FINANCIAL REPORT

January to September 2020

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Basis of presentation
The consolidated income statement and balance sheet at the close of September 2020 and 2019, 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 financial statements for the first half of 2020.

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 102, published by the group's company Analistas Económicos de Andalucía.

Introduction

Unicaja Banco Group posted net results of EUR 77 million in the first 9 months of 2020, after provisioning EUR 166 million for COVID-19.

Net income	77€ million	-51.4%
Net income (excl. COVID provisions)	194€ million	+21.7%

Results

Core income*	+8.9%
OPEX	-5.5%
Pre-provision profit	+0.0%
Consolidated income (ex COVID)	+21.7%

Risks

NPA	-11.2%
NPL ratio	-0.8pp
NPL coverage ratio	65.9%
Foreclosed assets coverage	62.8%

Commercial activity

Total Performing credit and loans	+0.4%
New lending **	-25%
Retail customer funds	+5.1%

Liquidity and solvency

LTD	66.7%
CET 1 Fully Loaded	14.7%

X (dark green fill): To 30 September 2020
X (white with border): YoY September 2020 and September 2019
X (light green fill): YTD September 2020 and December 2019
(*) Net interest income+Net fees-Transformation expenses
(**) To private sector

Unicaja Banco is showing its capacity to post results that mitigate the temporary impacts of COVID, and is putting significant effort into provisioning:

- **Net interest income** has grown during the quarter by **9.2%**, due to lower cost of funding in both the retail (improving customer spread) and wholesale segments.
- After the impact of 2Q due to the state of alert, **fees have increased** in the quarter **by 8.1%**, boosted by collections and payment services (+8.5%), together with brokerage and non-banking products (+25.4%) that have improved because of the contribution made by AuM and insurance.
- The Bank continues to focus on cost containment, reducing its **operating expenses** by 5.5% year-on-year and by 0.2% in the third quarter. This has meant that core income (net interest income+fees–transformation expenses) has expanded by 8.9%.
- During the quarter the bank recorded **extraordinary provisions** for COVID-19 of EUR63 M bringing the total in the financial year to date to EUR 166 M on this item, while keeping the loan and foreclosed assets recurrent impairments at levels slightly below those for the same period a year earlier.
- **Net income**, excluding COVID impairments, would have risen by 21.7% YoY, with a ROE of 6.5%.

Commercial activity shows a positive overall balance despite the difficult climate.

- **Total retail customer funds** have grown by 5.1% in the last 12 months and by 1.3% during the quarter, in which the growth of off-balance sheet funds and insurance stand out, at 2.4%.
- **Total performing loans** grew by 0.4% in the first three quarters, although private sector lending has slipped over the same period by 0.8%, with a 6.3% increase in corporates and a drop in retail customers affected by COVID. **New lending** recovered among retail customers in the third quarter, with 90% growth over the second quarter.

Risk indicators remain positive despite the economic slowdown:

- Non-performing assets (NPAs) fell by 11.2% in the last 12 months, while NPLs shrank by 18% and foreclosed assets by 1.8%.
- The **NPL ratio** dropped -0.8 pp year-on-year, posting at 4.6% and the **coverage ratio** for non-performing assets (NPAs) rose by 7.9 pp year-on-year.

Financial strength and high liquidity levels:

- The Group has a comfortable liquidity position, with a LTD ratio of 66.7% and a LCR of 311%.
- The high level of solvency at the close of the third quarter of 2020, with proforma[(1)] CET1 at 16.3% and total capital at 17.8%, represents a surplus of EUR 1,264 million above SREP requirements.

(1) Proforma: The deduction of software for prudential purposes is included (Regulation (EU) 2020/873).

