parties could be different from their recorded net value, as the potential acquirer could not only discount the losses incurred and accounted for in accordance with the applicable accounting rules, but also take into account the losses it estimates it could incur in the future in the event of a prolongation, exceptional in terms of its duration and effects, of the current economic situation.

- Financial liabilities at amortised cost: No significant differences are deemed to exist between their carrying amount and fair value due to the fact that most are indexed to a variable interest rate and/or, if this is not the case, they mature within 12 months.

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The reasons why there may be differences between fair value and the carrying amount of financial instruments are as follows:

- For instruments issued at a fixed rate, the fair value of the instrument varies according to changes in market interest rates. The variation is higher the longer the residual life of the instrument.
- For instruments issued at a floating rate, the fair value may differ from the carrying amount if the margins as regards the reference interest rate have changed since the instrument was issued. If the margins remain constant the fair value coincides with the carrying amount only on the repricing dates. At all other dates there is interest rate risk for flows that have already been calculated.

The movement of the balances of financial assets and liabilities at fair value classified as Level 3 in the accompanying consolidated balance sheets is shown below:

	Assets	Liabilities
Balance as at 31 December 2022	123,502	1,895
Measurement adjustment recorded in the income statement	584	(1,085)
Measurement adjustment not recorded in the income statement	28,093	-
Purchases, sales and liquidations	(22,009)	-
Net inflows/ (outflows) in Level 3	-	-
Exchange rate and other differences	-	-
Balance at 31/12/2023	130,170	810
Measurement adjustment recorded in the income statement	1	(333)
Measurement adjustment not recorded in the income statement	4,317	-
Purchases, sales and liquidations	49,926	-
Net inflows/ (outflows) in Level 3	-	-
Exchange rate and other differences	-	-
Balance at 31/12/2024	184,414	477

During the 2024 and 2023 financial years, no financial instruments have been transferred between the different measurement levels.

ii) Fair value of non-financial assets

The comparison at 31 December 2024 and 2023 between the value at which the Group's non-financial assets that are measured other than at fair value and their corresponding fair value are recognised in the consolidated balance sheet is as follows:

	2024		2023	
	Recognised value	Fair value	Recognised value	Fair value
Assets				
Tangible asset:				
For own use and investment properties	395,355	446,408	379,029	424,652
Non-current assets and disposal groups of items classified as held for sale	14,036	14,770	23,795	26,325
Inventories	2,039	2,039	35,148	35,148

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The fair value of these assets has been determined as follows:

- At 31 December 2024 and 2023, the fair value of the properties included under Property, plant and equipment for own use and investment properties of the Parent Company, which has been calculated using the value of appraisals carried out by independent valuers in accordance with the standards established by the Bank of Spain, represents 82% of the carrying amount of the aforementioned items (71% at 31 December 2023). For the remaining properties, the 2012 valuations (appraisals and internal valuations) have been updated, to which the Parent Company has applied an objectively estimated correction factor due to the current situation and market expectations.

For all other items of property, plant and equipment, the respective carrying amounts were believed to provide the most reliable estimate of fair value at both year-ends.

- The fair value of non-current assets held for sale located in Spain has been estimated, taking into account the expected recoverability, applying the parameters set out in the Circulars published by the Bank of Spain, depending on the type of foreclosed asset and, for assets related to real estate development existing at 31 December 2011, the criteria set out in Royal Decree-Law 2/2012, of 3 February. Likewise, in determining the aforementioned value, the appraisals carried out by appraisal companies registered with the Bank of Spain have been taken into consideration as an additional input, applying the provisions of OM ECO/805/2003, of 27 March, as well as the current situation of the real estate market and the economic cycle..

The Entity mainly uses the services of the following appraisal companies: Krata, S.A., Servicios Vascos de Tasaciones, S.A., Tinsa Tasaciones Inmobiliarias S.A. and Balkide Balorazioak S.A.

41. Financial guarantees granted

The breakdown of this heading, which corresponds to the amounts that the Group must pay on behalf of third parties in the event that those originally obliged to pay do not do so as a result of the commitments assumed by the Group in the course of its ordinary business, at 31 December 2024 and 2023, is as follows:

	2024	2023
Financial guarantees granted	160,325	159,686
	160,325	159,686

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42. Loan commitments given and other commitments given

The breakdown of this heading at 31 December 2024 and 2023 is as follows:

	2024	2023
<u>Loan commitments given:</u>	<u>1,307,860</u>	<u>1,180,032</u>
Available through third parties:	<u>1,307,860</u>	<u>1,180,032</u>
Credit institutions	832	252
The Public Administrations sector	136,652	158,350
Other resident sectors	1,161,235	1,018,971
Non-residents	9,141	2,459
<u>Other commitments granted</u>	<u>468,591</u>	<u>442,426</u>
Purchase of Registered Debt		
Securities subscribed pending disbursement	115,415	91,693
Other guarantees and penalties provided	157,812	140,821
Irrevocable documentary credits	18,433	18,398
Other contingent commitments:	<u>176,931</u>	<u>191,514</u>
Documents delivered to Clearing Houses	<u>176,931</u>	<u>191,514</u>
	<u>1,776,451</u>	<u>1,622,459</u>

43. Interest income

The breakdown of this item in the profit and loss account for the years ended 31 December 2024 and 2023, is as follows:

	2024	2023 (*)
Financial assets held for trading	11	38
Financial assets designated at fair value through profit or loss	-	-
Financial assets at fair value through other comprehensive income	34,415	17,794
Financial assets at amortised cost (**)	453,196	636,646
Non-trading financial assets necessarily measured at fair value through profit or loss	100	40
Derivatives - hedge accounting, interest rate risk (**)	254,638	(46,082)
Other assets	71,622	34,117
Interest income from liabilities	<u>12,632</u>	<u>9,530</u>
	<u>826,614</u>	<u>652,083</u>

(*) Restated data, see note 3.c)

(**) At 31 December 2024, the Entity has adjusted the gross book amount of certain bonds for reflect estimated contractual cash flows, recalculated to the revised effective interest rate considering expected inflation (Note 25). Cash flow coverage is maintained for such bonds (Note 27), therefore the effect on the profit and loss account has been covered, without therefore having an effect on the same.

The heading "Financial assets at amortised cost" includes 357,603 thousand euros relating to mortgage-backed transactions in 2024 (298,767 thousand euros in 2023).

Most of the interest income has been generated by financial assets of the Parent Company that are measured either at amortised cost or at fair value through other comprehensive income.

Of the total Interest income in the above table as at 31 December 2024 and 2023, the majority has been calculated using the effective interest rate method.

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The amounts originated by hedging derivatives and recognised in equity during the financial years 2024 and 2023 and those that were derecognised from equity and included in the results in those financial years are shown in the "Other Overall Result" movement (Note 38)

The distribution by geographical area of the number of the Group's banking branches as at 31 December 2024 and 2023, is as follows:

	<u>2024</u>	<u>2023</u>
Bizkaia	79	79
Gipuzkoa	62	62
Araba	28	28
Navarre	36	36
New Network	79	78
	<u>284</u>	<u>283</u>

44. Interest expenses

The breakdown of this item in the profit and loss account for the years ended 31 December 2024 and 2023, is as follows:

	<u>2024</u>	<u>2023 (*)</u>
Financial liabilities held for trading	-	-
Financial liabilities designated at fair value through profit or loss	-	-
Financial liabilities at amortised cost	183,484	51,596
Derivatives - hedge accounting, interest rate risk	(5)	(34)
Other liabilities	971	917
Assets interest expenses	211	40,728
	<u>184,661</u>	<u>93,207</u>

(*) Restated data, see note 3.c)

Of the total Interest expenses in the above table as at 31 December 2024 and 2023, the majority has been calculated using the effective interest rate method.

The adjustment to hedging expenses relates mainly to swaps contracted to hedge the fair value of certain mortgage bond issues (Notes 35 and 27).

45. Dividend income

The breakdown of this item in the consolidated income statement for the years ended 31 December 2024 and 2023, is as follows:

	<u>2024</u>	<u>2023</u>
Financial assets held for trading	26	29
Financial assets not intended for trading, which are necessarily measured at fair value through profit or loss	1,916	2,198
Financial assets at fair value through other comprehensive income	2,181	1,434
	<u>4,123</u>	<u>3,661</u>

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46. Profit or loss of entities accounted for using the equity method

The breakdown of this item in the consolidated income statement for the years ended 31 December 2024 and 2023, is as follows (Note 28):

	2024	2023
Associated entities	(7)	10
Jointly-controlled entities	-	-
	(7)	10

47. Fee and commission income

The breakdown of this item in the consolidated income statement for the years ended 31 December 2024 and 2023, is as follows:

	2024	2023
For contingent risks	3,360	3,306
For contingent commitments	1,718	1,554
For the exchange of foreign currency and foreign banknotes	54	60
For collection and payment services	57,902	59,986
For securities services:	75,352	67,249
Underwriting and placement of securities	-	-
Purchase-sale of securities	1,054	918
Administration and custody	1,703	1,314
Asset management	72,595	65,017
For marketing of non-banking financial products:	6,380	5,618
Investment funds	3,963	3,263
Pension funds	489	523
Insurance	1,928	1,832
Others	-	-
Other fees and commissions	3,956	4,148
	148,722	141,921

48. Commission expenses

The breakdown of this item in the consolidated income statement for the years ended 31 December 2024 and 2023, is as follows:

	2024	2023
Brokerage in asset and liability transactions	7	9
Fees assigned to other correspondent entities:	6,586	5,982
For collection or return of bills of exchange	3	4
For other items	6,583	5,978
Commissions paid for securities transactions	1,232	1,165
With money brokers	1,077	1,083
With third party funds	120	-
Others	35	81
Other fees and commissions	3,700	3,576
	11,525	10,732

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49. Gains or (-) losses on retirement of financial assets and liabilities not measured at fair value through profit or loss, net and on financial assets not held for trading necessarily measured at fair value through profit or loss, net

The breakdown of these headings in the consolidated income statement for the years ended 31 December 2024 and 2023, according to the origin of the items comprising them, is as follows:

	2024	2023
Profit or (-) loss on retirement of financial assets and liabilities not measured at fair value through profit or loss, net	(77,432)	(118,356)
Financial assets at fair value through other comprehensive income	(13,081)	(72,780)
Financial assets at amortised cost	(64,351)	(45,576)
Gains or (-) losses on non-trading financial assets, which are necessarily measured at fair value through profit or loss, net	652	3,735
Financial assets not intended for trading, which are necessarily measured at fair value through profit or loss	652	3,735
	(76,780)	(114,621)
Gains	6,097	9,130
Losses	(82,877)	(123,751)
	(76,780)	(114,621)

The breakdown by nature of the financial instruments giving rise to these balances in the years ended 31 December 2024 and 2023, is as follows:

	2024	2023
Debt securities	(77,483)	(118,184)
Equity instruments	586	3,563
Derivatives	-	-
Loans and advances	117	-
	(76,780)	(114,621)

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50. Gains or (-) losses on financial assets and liabilities held for trading, net

The breakdown of this heading in the consolidated income statement for the years ended 31 December 2024 and 2023, according to the origin of the items comprising them, is as follows:

	2024	2023
Financial assets held for trading	1,395	(1)
	<u>1,395</u>	<u>(1)</u>
Gains	25,577	42,661
Losses	(24,182)	(42,662)
	<u>1,395</u>	<u>(1)</u>

The breakdown by nature of the financial instruments giving rise to these balances in the years ended 31 December 2024 and 2023, is as follows:

	2024	2023
Debt securities	350	544
Equity instruments	160	175
Derivatives	885	(720)
	<u>1,395</u>	<u>(1)</u>

51. Gains or (-) losses on financial assets and liabilities stated at fair value through profit or loss, net

The breakdown of this item in the consolidated income statement for the years ended 31 December 2024 and 2023, is as follows:

	2024	2023
Financial assets designated at fair value through profit or loss	-	-
	<u>-</u>	<u>-</u>
Gains	-	-
Losses	-	-
	<u>-</u>	<u>-</u>

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52. Gains or (-) losses from hedge accounting, net

The breakdown of this item in the profit and loss account for the years ended 31 December 2024 and 2023, is as follows:

	2024	2023
Hedging derivatives	(1,688)	(6,005)
Hedged items	60	6,025
	<u>(1,628)</u>	<u>20</u>
Gains	584	6,432
Losses	(2,212)	(6,412)
	<u>(1,628)</u>	<u>20</u>

The heading "Gains or (-) losses arising from hedge accounting – Hedging derivatives" includes measurement adjustments to fair value hedging instruments held by the Entity during the 2024 and 2023 financial years. In addition, the heading "Gains or (-) losses arising from hedge accounting - Hedged items" includes the measurement adjustments to the hedged items for those contracts designated as fair value hedges (Note 13.e).

53. Exchange rate differences [gain or (-) loss], net

The breakdown of this item in the consolidated income statement for the years ended 31 December 2024 and 2023, is as follows:

	2024	2023
Gains	1,057,452	1,345,619
Losses	(1,056,707)	(1,345,290)
	<u>745</u>	<u>329</u>

54. Other operating income

The breakdown of this item in the consolidated income statement for the years ended 31 December 2024 and 2023, is as follows:

	2024	2023
Operating income from investment property (Note 30)	2,826	2,363
Sales and service revenues	2,390	2,363
Other operating products	9,924	12,679
Financial commissions to offset costs	-	3
Revenues from other operating leases (net) (Note 30)	6,355	6,198
Change in inventories due to real estate assets	-	-
Other products	3,569	6,478
	<u>15,140</u>	<u>15,042</u>

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55. Other operating expenses

The breakdown of this item in the consolidated income statement for the years ended 31 December 2024 and 2023, is as follows:

	2024	2023
Contribution to Deposits Guarantee Fund (Note 10)	91	31,354
Contribution to National Resolution Fund (Note 10)	-	4,339
Mandatory allocation to welfare funds (Notes 4 and 33)	19,218	14,297
Purchases and expenses related to real estate assets	-	-
Tax on Credit Institution Deposits	6,937	6,747
Other	3,901	4,037
	30,147	60,774

The amounts recorded under “Other operating expenses - Mandatory allocation to welfare fund” in the consolidated income statements for the years ended 31 December 2024 and 2023, amounting to 19,218 thousand euros and 14,297 thousand euros, respectively, relate to the mandatory allocation to the Education and Promotion Fund in accordance with the provisions of the Cooperatives Act and the Entity’s Articles of Association (Note 4).

The heading “Other operating expenses - Other items” at 31 December 2024 also includes the estimate for the capital allowance for the conversion of deferred tax assets into receivables from the tax authorities amounting to 1,044 thousand euros (1,582 thousand euros in 2023).

56. Income and expenses from assets and liabilities covered by insurance or reinsurance contracts

These headings in the consolidated income statement include the contributions to the Group’s ordinary margin made by the insurance companies included in the consolidated income statement. The breakdown of this contribution to the consolidated income statement for the years ended 2024 and 2023, is as follows:

	2024	2023
Insurance income		
Expected claims incurred and other insurance service expenses	6,634	8,657
Changes in the risk adjustment for non-financial risk	765	1,057
Contractual Service Margin (CSM) recognised for services rendered	3,430	2,908
Amounts related to changes in liabilities for the remaining hedge - contracts valued under PAA	170,637	158,494
Recovery of cash flows from the acquisition of insurance contracts under BBA or VFA	4,124	3,989
Total insurance income	185,590	175,105
Insurance expenses		
Claims incurred and other insurance service expenses	105,793	113,320
Amortisation of cash flows from the acquisition of insurance contracts	7,639	(610)
Changes that relate to past services originating from compliance related to liabilities from incurred claims (LIC)	17,941	4,538
Losses on onerous contracts and reversals of such losses	272	(136)
Total insurance expenses	131,645	117,112

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	2024	2023
Income from reinsurance recoveries	27,672	29,094
Allocation expenses of premiums paid to reinsurer	(34,814)	(31,799)
Total Net reinsurance result	(7,142)	(2,705)

	2024	2023
Financial income and expenses from insurance contracts	(4,719)	(3,889)
Financial income and expenses from reinsurance contracts	181	-
Total Financial Result of the Insurance Service	(4,538)	(3,889)

The breakdown of the analysis of the expected future recognition of the contractual service margin (CSM) in the accompanying consolidated income statement at year-end 2024 and 2023, is as follows:

	2024	2023
Less than 1 year	3,197	2,782
1 to 3 years	5,350	3,915
3 to 5 years	1,204	2,150
5 to 8 years	675	853
More than 8 years	2,327	2,942
Total insurance contracts issued	12,753	12,642

57. Administration expenses

a) Personnel expenses

The breakdown of this item in the consolidated income statement for the years ended 31 December 2024 and 2023, is as follows:

	2024	2023
Salaries and bonuses paid to active employees	152,582	138,240
Social Security contributions	4,372	4,209
Severance payments	246	-
Training costs	1,468	1,498
Other personnel expenses	994	1,030
	159,662	144,977

At 31 December 2024 and 2023 there is remuneration related to the provision of services inherent to the Parent Company's activity, as follows:

	2024			2023		
	Subsidised interest	Market interest	Difference	Subsidised interest	Market interest	Difference
Low interest rate loans	1,602	2,525	923	1,364	2,794	1,430

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The average number of employees of the Group in 2024 and 2023 by category is as follows:

	2024	2023
Directors	54	53
Managers	389	383
Technicians	1,240	1,178
Admin. personnel	661	647
	2,344	2,261

Of the total workforce at 31 December 2024, 27 had a recognised degree of disability (25 at 31 December 2023).

As at 31 December 2024 and 2023, the distribution of the Group's staff by gender is as follows:

	Number of employees					
	2024			2023		
	Women	Men	Total	Women	Men	Total
Directors	15	37	52	15	41	56
Managers	148	246	394	148	237	385
Technicians	700	576	1276	662	549	1211
Admin. personnel	443	230	673	425	234	659
	1,306	1,089	2,395	1,250	1,061	2,311
Parent Company	1,093	998	2,091	1,041	974	2,015
Remaining entities: Subsidiaries	213	91	304	209	87	296
	1,306	1,089	2,395	1,250	1,061	2,311

The gender distribution of the Parent Company's Governing Board at 31 December 2024 and 2023, is as follows:

	Number of members					
	2024			2023		
	Women	Men	Total	Women	Men	Total
Members of the Governing Board	6	8	14	6	8	14

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b) Other administrative expenses

The breakdown of this item in the consolidated income statement for the years ended 31 December 2024 and 2023, is as follows:

	2024	2023
For buildings, installations and materials:	12,190	12,053
Leases (Note 30)	582	496
Maintenance of fixed assets	7,915	6,901
Lighting, water and heating	2,295	3,240
Printed material and office supplies	1,398	1,416
IT	16,329	13,344
Communications	6,451	5,801
Advertising and publicity	9,875	8,945
Legal costs and lawyers' fees	2,489	3,009
Technical reports	49,319	39,051
Surveillance and transfer of funds services	2,339	2,261
Insurance and self-insurance premiums	883	907
By Governing and Control Bodies	174	248
Staff representation and travel expenses	2,202	2,021
Association fees	657	648
Outsourced administration services	13,308	11,508
Contributions and taxes	3,104	2,692
Other expenses	4,456	2,481
	123,776	104,968

Under "Leases", the Group recognises the expenses incurred on leases of less than 12 months and on leases where the value of the leased item is low (Note 13.q).

During the 2024 financial year, a premium has been paid for the group civil liability insurance of all directors and executives of the Parent Company, for potential damages caused by incorrect acts committed or allegedly committed in the exercise of their office, for a total amount of 41 thousand euros (84 thousand euros in 2023).

58. Depreciation/Amortisation

The breakdown of this item in the consolidated income statement for the years ended 31 December 2024 and 2023, is as follows:

	2024	2023
Tangible assets:	27,884	25,671
Property, plant and equipment	27,214	24,949
For own use	21,485	19,193
Assigned under financial leases	5,729	5,756
Investment properties	670	722
Intangible assets	-	-
	27,884	25,671

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59. Provisions or (-) reversal of provisions

The breakdown of this item in the consolidated income statement for the years ended 31 December 2024 and 2023, is as follows:

	2024	2023
Provisions for pensions and other defined post-employment benefit obligations (Note 36)	6,698	8,867
Provisions for commitments and guarantees granted (Note 36)	(3,528)	(3,075)
Provisions for litigation and pending tax litigation (Note 36)	-	-
Remaining provisions (Note 36)	<u>142,753</u>	<u>30,928</u>
	<u>145,923</u>	<u>36,720</u>

60. Impairment or (-) reversal of impairment of financial assets not measured at fair value through profit or loss or (-) net gains through modification

The breakdown of this item in the consolidated income statement for the years ended 31 December 2024 and 2023, is as follows:

	2024	2023
Financial assets through other comprehensive income (*) (Note 24)	(463)	(1,321)
Debt securities	(463)	(1,321)
Financial assets at amortised cost (**) (Note 25)	(13,575)	30,332
Loans and advances	(13,575)	30,332
Debt securities	-	-
	<u>(14,038)</u>	<u>29,011</u>

(*) Including recovery of written-off assets of 113 thousand euros at 31 December 2024 (0 thousand euros at 31 December 2023).

(**) Includes write-offs and recoveries of bad debts of 1,409 and 3,467 thousand euros in 2024, respectively (3,225 and 8,177 thousand euros in 2023, respectively).

61. Impairment (-) reversal of impairment losses on investments in joint ventures or associates

The breakdown of this item in the consolidated income statement for the years ended 31 December 2024 and 2023, is as follows:

	2024	2023
Holdings in Associates (Note 28)	-	-
Holdings in Jointly-controlled entities (Note 28)	-	-
	<u>-</u>	<u>-</u>

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62. Impairment or (-) reversal of impairment on non-financial assets

The breakdown of this item in the consolidated income statement for the years ended 31 December 2024 and 2023, is as follows:

	2024	2023
Tangible assets (Note 30)	575	1,237
Other assets	(5)	1,131
	570	2,368

63. Profit or (-) loss on retirement of non-financial assets, net

The breakdown of this item in the consolidated income statement for the years ended 31 December 2024 and 2023, is as follows:

	2024	2023
Net profit (loss) on sale of non-financial assets	8,527	5,563
Net profit (loss) on disposal of shareholdings	-	-
	8,527	5,563

64. Gains or (-) losses from non-current assets and disposal groups classified as held for sale not eligible as discontinued operations

The breakdown of this item in the consolidated income statement for the years ended 31 December 2024 and 2023, is as follows:

	2024	2023
Net gain (loss) on sale of non-current assets for sale	14,948	19,299
Net impairment charges on non-current assets for sale (Note 34)	(8,918)	(23,298)
	6,030	(3,999)

65. Transactions with Jointly-controlled entities and Associates

Significant balances held at 31 December 2024 and 2023 between the Parent Company and Subsidiaries and the effect of transactions between them during the years then ended have been eliminated on consolidation. The summary of the balances at 31 December 2024 and 2023 relating to assets and liabilities held with jointly controlled entities and associates is as follows:

	2024	2023
Balances		
Customer deposits	442	513
Non-current assets for sale	-	-
Guarantees	-	-
Loans and advances	580	638

There were no significant transactions with jointly controlled entities and associates in 2024 and 2023.

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66. Other information

Details of the Group's off-balance sheet customer funds at 31 December 2024 and 2023, are as follows:

	2024	2023
Managed by the Entity's Group:	8,066,523	7,042,515
Investment Funds and companies	5,751,387	4,832,288
Pension funds and EPSVs	2,051,176	1,921,493
Savings on insurance contracts	261,744	288,733
Customer portfolios managed on a discretionary basis	2,216	-
Marketed, but not managed by the Entity's Group	1,926,697	1,762,146
	9,993,220	8,804,661

At 31 December 2024 the balance of securities deposits owned by third parties amounts to 7,929,505 thousand euros (7,480,743 thousand euros at 31 December 2023).

The total amount of debt securities assigned by the Group at 31 December 2024 and 2023 amounted to 522,988 thousand euros and 870,142 thousand euros, respectively, which had been assigned to third parties and were mainly recorded under "Financial liabilities at amortised cost - Customer deposits" in the balance sheet.

67. Information regarding issuers on the mortgage market and on the special accounting register

As indicated in Note 35, the Parent Company issued mortgage covered bonds whose last maturity was in 2021. Therefore, the information on the data from the special accounting register of the issuing entity, referred to in article 21 of Royal Decree 716/2009, of 24 April, by virtue of the provisions of Circular 7/2010, to credit institutions, which implements certain aspects of the mortgage market established in Bank of Spain Circular 5/2011, of 30 November, is included below.

Furthermore, in accordance with the provisions of Royal Decree 716/2009, of 24 April, which implements certain aspects of Law 2/1981, of 25 March, on the regulation of the mortgage market and other rules governing the financial mortgage system, the Governing Board of the Parent Company states that, as at 31 December 2024, the Parent Company has a set of policies and procedures in place to ensure compliance with the regulations governing the mortgage market, for which it assumes responsibility for compliance.

These policies and procedures include, among others, the following points:

The criteria for granting risk are based on the borrowers' ability to pay, in which the estimation of internal models (Scorings and Ratings) play an essential role.

The main eligible mitigating factors are the mortgage collateral, with particular regard to the LTV (risk/price) ratio of the transaction, and the guarantors.

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These models, based upon the data introduced and on the historic behaviour of certain variables, are capable of estimating the probability of payment default and therefore of assigning a first credit rating to the request. Each transaction is graded on a scale with different levels from lower to higher risk, establishing a PD - Probability of default for each one.

The models assess different variables that quantify the level of revenue or income, equity or indebtedness, payment behaviour, the degree of engagement and personal aspects of the borrower and certain characteristics of the risky transaction.

Specifically, the current models consider the following types of variables: the personal characteristics, payment default history, the capacity to obtain income or Gains, debt profile, net equity, engagement with the Entity, the characteristics of the transaction itself and the hedging of the transaction (mitigating factors).

There are also procedures for checking the information entered into the system against the data entered, especially those relating to income, assets, mortgage collateral through the valuation of the property, the purpose of the financing, the customer's general data and the basis of the customer's behaviour.

In order to determine the value of real estate assets used as mortgage collateral in the formalisation of risk transactions, appraisals are required that meet the following conditions:

- Carried out by appraisal companies registered in the Official Appraisal Register of the Bank of Spain.
- That the content of Ministerial Order OM ECO/805/2003, of 27 March, is applied.

The value of these assets is reviewed with a certain variable frequency depending on the rating of the transaction guaranteed by the asset, its amount and LTV (risk/value of the asset), establishing differentiated policies for transactions classified as problematic (doubtful or foreclosed) and those classified as normal or under special monitoring.

As at 31 December 2024 and 2023 there are no asset and liability transactions, the latter having matured during the 2021 financial year.

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68. Information on the average period of payment to suppliers. Additional Provision Three. "Duty of information" of Law 15/2010, of 5 July.

In accordance with Law 31/2014, of 3 December, for the improvement of corporate governance, which amends Additional Provision Three of Law 15/2010, of 5 July, amending Law 3/2004, of 29 December, which establishes measures to combat late payment in commercial transactions, and considering the Sole Additional Provision of the Resolution of 29 January 2016, of the Spanish Accounting and Auditing Institute, for the purposes of complying with the required information duty, the information on the average payment period to suppliers during financial years 2024 and 2023 is shown below:

	Days	
	2024	2023
Average period for paying suppliers	15	18
Ratio of operations paid	15	18
Ratio of outstanding operations	24	19

	Amount (thousand euros)	
	2024	2023
Total payments made	380,803	326,124
Total payments outstanding	15,455	7,383

In compliance with the reporting obligation established in Law 18/2022, of 29 September, in accordance with section 3 of the additional provision, the data corresponding to the 2024 financial year for invoices with a payment period of less than the maximum established in the regulations on late payment are as follows:

	Amount (thousand euros)	
	2024	2023
Less than 60-day payments	367,445	281,107
% of total invoices	96 %	97 %

	No. of invoices	
	2024	2023
Less than 60-day payments	72,023	81,251
% of total invoices	96 %	95 %
Total payments outstanding		

69. Business combinations and acquisition of interests in subsidiaries, jointly-controlled entities and associates

- a) Information on acquisitions of equity in subsidiaries, jointly-controlled entities and associates

During 2024 and 2023 there have been no acquisitions in the equity of subsidiaries, jointly-controlled entities and associates of significance to the Group.

- b) Business combinations

During the 2024 and 2023 financial years, no business combinations of significance for the Group have taken place.

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INDIVIDUALISED BREAKDOWN OF INVESTMENTS IN GROUP COMPANIES AND OTHER EQUITY INVESTMENTS AT 31 December 2024
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			2024								
Company	Address	Activity	Holding %		Carrying amount			Investee data (*)			
			Direct	Indirect	Gross	Accumulat ed	Net	Assets	Net equity	Income from services/ Sales	Net result
<u>Subsidiaries</u>											
Seguros Lagun-Aro Vida S.A.	Bilbao	Insurance	76 %	24 %	34,508	-	34,508	426,372	81,434	51,922	2,630
Seguros Lagun-Aro S.A.	Bilbao	Insurance	49.64 %	50.36 %	17,649	-	17,649	228,433	64,415	106,581	685
Seguros Lagun-Aro 2003, A.I.E.	Bilbao	Services rendered	-	100 %	-	-	-	3,553	2,792	-	-
Caja Laboral Gestión S.G.I.I.C S.A.	Mondragón	Investment fund manager	100 %	-	6,281	-	6,281	36,188	24,541	46,369	12,717
Caja Laboral Pensiones G.F.P. S.A.	Mondragón	Pension fund manager	100 %	-	2,500	-	2,500	4,501	3,479	3,883	176
Caja Laboral Euskadiko Kutxa Cartera S.L.U.	Mondragón	Holding company	100 %	-	60,773	-	60,773	64,142	64,154	-	(17)
Caja Laboral Bancaseguros O.B.S.V. S.L.U.	Bilbao	Banking Insurance Operator	100 %	-	10	-	10	13,545	6,081	36,065	1,424
ISGA Inmuebles S.A.	Mondragón	Property Asset Manager	100 %	-	10,127	(8,544)	1,583	12,584	5,241	56,608	14,380
Lamiak S.C.A., SICAV-RAIF	Luxembourg	Asset management	99 %	-	31,384	-	31,384	37,818	34,282	3,068	2,754
Lagun Klik S.L.	Bilbao	Brokerage of services	-	100 %	-	-	-	656	647	11	(143)
					163,232	(8,544)	154,688				
			2024								
Company	Address	Activity	Holding %		Carrying amount			Investee data (*)			
			Direct	Indirect	Gross	Accumulated	Net	Assets	Net equity	Income from services/ Sales	Net result
<u>Associated entities</u>											
Ategi Green Power, S.L.	Mondragón	Energy production ncop	28.57 %	-	333	-	333	3,368	1,297	171	(24)
					333	-	333				

(*) The accompanying equity data correspond to the individual financial statements of the investee companies as at 31 December 2024.

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(Expressed in thousands of euros)

			2023								
Company	Address	Activity	Holding %		Carrying amount			Investee data (*)			
			Direct	Indirect	Gross	Accumulat ed	Net	Assets	Net equity	Income from services/ Sales	Net result
<u>Subsidiaries</u>											
Seguros Lagun-Aro Vida S.A.	Bilbao	Insurance	76 %	24 %	34,508	-	34,508	438,103	70,916	53,642	3,040
Seguros Lagun-Aro S.A.	Bilbao	Insurance	49.64 %	50.36 %	17,649	-	17,649	220,698	61,561	99,693	238
Seguros Lagun-Aro 2003, A.I.E.	Bilbao	Services rendered	-	100 %	-	-	-	3,672	2,792	-	-
Caja Laboral Gestión S.G.I.I.C S.A.	Mondragón	Investment fund manager	100 %	-	6,281	-	6,281	26,811	17,253	39,429	9,717
Caja Laboral Pensiones G.F.P. S.A.	Mondragón	Pension fund manager	100 %	-	2,500	-	2,500	4,156	3,303	3,507	155
Caja Laboral Euskadiko Kutxa Cartera S.L.U.	Mondragón	Holding company	100 %	-	59,673	-	59,673	63,054	63,054	-	(22)
Caja Laboral Bancaseguros O.B.S.V. S.L.U.	Bilbao	Banking Insurance Operator	100 %	-	10	-	10	7,951	4,657	35,260	2,128
ISGA Inmuebles S.A.	Mondragón	Property Asset Manager	100 %	-	50,354	(22,403)	27,951	45,902	33,305	32,281	7,049
Lamiak S.C.A., SICAV-RAIF	Luxembourg	Asset management	99 %	-	11,881	-	11,881	11,895	11,845	140	(185)
Lagun Klik S.L.	Bilbao	Brokerage of services	-	100 %	-	-	-	283	233	1	(70)
					182,856	(22,403)	160,453				
			2023								
Company	Address	Activity	Holding %		Carrying amount			Investee data (*)			
			Direct	Indirect	Gross	Accumula ted	Net	Assets	Net equity	Income from services/ Sales	Net result
<u>Associated entities</u>											
Ategi Green Power, S.L.	Mondragón	Energy production ncop	28.57 %	-	333	-	333	3,638	1,332	278	36
					333	-	333				

(*) The accompanying equity data correspond to the individual financial statements of the investee companies as at 31 December 2023.

CAJA LABORAL POPULAR COOP. DE CRÉDITO Y SOCIEDADES DEPENDIENTES
AGENCY CONTRACTS AS AT 31 December 2024 AND 2023

Name	Address	ID Code	Date of granting of powers	End date of mandate	Geographical scope	Scope of representation
Caja Laboral Banca Seguros O.B.S.V., S.L.U.	Gran Vía Don Diego López de Haro, 2- Bilbao	B 75060988	01/01/2013	Indefinite	National	<ul style="list-style-type: none"> - Processing current account transactions, savings and fixed-term deposits, investment funds, pension plans and provident schemes by signing the necessary documents. - Processing of loans and other risk operations on behalf of the Entity. - Correspond with the Entity and maintain contact with the public, organising work according to the timetable and in the manner deemed most appropriate, in accordance with the rules and instructions received from the Entity.

CAJA LABORAL POPULAR COOP. DE CRÉDITO Y SOCIEDADES DEPENDIENTES

APPENDIX III

ANNUAL BANKING REPORT

Information at 31 December 2024 of the Laboral Kutxa Group for compliance with Law 10/2014 and Directive 2013/36/EU of the European Parliament and of the Council.

This information has been prepared in compliance with the provisions of Article 87 and Transitional Provision Twelve of Law 10/2014, of 26 June, on the supervision and solvency of credit institutions published in the Official State Gazette of 27 June 2014, which transposes Article 89 of Directive 2013/36/EU of the European Parliament and of the Council, of 26 June 2013, relating to the taking up and pursuit of the business of credit institutions and the prudential supervision of credit institutions and investment firms amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (commonly known as CRD IV).

In accordance with said regulations, credit institutions are required to report to the Bank of Spain and publish annually, specifying for the countries in which they are established, the following consolidated information for each financial year:

- a) Name, nature and geographical location of the activity.
- b) Turnover.
- c) Number of full-time employees.
- d) Gross profit before tax.
- e) Tax on profit.
- f) Public subsidies or aid received.

In accordance with this, the required information mentioned above is detailed as follows:

- Name, nature and geographical location of the activity

Caja Laboral Popular Coop. de Crédito (hereinafter the company Laboral Kutxa or Caja Laboral), with registered office in Mondragón (Gipuzkoa), was set up on 2 November 2012 as a new credit cooperative, as a result of the merger between Caja Laboral Popular Coop. de Crédito and Ipar Kutxa Rural S.Coop. de Crédito, through the creation of a new entity. The aforementioned Entity is considered a qualified cooperative.

The Articles of Association of the Company state that its business operations will not be limited to any specific territory and that its corporate purpose is to service the financial needs of its members and third parties by carrying out the activities typical of a credit institution. To this end, it may carry out all types of lending, borrowing and service transactions which financial institutions are permitted to provide, including those relating to the promotion and fulfilment of its cooperative purpose, paying particular attention to its members' financial needs and complying with the legal limits on lending to third parties.

Appendix I to these Annual Accounts of Laboral Kutxa, for the year ended 31 December 2024, lists the companies operating in each jurisdiction, including, among other information, their name, geographical location and the nature of their activity.

CAJA LABORAL POPULAR COOP. DE CRÉDITO Y SOCIEDADES DEPENDIENTES

APPENDIX III

- Turnover, number of full-time employees, gross profit before tax and tax on profit

	Turnover (thousands of euros)	No. full-time equivalent employees	Gross profit before tax	Tax on profit
Spain	734,256	2,269	305,036	49,697
TOTAL	734,256	2,269	305,036	49,697

For the purposes of this information, the gross margin of the consolidated income statement of December 2024 has been considered as turnover. The data on full-time equivalent employees have been obtained from the headcount of each company/country at the end of the 2024 financial year.

The return on Group assets calculated as the division of Net Profit attributable to the Parent Company over Total Assets as at 31 December 2024 amounts to 0.93%.

- Public subsidies or aid received

The amount of public subsidies or aid received by the Laboral Kutxa Group during the financial year 2024 is immaterial.

CAJA LABORAL POPULAR COOP. DE CRÉDITO Y SOCIEDADES DEPENDIENTES

MANAGEMENT REPORT FOR THE FY 2024

The macroeconomic environment has remained uncertain, particularly in the international environment and due to ongoing geopolitical tensions. Weakness in the major Eurozone economies, in particular Germany and France, together with lower inflation, led to rate cuts by the ECB during the year.

This did not prevent a positive evolution of GDP in the Basque Country, Navarre and Spain, which maintained a certain robustness thanks to domestic consumption and despite the weakness of the main trading partners, which conditioned the export tone in goods and industrial production. The Basque Autonomous Community (BAC) grew by 2.1% according to Eustat, one percentage point below the figure estimated by the INE for Spain as a whole.

Nevertheless, the labour market remained robust with new highs in enrolment, which on a monthly average basis exceeded 1 million for the year, and set consecutive record highs in the last three months. Unemployment stands at around 7% in the BAC and at 11.5% in Spain.

The moderation in energy prices contributed to the reduction in inflation rates, which the ECB expects to be around 2% in the medium term. This led the monetary authority to make four rate cuts in 2024, continuing the reduction in the 12-month Euribor started at the end of the previous year, and which continued during this year to stand at 2.4% in December. This supported the strengthening of housing demand and moderated early redemptions that accelerated during the period of rising rates.

The sector's profitability improved in this context, together with the good evolution of doubtful assets and the containment of liability costs, enabling a favourable evolution of net interest income. This boosted efficiency, despite the increase in overheads, and improved the solvency of the bank, which undertook public debt portfolio purchases and sales to secure future margins. This enables prudent capital management and compliance with Laboral Kutxa's MREL requirements, while taking advantage of the improved profitability to invest in the transformation and digitalisation process affecting the sector as a whole, and will improve the quality and variety of the service.

In this context of interest rates, the mix of on-balance sheet customer funds (demand and term) stabilised and interest in off-balance sheet investment alternatives increased, while there was strong competitive pressure on the assets side, particularly in mortgages. The insurance business met its targets for new production, both in direct and cross-selling, as well as renewals, particularly in the Non-Life segment. In a general scenario of price rises to recover the technical profitability of the business, Seguros Lagun Aro increased the sale of car insurance and, above all, home insurance.

The key figures of the business are set out below:

Total assets amounted to 27,107 million euros, a increase of 1.95% compared to the end of the previous year.

CAJA LABORAL POPULAR COOP. DE CRÉDITO Y SOCIEDADES DEPENDIENTES

MANAGEMENT REPORT FOR THE FY 2024

Customer deposits amounted to 23,292 million euros, representing a growth 3.23% on the previous year. This increase is due to an inflow of time deposit balances (+2,121 million euros) that offset and exceeded the outflow in demand deposit figures (-1,038 million euros).

Loans and advances to customers amounted to 15,124 million euros at year-end 2024. Excluding the effect of the change in other financial assets, traditional loans and advances remain constant.

The volume of non-performing loans and advances to customers declined by 9.6%, bringing the NPL ratio of the "Other resident sectors" heading down to 2.46% at the end of 2024, significantly lower than the sector average of 3.26% for deposit institutions.

Furthermore, financial assets at fair value through other comprehensive income and debt securities at amortised cost represent amounts of 1,247 million euros and 6,764.8 million euros, respectively, with the amortised cost portfolio accounting for 24.96% of the balance sheet total.

Productivity and liquidity indicators continue at sufficient levels in both absolute and relative terms. The efficiency ratio measured in terms of administrative expenses over gross income before FEPC is 41.3% in 2024 and the structural liquidity ratio in terms of loans over deposits is 64.2%.

With regard to the level of solvency, the Group's eligible capital at 31 December 2024 amounted to 2,205.3 million euros. The CET1 (Common Equity Tier 1) ratio was 24.85%, one of the highest in the sector and coinciding with the total solvency ratio.

The following income and expense items stand out from the income statement:

Profit net of tax amounted to 255.3 million euros in 2024, reaching 274.5 million euros profit prior to the endowment to welfare projects, exceeding the forecasts of the Entity's Management Plan.

Net interest income, driven by the contribution from the loan portfolio and the contribution from treasury's own wholesale activity, was 642 million euros, up by 14.9% compared to 2023.

The sum of the headings dividends, net commissions, gains from the revaluation and disposal of financial instrument portfolios, together with other operating income contributed 92.3 million euros in 2024, bringing the gross margin to 734.3 million euros.

CAJA LABORAL POPULAR COOP. DE CRÉDITO Y SOCIEDADES DEPENDIENTES

MANAGEMENT REPORT FOR THE FY 2024

On the cost side, the Group reaffirmed its decision to maintain its strategic agenda and to undertake the transformational projects designed to face the future. This, together with the effect of inflation, meant allocating 13.40% more to administrative expenses, which amounted to 283 million euros.

As regards provisions, write downs and other impairment losses, the good results in the year allowed for reinforcing the hedging of contingent liabilities and other problematic assets (doubtful operations and foreclosed assets).

A detail of the Group's main risks is provided in Notes 15 to 21 of the 2024 financial statements.

In the insurance business, premiums in the non-life business increased by 6%, while in the life business they were 6% lower than last year's figures. The accident rate was higher than in 2023. As a result, the contribution to the Laboral Kutxa Group amounted to 26 million euros of ordinary global results.

Likewise, the process of reducing risk positions through the real estate development and construction activity continued in 2024, reducing 46 million euros to 374 million euros at the end of the year.

The average payment period to suppliers during the 2024 financial year is 15 days, below the maximum legal period of 30 days established in Law 15/2010, of 5 July, which establishes measures to combat late payment in commercial transactions, as amended by Law 31/2014, of 3 December, amending the Capital Companies Act to improve corporate governance, and considering the Sole Additional Provision of the Resolution of 29 January 2016 of the Spanish Accounting and Auditing Institute (Instituto de Contabilidad y Auditoría de Cuentas). The average payment period has been calculated in accordance with said law.

Laboral Kutxa continues to promote the basic outline of its strategic planning, simultaneously managing a dual agenda: competitive and transformational. The aim is to maximise profitable growth while preserving the cooperative model, solvency, risk quality and financial balance, all while developing transformational capabilities for the future. The main levers underpinning the bank's transformation are based on greater investment in technology (cybersecurity, data analytics, digitisation, operational resilience), innovation, talent management and the promotion of new capabilities.

On the other hand, Laboral Kutxa has joined the Global Alliance for Banking on Values (GABV), the main international group of financial institutions that operate with social and ethical principles and values, and is the only institution based in Spain to be part of this alliance.

CAJA LABORAL POPULAR COOP. DE CRÉDITO Y SOCIEDADES DEPENDIENTES

MANAGEMENT REPORT FOR THE FY 2024

Law 11/2018, of 28 December, on non-financial information and diversity regulates the disclosure of information regarding these two aspects. Laboral Kutxa, in its capacity as a public interest entity, has published in an additional document, which forms part, in accordance with the provisions of Article 44 of the Code of Commerce, of the Consolidated Management Report, the Statement of Non-Financial Information and Information on Sustainability referring to the Laboral Kutxa Group which responds to the obligations contained in the aforementioned regulations and which complies with EU Directive 2022/2464 on corporate information on sustainability (CSRD), which will be deposited with the Companies Register of Gipuzkoa.

**CONSOLIDATED
STATEMENT OF
NON-FINANCIAL
INFORMATION
AND
SUSTAINABILITY
INFORMATION
2024 OF GRUPO
LABORAL KUTXA**

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GENERAL INFORMATION

NEIS 2 GENERAL INFORMATION

[BP-1] General basis for the preparation of sustainability statements

The Sustainability Office (OdS) of LABORAL Kutxa has coordinated the preparation of this Consolidated Statement of Non-Financial Information and Sustainability Information (hereinafter Sustainability Statement) of the LABORAL Kutxa Group (hereinafter GLK). It was also responsible for conducting the materiality study to determine the materiality issues.

