FINANCIAL REPORT

January to March 2018

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Basis of presentation
The consolidated income statement and balance sheet at the close of March end 2018 2017, together with the breakdowns of different items shown in this Financial Report, are presented in accordance with the bases, principles and accounting criteria defined in Note 1 of the Group's consolidated annual accounts at 31st December 2017. The 2018 Q1 results are reported using IFRS 9 Financial Instruments standard which is effective as of 1 January 2018 and the implications are covered in said Note. The annexes show the equivalence between the consolidated financial statements reported under current formats in force and those in place prior to 1 January 2018. Some of the figures included in this document have been rounded up or down. As a result, there may be small discrepancies in the tables between the totals and the amounts listed.
The macroeconomic analysis is taken from the report "The economic outlook for Andalusia", issue 92, published by the Analistas Económicos de Andalucía group.

Unicaja Banco Group posted net profit of EUR 57 million in Q1 2018, 13% higher than that recorded during the same period a year earlier.

Unicaja Banco achieved this result while improving its key banking activity indicators:

- **Net interest income** is up in Q1 both on a year-on-year (5.1%) and quarter on quarter (0.9%) basis.
- **Operating expenses** have fallen by 2.5% vis-à-vis the same period in the previous year.
- **Total impairments** decrease significantly over the same period a year earlier and is also the lowest of any quarter of 2017.

Commercial activity continued to improve, increasing customer engagement:

- **Performing loans**, excluding ATAs, improves 0.5% driven by corporate and public sector balances.
- **New loan transactions** increased by 55% in the corporates segment and 31% in the case of individuals compared to Q4 2017.
- **Retail customer funds** grow by 2.7% over the same period last year, notably with a year-on-year growth of 9.4% in sight funds and 8.4% in off-balance sheet funds. The at sight and term deposits mix also showed improvement against 2017.

The risk indicators illustrate the Group's ability to reduce its NPAs without negatively impacting results nor coverage levels.

- **NPAs** fell by 21.6% (EUR -1,199 million) against the same period last year (5.2% in the year), with NPLs and foreclosed assets falling by 15.2% and 29.3%, respectively, over the same period.
- The **NPL ratio** dropped by -0.4 p.p. in the quarter (-1.0 pp year-on-year) to 8.4%, while the coverage ratio for both doubtful loans and foreclosed assets increased 54.9% and 64.4%, respectively.

Financial robustness and high liquidity levels:

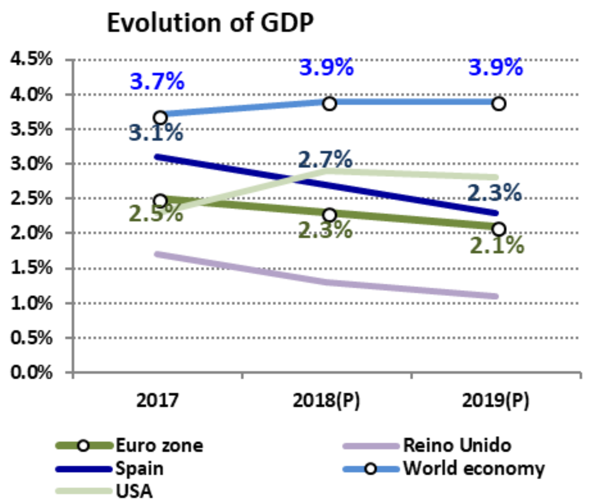
- The Group has a comfortable liquidity position, with its net liquid assets accounting for 23.2% of the balance sheet.
- The regulatory CET1 stands at 15.4% and has a surplus of 726 basis points above SREP requirements for 2018.

2. Key Highlights

Million euros / % / pp	31/03/2018	31/12/2017	31/03/2017	QoQ	YoY
BALANCE SHEET					
Total assets	58,305	56,332	55,989	3.5%	4.1%
Gross loans and advances to customers (ex-reverse repos, ex others financial assets)*	28,605	28,619	30,247	0.0%	-5.4%
Performing gross loans and advances to customers (ex-reverse repos, ex other financial assets)*	26,035	25,908	27,215	0.5%	-4.3%
On-balance sheet customers funds*	37,173	37,718	36,861	-1.4%	0.8%
Off-balance sheet customer funds	12,920	12,699	11,923	1.7%	8.4%
Shareholders equity	3,786	3,856	2,922	-1.8%	29.6%
Total equity	4,019	3,902	3,149	3.0%	27.6%
(*) Excluding valuation adjustments					
RESULTS (cumulative figures)					
Net interest income	152	583	145		5.1%
Gross income	250	997	281		-10.9%
Pre-provision profit	94	364	121		-22.0%
Consolidated net income	57	138	51		13.1%
Attributable net income	58	142	52		11.6%
Cost to income	58.5%	59.2%	52.9%	-0.7 pp	5.6 pp
ROE	6.1%	4.1%	7.1%	2.0 pp	-1.0 pp
ROA	0.4%	0.2%	0.4%	0.2 pp	0.0 pp
RISK MANAGEMENT					
Non performing loans (NPL) (a)	2,570	2,710	3,032	-5.2%	-15.2%
Foreclosed assets (b)	1,776	1,872	2,512	-5.1%	-29.3%
Non performing assets -NPA- (a+b)	4,345	4,582	5,544	-5.2%	-21.6%
NPL ratio	8.4%	8.7%	9.4%	-0.4 pp	-1.0 pp
NPL coverage	54.9%	50.0%	50.1%	4.9 pp	4.9 pp
Foreclosed assets coverage	64.4%	64.0%	62.8%	0.5 pp	1.6 pp
Non performing assets (NPA) coverage	58.8%	55.7%	55.8%	3.1 pp	3.0 pp
Cost of risk	-0.06%	0.15%	0.33%	-0.2 pp	-0.4 pp
LIQUIDITY					
Loan to deposit ratio	76.9%	75.9%	81.9%	1.0 pp	-5.0 pp
LCR	584%	701%	607%	-116.8 pp	-23.0 pp
NSFR	133%	134%	133%	-1.0 pp	0.0 pp
SOLVENCY					
CET1 ratio (phase-in)	15.4%	14.6%	13.7%	0.8 pp	1.7 pp
CET1 ratio (fully loaded)	13.5%	12.8%	12.0%	0.7 pp	1.5 pp
Total capital ratio (phase-in)	15.9%	15.1%	14.2%	0.8 pp	1.7 pp
Total capital ratio (fully loaded)	14.1%	13.3%	12.5%	0.8 pp	1.5 pp
Risk weighted assets (RWA)	23,959	24,239	24,895	-1.2%	-3.8%
Texas Ratio	67.6%	72.4%	92.6%	-4.9 pp	-25.0 pp
ADDITIONAL INFORMATION					
Employees (average number)	6,945	7,200	7,353	-3.5%	-5.5%
Branches	1,211	1,227	1,258	-1.3%	-3.7%
ATMs	1,502	1,515	1,520	-0.9%	-1.2%

3. Macroeconomic Environment

In the first quarter of 2018 the international economy taken as a whole retained the positive signs visible at the end of last year. Thus, momentum is widespread and has become more intense, in both advanced and emerging economies, in line with the acceleration in the short-term indicators published for January and February, as well as the growth rates of production and trade. The International Monetary Fund (IMF)'s medium-term forecasts, those drawn up by the European Commission and, more recently, the updates to the OECD's outlook, all point to more favourable performance on the part of the European and worldwide economy, and make stronger GDP growth forecasts for 2018 than three months ago.



Source: OCOE (march 2018)

Thus, the latest report published on growth expectations, which the OECD brought out in mid-March, argues that the global economy will continue to gain strength in 2018 and 2019, estimating that worldwide GDP will grow at close to 4%, compared to the 3.7% growth rate it estimates for 2017. The surge in investment and the momentum to world trade, together with better job creation rates, will be the drivers of this recovery. The fiscal stimulus coming from the United States has also had some influence on this modest but positive upward review of economic growth perspectives, as does the lack of inflationary pressures, despite the resurgence of demand.

Nevertheless, the scenario is not entirely free of dark clouds. Between the end of January and beginning of February, the main securities market indicators suffered a significant correction when investors readjusted their portfolio positions, possibly over-reacting to expectations of a rise in US Treasury yields. In addition, these movements could trigger greater instability in exchange rates and on capital flows, felt particularly in emerging market economies.

Nor should we forget the dangers associated with possible changes to the system of international trade, if rules over economic growth fundamentals and employment creation are modified. This is especially true at the moment, when potential (medium and long-term) growth forecasts remain much weaker than before the financial crisis, a result of demographic trends, together with investment and productivity performance. However, international bodies recommend that advanced economies double down on their efforts to implement structural reforms that support investment, the spread of innovation and more inclusive economic growth.

Long-term interest rates, such as those of 10-year bonds, have begun to curve upwards. In the case of US bond yields, the rise was apparent when the US Congress passed a major tax reform package. In parallel, sovereign debt yields rose in the United Kingdom and Germany, taken as a reference for the eurozone area. This trend in public debt yields, higher in the case of US bonds, has occurred while the US dollar has been persistently weak.