2. Key Highlights

Million euros / % / pp	30/09/20	30/06/20	31/12/19	30/09/19	QoQ	YTD	YoY
BALANCE SHEET							
Total assets	62,145	63,002	56,708	55,806	-1.4%	9.6%	11.4%
Gross loans and advances to customers (ex-reverse repos, ex others financial assets)*	26,849	27,814	27,151	28,025	-3.5%	-1.1%	-4.2%
Performing gross loans and advances to customers (ex-reverse repos, ex other financial assets)*	25,560	26,494	25,800	26,451	-3.5%	-0.9%	-3.4%
On-balance sheet customers funds*	40,276	39,905	38,035	37,264	0.9%	5.9%	8.1%
Off-balance sheet customer funds and insurance	12,567	12,269	12,863	12,994	2.4%	-2.3%	-3.3%
Shareholders equity	3,991	3,965	3,971	3,970	0.7%	0.5%	0.5%
Total equity	4,075	4,062	3,970	4,010	0.3%	2.6%	1.6%
(*) Excluding valuation adjustments							
RESULTS (cumulative figures)							
Net interest income	427	277	579	437			-2.3%
Gross income	760	528	1,009	785			-3.2%
Pre-provision profit	331	239	402	331			0.0%
Consolidated net income	77	61	172	159			-51.4%
Cost to income	51.8%	50.4%	55.9%	53.8%	1.3 pp	-4.2 pp	-2.0 pp
ROE	2.6%	3.1%	4.4%	5.4%	-0.5 pp	-1.8 pp	-2.8 pp
ROA	0.2%	0.2%	0.3%	0.4%	0.0 pp	-0.1 pp	-0.2 pp
ROE*	6.5%	6.8%	4.4%	5.4%	-0.2 pp	2.2 pp	1.1 pp
ROA*	0.4%	0.5%	0.3%	0.4%	0.0 pp	0.1 pp	0.1 pp
(*) Excludes Covid-19 provisions							
RISK MANAGEMENT							
Non performing loans (NPL) (a)	1,290	1,320	1,351	1,573	-2.2%	-4.5%	-18.0%
Foreclosed assets (b)	1,117	1,142	1,120	1,138	-2.2%	-0.2%	-1.8%
Non performing assets -NPA- (a+b)	2,407	2,462	2,470	2,711	-2.2%	-2.6%	-11.2%
NPL ratio	4.6%	4.5%	4.8%	5.4%	0.0 pp	-0.2 pp	-0.8 pp
NPL coverage	65.9%	60.9%	54.0%	52.0%	5.0 pp	11.9 pp	13.9 pp
Foreclosed assets coverage	62.8%	62.4%	62.7%	63.0%	0.4 pp	0.2 pp	-0.2 pp
Non performing assets (NPA) coverage	64.5%	61.6%	57.9%	56.6%	2.9 pp	6.6 pp	7.9 pp
Cost of risk	0.91%	0.89%	0.04%	0.15%	0.0 pp	0.9 pp	0.8 pp
Cost of Risk Ex Covid (*)	0.13%	0.17%	0.04%	0.15%	0.0 pp	0.1 pp	0.0 pp
(*) Excludes Covid-19 provisions							
LIQUIDITY							
Loan to deposit ratio	66.66%	69.70%	71.38%	75.21%	-3.0 pp	-4.7 pp	-8.5 pp
LCR	311%	346%	319%	292%	-35.0 pp	-8.0 pp	19.0 pp
NSFR	141%	141%	141%	135%	0.0 pp	0.0 pp	6.0 pp
SOLVENCY							
CET1 ratio (phase-in)*	16.26%	15.82%	15.61%	15.40%	0.4 pp	0.7 pp	0.9 pp
CET1 ratio (fully loaded)*	14.69%	14.42%	14.00%	13.77%	0.3 pp	0.7 pp	0.9 pp
Total capital ratio (phase-in)*	17.79%	17.32%	17.12%	15.60%	0.5 pp	0.7 pp	2.2 pp
Total capital ratio (fully loaded)*	16.23%	15.94%	15.53%	13.97%	0.3 pp	0.7 pp	2.3 pp
Risk weighted assets (RWA)	22,822	23,168	23,000	23,516	-1.5%	-0.8%	-3.0%
Texas ratio	43.7%	45.1%	46.7%	49.9%	-1.4 pp	-3.0 pp	-6.2 pp
(*) Proforma data: Excludes the deduction of the authorised limit on unused treasury stock The result of the unaudited period was included in March 2020. In June 2020 the phase-in data includes the effect of the IFRS 9 phase-in (Regulation (EU) 2020/873), approved in the third quarter of 2020. Starting June 2020 the deduction of software for prudential purposes is included (Regulation (EU) 2020/873).							
ADDITIONAL INFORMATION							
Employees (average number)	6,249	6,274	6,719	6,761	-0.4%	-7.0%	-7.6%
Branches	1,015	1,028	1,046	1,080	-1.3%	-3.0%	-6.0%
ATMs	1,481	1,486	1,485	1,443	-0.3%	-0.3%	2.6%

3. Macroeconomic environment

The effects of the COVID-19 pandemic, together with the restrictive measures adopted have passed through into Gross Domestic Product (GDP) falls that are without precedent in recent history. Global production in the second quarter was over 10% lower than its rate at the end of 2019, while world trade slumped by more than 15% in the first half of the year. Without the support of the measures rolled out to mitigate the impact of the crisis on households and corporates, the contraction in production and the drop in employment would have been substantially worse.

In general, economic activity contracted sharply as the measures to contain the pandemic were put in place, although with significant differences between countries. In some European economies (amongst them Spain) the drops in production in the first half of the year surpassed 20%, with economies more dependent on tourism and other service sectors involving social interaction being particularly afflicted. By contrast, China enjoyed a more intense recovery than expected and activity returned to pre-pandemic levels at the end of the second quarter, boosted by major infrastructure investment. Although the differences as to the prevalence of the pandemic and the scope of containment measures make it difficult to make comparisons between countries, according to OECD estimates, the countries where private spending dropped most sharply are those which have also seen their GDP fall the furthest.