The sustainability statement has been prepared with the same scope of consolidation as the financial statements, and in accordance with Article 19 bis, section 9, or 29 bis, section 8, of Directive 2013/34/EU (otherwise expressly stated in the relevant disclosure breakdown). All subsidiaries included in the consolidation are exempt from individual or consolidated sustainability reporting. All commercial activity takes place in Spain, with two distinct markets. On the one hand, the Basque Country and Navarre, the communities where the cooperative originated, and also the autonomous communities of northern Spain, with an increased presence in recent years in Madrid and Barcelona. The Group's parent company is Caja Laboral Coop. de crédito with headquarters at Paseo José María Arizmendiarieta s/n Arrasate-Mondragón, 20500, Gipuzkoa and the subsidiaries that form part of the Group are:

Dependent Entities	Activity	Shater percentage	Headquarters
Seguros Lagun Aro Vida, S.A.	Insurance	100 %	Calle Capuchinos de Basurto nº 6, 2º, 48013 Bilbao (Bizkaia)
Seguros Lagun Aro, S.A.	Insurance	100 %	
Seg. Lagun Aro 2003, IEA	Insurance	100 %	
Caja Laboral Gestión SGIIC, S.A.	Investment fund manager	100 %	Paseo José María Arizmendiarieta 5, 1ª Arrasate-Mondragon 20500 Gipuzkoa
Caja Laboral Pensiones GFP, S.A.	Pension fund manager	100 %	Paseo José María Arizmendiarieta SN Edificio 5 1ª Arrasate-Mondragon 20500 Gipuzkoa
ISGA Inmuebles, S.A.*	Property Asset Manager	100 %	Paseo José María Arizmendiarieta 4 Arrasate-Mondragón 20500 Gipuzkoa
Caja Laboral Euskadiko Kutxa Cartera, S.L.U.	Holding company	100 %	
Caja Laboral Bancaseguros (CLBS) O.B.S.V., S.L.U.	Banking Insurance Operator	100 %	Calle Gran Via Diego Lopez de Haro, 2 - PISO 1, Bilbao, 48001 , Bizkaia
Lagun Klik, SLU	Brokerage of services	100 %	Calle Capuchinos de Basurto nº 6, 3º, 48013 Bilbao (Bizkaia)
Partners Group LAMIAK S.C.A, SICAV - RAIF	Asset management	99 %	Avenue John F. Kennedy 35 D, L-1855 Luxembourg

Associated entities	Activity	Shater percentage	Headquarters
ATEGI GREEN POWER, S.L.	Production of energy from renewable sources	28.57 %	Calle Goiru (ed b), 1 – Piso 3, Arrasate/Mondragón, 20500, Gipuzkoa

Of these entities, the Parent Company has its own personnel, as do the insurance companies (Seguros Lagun Aro Vida, S.A.; Seguros Lagun Aro, S.A. and Seg. Lagun Aro 2003, A.I.E) and Caja Laboral Bancaseguros.

The statement has taken into account the upstream and downstream stages of the entity's value chain.

The option to omit information relating to intellectual property, know-how or results of innovation has not been used, except in relation to Cybersecurity and data processing as this is sensitive information. Disclosure of imminent developments or matters under negotiation has also not been omitted. The entity shall report on sustainability issues on the basis of the principle of relative materiality.

The statement reference period is from 1/1/2024 to 31/12/24. This statement forms part of the Group's management report.

[BP-2] Disclosures in relation to specific circumstances

No temporary deviations are detected in the short term (time horizon: 1 year), medium-term (time horizon of 1 to 5 years) or long-term (time horizon of more than 5 years) with respect to those defined in section 6.4 of Neis1. In the event that this circumstance is identified in the sustainability statement, it would be specified together with the information to which it refers, pointing out the deviation and explaining the reasons for it.

At a general level, no specific circumstances are identified that influence the GLK in the preparation of the sustainability statement.

Except where otherwise stated, references in this consolidated NFI to other documents, or reports, are for information purposes only. No information is incorporated by reference.

Upstream and downstream value chain data estimated for materiality beyond what is reported in section E1 – 6 "Gross GHG emissions from Scope 1, 2, 3 and Total" are not included. Similarly, neither quantitative parameters nor monetary amounts subject to a high degree of uncertainty are detected, otherwise this fact is reported.

In FY2024 there is no methodology available to relate monetary amounts of CapEx and OpEx needed to implement the actions being developed in this statement with respect to the material issues. Work on this methodology is planned throughout 2025 with a view to having it in place by 2025-2026.

As this is the first year in which the sustainability statement is disclosed under the CSRD, there are no changes in the preparation and presentation of the information compared to the previous period except where expressly stated in the sustainability statement. This statement contains additional information to that required by the NEIS to comply with Law 11/2018 on non-financial information and diversity, when this information is introduced it is expressly stated. For items responding to Law 11/2018, information will be provided for the previous period, including ESRS covering both regulations. There are no material errors from previous years.

This consolidated statement of non-financial information and sustainability information provides information in compliance with Law 11/2008. Pending the transposition of the Directive into Spanish law, the information required in this Law and not contemplated in the CSRD is presented. The information presented in the report is structured on the basis of the European ESRS standards, included in the aforementioned CSRD Directive. Qualitative information and tables are also published to comply with the Taxonomy Regulation (EU) 2020/852. With regard to other legislation, standards and frameworks on sustainability information, the template for communicating the situation with regard to the Principles of Responsible Banking to which LABORAL Kutxa is a signatory is published as an appendix.

[GOV-1] Role of administrative, managerial and supervisory bodies

Composition of the administrative, management and supervisory bodies:

The Governing Board is composed of persons who, taken as a whole, have sufficient knowledge, skills and experience in the governance of credit institutions to have a proper understanding of the institution's activities, including its main risks, and to ensure the Board's effective ability to make independent and autonomous decisions in the best interests of the institution.

The Governing Board has the necessary profiles for the proper performance of the duties assigned to the Appointments Committee, the Remuneration Committee, the Risk Committee and the Audit Committee.

An annual review is carried out to ensure that the directors continue to be suitable for the exercise of their duties, and the needs for new profiles that the Board may require are jointly reviewed. In addition to completing specific training actions.

The analysis of this document highlights the following aspects:

- ✓ All members of the Board are educated to degree level and most of them hold Masters or PhD degrees in subjects such as business management, finance, taxation or auditing.
- ✓ Eleven of the fourteen members have two years or more experience as members of the Board of Directors of a credit institution.
- ✓ Eight of its 14 members have been involved in the management of a large company and more than half of its members have professional experience in banking and/or financial services.
- ✓ 65% of the board members have knowledge and experience in accounting, auditing, or both.

- ✓ One of the members of the Governing Board is an expert in ICT and another member is an expert in sustainability.
- ✓ Seven directors are accredited in Corporate Governance (accreditation by the IC-A). Those who are not accredited have experience or training in this area.
- ✓ Three members have accredited training in MIFID and LCCI.
- ✓ Three board members have knowledge of the insurance business.
- ✓ Half of the members of the board of directors have previous experience on boards of directors or boards of trustees.

Name	Gender	Independent	Working member	Non-executive	Other external member	Governing Board	Appointments Committee	Remuneration Committee	Audit and CN Committee	Risks Committee	Main Operations Committee
PLAZA IZAGUIRRE, ADOLFO	M		✓			PCR ¹					✓
GIL SAGARDUY, EDORTA	M		✓			VCR ²		VCRE ⁷		VCRS ¹¹	
MAULEON SAINZ DE VICUÑA, BEATRIZ	F			✓		VCR ²		VCRE ⁷			✓
SORIA ALONSO, AITOR	M			✓		VCR ²					✓
SAGARNA ARRIZABALAGA, XABIER	M	✓				VCR ²	VCN ⁵		VCA ⁹		
LÓPEZ-CANO, IÑIGO	M		✓			VCR ²	VCN ⁵		VCA ⁹		
ELGARRESTA IBARRONDO, ITZIAR	F	✓				VCR ²	PCN ⁶				
KORTA ERRAZKIN, ESTHER	F	✓				VCR ²		PCRE ⁸			✓
ÁLVAREZ RUBIO, JUAN JOSÉ	M	✓				VCR ²			PCA ¹⁰		
LARRABEITI LIBANO, NAGORE	F	✓				VCR ²			VCA ⁹	VCRS ¹¹	
MARTEN ULARTE, IVÁN	M	✓				VCR ²				PCRS ¹²	
SANTXA VAZQUEZ, ÁLVARO	M		✓			SCR ³			VCA ⁹		
CORTABARRIA ACHA, MARÍA BELÉN	F	✓				VPCR ⁴		VCRE ⁷		VCRS ¹¹	
SAN JOSÉ RUÍZ DE AGUIRRE, LEIRE	F	✓				VCR ²	VCN ⁵			VCRS ¹¹	

¹ Chairman of the Governing Board; ² Member of the Governing Board; ³ Secretary of the Governing Board; ⁴ Vice-Chairman of the Governing Board

⁵ Member of the Appointments Committee; ⁶ Chairman Appointments Committee; ⁷ Member of the Remuneration Committee;

⁸ Chairman of the Remuneration Committee; ⁹ Member of the Audit Committee; ¹⁰ Chairman of the Audit Committee

¹¹ Member of the Risks Committee; ¹² Chairman of the Risks Committee

Total 14: 57% men and 43% women

Percentage of independent members: 57 %

BOARD OF DIRECTORS	GENDER	EXECUTIVE
EGIBAR GAINZA, XABIER	M	✓
MEZKORTA ARMAOLEA, URTZI	M	✓
MARURI HERNAEZ, JOSEBA MIKEL	M	✓
ANDRES GORGOJO, SUSANA	F	✓
URGOITI URIOSTE, IBON	M	✓
CORTAJARENA GOÑI, FCO.JAVIER	M	✓
EGUSKIZA SIERRASESUMAGA, OSCAR MARIA	M	✓
AGUIRRE UNZUETA, NURIA	F	✓
GALLASTEGUI MARTINEZ, AINHOA	F	✓
MONGELOS GARCIA, PABLO	M	✓

Total 10: 70% men, 30% women

With regard to business conduct (G1), the Governing Board has approved a Code of Ethics and Professional Conduct that regulates the principles of action and rules of conduct that should guide the behaviour of employees (including senior management) and directors with the aim of developing professional, transparent, honest and upright conduct. With regard to the experience of the administrative, management and supervisory bodies in matters of business conduct, half of the members of the Governing Board hold the Corporate Governance certificate issued by the Institute of Directors and Administrators. The rest of the directors are trained in corporate governance.

There is a continuous training programme where aspects of good governance are reviewed annually, especially those related to AML/CFT and cybersecurity.

The Code of Ethics includes compliance with the law as a principle of action, including a specific section on the Prevention of Money Laundering and Financing of Terrorism, insofar as the Entity is subject to this regulation, with an AML/CFT Manual and an Internal Control Body with specific prevention functions.

The Governing Board has appointed an Ethics Committee to oversee the application of the Code of Ethics and has approved a Criminal Prevention Model that seeks to structure a system of prevention and response to possible criminal conduct applicable to the Entity. The Governing Board has also approved an Internal Information System (whistle-blowing channel) where behaviour contrary to the Code of Ethics can be reported.

The Code of Ethics is published on the institution's intranet and includes a section on the governance model of the code which sets out the functions of the Governing Board and the Ethics Committee with respect to the conduct regulated therein.

The Regulatory Compliance Department submits a quarterly report to the Audit and Regulatory Compliance Committee and a half-yearly report to the Governing Board on the most relevant aspects of the Ethics Committee's performance in relation to the Code of Ethics and Professional Conduct, which is also submitted to the Board of Directors.

The Sustainability Office is responsible, by delegation of the Board of Directors, for monitoring sustainability impacts, risks and opportunities. The Office reports regularly to the Governing Board and the Sustainability Committee (Board of Directors) on sustainability issues, including impacts, risks and opportunities, for monitoring. This monitoring is carried out at least three times a year. Both the Sustainability Committee and the Governing Board have validated the process of identifying material issues. In addition, the Risk Committee of the Governing Board monitors the established ESG risk indicators, thresholds and limits on a quarterly basis.

[GOV-2] Information provided to, and sustainability issues addressed by, the administrative, management and supervisory bodies

The Sustainability Office (SO) provides sustainability information to both the Governing Board and the Board of Directors at least three times a year. The sustainability policy states that the Governing Board "to ensure compliance with the strategy, policies, regulatory requirements, supervisory expectations and the annual plan will be reported to at least three times a year".

Prior to the appearance at the Governing Board, the Sustainability Committee meets to discuss the matters to be brought before the Governing Board. In addition, the Risk Appetite Framework indicators, including those relating to ESG risks, are presented and monitored quarterly at the Risk Committee of the Governing Board. In addition to these meetings, the Committee meets periodically depending on the issues to be addressed. In 2024 the Governing Board discussed:

- The 2023 NFI-Sustainability Report
- 2023 dual materiality analysis.
- Data concerning taxonomy-GAR from 2023.
- TCFD-TNFD report on climate and natural hazards
- The closure of the sustainability management plan and the approval of the 2024 plan.
- Update of the Sustainability Policy following the internal audit process and approval of the Due Diligence Policy in relation to the Principal Adverse Incidents (PAIs) on sustainability factors in discretionary portfolio management (DPM).

In addition, the Committee also discussed issues such as:

- First draft of the dual materiality analysis according to CSRD
- Results of the internal audit on ESG governance

- Results of the sectoral project on emerging risks.
- Bank of Spain inspection on the integration of ESG risks into credit risk.
- Follow-up of the sustainability management plan

In addition, the risk, audit/compliance and appointments committees meet monthly, except in the summer, prior to the Governing Board meeting.

The section [SBM-1] Strategy, business model and value chain explains how the administrative, management and supervisory bodies consider impacts, risks and opportunities when overseeing the strategy, decisions on major operations and the risk management process.

[GOV-3] Integrating sustainability into incentive schemes

The Governing Board, in its supervisory role, has no incentives.

For the Board of Directors, the incentive system has a collective version, which applies to all working partners, and an individual version. Within the individual incentive scheme, ESG variables have a weighting of 10%. The conditions of the incentive systems of the Board of Directors, as an identified group, are approved by the Remuneration Committee, which issues a report that is submitted to the Governing Board for approval.

There are two metrics for individual incentives:

- one related to a synthetic environmental performance indicator (carbon footprint and paper consumption).
- Design of a decarbonisation plan.

The variable related to carbon footprint reduction is measured according to the reference frameworks. Specifically, it is the reduction of 5% of the operational carbon footprint (generated in the activity itself). The methodology explained in E1-6 Gross GHG emissions is used for the calculation.

Individual variable remuneration is approved by the Governing Board, as are all conditions of incentive schemes.

[GOV-4] Due diligence statement

The process by which the LABORAL Kutxa Group determines, prevents, mitigates and is accountable for how it deals with real and potential negative incidents or impacts on the environment and people, including the non-violation of Human Rights, related to its activities is explained in the following sections:

CORE ELEMENTS OF DUE DILIGENCE	SECTIONS OF THE SUSTAINABILITY STATEMENT
Integrate due diligence into governance, strategy and business model.	NEIS2-GOV2: Information provided to the company's administrative, management and supervisory bodies and sustainability issues addressed by them. NEIS2-GOV3: Integrating sustainability into incentive schemes. NEIS2-SBM3: Material issues, risks and opportunities and their interaction with the strategy and business model.
Stakeholder involvement at all stages of due diligence.	NEIS2-SBM2: Stakeholders' interests and views. NEIS 2 IRO1: Description of the process for identifying and assessing material impacts, risks and opportunities
Identify and assess adverse impacts	NEIS2-IRO1: Description of the process for identifying and assessing material impacts, risks and opportunities NEIS2-SBM3: Material issues, risks and opportunities and their interaction with the strategy and business model.
Taking measures to address these adverse impacts	NEIS2- MDRA: Actions and resources in relation to material sustainability issues.
Monitoring the effectiveness of these efforts and communication	NEIS2-MDRM: Parameters in relation to material sustainability issues. NEIS2 -MDRT; Monitoring the effectiveness of policies and actions through targets.

[GOV-5] Risk management and internal controls for sustainability reporting

The LABORAL Kutxa Group has established a methodology for the preparation of sustainability information:

Each team/contributor is responsible for the quality of the information they provide. Along with the information, where applicable, it should explain the sources, origin, criteria and controls of the information reported.

Upon arrival of the information, the Sustainability Office reviews it for consistency and robustness.

The information generated by the Sustainability Office itself is reviewed by someone other than the person who produced it.

After finalisation of the sustainability statement it is submitted to the Board of Directors for validation prior to submission to the Audit Committee and oversight by the Governing Board.

At the end of 2023 the Internal Audit department conducted a one-off audit of the sustainability reporting process. Some recommendations and proposed action plans were concluded from the audit, such as to have a written manual or procedure in place, including:

- The definition and description of the processes required for the elaboration and validation of the content of the Sustainability Report and NFI
- The calculation methodology applied in the key and/or relevant indicators included in the Sustainability Report and the NFI
- Define both the controls and monitoring processes necessary to ensure the quality of the information included in the Sustainability Report and NFI

These recommendations have been incorporated from the outset in the preparation of this sustainability statement and the manual of the procedure for the preparation of the sustainability statement with the system of prioritisation of risks according to the material IROs is being drawn up. A new internal audit of the status is planned for 2025.

Finally, LABORAL Kutxa has a policy for the Disclosure of financial and non-financial information, the aim of which is to establish the procedures for the dissemination of the Entity's information, defining roles and responsibilities that guarantee its proper governance. This policy, last revised in December 2024, also determines the governance of the information to be disclosed.

[SBM-1] Strategy, business model and value chain

In 2022, a strategic reflection was carried out, which led to the drafting of a Strategic Plan for the years 2023-2024. The strategic deliberations at LABORAL Kutxa follow a management process that systematises competitive surveillance in the various markets and the review of business models and strategic commitments, which are then developed in each Management Plan.

The basic outline from the previous strategic plan was maintained, defining the following goals:

- **To grow in value in the entity's main businesses:** Mortgages, Commercial, Insurance and Off-Balance.
- **Drive the entity's transformation:** digitalisation, technology, cybersecurity, data analytics, supervisory demands, talent.

The programmes are layered in four large sections (Internal Governance, Profitable Growth of the Core Business, Business Accelerators and Transformational Capacity).



In the summer of 2023, an analysis of the evolution of the environment and the validity of the Strategic Plan was carried out, maintaining the basic structure and objectives of the Plan.

A novelty of this planning was the separation of Governance and Sustainability, which in the previous Plan formed a single cross-cutting programme. The main lines of action of the Sustainability programme have been:

- Aligning the sustainability strategy with Zentzua.
- Adaptation of the product catalogue in all lines of business.
- Transversal integration of environmental and climate-change risks, training.
- Reducing the activity's direct impact: consumption and work centres, accessibility of facilities, carbon footprint.
- Positioning and Communication of the product.
- Sustainability scorecard: KPIs and monitoring, including the RAS.
- Promotion of efficient housing (A, B).

Main challenges

Implement the Sustainability strategy, based on the conclusions of the deliberations on the Purpose of the entity (Zentzua), the corporate values, the commitments as a signatory of the Principles of Responsible Banking and the SDGs of the 2030 Agenda. Monitor initiatives and projects from a greenwashing perspective, including second and third lines of defence. On the other hand, also adapting the entity to ESG regulatory expectations, adapting the catalogue of green products, applying sustainability principles in means and people (including accessibility) and reducing the direct impact of the activity.

Risk management is a vital part of a financial entity. Some of the milestones achieved in this period have been:

- A heat map analysis of the ESG risks faced by our funding portfolio has been carried out.
- The ESG Financing, Investment and Underwriting Policy for the LABORAL Kutxa Group has been approved. This Policy clarifies exclusions, sectors considered sensitive and the management of disputes.
- The development of a catalogue of sustainable products has continued.

With regard to sustainability, the conclusions of the 2023 redirection have been:

- The awareness of the increase in the needs and resources required by reporting.
- The complexity of integrating ESG risks alongside other risks.

During the second half of 2024, work has been ongoing on a new 2025-2027 Strategic Plan, which will be validated and approved in early 2025. This new plan maintains sustainability as one of the Group's transversal axes of action, as well as other programmes related to material issues such as cybersecurity, customers and brand or talent and culture.

As for the major groups of products or services offered, being a financial institution, in the case of GLK these are the financial services provided to its customers. With regard to activities, products and services, they can be highlighted and classified as follows:

- Savings and investment. Includes customer deposits and off-balance sheet assets (mutual funds, EPSVs and pension plans).
- Financing:
 - Public sector: 8 %
 - National economies: 68% (66% mortgages, 3% consumer finance)
 - Companies/commercial: 19 %
- Life:
 - insurance: 30 %
 - Non-life: 70% (mainly households 25% and vehicles 37%)

Within the financing, a distinction is made between that granted to companies and that granted to private customers. This classification is also valid for customer groups and significant sectors:

- Financing for individuals: 72 %

- Business financing: 28 %

Within the year 2024 there have been no significant changes in this area.

In terms of markets, GLK only operates in the Spanish market.

The staffing table at year-end 2024 by geographical area is as follows:

Provinces	Female	Male	Total
	165	111	276
Araba/Álava	17	9	26
Bizkaia	47	22	70
Gipuzkoa	70	57	127
Navarre	13	12	25
Rest of provinces	18	11	29
Asturias	1	1	2
Barcelona	1	1	2
Burgos	2		2
La Rioja	2		2
Madrid	7	7	14
Salamanca	1	1	2
Valladolid	3		3
Zaragoza	1	1	2
PERMANENT CONTRACT	1,138	974	2,112
Araba/Álava	76	82	158
Bizkaia	310	244	554
Gipuzkoa	443	328	771
Navarre	101	50	151
Rest of provinces	208	270	478
Asturias	19	28	47
Barcelona	6	12	18
Bizkaia	1		1
Burgos	19	16	35
Cantabria	8	11	19
Gipuzkoa	2	5	7
Huesca	2	2	4
La Rioja	18	15	33
León	11	16	27
Madrid	28	43	71
Navarre		1	1
Palencia	4	6	10
Salamanca	7	20	27
Valladolid	347	44	81
	1	1	2
Zamora	43	3	6
Zaragoza	42	47	89
Total Spain	1,303	1,085	2,388

On sustainability-related targets in terms of significant product groups and services, the GLK intends to increase the number of products with sustainable features offered to its customers. Today, there are several sustainability-related products such as ECO Loans or DispON ESG.

VALUE CHAIN

1.1. ACTIVITIES OF THE LABORAL KUTXA GROUP

With regard to inputs, the Laboral Kutxa Group carries out 4 main activities:

- Lending (financing) (representing 55% of the Entity's balance sheet).
- Financial investments (representing 31% of the balance sheet).
- Marketing of investment funds (IF), provident schemes (EPSV) and pension plans (PP) (representing 25% of creditor resources).
- Insurance marketing. Mainly home, auto and life (representing about 15% of the Group's results).

The actors required to carry out each activity of the Group (upstream and downstream) are described below.

1.1.1. LOANS GRANTED

UPSTREAM

In order to be able to carry out the lending activity, GLK needs to raise the necessary funds. At present, they are acquired exclusively through customer deposits, with no wholesale issues.

These funds come from companies and individuals, all of them highly atomised. In addition, GLK has a [Money Laundering Prevention Policy](#) to ensure the lawful origin of funds and to strictly comply with current legislation.

DOWNSTREAM

For the lending (or financing) activity, the most relevant actors are private customers, to whom 73% of loans are granted. Of these, 95% are for mortgages, while the remainder (5%) is for consumer loans. Due to its significant volume, mortgage lending is considered as one of the main elements of the value chain.

The remaining 27% of the activity lies in the commercial sector, whether self-employed, large companies, small and medium-sized enterprises (SMEs) or the public sector, with SMEs being the most prominent.

For the market area, the GLK has carried out an analysis of ESG risks, mainly environmental and climate change risks. This analysis has been translated into a heat map where the different activity sectors are classified according to risks, both direct and transitional. The result determines that the sectors with the highest environmental risk are electricity; oil and gas; land transport of goods; and maritime and air transport. These 4 sectors only represent 6.1% of the GLK's market investment, but, due to their climate and environmental risk impact, they will be considered within the value chain.

To support the sustainable financing of its business, the GLK has an [ESG Investment, Financing and Underwriting Policy](#). In this policy the GLK sets out the principles and criteria for aligning its financing with the promotion and support of a fairer and more sustainable economy and society. At the same time, a number of sensitive sectors that are not fully aligned with these principles and criteria are highlighted, restricted or excluded.

At the same time, the GLK also has a range of financing products to encourage its customers to make sustainable investments. For example, ECO loans, DispON ESG, loans related to renewable energies or to the rehabilitation of houses or buildings would fall into this range.

1.1.2. FINANCIAL INVESTMENTS

UPSTREAM

Fundraising is carried out in the same way as in the [lending activity](#), with no particularly relevant actors identified for the value chain.

DOWNSTREAM

As explained in the downstream part of the lending, the GLK has the [ESG Investment, Financing and Underwriting Policy](#), which is also applicable to the financial investments area.

In addition, there is an *ESG Treasury and Capital Markets Manual*, which establishes the specific ESG processes for the Treasury Area's financial investment activity. Finally, the GLK has an *engagement* service through which it talks to the entities in which it has made its investments to ensure that they take sustainability criteria into account.

As for the players, 96% of the portfolio is invested in fixed income securities and, within this, more than 90% is in Spanish public debt. Therefore, the Spanish state will be considered as an actor in the value chain. The rest of the financial investments, due to their atomisation and small volume, are of little relevance.

1.1.3. MARKETING OF INVESTMENT FUNDS (IF), PROVIDENT SCHEMES (EPSV) AND PENSION PLANS (PP)

UPSTREAM

The management companies are part of the GLK. Their marketing is carried out through the sales channels of the LABORAL Kutxa network. To market IFs, EPSVs and PPs, the GLK acts as an intermediary to invest its customers' money in the financial markets. In making these investments, the GLK has the aforementioned [ESG Investment, Financing and Underwriting Policy](#), which takes sustainability criteria into account. There is also the [Laboral Kutxa Group's Sustainability Risk Integration Policy \(ESG\)](#), which goes even further in taking ESG criteria into account when making financial investments. This means that the vast majority of the GLK's investment funds are considered as Article 8 in the NFRD, i.e. they take sustainability features into account, in addition to having a certain percentage of sustainable investment. Engagement work is also carried out in the same way as for financial investments.

DOWNSTREAM

The GLK markets IFs, EPSVs and PPs to its highly fragmented retail clientèle. Marketing is carried out in accordance with MIFID regulations which ensure the highest level of clarity and transparency in its sale. Prior to this, the MIFID questionnaire is carried out, which asks about sustainability preferences. Then, based on the responses, each customer is assigned a specific profile and offered financial products that are suitable for them.

1.1.4. INSURANCE MARKETING

UPSTREAM

The insurance group Seguros Lagun Aro is also part of the GLK. In order to serve its customers who have suffered a claim or require a service, it has agreements with various repairers. Given the weight of these branches, the main ones are those related to vehicles (workshops, tow trucks, etc.) and household (electricians, tradesmen, plumbers, etc.).

In addition, it also contracts with a number of reinsurers to cover part of the risk it is taking on with its customers.

DOWNSTREAM

These are individual customers who take out insurance, whether life, home, auto or some other type of insurance.

The GLK has the [ESG Investment, Financing and Underwriting Policy](#) which limits or restricts underwriting in certain sectors contrary to the GLK's sustainability criteria and principles.

Moreover, the GLK has a portfolio of ESG insurance products aimed at insuring its customers' assets that are related to sustainability: insurance for electric or plug-in hybrid vehicles, electric bicycles or scooters, and home insurance for vulnerable groups.

Another relevant aspect is that it also markets insurance through a network of brokers. This is a group of external agents who distribute Lagun Aro insurance products independently of the banking channel. This marketing channel accounts for 26% of the premiums sold.

1.2. OTHER CROSS-CUTTING ACTORS AND PARTNERS

Beyond the actors referred to for each main activity of the GLK, there are also others that are cross-cutting and essential for the performance of all these activities and that must be considered within the value chain.

WORKFORCE

The employees of the GLK enable the performance of all of the Entity's activities. In the particular case of the GLK, as a labour credit cooperative, more than 80% of the workers are in turn owners of the institution. The rest are employees. This labour structure that originates from its legal composition determines levels of involvement in management, transparency in communication and salary differences that are considerably different from those of other entities.

PARTNERS

LABORAL Kutxa is a credit cooperative, hence most of the members of staff are in turn partners or owners of the Entity. There are also other partners or owners, who are the associated cooperatives, private individuals (customers) and part of the retired staff (collaborators).

SUPPLIERS

The GLK requires the services provided by its suppliers in order to carry out all of the above activities. These suppliers are numerous and varied, although three categories can be highlighted: IT/technology, marketing/market analysis and consultants. These three categories are joined by basic services: electricity, security, cleaning... Within the third party management process, some outsourcings are classified as essential.

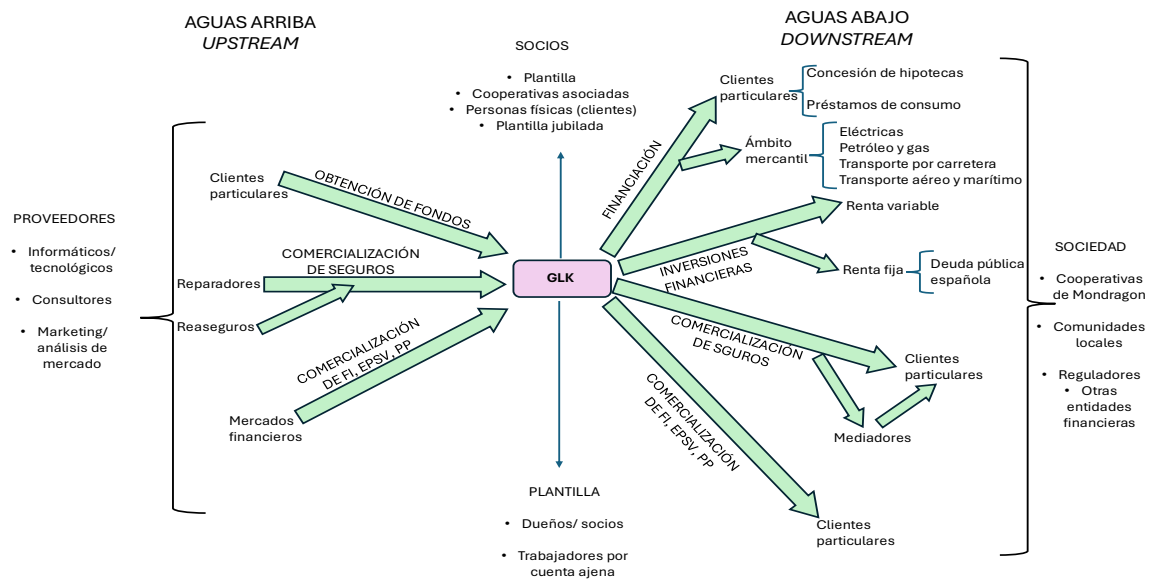
It is worth mentioning that the GLK takes sustainability into account when dealing with its suppliers. On the one hand, it has the [Sustainable Purchasing Policy implemented in Laboral Kutxa](#), which guarantees the use of ESG criteria when making purchases. In addition, suppliers are sent a questionnaire prior to contracting, in which they are consulted on various sustainability-related issues.

It is worth noting that 95% of the suppliers are local.

SOCIETY

This section includes a number of stakeholder groups, among which the following stand out:

- Other Mondragon cooperatives, which own part of the GLK's capital and with whom they share cooperative and social transformation values.
- Local communities. As a credit cooperative, the GLK aims to contribute to the progress and development of the societies in which it operates.
- Regulators. In a sector as regulated as the financial sector, the perspective of regulators, both Spanish (Bank of Spain or the CNMV) and European (Bank of Spain, EBA, EFRAG, European Parliament...), is relevant. This perspective of regulators is particularly relevant for ESG issues.
- Other financial institutions. As a member of the Spanish financial system, the GLK maintains a relationship with, cooperates with and monitors other financial institutions, especially those closest to it geographically.



[SBM-2] Stakeholders' interests and views

LABORAL Kutxa is a worker-owned credit cooperative. It is therefore a financial institution borne from the social economy in which the share capital is in the hands of other Mondragon cooperatives, the staff (current and retired) and the customers. LABORAL Kutxa's founding objective is to contribute to the fair creation of wealth in its environment.

As part of the reflection, called Zentzua, on the purpose of the cooperative, which culminated in 2023 and served to update the cooperative's hallmark and legacy, the following statement was defined: To build more prosperous, egalitarian and sustainable communities, expanding a cooperative culture of solidarity and co-responsibility.

The objectives and plans put in place as a result of Zentzua are structured around three pillars:

- People (staff)
- Customers
- Company

These pillars, together with the necessary financial soundness, constitute the basis on which the strategic plan has been structured, as shown in the diagram in section "SBM-1" above.

The people who work at LABORAL Kutxa are members and owners of the cooperative with full rights and duties, both in the observation of their professional duties and in the right to participate in the management and results of the company. This difference compared to other companies defines the approach to the relationships within the company, meaning that workers are involved in all three of the possible areas: ownership, results and also management methods, because our aim is to make our management democratic and responsible. Specifically, the key decisions are validated at the General Meeting with the participation of all partners, guaranteeing an efficient and responsible management that allows us to obtain profits and reinvest them in our society.

With regard to customers, LABORAL Kutxa's mission states that "LABORAL Kutxa and the people who are part of the credit cooperative are committed to offering our customers a close, professional and honest financial and insurance service that helps them to achieve their goals and well-being. We will do this by developing a bank with values, one that is competitive, solvent and profitable in the long term, always with the aim of leaving an improved legacy for future generations."

LABORAL Kutxa was founded in the Basque Country as part of a business group with a strong commitment to serving society, whose mission includes the creation of associated and participative work of a cooperative nature, as an essential way of creating wealth and well-being, both among its direct members and in the society in which it is immersed. Due to its legal nature and its cooperative vocation, LABORAL Kutxa directs a significant part of its profits to the promotion of the cooperative world, but it also reserves specific headings for numerous local initiatives in the territories where its offices are located.

The process of identifying materiality issues has taken into account the interests and views of these stakeholders at various points in time:

- Within the value chain analysis
- In the external analysis, such as when analysing market trends or assessing the relevance given to different topics by experts and analysts.
- In the internal analysis: strategic plan, Zentzua, various policies, ...
- In stakeholder consultation. All three stakeholders have been consulted and have provided their views.

For more information on the GLK's stakeholders and how their interests have been analysed during the dual materiality assessment process see section "IRO – 1: Stakeholders".

The results of this dual materiality analysis were presented to the Sustainability Committee in 2024.

In parallel, further information is disclosed under sections SBM2 of NEIS S-1 Own personnel and NEIS S-4 Consumers and end-users.

Having described the interests and opinions of concerned parties in a general manner, the interests and opinions of different stakeholder groups will be specified in a more specific and individualised manner.

Own personnel (S1)

In relation to the direct activity of LABORAL Kutxa with respect to its own workers, the legal cooperative status is an ambitious development of the inspiring principles of the Universal Declaration of Human Rights, namely that all human beings are equal in dignity and in rights.

Indeed, the cooperative form implies that the people who work in the company are partners with equal rights and obligations, regardless of their position within the organisational hierarchy, and that by being owners we pursue a twofold performance: professional and cooperative. This dual condition calls on us as professionals to be self-demanding, striving to improve on a daily basis, and requires us to have the kind of relationships and internal connections that are typical of a highly connected and participative organisation:

- We participate in the work itself, in the capital, the results, and the governance.
- This participation drives us to grow as people.

All of this requires that we work to make ours a good place to work, a positive working environment where people are valued, where we feel that we are listened to and receive recognition for our achievements.

An environment that also favours a **balance between personal and professional life**, that cares for the **well-being** of its people, one which fosters **teamwork**, and where there is an **equitable distribution of wages** that contributes to building a fairer, richer and more empowered society.

We are committed to a cooperative project that goes beyond our time, assuming the duty to pass on this improved legacy, and this means that we put the global interest and the strengthening of the cooperative project at the forefront of our long term vision.

In this respect, prudence and the long term are very much a priority when making decisions. We are prudent in our risk-taking, we engage in long-term planning to ensure the sustainability of our results, we make provisions, and we take care of our solvency.

We are a **cooperative bank**, a different way of doing business, while also being competitive and profitable, we do so in accordance with our principles, so that everyone in the organisation feels proud of our cooperative values, of how we achieve our objectives and of what we contribute to the society of which we are a part.

In the area of people, the most significant risks linked to non-compliance with human rights are related to corruption and harassment at work.

- On corruption, see section G1-3 [G1-3] Prevention and detection of corruption or bribery.
- With regard to harassment in the workplace, it should be noted that this is a problem with a low quantitative incidence, but a potentially serious effect on the people who might be involved in a situation of this kind. In terms of procedures, there is a set of protocols for dealing with situations of harassment at work:
 - Moral Harassment Protocol updated on 03/11/2023.
 - Protocol against sexual harassment and gender-based harassment update on 03/11/2023.
- In organisational terms, the Ethics Committee is responsible for studying and assessing cases.
- Communications and/or complaints relating to situations of harassment are received through the Entity's Whistle-blowing Channel

The financial activity we carry out, the geographical scope of our activities and the ownership structure make it impossible for threats of violation of the provisions of the fundamental conventions of the International Labour Organisation to occur.

Seguros Lagun Aro also has a protocol against sexual harassment and gender-based harassment that regulates the procedure for resolving claims and complaints in relation to this type of situation, and establishes prevention mechanisms through awareness-raising, training and information. The protocol was updated in 2023 in accordance with the regulations in force.

Consumers and end-users (S4)

The Entity has several processes in place to learn about and consider the interests and opinions of consumers and end-users. Specifically, these are four different processes based on surveys, where information is obtained on customer preferences and what they think about the institution. Section [S4-2] Processes for involving end-users and consumers in impacts, explains in further detail how the entity collaborates with consumers and end-users in relation to the material impacts or issues detected in the dual materiality process. Each of these processes is explained below:

- Customer satisfaction survey:

This is a survey conducted every six months among the bank's customers. The objective is to know the overall level of customer satisfaction with the bank, as well as their satisfaction with the service and advice offered in branches and through channels to customers of different profiles: private and commercial financial customers, insurance customers, etc. A broad client base is consulted for their opinion.

DATA 2024

- Clients consulted: 29,850
- Overall satisfaction with LK: 80.7/100

- Survey of relational moments:

Survey on customer satisfaction at different points in the relationship with Laboral Kutxa, in branches and via online banking, such as when registering as new customers, offering and contracting products, etc.

The survey considers the following aspects: overall rating of the experience, rating of the process (simplicity, information, advice...) and suitability of the product to their needs.

DATA 2024

- Clients consulted: 18,159
- Overall satisfaction with LK: 8.83/10
- Rating of the experience: 8.91/10.

- National report: Benchmarking of customer satisfaction in the financial sector:

Study carried out on the initiative of an external company (Stiga) with the aim of having a comparative framework of the level of satisfaction and commitment of customers of financial institutions operating in the Spanish market.

The study analyses customer satisfaction with the different customer service channels (Branch / On-line Banking and APP / ATMs / Telephone Banking) as well as their rating of the Offer, Information, Relationship Intangibles and brand of each entity.

DATA 2024

- LABORAL Kutxa Group customers consulted: 14,400
- Overall satisfaction with LK: 7.74/10

- *Tracking of our brand image:*

A study carried out for the institution by the company Ikerfel, asking consumers (customers and non-customers) about the image they have of financial institutions and their performance in aspects such as customer relations, values, commitment to society and offer.

The objective is to know to what extent the entity's performance is consistent with our brand values and the entity's purpose.

These customer satisfaction studies and the brand image tracking are presented annually to the Board of Directors and the Governing Board.

The results of these reports allow to identify customer needs, new products and services to offer as well as areas for improvement in the service we provide in branches and via other channels. The main customer demands are incorporated as lines of action in the Annual Management Plan.

On the other hand, related to the IRO of the inclusion of consumers or end-users, in 2023 Ilunion carried out an accessibility diagnosis for LABORAL Kutxa. This diagnosis was comprehensive and covered all customer relation channels. Therefore, it included the physical channel (branches), as well as the telephone, online and ATMs. Two of the main sales processes were also analysed; those of opening accounts and taking out mortgages. In order to carry out the diagnosis, both expert auditors and users were involved. The objectives sought by Ilunion were:

- To understand the needs and demands of people with disabilities and/or the elderly in order to improve their customer experience with Laboral Kutxa in its process map: interaction with the various communication channels (physical, telephone and back office, and online); the provision of services; and the attention provided by banking professionals.
- Identify the features and functionalities that need to be integrated into current interaction channels to enable them to provide an equal service to customers with disabilities (physical, visual or hearing) and/or elderly customers.

To achieve this, the following were carried out:

- User test: Usability testing based on observation and analysis of how individual users use services and products.
- Mystery shopper: Study of the actual behaviour of customer services.

Following the diagnosis phase, a report and an improvement plan were drawn up and are in the process of being implemented.

Cybersecurity and data processing (C1)

The banking sector, due to the nature of its planning and operations, as well as the sensitivity of the information it handles, faces very specific cybersecurity challenges.

LABORAL Kutxa understands cybersecurity and data protection as a strategic objective that allows it to reinforce its reputation and maintain a high level of trust on the part of its customers, which it achieves through:

- Implementing a **cybersecurity culture** across the entire entity.
- **Investment in resources and new technologies** that protect its systems and data and can detect and respond to attacks.

- **Collaboration with authorities and third parties** for the creation of a common knowledge base of new threats and emerging risks in the sector.

Considering the growing trend of cyber-threats, it is imperative to strengthen the connection between sustainability and cybersecurity as an integrated approach to help safeguard the health of the organisation and its employees, the future of the business and the interests of its stakeholders (customers and business partners).

[SBM-3] Material impacts, risks and opportunities and their interaction with the strategy and business model

Following the materiality analysis, the following material impacts (I), risks (R) and opportunities (O) have been identified:

Sustainability topics	Sustainability sub-topics	Material IROs	IROs	Value chain	Time horizon
Climate change	Adapting to climate change	Adaptation problems of some companies, especially employment-generating SMEs, to the new environmental requirements.	Impact	Subsequent phases	Short term
		Contribution towards a more sustainable economy supporting those sectors/companies that generate sustainable products and services.	Impact	Subsequent phases	Short term
		Progressive exclusion from the market of those participants with a higher physical and/or transitional risk.	Impact	Subsequent phases	Short term
		Financing for companies to enable them to transition to more environmentally sustainable models.	Opportunity	Subsequent phases	Medium/Long term
	Climate change mitigation	Non-repayment of loans in the commercial portfolio due to the difficulties faced by the companies to which loans have been granted in adapting to transitional climate risks (laws, technologies, customer preferences, etc.)	Risk	Subsequent phases	Long term
		Lower valuation of the mortgage portfolio due to inefficient housing that loses value in the market and needs to be refurbished in order to be sold or rented.	Risk	Subsequent phases	Long term
		Increased difficulties for customers to repay mortgage loans on homes with poor energy ratings, due to subsequent increases in energy costs for cooling or heating homes.	Risk	Subsequent phases	Long term
		Financing for companies to enable them to transition towards more lower impact models.	Opportunity	Subsequent phases	Medium/Long term
Own workers	Working conditions	Worsening of staff welfare due to inadequate working conditions.	Impact	Own operations	Short term
		Improved staff welfare through optimal working conditions.	Impact	Own operations	Short term
	Equal treatment and opportunities for all	That the workforce is conditioned by their gender, origin, race, sexual orientation or any other aspect.	Impact	Own operations	Short term
		Loss of motivation and productivity in the workforce because they feel conditioned by their gender, origin, race, sexual orientation or any other aspect.	Risk	Own operations	Short/medium/long term
Consumers and end-users	Incidents related to information destined to consumers or end-users	Unclear explanations provided to customers, concealment of information or sale of unsuitable products.	Impact	Subsequent phases	Short term
		Clear, precise and transparent explanations to customers about financial products, their conditions and the costs involved.	Impact	Subsequent phases	Short term
		Customer loyalty by providing clear, precise and transparent explanations of financial products, their conditions and the costs involved.	Opportunity	Subsequent phases	Short/medium/long term
		Achievement of a good reputation in society and in the sector for providing clear, precise and transparent explanations to customers about financial products, their conditions and the costs involved.	Opportunity	Subsequent phases	Short/medium/long term
		Legal certainty by providing clear, precise and transparent explanations to customers about financial products, their conditions and the costs involved.	Opportunity	Subsequent phases	Short/medium/long term
	Social inclusion of consumers or end-users	Catering to the needs of any type of customer, regardless of gender, origin, race, age, sexual orientation or any other aspect.	Impact	Subsequent phases	Short term
		Customer loyalty and retention by meeting their needs regardless of their gender, origin, race, age, sexual orientation or any other aspect.	Opportunity	Subsequent phases	Short/medium/long term

Sustainability topics	Sustainability sub-topics	Material IROs	IROs	Value chain	Time horizon
		Gaining more customers by serving their needs regardless of gender, origin, race, age, sexual orientation or any other aspect	Opportunity	Subsequent phases	Short/medium/long term
Corporate culture	Corruption and bribery	Carrying out cases of corruption or money laundering through LABORAL KUTXA channels or products.	Opportunity	Own operations	Short term
		Training of staff to avoid any scenarios of corruption or money laundering.	Impact	Own operations	Short term
Cybersecurity and data processing	Entity specific	Plundering of customers' personal data or savings due to fraudulent activities, fraud or scams.	Impact	Subsequent phases	Short term
		Training staff to respond appropriately to cyber-attack attempts to protect customer data and deposits.	Impact	Own operations	Short term
		Resilience of the institution to hostile actions by cyber-criminals.	Impact	Own operations	Short term
		Economic or operational losses for LABORAL KUTXA as a result of attacks or malicious activities.	Risk	Own operations	Short/medium/long term
		Attacks on own technological infrastructure with operational, service or economic impact.	Risk	Own operations	Short/medium/long term
		Loss of customers through plundering of their personal data or savings due to cyber-attacks.	Risk	Subsequent phases	Short/medium/long term

With regard to the financial effects of the risks and opportunities mentioned above, the entity has made an economic assessment, although it has not detailed the exact effects of each of them.

As can be seen in the diagram provided in section SBM 1, the resulting sub-topics have been identified by LABORAL Kutxa and are included in the strategic plan and business model.

To begin with, the Zentzua project, which influences the areas of people (employees), customers and society, is at the core of the company's strategy. It is therefore related to and serves as leverage for all the IROs identified in the themes of own workers; consumers and end-users; and corporate culture. Furthermore, Zentzua is a dynamic project that is fed by different inputs, so the IROs detected in these sections will serve to reshape the project and thus directly affect the strategy, since all the entity's decisions pass through the filter of what is indicated in Zentzua.

One of the main challenges is to deploy the Sustainability strategy, which, among other aspects, contains the adaptation of ESG regulatory expectations. These expectations, which are mostly related to the environment, influence all the IROs identified under the climate change topic.

Finally, due to the incorporation of the DORA regulation, the entity is obliged to work on IROs related to cybersecurity and data processing.

With regard to material issues

The relatively material impacts identified that could directly affect people or the environment are:

- Adaptation problems of some companies, especially employment-generating SMEs, to the new environmental requirements. I
 - Contribution towards a more sustainable economy supporting those sectors/companies that generate sustainable products and services. I
 - Progressive exclusion from the market of those participants with a higher physical and/or transitional risk. I
- Worsening of staff welfare due to inadequate working conditions.