The ECB, meanwhile, has kept its monetary policy and forward guidance on a steady course, although it has not yet set a firm date for ending its asset purchase programme (APP). For its part, the Bank of Japan responded to a slight uptick in long-term yields with an offer to buy an unlimited quantity of long-term public debt.

The momentum of the Spanish economy –with GDP growth rates at over 3% for the last three years–, taken with the recent improvement in the European and global backdrop, suggest that the slowdown expected for 2018 and 2019 may be gentler than indicated last December. The latest forecasts from the Bank of Spain, with information available in mid-March, indicate a continuation of the Spanish economy's current expansionary scenario, based on the correction of macro-economic imbalances. Particularly helpful indicators are the trend in private sector debt reduction, keeping the current account in surplus and the resulting moderation in external financing needs, shrinking public deficit, reduction in unemployment levels, and the real estate sector, which has stabilised and is showing the first signs of recovery. At the same time other economic factors are underpinning the energy that is visible in activity, such as strong export markets and the still-expansionary tone of demand policies (particularly monetary policy) across the entire forecast period.

Nor should we underestimate the slight change in the direction of fiscal policy, which until 2017 was seen as neutral. In fact, when compared with December's forecasts, the most significant changes in the assumptions which underpin the projections relate to budget policy. Specifically, the recent wage and public-sector employment agreement for 2018-2020, which includes a 6% fixed rise for public-sector employees, in aggregate terms over the period, and another two additional tranches –subject to meeting certain conditions– that could bring the increase close to 9%. This agreement gives a further boost to public-sector employment in 2018.

The expected scenario for Spain's macro-economic picture is that external demand will continue to provide production growth, given that exports are expected to carry on posting higher gains than imports, supported by competitiveness gains that have accumulated since the crisis. However, the short-term information provided by data from the National Statistics Institute's Quarterly National Accounts (CNTR) reveal that the Spanish economy's progress is still underpinned by domestic demand, which in Q4 2017 raised its contribution to year-on-year GDP growth by 0.2 pp, bringing it to 3.2 pp, while net external demand shaved 0.1 pp off growth, after having made a positive 0.1 pp contribution the previous quarter.

From the vantage point of financing, there is no doubt that the ECB's loose monetary policy has helped consumer financing and investment. In fact, gross capital formation grew by 5.0% in 2017 (6.1% in the case of capital goods), although this the forecast suggests this could shrink a little in the 2018-2020 timeframe. The net balance on business lending fell by -0.1% year-on-year in January, although in the final months of 2017 it reported some slight positive variations. Meanwhile, households are prolonging their debt reduction. On this item, we should differentiate between consumer loans, which reached a turning point at the end of 2015 and have been growing at an annual rate of close to 6%, and mortgage credit, which continues to fall.

As European authorities and other private institutions such as Funcas are suggesting, the opportunity presented by the favourable current conditions should be harnessed to increase the resilience of our economies and push through the reforms that are still pending, both in the field of Economic and Monetary Union, and at a national level. Internally, the challenges still to be faced must be tackled in order not to put hurdles in the way of long-term progress and welfare, paying particular attention to productivity, bringing down structural unemployment and anticipating the consequences of the population ageing. This last factor will also affect the previous two, insofar as it will modify the composition of the job market and will potentially have adverse effects on productivity and the capacity to develop and adopt technological innovations, with the concomitant social implications.

Finally, the inefficiencies associated with delaying changes to the energy policy strategy should not be passed over. Perhaps even more important is the issue of education, a fundamental cornerstone, which in the medium and long term is critical for a society's economic success and progress. This enhanced socio-economic positioning would help to reduce differences between member states of the eurozone, as well as between the different regions within Spain.

4. Balance Sheet

Million euros	31/03/2018	31/12/2017	31/03/2017	QoQ	YoY
Cash and balances at central banks	2,999	3,806	1,704	-21.2%	76.0%
Assets held for trading & at fair value through P&L	182	31	59	479.8%	206.8%
Financial assets at fair value through other global result	6,925	3,702	3,576	87.1%	93.6%
Financial assets at amortised cost	29,899	29,822	30,496	0.3%	-2.0%
Loans to credit institutions	628	184	151	241.2%	316.9%
Loans to customers	29,271	29,638	30,345	-1.2%	-3.5%
Fixed income at amortised cost	12,615	13,220	13,993	-4.6%	-9.8%
Hedging derivatives	504	457	546	10.3%	-7.7%
Associates	370	483	284	-23.4%	30.2%
Tangible assets	1,244	1,291	1,422	-3.6%	-12.5%
Intangible assets	64	2	1	3298.1%	8332.2%
Tax assets	2,613	2,613	2,540	0.0%	2.9%
Other assets	462	466	627	-0.9%	-26.3%
Non current assets held for sale	428	439	741	-2.6%	-42.3%
TOTAL ASSETS	**58,305**	**56,332**	**55,989**	**3.5%**	**4.1%**
Liabilities held for trading & at fair value through P&L	29	27	32	6.3%	-7.8%
Financial liabilities at amortised cost	52,043	50,941	51,611	2.2%	0.8%
Deposits form central banks	3,327	3,330	3,340	-0.1%	-0.4%
Deposits from credit institutions	3,296	715	1,243	361.0%	165.1%
Customer deposits	44,565	46,041	45,332	-3.2%	-1.7%
Other Issued Securities	130	130	814	0.1%	-84.0%
Other financial liabilities	726	725	881	0.2%	-17.6%
Hedging derivatives	107	31	34	242.1%	215.0%
Provisions	870	935	678	-7.0%	28.3%
Tax liabilities	271	209	227	29.7%	19.4%
Other liabilities	966	286	259	238.1%	273.0%
TOTAL LIABILITIES	**54,286**	**52,430**	**52,840**	**3.5%**	**2.7%**
Own Funds	3,786	3,856	2,922	-1.8%	29.6%
Other accumulated global result	202	17	24	1093.8%	730.4%
Minority Interests	31	30	203	3.9%	-84.8%
Total Equity	**4,019**	**3,902**	**3,149**	**3.0%**	**27.6%**
Total Liabilities and Equity	**58,305**	**56,332**	**55,989**	**3.5%**	**4.1%**
OFF BALANCE SHEET CUSTOMER FUNDS	**12,920**	**12,699**	**11,923**	**1.7%**	**8.4%**

On 1st January 2018 a number of International Financial Reporting Standards (IFRS) came into force, as described in note 1.12.2. to the consolidated annual statements to 31st December 2017. One of these is IFRS 9 and its principal temporary impacts are described in a note in the annual statement referenced above; its definitive application has not changed significantly. Applying this standard has had a major effect on the fixed income portfolio and on loans and advances; it has entailed variations to the item "Financial assets held for trading through profit or loss", to "Financial assets with changes in other comprehensive income"[1], "Loans and advances at amortized cost" and "Debt securities at amortized cost". Finally, we should point out that the application of the standard has had a positive impact on the Group's net equity, after fiscal considerations have been taken into account, as a result of the increase in provisioning for

[1] The "other global result" item is included in net equity

insolvencies and the impact on other comprehensive income from the reclassifications of the fixed income portfolios.

It should also be pointed out that the administrative authorisations for the purchase in 2017 of Unión Duero Vida and Duero Pensiones, in which the Group already had a 50% stake and was included using the equity method in the 2017 financial year, were approved in Q1 2018. This means that the conditions have been met to take control of the above-mentioned companies, and as such they can be fully integrated into the Group's quarterly March 2018 statements; this entails the incorporation of assets worth EUR 788 million, most of them fixed income assets.

At 31st March 2018, Unicaja Banco Group's assets came to EUR 58,305 million. Loans and advances carried at amortised cost account for EUR 29,899 million, with loans and advances to customers worth EUR 29,271 million. Debt securities carried at amortised cost amount to EUR 12,615 million, and mainly consist of Spanish Treasury debt.

Total assets grew by 3.5% in the first quarter of the 2018, mainly because of the performance in the fixed income portfolio. This portfolio has grown through new purchases and due to the new consolidation perimeter stated earlier. Loans and advances to clients fell in net terms by 1.2% over the quarter, essentially through the recovery of non-performing loans and the increase in provisions as a result of the entry into force of IFRS 9. When these assets are stripped out, together with repos and other financial assets, performing credit grew in the period.

Year on year, the asset base is also growing, at 4.1%, for the same reasons as those given above for the quarterly results. Customer loans and advances are falling year-on-year by 3.5%, compared to a year-on-year fall of 4.3% the previous quarter, thanks to stronger performance from performing credit investment, which has grown over the quarter, as noted above.

The balance on intangible assets also rose during the quarter, mainly consisting of goodwill generated in the global integration mentioned earlier.