Over 2020 as a whole, the OECD forecasts a 4.5% fall in world GDP, and estimates a 5.0% increase in production for 2021. The forecast for this year is less negative than the projections made in June (-6.0%), due, mainly, to better-than-expected performance in China and the US in the first half of this year. Even so, at the end of 2021 the production levels in many countries will be below where they were at the end of 2019, and well below forecasts made before the pandemic reared its head. Indeed, another breakout or stricter confinements could cut world growth by between 2 and 3 pp in 2021, prolong weak investment and increase unemployment still more.

According to the OECD's latest report, the COVID-19 pandemic remains a threat, so it is essential to generate confidence in order to ensure economic recovery in an environment of exceptional uncertainty. Activity has recovered somewhat after restrictive measures were relaxed, but the recovery has lost momentum and the new restrictions imposed in certain countries to contain the resurgence of the virus have slowed growth. Moreover, the strength of that recovery will vary greatly by countries and by sectors.

For this reason, in the words of the chief economist of the OECD, Laurence Boone: "It is important that governments do not make the mistake of tightening fiscal policy too soon, as was the case in the last financial crisis. If state aid is withdrawn, bankruptcies and unemployment could increase more quickly than the circumstances warrant and have an impact on people's livelihoods over the coming years. The authorities have a unique opportunity to implement truly sustainable recovery plans to reactivate the economy, plans that generate investment in the digitalization that is so needed in small and medium enterprises and in environmentally responsible infrastructure, transport and housing, to rebuild a more efficient, more sustainable economy".

The OCED forecasts a drop for the eurozone as a whole of around 8%, similar to the European Central Bank's estimate of an 8.0% contraction (compared to the previous estimates of -8.7%), although this could reach 10.0% in a more pessimistic scenario. The European supervisory body indicated after its 10th September meeting, that monetary stimulus is still needed to support the economic recovery and price stability over the medium term. For this reason it has decided to keep the interest rates unchanged and to continue with the pandemic emergency purchase programme (PEPP), at least until the end of June

2021, and in any event until the governing council considers that the coronavirus crisis phase is over.

Within the eurozone, the Spanish economy has suffered the sharpest contraction, with the Bank of Spain estimating in its recent forecasts, a 10.5% fall in GDP this year, which would rise to 12.6% if an even more unfavourable situation materializes (the FUNCAS expert panel has forecast a 12.0% drop). The first scenario contemplates breakouts that only require containment measures of limited scope, that could have more impact on the leisure and the hospitality sectors. The second scenario, however, contemplates more intense flare-ups of the virus and, although it is believed that containing these would not require measures as strict as those taken before the de-escalation to be applied, the restrictions could hit service sector activities particularly hard and have a direct impact (more than just ripple effects) on the vigour of other productive activities.

Looking on to 2021, growth will post at 7.3% under the most optimistic scenario, and could be as low as 4.1% in the least, if the pandemic has a greater impact into the middle of next year. For 2022, more moderate growth rates are anticipated (between 1.9% and 3.3%, respectively), and in any case by the end of that year GDP will still be around 2 pp below pre-crisis rates in the most favourable scenario, and slightly more than 6 pp below, in the least optimistic forecast.

Meanwhile, the impact of the health crisis on the labour market and on public accounts will be fairly persistent, according to these projections. Total hours worked will show a pronounced drop in 2020, between -11.9% in the most optimistic scenario and -14.1% in the least optimistic. Despite the uptick over the projection horizon, the number of total hours by the end of 2022 will still be lower than before COVID-19 (between 4.5% and 8.3% fewer). In the case of the public accounts, the deficit carried by the public administrations is expected to rise in 2020 to -10.8%, or to -12.1% in a less optimistic scenario, remaining high during 2022, despite its reduction, while public debt will continue to increase over the forecast horizon, topping 125% of GDP in both 2021 and 2022, in the less optimistic scenario.

According to the Bank of Spain's report, in the scenarios it has considered, risks to growth are to the downside, given the uncertainty about how the pandemic will end; further deterioration of the economy's growth potential cannot be ruled out, nor the possibility that Brexit may not end with a deal, after the transition period, plus the intensification of trade tensions between the US and China. In contrast, the approval at the end of July of the European recovery programme "Next Generation EU" could have a major impact on economic activity, although the details are as yet unknown.

As regards the assumptions used to draw up these forecasts, the euro's significant appreciation should be highlighted. A reduced perception of risk has encouraged the exit of some of the capital flows that had taken refuge in the dollar when the pandemic was at its height, while more recently the agreement reached on the European NGEU programme has contributed to the euro's stronger position, by reinforcing the macroeconomic outlook for the eurozone.