Potential impact on the workforce mitigated by the cooperative structure and the various policies and programmes in place.

- That the workforce is conditioned by their gender, origin, race, sexual orientation or any other aspect.

Potential impact on the workforce mitigated by the cooperative structure and the various policies and programmes in place.

- Unclear explanations provided to customers, concealment of information or sale of unsuitable products.

Impact on clientèle with potential economic losses or unwanted risk-taking.

- Clear, precise and transparent explanations to customers about financial products, their conditions and the costs involved.

Impact on clientèle with appropriate management of their assets, consequently gaining their trust and establishing long-term relationships with them.

- Catering to the needs of any type of customer, regardless of gender, origin, race, age, sexual orientation or any other aspect.

Impact on the clientèle and on society, which sees its rights met.

- Carrying out cases of corruption or money laundering through LABORAL Kutxa channels or products.

Potential impact on society.

- Training of staff to avoid any scenarios of corruption or money laundering.

Impact on the workforce, enabling better management and prevention of infringements with a social impact and which may result in sanctions for the Group.

- Plundering of customers' personal data or savings due to fraudulent activities, fraud or scams.

Impact on the clientèle with economic losses or unwanted risk-taking.

- Training staff to respond appropriately to cyber-attack attempts to protect customer data and deposits.

Impact on the workforce, enabling better management and prevention of infringements with a social impact and which may result in losses and sanctions for the Group.

- Resilience of the institution to hostile actions by cyber-criminals.

Impact on people and staff by improving information and operational security.

[IRO-1] Description of the process for identifying and assessing material impacts, risks and opportunities

The process of dual materiality analysis and assessment of material impacts, risks and opportunities (hereinafter "IROs") was amended in 2024 to align with the regulatory requirements of the CSRD and will be reviewed again during the 2025 financial year.

In 2024 the analysis was validated by both the sustainability office and the Sustainability Committee. In addition, in early 2025 the materiality analysis was validated by the Board of Directors and approved by the Governing Board.

The process of identifying and assessing the impacts, risks and opportunities followed by LABORAL Kutxa involved five phases, which are described below.

PHASE 1. CONTEXT ANALYSIS

The context analysis is established as the first step in the study of dual materiality. It is divided into four parts:

1. Definition of the value chain
2. Definition of the stakeholders
3. Internal analysis
4. External analysis

Based on the results of the context analysis, a preliminary list of potentially material sustainability issues (ESRS) has been drafted in [phase 2](#).

VALUE CHAIN

The aim of this point is to identify the value chain of the Laboral Kutxa Group (hereinafter “GLK”), understood according to the EFRAG definition, as the set of activities, resources and relationships that the Group uses and on which it bases its focus when creating its products or services, from conception to delivery, consumption and the end of their useful life. (See further breakdown in “SBM – 1”).

Based on the analysis carried out, the issues are determined and prioritised according to their relevance (scored from 1 to 4) for the Entity and the sector, adapted to the particularities of the GLK, its impacts, risks and specific characteristics.

STAKEHOLDERS

IDENTIFICATION OF THE STAKEHOLDERS

Stakeholders are all interested parties that may affect or be affected by the GLK’s activities (identified in [section 1.1.](#)).

LABORAL Kutxa has defined and explained the stakeholders in its [Sustainability Policy](#), and they are also included in the [NFI-sustainability report](#), where they can be consulted. In addition to the four stakeholders (staff, customers, suppliers and society), the Sustainability Report also includes the environment, which, although it is not a stakeholder as such, has certain particularities that make it worthy of attention. Some of the stakeholder groups are subdivided for better understanding and management:

WORKFORCE

Above all, the workforce is the main driver of strategy fulfilment and the key to ensuring the sustainability of the business. The dual role of the staff as workers and as members of the cooperative has historically been a differentiating factor that has allowed the financial and insurance activity to be developed in a more sustainable manner.

CUSTOMERS

The Group aims to build long-term relationships based on ethics and trust with its customers, to adapt to their needs by providing them with quality products and services that meet their expectations and contribute to fair and sustainable development, and to improve their satisfaction through excellence in service quality.

Since the needs and expectations of the customers vary, they have been grouped into three main segments:

- Linked private customers.
- Business customers.
- Self-employed and micro enterprise customers.

SUPPLIERS

The GLK has in its suppliers the necessary and indispensable counterpart for the provision of its services. It is also aware of the traction it has to encourage its supplier companies on the path towards increasingly socially and environmentally sustainable performance.

More information on suppliers is available in [section 1.2](#).

SOCIETY

The GLK is based on a business model that is closely linked to the community, which is why it seeks to integrate, promote and proactively contribute to equity and to the economic, social and cultural progress of the territories where it operates.

The GLK maintains numerous channels of communication with society through which it aims to learn about their needs and expectations. These channels are explained in the Sustainability Report.

Similarly, the GLK returns a very high percentage of its annual distributable profits to society. Specifically, 25% is returned to society either directly or through Mondragon's inter-cooperation mechanisms.

It also belongs to numerous associations and participates in social initiatives.

Society's interest group is very heterogeneous, so some of its more specific components are described:

REGULATORS, IN PARTICULAR THE BANK OF SPAIN (BdE)

The GLK's financial and banking activity is highly regulated and subject to standardisation. In the case of the GLK, the Bank of Spain (BdE) is responsible for the supervision of these regulations and standards. Dialogue with the supervisor is continuous through meetings, letters and inspections. In particular, with regard to ESG aspects, it has published regulatory expectations focused on the incorporation of climate and environmental risks into the rest of the risks.

As explained in the description of the value chain, there are numerous regulators and supervisors that set mandatory standards for the GLK.

MONDRAGON AND ITS ASSOCIATED COOPERATIVES

The GLK is part of the Mondragon cooperative business group. The GLK has been part of Mondragon, along with other cooperatives, since its inception, and it also channels a significant part of its profits to the former. Mondragon's cooperatives participate in the GLK's capital, share its values and are also clients (the cooperatives and their staff) of the GLK.

LOCAL COMMUNITIES, SOCIAL ORGANISATIONS, UNIVERSITIES, ...

The GLK maintains a particularly close dialogue with certain representatives of society. These actors make it possible to learn about what society needs and expects from them. Some, such as the university, provide knowledge on innovative elements, problems detected, etc. Others, such as social organisations, are representatives of specific or disadvantaged groups.

While these are not mutually exclusive classifications, it is relevant to differentiate, among stakeholders, between:

- Those whose interests are or may be affected, positively or negatively, by the company's activities and its direct and indirect business relationships along its value chain. This would include staff, customers, suppliers and cooperatives.
- Primary users of financial information in general and other users of sustainability statements, including business partners, trade unions and social partners, civil society and non-governmental organisations, governments, analysts and academics. They would be the regulators, social organisations, universities...

This identified the stakeholders to be consulted in phase 3.

EXTERNAL ANALYSIS

The objective of this part is to understand the situation of the GLK's external environment, and the sustainability issues that are identified as relevant. To this end, the main macro- and micro-level trends in the sector have been analysed, as well as best practices across the market. To complete this external understanding, an analysis has been carried out of regarding the current regulatory trend and where regulators are pushing markets.

3.1. MARKET TRENDS

The main trends in the financial sector are analysed. The GLK's specific operations have also been taken into account, considering that it operates exclusively in the north of Spain, especially in the Basque Country and Navarre, hence local rather than global trends are more relevant. For example, a particularly relevant element for the GLK is the ageing of the population and its implications for commercial activity, the mortgage market, attracting talent...

The market's view on sustainability clearly emphasises that sustainability issues will continue gain importance.

Finally, the main impacts of sustainability risks are: political, economic, social, technological, environmental, legal and regulatory.

Based on the analysis carried out, the issues are determined and prioritised according to their relevance for the Entity and the sector, adapted to the particularities of the GLK, its impacts, risks and specific characteristics.

3.2. REGULATORY ANALYSIS

The regulatory analysis is of the utmost relevance for understanding the external environment. In addition to the different sustainability laws in force that apply to the sector, the draft laws that are currently in the process of being approved have also been analysed.

As explained above, the LABORAL Kutxa Group carries out all its operations in Spain and is the largest financial institution supervised by the Bank of Spain.

In addition, the GLK is subject to the European regulatory framework. In recent years, the generation of ESG legislation and regulations has been abundant (Sustainable Finance Action Plan and Green Pact) and its adaptation is entailing great effort.

As can be seen, the main obligations for the banking sector are in areas such as:

- The obligation of transparency and reporting on the sustainability of the balance sheet and financial products.
- Incorporation of sustainability risks (climate change and value chain) into the rest of the traditional financial risks.

The GLK participates or has participated in the Principles for Responsible Banking (PRB), TCFD and Pillar 3 standards.

Based on the regulatory analysis performed, the level of relevance of the issues is determined.

3.3. MARKET BENCHMARK

A *benchmark* has been conducted to understand the material market trends in the sector.

3.4 EXPERTS AND ANALYSTS

To complement the external analysis, the importance that analysts (leading international sustainability standards and ESG rating agencies) attach to each topic and sub-topic previously identified is incorporated.

For this purpose, the views of three rating agencies have been used to obtain the following issues relevant to the banking and insurance sector:

S&P (banks+insurance industries have been considered, giving them a weight): [Weights Overview Corporate Sustainability Assessment \(spglobal.com\)](https://www.spglobal.com/ratings/en/weights-overview)

- Governance
- Risk management
- Business ethics
- Climate strategy

- Human capital management
- Sustainable finance
- Decarbonisation strategy
- Work practices
- Financial inclusion

MSCI (Financials sector has been considered, giving them a weight, sub-industries: diversified Banks, regional Banks, Commercial & residential mortgage finance, Multi line insurance): [ESG Industry Materiality Map - MSCI](#)

- Financing of environmental impact: Risk integration and product and service development
- Vulnerability to climate change
- Human capital development
- Data privacy and security
- Consumer protection
- Accessibility to financial products
- Responsible investment
- Governance: business ethics, remuneration, taxation, ...

SASB (Financials, relevant topics from the industries Commercial Banks, Consumer finance, Insurance, Mortgage Finance, Asset management -& custody activities): [Find Industry Topics - SASB \(ifrs.org\)](#)

- Data privacy and security
- Accessibility to basic financial services
- Incorporating ESG considerations into products and services
- Business ethics: fraud, corruption...
- Integration of systemic risks, including ESG.
- Responsible selling: transparency, greenwashing, non-discrimination...
- Physical impact of climate change.
- Human capital management: diversity, integration,...

For the analysis of the potentially material topics and sub-topics of the external analysis, the above-mentioned information and documentation has been analysed and adjusted to a scale of 1 to 4, where 1 is no impact and 4 is high impact.

INTERNAL ANALYSIS

A context analysis has been carried out to understand the GLK's internal positioning in relation to the topics and sub-topics, i.e. which sustainability topics and sub-topics the entity considers relevant prior to materiality. The purpose of this phase is to align with the Entity's internal policy and positioning.

The following internal LABORAL Kutxa Group documents related to sustainability have been used as sources of information:

1. Zentzua
2. Strategic redirection of sustainability (06-24)
3. 2024 Sustainability Management Plan
4. 2023 Sustainability Report
5. TCFD/TNFD
6. Principles for Responsible Banking (PRB) template. Impact analysis
7. Sustainability policy
8. Environmental policy
9. Sustainable Purchases policy
10. Occupational health & safety policy
11. Reputational risk
12. CLAR-ESG. Analysis of the loan portfolio

For the analysis of the potentially material topics and sub-topics of the internal analysis, the above-mentioned information and documentation has been analysed. Depending on whether sustainability issues are present in the documents, a different score has been applied:

- If sustainability issues are present in the documents, they have been assigned a score of 3 points.
- If sustainability issues have a superficial presence, they have been assigned a score of 1 point.
- If sustainability issues have no presence or have presence to mention that they are not relevant, no score has been assigned to them.

Thus, each sustainability issue has been reviewed bearing in mind the above-mentioned documents and will therefore be eligible for a maximum score of 36 points. In order to determine the relevance of issues for the GLK and to make it homogeneous with other scores, the following ranges are established:

- Over 27: 4
- Between 19 and 27: 3
- Between 10 and 18: 2
- Less than 10: 1

PHASE 2. PRELIMINARY LIST OF POTENTIALLY MATERIAL TOPICS AND SUB-TOPICS

Based on the results of the context analysis, a preliminary list of potentially material sustainability issues (ESRS) has been drafted in [phase 2](#).

Preliminary result:

The average of the relevance scores gives a rating to each sub-topics (if any). The criterion of not considering topics with an average of less than 3 (out of a maximum of 4) has been determined. The result is the following list of preliminary topics, also incorporating stakeholder consultations:

Ámbito	Tema	Subtema	Subsubtema
MEDIO AMBIENTE	Cambio climático	Adaptación del cambio climático	NA
		Mitigación del cambio climático	NA
SOCIAL	Personal propio	Condiciones de trabajo	Empleo seguro
			Tiempo de trabajo
			Salarios adecuados
			Diálogo social
			Libertad de asociación, la existencia de comités de empresa y los derechos de información, consulta y participación de los trabajadores
			Negociación colectiva, incluida la proporción de trabajadores cubiertos por convenios colectivos
			Conciliación laboral
			Salud y seguridad
		Igualdad de oportunidades para todos	Igualdad de género e igualdad de remuneración por un trabajo de igual valor
			Formación y desarrollo de capacidades
			Empleo e inclusión de las personas con discapacidad
			Medidas contra la violencia y el acoso en el lugar de trabajo
			Diversidad
SOCIAL	Consumidores y usuarios finales	Incidencias relacionadas con la información para los consumidores o usuarios finales	Ejemplos: Privacidad Libertad de expresión Acceso a la información (de calidad)
		Inclusión social de los consumidores finales	Ejemplos: No discriminación Acceso a productos y servicios Prácticas de marketing responsables
GOBERNANZA	Conducta empresarial	Cultura corporativa	Incluye: Lucha contra la corrupción y el soborno / Prevención y detección, incluida la formación, casos Protección de los denunciantes Bienestar animal
TRANSVERSALES	Específicos sector	Ciberseguridad y tratamiento de datos	NA
		Finanzas sostenibles	NA

PHASE 3. STAKEHOLDER CONSULTATION

Following on from the identification of stakeholders in Phase 1, the aim of Phase 3 has been to understand the perspective of the different stakeholders on the ESRS topics and sub-topics in order to include the issues that are relevant to them in the results matrix for Phase 2. In addition, the results obtained in this consultation phase have been used to include in the dual materiality assessment tool the degree of relevance of each issue (in Phase 5 of the process).

It is worth mentioning that this phase has been carried out in parallel to the previous one and the results obtained have been used to obtain the preliminary result of topics and sub-topics.

The results of the questionnaire for each of the segments have been ranked from 1 (minus) to 4 (plus) priority according to the average rating obtained.

PHASE 4. IROS IDENTIFICATION AND VALIDATION

In this phase, the GLK has identified potentially material IROs related to the ESG and entity-specific topics and sub-topics that have been pre-selected in [phase 2](#), both in the operations themselves and in the value chain upstream and downstream. The result is a list of impacts, risks and opportunities for further assessment and analysis in [phase 5](#) of the process.

It is worth mentioning that “entity-specific” IROs have been identified, i.e. material issues have been identified which, although not covered by the NEIS, have been considered relevant for the GLK in its analysis, such as cybersecurity and data processing.

For each of the identified IROs, the following is specified:

- Type: impact, risk or opportunity.
- Subtype: positive, negative, reputational...
- Whether actual or potential.
- Their impact on the value chain. *Downstream, upstream or core.*
- Source: internal, external or from stakeholder consultation.
- Their relationship with the ESRS.

PHASE 5. IROS EVALUATION AND FINAL MATRIX

The last phase of the dual materiality process consisted of the assessment of these IROs, identified in Phase 4. Through this assessment, the material IROs were determined and, consequently, the material topics and sub-topics have also been determined.

Impact materiality and financial materiality are analysed separately.

Impact materiality:

In the impact materiality: the following elements have been taken into account:

- Whether it is a positive or negative impact. In the event of a negative impact, its possible remedy is also measured.
- Whether it is an actual or potential impact. In case of a potential impact, the probability is also considered.
- Its scope is also measured.
- To all this, the assessment obtained from the stakeholder consultations is added, assigning them different weights.
- With the above evaluations, scores (between 0 and 4) have been obtained for each impact. Those which have **obtained a score of more than 2 will be considered as material impacts**.

Financial materiality:

In the financial materiality: the following elements have been taken into account:

- Economic valuation in the short, medium and long term.
- Probability in the short, medium and long term.
- As in the case of impact materiality, the financial materiality has also taken into account stakeholder assessments, although with different weightings, including a session between the Sustainability Office and the CFO (member of the Board of Directors).

In this session, in addition to validating the materiality analysis process conducted so far, the internal financial view was added to the assessment of topics and sub-topics. This assessment was incorporated as an additional variable in the financial materiality scale.

- As in the case of the impacts, all these assessments result in a score (between 0 and 4) for each risk and opportunity, **those with a score higher than 2 are considered as material**.

It is worth mentioning that for the assessment of all these elements a qualitative information text has been added to explain and justify the criteria used for each of them.

Once all impacts, risks and opportunities (IROs) have been assessed, all those scoring above 2 in both impact materiality and financial materiality have been considered material IROs. Furthermore, the sub-topics to which these IROs correspond will also be considered material. Sub-topics where no material IROs are identified will not be considered material and no information will be disclosed in this statement.

The IROs and sub-topics that have exceeded the materiality threshold and are therefore considered material and reported in this sustainability statement are as follows:

Material areas	Material topics	Material sub-topics	Material IROs	Classification of IROs
Environment	Climate change	Adapting to climate change	Adaptation problems of some companies, especially employment-generating SMEs, to the new environmental requirements.	Negative impact
			Contribution towards a more sustainable economy supporting those sectors/companies that generate sustainable products and services.	Negative impact
			Progressive exclusion from the market of those participants with a higher physical and/or transitional risk.	Positive impact
			Financing for companies to enable them to transition towards more environmentally sustainable models	Opportunity
		Climate change mitigation	Non-repayment of loans in the commercial portfolio due to the	Risk
			Lower valuation of the mortgage portfolio due to inefficient housing that loses value in the market and needs to be refurbished in order to be sold or rented.	Risk
			Increased difficulties for customers to repay mortgage loans on homes with poor energy ratings, due to to possible increases in energy costs for cooling or heating homes.	Risk
			Financing for companies to enable them to transition towards models with a lower environmental impact.	Opportunity
Social	Own personnel	Working conditions	Worsening of staff welfare due to inadequate working conditions.	Negative impact
			Improved staff welfare through optimal working conditions.	Positive impact
		Equal treatment and opportunities for all	That the workforce is conditioned by their gender, origin, race, sexual orientation or any other aspect.	Negative impact
			Loss of motivation and productivity in the workforce because they feel conditioned by their gender, origin, race, sexual orientation or any other aspect.	Risk
	Consumers and end-users	Incidents related to information destined to consumers or end-users	Unclear explanations provided to customers, concealment of information or sale of unsuitable products.	Positive impact
			Clear, precise and transparent explanations to customers about financial products, their conditions and the costs involved.	Positive impact
			Customer loyalty by providing clear, precise and transparent explanations of financial products, their conditions and the costs involved.	Opportunity
			Achievement of a good reputation in society and in the sector for providing clear, precise and transparent explanations to customers about financial products, their conditions and the costs involved.	Opportunity
			Legal certainty by providing clear, precise and transparent explanations to customers about financial products, their conditions and the costs involved.	Opportunity
		Social inclusion of consumers or end-users	Catering to the needs of any type of customer, regardless of gender, origin, race, age, sexual orientation or any other aspect.	Positive impact
			Customer loyalty and retention by meeting their needs regardless of their gender, origin, race, sexual orientation or any other aspect.	Opportunity
			Gaining more customers by serving their needs regardless of gender, origin, race, sexual orientation or any other aspect.	Opportunity

Graphically, the results of the dual materiality analysis are as follows:

		Material		No material	
Temas de sostenibilidad	Subtemas de sostenibilidad	Materialidad de impacto	Materialidad financiera		Doble materialidad
		Impacto	Riesgo	Oportunidad	Resultado
Cambio climático	Adaptación al cambio climático				
	Mitigación del cambio climático				
	Energía				
Contaminación	Contaminación del aire				
	Contaminación del agua				
	Contaminación del suelo				
	Contaminación de organismos vivos y recursos alimentarios				
	Sustancias preocupantes				
	Sustancias extremadamente preocupantes				
	Microplásticos				
Agua y recursos marinos	Agua				
	Recursos marinos				
Biodiversidad y ecosistemas	Factores de incidencia directa sobre la pérdida de biodiversidad				
	Incidenencias sobre el estado de las especies				
	Incidenencias sobre la extensión y el estado de los ecosistemas				
	Incidenencias sobre los servicios ecosistémicos y dependencias de estos servicios				
Economía circular	Entradas de recursos, incluida la utilización de los recursos				
	Salidas de recursos relacionadas con productos y servicios				
	Residuos				
Personal propio	Condiciones de trabajo				
	Igualdad de trato y oportunidades para todos				
	Otros derechos laborales				
Trabajadores de la cadena de valor	Condiciones de trabajo				
	Igualdad de trato y oportunidades para todos				
	Otros derechos laborales				
Colectivos afectados	Derechos económicos, sociales y culturales de los colectivos				
	Derechos civiles y políticos de los colectivos				
	Derechos de pueblos indígenas				
Consumidores y usuarios finales	Incidenencias relacionadas con la información para los consumidores o usuarios finales				
	Seguridad personal de los consumidores o usuarios finales				
	Inclusión social de los consumidores o usuarios finales				
Conducta empresarial	Cultura corporativa, protección de los denunciantes, bienestar animal, compromisos político y actividades de los grupos de presión, gestión de las relaciones con los proveedores, incluidas las prácticas de pago				
	Corrupción y soborno				
Finanzas sostenible	Entity specific				
Ciberseguridad y tratamiento de datos	Entity specific				

Having clarified the overall process of identifying and assessing IROs in a general way, this process will be described in more detail below for the different sustainability issues.

Climate change (E1)

The process of identifying and assessing the impacts, risks and opportunities related to climate has entailed various phases.

In the first phase, an internal and external analysis was carried out, with the aim of identifying which climate change sub-topics indicated in Directive 2013/34 are relevant in the internal and external context of the LABORAL Kutxa Group. For the internal analysis, 12 internal documents related to sustainability were taken into consideration. While for the external analysis, 5 elements have been taken into account: market trends; regulatory analysis; competitor *benchmark*; experts and analysts; impact on the value chain.

Within the internal analysis, one of the documents taken into consideration is the capital and liquidity self-assessment report (CLAR). This report includes an ESG section which, among other issues, assesses how the physical and transitional risks arising from climate change affect the entity.

With regard to physical risks, within the operational risk, the entity has carried out an analysis to identify and assess how physical risks affect its own properties. The physical risks analysed are: seismic, desertification, river flooding, coastal flooding, volcanic and fire hazards. Information from the Sociedad de Tasación has been used to analyse the different risks by physical location. When assessing the impact on the entity's own buildings, a distinction was made between the central services buildings in Mondragon, on the one hand, and the rest of the buildings on the other. The reason for this distinction is to have considered that an extreme weather event affecting central services would have a much more relevant impact than on the rest of the buildings, mainly bank branches, where the impact on the business would be residual. The results show that central services are not affected by significant physical risks, while 5.1% of the rest of the buildings are affected by some kind of climate risk. In conclusion, it is considered that the physical risks on real estate and LABORAL Kutxa's own operations, i.e. operational risk, are considered to be of low materiality in the short and medium term, while in the long term they could be of medium-low materiality.

In the process of analysing material issues, no impacts, risks or opportunities arising from the Group's direct activity have been identified.

In addition, the CLAR also assesses how physical and transitional risks, including greenhouse gas (GHG) emissions, affect the entity's trade finance portfolio. In this case, the way in which they may influence the solvency of the institution is analysed, concluding that they have a low materiality in the short and medium term, while in the long term they could have a medium-low materiality. It is worth mentioning that different climate scenarios will be considered for this analysis in 2025.

In the second phase, stakeholders have been consulted on their views on various sub-topics listed in Directive 2013/34. On climate change, 2 issues have been consulted, which have been matched with the sub-topics in this way:

- Development of socially and environmentally responsible products and services to drive the transition towards a green and sustainable economy: related to the sub-topic climate change adaptation.

- Reduction of direct environmental impacts: consumption, waste, pollution, carbon footprint and protecting biodiversity: related to the sub-topics climate change mitigation and energy.

In the third phase, taking into account the assessments of the internal and external analysis and the stakeholder consultations, the most relevant sub-topics have been pre-selected. With regard to climate change, the sub-topics climate change mitigation and adaptation have been pre-selected, while the sub-topic energy has been discarded.

In the fourth phase, based on the sub-topics pre-selected in phase 3, the impacts, risks and opportunities (IROs) of each sub-topic have been identified. These have been the IROs of climate change:

Identified IROs	Impacts	Risks	Opportunities
Climate change mitigation	<p>Reduction of GHG emissions or environmental damage of the companies to which LABORAL Kutxa has granted financing.</p> <p>Provoking significant GHG emissions or environmental damage by the companies to which LABORAL Kutxa has granted financing.</p>	<p>Non-repayment of loans in the commercial portfolio due to the difficulties faced by the companies to which loans have been granted in adapting to transitional climate risks (laws, technologies, customer preferences, etc.).</p> <p>Higher insurance costs due to higher claims arising from extreme weather events.</p> <p>Lower valuation of the mortgage portfolio due to inefficient housing that loses value in the market and needs to be refurbished in order to be sold or rented.</p> <p>Increased difficulties for customers to repay mortgage loans on homes with poor energy ratings, due to possible increases in energy costs for cooling or heating homes.</p>	<p>Financing for companies to enable them to transition towards models with a lower environmental impact.</p> <p>Mortgage financing for homes with high energy certificates or refurbishment of homes with low energy certificates to make them more energy efficient.</p> <p>Use of renewable and self-consumption energy sources for LK.</p>
Adapting to climate change	<p>Contribution towards a more sustainable economy supporting those sectors/companies that generate sustainable products and services.</p> <p>Progressive exclusion from the market of those participants with a higher physical and/or transitional risk.</p> <p>Adaptation problems of some companies, especially employment-generating SMEs, to the new environmental requirements.</p>	<p>Non-repayment of mortgage loans or a decrease in the valuation of the mortgage portfolio due to possible flooding or other physical risks to the dwellings.</p> <p>Non-repayment of the loans of companies to which LABORAL Kutxa has granted financing due to physical damage (floods, desertification, hailstorms...) to their assets or facilities.</p> <p>Viability issues affecting business sectors due to belonging to activity sectors subject to considerable environmental regulations or adaptation to new market standards.</p> <p>Difficulties for the continuity of LABORAL Kutxa's business due to possible physical damage to its facilities or buildings.</p>	<p>Financing for companies to enable them to transition to more environmentally sustainable models.</p>

In the fifth and final phase, as explained in the disclosure requirement NEIS 2-IRO 1, the detected IROs are assessed, taking into consideration their scope, likelihood, potential correction, economic valuation and stakeholder opinion. Of all the IROs mentioned in the previous point, after their assessment, the following have been considered material:

Identified IROs	Impacts	Risks	Opportunities
Climate change mitigation		<p>Non-repayment of loans in the commercial portfolio due to the difficulties faced by the companies to which loans have been granted in adapting to transitional climate risks (laws, technologies, customer preferences, etc.).</p> <p>Lower valuation of the mortgage portfolio due to inefficient housing that loses value in the market and needs to be refurbished in order to be sold or rented.</p> <p>Increased difficulties for customers to repay mortgage loans on homes with poor energy ratings, due to possible increases in energy costs for cooling or heating homes.</p>	Financing for companies to enable them to transition towards models with a lower environmental impact.
Adapting to climate change	<p>Contribution towards a more sustainable economy supporting those sectors/companies that generate sustainable products and services.</p> <p>Progressive exclusion from the market of those participants with a higher physical and/or transitional risk.</p> <p>Adaptation problems of some companies, especially employment-generating SMEs, to the new environmental requirements.</p>		Financing for companies to enable them to transition to more environmentally sustainable models.

Pollution (E2)

The process for identifying and assessing the impacts, risks and opportunities related to the pollution sub-topic was based on an internal and external analysis of the LABORAL Kutxa Group (GLK), where all the sub-subtopics that make up the pollution sub-topic were analysed: air pollution; water pollution; soil pollution; contamination of living organisms and food resources; substances of concern; substances of very high concern; microplastics; taking into consideration both their own processes and those of the value chain.

In the internal analysis, 12 internal documents of the GLK related to sustainability were assessed. While the external analysis has taken into consideration 5 components: market trends; regulatory analysis; competitor *benchmark*; experts and analysts; impact on the value chain. As explained above, the process has included stakeholder consultation.

With regard to the impacts, risks and opportunities of the Group's locations, since 2001 LABORAL Kutxa has had ISO 14001 environmental certification, audited annually by AENOR, for its three Central Services buildings in Arrasate. Each year, its environmental factors are identified, recorded and evaluated in order to determine their associated environmental impacts and establish their level of significance from a life-cycle perspective. As a result of the identification, no significant impacts or risks related to pollution are detected.

In addition, a context and stakeholder analysis is conducted annually to understand the organisation and its context, as well as the needs and expectations of stakeholders. As a result of this analysis, the expectations and needs of stakeholders from an environmental stance are determined and a series of actions are taken to respond to the risks and opportunities detected. This is set out in the annual environmental plan, which is approved by the Environment Committee and endorsed by management.

Although the environmental certification exclusively focuses on the three buildings, these are the ones that, due to their configuration and installations, could produce some impact on pollution in any of its potential effects. The remaining locations correspond to the commercial network of branches or service offices and therefore do not present significant impacts, risks or opportunities in their operations.

After the assessment of all these elements, it is concluded that none of the sub-topics of the pollution sub-topic are material for the GLK.

Water and marine resources (E3)

The process for identifying and assessing the impacts, risks and opportunities related to the pollution sub-topic was based on an internal and external analysis of the LABORAL Kutxa Group (GLK), where all the sub-subtopics that make up the pollution sub-topic were analysed: water and marine resources, and taking into consideration both in its own operations and in the value chain.

In the internal analysis, 12 internal documents of the GLK related to sustainability were assessed. While the external analysis has taken into consideration 5 components: market trends; regulatory analysis; competitor *benchmark*; experts and analysts; impact on the value chain.

With regard to the impacts, risks and opportunities of the Group's locations, since 2001 LABORAL Kutxa has had ISO 14001 environmental certification, audited annually by AENOR, for its three Central Services buildings in Arrasate. Each year, its environmental factors are identified, recorded and evaluated in order to determine their associated environmental impacts and establish their level of significance from a life-cycle perspective. As a result of the identification, no significant impacts or risks related to water (including discharges) and marine resources have been detected.

In addition, a context and stakeholder analysis is conducted annually to understand the organisation and its context, as well as the needs and expectations of stakeholders. As a result of this analysis, the expectations and needs of stakeholders from an environmental stance are determined and a series of actions are taken to respond to the risks and opportunities detected. This is set out in the annual environmental plan, which is approved by the Environment Committee and endorsed by management.

Although the environmental certification exclusively focuses on the three buildings, these are the ones that, due to their configuration and installations, could produce some impact on water (not marine resources). The remaining locations correspond to the commercial network of branches or service offices and therefore do not present significant impacts, risks or opportunities in their operations.

As explained in NEIS E1-IRO1 Description of the processes for identifying and assessing climate-related impacts, risks and opportunities, LABORAL Kutxa has carried out an analysis of the physical operational risk arising from its physical locations. This analysis includes river and maritime flood risks. The result of this analysis is that there is no significant risk. Along the same lines, the physical risk of river flooding of the mortgage portfolio has been analysed by its physical location. The conclusion of this second analysis is that even in the case of a stressed scenario, the impact of the materialisation of this risk would not have a material impact for LABORAL Kutxa.

After the assessment of all these elements, it is concluded that none of the sub-topics of the water and marine contamination sub-topic are material for the GLK.

Biodiversity and Ecosystems (E4)

The process for identifying and assessing the impacts, risks and opportunities related to the pollution sub-topic was based on an internal and external analysis of the LABORAL Kutxa Group (GLK), where all the sub-subtopics that make up the pollution sub-topic were analysed: impact factors directly affecting biodiversity loss, impacts on species status, impacts on ecosystem extent and condition, and impacts on ecosystem services and dependencies on these services; taking into consideration both their own processes and those of the value chain.

In the internal analysis, 12 internal documents of the GLK related to sustainability were assessed. While the external analysis has taken into consideration 5 components: market trends; regulatory analysis; competitor *benchmark*; experts and analysts; impact on the value chain.

With regard to the impacts, risks and opportunities of the Group's locations, since 2001 LABORAL Kutxa has had ISO 14001 environmental certification, audited annually by AENOR, for its three Central Services buildings in Arrasate. Each year, its environmental factors are identified, recorded and evaluated in order to determine their associated environmental impacts and establish their level of significance from a life-cycle perspective. As a result of the identification, no significant impacts or risks related to biodiversity and ecosystems are detected.

In addition, a context and stakeholder analysis is conducted annually to understand the organisation and its context, as well as the needs and expectations of stakeholders. As a result of this analysis, the expectations and needs of stakeholders from an environmental stance are determined and a series of actions are taken to respond to the risks and opportunities detected. This is set out in the annual environmental plan, which is approved by the Environment Committee and endorsed by management.

Although the environmental certification exclusively focuses on the three buildings, these are the ones that, due to their configuration and installations, could potentially affect biodiversity. The remaining locations correspond to the commercial network of branches or central service offices and are located in cities and towns, and therefore do not present significant impacts, risks or opportunities in their operations.

After the assessment of all these elements, it is concluded that none of the biodiversity and ecosystems sub-topics are material for the GLK.

Given its location in urban populations and the activity carried out, the GLK does not identify sites located in or near biodiversity-sensitive areas that it is negatively affecting. No significant negative impacts are detected in relation to land degradation, desertification or soil sealing and no measures are taken to preserve or restore biodiversity.

Use of resources and circular economy (E5)

The process of identifying and assessing the impacts, risks and opportunities related to the sub-topic use of resources and circular economy has been based on an internal and external analysis of the LABORAL Kutxa Group (GLK), where all the sub-topics that make up the sub-topic use of resources and circular economy have been analysed: resource inputs, including use of resources; resource outputs related to products and services; waste; taking into consideration both its own processes and those of the value chain.

In the internal analysis, 12 internal documents of the GLK related to sustainability were assessed. While the external analysis has taken into consideration 5 components: market trends; regulatory analysis; competitor *benchmark*; experts and analysts; impact on the value chain.

After the assessment of all these elements, it is concluded that none of the sub-topics of the use of resources and circular economy sub-topic are material for the GLK.

Business conduct (G1)

The process of identifying and assessing the impacts, risks and opportunities related to business conduct has entailed various phases.

In the first phase, an internal and external analysis is carried out, with the aim of identifying which sub-topics related to business conduct are relevant in the internal and external context of the LABORAL Kutxa Group. Specifically, the sub-topics considered under business conduct were corporate culture (including issues such as corruption and bribery, whistleblower protection and animal welfare); political engagement and lobbying; supplier relationship management, including payment practices.

For the internal analysis, 12 internal documents related to sustainability were taken into consideration. While for the external analysis, five components been taken into account: market trends; regulatory analysis; competitor *benchmark*; experts and analysts; impact on the value chain. Following this assessment, it is concluded that the issue of political commitment and lobbying activities is not relevant for the LABORAL Kutxa Group, as this concept is not detected in its internal documents or in the external analysis.

Therefore, for the second phase, both corporate culture and supplier relationship management, including payment practices, are taken into consideration. Stakeholders have been consulted on these issues, in particular:

- Integrity and control measures: fight against corruption, bribery and money laundering.
 - This is linked to corporate culture, namely corruption and bribery.
- Responsible supplier management: prioritise local purchases and monitor their activity (working conditions, occupational risks, environmental management, etc.).
 - This is linked to supplier relationship management, including payment practices.

In the third phase, adding the stakeholder assessments to the internal and external analysis carried out in phase 1, responsible supplier management has been ruled out: prioritise local purchases and monitor their activity (working conditions, occupational risks, environmental management, etc.). Meanwhile, business conduct, specifically corruption and bribery, has been pre-selected as a possible material sub-topic.

In the fourth phase, the impacts, risks and opportunities (IROs) related to corruption and bribery have been identified:

Identified IROs	Impacts	Risks	Opportunities
Corruption and bribery	<p>Training of staff to avoid any scenarios of corruption or money laundering.</p> <p>Carrying out cases of corruption or money laundering through LABORAL Kutxa channels or products.</p>	<p>Possible sanctions for failure to prevent scenarios of corruption or money laundering.</p> <p>Bad reputation for LABORAL Kutxa because it is perceived as an institution that is not safe from cases of corruption or money laundering.</p>	<p>Promotion of a good reputation for LABORAL Kutxa for being perceived as an entity with ethical values and socially committed to eradicating behaviours such as corruption or money laundering.</p>

In the fifth and final phase, as explained in the disclosure requirement NEIS 2-IRO 1, the detected IROs are assessed, taking into consideration their scope, likelihood, potential correction, economic valuation and stakeholder opinion. Of all the IROs mentioned in the previous point, after their assessment, the following two impacts been considered material:

- Training of staff to avoid any scenarios of corruption or money laundering.
- Carrying out cases of corruption or money laundering through the LABORAL Kutxa Group's channels or products.

Cybersecurity and data processing (C1)

The process of identifying and assessing the impacts, risks and opportunities related to cybersecurity and data processing involved several phases.

First of all, it is worth mentioning that “cybersecurity and data processing” is not a specific topic that is included in the CSRD. However, taking into account the importance it may have for the financial sector, the LABORAL Kutxa Group has decided to introduce this aspect.

In the first phase, an internal and external analysis is carried out in order to identify whether the issue of cybersecurity and data processing is relevant in the internal and external context of the LABORAL Kutxa Group.

For the internal analysis, 12 internal documents related to sustainability were taken into consideration. While for the external analysis, five components been taken into account: market trends; regulatory analysis; competitor *benchmark*; experts and analysts, impact on the value chain. Following this assessment, it is concluded that the cybersecurity and data processing topic may be relevant for the LABORAL Kutxa Group, and therefore it moves on to the next phase.

In the second phase, stakeholders are consulted on the issue of cybersecurity and data processing. They are specifically consulted about “privacy protection and the security of data and operations”.

In the third phase, taking into account both stakeholder assessments and the internal and external analysis carried out in phase 1, the concept of cybersecurity and data processing has been pre-selected as a possible material topic.

In the fourth phase, the impacts, risks and opportunities (IROs) related to cybersecurity and data processing have been identified:

Identified IROs	Impacts	Risks	Opportunities
Cybersecurity and data processing	<p>Plundering of customers' personal data or savings due to fraudulent activities, fraud or scams.</p> <p>Training staff to respond appropriately to cyber-attack attempts to protect customer data and deposits.</p> <p>Resilience of the institution to hostile actions by cyber-criminals.</p>	<p>Economic or operational losses for LABORAL KUTXA as a result of attacks or malicious activities.</p> <p>Attacks on own technological infrastructure with operational, service or economic impact.</p> <p>Loss of customers through plundering of their personal data or savings due to cyber-attacks.</p> <p>Possible claims by customers for plundering their personal data or savings due to cyber-attacks.</p> <p>Bad reputation for LABORAL Kutxa because it is perceived as an institution that is fragile in the face of cyber-attacks.</p> <p>Sanctions for inadequate cybersecurity management.</p>	<p>Promotion of LABORAL Kutxa's good reputation as an institution capable of dealing with and controlling any type of cyber-attack.</p> <p>Attraction of new customers by being able to securely shield their information and savings.</p>

In the fifth and final phase, as explained in the disclosure requirement NEIS 2-IRO 1, the detected IROs are assessed, taking into consideration their scope, likelihood, potential correction, economic valuation and stakeholder opinion. Of all the IROs mentioned in the previous point, after their assessment, the following two impacts been considered material:

- Plundering of customers' personal data or savings due to fraudulent activities, fraud or scams.
- Training staff to respond appropriately to cyber-attack attempts to protect customer data and deposits.
- Resilience of the institution to hostile actions by cyber-criminals.
- Economic or operational losses for LABORAL KUTXA as a result of attacks or malicious activities.
- Attacks on own technological infrastructure with operational, service or economic impact.
- Loss of customers through plundering of their personal data or savings due to cyber-attacks.

[IRO-2] Disclosure requirements in the ESRS covered by sustainability declarations

Requirement		Disclosure	Reason	Section
NEIS2	BP-1	YES		NEIS2
NEIS2	BP-2	YES		NEIS2
NEIS2	GOV-1	YES		NEIS2
NEIS2	GOV-2	YES		NEIS2
NEIS2	GOV-3	YES		NEIS2
NEIS2	GOV-4	YES		NEIS2
NEIS2	GOV-5	YES		NEIS2
NEIS2	SBM-1	YES		NEIS2
NEIS2	SBM-2	YES		NEIS2
NEIS2	SBM-3	YES		NEIS2
NEIS2	IRO-1	YES		NEIS2
NEIS2	IRO-2	YES		NEIS2
NEIS2	MDR-P	YES		NEIS2
NEIS2	MDR-A	YES		NEIS2
NEIS2	MDR-M	YES		NEIS2
NEIS2	MDR-T	YES		E1-Climate change S1-Own personnel S4-Consumers and end-users C1-Cybersecurity and data processing
E1	GOV-3	YES		E1-Climate change
E1	1	YES		E1-Climate change
E1	SBM-3	YES		E1-Climate change

Requirement		Disclosure	Reason	Section
E1	IRO-1	YES		E1-Climate change
E1	2	YES		E1-Climate change
E1	3	YES		E1-Climate change
E1	4	YES		E1-Climate change
E1	5	NO	It is not of relative importance.	
E1	6	YES		E1-Climate change
E1	7	NO	Does not apply to the GLK.	
E1	8	NO	Does not apply to the GLK.	
E1	9	NO	Omitted during the first year.	
E2	IRO-1	YES		E2-Pollution
E2	1	NO	It is not of relative importance.	
E2	2	NO	It is not of relative importance.	
E2	3	NO	It is not of relative importance.	
E2	4	NO	It is not of relative importance.	
E2	5	NO	It is not of relative importance.	
E2	6	NO	It is not of relative importance.	
E3	IRO-1	YES		E3- Water and marine resources
E3	1	NO	It is not of relative importance.	
E3	2	NO	It is not of relative importance.	
E3	3	NO	It is not of relative importance.	
E3	4	NO	It is not of relative importance.	
E3	5	NO	It is not of relative importance.	
E3	6	NO	It is not of relative importance.	
E4	SBM-3	NO	It is not of relative importance.	
E4	IRO-1	YES		E4-Biodiversity and Ecosystems
E4	1	NO	It is not of relative importance.	
E4	2	NO	It is not of relative importance.	
E4	3	NO	It is not of relative importance.	
E4	4	NO	It is not of relative importance.	
E4	5	NO	It is not of relative importance.	
E4	6	NO	It is not of relative importance.	
E5	IRO-1	YES		E5-Use of resources and circular economy
E5	1	NO	It is not of relative importance.	
E5	2	NO	It is not of relative importance.	
E5	3	NO	It is not of relative importance.	
E5	4	NO	It is not of relative importance.	
E5	5	NO	It is not of relative importance.	
E5	6	NO	It is not of relative importance.	
S1	SBM-2	YES		S1-Own personnel
S1	SBM-3	YES		S1-Own personnel

Requirement		Disclosure	Reason	Section
S1	1	YES		S1-Own personnel
S1	2	YES		S1-Own personnel
S1	3	YES		S1-Own personnel
S1	4	YES		S1-Own personnel
S1	5	YES		S1-Own personnel
S1	6	YES		S1-Own personnel
S1	7	NO	Omitted during the first year.	
S1	8	YES		S1-Own personnel
S1	9	YES		S1-Own personnel
S1	10	YES		S1-Own personnel
S1	11	YES		S1-Own personnel
S1	12	YES		S1-Own personnel
S1	13	YES		S1-Own personnel
S1	14	YES		S1-Own personnel
S1	15	YES		S1-Own personnel
S1	16	YES		S1-Own personnel
S1	17	YES		S1-Own personnel
S2	SBM-2	NO	It is not of relative importance.	S2-Employees of the value chain
S2	SBM-3	NO	It is not of relative importance.	S2-Employees of the value chain
S2	1	NO	It is not of relative importance.	
S2	2	NO	It is not of relative importance.	
S2	3	NO	It is not of relative importance.	
S2	4	NO	It is not of relative importance.	
S2	5	NO	It is not of relative importance.	
S3	SBM-2	NO	It is not of relative importance.	
S3	SBM-3	NO	It is not of relative importance.	S3-Affected communities
S3	1	NO	It is not of relative importance.	
S3	2	NO	It is not of relative importance.	
S3	3	NO	It is not of relative importance.	
S3	4	NO	It is not of relative importance.	
S3	5	NO	It is not of relative importance.	
S4	SBM-2	YES		S4-Consumers and end-users
S4	SBM-3	YES		S4-Consumers and end-users
S4	1	YES		S4-Consumers and end-users
S4	2	YES		S4-Consumers and end-users
S4	3	YES		S4-Consumers and end-users
S4	4	YES		S4-Consumers and end-users
S4	5	YES		S4-Consumers and end-users
G1	GOV-1	YES		G1-Business conduct
G1	IRO-1	YES		G1-Business conduct

Requirement		Disclosure	Reason	Section
G1	1	YES		G1-Business conduct
G1	2	NO	It is not of relative importance.	
G1	3	YES		G1-Business conduct
G1	4	YES		G1-Business conduct
G1	5	NO	It is not of relative importance.	G1-Business conduct
G1	6	NO	It is not of relative importance.	
G1	Information relating to the fight against corruption and bribery	YES		G1-Business conduct
C1	SBM-2	YES		C1-Cybersecurity and data processing
C1	IRO-1	YES		C1-Cybersecurity and data processing
C1	SBM-3	YES		C1-Cybersecurity and data processing
C1	1	YES		C1-Cybersecurity and data processing
C1	2	YES		C1-Cybersecurity and data processing
C1	3	YES		C1-Cybersecurity and data processing
C1	4	YES		C1-Cybersecurity and data processing

[MDR-P] Policies adopted to manage material sustainability issues

The different policies adopted to manage sustainability issues will be explained in the various sections of this policy. It is worth mentioning that, in some sections, in addition to policies, regulations, rules or codes are also mentioned. However, in this section we will compile all of them in order to have an overview and indicate in which section each of them is located.