The Group's total liabilities come to EUR 54,286 million. The vast majority of this is made up of financial liabilities carried at amortized cost, amounting to EUR 52,043 million. Customer deposits of EUR 44,565 million account for 85.6% of these total financial liabilities. The Group also manages other customer funds as well as the deposits mentioned above, mainly investment funds, pension funds and savings insurance. These are all off-balance sheet and come to EUR 12,920 million.

Liabilities have grown by 3.5% in the year, partly because of the full integration into the Group of the insurance firms mentioned above, that bring liabilities at 31st March 2018 to EUR 696 million (for the most part, liabilities for insurance contracts that explain the performance of the "Other Liabilities" section) and also because of the growth of liabilities carried at amortized cost, which have grown by 2.2%. In customer funds, both the demand deposits and the off-balance sheet funds have grown, at the same rate as they have been growing in year-on-year and quarter-on-quarter periods since the beginning of 2017, as a result of strong results from commercial activity.

Finally, net equity has risen, thanks to the quarterly result and the capital gains generated over the quarter on portfolios measured at fair value through other comprehensive income. In addition, as indicated, net equity rose on 1st January 2018 because of the application of IFRS 9, which has entailed a charge on reserves due to higher impairments made in the initial application of these standards, and an increase in other comprehensive income from the net capital gains on the securities reclassified to portfolios measured at fair value.

Strong commercial activity has enabled business volumes to continue to grow, both in new credit origination / performing balances, as well as in new retail funds.

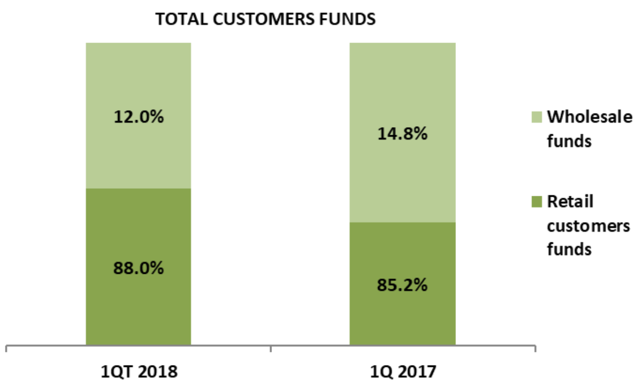
5. Customer Funds

Million euros. Excluding valuation adjustments	31/03/2018	31/12/2017	31/03/2017	QoQ	YoY
On-balance sheet customer funds	**44,032**	**45,503**	**45,340**	**-3.2%**	**-2.9%**
Customer funds	**43,902**	**45,373**	**44,536**	**-3.2%**	**-1.4%**
Public Sector	**2,626**	**2,638**	**2,143**	**-0.4%**	**22.6%**
Private sector	**41,275**	**42,736**	**42,393**	**-3.4%**	**-2.6%**
Sight deposits	25,370	25,356	23,188	0.1%	9.4%
Term deposits	13,529	14,222	17,057	-4.9%	-20.7%
of which: covered bonds	*4,858*	*5,093*	*6,170*	*-4.6%*	*-21.3%*
Repos	2,377	3,157	2,148	-24.7%	10.7%
Issues	**130**	**130**	**804**	**0.0%**	**-83.8%**
Promissory notes	0	0	0	-	-
Mortgages securities	130	130	200	0.0%	-35.0%
Other values	0	0	0	-	-
Subordinated liabilities	0	0	604	-	-100.0%
Off-balance sheet customer funds	**12,920**	**12,699**	**11,923**	**1.7%**	**8.4%**
Mutual funds	6,162	6,067	5,716	1.6%	7.8%
Pension funds	2,237	2,274	2,241	-1.6%	-0.2%
Insurance savings	3,518	3,429	3,086	2.6%	14.0%
Discretional portfolios	1,002	929	880	8.0%	13.9%
TOTAL CUSTOMER FUNDS	**56,951**	**58,202**	**57,263**	**-2.1%**	**-0.5%**
Retail customers funds	**50,093**	**50,417**	**48,784**	**-0.6%**	**2.7%**
of which: on-balance sheet	37,173	37,718	36,861	-1.4%	0.8%
Public Sector	2,626	2,638	2,143	-0.4%	22.6%
Sight deposits	25,370	25,356	23,188	0.1%	9.4%
Term deposits	8,671	9,130	10,887	-5.0%	-20.4%
Others	506	594	643	-14.9%	-21.3%
of which: off-balance sheet	12,920	12,699	11,923	1.7%	8.4%
Wholesale funds	**6,859**	**7,785**	**8,479**	**-11.9%**	**-19.1%**

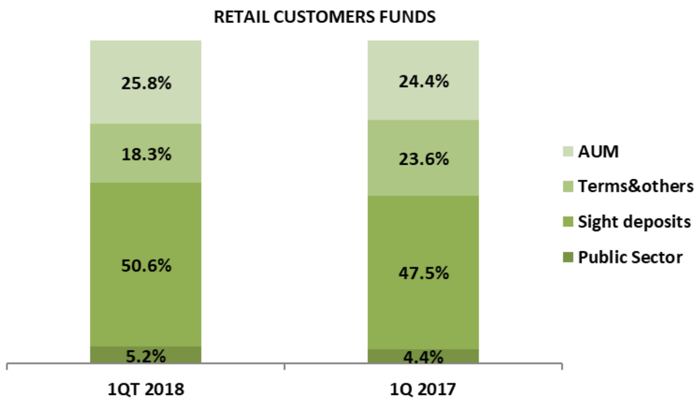
The volume of managed resources managed by the Group rose at the close of March 2018 to EUR 56,951 million.

The bulk of managed funds are customer deposits (EUR 43,902 million), of which EUR 25,370 million are private sector clients' sight deposits, EUR 13,529 million are term deposits (including EUR 4,858 million in non-negotiable mortgage covered bond issues) and EUR 2,377 million are repos. Off-balance sheet funds managed with various instruments reached EUR 12,920 million, made up mostly of investment funds (EUR 6,162 million), pension funds (EUR 2,237 million) and savings insurance (EUR 3,518 million). The balance of issues included in the aggregate of on-balance sheet customer funds is limited to EUR 130 million and consists only of mortgage securities exclusively in the hands of third parties following the repurchase of the convertible EspañaDuero bonds underwritten by the FROB (EUR 604 million).

As to the origin of the resources, 88% (87% at year-end 2017 and 85% in Q1 2017) relates to retail customers' business (EUR 50,093 million), while the remaining 12% (EUR 6,859 million) is represented by funds raised in wholesale markets through issuances and repos.



Both in the year to date and on a year on year basis, the weight of funds managed for retail customers has gone up.

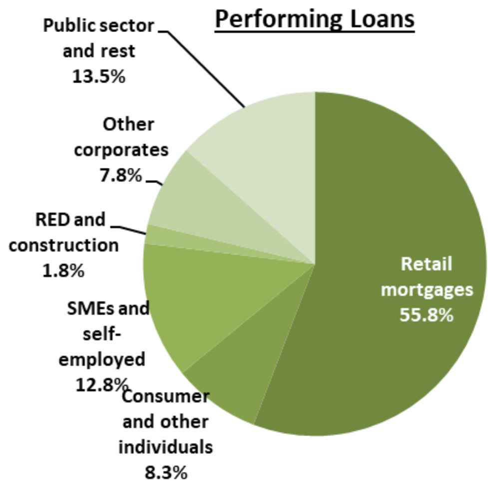


The variation in customer funds is a reflection of the strategic direction taken by the institution to improve its margins in attracting resources. Total managed customer funds rose 2.7% in the previous 12 months, while the total in the balance sheet is up by 0.8%, with an increase of 22.6% in public sector funds and 9.4% in at sight deposits. Additionally, off balance sheet funds are up 8.4% against the same period a year earlier. The annual evolution of customer funds posted an 0.6% fall, with a 0.1% drop in term deposits and a somewhat lower fall in public sector funds. At sight balances recorded an 0.1% increase and off-balance sheet funds are up 1.7%, continuing with the trend established in 2017. This higher growth in off-balance sheet resources is the result of stronger customer demand due to interest rates scenario and is in line with the entity's strategy of giving greater weight to these resources, within total resources managed, and reported a positive performance in both year-on-year and quarter-on-quarter terms.