Meanwhile, the oil price has risen significantly, both on spot and futures markets, due to increased demand because of the improvement in global economic forecasts and the cuts in production agreed by OPEC in May. Finally, on the sovereign debt markets, yields have fallen on the 10-year Spanish treasury bonds across its entire forecast horizon, while the trend for interbank market interest rates has remained stable.

Focusing attention on Spain's National Accounts, the National Statistics Institute (INE) has revised the annual figures between 2017 and 2019, as it generally does in the final quarter every year. 2019's GDP growth in volume has been confirmed at 2.0%, as published by the Quarterly National

Accounts (CNTR) on 31st March. However, there are some changes in the composition of this growth, with a smaller contribution from domestic demand, inasmuch as private consumer spending has been revised downwards, with a greater contribution from foreign demand, resulting from the smaller increase in imports. On the supply side, growth in industrial activity and in construction was slightly higher than previously estimated, and the agricultural sector fell less sharply than feared, while the services sector expanded at a slower rate than initially estimated.

Turning to the latest figures published in the Quarterly National Accounts, for the second quarter of this year, provisional estimates mark a quarterly drop in GDP of 17.8%, following the 5.2% fall in the first quarter. Year on year, the fall has been 21.5% (-4.2% in the first quarter), the sharpest fall in the historical series and the largest of all European Union countries (-14.7% in the eurozone as a whole, and -13.9% in the EU). Similarly, full-time-equivalent employment shrank by 17.7% during the second quarter and by 18.4% in year-on-year terms, with the fall in hours worked being greater (-21.7% and -24.9%, respectively).

Domestic demand's contribution to year-on-year GDP growth was -18.8 pp (-3.9 pp in the first quarter), while foreign demand also made a negative contribution, of -2.7 pp (-0.2 pp in the previous quarter). In the second quarter, household consumption and investment have shrunk by over 20% compared to the first three months of the year, posting year-on-year variations of -25.2% and -25.8%, respectively, with a drop of over 30% in investment in machinery and equipment. For its part, Public Administrations' spending has grown by 3.1% over the second quarter of 2019.

In the case of exports, goods & services have fallen by 33.4%; in comparison with the same period last year the fall equates to -38.1%. There has been a notable drop in exports of both goods and services, although the impact has been much greater in the case of services (-61.3% in year-on-year terms), weighed down by the performance of tourism service exports (-99.2%). We should bear in mind that Spain has one of the highest weightings in the eurozone of this kind of exports within its total goods and services and as a proportion of its total GDP, with tourism exports accounting for around 5% of GDP.

From the supply perspective, the drop in Gross Added Value (GAV) has been across the board, with the exception of farming and, within the services sector, financial and insurance activities. Compared to the second quarter of 2019, the falls have been of more than 20%, whether in industry, construction or services, with the worst occurring in construction (-27.5%). In the services sector (-21.3%), trade, transport and hospitality have plummeted (-44.9%), as have artistic and recreational activities (-37.6%), with added value rising only in the segment of financial activities and insurance (0.8%). By contrast, farming has expanded by 6.3% year on year.

Along the same lines, the employment figures also continue to show the effects of the pandemic, which were particularly intense in the second quarter, coinciding with the most rigorous measures to contain the advance of COVID-19. According to the Labour Force Survey (EPA in the Spanish acronym), between April and June, the number of people in work fell by 1,074,100 from the first quarter of 2020 (the sharpest quarter-on-quarter fall in the series), down to 18.6 million, representing a plunge of 6.0% in year-on-year terms, which would have been more intense were it not for the temporary furlough schemes put in place (ERTE in the Spanish acronym). Nevertheless, the number of people in employment, who actually worked in the second quarter, was 13.9 million (35.1% of the population over 16), given that 4.7 million of those on the lists of the employed did not work in the week in which the survey was taken, because of the partial or total furloughing of workers, together with other types of workplace absence (partial shutdowns for technical or economic reasons, illness, accident and temporary incapacity).

This job destruction has hit temporary workers particularly hard (-21.1% year on year), whereas the fall in employment has been much less severe among permanent workers (-1.9%), with temporary labour accounting for four fifths of the waged employment that has been destroyed. As far as the different sectors are concerned, employment has fallen everywhere, with the sharpest drops in construction (-8.4%) and the services sector (-6.2%), especially market services (-8.2%). Within the latter, the steepest falls have been in hospitality (-21.8%) and artistic activities (-11.3%), although there have also been significant job losses in transport and trade (-6.5% and -5.6%, respectively). Indeed, we should bear in mind that Spain is one of the OECD countries with the highest rate of employment in the sectors most affected by the crisis, such as hospitality, transport, leisure activities and personal services (around 18%), according to OECD estimates.