- Policies:
 - Sustainability policy of the LABORAL Kutxa Group. (Section E1-2)
 - ESG Investment, Financing and Underwriting Policy. (E1-2)
 - Recruitment policy. (S1-1)
 - Recruitment, selection and internal mobility policy. (S1-1)
 - Remuneration-assessment policies. (S1-1)
 - Policy and procedure for training and accreditation of persons who grant, design, report on or market credit agreements for residential real estate with customers or potential customers. (S4-1)

- Policy and procedure for the training and assessment of persons who inform or advise customers or potential customers. (S4-1)
- ICT risk management policy. (C1-1)
- ICT-related incident management policy. (C1-1)
- Comprehensive Security Policy (CNS). (C1-1)
- Data Governance Policy. (C1-1)
- Regulations/ codes:
 - Internal rules of procedure. (S1-1)
 - Code of Ethics and business conduct. (G1-1)
- Regulations:
 - Article 3 of RD 565/2017/EU, conditions applicable to the provision of information and articles 44 to 52 related to customer information. (S4-1)
 - Article 200 of Law 6/2023, general duty of information to customers to which institutions are subject. (S4-1)
 - Articles 143 and 144 of RD 813/2023, on the general duty of information and electronic format. (S4-1)
 - Article 4.9 of Royal Decree 1082/2012, of 13 June, on CIIIs. (S4-1)
 - Regulation (EU) 2019/2088, on sustainability disclosures in the financial services sector. (S4-1)
 - Law 35/2003, of 4 November, on Collective Investment Institutions and Royal Decree 816/2023, of 8 November, implementing it. (S4-1)
 - Rule 7 of Circular 4/2008, on quarterly, half-yearly and annual reporting of CIIIs. (S4-1)
 - CNMV Communication of 23 January 2015 on transparency measures in the marketing of CIIIs. (S4-1)
 - Law 5/2021, of 12 April, on capital companies. (S4-1)
 - Circular 7/2011, of 12 December, on tariff prospectus and content of standard contracts. (S4-1)
 - Articles 5, 6 and 9 of Order EHA/1665/2010, 11 June, on the legal regime for investment services firms with regard to tariffs and standard contracts. - Communication from the CNMV on the adaptation of standard contracts to the provisions of Royal Decree 217/2008, of 15 February. (S4-1)

- Communication from the CNMV on the adaptation of Standard Contracts to the provisions of Royal Decree 217/2008, of 15 February. (S4-1)
- Order EHA/2899/2011, of 28 October, on transparency and customer protection in banking services. (S4-1)
- Royal Decree-Law 19/2017, of 24 November, on basic payment accounts, transfer of payment accounts and comparability of fees. (Official State Gazette of 25 November). (S4-1)
- Accessibility Directive 2019/882, with the aim of making products and services provided in the EU more accessible to people with disabilities. (S4-1)
- Law 11/2023, on the transposition of European Union Directives on accessibility. (S4-1)
- Royal Decree-Law 19/2017, of 24 November, on basic payment accounts, transfer of payment accounts and comparability of fees. (Official State Gazette of 25 November). (S4-1)
- Royal Decree-Law 1/2017, of 20 January, on urgent measures for the protection of consumers with regard to floor clauses. (S4-1)
- Order EHA/2899/2011, of 28 October, of the Ministry of Economy and Finance (B.O.E. of 29 October), on transparency and customer protection in banking services. (S4-1)
- Bank of Spain Circular 5/2012, of 27 June (B.O.E. of 6 July), to credit institutions and payment service providers, on transparency of banking services and responsibility in the granting of loans. (S4-1)

[MDR-A] Actions and resources in relation to material sustainability issues

As in the MDR-P section, the actions and measures are also described in the different sections of this report. This section will therefore mention all of them and indicate in which areas they can be found.

- Introduction of sustainability clauses in commercial loans where the economic conditions may vary according to the performance of the counterparties on sustainability, environmental or carbon footprint reduction issues. (Section E1-3)
- Launch of the new pricing of mortgages in which the most energy efficient homes are given a better spread. (E1-3)
- Establishment of limits for financing companies with climate and environmental risk. (E1-3)

- Establishment of limits on mortgage financing for homes with less energy efficient ratings. (E1-3)
- Review and adaptation of people policies to make them Purpose-centred systems. (S1-4)
- Development of cooperative leadership to develop healthy and quality working environments. (S1-4)
- Actions within the Zainduz programme (S1-4)
- Designing a corporate volunteering model (S1-4)
- Psychosocial risk assessment (S1-5)
- Launch of the corporate culture diagnostic survey (S1-5)
- Percentage of TCA (employees) less than 20% in Laboral Kutxa (S1-5)
- Presentation of the following information to customers through the Information Prospectus on Caja Laboral Popular Coop. de Crédito and its Investment Services in a transparent manner and prior to any contracting. (S4-4)
- Make the following information available to the customer: (S4-4)
 - Access to tariff prospectuses.
 - Provision of legal pre-contractual information on the products that are the subject of a recommendation and/or contract.
 - Provision of post-contractual product information: costs and expenses, statements of transactions and positions, tax information, annual performance report, etc.
 - Provision of regular information on investment and market developments.
 - Access to positions, documents, contracts, correspondence, etc. via online banking at any time and free of charge.
- Review of product and service contracts by the Legal Department. (S4-4)
- Annual checks by the Regulatory Compliance department to verify whether processes are being carried out in accordance with the regulations. In the event of incidents, corrective measures are requested. Recommendations are also issued in these controls. (S4-4)
- Monitoring by the Product Committee for the correct marketing of products (that they are marketed to the target audience, assessment of possible reputational, cyber, operational risks...). (S4-4)

- MiFID training required for the commercial network (30 hours per year) for the correct performance of their functions. (S4-4)
- Review by Self-control of all commercial communications for truthful, legal, honest and fair advertising. (S4-4)
- Comprehensive accessibility plan. (S4-4)
- Availability of a Basic Payment Account. (S4-4)
- Inform all customers who have taken out a personal loan (regardless of the channel used, whether physical or digital) that they have 15 days to withdraw from the contracted financing, without penalty. (S4-4)
- In mortgage lending, deliver price offers to customers always in the format called "European Standardised Information Sheet - ESIS". (S4-4)
- Updating and extending the cybersecurity operating model to include stakeholders across the organisation, improving the integration of cybersecurity into technology products, services and processes. (C1-3)
- Adoption of a culture of cybersecurity that cuts across the entire organisation, in which everyone plays a key role in protecting information and the assets that contain it. (C1-3)
- Development of specific training actions aimed at all people in the organisation to ensure the provision of skills for the early detection of and, where appropriate, response to attempted cyber-attacks or identity theft. (C1-3)
- Implementation of technical security projects that not only provide a solution to the increasingly strict regulatory requirements, but also serve to position LABORAL Kutxa as a benchmark for security and trust in its sector. (C1-3)
- Integration of cybersecurity as a strategic pillar in all the Entity's projects, guaranteeing data protection, operational continuity and resilience against digital threats. (C1-3)
- Establishment of a direct and permanent line of collaboration with authorities and concerned third parties for the prompt management of cyber-incidents, under the premise of proactivity and support in the adoption of measures to facilitate their resolution. (C1-3)
- Evolution of the Business Continuity system and processes by reviewing and improving Specific Security Plans, drawing on lessons learned from cyber-exercises and controlled continuity tests. (C1-3)

[MDR- M] Parameters in relation to material sustainability issues

As specified in the MDR-P and MDR-A sections, the parameters, goals and objectives are also described in the different sections of this report. This section will therefore mention all of them and indicate in which areas they can be found.

- Reduction of own or operational carbon footprint by 5% per year (base year 2023). (E1-4)
- Reduction of the carbon footprint financed and invested (E1-4).
- Establishment of a limit of 12% of total lending to companies with climate/environmental risk. (E1-4)
- Establishment of a 35% limit for financing mortgages for homes with less efficient energy ratings as a percentage of the total mortgage investment. (E1-4)
- Psychosocial risk assessment for all own staff. (S1-5)
- Carrying out a diagnosis of the corporate culture. (S1-5)
- Percentage of TCA (employees) less than 20% in Laboral Kutxa. (S1-5)
- Training of all staff marketing investment and mortgage products. (S4-5)
- Management training for people with disabilities (S4-5)
- Update of the comprehensive accessibility plan. (S4-5)
- Ensure the confidentiality, integrity and availability of financial information and personal data of customers. (C1-4)
- Ensure operational resilience against cyber-attacks or service disruptions. (C1-4)
- Maintain a high level of compliance with financial sector rules and regulations. (C1-4)
- Securing electronic transactions and payment systems (security of transactions). (C1-4)
- Establish capabilities for rapid detection and response to security incidents (through the use of new AI-based technologies). (C1-4)
- Promote a transversal corporate culture oriented towards cybersecurity and protection of sensitive data (training of customers and employees). (C1-4)
- Assess and manage security in the supply chain and ICT service providers. (C1-4)

- Integrating new innovative technologies in a safe way. (C1-4)
- Promote customer trust and brand reputation through clear and transparent actions. (C1-4)

MDR-T: Monitoring the effectiveness of policies and actions through targets

This requirement will be addressed in different sections of this report.

ENVIRONMENTAL INFORMATION

NEIS E1-Climate change

[GOV-3] Integrating sustainability into incentive schemes

This information is described in section NEIS2-GOV3.

[E1-1] Transition plan to mitigate climate change

At the end of 2024, the GLK has no transition plan, nor is one planned for the financial year 2025. The bank has made efforts to make its business model compatible with the transition to a sustainable economy and climate change mitigation. In 2001, it became the first financial institution to obtain an environmental certification: ISO 14001. The carbon footprint has also been calculated for more than 10 years. In recent years, emission reduction targets have been set which, as indicated in section E1-GOV3, are included in the variable remuneration of all employees.

When calculating the CO2 emissions of the LABORAL Kutxa Group, given the financial and insurance activity carried out, two aspects can be differentiated:

- Own or operational carbon footprint, resulting from the Group's own operations.
- The financed and invested carbon footprint, resulting from the emissions generated by customers to whom loans are granted or financial products such as bonds or shares are purchased.

In the second half of 2022, the bank participated in a sectoral project with other financial institutions to design a tool for calculating CO2 emissions. This project covered both operational and investment/financing aspects. The tool is based on the methodologies of the *Science Based Targets* (SBT), the *Net Zero Banking Alliance*, *Pacta* and *PCAF*.

OWN/OPERATIONAL CARBON FOOTPRINT

During 2023 and 2024 there has been a carbon footprint reduction target of 5% per year. This objective is aligned with the objectives of the Paris Agreement.

In order to make progress in its reduction, measures have been established such as the purchase of all energy consumed from renewable sources, the mobility plan, the reduction of the inter-office mail or the renovation of facilities and work centres.

FINANCED AND INVESTED CARBON FOOTPRINT

As a result of a new sectoral project derived from the previous one, decarbonisation pathways have been designed in late 2024 for the invested and financed portfolio. To this end, the sectors with the greatest impact on the environment have been identified and decarbonisation pathways have been established for each of them, with 2023 serving as the base year. Both the identification of the sectors and the decarbonisation pathways have been carried out taking into consideration international organisations such as the International Energy Agency (IEA), taking as a reference the Paris Agreement's scenario of a 2°C temperature increase above pre-industrial levels.

The sectors to be decarbonised, their starting points and how much they should reduce their emissions according to their pathways by both 2030 and 2050 are specified below:

Sectors to decarbonise	tCO2/unit (2023)	2030	2050
Residential mortgages	24.6 kgCO2/m ²	-19.3 %	-69.6 %
Commercial mortgages	98.5 kgCO2/m ²	-29.4 %	-29.4 %
Energy	640 tCO2/€M	-41.3 %	-100 %
Steel	0.96 tCO2/t-steel	-12.9 %	-35.6 %
Aviation	1.47 tCO2/RTK	-44.4 %	-80.7 %
Fossil fuels	108 tCO2/€M	-16.4 %	-62.4 %

These sectors as a whole, as well as the most significant partners within each sector, will be monitored on an annual basis to ensure that they are complying with the established pathways. In case of deviations from the targets, corrective measures will be considered.

In addition, on the key actions carried out, mention should be made of the *engagement* with some of the most significant counterparties, the incorporation of the energy rating to the *pricing* of mortgages and loans linked to sustainability indicators, where the interest rate can vary depending on the evolution of the counterparty's CO2 emissions.

It is worth mentioning that these pathways do not correspond to external commitments or certificates that the entity has taken, but only internal guidance for monitoring purposes.

This decarbonisation diagnosis of the financed and invested portfolio is expected to be approved by the Sustainability Committee and the Governing Board in early 2025. Following discussion, the possibility of finalising and approving a transition plan will be assessed.

No significant locked-in GHG emissions from the Group's key assets and products have been detected.

[SBM-3] Material impacts, risks and opportunities and their interaction with the strategy and business model

The LABORAL Kutxa Group, in its dual materiality process, has identified three material risks related to climate change, specifically with the sub-subtopic of climate change mitigation. All these risks can be considered transitional:

- Non-repayment of loans in the commercial portfolio due to the difficulties faced by the companies to which loans have been granted in adapting to transitional climate risks (laws, technologies, customer preferences, etc.).
- Lower valuation of the mortgage portfolio due to inefficient housing that loses value in the market and needs to be refurbished in order to be sold or rented.
- Increased difficulties for customers to repay mortgage loans on homes with poor energy ratings, due to possible increases in energy costs for cooling or heating homes.

These risks have been taken into account and assessed as part of the resilience analysis in the annual capital and liquidity self-assessment report (CLAR). The 2024 CLAR assesses how environmental, social and governance (ESG) risks affect the entity's traditional risks, both in the short (less than 3 years), medium (between 3 and 5 years) and long (more than 5 years) term.

On these three material transitional risks, the CLAR has analysed the potential impact on credit risk of. In other words, to what extent they may have an impact on the possibility of default on funding granted by counterparties and, consequently, on the solvency of the institution. The conclusion drawn from the analysis is that its materiality is considered low in the short and medium term, while it rises to medium-low in the long term.

By 2025 this analysis will be completed with the use of two climate scenarios from the Network for Greening the Financial System (NGFS): *delayed transition (disorderly)* and *net zero 2050 (orderly)*. No climate scenarios were used in 2024.

Lastly, in the Capital and Liquidity Self-Assessment Report (CLAR) carried out in 2024, following the recommendations of the ECB through its *Good practices for climate-related and environmental risk management*¹, published in November 2022, Laboral Kutxa analyses ESG risks not as an isolated risk, but as a series of events that end up having an impact on the entity's traditional risks, i.e. it acts as a *driver of prudential risks*. In this regard, Laboral Kutxa has developed both its materiality analysis and the configuration of its idiosyncratic scenarios, seeking to integrate these risks into prudential risks, observing different transmission channels.

¹<https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.thematicreviewcercompendiumgoodpractices112022-b474fb8ed0.en.pdf>

As a summary of the exercises analysed throughout the CLAR, a summary table is presented with the conclusions of the analyses carried out for each risk and in each time frame analysed.

	Short term	Medium term	Long term
Credit risk	Low	Low	Medium-low
Market risk	Null	Null	Null
Sovereign risk	Null	Null	Null
Reputational risk	Low	Low	Medium-low
Operational risk	Low	Low	Medium-low
Business and strategic risk	Null	Low	Low
Structural risks			
Liquidity risk	Null	Low	Low
Interest rate risk	Null	Null	Null

In the 2023 financial year, the Sustainability Committee established and set a target to reduce the annual carbon footprint by 5% per year over the previous year in order to achieve zero emissions by 2050 in line with the Paris Agreement, this target is scheduled to be reassessed during the 2025 financial year.

With regard to the principle of precaution, as explained above, LABORAL Kutxa has an environmental management system in which environmental risks and opportunities are taken into account and analysed. Within this analysis, no products or technologies have been detected that are being implemented and are suspected of posing a risk to public health or to the environment.

[IRO-1] Description of the processes for identifying and assessing climate-related impacts, risks and opportunities

This information is described in section NEIS2-IRO1.

[E1-2] Policies related to climate change mitigation and adaptation

- SUSTAINABILITY POLICY OF THE LABORAL KUTXA GROUP.
 - Objective: to define and establish the LABORAL Kutxa Group's basic principles of action in the area of sustainability. The Sustainability Committee is responsible for compliance. Specifically, its objectives are as follows:
 - Emphasise the Group's commitment to collaboration and its involvement with society and its stakeholders in the transition towards a sustainable economic model.
 - Establish the principles that will govern the sustainability strategy with a long-term vision that aims both to maximise value creation for stakeholders and to effectively manage environmental, social and governance risks and opportunities.

- Affected sub-subtopics:
 - Adapting to climate change.
 - Climate change mitigation.
- Affected IROs:
 - Adaptation problems of some companies, especially employment-generating SMEs, to the new environmental requirements.
 - Contribution towards a more sustainable economy supporting those sectors/companies that generate sustainable products and services.
 - Progressive exclusion from the market of those participants with a higher physical and/or transitional risk.
 - Financing for companies to enable them to transition to more environmentally sustainable models.
 - Non-repayment of loans in the commercial portfolio due to the difficulties faced by the companies to which loans have been granted in adapting to transitional climate risks (laws, technologies, customer preferences, etc.).
 - Lower valuation of the mortgage portfolio due to inefficient housing that loses value in the market and needs to be refurbished in order to be sold or rented.
 - Increased difficulties for customers to repay mortgage loans on homes with poor energy ratings, due to possible increases in energy costs for cooling or heating homes.
 - Financing for companies to enable them to transition towards models with a lower environmental impact.
- ESG INVESTMENT, FINANCING AND UNDERWRITING POLICY.
 - EI Sustainability Committee is responsible for compliance. Objective: to take the necessary actions for the LABORAL Kutxa Group to achieve its ESG objectives in the different areas; in particular, this is specified shaped into the following goals:
 - Align all the Group's entities and business units with the sustainability strategy.
 - Guide or accompany different stakeholders through dialogue and engagement towards a sustainable transition.

- Act as a first protective barrier, excluding certain sectors or activities (as they are contrary to the cooperative's values and ESG objectives), and defining others as sensitive and requiring special monitoring (as they may be contrary to the ESG objectives).
- Establish ESG principles and criteria for financing, underwriting and investing at Group level for more sustainable products and relationships.
- Define the principles, processes and governance framework necessary to achieve the above objectives.
- Affected sub-topics:
 - Adapting to climate change.
 - Climate change mitigation.
- Affected IROs:
 - Contribution towards a more sustainable economy supporting those sectors/companies that generate sustainable products and services.
 - Progressive exclusion from the market of those participants with a higher physical and/or transitional risk.
 - Financing for companies to enable them to transition to more environmentally sustainable models.
 - Financing for companies to enable them to transition towards models with a lower environmental impact.

[E1-3] Actions and resources in relation to climate change policies

The main actions carried out in relation to climate change policies in the last two years are:

- Introduction of sustainability clauses in commercial loans where the economic conditions may vary according to the performance of the counterparties on sustainability, environmental or carbon footprint reduction issues.
 - Affected sub-subtopics:
 - Climate change mitigation.
 - Adaptation to climate change.
 - Affected IROs:
 - Financing for companies to enable them to transition to more environmentally sustainable models.

- Financing for companies to enable them to transition towards models with a lower environmental impact.
 - Contribution towards a more sustainable economy supporting those sectors/companies that generate sustainable products and services.
- Launch of the new *pricing* of mortgages in which the most energy efficient homes are given a better spread.
 - Affected sub-subtopics:
 - Climate change mitigation.
 - Affected IROs:
 - Lower valuation of the mortgage portfolio due to inefficient housing that loses value in the market and needs to be refurbished in order to be sold or rented.
 - Increased difficulties for customers to repay mortgage loans on homes with poor energy ratings, due to possible increases in energy costs for cooling or heating homes.
- Establishment of limits for financing companies with climate and environmental risk.
 - Affected sub-subtopics:
 - Climate change mitigation.
 - Affected IROs
 - Non-repayment of loans in the commercial portfolio due to the difficulties faced by the companies to which loans have been granted in adapting to transitional climate risks (laws, technologies, customer preferences, etc.).
 - Progressive exclusion from the market of those participants with a higher physical and/or transitional risk.
 - Adaptation problems of some companies, especially employment-generating SMEs, to the new environmental requirements.
- Establishment of limits on mortgage financing for homes with less energy efficient ratings.
 - Affected sub-subtopics:
 - Climate change mitigation.

- Affected IROs

- Non-repayment of loans in the commercial portfolio due to the difficulties faced by the companies to which loans have been granted in adapting to transitional climate risks (laws, technologies, customer preferences, etc.).
- Progressive exclusion from the market of those participants with a higher physical and/or transitional risk.
- Adaptation problems of some companies, especially employment-generating SMEs, to the new environmental requirements.

[E1-4] Targets related to climate change mitigation and adaptation

As indicated in section E1-1, the Entity has been working on climate-related targets. With the reduction of the operational or own carbon footprint there is an annual target, while for the invested and financed carbon footprint the calculation and establishment is progressing.

- Reduction of own or operational carbon footprint by 5% per year (base year 2023).

Emissions (Tn CO2 eq)	2023	2024	2025	2030	2035	2040	2045	2050
Objective	3,411.1	3,066.8	2,913	2,217	1,365	511	0	0
Actual emissions (Scope 1, 2 and 3)	3,228.2	3,531.15 ¹	-	-	-	-	-	-

- (1) In 2024, the target of a 5% reduction in operational CO₂ emissions has not been achieved, mainly due to increased mobility of the workforce. At the time of drafting this report, corrective measures are being analysed and assessed in order to meet next year's target.

- Reduction of the financed and invested carbon footprint (also explained in E1-6).

Sectors to decarbonise	tCO2/unit (2023)	Goal 2030	Goal 2050
Residential mortgages	24.6 kgCO2/m ²	-19.3 %	-69.6 %
Commercial mortgages	98.5 kgCO2/m ²	-29.4 %	-29.4 %
Energy	640 tCO2/€M	-41.3 %	-100 %
Steel	0.96 tCO2/t-steel	-12.9 %	-35.6 %
Aviation	1.47 tCO2/RTK	-44.4 %	-80.7 %
Fossil fuels	108 tCO2/€M	-16.4 %	-62.4 %

- Related sub-topics:

- Climate change mitigation.
- Adapting to climate change.

- Related IROs:
 - Adaptation problems of some companies, especially employment-generating SMEs, to the new environmental requirements.
 - Contribution towards a more sustainable economy supporting those sectors/companies that generate sustainable products and services.
 - Progressive exclusion from the market of those participants with a higher physical and/or transitional risk.
 - Non-repayment of loans in the commercial portfolio due to the difficulties faced by the companies to which loans have been granted in adapting to transitional climate risks (laws, technologies, customer preferences, etc.).
 - Lower valuation of the mortgage portfolio due to inefficient housing that loses value in the market and needs to be refurbished in order to be sold or rented.
 - Increased difficulties for customers to repay mortgage loans on homes with poor energy ratings, due to possible increases in energy costs for cooling or heating homes.
 - Financing for companies to enable them to transition to more environmentally sustainable models.
 - Financing for companies to enable them to transition towards models with a lower environmental impact.
- Establishment of a limit of 12% of total lending to companies with climate and risk.
 - Affected sub-subtopics:
 - Climate change mitigation.
 - Affected IROs
 - Non-repayment of loans in the commercial portfolio due to the difficulties faced by the companies to which loans have been granted in adapting to transitional climate risks (laws, technologies, customer preferences, etc.).
 - Progressive exclusion from the market of those participants with a higher physical and/or transitional risk.
 - Adaptation problems of some companies, especially employment-generating SMEs, to the new environmental requirements.

- Establishment of a 35% limit for financing mortgages for homes with less efficient energy ratings as a percentage of the total mortgage investment.
 - Affected sub-subtopics:
 - Climate change mitigation.
 - Affected IROs
 - Non-repayment of loans in the commercial portfolio due to the difficulties faced by the companies to which loans have been granted in adapting to transitional climate risks (laws, technologies, customer preferences, etc.).
 - Progressive exclusion from the market of those participants with a higher physical and/or transitional risk.
 - Adaptation problems of some companies, especially employment-generating SMEs, to the new environmental requirements.

[E1-5] Consumption and energy mix

The Entity does not disclose information on this sub-subtopic because it is not material, as indicated in disclosure requirement E1-IRO1.

In compliance with Law 11/2018, energy consumption is published.

Energy consumption:

Energy (Gj) (all LABORAL Kutxa and staff)	2024	2023
Electricity	39,457	38,238
Diesel	11	14.4
Propane	0.39	0.39
Energy consumption A	39,468	38,252
Energy consumption/pers.	16.53	17.14
External energy consumption B (displacement petrol)	21,909	20,738
Energy intensity*	25.7	26.43

* Total energy consumption (including internal A and external B) divided by total number of employees

Significant efforts have been made in recent years to improve energy efficiency:

- The introduction of a geothermal installation to air-condition the Central Services.
- The construction of a biomass plant to meet the heating needs of the biomass. Both systems have made it possible to eliminate climate control using fossil fuels.
- Renovation of insulation (low emissivity glass), installations (LED) and machinery to increase the efficiency of air conditioning and lighting, both in the Central Services buildings and in the network of branches.

[E1-6] Gross GHG emissions from Scopes 1, 2, 3 and Total

FINANCED AND INVESTED CARBON FOOTPRINT (category 15 Investments)

In addition to the operational carbon footprint, category 15 of scope 3, which refers to investments, is also disclosed. Due to its weight in financial institutions, this data is disclosed separately.

Within the investment category, the financed and invested carbon footprint of the entity will be taken into account, which correspond to the GHG emissions of the downstream stages of the value chain. It is divided into six different sections: corporate loans, government loans, mortgage loans, corporate bonds, equities and sovereign debt.

In addition to the information on tCO₂ and the amount considered for each item, the tCO₂/€M for each item will also be disclosed.

It is worth mentioning that some of the items do not take into account 100% of the scope. As in the case of loans to public administrations, those with an exposure of less than €100,000 are excluded as they lack materiality.

In addition, for those counterparties for which the carbon footprint is unknown, *proxies* are used to calculate it from their CNAEs.

FINANCED AND INVESTED CARBON FOOTPRINT FOR 2024	tCO ₂	€	tCO ₂ /M €
Corporate loans	1,193,204	3,054,909,766	392
Loans to Public Administrations	205,672	856,255,385	240
Mortgage loans	103,388	9,872,033,738	10
Equities	16,797	30,077,608	558
Private fixed-income	1,156	128,250,000	9
Government bonds	822,305	5,879,184,235	140
TOTAL	2,342,522	19,820,710,732	118

The calculation of the financed and invested carbon footprint (scope 3, category 15) for the year 2023 is also shown below:

INVESTED AND FINANCED CARBON FOOTPRINT FOR 2023	tCO ₂	€	tCO ₂ /€M
Corporate loans	367,170	937,007,513	392
Loans to Public Administrations	231,664	940,294,230	246
Mortgage loans	105,305	9,901,273,412	11
Equities	43,409	320,462,691	135
Private fixed-income	10,559	99,766,542	106
Government bonds	955,816	6,886,845,050	139
TOTAL	1,713,923	19,085,649,437	90

As can be seen, the carbon footprint has increased, both in terms of tCO₂ and tCO₂/€M. However, it is worth mentioning that in 2024 a higher amount has been taken into account, with an additional € 735,061,295, with the item that has increased the most in this respect being related to corporate loans. This is because the data available from counterparties has increased, and comparisons cannot be entirely homogeneous.

Regarding the methodology applied for the financed and invested emissions, the PCAF (Partnership for Carbon Accounting Financials) methodology has been used. Specifically, for the calculation of financed emissions, the process has been approached from the perspective of understanding the composition of the different portfolios considered relevant in terms of financing and investment, considering the adaptation to the different products offered, as well as the need to assess the related issues from a sectoral perspective. For the latter, a system of equivalences between sectors and CNAE codes has been developed, as this system is considered to be the most widespread when classifying the economic activities financed. A limitation has been identified in linking ISIN codes and sectors, so the methodology assumes that most institutions will have undertaken or will undertake a process of mapping this system to CNAE as an internal taxonomy of their investments.

COMPANY			YEAR	YEAR
LABORAL Kutxa			2024	2023
Summary of GHG emissions				
Scope	ID	Type of activity	t CO ₂ e	t CO ₂ e2
DIRECT EMISSIONS	A1.1	Stationary sources	30.32	30.75
Scope 1	A1.2	Mobile sources		
	A1.3	Fugitive emissions	141.98	86.38
	A1	Scope 1 - Total	172.30	117.13
INDIRECT EMISSIONS	A2.1	Electricity consumption		
	A2	Scope 2 - Total		
INDIRECT EMISSIONS	A3.1	Purchased goods and services	395.62	402.37
Scope 3	A3.4	Upstream transportation and distribution	61.74	84.25
	A3.5	Waste generated in the activity	0.67	0.77
	A3.6	Business travel	937.16	888.64
	A3.7	Employee commuting	1,963.67	1,735.04
	A3	Scope 3 - Total	3,358.86	3,111.07
		Total emissions	3,531.16	3,228.20

With regard to the methodology used for the calculation of the operational footprint, as mentioned above, a project to develop a methodology and a calculation tool suitable for the characteristics of the financial sector was launched at the end of 2022. For the calculation of the so-called operational carbon footprint, the following reference frameworks were used:

	Reference framework
Scope 1	<i>Greenhouse Gas Protocol Corporate Standard</i>
Scope 2	<i>Scope 2 Guidance</i>
Scope 3 (excluding investment)	<i>The Corporate Value Chain (Scope 3) Accounting and Reporting Standard and Technical Guidance for Calculating Scope 3 Emissions</i>

The operational carbon footprint of an entity is based on the total GHG emitted by direct or indirect effect as a result of its operations.

Organisational boundaries

Organisational boundaries are defined as the facilities, organisations and companies that are included in the calculation due to their control. Financial institutions may be composed of more than one facility, so the organisational boundaries whose emissions will be accounted for in the GHG inventory must be clearly defined. In the present case, all the GLK facilities and persons are concerned.

Operational boundaries

After setting organisational boundaries, these should be set by identifying the types of GHG emission sources from one's own operations, and which ones will be included in the calculation. These emissions shall be classified as direct and indirect emissions and for each of the three scopes.

Choice of calculation period and base year

Financial institutions must define for which year their emissions will be calculated and reported. In addition, entities must choose and report a base year for which reliable emissions information is available. The objective is to establish a comparison with oneself by analysing the evolution of emissions over a time series. In the case of the GLK, the calculation period is the calendar year and 2022 has been chosen as the base year.

Collecting activity data and searching for emission factors

In order to calculate the carbon footprint, it is necessary to know two parameters: the activity data and the emission factor.

Activity Data (AD)	Emission Factor (EF)
The Activity Data (hereafter, AD) is a quantitative measure of a GHG-generating activity. For example: amount of energy consumed (kWh), km travelled, raw material consumption, etc.	The Emission Factor (hereinafter, EF) is the amount of GHG emitted per unit of “activity data”. These data vary depending on the activity concerned. Indicates how much a process or product pollutes per unit consumed.

The mathematical formula used to calculate an organisation’s GHG emissions consists of a multiplication involving both AD and EF.

Globally, emissions results for all GHG emissions have been standardised in a unit called CO2eq. This unit does not only quantify CO2 emissions, but represents the emissions of all GHGs emitted.

Generally, for emissions where there is a chemical transformation process (Scope 1 stationary and mobile combustion and Scope 2 emissions), EFs in units of CO2eq/pc are used. The calculation is therefore as follows:

Formula

Huella de Carbono = Dato de la Actividad x Factor de Emisiorn

When the EF in units of CO2eq/pc is not available, it is necessary to use the EF in units of GHG quantity/unit. To obtain the emissions in units of CO2eq, it is necessary to multiply the result by the Global Warming Potential (hereafter, GWP). This parameter indicates the contribution of each GHG to global warming by reference to CO2, whose GWP is equal to 1.

The resulting formula is as follows:

Emisiones GEI(tn CO2eq) = DA(ud) x FE(tn GEI/ud) x PCG(tn CO2eq/tn GE)

For cases where there is no chemical transformation (fugitive emissions of refrigerant gases), the calculation methodology is to obtain the emission data (amount of refrigerant gas leaked) and then multiply it by the GWP for that refrigerant gas. The formula is as follows:

Emisiones GEI(kg CO2eq) = DE(kg GEI) x PCG(kg CO2eq/kg GEI)

Once the unit calculation of emissions is available for each source in units of tonnes CO2eq, all emissions in the same category (direct emissions, indirect emissions from energy and other indirect emissions) shall be summed up.

In order to ensure the success of non-financial verification and/or audit processes, the concept of uncertainty should be defined. This refers to the inherent error in the calculations of the parameters considered for the calculation of the carbon footprint. For its calculation, a normal statistical distribution of the variables is assumed.

Scope 1

Scope 1 covers emissions of gases that are due to the combustion of fuels in machines (boilers, furnaces, etc.); combustion of fuels from the organisation's vehicle fleet; or fugitive emissions of refrigerant gases in air conditioning equipment.

Financial institutions base their main activity on branches, so their direct emissions are very limited. Direct emissions are mainly those controlled by the entity such as refrigeration equipment or rental vehicles.

Scope 1 emissions shall be calculated on the basis of purchased quantities of commercial fuels (natural gas, diesel, petrol, etc.) using the reference emission factors. The current methodology considers those published by MITECO in order to address the relevant calculations.

As a first step, the organisation should carry out the exercise of identifying its direct Scope 1 emission sources and classify them as follows: stationary sources, mobile sources or fugitive emissions.

Stationary sources

Stationary sources are characterised by the combustion of fuels at a fixed point as part of an installation (e.g. boilers), without changing location and being stationary. Gaseous emissions may be due to the combustion of fuel in boilers, furnaces, ovens, cookers, etc.

In the case of the GLK, this includes diesel used for the generator sets and propane gas for the kitchen, both from the central services. They are obtained through the environmental programme certified with the ISO 14001 standard and audited annually by AENOR. The source of the emission factors are the MITECO emission factors and the IPCC 2006 guidelines. There are no regulated emissions under emission trading schemes.

Mobile sources

Mobile sources include all forms of transport and motor vehicles, as well as temporary sources⁸ that change location. For most entities, this calculation will refer to the consumption of those vehicles for which they are responsible for fuel costs. This includes both owned vehicles as well as those leased, rented, etc.

In the case of the GLK there are no mobile sources as there are no vehicle fleets.

Fugitive emissions

Fugitive emissions are emissions resulting from intentional or unintentional releases (e.g. equipment packaging) and emissions of hydrofluorocarbons (hereafter, HFCs) during the use of air conditioning and refrigeration equipment.

In the event of the entities having refrigeration and/or air-conditioning equipment, it is necessary to know the type of refrigerant gas or mixture of refrigerant gases (referred to as a preparation) consumed by the equipment and to have a record of the quantity (kg, g, etc.) of gas that has been recharged into each piece of equipment during the study year. The amount of gas that escaped during the exercise equals the amount of gas that is recharged during the exercise.

The GWP values for refrigerant gases are included in the IPCC Fourth Assessment Report, 2007 and approved on 11/12/2011 by the UNFCCC and are available in Appendix II of the guide for Carbon Footprint Calculation from an organisation of the Ministry for Ecological Transition and Demographic Challenge (hereafter, MITECO).

In the case of the GLK, the F-Gas charges of the air-conditioning units are recorded in the maintenance application, differentiating the type of gas used.

Scope 2

Scope 2 covers indirect GHG emissions from the consumption of purchased electricity, steam or heat. The activity data is the consumption of electricity⁹ from external suppliers during the year for which the calculation is being made. Therefore, the data to be used are the kWh reflected in the electricity bills of the year in question.

In the case of the GLK, all electricity is purchased from renewable sources, so Scope 2 emits no GHGs.

Scope 3

Scope 3 emissions include indirect emissions that are a consequence of an entity's activity but are associated with sources that are not owned or controlled by the entity.

Taking Scope 3 emissions into account means considering GHG emissions along the value chain and product portfolio of financial institutions to comprehensively manage GHG-related risks and opportunities. In other words, both upstream emissions (related to the purchase of goods or services) and downstream emissions (related to the sale of goods or services) are considered.

Scope 3 emissions are mainly calculated from data provided by service providers that are directly related to specific activities in the entities' value chain.

This may be the case for Category 1: Goods and services procured - in relation to contracted services for the control of the entity -, or Category 5: Waste generated in the activity. However, data may also come from internal surveys, such as those on employee mobility (fuel consumed and kilometres travelled), as is the case in category 7: Employee commuting. The emission factors used are from official sources.

Among the categories under Scope 3, a selection has been made on the basis of a rationale of impact. To this end, within the framework of the methodological development, an analysis of the reporting practices of the participating institutions, as well as of relevant national and international institutions, has been included.

The categories are:

Category	Breakdown	Formula
Category 1. Goods and services procured	Volume (m ² /kg/units) of material purchased by the financial institution for the course of its daily business in its premises or branches. Also electricity consumption associated with the contracting of external services outside the entity's control to support the course of its daily activities.	$\sum (\text{Volume per Type of Material Purchased} \times \text{Emission Factor}) + \sum (\text{Energy Consumption of Contracted Services} \times \text{Emission Factor})$
Category 4. Upstream transportation and distribution	Distance travelled (km) associated with the inter-office mail transport system between facilities/branches of the entity, to ensure the course of its daily activity.	$\sum (\text{Distance Travelled} \times \text{Emission Factor})$
Category 5. Waste generated in the activity	Volume (kg) of waste generated in the financial institution's premises/branches during the course of its daily business.	$\sum (\text{Volume per Waste Type} \times \text{Emission Factor})$
Category 6. Business travel	Distance travelled (km) and/or fuel consumed by employees, derived from travel involved in business trips. Also number of nights spent in hotels, associated with the same casuistry.	$\sum (\text{Distance Travelled per Transport Type} \times \text{Emission Factor}) + \sum (\text{Fuel Consumed per Fuel Type} \times \text{Emission Factor}) + \sum (\text{No. of Overnight Stays per Country} \times \text{Emission Factor})$
Category 7. Employee commuting	Distance travelled (km) and/or fuel consumed (l) by workers to get to their place of work.	$\sum (\text{Distance Travelled per Transport Type} \times \text{Emission Factor}) + \sum (\text{Fuel Consumed per Fuel Type} \times \text{Emission Factor})$

Category 1: Goods and services procured

The category refers to emissions from goods and services purchased by the financial institution that are used in the performance of its activities

Emission source	Description	Unit of measurement	Source of activity data
Water	Water consumption associated with the financial institution's facilities and branches	m3	Purchase invoices
Paper	Acquisition of paper associated with the daily activities carried out in the financial institution's facilities and branches	kg	
Black toner	Purchase of ink cartridges for the performance of the daily activity in the financial institution's facilities and branches	units	
Colour toner	Purchase of colour ink cartridges for the performance of the daily activity in the financial institution's facilities and branches	units	
External services for the control of the entity	Energy consumption associated with the outsourcing of services for the control of the entity (DPC (Data Processing Centre), servers, cloud, etc.)	kWh	Service providers

The following elements of the environmental programme have been incorporated in the GLK:

- Water consumed
- Total paper consumed
- Black toner

Category 4: Upstream transportation and distribution

This category includes emissions associated with the internal transport and distribution of materials between its facilities and/or branches by inter-office mail transport system (post, other physical courier, etc.). The Methodology's External Data Source (Inputs) is DEFRA.

The total number of kilometres covered by the inter-office mail service provided by the external service provider has been used.

Category 5: Waste generated in the activity

The emissions in this section are related to the waste generated by the activities of the entities and include all of these, i.e. packaging waste, paper and cardboard, glass, lamps, batteries, hazardous waste and waste electrical and electronic equipment (hereinafter, WEEE).

The Methodology's External Data Source (Inputs) is: OCCO and MITECO

Two types of waste have been used:

- The paper and cardboard of the environmental programme
- Kgs of WEEE reported by the two waste management companies.

Category 6: Business travel

This category includes the emissions associated with the organisation's business trips, specifically those derived from air, train, taxi and overnight stays. The Methodology's External Data Source (Inputs) is the IDAE.

Three sources are used:

- Kilometres travelled by taxi drivers with whom transport agreements have been established.
- The kilometres paid in the settlement of expenses (per diems) incurred by staff in the course of their work.
- Emissions from air and train journeys arranged through a travel agency with which an agreement is in place and which provides an emissions certificate.

Category 7: Travel of employees to their job location

Emissions in this category are associated with employees' commuting from their homes to the workplace (internal transport or in itinere commuting), which includes employees' journeys by: car, shared transport, public transport and train. The data source is also the IDAE.

In the case of the GLK, the results of a mobility survey conducted in 2022 among the entire workforce are used. The survey results provide information on the different types of mobility used: individual car, car sharing, public transport, motorbike, walking... with average distances from home to work. This distribution is extrapolated to the entire workforce. The mobility survey will be updated in 2025.

No information is disclosed for categories 2, 3, 8, 9, 10, 11, 12, 13 and 14 due to the characteristics of the financial and insurance business which do not generate issues in these categories. There are no entities with operational control outside the consolidated group.

The percentage of emissions calculated using primary data obtained from suppliers or other value chain partners in 2024 is 1.17%.

The **intensity** of the greenhouse gas emissions (GHG):

GHG intensity	2024	2023
Operational emissions	3,531.15	3,228.20
Financed and investment emissions	2,342,522	1,713,923
Sum total	2,346,053.15	1,717,151.20
Total assets (thousands of €)	26,775,875	26,053,051
Intensity	87.6	65.9

Measured as total CO2 emissions per net income (total assets).

[E1-7] GHG phase-out and GHG mitigation projects financed by carbon credits

The LABORAL Kutxa Group does not apply GHG phase-out or GHG mitigation projects financed through carbon credits.

[E1-8] Internal carbon price

The LABORAL Kutxa Group does not apply internal carbon pricing systems.

[E1-9] Expected financial impacts of material physical and transitional risks and potential climate-related opportunities

The Entity does not provide prescribed information on the expected financial effects of material physical and transitional risks and potential climate-related opportunities in this first year of preparing the sustainability statement, in accordance with Appendix C of the CSRD.²

In compliance with Law 11/2018, information is published on resources dedicated to the prevention of environmental risks and the amount of provisions and guarantees for environmental risks.

Direct costs allocated to the environmental management system	2024	2023
Maintenance of the EMS (1)	1,857	1,089
Waste management (2)	4,496	1,563
Environmental promotion	5,907	8,724
Measurements (discharge)	-	599
Total in €	12,310	11,975

(1) IZAITE and legal requirements.

(2) Removal of Paper, oil and Safety Advisor

These expenses are those directly managed by the Environmental Committee and do not include costs managed by specific departments or any investments made. **Seguros Lagun Aro** does not have specific items for this purpose.

Nor is it considered necessary to make provisions or guarantees for direct environmental risks.

² The company may omit the information prescribed in NEIS E1-9 in the first year of preparing its sustainability statement. The company may comply with NEIS E1-9 by disclosing only qualitative information, during the first three years of preparing its sustainability statement, if it is impossible to prepare quantitative disclosures.

NEIS E2-Pollution

[[IRO-1] Description of the processes for identifying and assessing climate-related impacts, risks and opportunities

This information is described in section NEIS2-IRO1.

NEIS E3- Water and marine resources

[[IRO-1] Description of the processes for identifying and assessing the impacts, risks and opportunities related to water and marine resources.

This information is described in section NEIS2-IRO1.

In compliance with Law 11/2018, the water consumption of the Central Services (not the branch network) is published

Water consumption (m3) at Headquarters*	2024	2023
Water consumption (1)	7,932	5,850

*Given that the data for the 4th quarter is not available at the close of this report, the data for the last quarter of the previous year and the first three quarters of the reported year are used to calculate this volume.

NEIS E4-Biodiversity and Ecosystems

[[IRO-1] Description of the processes for identifying and assessing the impacts, risks and opportunities related to water and marine resources.

This information is described in section NEIS2-IRO1.

NEIS E5-Use of resources and circular economy

[[IRO-1] Description of the processes for identifying and assessing the impacts, risks and opportunities related to the use of resources and circular economy.

This information is described in section NEIS2-IRO1.

In compliance with Law 11/2018, the following information is added:

The correct management of waste is carried out as part of the environmental certification. In addition, the most relevant waste, paper to be recycled and toner, are managed centrally for all work centres. The most significant waste related to our activity are indicated below:

Waste	Unit	2024	2023
Cardboard and paper waste	Kg	103,055	79,240
Scrap	Kg	83,820	80,720

The main used resource considered in the environmental programme is paper:

Kilograms/Group	2024	2023
Advertising paper	54,458	63,832
Branch paper	209,205	205,250
Total paper consumed	263,663	269,082

Given the activity carried out, food waste is not relevant. In 2020, however, an online booking system for access to the Central Services canteen was implemented, which allows the number of meals prepared daily to be adjusted.

Taxonomy Regulation (EU)

The Entity discloses information related to taxonomy and GAR (green asset ratio) according to its best understanding of Regulation 2020/852 and of Delegated regulations (EU) 2021/2178, 2021/2139, 2023/2485, 2023/2486.

In addition, in accordance with Article 10 of Delegated Regulation 2021/2178, the Entity shall disclose information related to the trading portfolio as of 1 January 2026.

According to Delegated Regulation 2021/2178, Appendix V states that “*the GAR shall be based on the exposures and the balance sheet according to the scope of prudential consolidation...*”, and therefore in the following tables only information relating to the LABORAL Kutxa entity will be shown.

The ultimate objective of these regulations is to know what part of the assets of financial institutions can be considered environmentally sustainable, according to the criteria of the environmental taxonomy. To this end, a total of 28 templates have been disclosed, of which four refer to the templates of the previous year (T-1). Below, first the summaries of the most relevant templates will be displayed with their qualitative explanatory part. And then, in Appendix I, all templates will be shown in full.