6. Performing Loans

Million euros. Excluding valuation adjustments	31/03/2018	31/12/2017	31/03/2017	QoQ	YoY
Public sector	**1,632**	**1,522**	**2,252**	**7.2%**	**-27.5%**
Private sector	**24,403**	**24,388**	**24,963**	**0.1%**	**-2.2%**
Corporates	**6,333**	**6,146**	**6,039**	**3.0%**	**4.9%**
RED and construction	517	572	602	-9.7%	-14.2%
SMEs and self-employed	3,623	3,520	3,416	2.9%	6.1%
Other corporates	2,193	2,054	2,021	6.7%	8.5%
Individuals	**18,070**	**18,242**	**18,923**	**-0.9%**	**-4.5%**
Mortgages	15,744	15,900	16,565	-1.0%	-5.0%
Consumer and other	2,327	2,343	2,358	-0.7%	-1.3%
PERFORMING LOANS TO CUSTOMERS	**26,035**	**25,910**	**27,214**	**0.5%**	**-4.3%**
Repos and valuation adjustments	**2,166**	**2,418**	**2,034**	**-10.4%**	**6.5%**
TOTAL PERFORMING LOANS	**28,201**	**28,328**	**29,248**	**-0.4%**	**-3.6%**

Performing loans balance of the Entity stands at EUR 28,201 million. Of this, EUR 1,632 million correspond to loans to public sectors, EUR 24,403 million to private sector credit and EUR 2,166 million to reverse repos and other unclassified balances, mainly collateral for financing transactions and derivatives. By portfolio type, the most important are retail loans with mortgage guarantees, representing 55.8% of total performing loans, and the SME and self-employed portfolio, accounting for another 12.9% with latter growing in weight since the close of 2017.



The performing loans balance has grown in both the public and private sectors over the quarter, evidence of the Group's strong commercial activity. Loan origination has performed strongly, accounting for EUR 915 million, up by 45% from the previous quarter. In the public sector, lending has risen by 46% in the quarter, just ahead of the private sector, up by 45%.

The balance of performing loans to the public sector and private sector is 7.2% and 0.1% respectively in the year to date. In the private sector, the SME and the self-employed segments have grown by 3.0%, other corporates have expanded by 6.7%, an increase that has been driven by new originations, which shot up by 55%. Loans to individuals origination, which is up by 31% from the last quarter of 2017, has not yet offset the portfolio outflows in this segment, but has softened the fall, from 1.2% in the previous quarter, to 0.9% in this.

7. Non-performing loans & foreclosed assets

Million euros	31/03/2018	31/12/2017	31/03/2017	QoQ	YoY
GROSS BALANCE					
Public sector	**2**	**2**	**12**	**-15.0%**	**-84.4%**
Private sector	**2,568**	**2,708**	**3,020**	**-5.2%**	**-15.0%**
Business	**982**	**1,071**	**1,329**	**-8.2%**	**-26.1%**
RED and construction	310	351	464	-11.8%	-33.2%
SMEs and self-employed	623	653	768	-4.5%	-18.8%
Other corporates	49	66	97	-25.9%	-49.3%
Individuals	**1,585**	**1,637**	**1,691**	**-3.2%**	**-6.2%**
Mortgages	1,099	1,136	1,339	-3.3%	-18.0%
Consumer and other	487	501	352	-2.9%	38.4%
Repos and valuation adjustments	**0**	**0**	**0**	**n.a.**	**n.a.**
NON PERFORMING LOANS	**2,570**	**2,710**	**3,032**	**-5.2%**	**-15.2%**
Non performing loans (excluding RED loans)	**2,260**	**2,359**	**2,568**	**-4.2%**	**-12.0%**
PROVISIONS					
Public sector	**3**	**0**	**2**	**n.s.**	**41.3%**
Private sector	**1,400**	**1,347**	**1,508**	**3.9%**	**-7.1%**
Business	**636**	**614**	**776**	**3.7%**	**-18.0%**
RED and construction	221	249	351	-11.1%	-36.9%
SMEs and self-employed	362	327	365	10.7%	-0.9%
Other corporates	53	38	61	39.6%	-11.9%
Individuals	**764**	**733**	**731**	**4.1%**	**4.4%**
Mortgages	406	414	555	-1.9%	-26.8%
Consumer and other	358	319	177	11.9%	102.5%
Repos and valuation adjustments	**8**	**8**	**8**	**6.1%**	**5.2%**
NON PERFORMING LOANS	**1,412**	**1,355**	**1,518**	**4.2%**	**-7.0%**
Non performing loans (excluding RED loans)	**1,190**	**1,106**	**1,167**	**7.6%**	**2.0%**
% COVERAGE					
Public sector	**160.0%**	**0.0%**	**17.7%**	**160.0 pp**	**142.3 pp**
Private sector	**54.5%**	**49.8%**	**49.9%**	**4.8 pp**	**4.6 pp**
Business	**64.8%**	**57.3%**	**58.4%**	**7.4 pp**	**6.4 pp**
RED and construction	71.4%	70.9%	75.6%	0.6 pp	-4.2 pp
SMEs and self-employed	58.0%	50.0%	47.5%	8.0 pp	10.5 pp
Other corporates	108.9%	57.8%	62.6%	51.1 pp	46.2 pp
Individuals	**48.2%**	**44.8%**	**43.3%**	**3.4 pp**	**4.9 pp**
Mortgages	37.0%	36.4%	41.4%	0.5 pp	-4.5 pp
Consumer and other	73.5%	63.7%	50.2%	9.7 pp	23.3 pp
Repos and valuation adjustments				**0.0 pp**	**0.0 pp**
NON PERFORMING LOANS	**54.9%**	**50.0%**	**50.1%**	**4.9 pp**	**4.9 pp**
Non performing loans (excluding RED loans)	**52.7%**	**46.9%**	**45.4%**	**5.8 pp**	**7.2 pp**

The Group continues to show a solid ability to reduce NPAs which stood at EUR 2,570 million in Q1 of 2018, representing a fall of EUR 2,244 million since the end of 2014 (47%).

In the previous 12 months, it has fallen by 15.2% (EUR -462 million), representing a further improvement in the NPL ratio, which has edged to 8.4%. Over the quarter, this has dropped by EUR 141 million, compared to EUR 123 million in the previous quarter, with gross entries accounting for EUR 60 million, going down, for the second quarter in a row, from EUR 100 million per quarter. On the other hand, there is an improvement in recoveries, which, excluding write-off´s, means the Entity has recorded eight consecutive quarters of net outflows (if the effect of the Banks of Spain Circular 4/2016 in Q4 2016 is stripped out).

This drop in non-performing balances is occurring without damaging our high coverage ratios, which have been reinforced since IFRS 9 came into effect and amounted to 54.9% at the end of March 2018. Unicaja Group's adoption of IFRS9 has entailed, at 1st January 2018, increased credit provisioning which has enabled us to improve the coverage ratios. If this regulation had not come into effect, coverage at March 2018 would have stayed at the same levels as at the end of 2017.

Million euros	**1Q 2018**	**4Q 2017**	**3Q 2017**	**2Q 2017**	**1Q 2017**
NPL EVOLUTION					
NPLs at the beginning of the period	**2,710**	**2,833**	**2,910**	**3,032**	**3,215**
Recoveries	-117	-95	-26	-62	-82
Write-offs	-24	-28	-51	-60	-102
NPLs at the end of the period	**2,570**	**2,710**	**2,833**	**2,910**	**3,032**

Million euros	**1Q 2018**	**4Q 2017**	**3Q 2017**	**2Q 2017**	**1Q 2017**
NPL recoveries evolution					
Gross entries	60	88	112	108	134
Recoveries	-177	-182	-138	-171	-216
Net recoveries	**-117**	**-95**	**-26**	**-62**	**-82**

FORECLOSED ASSETS

At the end of Q1 2018, the net balance of foreclosed assets, net of provisions, amounted to EUR 631 million euros (Eur 1,776 million gross), representing only 1.1% of Unicaja Banco Group's total assets.

53% of the foreclosed assets, at net book value, are finished new housing and used housing.

Following Unicaja Banco Group's conservative policy, the provisioning for foreclosed assets was EUR 1,144 million at the close of Q1 2018, representing coverage of 64.4%, which is slight up with respect to year-end 2017.

Foreclosed assets outflows continue at a sound pace. In this regard, during this last quarter, outflows amounted to EUR 187 million, which is equivalent to 10% of the stock held at the beginning of the year. The slight fall in the volume of sales in the last 2 quarters of 2017 is due to the lower contribution of asset portfolios sales, which in Q1 2018 have amounted to EUR 97 million in gross value terms, compared to sales in the third and fourth quarters of 2017 of EUR 265 and EUR 252 million respectively. The upward price trend and sales results for this type of asset continues and coverage ratios remain high.