However, unemployment only rose by 55,000 in the second quarter, because of the change in the non-working population (8.7% year on year, 1.4 million more inactive people), given the difficulties that restrictions on mobility have created in the search for work, a requisite in order to be classified as unemployed, according to the Labour Force Survey. Thus, the unemployment figure came to 3,368,000, a rise of 4.3% year on year, breaking the trend of year-on-year falls that began at the end of 2013; even so, this increase is much smaller than the rise in unemployment recorded by the State Employment Service (24.8%). The unemployment rate stands at 15.3%, 1.3 pp higher than in the second quarter of 2019.

We must also remember that in the second quarter a high proportion of workers were on furloughs. Specifically, at the end of April, nearly 3.4 million workers were in this position (around 18.5% of total employment), of whom around 3.1 million were force majeure furloughs. Since then, and until the end of August, the number of furloughed workers has fallen by nearly 2.6 million, to 812,438 (663,656 furloughed for force majeure), although the curve shows that the rate of escape from this situation was moderating throughout August.

Likewise, there has been something of a slowdown in the growth of social security affiliations, with the average number of workers in August coming to 18,792,376, representing a monthly increase of 0.04% (6,822 workers more than in July), although the increase in seasonally adjusted terms came to 1.3%, given that this was the first monthly increase in August of the historical series. So it is that since April lows, the number of workers registered with Social Security has risen by a little over 330,000, although this is still half a million fewer than those registered in August 2019.

Other indicators published more recently that point to an improvement in activity, showing more moderate falls than in the second quarter, are industrial production and sales in large corporates, although the rate of recovery appears to have slowed, coinciding with virus outbreaks. Thus, for example, total sales in large corporates grew in July by 7.1%, compared to 12.9% in June, due to the slower increase in domestic sales (6.4% compared to the earlier 13.9% in June). Nevertheless, year on year, sales have fallen by 7.1%, with exports shrinking by 8.8% and domestic sales by 6.6%.

Likewise, the OECD's composite forward activity indicator for Spain has reversed for the second consecutive month in August, after the improvement in May and June, while the eurozone as a whole has continued to improve, although there the recovery has slowed slightly. The indicator has held to its upward direction in France, Italy and Germany; in the case of the German economy, it has returned close to its pre-crisis value.

4. Balance Sheet

BALANCE SHEET *Million euros*	30/09/2020	30/06/2020	31/12/2019	30/09/2019	QoQ	YTD	YoY
Cash and balances at central banks	4,600	7,250	4,559	2,614	-36.5%	0.9%	76.0%
Assets held for trading & Finantial assets at fair value through P&L	362	162	128	118	123.4%	182.7%	206.3%
Financial assets at fair value through other comprehensive income	2,440	2,383	1,886	1,965	2.4%	29.3%	24.2%
Financial assets at amortised cost	28,611	28,854	28,018	29,531	-0.8%	2.1%	-3.1%
Loans and advances to central banks and credit institution	1,115	357	459	1,163	212.6%	142.7%	-4.2%
Loans and advances to customers	27,496	28,498	27,558	28,368	-3.5%	-0.2%	-3.1%
Debt securities at amortised cost	20,564	18,882	16,662	15,925	8.9%	23.4%	29.1%
Hedging derivatives	589	560	507	592	5.1%	16.0%	-0.5%
Investment in joint ventures and associates	376	347	363	369	8.4%	3.5%	1.9%
Tangible assets	1,155	1,154	1,162	1,217	0.1%	-0.6%	-5.0%
Intangible assets	73	71	66	62	2.0%	9.5%	17.7%
Tax assets	2,674	2,689	2,758	2,706	-0.6%	-3.0%	-1.2%
Other assets	456	398	294	302	14.7%	55.2%	51.0%
Non current assets held for sale	245	253	304	406	-3.1%	-19.4%	-39.5%
TOTAL ASSETS	**62,145**	**63,002**	**56,708**	**55,806**	**-1.4%**	**9.6%**	**11.4%**
Financial liabilities held for trading & at fair value through P&L	21	22	25	28	-2.8%	-15.5%	-24.9%
Financial liabilities at amortised cost	55,685	56,583	50,205	49,225	-1.6%	10.9%	13.1%
Deposits from central banks	5,011	5,025	3,303	3,306	-0.3%	51.7%	51.6%
Deposits from credit institutions	2,306	3,309	2,538	2,165	-30.3%	-9.2%	6.5%
Customer deposits	46,847	46,218	42,969	42,691	1.4%	9.0%	9.7%
Other Issued Securities	369	366	358	60	0.9%	3.1%	514.9%
Other financial liabilities	1,152	1,666	1,037	1,002	-30.9%	11.1%	14.9%
Hedging derivatives	455	407	428	466	11.8%	6.4%	-2.3%
Provisions	798	844	921	727	-5.4%	-13.3%	9.8%
Tax liabilities	268	294	325	358	-8.8%	-17.5%	-25.0%
Other liabilities	842	789	833	991	6.7%	1.1%	-15.0%
TOTAL LIABILITIES	**58,070**	**58,940**	**52,737**	**51,796**	**-1.5%**	**10.1%**	**12.1%**
Own Funds	3,991	3,965	3,971	3,970	0.7%	0.5%	0.5%
Accumulated other comprehensive income	84	97	-1	40	-14.1%	-8066.5%	110.7%
Minority Interests	0	0	0	0	-0.4%	-0.8%	-1.1%
Total Equity	**4,075**	**4,062**	**3,970**	**4,010**	**0.3%**	**2.6%**	**1.6%**
Total Liabilities and Equity	**62,145**	**63,002**	**56,708**	**55,806**	**-1.4%**	**9.6%**	**11.4%**
OFF BALANCE SHEET CUSTOMER FUNDS AND INSURANCE	**12,567**	**12,269**	**12,863**	**12,994**	**2.4%**	**-2.3%**	**-3.3%**