Most of these templates have to be disclosed in terms of both capex and turnover. 15 of them relate to on-balance sheet assets of financial institutions, 4 relate to off-balance sheet assets and 9 relate to specific information on nuclear or natural gas related activities.

All these templates contain a wealth of information. However, as mentioned above, for a better understanding, some of them will be shown below in summarised form, showing only the most relevant information and qualitative explanations.

It should be noted that in the templates where both capex and turnover information is disclosed, only capex information will be shown in this summary.

With regard to the objectives of environmental taxonomy, there are 6 different ones:

1. Climate change mitigation.
2. Adapting to climate change.
3. Pollution prevention and control.
4. Transition to a circular economy.
5. Sustainability and protection of water and marine resources.
6. Protection and restoration of biodiversity and ecosystems.

The Entity has established the above order of precedence with respect to these objectives.

Finally, it is worth noting that the Entity faces difficulties in establishing strategies to increase the assets on its balance sheet in line with the taxonomy. These difficulties are particularly evident on the business side, where, with many small and medium-sized companies (SMEs) in its portfolio, most of them are far from the criteria of the environmental taxonomy, making it difficult for the Entity to establish relationships with these counterparties or to take these criteria into consideration when designing new products. On the other hand, as far as mortgages are concerned, the Entity is taking steps to increase the financing of homes that could fall within the technical taxonomy criteria, such as improving by 2 p.p. the *pricing* of mortgages with the best energy certificates.

GAR 001-003

GAR 001 and 003 are grouped together in the same template because they refer to the same information: The Entity's assets that are eligible or aligned with the environmental taxonomy. The difference is that GAR 001 is reflected in the form of an amount, while GAR 003 is in the form of a percentage.

Million euros	GAR001	GAR003
Total assets Laboral Kutxa	27,487	
Assets eligible for the GAR	17,769	100
Assets eligible for taxonomy	10,244	57.65 %
Assets aligned with taxonomy	842	4.74 %

As of 31/12/2024 the Entity has assets valued at 27,487 million euros. However, there are a number of assets such as central government and supranational issues; exposure to central banks; and trading book that are not included in the GAR calculation. These items add up to 9,718 million euros, bringing the eligible assets for the GAR to 17,769 million euros.

Of these, it is worth mentioning that there are a number of assets which, although they are eligible for GAR, can in no case be either eligible or aligned. This includes non-financial reporting companies (mostly small and medium-sized enterprises (SMEs)), counterparties in non-EU countries not subject to disclosure requirements under the NFDR, interbank overnight loans and cash and cash-linked assets.

For the Entity, all these items represent a large amount, specifically 6,534 million euros, as SMEs are highly representative in its balance sheet.

Among the eligible assets, 10,244 million euros can be recorded, most of which are related to the climate change mitigation objective, as this objective has been prioritised. This figure corresponds to 57.65% of the assets eligible for GAR.

Within the eligible assets, there are four distinct items. The most representative item is the one referring to households, amounting to 10,037 million euros. Within households, the most important item is considered to be loans secured by residential real estate, i.e. mortgages. However, there is also a small amount for car loans.

This is followed by non-financial companies, repos and financial companies, with amounts of 121, 47 and 39 million euros, respectively.

Finally, there are the taxonomy-aligned assets, which are those that can be considered truly environmentally sustainable due to meeting the technical selection criteria. For the Entity, these assets amount to 842 million euros, representing a ratio of 4.74%.

In this respect, it is important to note that the Entity has encountered difficulties in gathering the necessary information to assess the alignment of different items. For example, one could mention the case of car loans, which could not be considered as aligned at all.

A breakdown of aligned assets shows that 770 million euros corresponds to mortgages, which means that 7.67% of mortgages are aligned. This alignment is based on the Entity's interpretation of Article 7.7 of Appendix 1 of Delegated Regulation 2021/2139. Information has also been obtained from both internal and external sources.

At the same time, the alignment ratio for non-financial companies is 7.45% (70 million euros), while the alignment ratio for financial companies is only 0.94% (2 million euros). This company information is extracted from a sectoral project where public information disclosed by companies is collected.

A comparison with the previous year's data, disclosed in the GAR 001 T-1 templates, shows that eligibility stands at 10,294 million euros, while alignment stands at 665 million euros. Therefore, it can be seen that both eligibility and alignment have increased. The increase over the alignment is 177 million euros.

GAR 002

GAR 002 refers to the breakdown of one of the items of GAR 001. Specifically, it refers to non-financial companies which are obliged to report non-financial information and which are eligible for taxonomy. GAR 002 is a breakdown of these companies by their NACE. These would be Laboral Kutxa's data:

NACEs (millones de euros)	Elegibles para taxonomía	Alineados con taxonomía
1039 - Otro procesado y conservación de frutas y hortalizas	1	0
1061 - Fabricación de productos de molinería	1	0
2540 - Fabricación de armas y municiones	3	0
2611 - Fabricación de componentes electrónicos	1	0
2815 - Fabricación de cojinetes, engranajes y órganos mecánicos de transmisión	1	0
2822 - Fabricación de maquinaria de elevación y manipulación	1	0
3020 - Fabricación de locomotoras y material ferroviario	43	33
4110 - Promoción inmobiliaria	10	0
4213 - Construcción de puentes y túneles	1	0
4222 - Construcción de redes eléctricas y de telecomunicaciones	1	0
4621 - Comercio al por mayor de cereales, tabaco en rama, simientes y alimentos para animales	4	0
4711 - Comercio al por menor en establecimientos no especializados, con predominio en productos alimentarios	16	15
6820 - Alquiler de bienes inmobiliarios por cuenta propia	2	0
9999 - NACEs no incluidos en Taxonomías	35	22
TOTAL	120	70

As can be seen, the most representative NACEs for both eligibility and alignment are the following:

- Manufacture of locomotives and railway stock (3020).
- Retail trade in non-specialised shops (4711).

Compared to the previous year, while alignment remains stable, eligibility has decreased by 20 million euros. As regards the most significant NACEs, there is no change, since the previous year 3020 and 4711 were also the most significant NACEs.

GAR 005

The various GAR005 templates require data from two different items: Financial guarantees and assets under management.

It should be noted that, with regard to assets under management, for 2024 the Entity has encountered limitations and has not been able to gather information on this item, as was done in 2023. It is therefore not possible to make a comparison between the two years.

NUCLEAR AND NATURAL GAS TEMPLATES (N&G)

In relation to specific information on natural gas and nuclear related activities, which are specified in Delegated Regulation 2022/2014, nine templates are published in this respect. These templates are as follows: GAR NyG 001, GAR NyG 002 Capex/Turnover, GAR NyG 003 Capex/Turnover, GAR NyG 004 Capex/Turnover, GAR NyG 005 Capex/Turnover.

These templates show that the Entity, while not having any exposures associated with nuclear activities, does have exposures to two of the fossil gas activities. These exposures amount to 625,517 euros, all of which is considered as eligible under taxonomic activities 4.29 and 4.31. At the same time, it should also be mentioned that this entire amount is considered as non-aligned. All this information has also been obtained from a sectoral project.

SOCIAL INFORMATION

NEIS S1-Own personnel

[SBM-2] Stakeholders' interests and views

This information is described in section NEIS2-SBM2.

[SBM3] Material impacts, risks and opportunities and their interaction with the strategy and business model

Following the dual materiality assessment process specified in NEIS 2-IRO 1, within the sub-topic own personnel, material impacts and risks have been identified in the sub-subtopics working conditions, and equal treatment and opportunities for all, specifically:

Sub-topic	Impacts	Risks
Working conditions.	Worsening of staff welfare due to inadequate working conditions. Improved staff welfare through optimal working conditions.	
Equal treatment and opportunities for all.	That the workforce is conditioned by their gender, origin, race, sexual orientation or any other aspect.	Loss of motivation and productivity in the workforce because they feel conditioned by their gender, origin, race, sexual orientation or any other aspect.

Regarding the interaction of these IROs with the strategy and business model with the Entity, the following is disclosed:

LK's staff is mainly made up of cooperative members, in line with our vocation to generate cooperative employment. Exceptionally, we use other types of contracts for recruitment and/or training, in order to respond to the necessary adaptation and learning periods for people, or to deal with temporary workload situations, because our Articles of Association do not contemplate fixed-term contracts. These additional figures to the working partner, such as employees, represent around 10% of the total employment of the Entity.

As mentioned in the previous section, membership of the cooperative involves a dual role, as a professional and as a cooperative member, and we therefore differentiate between two areas of participation:

- institutional or social, power-sharing, which is structured through the General Assembly, the Governing Board and the Social Board, and

- participation in management, which, in turn, requires: the development of appropriate mechanisms and channels for participation, transparency of information, the practice of consultation and negotiation methods for decision-making, and the systematic implementation of training plans.

And, in addition, we share in the profits or losses. Working people are the main creditors when it comes to distributing the wealth generated. Part of the available business surpluses are distributed in the form of returns to the cooperative members in proportion to the work performed or the cooperative activity.

The Mondragon Cooperative Experience implies the acceptance of a democratic organisation that takes the form of:

- The Sovereignty of the General Assembly composed of the entirety of the members, where each member shall have one vote.
- The democratic election of the governing bodies and specifically of the Governing Board (the Assembly elects the Governing Board), and the appointment, through the Governing Board, of the General Management, to which the strategy and management of the Entity is delegated.
- The CEO is assisted and advised by a Board of Directors.
- The election of the Social Board, a body for the permanent participation of the worker community in the management of the cooperative, through:
 - Advising workers on standards, decisions of the Governing Board and the executive management.
 - Information to the partners on important decisions of the Governing Board and the executive management, and to the former regarding the concerns, suggestions and proposals of the partners.
 - Negotiation, in matters referred to in collective bargaining regulations.
 - Social Control, on agreements and decisions.

A basic principle is sufficient and solidarity-based remuneration for work. Sufficient, in accordance with the real possibilities of the cooperative and solidarity, materialised in:

- the existence of a solidarity-based framework of internal remuneration for work, through the establishment of a remuneration range that limits the consumption advances of each worker-member to a ratio of 1.30 (minimum remuneration) to 8.25 (highest remuneration), with the average rate for the cooperative being 2.40.
- internal remuneration should be comparable with that of salaried workers in the sector. Solidarity is further emphasised in managerial positions (rates above 3), which have lower levels of remuneration than those received by other professionals of equivalent responsibility, and which in the most senior positions can reach up to 50%

Concern for the promotion of equality is a principle rooted in our origins that has gradually taken the form of a commitment through the various equality plans that have followed one after the other since 2008. During 2024 we have undertaken an ambitious diagnostic task, both quantitative and qualitative, which has taken shape in the V Equality Plan that will be developed over the next 4 years.

To this end, we have an active and stable structure, adequate financial resources and the commitment of Management.

Throughout the four previous plans, we have worked to increase the participation of women in positions of responsibility and today we are an equal organisation (51% women) where the presence of women in the highest professional categories has increased to 30% of the members of the Board of Directors, 36% of branch management and 50% of the Governing Board, among others.

In addition, we have worked on developing a more androgynous leadership style, improving women's perception of their leadership capacity, generating changes in their identities, beliefs, values and attitudes, and raising men's awareness of the unequal opportunities among women and men to access positions of responsibility and the need for them to accompany women in this cultural change in the organisation.

The V Equality Plan, which is about to be launched, sets new challenges and objectives so that we may continue to be a benchmark and promoter of equality.

No material IROs on child and forced labour are observed.

[S1-1] [MDR-P] Policies related to own personnel

LABORAL Kutxa has several policies to promote adequate working conditions and equal treatment and opportunities for all its own personnel. They address issues related to good working conditions: employment security, working time, adequate wages, social dialogue, participation of workers' representatives, health and safety and work-life balance.

With regard to equal treatment and opportunities for all, the Entity promotes gender equality, diversity, equal pay and training, development and promotion of its own personnel, regardless of gender, race and ideology.

The policies described below relate to the two sub-topics identified as material:

- Working conditions.
- Equal treatment and opportunities for all.

Given the Group's scope of action, exclusively in Spain, there are no policies related to human rights and its own personnel. It is considered that compliance with current legislation, reinforced in this case by the legal form of a worker cooperative, does not require it. For the same reason, the policies detailed below have not taken into consideration the Guiding Principles of the United Nations nor do they contemplate forced or child labour.

Therefore, all detected IROs are also affected by:

- Worsening of staff welfare due to inadequate working conditions. (Impact)
- Improved staff welfare through optimal working conditions. (Impact)
- That the workforce is conditioned by their gender, origin, race, sexual orientation or any other aspect. (Impact)
- Loss of motivation and productivity in the workforce because they feel conditioned by their gender, origin, race, sexual orientation or any other aspect. (Risk)

Recruitment policy

- It relates to adequate working conditions (secure employment, adequate wages...) and equal treatment and opportunities for all (equal pay for work of equal value, training and skills development...).
- The policy addresses issues such as the remuneration scheme and the training and career development plan for new recruits.
- Description of the main contents of the policy:
 - The policy is developed with scrupulous respect for national and international labour regulations.
 - It excludes the possibility of discrimination. Equality plans are available to address this risk.
 - It establishes different incorporation itineraries according to the professional profile of the person to be incorporated.
 - It establishes the criteria for action in contractual matters for new recruits.
 - It establishes the remuneration criteria for new recruits.
 - It establishes the criteria for training and professional development for new recruits.
- The policy is approved by the Governing Board, with a favourable position of the Social Board (workers' representation).
- The policy is recorded in the relevant minutes of the plenary session of the Social Board.

Occupational health & safety policy

- It relates to the protection of workers' health, the prevention of accidents, the promotion of the health and well-being of the workforce, as well as appropriate working conditions.
- The policy is part of the health and safety management system. The system is ISO 45001 certified and is audited annually by AENOR.
- Description of the main contents and commitments of the policy:
 - The identification, assessment and effective control of work-related risks in order to protect the health, safety and well-being of all personnel and the sustainability of the workplace.
 - The development of health promotion activities that disseminate healthy lifestyles, promote a culture of physical activity and enhance personal relationships.
 - The information and training of all personnel with regard to occupational hazards and the measures necessary for their prevention.
 - The integration of occupational health and safety criteria into the Entity's activities and at all hierarchical levels, promoting a preventive culture through the education and training of workers, and allowing their participation in the identification of possible improvements that make workplaces increasingly safer and more comfortable.
 - Compliance with applicable legal requirements on occupational health and safety.
- The policy was approved by the Governing Board, with prior validation by the Health and Safety Committee, where there is an equal composition of the workforce.

Recruitment, selection and internal mobility policy

- It relates to equal treatment and opportunities for all (gender equality, promotion and development of skills...).
- It addresses the criteria for attracting and recruiting people, establishes the procedure and tools for selection processes and promotes internal mobility through public offers for all members.
- Description of the main contents of the policy:
 - It encompasses the systems, processes and tools related to recruitment, external selection and internal mobility: Partnerships with universities, collaboration with external professionals, publication of advertisements on the web, phases of selection processes, tests in selection processes, etc.

- It explicitly addresses equal opportunities.
- It explicitly excludes discrimination based on gender, race and ideology.
- It explicitly promotes the promotion of diversity and inclusion.
- Its scope reaches all people.
- The policy is approved by the Human Resources Committee.
- It respects both internal regulations and external labour legislation.

Remuneration-assessment policy

- It relates to adequate working conditions (adequate wages, social dialogue...) and equal treatment (equal pay for work of equal value).
- It deals with the general remuneration system and also with the treatment of specific situations. It also establishes the assessment procedure and the bodies involved in this assessment, giving an important role to the Social Board (workers' representation).
- Description of the main contents of the policy:
 - Basis of the remuneration system: general concepts, provision advance, consumption advance, extraordinary payments, seniority bonus, etc.
 - Treatment of specific situations: overtime, night work, public holidays, job changes...
 - Bodies in the assessment procedure: Governing Board, Director General, Social Board and the Assessment Committee.
 - Procedure for assessment and allocation of rates.
- The policy covers all members.
- The policy is approved by the Governing Board, subject to a prior favourable report of the Social Board (workers' representation).
- The policy is published on the Cooperative's Intranet.

Internal rules of procedure

- It relates to adequate working conditions (working time, social dialogue, freedom of association, the existence of workers' representation, collective bargaining, work-life balance...) and equal treatment and opportunities for all (equal pay for work of equal value, training and skills development...).

- It addresses issues such as: the composition and competences of the workers' representation (Social Board), working days and hours, leave of absence, training and promotion of members and the regulation of strikes.
- Description of the main contents of the policy:
 - The composition of the Social Board (workers' representation) and its competences are established.
 - It establishes the regulatory framework for working days and hours, as well as bank holidays, days off and holidays.
 - Paid and unpaid leave is established to promote work-life balance.
 - The different types of leave available to members are regulated.
 - The requirements for the promotion of training and professional advancement of the members are regulated.
 - Strike actions are regulated.
 - The Regulation is in line with both national and international law.
 - It explicitly promotes the promotion of diversity and inclusion.
- The Regulation applies to all members.
- It is approved at the General Meeting.
- It is published on the Cooperative's Intranet.

Application requirements S1-1 AR 14 and AR 17 a), b), c), d), e), f), g) and h) are omitted due to being voluntary under the CSRD.

[S1-2] Processes for collaboration with workers themselves and workers' representatives on impacts

As specified in section S1-1, the processes described below encompass all sub-topics and impacts detected as material in the dual materiality process, in particular:

- Affected sub-topics:
 - Working conditions.
 - Equal treatment and opportunities for all.
- Affected impacts:
 - Worsening of staff welfare due to inadequate working conditions. (Impact)

- Improved staff welfare through optimal working conditions. (Impact)
- That the workforce is conditioned by their gender, origin, race, sexual orientation or any other aspect. (Impact)
- Loss of motivation and productivity in the workforce because they feel conditioned by their gender, origin, race, sexual orientation or any other aspect. (Risk)

Laboral Kutxa's social activity, given its status as a Credit Cooperative, is carried out in two complementary areas:

- ⇒ Institutional sphere, or the expression of the social will through the Basic Norms, the General Assembly and the Resources Committee, as a substitute body for the General Assembly in certain functions established in the Basic Norms.
- ⇒ Social and labour relations sphere, or the organisation of people and the harmonisation of individual and group interests, through the joint action of executive and social bodies such as the Board of Directors, the Social Board and the Governing Board.

In the field of social and labour relations, therefore, workers have at their disposal a social body such as the Social Board. This is a body for the permanent participation of the worker-members in the cooperative, representing the worker-members as workers before the internal governing bodies and acting as a spokesperson for the aspirations of these members. The members of the Social Board are responsible for gathering, channelling and dealing with any concerns or suggestions that may arise within the scope of the people they represent.

These concerns or suggestions are received directly from the workers or through regular meetings in which the social counsellors inform the rest of the staff of the issues they are dealing with and listen to their needs.

The basic functions of the Social Board are advisory and information, negotiation and social control. Likewise, and within the scope of its competences, the Social Board shall have the power of initiative to intervene in those matters it considers to be of interest to the people it represents.

It establishes the actors that will participate in the process - Governing Board, Executive Board and Social Board- and their functions, the matters to be negotiated (remuneration, working time, functional mobility, geographical mobility, compensation of expenses, training grants, assistance grants, etc.) and an annual negotiation procedure.

It also establishes the mechanisms for action in situations of non-agreement and non-compliance with the agreements reached.

With regard to the personnel of Caja Laboral Bancaseguros S.L.U. (CLBS, a company which is wholly owned and operated by LABORAL Kutxa), all of whom are employees, the working conditions are set out in its own collective agreement, which was renewed in 2024, and in the general labour legislation. This agreement, which governs the professional and labour aspects that directly affect the group of workers, has a significant level of convergence with the labour regulations and procedures of LABORAL Kutxa.

Application requirements AR 25 and AR 26 are omitted as they are voluntary under the CSRD.

[S1-3] Processes for redressing negative impacts and channels for workers themselves to raise concerns

As specified in section S1-1, the processes described below encompass all sub-topics and impacts detected as material in the dual materiality process, in particular:

- Affected sub-subtopics:
 - Working conditions.
 - Equal treatment and opportunities for all.
- Affected impacts:
 - Worsening of staff welfare due to inadequate working conditions. (Impact)
 - Improved staff welfare through optimal working conditions. (Impact)
 - That the workforce is conditioned by their gender, origin, race, sexual orientation or any other aspect. (Impact)
 - Loss of motivation and productivity in the workforce because they feel conditioned by their gender, origin, race, sexual orientation or any other aspect. (Risk)

With regard to adequate working conditions and equal treatment and opportunities for all, the Social Board performs a social control function, carrying out adequate control over all the agreements and decisions adopted, and their compliance, usually through participation alongside management in the monitoring committees that establish these agreements.

In particular, it ensures compliance with the policies and measures adopted in order to permanently improve labour relations, participation systems and the channels for adequate and sufficient information for the social and labour community.

In addition to the above, the Social Board has, with regard to adequate working conditions and equal treatment and opportunities for all, decision-making powers such as:

- Resolve appeals on disciplinary proceedings for labour offences, except in the case of expulsion, subject to the presentation of the corresponding appeal by the member in question.
- Cancel, except in the case of expulsion, and at the request of the concerned party, the part of the outstanding sanctions, or the annotations of past sanctions, of members who in its opinion have been rehabilitated.
- Mitigate the general conditions for the granting of voluntary leave of absence to working partners and to resolve any incidents that may arise in connection therewith.
- Ratify the assessments presented by the Director-General, as proposed by the Assessment Committee, in relation to the structural rates.
- Decide on the personal appeals that may be lodged in relation to the structural assessment, based on the assessment criteria used.

Finally, it should be noted that a URL link has been included on the home page of the Laboral Kutxa corporate website, under the heading “Whistleblowing Channel”, which allows access to the Internal Reporting System through the EQS Integrity Line tool. This is a channel for submitting complaints of various natures, including labour incidents, and is also the database where all complaints received are recorded, as well as any decision and/or action taken in relation to them. It is the tool to be used by the Ethics Committee to organise and document the performance of its tasks.

Similarly, Seguros Lagun Aro has set up a URL link on the home page of its corporate website, under the heading “Whistleblowing Channel”, which allows access to the Internal Information System through the same tool as in Laboral Kutxa and which is also managed by the Insurance Company’s Ethics Committee.

Application requirements AR 29 and AR 30 are omitted as they are voluntary under the CSRD.

[S1-4] [MDR-A] Adoption of measures on material impacts on own personnel, and approaches to manage material risks and take advantage of related material opportunities and effectiveness of such measures

The impacts, risks and opportunities of own personnel are:

- Worsening of staff welfare due to inadequate working conditions. (Impact)
- Improved staff welfare through optimal working conditions. (Impact)
- That the workforce is conditioned by their gender, origin, race, sexual orientation or any other aspect. (Impact)
- Loss of motivation and productivity in the workforce because they feel conditioned by their gender, origin, race, sexual orientation or any other aspect. (Risk)

The measures adopted are:

Psychosocial risks

- A psychosocial risk assessment of own personnel has been carried out. The assessment was carried out by an external company, spanning two phases, one quantitative and one qualitative.

Diagnosis of the corporate culture

In 2025, a new edition of the survey on corporate culture will be carried out to compile the perception of workers on different cultural elements or levers. This edition of the survey has been aligned with the reflection on the Zentzua purpose in order to find out what is the predominant culture in the cooperative in relation to the desired culture according to Zentzua. The survey provides a picture of the situation of the workforce. Once the data has been analysed and conclusions have been drawn, lines of work in areas that may be misaligned will be incorporated into the 2026 management plans.

Percentage of TCA (employees) less than 20% in Laboral Kutxa

- This measure aims to have a TCA (employees) percentage significantly below the limit set by legislation. This is an objective set out in the Recruitment Policy.

[S1-5] [MDR-T] Objectives related to the management of negative material impacts, the promotion of positive impacts and the management of material risks and opportunities

Psychosocial risks

- Conduct training on the prevention of psychosocial risks with psychologists. The Zainduz healthy business programme will be used to organise them.
- Conduct training on the management of difficult customer situations by Stimulus experts.

Diagnosis of the corporate culture

- Targets will be set after analysis of the data.

Percentage of TCA (employees) less than 20% in Laboral Kutxa

The percentage will be measured on a monthly basis and an annual discharge will be made to the Social Board (workers' representation).

[S1-6] Characteristics of the Group's employees

Throughout the following tables the gender distribution is only between female and male. The information recorded is exclusively that of their DNI documents.

Table 1 Total employees by gender as at 31/12/2024

Number of people	Female	Male	Total
	1,303	1,085	2,388

Not broken down by country as all employees are in Spain

Table 2 Type of employees as at 31/12/2024

Contract type	2024		Total
	Women	Man	
Number of employees	1,303	1,085	2,388
Number of employees with a permanent contract	1,138	974	2,112
Number of specific employees	165	111	276
Number of non-guaranteed hours of specific employees	0	0	0
Number of full-time employees	1,242	1,076	2,318
Number of part-time tie employees	61	9	70

Table 3: Total number and distribution of employees by gender, age and occupational classification as at 31/12/2024.

EMPLOYEES	2024		2023	
	Women	Men	Women	Men
Gender distribution	1,303	1,085	1,245	1,064
Age distribution	1,303	1,085	1,245	1,064
Below 30 years	183	154	136	136
Between 30 and 50 years	605	416	634	441
Over 50	515	515	475	487
Distribution by professional category	1,303	1,085	1,245	1,064
Directors	14	38	14	34
Managers	147	239	144	247
Technicians	779	600	748	577
Admin. staff	363	208	339	206
TOTAL EMPLOYEES	2,388		2,309	

Information provided to comply with Law 11/2018

Table 4 Total number and distribution of employment contract modalities as at 31/12/2024

EMPLOYEES	2024		2023	
	Women	Men	Women	Men
Distribution by Employment Contract Modalities	1,303	1,085	1,245	1,064
Specific_ Full-time	164	109	171	150
Specific_ Part-time	1	2	3	1
Permanent_ Full-time	1063	966	990	905
Permanent_ Part-time	75	8	81	8
TOTAL EMPLOYEES	2,388		2,309	

Information provided to comply with Law 11/2018

ANNUAL AVERAGE	2024									
	Women					Men				
	Specific		Indefinite		Total	Specific		Indefinite		Total
	Full-time	Part-time	Full-time	Part-time		Full-time	Part-time	Full-time	Part-time	
Age distribution	164	1	1,063	75	1,303	109	2	966	8	1085
Below 30 years	137	1	45	0	183	94	2	58	0	154
Between 30 and 50 years	27	0	515	63	605	15	0	395	6	416
Over 50	0	0	503	12	515	0	0	513	2	515
Distribution by professional category	164	1	1,063	75	1,303	109	2	966	8	1085
Directors	0	0	14	0	14	0	0	38	0	38
Managers	0	0	147	0	147	0	0	239	0	239
Technicians	48	0	680	51	779	46	1	548	5	600
Admin. staff	116	1	222	24	363	63	1	141	3	208

Information provided to comply with Law 11/2018

The average headcount in 2024 is 2,344 employees (2,093 in 2023), the averages are not broken down by gender, age and professional distribution as there are no significant fluctuations in staff between year-end and annual average.

Table 5 Employee turnover rate

	Number of people
Voluntary Resignation	21
Voluntary Leave	1
Retirement	29
General total	51

Turnover Rate: $51/2388 = 2\%$

We take into account retirements (excluding those on time off), voluntary departures (excluding those on voluntary leave) and voluntary leaves of absence. We do not take into account other types of leave of absence or end of contract.

In 2023 and 2024 there have been no redundancies in the Group companies.

[S1-7] Characteristics of non-salaried employees in the company's workforce

The Entity, in accordance with Appendix C³ of the CSRD, omits the reporting of all data points in this disclosure requirement in the first year of preparing its sustainability statement.

[S1-8] Collective Bargaining and Social Dialogue Coverage

The working conditions of all Laboral Kutxa's own personnel are determined by agreements adopted between the Management and the Workers' Representation.

In the Cooperative, the collective bargaining procedure explained in section S1-2 is followed, and in the insurance companies there are collective bargaining agreements negotiated and agreed between management and the corresponding Works Councils.

Collective bargaining falls within the scope of social and labour relations and it is the responsibility of the three bodies mentioned above to carry out bargaining on the matters specified in the Internal Regulations on Collective Bargaining. Once action in the framework of collective bargaining has been exhausted without resolving the conflict of interests, the social body may initiate action in the institutional sphere.

The aforementioned Internal Regulations, therefore, regulate the Collective Bargaining process by which the working conditions of the members are established, as well as the social guarantees that ensure their application.

As for the insurance companies, Seguros Lagun Aro maintains a fluid relationship with the Workers' Legal Representation (R.L.T.). A new statutory agreement was negotiated in 2022 for the period 2022-2025.

The Group does not have agreements with its employees for representation by a European Works Council.

³ The company may omit the reporting of all data points in this disclosure requirement in the first year of preparing its sustainability statement.

Table 8: Collective bargaining and social dialogue coverage 2024

Coverage percentage	Caja Laboral Coop. Crédito ¹	Seguros Lagun Aro S.A.	Caja Laboral Banca Seguros S.A.
0-19%			
20-39%			
40-59%			
60-79%			
80-100%	X	X	X

(¹) It has labour standards, 90% of its employees are members.

[S1-9] Diversity metrics

Table 9: Diversity

Senior Management ¹	Female	Male	Total
Distribution by number	3	7	10
Percentage distribution	30 %	70 %	0.42 %
¹ In Senior Management only the parent company is taken into account			
Employees	Female	Male	Total
< 30 years	183	154	337
	54 %	46 %	14 %
Between 30 and 50 years of age	605	416	1021
	59 %	41 %	43 %
> 50 years	515	515	1030
	50 %	50 %	43 %
Total	1,303 55 %	1,085 45 %	2,388 100 %

[S1-10] Adequate wages

The Minimum Inter-professional Wage in 2024 in Spain was set at €1,134 gross per month in 14 payments.

The lowest salary at LABORAL Kutxa corresponds to rate 1 with €1,446.37 gross per month in 14 payments.

The lowest salary in SLA corresponds to level 7B- A1 with €1,570.75 gross per month in 14 payments.

The lowest salary in CLBS corresponds to rate 1 with €1,446.37 gross per month in 14 payments.

The following table shows the remuneration of the members of the Board of Directors and the Managing Directors (including the Chairman) for their work as working partners.

Table 10: Remunerations Board and Senior Management (requirement Law 11/2018)

LK Item (thousands of euros)	2023	2024
Total remuneration for their work (4 executive directors) ¹	535	405
Remuneration Board of Directors (10 in 2024 and 9 in 2023)	1,497	1,616
Total	2,032	2,021
Average remuneration per person (14 in 2024 and 13 in 2023)	156.3	144.4

Aside for this remuneration, the members of the Governing Board are remunerated through attendance allowances, except for its Chairman. 95 thousand euros in the financial year 2024 and 93 thousand euros in the financial year 2023.

Average receipt of Council per diems	2024	2023
By Gender		
Women	6,495	8,022
Men	5,409	5,216

For the total of the Board's per diems, all persons who have served on the Board throughout the years 2023 and 2024 are considered.

Average remuneration of the Board of Directors	2024	2023
By Gender		
Women	147,408.7	128,756
Men	170,544.4	157,753
Total	163,603.7	148,088

To calculate the average remuneration of senior management, only the parent company, Laboral Kutxa, which includes a total of 10 people, including the chairman, is considered. In 2023 there were 9 people. Only information from the parent company is provided.

Table 11: Remuneration of employees (requirement Law 11/2018)

Average remuneration	2024	2023
By Gender		
Women	49,034	46,602
Men	56,238	52,861

	2024		2023	
By Age	Female	Male	Female	Male
< 30 years	26,498	30,614	23,743	25,051
Between 30 and 50 years	47,216	59,710	46,615	51,936
> 50 years	53,484	66,789	53,130	61,464
By Professional category	Female	Male	Female	Male
Directors	112,959	102,670	95,266	104,986
Managers	72,466	73,451	65,779	67,754
Technicians	48,382	53,992	47,158	49,878
Admin. staff	30,400	48,552	35,221	34,754

[S1-11] Social protection

All of Laboral Kutxa's own personnel are covered by Social Security. The working partners pay contributions to the Self-Employed Workers' Regime, while employees pay contributions to the General Regime.

This means that working people are protected against major life events such as illness, unemployment, accidents at work and acquired disability. In addition, all own personnel have parental leave and the right to a retirement pension.

As regards the organisation of working time:

Work-life balance measures

The Internal System Regulation provides measures to reconcile personal and working life, as a way to alleviate, through permissions and/or specific leave, difficulties experienced by members of staff in meeting urgent family needs. They refer to aspects of working hours, remote working, paid and unpaid leave, as well as flexible working hours in Central Services and extending the possibilities of taking paid and unpaid leave.

Flexible working hours

All those who regularly work in the Central Services, both at Headquarters and in the Territorial Directorates, can take advantage of the flexible schedule system in terms of arriving and leaving. Since 2019, in order to facilitate work-life balance and encourage co-responsibility between parents, the working hours of these members of staff have been flexible. The company has now switched to a monthly calculation of hours, with a daily minimum of 5.15 hours of work and flexible entry and exit times. At the same time, members with children under 12 years of age and/or people dependent on them due to age or illness may, upon request and approval, extend the entry time until 9.30 a.m.

In addition, in 2022 the new agreement on flexible working was implemented. According to which, the Central Services and Territorial Directorates may have 1 or 2 days of flexible work, depending on whether their home is within 25km of the place of work. Subsidiaries will have the option to work 10 flexible days per year.

Lastly, there are currently no policies in place regarding work disconnection.

[S1-12] Persons with disabilities

Table 12: Persons with disabilities

This is the number of people with a disability in the Group for whom information is available, as at 31/12/2024.

Number of persons with disabilities	Female	Male	Total 2024
Degree between 33% and 65% with support		1	1
Degree between 33% and 65%	9	15	24
Degree equal to or greater than 65%		2	2
Total	9	18	27

People with disabilities in 2024 account for 1.1% of the workforce.

In 2023 there were 26 people, 1.1% of the workforce.

[S1-13] Training and competence development metrics

Training, preparation and the development of people's skills are a strategic pillar for the organisation. The Training Plan for the year 2024 has reflected the main training guidelines and programmes.

The main objective of the Training Plan was to further develop the training of people in the knowledge and skills necessary to ensure the success of the *core* business through:

- Strategic training programmes: insurance, commercial, off-balance sheet business, business skills.
- Specialised training programmes in the different business areas and in regulatory requirements.
- Regulatory and policy training: accreditations and continuous refresher training.
- Cooperative education and training programmes.

In addition to continuing with training initiatives to transform the Entity, developing the necessary skills for the future in an increasingly digital and changing environment, such as digital skills, *data analytics* digital security, artificial intelligence (AI), agile methodologies...

All of this to progress towards a more agile and dynamic organisational learning model in which people are capable of adapting to the new skills required at any given time and in which we ensure that everything we learn is transferred to our work activity and to the business.

On the other hand, the Plan has been approached with a Group vision, integrating the people of Seguros Lagun Aro in the cross-cutting actions, according to the diagnosis of training needs carried out jointly.

Based on the 2024 Training Plan and adding training requests received during the year, the data on training hours per employee and by gender are as follows:

Table 13: Training

Average hours of training by gender	Men	Women	Total
Average hours*	47.89	38.62	86.51

**To calculate the average hours, the total hours during 2024 have been considered across the average number of employees distributed by gender*

Hours of training by professional category and gender	2024			2023		
	Men	Women	Total	Men	Women	Total
Directors	3,168	1,363	4,531	2,243	594	2,837
Managers	19,660	12,232	31,892	17,320	10,458	27,778
Technicians	51,481	68,958	120,440	47,602	62,758	110,361
Admin. staff	20,888	35,496	56,385	20,039	27,796	47,834
Total	95,197	118,050	213,247	87,204	101,606	188,810

Information provided to comply with Law 11/2018

In terms of professional and personal development, LABORAL Kutxa has a system called ONENAK BIDEAN aimed at the entire LABORAL Kutxa Commercial Network.

This system facilitates the evolution of the professional performance of each of the people who make up the network in a homogeneous manner and aligned with the roles and the commercial and managerial dynamics that are to be promoted within the framework of the commercial excellence model.

In the year 2024, these are the people who have participated in Onenak Bidean:

The employees who have completed the full performance assessment process are: **1,320**, representing **55.3%** of the total workforce (performance assessment are carried out by the commercial network)

[S1-14] Health and safety metrics

LABORAL Kutxa has an Occupational Health and Safety Management System (hereinafter OHS) according to ISO 45001, certified by AENOR. LABORAL Kutxa is a member of the Osarten Joint Prevention Service. In 2024 this certification has been renewed for the next three years. To achieve the objectives defined in the Occupational Health and Safety Policy (OHS), the activities are planned annually in the OHS Management Plan. Within the Management System, among others, there are procedures for hazard identification and risk assessment, accident investigation and health surveillance.

The Health and Safety Committee is a Joint Committee with equal representation, which is also attended by the Director of the People and Media Management Department and the Company Doctor. The Chairman of this Committee is one of the workers' representatives (Prevention Officer). This Committee meets at least once a quarter, and everything discussed in its meetings is recorded in minutes, which are made available to everyone on Giltzanet (intranet). All people are covered by this Committee.

As part of the recruitment process, there is an occupational health and safety training module that explains the organisation of the system, the main risks and preventive behaviours.

In 2024, a two-hour mandatory training for all staff on Occupational Health and Safety was introduced. This basic training module has since been incorporated into the training itinerary for new recruits. Similarly, training on ergonomics, general and specific risks and evacuation plans is provided during risk assessments and regular medical examinations.

Lagun Aro has its own Management System, with procedures similar to those of LABORAL Kutxa for hazard identification and risk assessment, accident investigation and health surveillance covering the entire workforce, with a joint Health and Safety Committee with staff representation.

Data on occupational accidents by gender ¹	Men	2024 Women	Total	Men	2023 Women	Total
Number of recordable occupational accidents of own workforce	18	15	33	16	18	34
Frequency index ²	5.869	1.173	3.976	1.019	1.019	2.038
Severity index ^{3 4}	0.218	0.049	0.141	0.194	0.838	0.491

¹ Information provided to comply with the explicit requirements of Law 11/2018.

² Frequency index: (Number of accidents resulting in sick leave/ Number of hours worked)*10⁶

Number of hours worked: Number of employees* 1,700 h.

³ Severity index: (Number of days lost*100)/Number of hours worked

⁴ The number of days lost is estimated for 2023, this calculation has been obtained via the following estimation: total hours of absence / 8 hours

Health and safety metrics	Women	Men
Percentage of own workforce covered by a health and safety management system based on legal requirements and/or recognised standards or guidelines.	100 %	
Number of fatalities in own workforce as a result of work-related injuries and illnesses	0	
Number of fatalities as a result of work-related injuries and work-related diseases of other workers working on the Entity's premises	0	
Number of recordable occupational accidents of own workforce.	18	15
Index of recordable occupational accidents of own workforce.		
Frequency index	5.803	1.173
Severity index	0.277	0.051
Number of recordable cases of poor health of employees	0	
Number of days lost due to work-related injuries and fatalities due to occupational accidents, work-related diseases and deaths due to employee-related illnesses	540	83
Percentage of own workforce that is covered by a health and safety management system based on legal requirements and (or) recognised standards or guidelines and that has been internally audited and (or) audited or certified by an external party.	100 %	
Number of recordable cases of poor health among former own workers	0	
Number of hours of absenteeism	150,950	67,636

[S1-15] Reconciliation metrics

All of Laboral Kutxa's own personnel are entitled to unpaid leave for family reasons as well as leaves of absence for family reasons.

Childbirth and childcare leave (persons who have taken paternity and maternity leave in 2024:

Childbirth and childcare leave	No. of persons	Percentage of people
Female	22	1.7 %
Male	27	2.5 %

[S1-16] Remuneration metrics (pay gap and total remuneration) - general

Gender pay gap, Wage gap

	2024	2023
Annual Gap*	12.89 %	11.84 %

(*) To calculate the annual pay gap, the average of male pay minus female pay divided by male pay is used. The average gross hourly wage of wage earners is not being calculated, as the CSRD indicates due to not estimating hours worked by type of working day.

Ratio of the total annual remuneration of the highest paid person to the median total annual remuneration of all employees (excluding the highest paid person).

% Total Annual Remuneration	4.39
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Methodology: for the calculation of the median, the total remuneration received during the year by each person has been taken without taking into account the number of annual days worked or the percentage of working hours.

[S1-17] Serious human rights incidents, complaints and impacts - general

Existing whistleblowing channels have been described in SBM-2 and S1-3. In 2023 and 2024, 13 communications were received, of which only 3 were accepted and resolved without sanction. No complaints or queries were received in 2023 or 2024 through the channel for Lagun Aro.

In addition, in 2023 and 2024, no labour incidents or grievances or serious human rights-related incidents among the workforce, as well as related fines, sanctions or materiality-related compensation have been detected.

NEIS S2-Employees of the value chain

[SBM-2] Stakeholders' interests and views

This information is described in section NEIS2-SBM2.

[SBM-3] Material impacts, risks and opportunities and their interaction with the strategy and business model

The process for identifying and assessing the impacts, risks and opportunities related to the sub-topic of workers in the value chain was based on an internal and external analysis of the LABORAL Kutxa Group (GLK), where the sub-subtopics that make up the sub-topic of workers in the value chain were analysed: working conditions, equal treatment and opportunities for all and other labour rights; taking into consideration both their own processes and those of the value chain.

In the internal analysis, 12 internal documents of the GLK related to sustainability were assessed. While the external analysis has taken into consideration 5 components: market trends; regulatory analysis; competitor benchmark; experts and analysts, impact on the value chain. As explained above, the process has included stakeholder consultation.

After the assessment of all these elements, it is concluded that none of the sub-topics of the workers in the value chain sub-topic are material for the GLK.

Information required by Law 11/2018

LABORAL Kutxa, aware of the importance of supply chain management in the field of sustainability, is making progress in adapting to the regulations that apply to it and which, among other aspects, aim to manage the risks that may be involved in working with suppliers and outsourcing services. In 2021, the update of the Delegation of Services Policy (also known as the outsourcing policy) was approved. In addition, an organisational unit with the status of a section called Third Party Management was created, which centralises and is responsible for the management of suppliers in order to ensure the application of this Policy. The policy has been further updated and approved in 2024.

In 2023 the Governing Board approved the LABORAL Kutxa Group's Sustainable Procurement Policy. Among other aspects, this policy aims to ensure a dynamic of continuous improvement of the procurement process based on the principles of sustainability, as well as to integrate ESG criteria in decision-making during the selection of our suppliers.

In 2024, in addition to updating the Delegation of Services Policy, the Third Party Management section has continued to analyse more and more supplier companies under the provisions of the aforementioned policies. In this regard, the models used and tools available for communicating with suppliers have been updated. Among those used are:

- Ethics Code of LABORAL Kutxa: which must be signed by suppliers. If any of them do not sign it, they are asked for their code of ethics so that LABORAL Kutxa can validate that it is in line with its standards.
- Supplier Information Request: a tool used for the approval of suppliers. It includes three specific sections on sustainability.
- Characteristics of the Service: focused on the identification of subcontracting or risks, such as the place from which the service is provided, associated with the contracting to be carried out.

These three elements serve to identify and manage supplier risks. Once these documents have been responded to, they are analysed by the departments responsible for the identified risks, which are responsible for verifying and, if necessary, establishing mitigating actions to be able to take on the contract.

All these questionnaires are sent to each supplier upon contracting a new service or renewing an existing one. At the same time, they are being sent to 'old' suppliers, even if the service is not renewed, in order to have as much information as possible on all of said suppliers.

Also, as part of the supplier management project, a channel (e-mail) has been set up for suppliers to contact us to resolve any queries they may have or to report any complaints or concerns.

During 2024, some suppliers have been re-evaluated to bring them in line with new regulatory requirements.

The financial activity that we carry out, as well as our local presence in a very specific territorial area, mean that the risks of managing subcontractors and suppliers are relatively insignificant. During 2023 and 2024 no supplier audits have been carried out.

NEIS S3-Affected communities

[SBM-3] Material impacts, risks and opportunities and their interaction with the strategy and business model

Although LABORAL Kutxa's financial and insurance activity has an impact on society, from the process of analysing material issues, their impacts, risks and opportunities carried out and explained in detail in NEIS2, it can be seen that the sub-subtopics addressed in the sub-topic affected groups are not relevant.

The process to identify and assess the impacts, risks and opportunities related to the sub-topic affected communities was based on an internal and external analysis of the LABORAL Kutxa Group (GLK), where the sub-subtopics that make up the sub-topic affected communities were analysed: economic, social and cultural rights of collectives, civil and political rights of collectives and rights of indigenous peoples; taking into consideration both their own processes and those of the value chain.

In the internal analysis, 12 internal documents of the GLK related to sustainability were assessed. While the external analysis has taken into consideration 5 components: market trends; regulatory analysis; competitor benchmark; experts and analysts, impact on the value chain. As explained above, the process has included stakeholder consultation.

After the assessment of all these elements, it is concluded that none of the sub-subtopics of the affect sub-topic are material for the GLK.

Partnership or sponsorship actions (in compliance with Law 11/2018)

LABORAL Kutxa was founded in the Basque Country as part of a business group with a strong commitment to serving society, whose mission includes the creation of associated and participative work of a cooperative nature, as an essential way of creating wealth and well-being, both among its direct members and in the society in which it is immersed. Therefore, the impacts of the GLK's activity on local populations and on the territory are numerous, the main one being the return to society of part of the profits, in addition to the financing activity itself.

The criteria and mechanisms for the allocation of social assistance are unique:

- Due to its legal nature and its cooperative vocation, LABORAL Kutxa directs a significant part of its humanitarian aid contributions to the promotion of the cooperative world.
- In the distribution of subsidies under one of the headings of the Education and Promotion Fund, the distribution of which corresponds to the institutional bodies of the cooperative, the section known as "General Distribution", one of the organisations that takes part is the Social Council, which is the representative body of the entity's working members.