Million euros	31/03/2018	31/12/2017	31/03/2017	QoQ	YoY
GROSS BALANCE					
From lending to RE developers	**991**	**1,070**	**1,462**	**-7.3%**	**-32.2%**
Finished buildings	177	213	391	-16.9%	-54.8%
Buildings under construction	127	139	186	-8.9%	-31.7%
Land	688	718	885	-4.2%	-22.3%
From retail mortgages	**508**	**530**	**652**	**-4.2%**	**-22.1%**
Other foreclosed assets	**276**	**272**	**398**	**1.7%**	**-30.6%**
TOTAL FORECLOSED ASSETS	**1,776**	**1,872**	**2,512**	**-5.1%**	**-29.3%**
Off which finished buildings	**685**	**743**	**1,043**	**-7.8%**	**-34.4%**
PROVISIONS					
From lending to RE developers	**733**	**769**	**994**	**-4.7%**	**-26.2%**
Finished buildings	96	111	204	-13.4%	-52.8%
Buildings under construction	78	81	113	-3.8%	-31.2%
Land	559	577	676	-3.2%	-17.4%
From retail mortgages	**251**	**260**	**332**	**-3.6%**	**-24.4%**
Other foreclosed assets	**160**	**167**	**252**	**-4.2%**	**-36.5%**
TOTAL FORECLOSED ASSETS	**1,144**	**1,197**	**1,578**	**-4.4%**	**-27.5%**
Off which finished buildings	**347**	**372**	**536**	**-6.6%**	**-35.2%**
COVERAGE (%)					
From lending to RE developers	**74.0%**	**71.9%**	**68.0%**	**2.0 pp**	**6.0 pp**
Finished buildings	54.6%	52.4%	52.2%	2.2 pp	2.4 pp
Buildings under construction	61.4%	58.1%	61.0%	3.2 pp	0.4 pp
Land	81.3%	80.4%	76.4%	0.9 pp	4.9 pp
From retail mortgages	**49.4%**	**49.1%**	**50.9%**	**0.3 pp**	**-1.5 pp**
Other foreclosed assets	**58.0%**	**61.6%**	**63.4%**	**-3.6 pp**	**-5.4 pp**
TOTAL FORECLOSED ASSETS	**64.4%**	**64.0%**	**62.8%**	**0.5 pp**	**1.6 pp**
Off which finished buildings	**50.7%**	**50.0%**	**51.4%**	**0.7 pp**	**-0.6 pp**

Million euros	1Q 2018	4Q 2017	3Q 2017	2Q 2017	1Q 2017
FORECLOSED ASSETS EVOLUTION					
BoP	**1,872**	**2,111**	**2,450**	**2,512**	**2,567**
Inflows	90	104	54	97	103
Outflows	187	343	394	159	158
EoP	**1,776**	**1,872**	**2,111**	**2,450**	**2,512**
% Quarter recoveries of foreclosures at beginning of 2017	**10%**	**13%**	**15%**	**6%**	**6%**

8. Results

Million euros	31/03/2018	31/03/2017	YoY Amount	YoY %
Interest income	205	220	-16	-7.2%
Interest expense	52	75	-23	-30.7%
NET INTEREST INCOME	**152**	**145**	**7**	**5.1%**
Dividend income	2	3	-1	-25.8%
Share of results of entities accounted for using the equity method	11	4	7	196.1%
Net fee income	53	53	0	0.1%
Trading income	16	45	-30	-65.6%
Other operating income/expenses	17	31	-15	-46.8%
GROSS INCOME	**250**	**281**	**-31**	**-10.9%**
Administrative costs	146	148	-2	-1.4%
Staff costs	98	101	-4	-3.6%
Other administrative costs	49	47	2	3.2%
Amortization	9	11	-2	-16.5%
PRE-PROVISION PROFIT	**94**	**121**	**-27**	**-22.0%**
Provisions /reversal of provisions	29	-5	34	-647.5%
Impairments / reversal of financial assets	-4	31	-36	-113.1%
NET OPERATING INCOME	**70**	**95**	**-25**	**-26.3%**
Impairments on non-financial assets	-8	21	-29	-140.8%
PROFIT BEFORE TAX	**78**	**74**	**4**	**5.5%**
Taxes	21	23	-3	-11.0%
NET INCOME FROM CONTINUING OPERATIONS	**57**	**51**	**7**	**13.1%**
Profit / loss from discontinued operations	0	0	0	n.a.
CONSOLIDATED NET INCOME	**57**	**51**	**7**	**13.1%**
ATTRIBUTABLE NET INCOME	**58**	**52**	**6**	**11.6%**

QUARTERLY EVOLUTION

Million euros	1Q 2018	4Q 2017	3Q 2017	2Q 2017	1Q 2017
Interest income	205	205	208	219	220
Interest expense	52	54	67	73	75
NET INTEREST INCOME	**152**	**151**	**141**	**146**	**145**
Dividend income	2	3	7	10	3
Share of results of entities accounted for using the equity method	11	9	20	17	4
Net fee income	53	56	55	56	53
Trading income	16	18	2	32	45
Other operating income/expenses	17	-55	31	17	31
GROSS INCOME	**250**	**181**	**256**	**279**	**281**
Administrative costs	146	145	148	150	148
Staff costs	98	99	100	101	101
Other administrative costs	49	46	48	48	47
Amortization	9	10	10	11	11
PRE-PROVISION PROFIT	**94**	**26**	**99**	**118**	**121**
Provisions /reversal of provisions	29	37	6	95	-5
Impairments / reversal of financial assets	-4	-19	24	1	31
NET OPERATING INCOME	**70**	**8**	**70**	**22**	**95**
Impairments on non-financial assets	-8	-1	14	22	21
PROFIT BEFORE TAX	**78**	**10**	**56**	**0**	**74**
Taxes	21	-9	10	-24	23
NET INCOME FROM CONTINUING OPERATIONS	**57**	**18**	**46**	**24**	**51**
Profit / loss from discontinued operations	0	0	0	0	0
CONSOLIDATED NET INCOME	**57**	**18**	**46**	**24**	**51**
ATTRIBUTABLE NET INCOME	**58**	**6**	**50**	**34**	**52**

Million euros / %	1Q 2018			4Q 2017			3Q 2017			2Q 2017			1Q 2017		
	Average balances	**FI/FE**	**Yield/ cost (%)**	**Average balances**	**FI/FE**	**Yield/ cost (%)**	**Average balances**	**FI/FE**	**Yield/ cost (%)**	**Average balances**	**FI/FE**	**Yield/ cost (%)**	**Average balances**	**FI/FE**	**Yield/ cost (%)**
Financial intermediaries	5,474	-4	-0.26	4,670	-3	-0.28	3,543	-3	-0.30	3,380	-1	-0.16	3,034	-1	-0.08
Fixed income portfolio	17,340[1]	59	1.38	17,338	56	1.28	17,638	55	1.24	16,958	55	1.31	17,742	53	1.21
Performing loans	**25,972**	**134**	**2.09**	**26,036**	**135**	**2.05**	**26,791**	**138**	**2.05**	**27,284**	**150**	**2.21**	**27,202**	**158**	**2.36**
Other assets (including NPLs)	8,532	7		8,325	9		8,467	9		8,277	8		8,557	5	
TOTAL ASSETS	**57,318**	**196**	**1.39**	**56,369**	**196**	**1.38**	**56,439**	**200**	**1.41**	**55,899**	**213**	**1.53**	**56,534**	**215**	**1.55**
Financial intermediaries	8,112	-5	-0.24	7,049	-4	-0.25	6,465	-4	-0.27	6,655	-2	-0.14	7,184	0	-0.02
Debt securities	5,105	27	2.12	5,570	28	1.99	5,918	29	1.96	6,144	29	1.89	6,470	30	1.86
Customer deposits	**36,895**	**19**	**0.21**	**36,913**	**20**	**0.22**	**36,813**	**22**	**0.24**	**36,461**	**24**	**0.26**	**36,143**	**26**	**0.29**
Sight deposits (PS)	25,363	4	0.06	24,905	3	0.05	24,412	4	0.06	23,201	4	0.07	22,811	4	0.07
Term deposits (PS)	8,900	16	0.71	9,555	17	0.69	10,201	18	0.71	11,117	20	0.72	11,105	22	0.79
Subordinated liabilities	0	0		0	0		302	10	13.59	604	15	10.09	604	15	9.75
Other liabilities	7,206	2		6,837	1		6,942	2		6,036	1		6,134	1	
TOTAL LIABILITIES	**57,318**	**44**	**0.31**	**56,369**	**45**	**0.32**	**56,439**	**59**	**0.41**	**55,899**	**67**	**0.48**	**56,534**	**70**	**0.51**
CUSTOMER SPREAD*			**1.88**			**1.84**			**1.81**			**1.94**			**2.07**
NET INTEREST MARGIN	**57,318**	**152**	**1.08**	**56,369**	**151**	**1.06**	**56,439**	**141**	**0.99**	**55,899**	**146**	**1.04**	**56,534**	**145**	**1.04**

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

(1) It does not include Fixed Income Portfolio from Unión del Duero Vida and Duero Pensiones

(*) Performing loans - Customer deposits

The Group reported a net profit of EUR 57 million for Q1 2018.

This net profit comes in the first instance from core income (net revenues from interest and fees) of EUR 205 million, which, when annualised, amounts to 1.4% of total average assets, and which has risen by 3.7% from the same period last year (a theoretical 4.6% if the integration of the insurance companies is stripped out). Net interest income is growing by 5.1% compared to the same period the previous year and 0.9% with respect to the previous quarter. This improvement is due to lower funding costs and to the higher contribution made by the fixed income portfolio and performing loans. Meanwhile, net fees have grown by 0.1% from the same period the year before (a theoretical 3.5% without the integration of the insurance companies).

Customer spread has improved from the previous quarter, for the second consecutive quarter, triggered by the increase in the profitability of performing loans, which is successfully offsetting the impact on the retail mortgage portfolio of claims for floor clauses as per Royal Decree Act 1/2017.