At the close of the third quarter 2020, Unicaja Banco Group's assets came to EUR 62,145 million. Financial assets carried at amortised cost account for EUR 28,611 million, with Loans and advances to customers worth EUR 27,496 million.

Debt securities carried at amortised cost amount to EUR 20,564 million, and mainly consist of Spanish Treasury debt.

Total assets have risen by 9.6% in the year to date, mainly as a result of the EUR 3,902 million growth in "Debt securities at amortised cost", almost all of it invested in sovereign debt. Likewise, "Financial assets through other comprehensive income" are up by of EUR 554 million, and "Financial assets at amortised cost" also grow by EUR 593 million. Of these, the "Loans and advances to customers" item, which mainly reflects the retail banking activity, is down by 0.2% (EUR 62 million). This can be broken down, on the one hand, by the growth in reverse repos and other financial assets, which are up by EUR 345 million, and the EUR 243 million reduction in the remaining performing balances, while non-performing balances have fallen by EUR 61 million and provisioning has risen, with the balance on this item shrinking by EUR 121 million.

Turning to year-on-year performance, total assets have grown by 11.4%, with most of that increase coming again from "Debt securities at amortised cost" that has grown by EUR 4,639 million.

"Loans and advances to customers" posted a -3.1% year-on-year growth in net terms. This fall can largely be attributed to the reduction in performing balances by EUR 894 million, (-3.4%), as well as the fall in non-performing balances by EUR 283 million and the EUR 32 million increase in coverage. In the opposite direction, reverse repos have expanded by EUR 328 million.

The Group's total liabilities come to EUR 58,070 million. The vast majority of this is made up of financial liabilities carried at amortized cost, amounting to EUR 55,685 million. Of these, customer deposits of EUR 46,847 million account for 84% of 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, which come to EUR 12,567 million.

Liabilities have risen in the first 9 months of the year by 10.1% (EUR 5,333 million), both because of the increase in funds taken at central banks, worth EUR 1,708 million (the TLTRO-III programme), and as a result of the increase in customer deposits, which have grown by EUR 3,878 million. Of these, if we exclude valuation adjustments, retail customer deposits are up by EUR 2,241 million or 5.9%, while wholesale funds grow by EUR 1,658 million, mainly through repurchase agreements.

Year on year, liabilities are up by 12.1%, with increases in Central Banks deposits, (EUR 1,708 million), retail deposits, which grow 5.1% (in this case, excluding valuation adjustments, they posted EUR 2,585 million) and in wholesale deposits (mainly repurchase agreements) by EUR 1,551 million.

At the close of September 2020, net equity reached EUR 4,075 million, which amounts to a growth of 104 million in the year resulting mainly from changes in valuation adjustments which are up by EUR 85 million. The increase in the latter is a consequence of the positive performance of cash flow hedge adjustments, up by EUR 51 million, while the rest is basically variations on the asset adjustments at fair value.

Year-on-year, net equity has risen by EUR 65 million, or 1.6%, an increase of to which a EUR 21 million rise in own funds has contributed, as have the valuation adjustments, another EUR 44 million.