- In addition, it reserves a specific section for local assistance (Local Distribution), by means of allocations through the branches of LABORAL Kutxa, which steer the aid towards their own areas (neighbourhood associations, nearby educational centres, social action groups, immigrant social assistance centres, etc.).

¿Cómo se reparten los beneficios de LABORAL Kutxa?



The purpose of the Education and Promotion Fund (FEP) is:

- Training and education of the workforce in cooperative principles and values.
- The dissemination of cooperativism, as well as the promotion of inter-cooperative relations.
- The cultural, professional and assistential promotion of the community in general, as well as improving the quality of life and the community development and environmental protection activities.

The purpose of the Intercooperative Social Fund - ISF is, through the Mondragón Foundation:

- Promote business projects and the expansion of cooperatives.

- Among other uses, support for MONDRAGON cooperatives in difficulties, R&D&I projects and training.

Item (thousands of euros)	2023
Charitable contribution to the launch and consolidation of cooperative companies (through MONDRAGON)	21,446
Inter-cooperative Social Fund - FSI (15% of Distributable profit)	21,446
Cooperative Promotion through MONDRAGÓN (68% FEP)	7,785
Other cooperative initiatives and social values	140
Entrepreneurship and Business and Employment Training (<i>Gaztenpresa Foundation</i>)	435
Cultural activities in general and others	551
Promotion of the Basque-language and Basque Culture	709
Welfare institutions and developing countries	607
Agri-food sector	85
Sports activities	643
Gender Equality and Empowerment	134
Environment	122
Education and Promotion Fund - FEP (10% of Distrib. profit).	11,213
Sum FSI+FEP	32,659

In 2024, as a result of a Mondragón project to improve the standardisation of the contributions of the different cooperatives, the concepts of the contributions have changed, and now, in addition to the Mondragón Foundation, the following concepts, including sponsorships, have been addressed:

- Sustainable communities:
 - Euskara
 - Health, Well-being and Sport
 - Culture
 - Climate and Biodiversity
 - Gender and Diversity
 - Poverty and Inclusion
- Education and Training
 - Cooperative Training
 - Educational Centres
 - University
- Innovation and New Activities
 - Innovation
 - Entrepreneurship
 - New Activities

- Promotion of Cooperativism
 - Cooperative Promotion
 - Mondragón Institutions
 - Cooperative Institutions
 - Internationalisation
 - Dimensioning and Diversification
 - Cooperative Solidarity

Item (thousands of euros)	2024
Charitable contribution to the launch and consolidation of cooperative companies (through MONDRAGON)	21,446
Inter-cooperative Social Fund - FSI (15% of Distributable profit)	21,446
Cooperative Promotion through MONDRAGON (68% FEP)	9,175
Sustainable communities	3,518
Education and Training	137
Innovation and new activities	439
Promotion of cooperativism	216
Education and Promotion Fund - FEP (10% of Distrib. profit).	14,297
Sum FSI+FEP	35,743

	2024	2023
Contribution. Funds (FEP and FSI) (thousand €)	35,743	32,659

All of these contributions, sponsorships and partnerships strengthen relations and dialogue with local community actors.

With regard to the Impact of the company's activity on employment and local development, the activity of the Gaztenpresa Foundation stands out. The Gaztenpresa Foundation is a private, non-profit organisation. It is part of LABORAL Kutxa's social work and its purpose is to support the people in our area that would like to learn so that they can have more chance of success, generating wealth through the creation of employment.

The Gaztenpresa Foundation is financed by LABORAL Kutxa and Mondragón Corporation, and on the other hand by the Basque Government (Dept. of Employment and Labour) through Lanbide.

	2024	2023
Gaztenpresa jobs created	696	634
Gaztenpresa companies created	348	320

Tax information

This information is broken down as required by Law 11/2018 (not covered by NEIS)

LABORAL Kutxa exercises its tax obligations in the territories in which it carries out its activity, specifically in the four foral territories and in common territory, thus contributing to the support of public services and the progress of Society.

Profits obtained by country:

	2023	2024
Luxembourg (Lamiak)	-338,814.09	1,270,080.92
Spain	208,443,969.66	254,056,283.70
Consolidated result	208,782,783.75	255,326,364.62

Taxes on profits paid (accrual basis, all in Spain):

	2023	2024
LABORAL Kutxa	€25,948,260.27	€43,004,934.42
Seguros Lagun Aro Vida, S.A.	€2,885,626.26	€1,138,017.22
Seguros Lagun Aro, S.A.	€1,686,236.31	€345,957.40
Caja Laboral Gestión SGIIC, S.A.	€3,068,454.48	€4,015,923.38
Caja Laboral Pensiones GFP, S.A.	€49,067.43	€55,518.96
ISGA Inmuebles, S.A.	€238,074.97	€687,596.38
Caja Laboral Bancaseguros (CLBS) O.B.S.V., S.L.U.	€662,530.57	€448,801.76
TOTAL	€34,538,250.29	€49,696,749.52

Public subsidies received:

	2023	2024
LABORAL Kutxa	275,000	63,171.83
Lagun Aro	-	75,833.54
Lagun Klik	-	21,554.99

NEIS S4-Consumers and end-users

[SBM-2] Stakeholders' interests and views

This information is described in section NEIS2-SBM2.

[SBM-3] Material impacts, risks and opportunities and their interaction with the strategy and business model

This disclosure requirement shall, on the one hand, indicate which impacts, risks and opportunities (IROs) related to consumers and end-users have been identified in the dual materiality assessment process. On the other hand, specific responses will be given to the issues raised in the regulations.

In terms of IROs, of the 3 sub-topics that make up the consumer and end-user sub-topic, impacts and opportunities have been detected in two of them: Incidents related to information for consumers/end-users and Social inclusion of consumers/end-users. Specifically:

Sub-topic	Impact	Opportunity
Incidents related to information destined to consumers or end-users.	Unclear explanations provided to customers, concealment of information or sale of unsuitable products. Clear, precise and transparent explanations to customers about financial products, their conditions and the costs involved.	Customer loyalty by providing clear, precise and transparent explanations of financial products, their conditions and the costs involved. Achievement of a good reputation in society and in the sector for providing clear, precise and transparent explanations to customers about financial products, their conditions and the costs involved. Legal certainty by providing clear, precise and transparent explanations to customers about financial products, their conditions and the costs involved.
Social inclusion of consumers or end-users.	Catering to the needs of any type of customer, regardless of gender, origin, race, age, sexual orientation or any other aspect.	Customer loyalty and retention by meeting their needs regardless of their gender, origin, race, sexual orientation or any other aspect. Gaining more customers by serving their needs regardless of gender, origin, race, age, sexual orientation or any other aspect.

Having mentioned the impacts and opportunities related to consumers and end-users, the following will highlight the aspects of its strategy and business model that are related and can influence them.

To this end, it is essential to mention the Zentzua project (“meaning” in Basque), which is a strategic reflection carried out between 2022 and 2023 to redefine the purpose and legacy, mission and values of the Entity. In other words, the fundamental pillars that will serve to govern the Entity’s strategy and business model in the coming years. Within it, the section on consumers and end-users (referred to as “customers”) has significant presence.

On the mission, the following is specified: *“LABORAL Kutxa and the people who form part of the credit cooperative are committed to offering our customers a close, professional and honest financial and insurance service that helps them to achieve their goals and well-being”*.

As far as values are concerned, some of them also mention the section on customers:

- Honesty

We act with respect towards others in our internal relationships, with our customers and the environment of which we are a part. We build interpersonal relationships based on:

- Transparency.
- Trust.
- Mutual respect.
- Justice.
- Ethical and consistent behaviour.

- Closeness

We believe in the importance of closeness as a basis for building strong and lasting relationships at all levels.

- It allows us to remain connected internally.
- We want to create a banking system that is close to our customers.
- Rooted and involved in the territory.

- Professionalism

We believe in education as a way to positively prepare people to face personal, business and social challenges and to achieve:

- Effective professionals who are constantly developing
- Trust and credibility

- Exercising responsibility in co-ownership.
- Professionally advising customers in conscious decision-making.

Zentzua also has three sections, which are people, customers and society. On the customer section, these are the points mentioned in it:

- We wish to extend our financial and insurance service model to society as a whole:

We are an entity open to the entire society. We wish to extend our financial and insurance services to all those individuals, businesses and companies that may need them in the communities in which we are present. We strive to expand our customer base because we understand that with our products, services and professionalism, as well as our values in dealing with them, we can bring special value to the market.
- We encourage a close, professional and honest long-term relationship:

These are the behaviours we will promote in our relationships, on the basis of which we want to accompany our private and corporate customers throughout their lives, helping them to achieve their goals. We will advise them in an educational manner, so that they may have the necessary criteria for an adequate financial, life and property insurance planning.
- Full availability and accessibility:

We will develop a service whose aim is to make our customers feel that we are always on hand. For this reason:
 - We will provide an adequate network of branches and business hours that will allow us to offer a professional and personalised service.
 - Considering that our customers may require our services at any time and in any place, we are committed to responding to their needs through a combination of physical and digital channels, with automated and personalised services.
 - We will promote stability in our managers' relationships with customers.
 - Our service model will not discriminate against customers for any reason whatsoever.
 - We will have a comprehensive accessibility policy that will pay special attention to groups considered disabled and vulnerable.
 - We will apply policies and resources to provide our service in the language of the customer's choice, while promoting the Basque language in particular in our relations.

- We will foster a people-based relationship, offering a hybrid service of the highest quality:

We aim to combine digitisation with a professional and personal approach, always promoting the latter, even in a digitised environment. Thus, with our digital value proposition we aim to offer our customers agility, competitiveness and operational simplicity; and through the professionals at our branches, physical and emotional proximity, a greater level of personalisation of the service, as well as facilitating accessibility to banking services for groups with lower levels of digital skills.

We want to continue to be the market leader in terms of the quality of face-to-face and digital service.

- Product and price range that is appropriate for the customer:

We will develop a competitive range of products and services, innovating with a customer-focused approach, always with the aim of marketing those that are appropriate to the profile, needs and expectations of each of our customers.

Our product pricing policies and business profitability criteria will incorporate a reasonable balance between delivering value, risk and return.

Finally, the Zentzua project also specifies the actions to be undertaken. In the customer area, the following is detailed *“Develop a guide or similar of the main behaviours in relation to customers and a system for monitoring this, with customer evaluations”*.

As can be seen, all these specifications mentioned above are related to repairing negative impacts and incidences and enhancing the positive impacts and opportunities detected in the dual materiality process.

Once the IROs and their relationship with the Entity’s strategy and business model have been described, the other issues required by the regulations will be addressed:

In the dual materiality process, the Entity has taken into account all consumers and end-users who may be affected by the company. However, for the stakeholder consultations, only the most closely involved stakeholders have been taken into account.

Within the options specified in the standards, the Entity considers that material incidents relate to the following:

- Consumers or end-users of services who may adversely affect their rights to privacy, protection of their personal data, freedom of expression and non-discrimination.
- Consumers or end-users who rely on accurate and accessible information related to products or services, such as product manuals and labels, to avoid potentially harmful use of a product or service.

Also, on the negative incidents, it is considered that they could be generalised incidents.

On the activities giving rise to the positive findings, they are described below in sub-section “S4 – 4”

Regarding the main types of consumers or end-users that are affected within the sub-topic of social inclusion of consumers or end-users, two main types of customers were identified in the diagnosis carried out with Ilunion. On the one hand, customers with some kind of disability, whether physical or cognitive, who may have problems maintaining an appropriate relationship with LABORAL Kutxa through any of its channels, both physical (branch or ATMs) and digital (website or app). In addition, older people who may have difficulties, in many cases similar to those of people with disabilities, were taken into account and participated in the diagnosis.

[S4-1] [MDR-P] Policies related to end-users and end-consumers

Given its activity (financial services and insurance) and scope of action (Spain), the GLK has no established commitments on human rights policies for consumers or end-users. For the same reasons, possible incidents related to the respect of the human rights of consumers or end-users are not covered. Similarly, no significant impacts or risks have been identified in the materiality analysis. S4-3, Processes for remedying negative impacts and channels for consumers and end-users to raise concerns, explains the mechanisms available for engagement with consumers or end-users, which would include measures to provide or enable redress for human rights impacts, if any. No cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises Involving Consumers or End-Users are identified.

In this section, reference will be made to the Entity’s existing policies related to the two consumer and end-user sub-subtopics that have been found to be material in the dual materiality analysis. In addition, the regulations that the Entity complies with in this respect will also be mentioned, as they could play the role of policies:

Sub-subtopic: Incidents related to information destined to consumers or end-users.

- Affected IROs:
 - Unclear explanations provided to customers, concealment of information or sale of unsuitable products. (Positive impact)
 - Clear, precise and transparent explanations to customers about financial products, their conditions and the costs involved. (Negative impact)

- Customer loyalty by providing clear, precise and transparent explanations of financial products, their conditions and the costs involved. (Opportunity)
- Achievement of a good reputation in society and in the sector for providing clear, precise and transparent explanations to customers about financial products, their conditions and the costs involved. (Opportunity)
- Legal certainty by providing clear, precise and transparent explanations to customers about financial products, their conditions and the costs involved. (Opportunity)
- Policies:
 - Policy and procedure for training and accreditation of persons who grant, design, report on or market credit agreements for residential real estate with customers or potential customers.
 - The purpose of this Policy is to establish criteria on the knowledge and skills required of LABORAL Kutxa personnel involved in the design, marketing process, granting, management and fulfilment of real estate loan contracts for customers or potential customers (hereinafter, these personnel shall also be identified as “affected personnel”), as well as on the way in which said knowledge and competences must be assessed and accredited, in compliance with the provisions of Royal Decree 309/2019 and Order ECE/482/2019 of the Ministry of Economy, both published in the BOE of 29 April 2019.
 - Policy and procedure for the training and assessment of persons who inform or advise customers or potential customers.
 - The purpose of this Policy is to establish criteria on the knowledge and skills that LABORAL Kutxa personnel who provide information and/or advise customers or potential customers on behalf of the Entity (hereinafter, such personnel shall also be identified as “**Relevant Personnel**”), as well as on the way in which such knowledge and skills should be assessed and accredited, in compliance with the provisions of the CNMV’s Technical Guide 4/2017. There are no human rights policy commitments for consumers or end-users.

This Policy shall also set out criteria for the knowledge and skills of persons who, while not providing direct marketing and/or investment advice to customers, are involved in product development, documentation or advice to the persons referred to in the preceding paragraph in the following Areas: Business Development Area, Finance Area, Media Area, Risk Area and Social Management Department (hereinafter, this personnel shall also be referred to as **“Other Personnel”**).

- Regulations:
 - Article 3 of RD 565/2017/EU, conditions applicable to the provision of information and articles 44 to 52 related to customer information.
 - Article 200 of Law 6/2023, general duty of information to customers to which institutions are subject.
 - Articles 143 and 144 of RD 813/2023, on the general duty of information and electronic format.
 - Article 4.9 of Royal Decree 1082/2012, of 13 June, on CIIIs.
 - Regulation (EU) 2019/2088, on sustainability disclosures in the financial services sector.
 - Law 35/2003, of 4 November, on Collective Investment Institutions and Royal Decree 816/2023, of 8 November, implementing it.
 - Rule 7 of Circular 4/2008, on quarterly, half-yearly and annual reporting of CIIIs.
 - CNMV Communication of 23 January 2015 on transparency measures in the marketing of CIIIs.
 - Law 5/2021, of 12 April, on capital companies.
 - Circular 7/2011, of 12 December, on tariff prospectus and content of standard contracts.
 - Articles 5, 6 and 9 of Order EHA/1665/2010, 11 June, on the legal regime for investment services firms with regard to tariffs and standard contracts. - Communication from the CNMV on the adaptation of standard contracts to the provisions of Royal Decree 217/2008, of 15 February.
 - Communication from the CNMV on the adaptation of Standard Contracts to the provisions of Royal Decree 217/2008, of 15 February.
 - Order EHA/2899/2011, of 28 October, on transparency and customer protection in banking services.

- Royal Decree-Law 19/2017, of 24 November, on basic payment accounts, transfer of payment accounts and comparability of fees. (Official State Gazette of 25 November).
- Royal Decree-Law 1/2017, of 20 January, on urgent measures for the protection of consumers with regard to floor clauses.
- Order EHA/2899/2011, of 28 October, of the Ministry of Economy and Finance (B.O.E. of 29 October), on transparency and customer protection in banking services.
- Bank of Spain Circular 5/2012, of 27 June (B.O.E. of 6 July), to credit institutions and payment service providers, on transparency of banking services and responsibility in the granting of loans.

Sub-subtopic: Social inclusion of consumers or end-users.

- Affected IROs:
 - Catering to the needs of any type of customer, regardless of gender, origin, race, age, sexual orientation or any other aspect. (Positive impact)
 - Customer loyalty and retention by meeting their needs regardless of their gender, origin, race, sexual orientation or any other aspect. (Opportunity)
 - Gaining more customers by serving their needs regardless of gender, origin, race, age, sexual orientation or any other aspect. (Opportunity)
- Policies.
 - There are no specific policies for this sub-subtopic.
- Regulations:
 - Accessibility Directive 2019/882, with the aim of making products and services provided in the EU more accessible to people with disabilities.
 - Law 11/2023, on the transposition of European Union Directives on accessibility.
 - Royal Decree-Law 19/2017, of 24 November, on basic payment accounts, transfer of payment accounts and comparability of fees. (Official State Gazette of 25 November).

[S4-2] Processes to involve end-users and end-consumers in the impacts

The following will disclose how the Entity collaborates with consumers and end-users in relation to the material impacts or incidences detected in the dual materiality process.

The starting point will be each of the two impacts detected in the dual materiality process. It then explains how the Entity responds to these impacts.

Incidents related to information destined to consumers or end-users.

The Entity has defined a process for listening to customers (explained in section SBM2), but has not defined a process for involving customers and users. The head of the planning, business research and governance section within the business development area is responsible for the listening process.

Catering to the needs of any type of customer, regardless of gender, origin, race, age, sexual orientation or any other aspect. (Positive impact):

S4 SBM2 explains the process that was carried out in 2023 to carry out the comprehensive accessibility diagnosis. The opinion and assessment of people with disabilities (visual, physical and hearing) and old age were taken into account. Their opinion and assessment, together with the criteria of expert consultants, served as a basis for identifying areas for improvement and proposing solutions. The sustainability coordinator within the planning department is responsible for this project.

The proposed actions aimed to ensure an interconnected network of channels covering diversity and guaranteeing access to accessible, personalised and optimised information, based on preferences and needs, leading to accessible, efficient and effective processes, so that users and/or customers can achieve their objectives while interacting with the Entity and defining their experience with it.

The different LABORAL Kutxa departments involved analysed and prioritised the actions proposed by Ilunion according to their importance and feasibility.

[S4-3] Processes to remedy negative impacts and channels for consumers and end-users to raise concerns

Laboral Kutxa has a Customer Care Service as legally mandated by Law 44/2002, of 22 November, on Financial System Reform Measures, in particular:

Article 29. Customer Service Department and Customer Ombudsman. One. Credit institutions, insurance companies and investment services companies shall be obliged to attend to and resolve any complaints and claims that users of financial services may submit, related to their legally recognised interests and rights. To this end, institutions must have a customer service department or service responsible for dealing with and resolving complaints and claims. These entities may, either individually or grouped by branch of activity, geographical proximity, business volume or any other criterion, appoint a Customer Ombudsman, who must be an independent entity or expert of recognised prestige, and who will be responsible for dealing with and resolving the types of complaints submitted to the former's decision within the framework of the provisions of its operating regulations, as well as promoting compliance with the regulations on transparency and customer protection and good financial practices and uses. Two. The Customer Ombudsman's decision in favour of the complaint will bind the institution. This binding shall not preclude full judicial protection, recourse to other dispute settlement mechanisms or administrative protection.

In development of the aforementioned legal precept, the Governing Board approved the Regulations for the defence of customers, published on the website and available to the general public, with direct access on the home page of the website, Customer Service section.

The consumer or end-user has several channels available to access the Service:

- An e-mail address:
- servicio.de.atencion.al.cliente@laboralkutxa.com
- They may submit their complaint or claim directly via their online bank with direct receipt in the mailbox
- At all branches of the commercial network with forms available to the customer
- By ordinary mail

Although the main function is to resolve complaints and claims based on the regulations on banking transparency and good banking practices, submitted by both customers and non-customer users who have contacted the institution, and complying with the provisions of the “Guide on the criteria for the organisation and operation of the customer care services of institutions supervised by the Bank of Spain”, in relation to the monitoring of complaints and claims, with a second line of defence and risk approach:

(...) 6.4. Follow-up and control of complaints and claims

6.4.1. The scope of the complaints and claims assessment process should cover all complaints and claims processed within the institution, regardless of the body that has resolved them.

6.4.2. On the other hand, it is also desirable that, as a result of the analysis, not only the directly affected entity's procedures are corrected so that the detected incidents do not recur, but also to investigate whether such root causes could in turn affect other processes or products, including those for which no direct complaints or claims have been received. (...)

As a result of this analysis, if applicable, a communication is initiated from the Service itself to the areas and departments of the entity, which may be for the purpose of issuing a recommendation or informing of a potential incident.

The non-formal procedure, in fact, starts with direct communication, including to the Regulatory Compliance or, where appropriate, Audit and Legal departments.

And, as a follow-up task once the control procedure has been initiated, the recommendation for compliance control is issued in the same form of communication:

And as a mechanism so that the customer can finally access the Customer Care Service, and can communicate their complaint or claim, there are direct instructions to other customer contact sites with the entity, such as “contact with” and TELEBANKA, so that any incident reported in these spaces reaches our Service, and is not left unanswered or referred for resubmission.

The protection of customer data is guaranteed within the scope of the Entity's Data Protection Policy, and the customer is informed of this in the various forms for accessing the Service.

Customer service (requirement of Law 11/2018):

This Service responds to queries, complaints and claims submitted to it by customers through the various channels set up for this purpose, applicable to Caja Laboral Popular Coop. de Crédito, Caja Laboral Gestión, S.G.I.I.C., S.A. and Caja Laboral Pensiones, G.F.P., S.A.

The official response period is 2 months from receipt of the letter, 1 month if the claimant is a consumer, except in the case of claims relating to payment services, which must be resolved within fifteen business days of receipt, although the Entity is committed to dealing with these matters with the utmost diligence, without exhausting the aforementioned periods.

A total of 52,241 cases were filed in 2024 (24,167 in 2023), of which 47,400 (22,658 in 2023) were admitted for processing and a response was provided. 4,511 cases were not admitted for processing (1,509 in 2023), for the various reasons set out in the Customer Service Regulations as causes for rejection of complaints or claims submitted for processing, leaving 330 cases pending admission at 31 December 2024.

	2024	2023
No. of case files opened		
- In writing: prospectus / letter	44,347	18,978
- Internet	7,226	4,476
- By telephone	0	1
- Public bodies: OMIC / Autonomous Governments	668	712
	52,241	24,167
No. of case files admitted for processing	47,400	22,658
Nature of the Files		
- Complaints	2,133*	3,328
- Claims	49,646	20,722
- Queries	79	11
- Suggestions	42	1
- Letters of congratulation / gratitude	6	4
- Sundry petitions	335	100
- Others	0	1
	52,241	24,167

- Some filters are applied to the initial register of complaints in order to obtain the final number of files of this nature. This is due to the fact that, in some complaints, mainly regarding mortgage clauses, as there is no information that we can include in the mandatory fields required by the application, they are registered as complaints, as it allows the registration, with the main data.
- This is due to the fact that some claims are about loans from the defunct IPAR KUTXA entity, whose coding data are not recognised or are not held in Laboral Kutxa's databases.
- Once we have obtained the data from the application in Excel format with which the information to be reported is managed, taking into account the coding of the complaint, we can compute it by its true nature of complaint, reducing the number of complaints from 4,336 to 2,133, which are really by nature.

	2024	2023
Amounts claimed		
- Amounts relating to cases for which the decision favoured the Entity:	1,239	2,935
- Amounts relating to cases for which the decision favoured the Customer:	21,370	5,374
. Amounts indemnified by the Entity	21,370	5,374
	22,609	8,309

Lagun Aro	2023	2024
Open cases (claims and complaints)	941	1,140
Cases upheld or partially upheld	403	490
CLBS	2023	2024
Open cases (claims and complaints)	1	4
Cases upheld or partially upheld	1	0

[S4-4] [MDR-A] Actions related to end consumers

This section will mention the actions being carried out in each of the two consumer and end-user sub-subtopics that have been found to be material in the dual materiality analysis. No serious human rights issues and cases related to consumers or end-users have been reported. Given the diversity of areas of the organisation that implement actions to manage these two relatively important sub-subtopics, there is no quantification of the resources allocated (capex and opex) to address them, nor an analysis of results.

Sub-subtopic: Incidents related to information destined to consumers or end-users.

- Affected IROs:
 - Unclear explanations provided to customers, concealment of information or sale of unsuitable products. (Positive impact)
 - Clear, precise and transparent explanations to customers about financial products, their conditions and the costs involved. (Negative impact)
 - Customer loyalty by providing clear, precise and transparent explanations of financial products, their conditions and the costs involved. (Opportunity)
 - Achievement of a good reputation in society and in the sector for providing clear, precise and transparent explanations to customers about financial products, their conditions and the costs involved. (Opportunity)
 - Legal certainty by providing clear, precise and transparent explanations to customers about financial products, their conditions and the costs involved. (Opportunity)

The actions adapted, all on a permanent basis, are:

- Presentation of the following information to customers through the Information Prospectus on Caja Laboral Popular Coop. de Crédito and its investment services, in a transparent manner and prior to any procurement:
 - General information about the entity.

- Investment and/or ancillary services
- MiFID customer assessment (suitability and appropriateness)
- Policies related to investment services:
 - Sustainability risk integration policy
 - LABORAL Kutxa's Order Execution and Management Policy
 - LABORAL Kutxa's Asset Safeguarding Policy
 - LABORAL Kutxa's conflict of interest policy
 - LABORAL Kutxa's Incentive Policy
 - Policy on Recording Communications and Conversations with customers
 - Tariff Brochure
 - LABORAL Kutxa's Customer Service Department, where customers can submit their complaints and claims
 - Deposit Guarantee Fund
- The following information is made available to customers:
 - Access to tariff prospectuses.
 - Provision of legal pre-contractual information on the products that are the subject of a recommendation and/or contract.
 - Provision of post-contractual product information: costs and expenses, statements of transactions and positions, tax information, annual performance report, etc.
 - Provision of regular information on investment and market developments.
 - Access to positions, documents, contracts, correspondence, etc. via online banking at any time and free of charge.
- Review of product and service contracts by the Legal Department.
- Annual checks by the Regulatory Compliance department to verify whether processes are being carried out in accordance with the regulations. In the event of incidents, corrective measures are requested. Recommendations are also issued in these controls.
- Monitoring by the Product Committee for the correct marketing of products (that they are marketed to the target audience, assessment of possible reputational, cyber, operational risks...).

- MiFID training required for the commercial network (30 hours per year) for the correct performance of their functions.
- Review by Self-control of all commercial communications for truthful, legal, honest and fair advertising.
- Inform all customers who have taken out a personal loan (regardless of the channel used, whether physical or digital) that they have 15 days to withdraw from the contracted financing, without penalty.
- In mortgage lending, deliver price offers to customers always in the format called "European Standardised Information Sheet - ESIS". Where the common practice is to provide information in a "simulation" or "advertisement" format, which makes it impossible to compare the different offers of the entities in a homogeneous manner.

Sub-subtopic: Social inclusion of consumers or end-users.

- Affected IROs:
 - Catering to the needs of any type of customer, regardless of gender, origin, race, age, sexual orientation or any other aspect. (Positive impact)
 - Customer loyalty and retention by meeting their needs regardless of their gender, origin, race, sexual orientation or any other aspect. (Opportunity)
 - Gaining more customers by serving their needs regardless of gender, origin, race, age, sexual orientation or any other aspect. (Opportunity)
- Comprehensive accessibility plan, including:
 - Accessibility training for the people in the Central Services teams directly involved in implementing accessibility measures.
 - Installation of a software tool to validate the accessibility of web pages.
 - Incorporation of new functionalities in ATMs to facilitate accessibility.
 - Incorporation into the new physical branch model of recommendations such as the magnetic loop at the counter, accessible rest furniture or glass signage.
- Availability of a Basic Payment Account for those with difficulties in accessing financial services.

[S4-5] MDR-T. Objectives related to end-consumers

LABORAL Kutxa has established the following goals related to end users and consumers. For objectives 2 and 3, we have collaborated with Ilunion as the end-user representative.

Goal 1

- Training of all staff marketing investment and mortgage products. Better technical, legal and commercial training helps to minimise the risks of inappropriate advice or marketing of products unsuited to the customer profile.
- Identification with impact, risk and opportunity: Clear, precise and transparent explanations to customers about financial products, their conditions and the costs involved.
- It identifies and addresses sustainability issues relating to impacts related to information for consumers or end-users.
- As there is no policy on this IRO, there is no relationship to one.
- This is a relative target (percentage of marketing staff with completed and updated training).
- It is an objective required by MiFID and LCCI legislation
- The objective is to ensure that the staff that advises on investments and markets mortgages have the basic and annually updated training required by the LCCI and MiFID regulations, thus guaranteeing high levels of knowledge of the products, risks and legal obligations.
- It is established as the percentage of the affected workforce that has completed and updated mandatory training annually by 31 December.
- The minimum annual hours, as well as the content to be covered, are established by the two regulations.
- The results as at 31/12/2024 were as follows:
 - MiFID: 97 %
 - LCCI: 98 %

This is considered a positive result given that, although the objective is for 100% of the workforce to take the training, the number of people who do not meet the requirement is within a reasonable margin, taking into account personal circumstances (sick leave, leave of absence, etc.) or work-related circumstances (recent incorporation, changes of post, etc.).

Goal 2

- Training the staff of the commercial network in management for people with disabilities
- It addresses the impact of meeting the needs of any type of customer, regardless of gender, origin, race, age, sexual orientation or other aspect.
- Related to the action of the comprehensive accessibility plan.
- There is no accessibility policy
- The training aims to provide the staff of the branch network with tools and resources to care for people with disabilities and the elderly, taking into account their needs and particularities.
- It is an absolute objective to launch in 2025 training designed to be carried out by the commercial network staff.
- This training is designed by Ilunion, a consultancy firm of the ONCE Group, made up of people with disabilities.

Goal 3

- Update of the comprehensive accessibility plan.
- It addresses the impact of meeting the needs of any type of customer, regardless of gender, origin, race, age, sexual orientation or other aspect. It is specifically aimed at facilitating accessibility to all LABORAL Kutxa's communication channels with society and customers with some kind of disability and also for the elderly.
- Related to the action of the comprehensive accessibility plan.
- There is no accessibility policy.
- Almost three years after the initial diagnosis and the implementation of improvement actions, a twofold objective is being pursued:
 - Review the progress made and analyse the level of development achieved with respect to the first diagnosis carried out in 2023.
 - To propose new possible lines of action.
- The update, alike the initial diagnosis, will be carried out by Ilunion. Ilunion is an accessibility consultancy firm, part of the ONCE Group, and formed in part by people with disabilities.

INFORMATION ON GOVERNANCE

NEIS G1-Business conduct

[GOV-1] Role of administrative, managerial and supervisory bodies

This information is described in section NEIS2-GOV1.

[IRO-1] Description of the processes for identifying and assessing material impacts, risks and opportunities

This information is described in section NEIS2-IRO1.

[G1-1] Business conduct policies and corporate culture

- CODE OF ETHICS AND BUSINESS CONDUCT (hereinafter referred to as the Code of Ethics):
 - It responds to the Entity's commitment to professional, transparent, honest and upright conduct in the entities that make up its Group, and therefore sets out the principles of action and rules of conduct that should guide the commitment of employees (including senior management) and directors with the aim of maintaining appropriate relations with stakeholders (customers, suppliers and society).

The scope of application of the Code of Ethics and Professional Conduct extends to employees and administrators, promoting awareness of it among third parties who have dealings with the entities that make up the Laboral Kutxa Group so that the conduct of all of them is aligned with the same principles of action and rules of conduct, thus guaranteeing consistency with the values included in the Code of Ethics.

The values and principles of action of the Code are transferred to the suppliers of the Laboral Kutxa Group through the Code of Conduct, which defines the fundamental behaviour and principles that they must respect and undertake to comply with.

The Governing Board of Laboral Kutxa is ultimately responsible for ensuring compliance with the Code of Ethics, having appointed an Ethics Committee to ensure that the values, principles of action and rules of conduct set out in the Code are applied.

The Code of Ethics is published on the Entity's intranet, information notices are issued when modifications of particular relevance are made to its content, and annual training is provided in relation to its content or the prevention of the Entity's criminal liability.

The identification and notification mechanism is mainly carried out through the whistleblowing channel, which is configured as a link available on the corporate website and of open access to any person (whether directly concerned or not) and which guarantees the confidentiality and anonymity of all communications submitted and is managed by the Ethics Committee.

As complementary identification and notification mechanisms (which do not guarantee complete anonymity), there is an e-mail address through which the Ethics Committee can be contacted directly, and ultimately any member of the Committee can be contacted in person.

Regarding mechanisms for identifying, reporting and investigating concerns about unlawful behaviour or behaviour contrary to the Code of Ethics:

1. There is a Code of Ethics and Professional Conduct which sets out the principles of action and standards of conduct to be followed by employees and managers.
2. There is an organisational and management model that regulates procedures, measures and controls to prevent criminal conduct.
3. There is a mechanism for identifying and reporting potential misconduct or conduct contrary to the Code of Conduct that is confidential, anonymous and allows for both written and verbal submissions.
4. There is a control body that supervises the existing organisational and management model in order to prevent criminal behaviour or behaviour contrary to the Code of Ethics.
5. The organisational and management model includes a written procedure that determines the steps to be followed in the event of receiving a report of criminal behaviour or behaviour contrary to the Code.

The investigation mechanism is regulated in the Crime Prevention and Response Manual, in the Policy governing the IIS and its development procedure. The phases of the investigation include:

- a) Sending confirmation that the communication has been received.
- b) Drafting of an initial assessment report proposing whether or not to admit the application for processing.
- c) Sending the communication of whether it has been admitted for processing or not.
- d) Investigation report and conclusions, proposing the opening or not of disciplinary proceedings and/or the adoption of additional measures.
- e) Communication of the proposal to the Directorate General.

- f) Informing that the processing of the communication has been completed.

On the home page of the corporate website there is a URL link under the heading “Whistleblowing Channel” which can be accessed through the EQS Integrity Line tool, offered in software as a service (SaaS) mode by the specialised service provider EQS GROUP REGTECH SLU, CIF B02662096, Calle Villanueva 31, 28001, Madrid.

The Ethics Committee’s annual Action Plan includes training activities related to the prevention of criminal risks, including regular training on the Code of Ethics and Professional Conduct.

There is no identification of the positions within the company that are most at risk of corruption and bribery.

- Affected sub-subtopics:
 - Corruption and bribery.
- Affected IROs:
 - Training of staff to avoid any scenarios of corruption or money laundering. (Positive impact)
 - Carrying out cases of corruption or money laundering through the Entity’s channels or products. (Negative impact)
 - Possible sanctions for failure to prevent scenarios of corruption or money laundering. (Risk)
 - Bad reputation for LABORAL Kutxa because it is perceived as an institution that is not safe from cases of corruption or money laundering. (Risk)
 - Promotion of a good reputation for LABORAL Kutxa for being perceived as an entity with ethical values and socially committed to eradicating behaviours such as corruption or money laundering. (Opportunity).

[G1-2] Supplier relationship management

Information on this sub-subtopic is not disclosed as it is not material, as indicated in disclosure requirement G1-IRO1.

[G1-3] Preventing and detecting corruption or bribery

The policies and procedures that make up the crime prevention and response system (which include the crimes of Business Corruption, Bribery and Influence Peddling) are published on the Entity’s intranet, and information notices are issued when modifications of particular relevance are made to their content.

In addition, the Ethics Committee's annual Action Plan includes training activities related to the prevention of criminal risks.

On the procedures in place to prevent, detect and deal with allegations or incidents of corruption and bribery:

1. As a prevention mechanism, there is a Code of Ethics and Professional Conduct and a Criminal Compliance Policy that regulates the expected behaviour of the organisation (including a specific section on anti-corruption in the Code of Ethics and on the crimes of Corruption in Business, Bribery and Influence Peddling in the Criminal Compliance Policy), as well as a communication and training plan that conveys these contents.
2. A Whistleblower Channel is available as the main detection mechanism.
3. As an investigation mechanism, the Crime Prevention and Response Manual regulates the steps and procedures to be followed in the investigation of any communication received by the Ethics Committee.

The Ethics Committee conducts the investigation, assisted by the Regulatory Compliance department to ensure independence and objectivity in the processing, whose evaluation report includes whether any conflict of interest has been detected between the area involved in the matter and any participant in the investigation

The Chairman of the Ethics Committee informs the General Management of the conclusions of the investigation report and the Regulatory Compliance Department includes the most relevant aspects of the Ethics Committee's actions in its quarterly reporting to the Audit and Regulatory Compliance Committee and to the Board of Directors on a half-yearly basis.

A Whistleblower Channel training has been convened in 2024, which includes communications on corruption and bribery cases. All employees (100% of the staff) have been invited to this training, which does not have an established periodicity, but is carried out when the Ethics Committee considers it necessary. Type of Training: Online course with final exam. Training completed by 2,065 people (86.5%).

In 2024 the Risk Management, Compliance and Internal Audit functions were included in the 2024 training referred to in the previous section.

The Board of Directors was included in the 2024 training referred to in the previous section.

[G1-4] Incidents of corruption or bribery

In 2023 and 2024 there have been no incidents, fines or convictions for corruption or bribery.

There have been no confirmed incidents of contracts with business partners being terminated or not renewed due to corruption or bribery-related violations.

In the years 2023 and 2024, 13 communications were received via the whistleblowing channel, of which only 3 were accepted and resolved without sanction. The figures and the resolution of each type of complaint admitted for processing by channel are detailed below:

Table of Complaints Received and Resolution

Whistleblowing Channel	Type of Complaint	Quantity	Resolution
WEB complaints channel	Harassment	-	-
	Human rights	3	3
	Corruption	-	-
	Others	-	-
WEB complaints channel (Seg, Lagun Aro)	Harassment	-	-
	Human rights	-	-
	Corruption	-	-
	Others	-	-

Other Information on Confirmed Incidents

As described above, in 2023 and 2024 there have been no incidents, fines or convictions of corruption or bribery, so in terms of incidents related to corruption or bribery, in the last two years:

- No workers were dismissed or sanctioned for incidents related to corruption or bribery.
- No contracts with business partners were terminated or not renewed due to violations related to corruption or bribery.

[G1-5] Political influence and lobbying activities

No information is disclosed for this sub-subtopic as the issue 'political influence and lobbying' is not material as indicated in disclosure requirement G1-IRO1.

[G1-6] Payment practices

No disclosures are made on this sub-subtopic as the issue 'supplier relationship management, including payment practices' is not material as indicated in disclosure requirement G1-IRO1.

Information relating to the fight against corruption and bribery

Contributions made to foundations and non-profit organisations (in response to Law 11/2018)

As explained in section S3 Partnership or sponsorship actions, LABORAL Kutxa returns 25% of its distributable profits to society. Of this distribution, most (21.8%) goes to the Mondragón Foundation.

The MONDRAGON FOUNDATION is a fund management entity with which it carries out educational activities, promoting inter-cooperation in innovation and collaboration with other initiatives, promoting new activities, supporting businesses and supporting the consolidation of projects. The Foundation operates by channelling the contributions made by the cooperatives of the Mondragón Corporation by virtue of different funds and awards grants with the resources received.

At the same time, the remaining 3.2% (more than 5 million euros in 2024 and 3.4 million euros in 2023) is distributed in dozens of contributions to foundations and non-profit organisations. The classification of destinations is: promotion of cooperativism, sustainable communities, education and training, and innovation and new activities.

Measures to combat money laundering (in response to Law 11/2018)

LABORAL Kutxa's management policies identify the greatest risks in the areas of fraud and the discovery of secrets with the fight against money laundering and the financing of terrorism. In this regard, it undertakes to establish the necessary bodies and procedures in accordance with current regulations and international standards. To this end,

- Within the Entity's organisational structure, the Internal Control Body (ICB) has been created at Group level, with specific functions in the area of prevention.
- In addition, precise rules and procedures have been established and are contained in a "Manual on the Prevention of Money Laundering and Terrorist Financing", the latest version of which was approved on 04/01/2023.

The Corporate Policy for Money Laundering and Financing of Terrorism Prevention affects the entire LABORAL Kutxa Group, including its subsidiary companies.

The objectives of these rules and procedures, which must be complied with, are:

- To strictly comply with the regulations in force at all times, as well as the recommendations issued by national and international bodies and authorities.
- To introduce rules for action and appropriate control and communication systems to prevent funds of a criminal origin from being channelled through the LABORAL Kutxa Group and to impede access to certain persons.
- To establish customer admission policies.
- To ensure that working members and other employees adhere to the "know your customer" procedures.

These policies and procedures are primarily preventive in nature. In addition, internal control procedures are subject to an annual review by an external expert so that a rationale for continuous improvement in reducing exposure to these money laundering and financing of terrorism risks can be applied.

C1-Cybersecurity and data processing

[SBM-2] Stakeholders' interests and views

This information is described in section NEIS2-SBM2.

[IRO-1] Description of the processes for identifying and assessing material impacts, risks and opportunities

This information is described in section NEIS2-IRO1.

[SBM-3] Material impacts, risks and opportunities and their interaction with the strategy and business model

Digital transformation has revolutionised the financial sector in recent years, introducing new technologies and business models that have brought with them specific impacts, risks and opportunities that pose environmental, social and governance challenges.

In addition to those considered to be of relative importance derived from the materiality study and described in NEIS2 SBM-3, LABORAL Kutxa also considers and manages the following impacts, risks and opportunities, as well as their time horizons (s, m and l term):

Key Impacts

- **Increased operational efficiency** by automating processes, reducing costs and increasing efficiency. short-term
- **Emergence of new business models** such as corporate banking, online banking and mobile banking, which are increasingly used, broadening the range of services offered and opening up new market segments. short-term
- **Improved customer experience** through personalised treatment, which has led to the creation of direct communication channels with customers to offer more agile and convenient services. medium-term
- **Intensification of competition** which, through the development of increasingly advanced solutions, forces entities such as LABORAL Kutxa to constantly evolve. long-term

Main risks

- Increase in attempts involving **financial fraud** such as phishing, smishing or identity theft. short-term

- **Significant damage to the reputation** of LABORAL Kutxa, caused by an increase in the sophistication of cyber-attacks against information, infrastructure or corporate websites that erode the trust of its customers. Medium- and Long-term
- Exposure to **sanctions for legal and regulatory non-compliance** of the regulations to which the entity is subject. Medium- and Long-term

Opportunities

- Investment in **innovation** to ensure that cybersecurity at LABORAL Kutxa becomes a differentiating and competitive element, allowing us to offer more secure and reliable services in the sector. medium-term
- Implementation of **new functionalities** or creation of new **products and services** aligned with technological advances in biometric or behaviour-based security through artificial intelligence. medium-term
- **Improved decision making** by analysing data from security reports. medium-term
- Building **trust** among both **current and potential customers**, who perceive LABORAL Kutxa as an entity capable of dealing with and mitigating the risks of a cyber-attack. long-term

LABORAL Kutxa is working on the proactive management of cybersecurity risks which, together with the opportunities offered by new technologies, allow it to improve the user experience in the different non-face-to-face channels available to customers and position the company in a highly competitive and constantly evolving environment.

To achieve this, a cyber risk management operating model based on industry best practices has been implemented. This model makes it possible to proactively identify, assess and mitigate threats to information security, guaranteeing the confidentiality, integrity, authenticity, availability and traceability of sensitive data and information on its customers and services offered. The result of this exercise is updated periodically or in the event of significant changes that may affect LABORAL Kutxa's systems, always maintaining control over the Entity's risk, so that it complies with the established risk appetite, tolerance and limits.

[C1-1] [MDR-P] Policies related to cybersecurity and information protection

LABORAL Kutxa is aware that good governance and correct adaptation to a changing environment in terms of cybersecurity ensure business continuity and the trust of its stakeholders, reducing the risk of financial losses and reputational damage.

Thus, LABORAL Kutxa is working on a model of governance in cybersecurity and separation of functions, with the composition of multidisciplinary committees set up to monitor and make strategic decisions in relation to the different initiatives and projects which, among others, are included in the Comprehensive Security Master Plan (hereinafter, CSMP).

Derived from the CSMP, in recent years the Governing Board has approved various policies to address the impacts, risks and opportunities related to cybersecurity and information protection. In order to preserve the effectiveness of these policies, given their sensitivity, no details are provided. Some of these policies are:

- ICT risk management policy.
- ICT-related incident management policy.
- Comprehensive Security Policy (CNS).
- Data Governance Policy.

In order to both guarantee the protection of the corporate information system and to comply with regulatory commitments and the requirements of the relevant authorities, the Entity has an Information Security Management System (ISMS) structured according to the level of granularity in question, in which a set of security policies and procedures have been defined and are periodically updated, setting out the mandatory channels, rules and guidelines for the correct management of information technology assets and resources.

In addition, LABORAL Kutxa periodically reviews its governance framework, ensuring alignment with best practices, standards and applicable regulations, allowing the Entity to keep up to date with new scenarios of emerging threats in the sector.

[C1-2] Processes for redressing negative effects and channels for stakeholders to raise concerns

As explained in NEIS S4-3 Processes to redress negative effects and channels for consumers and end-users to raise their concerns, there are mechanisms (Customer Service) for consumers and users to raise their concerns, including on cybersecurity and data security issues.

[C1-3] [MDR-A] Adopting measures on material impacts and approaches to manage material risks and take advantage of material opportunities

Since the definition of its current CSMP (2023-2025), LABORAL Kutxa has continued to make steady progress in adopting measures to mitigate the impact of the materialisation of the risks to which the Entity and its stakeholders are exposed.

During the upcoming 2025 financial year, the CSMP will be reviewed and redefined, with the aim of continuing to demonstrate LABORAL Kutxa's commitment to cybersecurity in the long term, in line with new trends and the organisation's strategic objectives.