Fee performance is up both in the year (+0.9%) and against the same quarter last year (+0.2%), and would have improved by 3.7% and 3.3%, respectively, if we strip out the integration of the insurance companies. The increase in fee income is mainly in contingency liabilities (+16.5%) and in selling off-balance sheet products (+9.0%).

Net trading income and exchange differences, which amounted to EUR 16 million, are 65% below the previous year in which performance was particularly good.

Results from other products and operating charges fell by 46% from the same period in the previous year. Note that the profit from real estate activity, booked in this item, was lower than in the first quarter of 2017 (which posted major capital gains from one-off transactions), but higher than in the fourth quarter of 2017.

The application of a strict policy of cost containment and rationalization, part of a plan to improve efficiency and achieve the synergies envisaged in the Business Plan, continues to bear fruit, with a 2.5% improvement of operating expenses (administrative expenses plus amortisation and depreciation).

Finally, impairments and other net income is down 65%. This drop is particularly sharp, partly because of loan impairments, which for the second consecutive quarter has brought in net fund recoveries, and partly because of the results from foreclosed assets.

The bigger picture around this is that the Group is continuing to cut both its NPLs and its foreclosed assets, without affecting its coverage ratios, thus demonstrating its capacity to cut these types of assets without making a significant impact on the income statement

Million euros	1Q 2018	4Q 2017	3Q 2017	2Q 2017	1Q 2017	QoQ	YoY
FEE INCOME	**58**	**58**	**62**	**63**	**58**	**0.7%**	**0.2%**
From contingent risk	2	2	2	2	1	16.5%	24.4%
From contingent commitments	1	1	1	1	1	-3.7%	-7.9%
From currency exchange	0	0	0	0	0	-1.2%	-12.3%
From payments and collections	30	32	34	33	32	-6.6%	-6.1%
From non banking products	25	23	23	25	23	9.0%	8.6%
Other fees	1	1	2	2	2	19.5%	-11.6%
FEE EXPENSES	**6**	**2**	**7**	**7**	**5**	**241.2%**	**1.5%**
NET FEE INCOME	**53**	**56**	**55**	**56**	**53**	**-6.3%**	**0.1%**

IMPAIRMENTS						**YoY**	
Million euros	**1Q 2018**	**4Q 2017**	**3Q 2017**	**2Q 2017**	**1Q 2017**	**Amount**	**%**
Credit impairments	5	17	-21	-19	-27	31	-117.3%
Foreclosed assets impairments	-4	-8	-13	-2	-20	16	-79.6%
Provisions and other results	-17	-37	-6	-95	5	-22	-418.6%
TOTAL IMPAIRMENTS	**-16**	**-28**	**-40**	**-115**	**-41**	**25**	**-61.1%**

CUMULATIVE IMPAIRMENTS			**Cumulative variation**	
Million euros	**1Q 2018**	**1Q 2017**	**Importe**	**%**
Credit impairments	5	-27	31	-117.3%
Foreclosed assets impairments	-4	-20	16	-79.6%
Provisions and other results	-17	5	-22	-418.6%
TOTAL IMPAIRMENTS	**-16**	**-41**	**25**	**-61.1%**

9. Liquidity

Loan to deposits						QoQ	
Million euros	31/03/2018	31/12/2017	30/09/2017	30/06/2017	31/03/2017	Amount	%
Credit and loans (excluding valuations adjustments)	30,547	30,840	31,214	32,506	32,114	-293	-0.9%
-Reverse repos	1,942	2,221	2,218	2,178	1,867	-279	-12.6%
a) Core credit and loans	**28,605**	**28,619**	**28,996**	**30,329**	**30,247**	**-13**	**0.0%**
Customers deposits (excluding valuations adjustments)	43,902	45,373	44,807	44,540	44,536	-1,472	-3.2%
-Repos	1,848	2,563	1,638	1,498	1,450	-714	-27.9%
-Multi-issuer covered bonds	4,858	5,093	5,718	5,718	6,170	-235	-4.6%
b) Core customer deposits	**37,196**	**37,718**	**37,452**	**37,325**	**36,916**	**-522**	**-1.4%**
LtD ratio (a/b)	**77%**	**76%**	**77%**	**81%**	**82%**	**1.0%**	

The Group's high liquidity levels are reflected in its LTD ratio which, at the end of Q1 2018, stands at around 77%, slightly higher than year-end 2017, due to the growth of the business discussed.

						QoQ	
Liquid assets	**31/03/2018**	**31/12/2017**	**30/09/2017**	**30/06/2017**	**31/03/2017**	**Amount**	**%**
Cash surplus (1)	2,229	3,073	411	853	925	-844	-27.5%
Discountable reverse repos	2,491	2,222	2,581	2,178	1,867	269	12.1%
Fixed income portfolio and other discountable assets in ECB	17,275	15,534	17,075	16,372	16,655	1,741	11.2%
Total liquid assets (ECB discount value)	**21,995**	**20,829**	**20,067**	**19,403**	**19,447**	**1,166**	**5.6%**
Liquid assets used							
In ECB	3,340	3,340	3,340	3,340	3,340	0	0.0%
Repos	5,155	3,311	3,020	2,191	2,818	1,843	55.7%
Total liquid assets used	**8,495**	**6,652**	**6,361**	**5,532**	**6,158**	**1,843**	**27.7%**
AVALABLE DISCOUNTABLE LIQUID ASSETS	**13,500**	**14,177**	**13,706**	**13,872**	**13,289**	**-677**	**-4.8%**
% over total assets	**23.2%**	**25.2%**	**24.3%**	**24.6%**	**23.7%**	**-2.0%**	

(1) Interbank deposits + surplus balance in ECB and operating balances

Unicaja Banco Group had at 31 March 2018 a liquid and discountable assets position at the European Central Bank, net of assets used, of EUR 13,500 million, representing 23.2% of the total balance sheet. This large volume of liquid assets will enable the forthcoming wholesale funding maturities in the markets to be managed comfortably (EUR 654 million in 2018 and EUR 668 million in 2019).

Debt securities maturities

	Debt securities (*)
2018	**654**
2019	**668**
2020	**325**

(*) Includes multi issuer covered bonds

LIQUIDITY RATIOS	31/03/2018	31/12/2017	30/09/2017	30/06/2017	31/03/2017	31/12/2016	QoQ
LCR	584%	701%	884%	1057%	607%	410%	-117 pp
NSFR	133%	134%	129%	127%	133%	125%	-1 pp

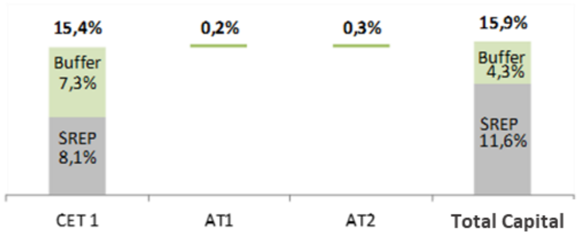
10. Solvency

PHASE IN RATIOS					
Million € and %	31/03/2018	31/12/2017	30/09/2017	30/06/2017	31/03/2017
Qualifying capital	**3,804**	**3,650**	**3,654**	**3,488**	**3,530**
CET1 capital (BIS III)	3,685	3,532	3,530	3,373	3,416
Capital and share premium	2,820	2,820	2,820	2,063	2,063
Reserves	860	845	700	712	774
Attributable net profit (excluding dividends)	0	101	60	62	39
Deductions	-313	-250	-245	-267	-258
Others (1)	319	17	196	804	797
Tier 1	49	42	42	39	39
Tier 2	70	76	82	76	76
Risk weighted assets	**23,959**	**24,239**	**24,949**	**25,128**	**24,895**
CET1 capital (BIS III) (%)	**15.4%**	**14.6%**	**14.1%**	**13.4%**	**13.7%**
Tier 1	0.2%	0.2%	0.2%	0.2%	0.2%
Tier 2	0.3%	0.3%	0.3%	0.3%	0.3%
Total capital ratio (%)	**15.9%**	**15.1%**	**14.6%**	**13.9%**	**14.2%**

(1) Treasury stock, minorities, gains of assets at fair value in other comprehensive income and IFRS 9 phase-in