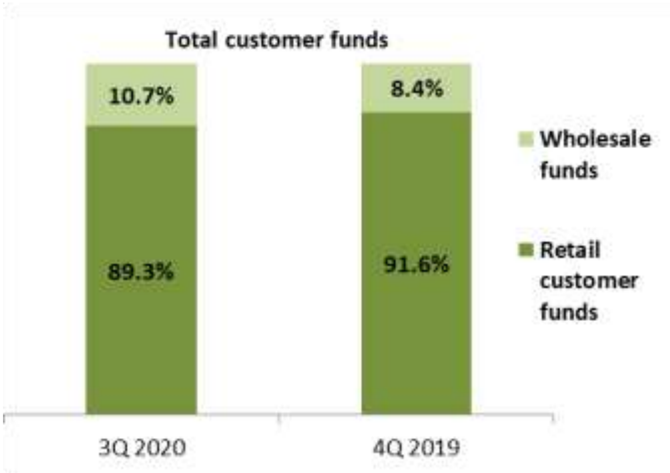
5. Customer Funds

Million euros. Excluding valuation adjustments	30/09/2020	30/06/2020	31/12/2019	30/09/2019	QoQ	YTD	YoY
On-balance sheet customer funds	**46,594**	**45,987**	**42,695**	**42,031**	**1.3%**	**9.1%**	**10.9%**
Customer funds	**46,234**	**45,627**	**42,335**	**41,971**	**1.3%**	**9.2%**	**10.2%**
Public Sector	**3,367**	**2,891**	**2,812**	**2,903**	**16.4%**	**19.7%**	**16.0%**
Private sector	**42,867**	**42,736**	**39,523**	**39,068**	**0.3%**	**8.5%**	**9.7%**
Sight deposits	31,722	31,335	29,256	28,188	1.2%	8.4%	12.5%
Term deposits	8,290	8,760	9,420	10,111	-5.4%	-12.0%	-18.0%
of which: covered bonds	*3,266*	*3,266*	*3,578*	*4,049*	*0.0%*	*-8.7%*	*-19.3%*
Repos	2,856	2,640	848	768	8.1%	236.9%	271.7%
Issues	**360**	**360**	**360**	**60**	**0.0%**	**0.0%**	**500.0%**
Promissory notes	0	0	0	0	-	-	-
Mortgages securities	60	60	60	60	0.0%	0.0%	0.0%
Other values	0	0	0	0	-	-	-
Subordinated liabilities	300	300	300	0	0.0%	0.0%	-
Off-balance sheet customer funds and insurance	**12,567**	**12,269**	**12,863**	**12,994**	**2.4%**	**-2.3%**	**-3.3%**
Mutual funds	5,235	5,119	5,430	5,474	2.3%	-3.6%	-4.4%
Pension funds	2,262	2,231	2,376	2,375	1.4%	-4.8%	-4.7%
Insurance savings	4,155	4,027	4,112	4,298	3.2%	1.0%	-3.3%
Other managed assets	914	893	945	848	2.4%	-3.3%	7.9%
TOTAL CUSTOMER FUNDS	**59,161**	**58,257**	**55,558**	**55,025**	**1.6%**	**6.5%**	**7.5%**
Retail customers funds	**52,843**	**52,175**	**50,898**	**50,258**	**1.3%**	**3.8%**	**5.1%**
of which: on-balance sheet	40,276	39,905	38,035	37,264	0.9%	5.9%	8.1%
Public Sector	3,367	2,891	2,812	2,903	16.4%	19.7%	16.0%
Sight deposits	31,722	31,335	29,256	28,188	1.2%	8.4%	12.5%
Term deposits	5,025	5,495	5,841	6,062	-8.6%	-14.0%	-17.1%
Others	163	184	125	110	-11.2%	30.0%	47.9%
of which: off-balance sheet and insurance	12,567	12,269	12,863	12,994	2.4%	-2.3%	-3.3%
Wholesale funds	**6,318**	**6,082**	**4,660**	**4,767**	**3.9%**	**35.6%**	**32.5%**

Total customer funds managed by the Group at the end of the third quarter of 2020 came to EUR 59,161 million.

The bulk of managed funds are customer deposits (EUR 46,234 million), of which EUR 31,722 million are private sector clients' sight deposits, EUR 8,290 million are term deposits (including EUR 3,266 million in non-negotiable mortgage covered bond issues) and EUR 2,856 million are repos. Customer funds managed using off-balance sheet instruments and savings insurance amounted to EUR 12,567 million, consisting mainly of customer funds raised through investment funds (EUR 5,235 million), pension funds (EUR 2,262 million) and savings insurance (EUR 4,155 million).

As to the origin of the funds, 89.3% relates to retail customers' banking business (EUR 52,843 million), while the remaining 10.7% (EUR 6,318 million) is represented by funds raised in wholesale markets through issuances, multi-issuer covered bonds and repos. The largest rise so far this year on market balances (+35.6%) compared to retail customer funds (+3.8%), is not structural; it is the result of short-term treasury transactions, which have triggered a very short-term increase in market financing and liquidity in central banks. Negotiable issuances remains unchanged in 2020 since the EUR 300 million subordinated liability Tier II issue conducted in the last quarter of 2019, which was fully placed on wholesale markets. The balance of the category (EUR 60 million) consists of mortgage securities also in the hands of third parties booked under the markets section.