In relation to this strategic line, LABORAL Kutxa has promoted a number of initiatives over the years within the framework of various lines of action. Given the sensitivity of cybersecurity-related information, they are explained in a general way without providing further detail:

Governance

The cybersecurity operating model has been updated and expanded to include stakeholders across the organisation, improving the integration of cybersecurity into technology products, services and processes.

For LABORAL Kutxa it is of vital importance, given its self-demanding nature and commitment to raising the level of security across all its lines of business, to remain aligned with the strategy adopted by the company in terms of security.

Awareness raising and training

Trust is the cornerstone of the relationship between LABORAL Kutxa and its customers. For this trust to materialise, LABORAL Kutxa is committed to adopting a culture of cybersecurity that cuts across the entire organisation, in which everyone plays a fundamental role in the protection of information and the assets that contain it.

Through continuous training programmes focused on the design and development of actions based on identified weaknesses, the Entity fosters global awareness of cybersecurity risks and best practices to prevent or mitigate them.

In addition, specific training actions have been developed for all the people in the organisation to ensure the provision of skills for the early detection of and, where appropriate, response to attempted cyber-attacks or identity theft.

Protection measures

With regard to the application of protection measures, LABORAL Kutxa has maintained its objective of implementing technical security projects that not only provide a solution to the increasingly strict regulatory requirements, but also serve to position LABORAL Kutxa as a benchmark for security and trust in its sector.

On the other hand, cybersecurity has been integrated as a strategic pillar in all the Entity's projects, guaranteeing data protection, operational continuity and resilience in the face of digital threats. This approach has involved the adoption of security practices from design through collaboration between areas, establishing processes that incorporate cyber risk assessments from the early stages of projects, as well as the implementation of advanced controls to mitigate risks.

Surveillance and Monitoring

In order to anticipate any incident that could trigger a contingency situation, LABORAL Kutxa is committed to establishing a direct and permanent line of collaboration with authorities and concerned third parties for the prompt management of cyber incidents, under the premise of proactivity and support in the adoption of measures to facilitate their resolution.

To this end, the development of tools has been promoted to enable LABORAL Kutxa's security teams to integrate and coordinate independent security tools, automate tasks and streamline incident response work flows, adapting operational processes based on the results obtained after carrying out controlled exercises, lessons learned and participation in forums and spaces that allow LABORAL Kutxa to be at the forefront of knowledge and/or dealing with emerging threats in the sector.

Operational resilience

During this year, LABORAL Kutxa has focused its operational resilience efforts on the evolution of the Business Continuity system and processes through the review and improvement of the Specific Security Plans, based on the lessons learned from cyber exercises and controlled continuity tests.

The materialisation of this improvement translates into an improvement and automation of the detection and response capabilities to cyber-attacks or disasters that may impact the availability of the services provided by LABORAL Kutxa, exposing the company to severe economic and reputational damage.

[C1-4] [MDR-T] Objectives related to the management of negative material impacts, the promotion of positive impacts and the management of material risks and opportunities

Proper management of security risks and incidents is essential for the definition of new objectives and strategies that allow LABORAL Kutxa to remain at the forefront of cybersecurity. In an increasingly complex and ever-changing environment, the ability to identify, assess and mitigate risks not only protects against potential threats, but also provides opportunities to evolve and adapt to new challenges.

The adequate handling of security incidents allows lessons to be learned, which is essential for improving LABORAL Kutxa's systems and processes. Analysing the root causes of incidents helps to define new goals, such as strengthening defences against emerging threats, improving staff training or investing in new innovative technologies. Effective risk management and incident response can also identify vulnerabilities before they are exploited, making it easier to anticipate potential attacks and design more robust strategies.

In this sense, LABORAL Kutxa maintains a proactive approach that fosters a resilient organisational culture, capable of adapting to changes, allowing the organisation not only to protect its assets, but also to innovate in technological solutions and processes, promoting trust among its customers, partners and other stakeholders.

As a result, LABORAL Kutxa has set ambitious but realistic objectives to ensure that cybersecurity continues to be a differential value for the Entity, among which the following stand out:

- Ensure the confidentiality, integrity and availability of financial information and personal data of customers.
- Ensure operational resilience against cyber-attacks or service disruptions.
- Maintain a high level of compliance with financial sector rules and regulations.
- Securing electronic transactions and payment systems (security of transactions).
- Establish capabilities for rapid detection and response to security incidents (through the use of new AI-based technologies).
- Promote a transversal corporate culture oriented towards cybersecurity and protection of sensitive data (training of customers and employees).
- Assess and manage security in the supply chain and ICT service providers.
- Integrating new innovative technologies in a safe way.
- Promote customer trust and brand reputation through clear and transparent actions.

Given the sensitivity of the actions addressing cybersecurity risks, the targets are not further detailed.

Correlation table with Law 11/2018 and Taxonomy Regulation

The following table details the index of the information required under Law 11/2018, of 28 December, on non-financial information and diversity together with the reporting framework taken as a reference.

Requirements of Law 11/2018		Reporting framework	Section
General affairs			
Business model	Description of the business model	NEIS 2-SBM-1	NEIS 2 - General information - [SBM-1]
	Business environment	NEIS 2-SBM-2	NEIS 2 - General information - [SBM-2]
	Organisation and structure	NEIS 2-GOV-1	NEIS 2 - General information - [GOV-1]
	Markets in which we operate	NEIS 2-SBM-1	NEIS 2 - General information - [SBM-1]
	Objectives and strategies	NEIS 2-SBM-1 MDR-T	NEIS 2 - General information - [SBM-1] NEIS 1 - Climate change - [E1-4] NEIS S1 - Own personnel - [S1-5] NEIS S4 - Consumers and end-users - [S4-5] C1 - Cybersecurity and data processing - [C1-4]
	The main factors and trends that may affect its future evolution	NEIS 2-SBM-1	NEIS 2 - General information - [SBM-1]
General	Reporting framework	NEIS 2-BP-2	NEIS 2 - General information - [BP-2]
	Materiality analysis	NEIS 2-IRO-1	NEIS 2 - General information - [IRO-1]

Requirements of Law 11/2018		Reporting framework	Section
General affairs			
Management approach	Description of the applicable policies	NEIS 2-MDR-P	NEIS 2 - General information - [MDR-P]
		NEIS E1-E1-2	NEIS E1 - Climate change - [E1-2]
		NEIS S1-S1-1	NEIS S1 - Own personnel - [S1-1]
		NEIS S4-S4-1	NEIS S4 - Consumers and end-users - [S4-1]
		NEIS G1-G1-1	C1 - Cybersecurity and data processing - [C1-1]
	The results of these policies	NEIS 2-SBM-1	NEIS 2 - General information - [SBM-1]
		NEIS E1	NEIS E1 - Climate change
		NEIS S1	NEIS S1 - Own personnel
		NEIS S4	NEIS S4 - Consumers and end-users
		NEIS G1	C1 - Cybersecurity and data processing
			NEIS S2-Employees of the value chain
			NEIS S3-Affected communities
	The main risks related to these issues linked to the Group's activities	NEIS 2-SBM-3	NEIS 2 - General information - [SBM-3]
		NEIS 2-IRO-1	NEIS 2 - General information - [IRO-1]
Environmental issues			
Environmental management	Detailed information on the current and foreseeable effects of the company's activities on the environment and, where appropriate, on health and safety.		
		NEIS 2-SBM-3	NEIS 2 - General information - [SBM-3]
		NEIS E1-SBM-3	NEIS E1 - Climate change - [SBM-3]
		NEIS E1-E1-1	NEIS E1 - Climate change - [E1-1]
		NEIS E1-E1-6	NEIS E1 - Climate change - [E1-6]

Requirements of Law 11/2018		Reporting framework	Section
Environmental issues			
Environmental management	Environmental assessment or certification procedures	NEIS 2-IRO-1	NEIS 2 - General information - [IRO-1]
		NEIS E1-IRO-1	NEIS E1 - Climate change - [IRO-1]
		NEIS E1-E1-1	NEIS E1 - Climate change - [E1-1]
	Resources dedicated to the prevention of environmental risks	NEIS 2-SBM-1	NEIS 2 - General information - [SBM-1]
		NEIS 2-MDR-A	NEIS 2 - General information - [MDR- A]
			NEIS E1 - Climate change - [E1-9]
			NEIS E1 - Climate change - [SMB-3]
	Application of the precautionary principle	NEIS 2-MDR-P	
		NEIS 2-MDR-A	
		NEIS 2-MDR-M	
	Amount of provisions and guarantees for environmental risks	NEIS 2-MDR-A	NEIS E1 - Climate change - [E1-9]
Pollution	Measures to prevent, reduce or remedy emissions that seriously affect the environment; taking into account any form of activity-specific air pollution, including noise and light pollution	NEIS 2-MDR-A	NEIS 2 - General information - [IRO-1]
		NEIS E2-IRO-1	
Circular economy and waste prevention and management	Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste.	NEIS 2-MDR-A NEIS E5-IRO-1	NEIS E5 - Use of resources and circular economy
	Actions to combat food waste	-	Non-material

Requirements of Law 11/2018		Reporting framework	Section
Environmental issues			
Sustainable use of resources	Water consumption and water supply in accordance with the local limitations	NEIS 2 MDR-A	NEIS E3 - Water and marine resources
		NEIS 2 MDR-M	
		NEIS E3 IRO-1	
	Consumption of raw materials and the measures taken to improve the efficiency of its use	NEIS 2 MDR-A	NEIS E5 - Use of resources and circular economy
		NEIS 2 MDR-M	
		NEIS E5 IRO-1	
	Direct and indirect energy consumption	NEIS E1-E1-5	NEIS E1 - Climate change - [E1-5]
	Measures taken to improve energy efficiency	NEIS 2-MDR-A	NEIS E1 - Climate change - [E1-1]
		NEIS E1-E1-3	
	Use of renewable energy	NEIS E1-E1-5	NEIS E1 - Climate change - [E1-1]
Climate change	Greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces.	NEIS E1-E1-4	NEIS E1 - Climate change - [E1-1]
		NEIS E1-E1-6	NEIS E1 - Climate change - [E1-6]
		NEIS 2-MDR-M	
	Measures taken to adapt to the consequences of climate change	NEIS 2-SBM-3	NEIS E1 - Climate change - [E1-3]
		NEIS 2-MDR-A	NEIS E1 - Climate change - [SMB-3]
		NEIS E1-E1-3	
	Reduction targets established voluntarily in the medium and long term for reducing greenhouse gas emissions and the measures implemented for this purpose	NEIS 2-MDR-T	NEIS E1 - Climate change - [E1-4]
		NEIS E1-E1-4	

Requirements of Law 11/2018		Reporting framework	Section
Environmental issues			
Protection of biodiversity	Measures taken to preserve or restore biodiversity	-	Non-material
	Impacts caused by activities or operations in protected areas	-	Non-material
Social and personnel-related issues			
Employment	Total number and distribution of employees by country, gender, age and professional category	NEIS 2-SBM-1	NEIS 2 - General information - [SBM-1]
		NEIS 2-MDR-M	NEIS S1 - Own personnel - [S1-6]
		NEIS S1-S1-6	
	Total number and distribution of employment contract modalities	NEIS-MDR-M	NEIS S1 - Own personnel - [S1-6]
		NEIS S1-S1-6	
	Annual average by type of contract (permanent, temporary and part-time) by gender, age and professional classification	NEIS-2-MDR-M	NEIS S1 - Own personnel - [S1-6]
		NEIS S1-S1-6	
	Number of redundancies by gender, age and professional category	NEIS-2-MDR-M	NEIS S1 - Own personnel - [S1-6]
		NEIS S1-S1-6	
	Average earnings and their evolution disaggregated by gender, age and professional classification or equal value	NEIS-2-MDR-M	NEIS S1 - Own personnel - [S1-10]

Requirements of Law 11/2018		Reporting framework	Section
Social and personnel-related issues			
Employment	Average remuneration of board members and directors, including variable remuneration, per diem, indemnities, payment into long-term savings forecast systems and any other perception, broken down by gender	NEIS-2-MDR-M	NEIS S1 - Own personnel - [S1-10]
		NEIS 2-GOV-3	
		NEIS-E1-GOV-3	
	Wage gap	-	NEIS S1 - Own personnel - [S1-16]
	Implementation of work disengagement policies	NEIS 2-MDR-P	NEIS S1 - Own personnel - [S1-11]
		NEIS S1-S1-1	
Organisation of work	Employees with disabilities	NEIS S1-S1-12	NEIS S1 - Own personnel - [S1-12]
	Organisation of working time	NEIS 2-MDR-A	NEIS S1 - Own personnel - [S1-11]
		NEIS 2-MDR-P	
		NEIS 2-MDR-T	
		NEIS S1-S1-1	
		NEIS S1-S1-4	
		NEIS S1-S1-5	
	Number of hours of absenteeism	NEIS 2-MDR-M	NEIS S1 - Own personnel - [S1-14]
		NEIS S1-S1-14	
	Measures destined to facilitate the enjoyment of family reconciliation and encourage joint responsibility of the same by both parents	EIS 2-MDR-A	NEIS S1 - Own personnel - [S1-15]
		NEIS S1-S1-4	
		NEIS S1-S1-15	

Requirements of Law 11/2018		Reporting framework	Section
Social and personnel-related issues			
Health and safety	Health and Safety at work conditions	NEIS 2-MDR-A	NEIS S1 - Own personnel - [S1-14]
		NEIS S1-S1-4	
		NEIS S1-S1-14	
	Number of occupational accidents and occupational diseases by gender, frequency and severity rates, by gender	NEIS S1-S1-14	NEIS S1 - Own personnel - [S1-14]
Social relations	Organization of social dialogue, including procedures for informing and consulting staff and negotiating with them	NEIS S1-S1-2	NEIS S1 - Own personnel - [S1-8]
		NEIS S1-S1-8	
	Mechanisms and procedures that the company has in place to promote the involvement of workers in the management of the company, in terms of information, consultation and participation	NEIS S1-SBM-2	NEIS S1 - Own personnel - [S1-2]
		NEIS S1-S1-2	
		NEIS S1-S1-3	
	Percentage of employees covered by collective bargaining by country	NEIS S1-S1-8	
		NEIS S1-S1-8	NEIS S1 - Own personnel - [S1-8]
	Balance of the collective bargaining agreements, particularly in the field of health and safety at work	NEIS S1-S1-8	NEIS S1 - Own personnel - [S1-8]

Requirements of Law 11/2018		Reporting framework	Section
Social and personnel-related issues			
Training	Policies implemented in the field of training	NEIS 2-MDR-P	NEIS S1 - Own personnel - [S1-13]
		NEIS S1-S1-1	
		NEIS S1-S1-13	
		NEIS G1 G1-1	
	Total number of training hours broken down by professional categories	NEIS 2-MDR-M	NEIS S1 - Own personnel - [S1-13]
		NEIS S1-S1-13	
Accessibility	Integration and universal accessibility of persons with disabilities	NEIS 2-MDR-A	NEIS S1 - Own personnel - [S1-12]
		NEIS S1-S1-4	
		NEIS S1-S1-12	
Equality	Measures taken to promote equal treatment and opportunities for women and men	NEIS 2-MDR-A	NEIS S1 - Own personnel - [S1-1]
		NEIS S1-S1-1	NEIS S1 - Own personnel - [S1-9]
		NEIS S1-S1-4	
	Equality plans (Chapter III of Organic Law 3/2007, of 22 March, for the effective equality of women and men)	NEIS 2-MDR-A	NEIS S1 - Own personnel - [SBM-3]
		NEIS S1-S1-1	NEIS S1 - Own personnel - [S1-1]
		NEIS S1-S1-4	
	Measures taken to promote employment, protocols against sexual and gender-based harassment.	NEIS 2-MDR-P	NEIS S1 - Own personnel - [SBM-2]
		NEIS 2-MDR-A	NEIS S1 - Own personnel - [S1-17]
		NEIS S1-S1-1	
		NEIS S1-S1-4	
	Anti-discrimination and, where appropriate, diversity management policy	NEIS 2-MDR-P	NEIS S1 - Own personnel - [SBM-2]
		NEIS S1-S1-1	NEIS S1 - Own personnel - [S1-1]

Requirements of Law 11/2018		Reporting framework	Section
Information on respect for human rights			
Human rights	Implementation of human rights due diligence procedures, prevention of risks of human rights abuses and, where appropriate, measures to mitigate, manage and redress possible abuses committed	NEIS 2-GOV-4	NEIS 2 - General information - [GOV-4]
		NEIS 2-MDR-P	
		NEIS 2-MDR-A	
	Complaints of human rights violations	NEIS S1-S1-17	NEIS S1 - Own personnel - [S1-17]
	Promotion and enforcement of the provisions of the core conventions of the International Labour Organisation relating to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in respect of employment and occupation, the elimination of forced or compulsory labour, the effective abolition of child labour	NEIS 2-MDR-P	NEIS S1 - Own personnel - [SBM-2]
		NEIS S1-S1-1	NEIS S1 - Own personnel - [S1-1]

Requirements of Law 11/2018		Reporting framework	Section
Information relating to the fight against corruption and bribery			
Corruption and bribery	Measures adopted to prevent corruption and bribery	NEIS MDR-P	NEIS 2 - General information - [SBM-1]
		NEIS MDR-A	NEIS G1 - Business conduct [G1-3]
		NEIS MDR-M	
		NEIS MDR-T	
		NEIS G1-G1-1	
		NEIS G1-G1-3	
	Measures to combat money laundering	NEIS MDR-P	NEIS G1 - Business conduct - Measures to combat money laundering
		NEIS MDR-A	
		NEIS MDR-M	
		NEIS MDR-T	
		NEIS G1-G1-1	
		NEIS G1-G1-3	
	Contributions made to foundations and non-profit organisations	-	NEIS G1 - Business conduct - Information relating to the fight against corruption and bribery
Information relating to the Company			
The company's commitments to sustainable development	Impact of the company's activity on employment and local development	NEIS S1-SBM-3	NEIS S3 - Local communities - Partnership or Sponsorship Actions
		NEIS S4-SBM-3	
		NEIS S1-S1-4	
		NEIS S4-S4-4	

Requirements of Law 11/2018		Reporting framework	Section
Information relating to the company			
The company's commitments to sustainable development	Impact of the company's activity on local populations and the territory	NEIS S1-SBM-3	NEIS S3 - Local communities - Partnership or Sponsorship Actions
		NEIS S4-SBM-3	
		NEIS S1-S1-4	
		NEIS S4-S4-4	
	Relations with the actors of local communities and the dialog modalities used with these	NEIS 2-SBM-2	NEIS S3 - Local communities - Partnership or Sponsorship Actions
		NEIS S1-SBM-2	
		NEIS S4-SBM-2	
		NEIS S1-S1-2	
		NEIS S4-S4-2	
	Partnership or sponsorship actions	-	NEIS S3 - Local communities - Partnership or Sponsorship Actions
Subcontracting and suppliers	The inclusion in the purchasing policy of social issues, gender equality and environmental issues	NEIS 2 MDR-P	NEIS S2 - Employees of the value chain
		NEIS 2 MDR-A	
		NEIS 2 MDR-M	
	Consideration in relations with suppliers and subcontractors regarding their social and environmental responsibility	NEIS 2 MDR-P	NEIS S2 - Employees of the value chain
		NEIS 2 MDR-A	
		NEIS 2 MDR-M	
	Monitoring and audit systems and results of the same	NEIS 2 MDR-P	NEIS S2 - Employees of the value chain
		NEIS 2 MDR-A	
		NEIS 2 MDR-M	

Requirements of Law 11/2018		Reporting framework	Section
Information relating to the company			
Consumers	Consumer health and safety measures	NEIS 2-MDR-A	NEIS S4 - Consumers and end-users [S4-4]
		NEIS S4-S4-4	
	Complaint systems, complaints received and their resolution	NEIS S4-S4-3	NEIS S4 - Consumers and end-users [S4-3]
Tax information	Profits obtained country by country	-	NEIS S3 - Local communities - Fiscal information
	Income tax paid	-	NEIS S3 - Local communities - Fiscal information
	Public subsidies received	-	NEIS S3 - Local communities - Fiscal information
Regulation (EU) 2020/852- Taxonomy			
Regulation (EU) 2020/852- Taxonomy		DELEGATED REGULATION (EU) 2023/2486 as regards the disclosure of specific public information on these economic activities	NEIS E1 - Climate change - Taxonomy Regulation (EU) Appendix: Taxonomy Regulation Indicators (EU)
		DELEGATED REGULATION (EU) 2022/1214 as regards the public disclosure of specific information on these economic activities	

Table of contents associated with other regulations

List of data points included in cross-cutting standards and thematic standards derived from EU legislation, other than CSRD and NEIS.

Disclosure requirement and data point	Description	Section	SFDR	Pillar 3	Regulation References indices	European Legislation on Climate
NEIS 2 GOV-1	Gender diversity of the board of directors, paragraph 21(d)	GOV-1: The role of administrative, managerial and supervisory bodies	X		X	
NEIS 2 GOV-1	Percentage of board members who are independent, paragraph 21(e)	GOV-1: The role of administrative, managerial and supervisory bodies			X	
NEIS 2 GOV-4	Due diligence statement, paragraph 30	GOV-4: Due diligence statement	X			
NEIS 2 SBM-1	Participation in fossil fuel activities paragraph, 40(d)(i)	SBM-1: Strategy, business model and value chain	X	X	X	
NEIS 2 SBM-1	Participation in activities related to the production of chemicals, paragraph 40(d)(ii)	SBM-1: Strategy, business model and value chain	X		X	
NEIS 2 SBM-1	Participation in controversial arms-related activities, paragraph 40(d)(iii)	SBM-1: Strategy, business model and value chain	X		X	
NEIS 2 SBM-1	Participation in activities related to tobacco cultivation and production, paragraph 40(d)(iv)	SBM-1: Strategy, business model and value chain			X	
NEIS E1-1	Transition plan to achieve climate neutrality by 2050, paragraph 14	E1-1: Transition plan to mitigate climate change				X
NEIS E1-1	Companies excluded from benchmarks harmonised with the Paris Agreement, paragraph 16(g)	E1-1: Transition plan to mitigate climate change		X	X	
NEIS E1-4	GHG emission reduction targets, paragraph 34	E1-4: Targets related to climate change mitigation and adaptation	X	X	X	
NEIS E1-5	Energy consumption from non-renewable fossil fuels, disaggregated by source (only sectors with high climate impact) paragraph 38	E1-5: Consumption and energy mix	X			
NEIS E1-5	Energy consumption and mix, paragraph 37	E1-5: Consumption and energy mix	X			
NEIS E1-5	Energy intensity related to activities in sectors with high climate impact, paragraphs 40 to 43	E1-5: Consumption and energy mix	X			
NEIS E1-6	Gross GHG emissions of scope 1, 2 and 3 and total GHG emissions, paragraph 44	E1-6: Gross GHG emissions of scope 1, 2 and 3 and total GHG emissions	X	X	X	
NEIS E1-6	Gross GHG emissions intensity, paragraphs 53 to 55	E1-6: Gross GHG emissions of scope 1, 2 and 3 and total GHG emissions	X	X	X	
NEIS E1-7	GHG removals and carbon credits, paragraph 56	E1-7: GHG removals and GHG mitigation projects financed by carbon credits				X
NEIS E1-9	Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	Information not required for the financial year 2024			X	
NEIS E1-9	Disaggregation of monetary amounts for acute and chronic physical risks, paragraph 66(a) Location of major assets exposed to significant physical risks, paragraph 66(c)	Information not required for the financial year 2024		X		

Disclosure requirement and data point	Description	Section	SFDR	Pillar 3	Regulation References indices	European Legislation on Climate
NEIS E1-9	Breakdown of the book value of its real estate assets by energy efficiency, paragraph 67(c).	Information not required for the financial year 2024		X		
NEIS E1-9	Degree of exposure of the portfolio to climate-related opportunities, paragraph 69	Information not required for the financial year 2024			X	
NEIS E2-4	Amount of each pollutant listed in Appendix II of the European PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and land, paragraph 28	Immaterial	X			
NEIS E3-1	Water and marine resources, paragraph 9	Immaterial	X			
NEIS E3-1	Specific policies, paragraph 13	Immaterial	X			
NEIS E3-1	Sustainable management of oceans and seas, paragraph 14	Immaterial	X			
NEIS E3-4	Total recycled and reused water, paragraph 28(c)	Immaterial	X			
NEIS E3-4	Total water consumption in m3 per net receipts from own operations, paragraph 29	Immaterial	X			
NEIS 2 - IRO 1 - E4	paragraph 16, point (a)(i)	Immaterial	X			
NEIS 2 - IRO 1 - E4	paragraph 16(b)	Immaterial	X			
NEIS 2 - IRO 1 - E4	paragraph 16(c)	Immaterial	X			
NEIS E4-2	Sustainable agricultural or land use practices or policies, paragraph 24(b)	Immaterial	X			
NEIS E4-2	Sustainable agricultural or land use practices or policies, paragraph 24(b)	Immaterial	X			
NEIS E4-2	Policies to address deforestation, paragraph 24(d)	Immaterial	X			
NEIS E5-5	Non-recycled waste, paragraph 37(d)	Immaterial	X			
NEIS E5-5	Hazardous waste and radioactive waste, paragraph 39	Immaterial	X			
NEIS 2 - SBM3 -S1	Risk of forced labour, paragraph 14(f)	NEIS 2 SBM-3: Material impacts, risks and opportunities and their interaction with the strategy and business model	X			
NEIS 2 - SBM3 -S1	Risk of child labour, paragraph 14(g)	NEIS 2 SBM-3: Material impacts, risks and opportunities and their interaction with the strategy and business model	X			
NEIS S1-1	Political commitments on human rights, paragraph 20	S1-1: Policies related to own personnel	X			
NEIS S1-1	Due diligence policies in respect of matters covered by core conventions 1 to 8 of the International Labour Organisation, paragraph 21	S1-1: Policies related to own personnel	X		X	
NEIS S1-1	Processes and measures to prevent human trafficking, paragraph 22	S1-1: Policies related to own personnel	X			
NEIS S1-1	Workplace accident prevention policies or management system, paragraph 23	S1-1: Policies related to own personnel	X			
NEIS S1-3	Complaint or claim handling mechanisms, paragraph 32(c)	S1-3: Processes for redressing negative impacts and channels for own workers to raise concerns	X			
NEIS S1-14	Number of fatalities and number and rate of accidents at work, paragraph 88(b) and (c)	S1-14: Health and safety parameters	X		X	

Disclosure requirement and data point	Description	Section	SFDR	Pillar 3	Regulation References indices	European Legislation on Climate
NEIS S1-14	Number of days lost due to injury, accident, death or illness, paragraph 88(e)	S1-14: Health and safety parameters	X			
NEIS S1-16	Gender pay gap, unadjusted, paragraph 97(a)	S1-16: Pay parameters (pay gap and total pay)	X		X	
NEIS S1-16	Excessive pay gap between the executive director and employees, paragraph 97(b)	S1-16: Pay parameters (pay gap and total pay)	X			
NEIS S1-17	Cases of discrimination, paragraph 103(a)	S1-17: Serious human rights-related incidents, complaints and impacts	X			
NEIS S1-17	Non-compliance with the Guiding Principles of the United Nations on Business and Human Rights and the OECD Guidelines, paragraph 104(a)	S1-17: Serious human rights-related incidents, complaints and impacts	X		X	
NEIS 2 SBM3-S2	Significant risk of child labour or forced labour in the value chain, paragraph 11(b)	Immaterial	X			
NEIS S2-1	Political commitments on human rights, paragraph 17	Immaterial	X			
NEIS S2-1	Policies related to workers of the value chain, paragraph 18	Immaterial	X		X	
NEIS S1-1	Non-compliance with the Guiding Principles of the United Nations on Business and Human Rights and the OECD Guidelines, paragraph 19	Immaterial	X		X	
NEIS S2-1	Due diligence policies in respect of matters covered by core conventions 1 to 8 of the International Labour Organisation, paragraph 19	Immaterial	X			
NEIS S2-4	Human rights issues and incidents related to upstream and downstream parts of their value chain, paragraph 3	Immaterial	X			
NEIS S3-1	Political commitments on human rights, paragraph 16	Immaterial	X		X	
NEIS S3-1	Non-compliance with the Guiding Principles of the United Nations on Business and Human Rights, the ILO principles or the OECD Guidelines, paragraph 17	Immaterial	X			
NEIS S3-4	Human rights issues and incidents, paragraph 36	Immaterial	X			
NEIS S4-1	Policies related to consumers and end-users, paragraph 16	S4-1: Policies related to consumers and end-users	X		X	
NEIS S4-1	Non-compliance with the Guiding Principles of the United Nations on Business and Human Rights and the OECD Guidelines, paragraph 17	S4-1: Policies related to consumers and end-users	X			
NEIS S4-4	Human rights issues and incidents, paragraph 35	S4-4: Adoption of measures related to material impacts on consumers and end-users, approaches to mitigate material risks and exploit material opportunities related to consumers and end-users and the effectiveness of such actions	X			
NEIS G1-1	United Nations Convention against Corruption, paragraph 10(b)	G1-1: Corporate culture and corporate culture and business conduct policies	X			
NEIS G1-1	Whistleblower protection paragraph 10(d)	G1-1: Corporate culture and corporate culture and business conduct policies	X			

Disclosure requirement and data point	Description	Section	SFDR	Pillar 3	Regulation References indices	European Legislation on Climate
NEIS G1-4	Fines for breaches of anti-corruption and anti-bribery laws, paragraph 24(a)	G1-4: Confirmed cases of corruption or bribery	X		X	
NEIS G1-4	Anti-corruption and anti-bribery standards, paragraph 24(b)	G1-4: Confirmed cases of corruption or bribery	X			

Appendix: Taxonomy Regulation Indicators (EU)

GAR NyG 001

Actividades relacionadas con la energía nuclear	SI/NO	Importe VN (Millones)	Importe CAPEX (Millones)
La empresa lleva a cabo, financia o tiene exposiciones a la investigación, el desarrollo, la demostración y la implantación de instalaciones innovadoras de generación de electricidad que producen energía a partir de procesos nucleares con un mínimo de residuos del ciclo de combustible.	NO	0	0
La empresa lleva a cabo, financia o tiene exposiciones a la construcción y la explotación segura de nuevas instalaciones nucleares para producir electricidad o calor de proceso, incluido para fines de calefacción urbana o procesos industriales como la producción de hidrógeno, así como sus mejoras de seguridad, utilizando las mejores tecnologías disponibles.	NO	0	0
La empresa lleva a cabo, financia o tiene exposiciones a la explotación segura de instalaciones nucleares existentes que producen electricidad o calor de proceso, incluido para fines de calefacción urbana o procesos industriales como la producción de hidrógeno a partir de energía nuclear, así como sus mejoras de seguridad.	NO	0	0
Actividades relacionadas con el gas fósil			
La empresa lleva a cabo, financia o tiene exposiciones a la construcción o explotación de instalaciones de generación de electricidad que producen electricidad a partir de combustibles fósiles gaseosos.	SI	2	1
La empresa lleva a cabo, financia o tiene exposiciones a la construcción, la renovación y la explotación de instalaciones de generación combinada de calor/frío y electricidad que utilicen combustibles fósiles gaseosos.	SI	0	0
La empresa lleva a cabo, financia o tiene exposiciones a la construcción, la renovación y la explotación de instalaciones de generación de calor que producen calor/frío a partir de combustibles fósiles gaseosos.	SI	0	0

GAR NyG 002 CAPEX

Actividades económicas	Importe y proporción (la información debe presentarse en importes monetarios y en porcentajes)					
	(CCM + CCA)		Mitigación del cambio climático		Adaptación al cambio climático	
	Importe (Millones EUR)	%	Importe (Millones EUR)	%	Importe (Millones EUR)	%
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.26 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.27 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.28 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.29 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.30 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.31 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de otras actividades económicas que se ajustan a la taxonomía no mencionadas en las filas 1 a 6 en el denominador del ICR aplicable	842	4,74	842	4,74	0	0,00
Total ICR aplicable	842	4,74	842	4,74	0	0,00

GAR NyG 002 BUSINESS VOLUME

Actividades económicas	Importe y proporción (la información debe presentarse en importes monetarios y en porcentajes)					
	(CCM + CCA)		Mitigación del cambio climático		Adaptación al cambio climático	
	Importe (Millones EUR)	%	Importe (Millones EUR)	%	Importe (Millones EUR)	%
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.26 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.27 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.28 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.29 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.30 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.31 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de otras actividades económicas que se ajustan a la taxonomía no mencionadas en las filas 1 a 6 en el denominador del ICR aplicable	812	4,57	812	4,57	0	0,00
Total ICR aplicable	812	4,57	812	4,57	0	0,00

GAR NyG 003 CAPEX

Actividades económicas	Importe y proporción (la información debe presentarse en importes monetarios y en					
	(CCM + CCA)		Mitigación del cambio		Adaptación al cambio	
	Importe (Millones EUR)	%	Importe (Millones EUR)	%	Importe (Millones EUR)	%
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.26 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el numerador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.27 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el numerador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.28 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el numerador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.29 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el numerador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.30 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el numerador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.31 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el numerador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de otras actividades económicas que se ajustan a la taxonomía no mencionadas en las filas 1 a 6 en el numerador del ICR aplicable	842	100,00	842	99,99	0	0,01
Total ICR aplicable	842	100,00	842	99,99	0	0,01

GAR NyG 003 BUSINESS VOLUME

Actividades económicas	Importe y proporción (la información debe presentarse en importes monetarios y en porcentajes)					
	(CCM + CCA)		Mitigación del cambio		Adaptación al cambio	
	Importe (Millones EUR)	%	Importe (Millones EUR)	%	Importe (Millones EUR)	%
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.26 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el numerador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.27 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el numerador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.28 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el numerador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.29 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el numerador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.30 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el numerador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica que se ajusta a la taxonomía a la que se hace referencia en la sección 4.31 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el numerador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de otras actividades económicas que se ajustan a la taxonomía no mencionadas en las filas 1 a 6 en el numerador del ICR aplicable	812	100,00	812	99,99	0	0,01
Total ICR aplicable	812	100,00	812	99,99	0	0,01

GAR NyG 004 CAPEX

Actividades económicas	Importe y proporción (la información debe presentarse en importes monetarios y en porcentajes)					
	(CCM + CCA)		Mitigación del cambio climático		Adaptación al cambio climático	
	Importe (Millones EUR)	%	Importe (Millones EUR)	%	Importe (Millones EUR)	%
Importe y proporción de la actividad económica elegible según la taxonomía pero que no se ajusta a la taxonomía a que se hace referencia en la sección 4.26 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica elegible según la taxonomía pero que no se ajusta a la taxonomía a que se hace referencia en la sección 4.27 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica elegible según la taxonomía pero que no se ajusta a la taxonomía a que se hace referencia en la sección 4.28 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica elegible según la taxonomía pero que no se ajusta a la taxonomía a que se hace referencia en la sección 4.29 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	1	0,00	1	0,00	0	0,00
Importe y proporción de la actividad económica elegible según la taxonomía pero que no se ajusta a la taxonomía a que se hace referencia en la sección 4.30 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica elegible según la taxonomía pero que no se ajusta a la taxonomía a que se hace referencia en la sección 4.31 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de otras actividades económicas elegibles según la taxonomía pero que no se ajustan a la taxonomía no mencionadas en las filas 1 a 6 precedentes en el denominador del ICR aplicable	9.401	52,90	9.401	52,90	0	0,00
Importe y proporción de las actividades económicas elegibles según la taxonomía pero que no se ajustan a la taxonomía en el denominador del ICR aplicable	9.401	52,91	9.401	52,91	0	0,00

GAR N&G 004 BUSINESS VOLUME

Actividades económicas	Importe y proporción (la información debe presentarse en importes monetarios y en porcentajes)					
	(CCM + CCA)		Mitigación del cambio climático		Adaptación al cambio climático	
	Importe (Millones EUR)	%	Importe (Millones EUR)	%	Importe (Millones EUR)	%
Importe y proporción de la actividad económica elegible según la taxonomía pero que no se ajusta a la taxonomía a que se hace referencia en la sección 4.26 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica elegible según la taxonomía pero que no se ajusta a la taxonomía a que se hace referencia en la sección 4.27 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica elegible según la taxonomía pero que no se ajusta a la taxonomía a que se hace referencia en la sección 4.28 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica elegible según la taxonomía pero que no se ajusta a la taxonomía a que se hace referencia en la sección 4.29 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	2	0,01	2	0,01	0	0,00
Importe y proporción de la actividad económica elegible según la taxonomía pero que no se ajusta a la taxonomía a que se hace referencia en la sección 4.30 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de la actividad económica elegible según la taxonomía pero que no se ajusta a la taxonomía a que se hace referencia en la sección 4.31 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00	0	0,00	0	0,00
Importe y proporción de otras actividades económicas elegibles según la taxonomía pero que no se ajustan a la taxonomía no mencionadas en las filas 1 a 6 precedentes en el denominador del ICR aplicable	9.403	52,92	9.403	52,92	0	0,00
Importe y proporción de las actividades económicas elegibles según la taxonomía pero que no se ajustan a la taxonomía en el denominador del ICR aplicable	9.405	52,93	9.405	52,93	0	0,00

GAR NyG 005 CAPEX

Actividades relacionadas con la energía nuclear	Importe (Millones EUR)	Porcentaje
Importe y proporción de la actividad económica a que se hace referencia en la fila 1 de la plantilla 1 que no es elegible según la taxonomía con arreglo a la sección 4.26 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00
Importe y proporción de la actividad económica a que se hace referencia en la fila 2 de la plantilla 1 que no es elegible según la taxonomía con arreglo a la sección 4.27 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00
Importe y proporción de la actividad económica a que se hace referencia en la fila 3 de la plantilla 1 que no es elegible según la taxonomía con arreglo a la sección 4.28 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00
Importe y proporción de la actividad económica a que se hace referencia en la fila 4 de la plantilla 1 que no es elegible según la taxonomía con arreglo a la sección 4.29 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00
Importe y proporción de la actividad económica a que se hace referencia en la fila 5 de la plantilla 1 que no es elegible según la taxonomía con arreglo a la sección 4.30 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00
Importe y proporción de la actividad económica a que se hace referencia en la fila 6 de la plantilla 1 que no es elegible según la taxonomía con arreglo a la sección 4.31 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00
Importe y proporción de otras actividades económicas no elegibles según la taxonomía no mencionadas en las filas 1 a 6 precedentes en el denominador del ICR aplicable	7.525	42,35
Importe total y proporción de las actividades económicas no elegibles según la taxonomía en el denominador del ICR aplicable	7.525	42,35

GAR NyG 005 BUSINESS VOLUME

Actividades relacionadas con la energía nuclear	Importe (Millones)	Porcentaje
Importe y proporción de la actividad económica a que se hace referencia en la fila 1 de la plantilla 1 que no es elegible según la taxonomía con arreglo a la sección 4.26 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00
Importe y proporción de la actividad económica a que se hace referencia en la fila 2 de la plantilla 1 que no es elegible según la taxonomía con arreglo a la sección 4.27 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00
Importe y proporción de la actividad económica a que se hace referencia en la fila 3 de la plantilla 1 que no es elegible según la taxonomía con arreglo a la sección 4.28 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00
Importe y proporción de la actividad económica a que se hace referencia en la fila 4 de la plantilla 1 que no es elegible según la taxonomía con arreglo a la sección 4.29 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00
Importe y proporción de la actividad económica a que se hace referencia en la fila 5 de la plantilla 1 que no es elegible según la taxonomía con arreglo a la sección 4.30 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00
Importe y proporción de la actividad económica a que se hace referencia en la fila 6 de la plantilla 1 que no es elegible según la taxonomía con arreglo a la sección 4.31 de los anexos I y II del Reglamento Delegado (UE) 2021/2139 en el denominador del ICR aplicable	0	0,00

GAR 000

		Total de activos medioambientalmente sostenibles (Volumen de Negocio) ('Millones EUR)	Total de activos medioambientalmente sostenibles (Capex) ('Millones EUR)	Indicador clave de resultados (Volumen de Negocio)	Indicador clave de resultados (CapEx)	% cobertura (sobre los activos totales)	% de activos excluidos del numerador de la GAR (artículo 7, apartados 2 y 3, y anexo V, sección 1.1.2)	% de activos excluidos del denominador de la GAR (artículo 7, apartado 1, y anexo V, sección 1.2.4)
Indicador clave de resultados principal	Ratio de activos verdes (GAR) en términos de stock	812	842	4,57	4,74	64,65	23,77	35,35
		Total de actividades medioambientalmente sostenibles (Volumen de Negocio) ('Millones EUR)	Total de actividades medioambientalmente sostenibles (Capex) ('Millones EUR)	Indicador clave de resultados (Volumen de Negocio)	Indicador clave de resultados (CapEx)	% cobertura (sobre los activos totales)	% de activos excluidos del numerador de la GAR (artículo 7, apartados 2 y 3, y anexo V, sección 1.1.2)	% de activos excluidos del denominador de la GAR (artículo 7, apartado 1, y anexo V, sección 1.2.4)
Indicadores clave de resultados adicionales	GAR (flujo)	123	122	4,17	4,11	53,32	26,43	46,68
	Cartera de negociación	0	0	0,00	0,00			
	Garantías financieras (stock)	0	0	0,00	0,00			
	Activos gestionados (stock)	0	0	0,00	0,00			
	Garantías financieras (flujo)	0	0	0,00	0,00			
	Activos gestionados (flujo)	0	0	0,00	0,00			
	Ingresos por honorarios y comisiones	0	0	0,00	0,00			

GAR 001 CAPEX

Nacionalidad	Importe en Euros refu. total	Migración de cambio moneda (CCM)		Adaptación al cambio moneda (CCM)		Recursos técnicos y nuevos (RTN)		Corrección errores y CA		Contaminación PPC		Biodiversidad y ecosistemas (BC)		TOTAL ICCM CCA + RUE + CE + PFC + BG					
		De los cuales, a sectores pertinentes para la transición (según la taxonomía)		De los cuales, a sectores pertinentes para la transición (según la taxonomía)		De los cuales, a sectores pertinentes para la transición (según la taxonomía)		De los cuales, a sectores pertinentes para la transición (según la taxonomía)		De los cuales, a sectores pertinentes para la transición (según la taxonomía)		De los cuales, a sectores pertinentes para la transición (según la taxonomía)		De los cuales, a sectores pertinentes para la transición (según la taxonomía)					
		De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)		De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)		De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)		De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)		De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)		De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)		De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)					
		De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)		De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)		De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)		De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)		De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)		De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)		De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)					
		De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)	De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)	De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)	De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)	De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)	De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)	De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)	De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)	De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)	De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)	De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)	De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)	De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)	De los cuales, medioambientalmente sostenibles (que se igualan a la taxonomía)				
GAR - Activos incluidos tanto en el numerador como en el denominador																			
Préstamos y anticipos, valores representativos de deuda e instrumentos de capital, no mantenidos para negociar admisibles en el cálculo de la GAR	11,051	11,388	10,197	842	770	7	53	0	0	0	0	0	0	0	10,197	842	770	7	53
Empresas financieras	250	225	39	2	0	0	1	0	0	0	0	0	0	0	39	2	0	0	1
Entidades de crédito	188	187	39	2	0	0	1	0	0	0	0	0	0	0	39	2	0	0	1
Préstamos y anticipos	136	136	23	1	0	0	1	0	0	0	0	0	0	0	23	1	0	0	1
Valores representativos de deuda, incluido declaración sobre el uso de los fondos	49	49	14	1	0	0	0	0	0	0	0	0	0	0	14	1	0	0	0
Instrumentos de capital	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Otros activos financieros	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
De los cuales, empresas de servicios de inversión	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Préstamos y anticipos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Valores representativos de deuda, incluido declaración sobre el uso de los fondos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Instrumentos de capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
De los cuales, empresas de gestión	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Préstamos y anticipos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Valores representativos de deuda, incluido declaración sobre el uso de los fondos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Instrumentos de capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
De los cuales, empresas de seguros	18	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Préstamos y anticipos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Valores representativos de deuda, incluido declaración sobre el uso de los fondos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Instrumentos de capital	18	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Empresas no financieras	884	846	121	70	0	7	32	0	0	0	0	0	0	0	121	70	0	7	32
Préstamos y anticipos	875	824	115	40	0	49	0	0	0	0	0	0	0	0	115	40	0	49	0
Valores representativos de deuda, incluido declaración sobre el uso de los fondos	0	10	4	4	0	2	2	0	0	0	0	0	0	0	4	4	0	2	2
Instrumentos de capital	9	9	1	1	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0
Hogares	9,941	10,037	10,037	770	770	0	0	0	0	0	0	0	0	0	10,037	770	770	0	0
De los cuales, préstamos garantizados por bienes inmuebles residenciales	9,929	10,002	10,002	770	770	0	0	0	0	0	0	0	0	0	10,002	770	770	0	0
De los cuales, préstamos de renovación de edificios	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
De los cuales, préstamos para automóviles	32	35	35	0	0	0	0	0	0	0	0	0	0	0	35	0	0	0	0
Financiación de administraciones locales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financiación de viviendas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financiación de administraciones locales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Garantías reales otorgadas mediante forma de posesión: bienes inmuebles residenciales y comerciales	0	47	47	0	0	0	0	0	0	0	0	0	0	0	47	0	0	0	0
Activos excluidos del numerador para el cálculo de la GAR (incluidos en el denominador)	6,032	6,534	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Empresas financieras y no financieras	2,778	2,897																	
Fueros y empresas no financieras (que no sean pymes) no sujetos a obligaciones de divulgación previstas:	2,730	2,848																	
Préstamos y anticipos	2,003	2,113																	
De los cuales, préstamos garantizados por bienes inmuebles comerciales	391	350																	
De los cuales, préstamos de renovación de edificios	0	0																	
Valores representativos de deuda	568	568																	
Instrumentos de capital	188	187																	
Contrapartes en países no miembros de la UE no sujetos a obligaciones de divulgación previstas en la DNF	49	49																	
Préstamos y anticipos	40	40																	
Valores representativos de deuda	0	0																	
Instrumentos de capital	9	9																	
Derivados	46	46																	
Préstamos interbancarios a la vista	26	26																	
Electivo y activos vinculados a electivo	103	103																	
Otros activos (fondos de comercio, materias primas, etc.)	3,078	3,481																	
Total de activos de la GAR	17,091	17,749	10,244	842	770	7	53	0	0	0	0	0	0	0	10,244	842	770	7	53
Activos no incluidos en el cálculo de la GAR	9,740	9,718																	
Administraciones centrales y emisores supranacionales	6,937	6,909																	
Exposiciones frente a bancos centrales	2,803	2,803																	
Carteros de negociación	0	0																	
Activos totales	26,834	27,467	10,244	842	770	7	53	0	0	0	0	0	0	0	10,244	842	770	7	53
Exposiciones fuera de balance - Empresas sujetas a obligaciones de divulgación previstas en la DNF																			
Garantías financieras	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Activos gestionados	5,754	5,754	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
De los cuales, valores de representativos de deuda	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
De los cuales, instrumentos de capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

GAR 001 BUSINESS VOLUME

[illegible]

GAR 001 T-1 CAPEX

Miles BtR	Fecha de referencia de la divulgación 11																			
	Mitigación de cambio climático (CCA)					Adaptación al cambio climático (CCA)					Recursos hídricos y marinos (MR)					Economía circular (EC)				
	De los cuales, a sectores pertinentes para la tasación (según la tasación)					De los cuales, a sectores pertinentes para la tasación (según la tasación)					De los cuales, a sectores pertinentes para la tasación (según la tasación)					De los cuales, a sectores pertinentes para la tasación (según la tasación)				
	De los cuales, mediodiantemente sostenibles (que se quitan a la tasación)					De los cuales, mediodiantemente sostenibles (que se quitan a la tasación)					De los cuales, mediodiantemente sostenibles (que se quitan a la tasación)					De los cuales, mediodiantemente sostenibles (que se quitan a la tasación)				
	Imparte en total (BtR)	De los cuales, declaración sobre uso de los fondos	De los cuales, declaración sobre uso de los fondos	De los cuales, declaración sobre uso de los fondos	De los cuales, declaración sobre uso de los fondos	De los cuales, declaración sobre uso de los fondos	De los cuales, declaración sobre uso de los fondos	De los cuales, declaración sobre uso de los fondos	De los cuales, declaración sobre uso de los fondos	De los cuales, declaración sobre uso de los fondos	De los cuales, declaración sobre uso de los fondos	De los cuales, declaración sobre uso de los fondos	De los cuales, declaración sobre uso de los fondos	De los cuales, declaración sobre uso de los fondos	De los cuales, declaración sobre uso de los fondos	De los cuales, declaración sobre uso de los fondos	De los cuales, declaración sobre uso de los fondos	De los cuales, declaración sobre uso de los fondos	De los cuales, declaración sobre uso de los fondos	De los cuales, declaración sobre uso de los fondos
GAR - Activos incluidos tanto en el numerador como en el denominador																				
Préstamos y arrendamientos, valores representativos de deuda e instrumentos de capital, no mantenidos para negociar admitidos en el cálculo de la GAR	10,038	10,244	665	995	4	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Empresas financieras	293	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Empleados de crédito	293	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Préstamos y arrendamientos	244	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Valores representativos de deuda, incluida declaración sobre el uso de los fondos	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Instrumentos de capital	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Otras empresas financieras	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
De los cuales, empresas de servicios de inversión	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Préstamos y arrendamientos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Valores representativos de deuda, incluida declaración sobre el uso de los fondos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Instrumentos de capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
De los cuales, empresas de gestión	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Préstamos y arrendamientos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Valores representativos de deuda, incluida declaración sobre el uso de los fondos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Instrumentos de capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
De los cuales, empresas de seguros	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Préstamos y arrendamientos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Valores representativos de deuda, incluida declaración sobre el uso de los fondos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Instrumentos de capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Empresas no financieras	330	141	70	0	4	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Préstamos y arrendamientos	312	129	58	0	2	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Valores representativos de deuda, incluida declaración sobre el uso de los fondos	10	10	10	0	2	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Instrumentos de capital	2	2	2	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ingresos	10,098	10,103	995	995	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
De los cuales, préstamos garantizados por bienes inmuebles residenciales	10,038	10,034	995	995	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
De los cuales, préstamos de renovación de edificios	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
De los cuales, préstamos para automóviles	66	66	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financiación de administraciones locales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financiación de administraciones locales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Garantías reales obtenidas mediante forma de posesión bienes inmuebles residenciales y comerciales	53	53	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Activos excluidos del numerador para el cálculo de la GAR (incluidos en el denominador)	6,990	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Empresas financieras y no financieras	3,388																			
Primas y pólizas no financieras (que no sean pólizas) no sujetos a obligaciones de divulgación previstas en la DNF	3,347																			
Préstamos y arrendamientos	2,441																			
De los cuales, préstamos garantizados por bienes inmuebles comerciales	306																			
De los cuales, préstamos de renovación de edificios	0																			
Valores representativos de deuda	557																			
Instrumentos de capital	299																			
Contrapartes en pólizas no miembros de la UE no sujetos a obligaciones de divulgación previstas en la DNF	41																			
Préstamos y arrendamientos	31																			
Valores representativos de deuda	0																			
Instrumentos de capital	10																			
Derivados	57																			
Préstamos interbancarios a la vista	42																			
Efectivo y activos vinculados a efectivo	172																			
Otros activos (Bancos de comercio, matrices primas, etc.)	3,431																			
Total de activos de la GAR	17,566	10,294	665	995	4	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Activos no incluidos en el cálculo de la GAR	8,462																			
Administraciones centrales y emisores supranacionales	7,454																			
Exposiciones frente a bancos centrales	1,184																			
Cartas de negociación	5																			
Activos totales	26,012	10,294	665	995	4	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Exposiciones fuera de balance - Empresas sujetas a obligaciones de divulgación previstas en la DNF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Garantías financieras	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Activos gestionados	4,832	19	19	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
De los cuales, valores de representativos de deuda	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
De los cuales, instrumentos de capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

GAR 001 T-1 BUSINESS VOLUME

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GAR 001 CAPEX FLOW

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GAR 001 BUSINESS VOLUME FLOW

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GAR 002 CAPEX

The Entity interprets that, in the first column of each environmental objective, the amounts relating to the eligibility of the taxonomy are incorporated.