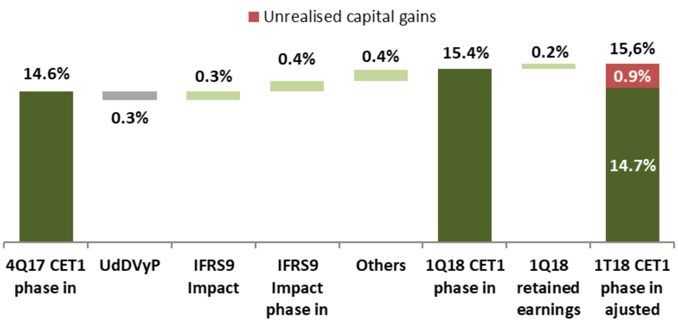
FULLY LOADED RATIOS					
Million € and %	31/03/2018	31/12/2017	30/09/2017	30/06/2017	31/03/2017
Qualify capital	**3,336**	**3,196**	**3,227**	**3,063**	**3,093**
CET1 capital (BIS III)	3,199	3,069	3,099	2,934	2,964
Capital and share premium	2,820	2,820	2,820	2,063	2,063
Reserves	860	845	700	712	774
Attributable net profit (excluding dividends)	0	101	60	62	39
Deductions	-689	-719	-714	-736	-737
Others (treasury stock, minorities, Fair Value OCI gains)	208	22	233	834	824
Tier 1	49	49	49	49	49
Tier 2	89	78	79	80	79
Risk weighted assets	**23,693**	**24,022**	**24,741**	**24,899**	**24,663**
CET1 capital (BIS III) (%)	**13.5%**	**12.8%**	**12.5%**	**11.8%**	**12.0%**
Tier 1	0.2%	0.2%	0.2%	0.2%	0.2%
Tier 2	0.4%	0.3%	0.3%	0.3%	0.3%
Total capital ratio (%)	**14.1%**	**13.3%**	**13.0%**	**12.3%**	**12.5%**

	Phase in	Fully Loaded
CET1 (%)	15.4%	13.5%
Total capital (%)	15.9%	14.1%
2018 CET1 SREP requirement	8.13%	n.a.
2018 Total capital SREP requirement	11.63%	n.a.
Excess of capital over 2018 CET1 SREP requirement	**7.26%**	**n.a.**
Excess of capital over 2018 Total capital SREP requirement	**4.25%**	**n.a.**

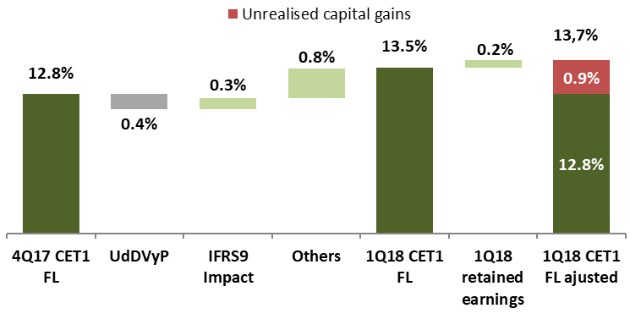


Unicaja Banco Group has a common equity tier 1 ratio (CET1) of 15.4% and a total capital ratio of 15.9%. This represents an increase of 0.8 pp in CET1 and total capital versus the 2017 year-end closing. On the other hand, restructuring agreements in the life insurance and pensions segments have involved certain corporate operations, which, as already mentioned, have finally materialised in the course of Q1 2018 and have had a negative impact on capital of 0.3 pp.

In addition, the final application of IFRS 9 has had a positive 0.7 pp impact at 1st January 2018, made possible thanks to the transition period applicable with the entry into force of the regulation (without this period, the impact would have been 0.3 pp). Note that at 31st March 2018, 0.9 pp of the CET1 ratio corresponded to other comprehensive income (unrealised income booked against equity). Finally, we should take note that Q1 result is not included in the capital calculations on that date, which would have increased the CET1 ratio by 0.2 pp.



In fully loaded terms Unicaja Banco has a CET1 ratio of 13.5% and a total capital ratio of 14.1%. This represents 0.7 pp increase in the CET1 ratio and a 0.8 pp increase in the total capital ratio, compared to December 2017.



We should point out that the supervisory authorities have notified the institution of the SREP's requirements for 2018, setting the CET1 ratio at 8.125% and the total capital ratio at 11.625%. This means that at the end of the first quarter of 2018 the Group has a surplus of 726 basis points (EUR 1,738 million) over its CET1 requirements and of 425 basis points (EUR 1,018 million) over its total capital requirements, a tangible evidence of the institution's high capitalisation and low risk profile.

The Texas ratio comes in at 67.6% at the close of the first quarter of 2018. The latter ratio measures the percentage represented by the sum of NPLs and foreclosed assets divided by the sum of: i) provisions for NPLs, ii) provisions for foreclosures, and iii) equity. The lower this ratio, the better the quality of the balance sheet and liquidity. In the case of the Group, the ratio has gone down by 25.0 pp since 2017 year-end, and by 4.9 pp over the quarter, which underlines the quality of its balance sheet and its liquidity.

	31/03/2018	31/12/2017	30/09/2017	30/06/2017	31/03/2017
Texas Ratio	67.6%	72.4%	76.6%	81.8%	92.6%

Texas Ratio: NPLs + Foreclosed assets / Tangible Book value + NPAs provisions

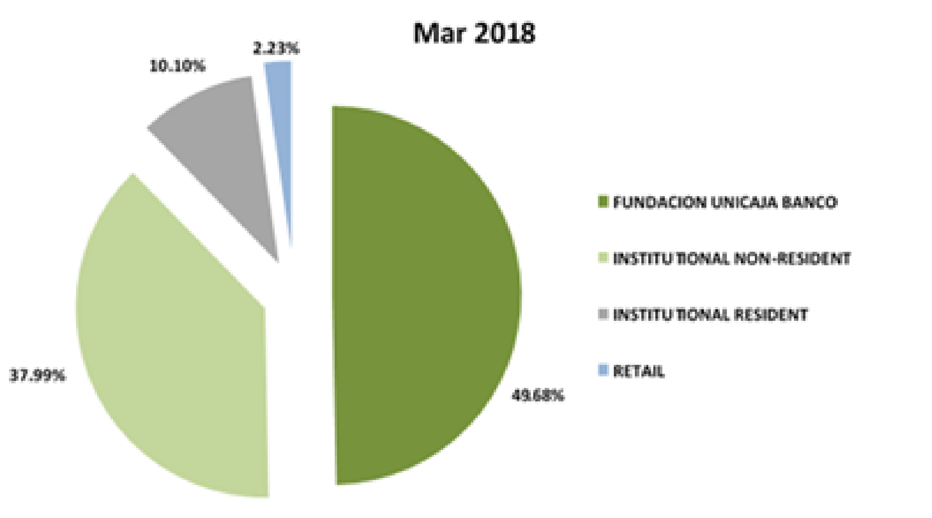
APPENDIX I: SHARE PRICE PERFORMANCE

Listing Data

UNICAJA BANCO	Mar-18
Number of shareholders	15,208
Average daily trading (num. of shares)	3,691,617
Average daily trading (euros)	4,843,032
Closing high (euros/share)	1.498 (16-Feb)
Closing low (euros/share)	1.170 (30-Jun)
Year-end closing (euros/share)	1.402 (29-Mar)

Main shareholders

	NUM. OF SHAREHOLDERS	SHARES	%
FUNDACION UNICAJA BANCO	1	800,000,000	49.68%
INSTITUTIONAL NON-RESIDENT	96	611,785,204	37.99%
INSTITUTIONAL RESIDENT	387	162,677,696	10.10%
RETAIL	14,724	35,839,221	2.23%
TOTAL	15,208	1,610,302,121	100.00%



APPENDIX II: ALTERNATIVE PERFORMANCE MEASURES (APM)

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

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

Following the recommendations of the aforementioned Guidelines, the breakdown of the APMs used by Unicaja Banco Group is attached below, including the definitions and matching balance sheet and income statement items used by the Grupo Unicaja Banco:

ALTERNATIVE PERFORMANCE MEASURES (APM)

(in EUR million or %)

		March'18	December'17
Cost of risk	Impairment in value or (-) reversal of impairment in value of loans and receivables to customers	-4.5	48.6
	Average between start/end of period for loans and receivables from customers (excluding valuation adjustments)	30,904	31,884
	Ratio *(march'18, annualised based on number of days in Q1)*	**-0.06%**	**0.15%**

		March'18	December'17
Cost to income ratio (Operating Expenses excl. amort. & depre. / gross margin)	Administrative expenses	146	590
	Gross Margin	250	997
	Ratio	**58.5%**	**59.2%**

		March'18	December'17
Customer spread	Yields on non-doubtful loans and advances to customers (excluding repos) over average quarterly balances of loans and non-doubtful advances to customers (without valuation adjustments and excluding repos and other financial assets)	2.09%	2.15%
	Cost in the year of customer deposits (excluding repos) over average quarterly balances for the year of customer deposits (without valuation adjustments and excluding repos)	0.21%	0.25%
	Difference between yield & cost	**1.88%**	**1.90%**

		March'18	December'17
Foreclosed assets coverage	Impairment of Real Estate foreclosed assets	1,144	1,197
	Gross carrying amount of Real Estate foreclosed assets	1,776	1,872
	Ratio	**64.4%**	**64.0%**

		March'18	December'17
Net Interest Margin	Net interest income	152	583
	Total average assets (average of quarterly average balances)	57,318	56,413
	Ratio *(march'18, annualised based on number of days in Q1)*	**1.08%**	**1.03%**

		March'18	December'17
NPL coverage ratio	Credit risk provisions	1,412	1,355
	Gross non performing loans	2,570	2,710
	Ratio	**54.9%**	**50.0%**

		March'18	December'17
NPL ratio	Gross non performing loans	2,570	2,710
	Loans and advances to customers (excluding valuation adjustments)	30,771	31,038
	Ratio	**8.4%**	**8.7%**

		March'18	December'17
ROA	Consolidated results for the period	57.4	138.4
	Total average assets (average of quarterly average balances)	57,318	56,413
	Ratio *(march'18, annualised based on number of days in Q1)*	**0.4%**	**0.2%**

		March'18	December'17
ROE	Consolidated results for the period	57.4	138.4
	Average shareholders' equity (excluding adjustments from other accumulated income) (average of quarterly average balances)	3,821	3,397
	Ratio *(march'18, annualised based on number of days in Q1)*	**6.1%**	**4.1%**

		March'18	December'17
Gross liquid assets	1. Cash surplus (interbank deposits + balance surplus in ECB and operating accounts)	2,229	3,073
	2. Discountable reverse repos	2,491	2,222
	3. Fixed income portfolio and other discountable assets in ECB	17,275	15,534
	Performance measure (1+2+3)	**21,995**	**20,829**

Sum of:

- Surplus/deficit of deposits in Bank of Spain with respect to the minimum reserve ratio in effect on the date, surplus/ deficit in operating accounts open in credit institutions compared to the average during the previous 12 months

- Net position of interbank deposits with other credit institutions.

- Fixed-income portfolio that the Entity can discount in ECB, both in fixed assets and through repos, including the own portfolio issued for use as collateral in ECB and pledged loans, valued at discount value in ECB.

		March'18	December'17
Net liquid assets	1. Gross liquid assets	21,995	20,829
	2. Taken in the ECB	3,340	3,340
	3. Repos	5,155	3,311
	Performance measure (1-2-3)	**13,500**	**14,177**

Any part of the gross assets already used or being used as collateral for financing, either with the ECB, for repos or other pledges, has been discounted.

		March'18	December'17
Operating expenses	1. Administrative expenses	146.2	590.5
	2. Depreciation and amortization	9.4	42.3
	Performance measure (1+2)	**155.6**	**632.8**

		March'18	December'17
Credit and loans impairment	Impairment in value or (-) reversal of impairment in value of loans and receivables to customers	-4.5	48.6

		March'18	December'17
Pre-provision profit	1. Gross Margin	249.9	997.0
	2. Administrative expenses	146.2	590.5
	3. Depreciation and amortization	9.4	42.3
	Performance measure (1-2-3)	**94.3**	**364.2**

		March'18	December'17
Provisions, impairments and other results	1. Provisioning or (-) provisioning reversals	28.6	132.4
	2. Impairment or (-) reversal in the value of financial assets not measured at fair value through profit and loss	-4.1	36.7
	3. Impairment or (-) reversal in the value of joint ventures or associates	0	27.2
	4. Impairment or (-) reversal of non-financial assets	-7.7	46.7
	5. Net gain or (-) loss on derecognition from the statements non-financial assets and stakes, netted out	2.7	18.7
	6. Recognised negative goodwill	0	0.0
	7. Gains or (-) losses arising from non-current assets and disposal groups of items classified as held for sale that cannot be classified as discontinued operations	-2.0	-0.1
	Performance measure (1+2+3+4-5-6-7)	**16.1**	**224.5**

		March'18	December'17
Net Fees	1. Fee and commission income	58.2	240.6
	2. Fee and commission expense	5.6	20.4
	Performance measure (1-2)	**52.6**	**220.2**

		March'18	December'17
Net trading income + exchange differences	1. Net gain or (-) losses on derecognition from the statements of financial assets and liabilities (not measured at fair value) through profit or loss, netted out	14.2	96.1
	2. Net gain or (-) losses from financial assets and liabilities held for trading	1.5	1.7
	3. Net gain or (-) losses from financial assets and liabilities designated at fair value through profit or loss, netted out	0	0.0
	4. Net gain (-) losses from hedge accounting, netted out	0	0.2
	5. Net exchange differences, gains or (-) losses, netted out	-0.1	0.4
	Performance measure (1+2+3+4+5)	**15.6**	**98.3**

		March'18	December'17
Other products / operating charges	1. Other operating income	27.4	163.9
	2. Other operating expenses	15.3	139.9
	3. Income from assets under insurance or reinsurance contracts	17.3	0.0
	4. Expenses from liabilities under insurance or reinsurance contracts	12.9	0.0
	Performance measure (1-2+3-4)	**16.6**	**24.0**

APPENDIX III: GROUPINGS IN STATEMENTS FILED FOR 2018 /2017

Since IFRS 9 came into force in 2018, amendments have been made to the consolidated financial statements that credit institutions must file publicly. The lists below show the items in these public statements that have been grouped together in this document, both on the balance sheet and in the income statement, in their current versions, and in those that were in force in the 2017 financial year.

INCOME STATEMENT

1. Trading income

2018

Sum of:

·Net gain or losses on derecognition from the statements of financial assets and liabilities (not measured at fair value) through profit or loss, netted out
·Net gain or losses from financial assets and liabilities held for trading, netted out
·Net gain or losses from non-trading financial assets mandatorily designated at fair value through profit or loss, netted out
·Net gain or losses from financial assets and liabilities designated at fair value through profit or loss, netted out
·Net gain losses from hedge accounting, netted out
·Net exchange differences

2017

Sum of:

·Net gain or losses on derecognition from the statements of financial assets and liabilities (not measured at fair value) through profit or loss, netted out
·Net gain or losses from financial assets and liabilities held for trading, netted out
·Net gain or losses from financial assets and liabilities designated at fair value through profit or loss, netted out
·Net gain losses from hedge accounting, netted out
·Net exchange differences

2. Other operating income/expenses

2017 and 2018

+Other operating income
+Other operating expenses
+Income from assets under insurance or reinsurance contracts
-Expenses from liabilities under insurance or reinsurance contracts

3. Other asset impairment and other gains & losses (net)

2017 and 2018

+Impairment or reversal in the value of joint ventures or associates +Impairment or reversal of non-financial assets -Net gain or loss on derecognition from the statements of non-financial assets, netted out -Recognised negative goodwill Gains or losses arising from non-current assets and disposal groups of items classified as held for sale that cannot be classified as discontinued operations

BALANCE SHEET. ASSETS

1. Financial assets held for trading through profit and loss

2018

Sum of: ·Financial assets held for trading Non-trading financial assets mandatorily designated at fair value through profit and loss ·Financial assets designated at fair value through profit or loss

2017

Sum of: ·Financial assets held for trading ·Financial assets designated at fair value through profit or loss

2. Financial assets through other comprehensive income

2018

· Financial assets through other comprehensive income

2017

·Available-for-sale financial assets

3. Loans and advances carried at amortised cost

2018

·Financial liabilities carried at amortized cost. Loans and advances

2017

·Loans and receivables. ·Loans and advances

4. Loans and advances to central banks and financial institutions

2018

Sum of: ·Financial liabilities carried at amortized cost. Loans and advances Central Banks ·Financial liabilities carried at amortized cost. Loans and advances. Financial institutions

2017

Sum of: ·Loans and receivables. Loans and advances Central Banks ·Loans and receivables. Loans and advances Financial institutions

5. Loans and advances to customers

2018

·Financial liabilities carried at amortized cost. Loans and advances Customers

2017

·Loans and receivables. Loans and advances Customers

6. Debt securities carried at amortised

2018

·Financial liabilities carried at amortised cost. Debt securities

2017

Sum of: ··Loans and receivables. Debt securities ·Investments held to maturity

7. Hedging derivatives.

2017 and 2018

Sum of: ·Hedging derivatives ·Change in fair value of securities held in a portfolio hedged against interest rate risk

8. **Investments in joint ventures and associates**

2018

·Investments in joint ventures and associates

2017

·Investments in subsidiaries, joint ventures and associates

9. **Other assets**

2018

Sum of: ·Other assets ·Assets under insurance contracts

2017

·Other assets

10. **Non-current assets for sale**

2017 and 2018

·Non-current assets and disposal groups classified as held for sale

BALANCE SHEET. LIABILITIES

1. **Financial liabilities held for trading through profit and loss**

2017 and 2018

Sum of: ·Financial liabilities held for trading ·Financial liabilities designated at fair value through profit or loss

2. **Hedging derivatives.**

2017 and 2018

Sum of: ·Hedging derivatives ·Change in fair value of securities held in a portfolio hedged against interest rate risk

3. Other liability

2018

Sum of: ·Other liability ·Equity redeemable upon demand ·Liabilities in disposal groups classified as held for sale ·Liabilities under insurance contracts

2017

Sum of: ·Other liability ·Equity redeemable upon demand ·Liabilities in disposal groups classified as held for sale

BALANCE SHEET. EQUITY

4. Other year-to-date results

2018

·Other year-to-date results

2017

Valuation adjustments