Descripción por sector - Nivel de código digital de la NACE (código y denominación)	Mitigación del cambio climático (CCM)				Adaptación al cambio climático (CCA)				Recursos hídricos y marinos (WR)				Economía circular (CE)				Contaminación (PNC)				Biodiversidad y ecosistemas (BC)				TOTAL (CCM + CCA + WR + CE + PNC + BC)			
	Empresas no financieras (sujeta a obligaciones de divulgación DNF)		Primer y otros emisores no financieros no sujetos a obligaciones de divulgación DNF		Empresas no financieras (sujeta a obligaciones de divulgación DNF)		Primer y otros emisores no financieros no sujetos a obligaciones de divulgación DNF		Empresas no financieras (sujeta a obligaciones de divulgación DNF)		Primer y otros emisores no financieros no sujetos a obligaciones de divulgación DNF		Empresas no financieras (sujeta a obligaciones de divulgación DNF)		Primer y otros emisores no financieros no sujetos a obligaciones de divulgación DNF		Empresas no financieras (sujeta a obligaciones de divulgación DNF)		Primer y otros emisores no financieros no sujetos a obligaciones de divulgación DNF		Empresas no financieras (sujeta a obligaciones de divulgación DNF)		Primer y otros emisores no financieros no sujetos a obligaciones de divulgación DNF		Empresas no financieras (sujeta a obligaciones de divulgación DNF)		Primer y otros emisores no financieros no sujetos a obligaciones de divulgación DNF	
	Importe en base parita		Importe en base parita		Importe en base parita		Importe en base parita		Importe en base parita		Importe en base parita		Importe en base parita		Importe en base parita		Importe en base parita		Importe en base parita		Importe en base parita		Importe en base parita		Importe en base parita		Importe en base parita	
	Miles EUR		Miles EUR		Miles EUR		Miles EUR		Miles EUR		Miles EUR		Miles EUR		Miles EUR		Miles EUR		Miles EUR		Miles EUR		Miles EUR		Miles EUR		Miles EUR	
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
IA 1039 - Otro procesamiento y conservación de hules y hortalizas	1	0			0	0			0	0			0	0			0	0			0	0			1	0		
IA 1041 - Fabricación de productos de molinero	1	0			0	0			0	0			0	0			0	0			0	0			1	0		
IA 1092 - Fabricación de productos para la alimentación de animales de compañía	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 2229 - Fabricación de otros productos de plástico	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 2248 - Fabricación de otros productos de hombrío, velo y cemento	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 2402 - Fabricación de tubos, tuberías, perfiles huecos y sus accesorios, de acero	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 2403 - Fundición de hierro	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 2403 - Fundición de acero	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 2511 - Fabricación de estructuras metálicas y sus componentes	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 2542 - Fabricación de armas y municiones	3	0			0	0			0	0			0	0			0	0			0	0			3	0		
IA 2550 - Forja, estampación y embutición de metales; metalurgia de polvos	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 2542 - Ingeniería mecánica por cuenta de terceros	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 2594 - Fabricación de piezas y productos de fundición	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 2599 - Fabricación de otros productos metálicos n.c.p.	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 2611 - Fabricación de componentes electrónicos	1	0			0	0			0	0			0	0			0	0			0	0			1	0		
IA 2643 - Fabricación de instrumentos y aparatos de medida, verificación y navegación	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 2712 - Fabricación de aparatos de distribución y control eléctrico	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 2731 - Fabricación de electrodomésticos	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 2795 - Fabricación de otro material y equipo eléctrico	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 2813 - Fabricación de cojinetes, engranajes y órganos mecánicos de transmisión	1	0			0	0			0	0			0	0			0	0			0	0			1	0		
IA 2822 - Fabricación de maquinaria de elevación y manipulación	1	0			0	0			0	0			0	0			0	0			0	0			1	0		
IA 2829 - Fabricación de otra maquinaria de uso general n.c.p.	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 2841 - Fabricación de máquinas herramienta para trabajar el metal	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 2841 - Fabricación de otras máquinas herramienta	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 2891 - Fabricación de maquinaria para la industria metalúrgica	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 2899 - Fabricación de otra maquinaria para usos específicos n.c.p.	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 2932 - Fabricación de otros componentes, piezas y accesorios para vehículos de motor	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 3020 - Fabricación de locomotoras y material ferroviario	43	33			0	0			0	0			0	0			0	0			0	0			43	33		
IA 3011 - Producción de electricidad	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 3811 - Recogida de residuos no peligrosos	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 4110 - Promoción inmobiliaria	10	0			0	0			0	0			0	0			0	0			0	0			10	0		
IA 4120 - Construcción de edificios residenciales y no residenciales	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 4111 - Construcción de comedores y autopistas	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 4113 - Construcción de puentes y túneles	1	0			0	0			0	0			0	0			0	0			0	0			1	0		
IA 4122 - Construcción de redes eléctricas y de telecomunicaciones	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 4199 - Construcción de otros proyectos de ingeniería civil n.c.p.	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 4201 - Instalaciones eléctricas	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 4222 - Fontanería, instalaciones de sistemas de calefacción y aire acondicionado	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 4399 - Otras actividades de construcción especializada n.c.p.	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 4421 - Comercio al por mayor de cereales, tabaco en rama, semillas y alimentos para animales	4	0			0	0			0	0			0	0			0	0			0	0			4	0		
IA 4433 - Comercio al por mayor de productos lácteos, huevos, aceites y grasas comestibles	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 4441 - Comercio al por mayor de textiles	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 4449 - Comercio al por mayor de otros artículos de uso doméstico	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 4463 - Comercio al por mayor de maquinaria para la minería, la construcción y la ingeniería civil	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 4711 - Comercio al por menor en establecimientos no especializados, con predominio en productos alm	14	15			0	0			0	0			0	0			0	0			0	0			14	15		
IA 4811 - Transporte ferreo urbano y suburbano de pasajeros	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 5021 - Actividades anexas al transporte ferreo	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 6001 - Actividades de programación informática	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 6009 - Otros servicios relacionados con las tecnologías de la información y la informática	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 6810 - Compraventa de bienes inmobiliarios por cuenta propia	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 6822 - Alquiler de bienes inmobiliarios por cuenta propia	2	0			0	0			0	0			0	0			0	0			0	0			2	0		
IA 7112 - Servicios técnicos de ingeniería y otras actividades relacionadas con el asesoramiento técnic	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 7219 - Otra investigación y desarrollo experimental en ciencias naturales y técnicas	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 7469 - Otras actividades profesionales, científicas y técnicas n.c.p.	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 8039 - Otra educación n.c.p.	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 8732 - Asistencia en establecimientos residenciales para personas mayores y personas con discapacida	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 8899 - Otras actividades de servicios locales sin alojamiento n.c.p.	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
IA 9999 - NACEs no incluidos en Taxonomia	30	22			0	0			0	0			0	0			0	0			0	0			30	22		
IA TOTAL	121	70			0	0			0	0			0	0			0	0			0	0			121	70		

The Entity interprets that, in the first column of each environmental objective, the amounts relating to the eligibility of the taxonomy are incorporated.

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% (en comparación con el total de activos incluidos en el denominador)	Fecha de referencia de divulgación 1																														
	Mitigación del cambio climático (CCM)						Adaptación al cambio climático (CCA)						Recursos hídricos y marinos (HR)						Economía circular (CE)						Contaminación (PC)						
	Proporción del total de activos cubiertos que financian sectores pertinentes para la tasación (¡élegiles según la Tasación!)						Proporción del total de activos cubiertos que financian sectores pertinentes para la tasación (¡élegiles según la Tasación!)						Proporción del total de activos cubiertos que financian sectores pertinentes para la tasación (¡élegiles según la Tasación!)						Proporción del total de activos cubiertos que financian sectores pertinentes para la tasación (¡élegiles según la Tasación!)						Proporción del total de activos cubiertos que financian sectores pertinentes para la tasación (¡élegiles según la Tasación!)						
	Proporción del total de activos cubiertos que financian sectores pertinentes para la tasación (¡véase la guía en la Tasación!)						Proporción del total de activos cubiertos que financian sectores pertinentes para la tasación (¡véase la guía en la Tasación!)						Proporción del total de activos cubiertos que financian sectores pertinentes para la tasación (¡véase la guía en la Tasación!)						Proporción del total de activos cubiertos que financian sectores pertinentes para la tasación (¡véase la guía en la Tasación!)						Proporción del total de activos cubiertos que financian sectores pertinentes para la tasación (¡véase la guía en la Tasación!)						
	De los cuales: declaración sobre uso de los fondos		De los cuales: transición		De los cuales: facilitadores		De los cuales: declaración sobre uso de los fondos		De los cuales: transición		De los cuales: facilitadores		De los cuales: declaración sobre uso de los fondos		De los cuales: transición		De los cuales: facilitadores		De los cuales: declaración sobre uso de los fondos		De los cuales: transición		De los cuales: facilitadores		De los cuales: declaración sobre uso de los fondos		De los cuales: transición		De los cuales: facilitadores		
GAR - Activos incluidos tanto en el numerador como en el denominador																															
Préstamos y anticipos, valores representativos de deuda e instrumentos de capital, no mantenidos para negociar admisibles en el cálculo de la GAR	91,14	7,33	6,88	0,06	0,47	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	40,70	
Empresas financieras	18,88	0,94	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,75	
Entidades de Crédito	28,65	1,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,48	
Préstamos y anticipos	14,35	0,94	0,00	0,04	0,45	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,04	0,45	0,30	
Valores representativos de deuda, incluido declaración sobre el uso de los fondos	33,13	1,50	0,00	0,07	0,74	0,13	0,04	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,07	0,74	0,18	
Instrumentos de capital	0,00	0,00		0,00	0,00	0,00	0,00		0,00	0,00	0,00		0,00	0,00	0,00		0,00	0,00	0,00		0,00	0,00	0,00		0,00	0,00	0,00		0,00	0,00	
Otras empresas financieras	0,10	0,00	0,00		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
De los cuales: empresas de servicios de inversión																															0,00
Préstamos y anticipos																															0,00
Valores representativos de deuda, incluido declaración sobre el uso de los fondos																															0,00
Instrumentos de capital																															0,00
De los cuales: empresas de gestión																															0,00
Préstamos y anticipos																															0,00
Valores representativos de deuda, incluido declaración sobre el uso de los fondos																															0,00
Instrumentos de capital																															0,00
De los cuales: empresas de seguros	0,10	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
Préstamos y anticipos	72,15	0,00	0,00		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
Valores representativos de deuda, incluido declaración sobre el uso de los fondos																															0,00
Instrumentos de capital	0,00	0,00		0,00	0,00	0,00	0,00		0,00	0,00	0,00		0,00	0,00	0,00		0,00	0,00	0,00		0,00	0,00	0,00		0,00	0,00	0,00		0,00	0,00	
Empresas no financieras	12,77	7,45	0,00	0,72	5,48	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,72	5,48	3,44	
Préstamos y anticipos	12,42	7,00	0,00	0,52	5,29	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,52	5,29	3,37	
Valores representativos de deuda, incluido declaración sobre el uso de los fondos	43,80	43,80	0,00	20,00	22,90	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	20,00	22,90	0,04	
Instrumentos de capital	13,98	12,76		0,01	5,20	0,00	0,00		0,00	0,00	0,00		0,00	0,00	0,00		0,00	0,00	0,00		0,00	0,00	0,00		0,00	0,00	0,01	5,20	0,03	0,03	
Hogares	100,00	7,67	7,67	0,00	0,00	0,00	0,00	0,00	0,00		0,00		0,00	0,00	0,00		0,00	0,00	0,00									0,00	0,00	36,52	
De los cuales: préstamos garantizados por bienes inmuebles residenciales	100,00	7,70	7,70	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00	0,00	0,00		0,00	0,00	0,00									0,00	0,00	36,59	
De los cuales: préstamos de renovación de edificios	100,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00		0,00		0,00	0,00	0,00		0,00	0,00	0,00									0,00	0,00	0,00	
De los cuales: préstamos para automóviles	100,00	0,00	0,00	0,00	0,00								0,00	0,00	0,00		0,00	0,00	0,00									0,00	0,00	0,00	
Financiación de administraciones locales																															0,00
Financiación de viviendas																															0,00
Financiación de administraciones locales																															0,00
Garantía recobrada mediante toma de posesión bienes inmuebles residenciales y comerciales	100,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,17	
Total activos de la GAR	57,45	4,74	4,35	0,04	0,30	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,04	0,30	64,45	

GAR 003 BUSINESS VOLUME

GAR	Activos incluidos tanto en el numerador como en el denominador	Integración al capital climático (CCM)		Aceptación al capital climático (CCA)		Reconstrucción interna (RI)		Exoneración al capital climático (CCP)		Contaminación (PC)		Biodiversidad y ecosistemas (BC)		TOTAL (CCM + CCA + RI + CCP + PC + BC)	
		Proporción del total de activos cubiertos que fraccionan acciones pertenientes para la tasación (elegidos según la tasación)		Proporción del total de activos cubiertos que fraccionan acciones pertenientes para la tasación (elegidos según la tasación)		Proporción del total de activos cubiertos que fraccionan acciones pertenientes para la tasación (elegidos según la tasación)		Proporción del total de activos cubiertos que fraccionan acciones pertenientes para la tasación (elegidos según la tasación)		Proporción del total de activos cubiertos que fraccionan acciones pertenientes para la tasación (elegidos según la tasación)		Proporción del total de activos cubiertos que fraccionan acciones pertenientes para la tasación (elegidos según la tasación)		Proporción del total de activos cubiertos que fraccionan acciones pertenientes para la tasación (elegidos según la tasación)	
		Proporción del total de activos cubiertos que fraccionan acciones pertenientes para la tasación (que se cuantifica en la tasación)		Proporción del total de activos cubiertos que fraccionan acciones pertenientes para la tasación (que se cuantifica en la tasación)		Proporción del total de activos cubiertos que fraccionan acciones pertenientes para la tasación (que se cuantifica en la tasación)		Proporción del total de activos cubiertos que fraccionan acciones pertenientes para la tasación (que se cuantifica en la tasación)		Proporción del total de activos cubiertos que fraccionan acciones pertenientes para la tasación (que se cuantifica en la tasación)		Proporción del total de activos cubiertos que fraccionan acciones pertenientes para la tasación (que se cuantifica en la tasación)		Proporción del total de activos cubiertos que fraccionan acciones pertenientes para la tasación (que se cuantifica en la tasación)	
		De los cuales: declaración sobre el uso de los fondos		De los cuales: declaración sobre el uso de los fondos		De los cuales: declaración sobre el uso de los fondos		De los cuales: declaración sobre el uso de los fondos		De los cuales: declaración sobre el uso de los fondos		De los cuales: declaración sobre el uso de los fondos		De los cuales: declaración sobre el uso de los fondos	
		De los cuales: declaración sobre el uso de los fondos	De los cuales: declaración sobre el uso de los fondos	De los cuales: declaración sobre el uso de los fondos	De los cuales: declaración sobre el uso de los fondos	De los cuales: declaración sobre el uso de los fondos	De los cuales: declaración sobre el uso de los fondos	De los cuales: declaración sobre el uso de los fondos	De los cuales: declaración sobre el uso de los fondos	De los cuales: declaración sobre el uso de los fondos	De los cuales: declaración sobre el uso de los fondos	De los cuales: declaración sobre el uso de los fondos	De los cuales: declaración sobre el uso de los fondos	De los cuales: declaración sobre el uso de los fondos	De los cuales: declaración sobre el uso de los fondos
	Préstamos y vencimientos, valores representativos de deuda e instrumentos de capital, no mantenidos para negociar admitidos en el cálculo de la GAR	90,90	7,26	6,88	0,00	0,36	0,00	0,00	0,00	0,00	0,00	0,00	0,00	90,90	7,26
	Empresas financieras	18,98	0,40	0,00	0,00	0,21	0,06	0,00	0,00	0,00	0,00	0,00	0,00	18,43	0,46
	Entidades de Crédito	20,30	0,47	0,00	0,04	0,22	0,06	0,00	0,00	0,00	0,00	0,00	0,00	20,30	0,50
	Préstamos y vencimientos	14,07	0,38	0,00	0,00	0,14	0,00	0,00	0,00	0,00	0,00	0,00	0,00	14,11	0,40
	Valores representativos de deuda, incluido declaración sobre el uso de los fondos	32,44	0,79	0,00	0,00	0,33	0,14	0,04	0,00	0,00	0,00	0,00	0,00	32,78	0,74
	Instrumentos de capital	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	Otras empresas financieras	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	De los cuales: empresas de servicios de inversión														
	Préstamos y vencimientos														
	Valores representativos de deuda, incluido declaración sobre el uso de los fondos														
	Instrumentos de capital														
	De los cuales: empresas de gestión														
	Préstamos y vencimientos														
	Valores representativos de deuda, incluido declaración sobre el uso de los fondos														
	Instrumentos de capital														
	De los cuales: empresas de seguros														
	Préstamos y vencimientos														
	Valores representativos de deuda, incluido declaración sobre el uso de los fondos														
	Instrumentos de capital														
	Empresas no financieras														
	Préstamos y vencimientos														
	Valores representativos de deuda, incluido declaración sobre el uso de los fondos														
	Instrumentos de capital														
	Hogares														
	De los cuales: préstamos garantizados por bienes inmuebles residenciales														
	De los cuales: préstamos de renovación de edificios														
	De los cuales: préstamos para automóviles														
	Financiación de administraciones locales														
	Financiación de viviendas														
	Garantías reales obtenidas mediante forma de posesión: bienes inmuebles residenciales y comerciales														
	Total activos de la GAR	97,80	4,97	4,33	0,00	0,22	0,02	0,00	0,00	0,00	0,00	0,00	0,00	97,80	4,97

GAR 003 T-1 CAPEX

5 (en comparación con el total de activos incluidos en el denominador)	Fecha de referencia de divulgación 1.1																																			
	Alquileres del cambio climático (CCA)						Adaptación al cambio climático (CCA)						Recursos hídricos y marinos (MR)						Contaminación (PC)						Biodiversidad y ecosistemas (BC)						GAR (CCA + CCA + MR + PC + BC)					
	Proporción del total de activos cubiertos que financian sectores pertinentes para la transición (según la taxonomía) según la taxonomía						Proporción del total de activos cubiertos que financian sectores pertinentes para la transición (según la taxonomía) según la taxonomía						Proporción del total de activos cubiertos que financian sectores pertinentes para la transición (según la taxonomía) según la taxonomía						Proporción del total de activos cubiertos que financian sectores pertinentes para la transición (según la taxonomía) según la taxonomía						Proporción del total de activos cubiertos que financian sectores pertinentes para la transición (según la taxonomía) según la taxonomía						Proporción del total de activos cubiertos que financian sectores pertinentes para la transición (según la taxonomía) según la taxonomía					
	Proporción del total de activos cubiertos que financian sectores pertinentes para la transición (según la taxonomía) según la taxonomía						Proporción del total de activos cubiertos que financian sectores pertinentes para la transición (según la taxonomía) según la taxonomía						Proporción del total de activos cubiertos que financian sectores pertinentes para la transición (según la taxonomía) según la taxonomía						Proporción del total de activos cubiertos que financian sectores pertinentes para la transición (según la taxonomía) según la taxonomía						Proporción del total de activos cubiertos que financian sectores pertinentes para la transición (según la taxonomía) según la taxonomía						Proporción del total de activos cubiertos que financian sectores pertinentes para la transición (según la taxonomía) según la taxonomía					
	De los cuales, declarados sobre el uso de los fondos	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación	De los cuales, de financiación					
GAR - Activos incluidos tanto en el numerador como en el denominador																																				
Pólizas y anticipos, valores representativos de deuda e instrumentos de capital, no mantenidos para negociar admisibles en el cálculo de la GAR	93.76	6.09	5.45	0.03	0.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.46	45.74						
Empresas financieras	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.09						
Empleados de Crédito	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.09						
Pólizas y anticipos	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.91						
Valores representativos de deuda, incluido declaración sobre el uso de los fondos	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.18						
Instrumentos de capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
Otras empresas financieras																															0.00					
De los cuales, empresas de servicios de inversión																															0.00					
Pólizas y anticipos																															0.00					
Valores representativos de deuda, incluido declaración sobre el uso de los fondos																															0.00					
Instrumentos de capital																															0.00					
De los cuales, empresas de gestión																															0.00					
Pólizas y anticipos																															0.00					
Valores representativos de deuda, incluido declaración sobre el uso de los fondos																															0.00					
Instrumentos de capital																															0.00					
De los cuales, empresas de seguros																															0.00					
Pólizas y anticipos																															0.00					
Valores representativos de deuda, incluido declaración sobre el uso de los fondos																															0.00					
Instrumentos de capital																															0.00					
Empresas no financieras	26.45	13.22	0.00	0.70	9.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.70	9.51	1.96						
Pólizas y anticipos	25.30	11.41	0.00	0.31	8.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.31	8.14	1.91							
Valores representativos de deuda, incluido declaración sobre el uso de los fondos	100.00	100.00	0.00	20.00	80.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.00	80.00	0.04	0.00						
Instrumentos de capital	19.80	18.31	0.00	0.70	7.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.70	7.79	0.03	0.00						
Hogares	100.01	5.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	37.47						
De los cuales, préstamos garantizados por bienes inmuebles residenciales	100.01	5.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	37.47						
De los cuales, préstamos de renovación de edificios	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
De los cuales, préstamos para actividades	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
Reparación de administraciones locales																															0.00					
Financiación de vivienda																															0.00					
Financiación de administraciones locales																															0.00					
Cuentas reales obtenidas mediante forma de posesión: bienes inmuebles residenciales y comerciales	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
Total activos de la GAR	37.30	3.70	3.31	0.02	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.31	0.02	0.28	47.01						

GAR 003 T-1 BUSINESS VOLUME

[illegible]

GAR 004 CAPEX

% (en comparación con el flujo total de activos elegibles)		Resumen de referencias de la divulgación 1																																									
		Integración al índice climático ICCM						Atenuación al índice climático ICCM						Recursos naturales y marinos (RNM)						Economía circular (CE)						Contaminación (PC)						Biodiversidad y ecosistemas (BC)						TOTAL (ICCM + RNM + CE + PC + BC)					
		Proporción del total de activos cubiertos que financian sectores pertinentes para la transición (según la taxonomía)						Proporción del total de activos cubiertos que financian sectores pertinentes para la transición (según la taxonomía)						Proporción del total de activos cubiertos que financian sectores pertinentes para la transición (según la taxonomía)						Proporción del total de activos cubiertos que financian sectores pertinentes para la transición (según la taxonomía)						Proporción del total de activos cubiertos que financian sectores pertinentes para la transición (según la taxonomía)						Proporción del total de activos cubiertos que financian sectores pertinentes para la transición (según la taxonomía)						Proporción del total de activos cubiertos que financian sectores pertinentes para la transición (según la taxonomía)					
		De los cuales: declaración sobre uso de los fondos		De los cuales: financiación		De los cuales: financiación		De los cuales: declaración sobre uso de los fondos		De los cuales: financiación		De los cuales: declaración sobre uso de los fondos		De los cuales: financiación		De los cuales: declaración sobre uso de los fondos		De los cuales: financiación		De los cuales: declaración sobre uso de los fondos		De los cuales: financiación		De los cuales: declaración sobre uso de los fondos		De los cuales: financiación		De los cuales: declaración sobre uso de los fondos		De los cuales: financiación		De los cuales: declaración sobre uso de los fondos		De los cuales: financiación									
GAR - Activos incluidos tanto en el numerador como en el denominador																																											
Préstamos y arrendamientos, valores representativos de deuda e instrumentos de capital, no mantenidos para negociar admisibles en el cálculo de la GAR		85,43	8,16	4,93	0,00	1,17	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	85,43	8,16	4,93	0,00	1,17	26,87								
Empresas financieras		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00								
Entidades de crédito		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00								
Préstamos y arrendamientos		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00								
Valores representativos de deuda, incluido declaración sobre el uso de los fondos																																											
Instrumentos de capital																																											
Otras empresas financieras																																											
De los cuales: empresas de servicios de inversión																																											
Préstamos y arrendamientos																																											
Valores representativos de deuda, incluido declaración sobre el uso de los fondos																																											
Instrumentos de capital																																											
De los cuales: empresas de gestión																																											
Préstamos y arrendamientos																																											
Valores representativos de deuda, incluido declaración sobre el uso de los fondos																																											
Instrumentos de capital																																											
De los cuales: empresas de seguros																																											
Préstamos y arrendamientos																																											
Valores representativos de deuda, incluido declaración sobre el uso de los fondos																																											
Instrumentos de capital																																											
Empresas no financieras		13,74	5,43	0,00	0,00	5,17	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	13,74	5,43	0,00	0,00	5,17	4,10								
Préstamos y arrendamientos		13,74	5,43	0,00	0,00	5,17	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	13,74	5,43	0,00	0,00	5,17	4,10								
Valores representativos de deuda, incluido declaración sobre el uso de los fondos																																											
Instrumentos de capital																																											
Hogares		100,00	8,97	8,99	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	100,00	8,97	8,99	0,00	0,00	25,78								
De los cuales: préstamos garantizados por bienes inmuebles residenciales		100,00	8,99	8,99	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	100,00	8,99	8,99	0,00	0,00	26,73								
De los cuales: préstamos de renovación de edificios																																											
De los cuales: préstamos para automóviles		100,00	0,00	0,00	0,00	0,00	0,00																																				
Financiación de administraciones locales																																											
Financiación de viviendas																																											
Financiación de administraciones locales		100,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	100,00	0,00	0,00	0,00	0,00	0,00									
Canal de gestión de riesgos mediante forma de posesión: bienes inmuebles residenciales y comerciales																																											
Total activos de la GAR		45,37	4,11	3,49	0,00	0,99	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	45,37	4,11	3,49	0,00	0,99	33,92									

GAR 004 BUSINESS VOLUME

[illegible]

GAR 005.01 CAPEX

[illegible]

GAR 005.01 BUSINESS VOLUME

[illegible]

GAR 005.02 CAPEX

[illegible]

GAR 005.02 BUSINESS VOLUME

%	Mitigación del cambio climático (CCM)		Adaptación al cambio climático (CCA)		Recursos técnicos y humanos (RH)		Economía circular (CE)		Contaminación (PPC)		Biodiversidad y ecosistemas (BIO)		TOTAL (CCM + CCA + RH + CE + PPC + BIO)	
	Proporción del total de activos cubiertos que financian sectores pertinentes para la taxonomía (elegibles según la taxonomía)		Proporción del total de activos cubiertos que financian sectores pertinentes para la taxonomía (elegibles según la taxonomía)		Proporción del total de activos cubiertos que financian sectores pertinentes para la taxonomía (elegibles según la taxonomía)		Proporción del total de activos cubiertos que financian sectores pertinentes para la taxonomía (elegibles según la taxonomía)		Proporción del total de activos cubiertos que financian sectores pertinentes para la taxonomía (elegibles según la taxonomía)		Proporción del total de activos cubiertos que financian sectores pertinentes para la taxonomía (elegibles según la taxonomía)		Proporción del total de activos cubiertos que financian sectores pertinentes para la taxonomía (elegibles según la taxonomía)	
	Procedimiento de declaración		Procedimiento de declaración		Procedimiento de declaración		Procedimiento de declaración		Procedimiento de declaración		Procedimiento de declaración		Procedimiento de declaración	
	De los cuales: declaración		De los cuales: declaración		De los cuales: declaración		De los cuales: declaración		De los cuales: declaración		De los cuales: declaración		De los cuales: declaración	
	sobre uso de los		sobre uso de los		sobre uso de los		sobre uso de los		sobre uso de los		sobre uso de los		sobre uso de los	
		De los cuales: declaración			De los cuales: declaración			De los cuales: declaración			De los cuales: declaración			De los cuales: declaración
		facilitadores			facilitadores			facilitadores			facilitadores			facilitadores
Garantías financieras (indicador clave de resultados de las garantías financieras)														
Activos gestionados (indicador clave de resultados de los activos gestionados)														

Independent Limited Assurance Report on
the Consolidated Non-Financial Information Statement and
Sustainability Information for the year ended
31 December 2024

CAJA LABORAL POPULAR COOP. DE CRÉDITO
AND SUBSIDIARIES

INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT AND SUSTAINABILITY INFORMATION

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the shareholders of Caja Laboral Popular Coop. de Crédito:

Conclusion of limited assurance

In accordance with article 49 of the Commercial Code, we have assured, with a limited scope, the Consolidated Non-Financial Information Statement ("NFIS") for the year ended December 31, 2024 of Caja Laboral Popular Coop. de Crédito (the "Parent") and subsidiaries (the "Group"), which is part of the Group's consolidated management report.

The content of the NFIS includes information in addition to that required by prevailing company law in respect of non-financial information, specifically the Sustainability Information prepared by the Group for the year ended December 31, 2024 (the "sustainability information") in accordance with Directive (EU) 2022/2464 of the European Parliament and of the Council, of 14 December 2022, as regards corporate sustainability reporting (the "CSRD"). The sustainability information was also subject to limited assurance.

Based on the procedures applied and the evidence obtained, no matter has come to our attention that would cause us to believe that:

- a) The Group's consolidated NFIS for the year ended 31 December 2024 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and the criteria selected in European Sustainability Reporting Standards ("ESRS"), as well as other criteria described above, as explained for each matter in the "Law 11/2018 and EU Taxonomy Regulation correlation table" in the NFIS.
- b) The sustainability information, taken as a whole, has not been prepared, in all material respects, in accordance with the sustainability reporting framework applied by the Group and identified in section "[BP-2] Disclosures in relation to specific circumstances", including:
 - That the description of the process for identifying the sustainability information to be disclosed included in section "[IRO-1] Description of the process to identify and assess material impacts, risks and opportunities" is consistent with the process implemented and that it enables the identification of the material information to be disclosed in accordance with the requirements of ESRS.
 - Compliance with ESRS.
 - Compliance with the disclosure requirements included in subsection "UE Taxonomy Regulation" on the environment and in the annex "Annex: Indicators of the EU Taxonomy Regulation" in the sustainability information with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020, on the establishment of a framework to facilitate sustainable investment.

Basis of conclusion

We have performed our limited assurance engagement in accordance with generally accepted professional standards applicable in Spain and specifically with the guidelines contained in the Guidelines 47 (revised) and 56 issued by the Spanish Institute of Chartered Auditors on non-financial information assurance engagements and considering the contents of the note issued by the Spanish Accounting and Auditing Institute (ICAC) on December 18, 2024 (the "generally accepted professional standards").

The procedures in a limited assurance engagement are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under those regulations are further described in the *Practitioner's responsibilities* section of our report.

We have complied with the independence and other ethics requirements of the International Code of Ethics for Professional Accountants (including international standards on independence) of the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Our firm applies International Standard on Quality Management (ISQC) 1, which requires us to design, implement, and operate a system of quality management that includes policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Directors' responsibilities

The preparation of the NFIS included in the Group's consolidated management report and its content are the responsibility of the directors of Parent. The NFIS has been prepared in accordance with the content required by prevailing company law in Spain and following selected ESRS criteria, as well as other criteria described as outlined for each matter in the "Law 11/2018 and EU Taxonomy Regulation correlation table" in that Statement.

This responsibility also includes the design, implementation, and maintenance of such internal control as considered necessary to ensure that the NFIS is free of material misstatement, whether due to fraud or error.

The directors of the Parent are also responsible for defining, implementing, adapting, and maintaining the management systems from which the necessary information for preparing the NFIS is obtained.

In relation to the sustainability information, the Parent's directors are responsible for developing and implementing a process for identifying the disclosures to be included in the sustainability information in accordance with the CSRD, ESRS and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020, and for disclosing information about this process in the sustainability information in section "[IRO-1] Description of the process to identify and assess material impacts, risks and opportunities". This responsibility includes:

- ▶ Understanding the context in which the Group carries out its activities and business relationships, as well as its stakeholders, in relation to the Group's impact on people and the environment.
- ▶ Identifying the actual and potential impacts (both negative and positive), as well as risks and opportunities that could affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to financing, or cost of capital in the short, medium or long term.
- ▶ Assessing the materiality of the identified impacts, risks and opportunities.
- ▶ Making assumptions and estimates that are reasonable under the circumstances.

The directors of the Parent are also responsible for the preparation of the sustainability information, which includes the information identified by the process, in accordance with the sustainability reporting framework used, including compliance with the CSRD, ESRS, and the disclosure requirements included in the subsection "EU Taxonomy Regulation" of the section on the environment in the annex "Annex: Indicators of the EU Taxonomy Regulation" in the sustainability information with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020, on the establishment of a framework to facilitate sustainable investment.

This responsibility includes:

- ▶ Designing, implementing and maintaining such internal control as the directors consider relevant to enable the preparation the sustainability information that is free from material misstatement, whether due to fraud or error.
- ▶ Selecting and applying appropriate methods for the presentation of sustainability information and the basis of assumptions and estimates that are reasonable, considering the circumstances, about specific disclosures.

Inherent limitations in the preparation of the information

In accordance with ESRS, the Parent's directors are required to prepare forward-looking information on the basis of assumptions and hypothetical assumptions, which must be included in the sustainability information, about potential future events and possible future actions, if any, that the Group could take. Actual results may differ significantly from estimated results, as the reference is to the future and future events frequently do not occur as expected.

In determining the disclosures in the sustainability information, the Parent's directors interpret legal and other terms that are not clearly defined and that may be interpreted differently by others, including the legal conformity of such interpretations, and, accordingly, are subject to uncertainty.

Practitioner's responsibilities

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the NFIS and sustainability information are free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusions. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this information.

As part of a limited assurance engagement, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- ▶ Design and perform procedures to assess whether the process for identifying the disclosures to be included in the NFIS and sustainability information is consistent with the description of the process followed by the Group and enables, where appropriate, the identification of the material information to be disclosed as required in the ESRS.
- ▶ Perform risk procedures, including obtaining an understanding of internal control relevant to the engagement, to identify disclosures where material misstatements are more likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.
- ▶ Design and perform procedures responsive to disclosures in the NFIS and sustainability information where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary from the work performed

A limited assurance engagement involves performing procedures to obtain evidence as a basis for our conclusions. The nature, timing and extent of procedures selected depend on professional judgment, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the NFIS and sustainability information.

Our work consisted of making inquiries of management and of the Group's various business units and components that participated in the preparation of the NFIS and sustainability information, reviewing the processes used for compiling and validating the information presented in the NFIS and sustainability information, and applying certain analytical procedures and sample review tests as described below:

For assurance of the NFIS:

- ▶ Holding meetings with Group personnel to obtain an understanding of the business model, the policies and management approaches applied, and the main risks related to these matters and to gather the information needed to perform the independent assurance work.
- ▶ Analysing the scope, relevance and completeness of the content of 2024 NFS based on the materiality assessment performed by the Group and described in section "[IRO-1] Description of the process to identify and assess material impacts, risks and opportunities" of the NFIS, considering the content required in prevailing company law.
- ▶ Analysing the processes used to compile and validate the data presented in the 2024 NFIS.
- ▶ Reviewing the disclosures relating to the risks, policies and management approaches applied with respect to the material matters presented in the 2024 NFIS.
- ▶ Checking, through sample testing, the information underlying the content of the 2024 NFIS and whether it has been adequately compiled based on data provided by information sources.

For assurance of the sustainability information:

- ▶ Making inquiries of Group personnel:
 - To understand the business model, the policies and management approaches applied and the main risks related to these matters and to gather the information needed to perform the independent assurance work.
 - To know the source of the information used by management (e.g., interaction with stakeholders, business plans and documents on strategy) and review the Group's internal documentation on its process.
- ▶ Obtaining, through inquiries of Group personnel, insight into the Parent's processes for gathering, validation, and presenting information relevant for the preparation of its sustainability information.
- ▶ Assessing whether the evidence obtained in our procedures on the process implemented by the Group for determining the disclosures to be included in the sustainability information is consistent with the description of the process included in that information, as well as assessing whether that process implemented by the Group enables identification of the material information to be disclosed in accordance with the requirements of ESRS.
- ▶ Assessing whether all the information identified in the process implemented by the Group for determining the disclosures to be included in the sustainability information is effectively included.
- ▶ Evaluating whether the structure and presentation of the sustainability information is consistent with ESRS and the rest of the sustainability reporting framework applied by the Group.

- ▶ Performing inquiries of relevant personnel and analytical procedures on the disclosures in the sustainability information, considering those where material misstatements are likely to arise, whether due to fraud or error.
- ▶ Performing, as appropriate, substantive procedures through sampling of selected disclosures in the sustainability information, considering those where material misstatements are likely to arise, whether due to fraud or error.
- ▶ Obtaining, as appropriate, reports issued by accredited independent third parties accompanying the consolidated management report in response to the requirements of European regulations and, in relation to such information and in accordance with generally accepted professional standards, verification, exclusively, of the accreditation of the practitioner and that the scope of the report issued corresponds to that required by European regulations.
- ▶ Obtaining, as appropriate, the documents containing the information incorporated by reference, the reports issued by auditors or practitioners on such documents and, in accordance with generally accepted professional standards, verification, exclusively, that in the document to which the information incorporated by reference refers, the requirements described in ESRS for the incorporation by reference of information in the sustainability information are met.
- ▶ Obtaining a representation letter from the directors and management regarding the NFIS and sustainability information.

Other information

Management of the Parent is responsible for the other information. The other information comprises the consolidated financial statements and the rest of the information included in the consolidated management report, but does not include either the auditors' report on the consolidated financial statements or the assurance reports issued by accredited independent third parties required by European Union law on specific disclosures contained in the sustainability information and attached to the consolidated management report.

Our assurance report does not cover the other information and we do not express any form of assurance conclusion on it.

Our responsibility in connection with our engagement to provide assurance on the sustainability information is to read the other information identified and consider whether it is materially inconsistent with the sustainability information or the knowledge we have obtained during the assurance engagement that could indicate material misstatements in the sustainability information.

ERNST & YOUNG, S.L.

(Signed on the original version in Spanish)

Jaume Pallerols Cat

14 March 2025

CAJA LABORAL POPULAR COOP. DE CRÉDITO Y SOCIEDADES DEPENDIENTES

FORMULATION OF THE CONSOLIDATED ANNUAL ACCOUNTS AND CONSOLIDATED MANAGEMENT REPORT OF FINANCIAL YEAR 2024

The members of the Governing Board of the Parent Company declare that, to the best of their knowledge, the accompanying consolidated financial statements have been prepared in accordance with the applicable accounting principles and provide a true and fair view of the consolidated equity, consolidated financial position and consolidated results of the Parent Company and its subsidiaries; and that the accompanying management report includes a true and fair view of the Group's development and results for the year ended 31 December 2024.

Consequently, the members of the Governing Board of Caja Laboral Popular, Coop. de Crédito (the Parent Company) on 28 February 2025 draw up the consolidated Management Report and the consolidated annual accounts, comprising the consolidated Annual Report, consolidated Balance Sheet, consolidated Profit and Loss Account, consolidated Statement of Recognised Income and Expenses, consolidated Statement of Total Changes in Equity and consolidated Cash Flow Statement for the year ended 31 December 2024, with this page having been signed by all members as proof of conformity, as well as by the Secretary of the Governing Board on each of the pages of the aforementioned documents for identification purposes.

Mr. Adolfo Plaza Izaguirre (Chairman)	Ms. Belén Cortabarria Acha (Vice-Chairperson)	Mr. Álvaro Santxa Vázquez (Secretary)
Ms. Beatriz Mauleon Sainz De Vicuña (Member)	Mr. Iván Martén Uliarte (Member)	Mr. Xabier Sagarna Arrizabalaga (Member)
Mr. Iñigo López-Cano Fernández de Betoño (Member)	Ms. Nagore Larrabeiti Libano (Member)	Ms. María Esther Korta Errazkin (Member) (*)
Mr. Juan José Álvarez Rubio (Member)	Ms. Itziar Elgarresta Ibarrondo (Member)	Ms. Leire San José Ruiz de Aguirre (Member)
Mr. Edorta Gil Sagarduy (Member)	Mr. Aitor Soria Alonso (Member)	

(*) Ms. María Esther Korta Errazkin has not signed the consolidated annual accounts for the financial year 2024, as she was travelling for professional reasons at the date of the Governing Board meeting.