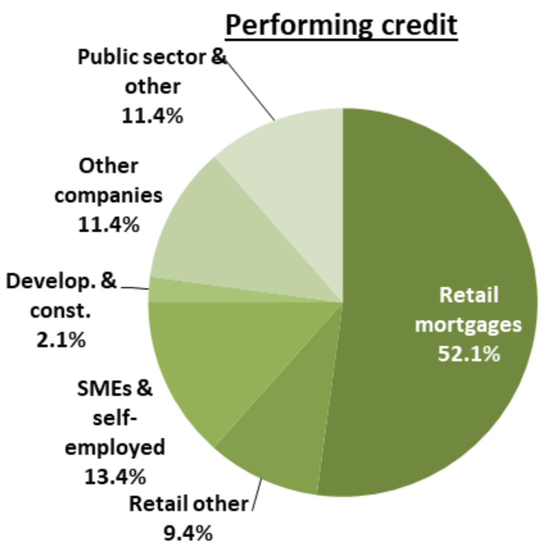
Total managed funds have grown by 3.8% in the year to date, and by 5.1% in the last 12 months. This performance is due to strong growth in retail customer deposits so far this year, together with the recovery in the last quarter of customer funds in off-balance sheet and insurance products, which are up 2.4% with respect to the close of June. So far this year, on-balance sheet funds have risen by 5.9%, of which we would highlight the 19.7% increase in public administrations and an 8.4% rise in private-sector sight balances. Turning to off-balance sheet funds and insurance, which taken together have fallen by 2.3% year to date, as a result of the fall in the valuations of these products in the first quarter. All this has triggered an increase in the weight of private-sector sight funds in managed customer funds as a whole.

The year-on-year performance of retail funds is better to that of this year to date, with the increase posting at 5.1%, growth of 8.1% in balance-sheet funds and a 3.3% contraction in off-balance sheet funds. As was the case in year-to-date performance, growth is focused on public-sector balances, which have risen by 16.0%, and on private-sector sight balances, which are up by 12.5%.

6. Performing Loans

Million euros. Excluding valuation adjustments	30/09/2020	30/06/2020	31/12/2019	30/09/2019	QoQ	YTD	YoY
Public sector	**1,662**	**1,868**	**1,704**	**1,854**	**-11.0%**	**-2.4%**	**-10.3%**
Private sector	**23,896**	**24,626**	**24,097**	**24,598**	**-3.0%**	**-0.8%**	**-2.9%**
Corporates	**7,282**	**7,425**	**6,848**	**7,166**	**-1.9%**	**6.3%**	**1.6%**
RED and construction	577	602	591	579	-4.2%	-2.4%	-0.4%
SMEs and self-employed	3,623	3,615	3,611	3,745	0.2%	0.3%	-3.3%
Other corporates	3,083	3,208	2,647	2,842	-3.9%	16.5%	8.5%
Individuals	**16,614**	**17,202**	**17,249**	**17,432**	**-3.4%**	**-3.7%**	**-4.7%**
Mortgages	14,072	14,239	14,633	14,858	-1.2%	-3.8%	-5.3%
Consumer and other	2,542	2,963	2,616	2,574	-14.2%	-2.8%	-1.2%
PERFORMING LOANS TO CUSTOMERS	**25,558**	**26,494**	**25,800**	**26,451**	**-3.5%**	**-0.9%**	**-3.4%**
Repos and valuation adjustments	**1,426**	**1,411**	**1,081**	**1,098**	**1.1%**	**31.9%**	**29.9%**
TOTAL PERFORMING LOANS	**26,984**	**27,905**	**26,882**	**27,550**	**-3.3%**	**0.4%**	**-2.1%**

Performing loans balance of the Group stands at EUR 26,984 million. Of these, EUR 1,662 million correspond to loans to public sector, EUR 23,896 million to private sector loans and EUR 1,426 million to reverse repos and other unclassified balances, the latter being collateral for financing transactions in markets and derivatives, as well as to suspense account awaiting settlement. By portfolio type, the most important are retail loans with mortgage guarantees, representing 52.1% of total performing loans, and the SME and self-employed portfolio, accounting for another 13.4%.



Performing loans balances are up 0.4% mainly from reverse repos, while loans to customers drop 0.9%.

Within customer lending, the fall in credit to the public sector in the year to date, which amounts to 2.4%, is mainly due to the repayment of credit drawdowns by a number of borrowers in the third quarter. Turning to private sector lending, which has fallen by 0.8%, performance has been patchy, depending on the segment. Lending to corporates is up by 6.3%, driven on the one hand by new production, helped by the existence of stimulus measures to combat the effects of the pandemic (ICO guarantees), and by the greater use of existing lines of credit. However, consumer lending has performed negatively in the year, falling by 3.7%, as a consequence of the reduction in the demand for credit during the lockdown.

New production in the private sector has fallen by 25% in the first 9 months of the year compared to the same period in the previous financial period. Nevertheless, the consumer segment is showing recovery in originations in the third quarter, compared to the second, with a 90% increase in new lending, while credit to corporates has slumped because of lower demand in this segment for ICO-secured transactions, which was the main driver of originations in the previous quarter.

7. Non-performing loans & foreclosed assets

Million euros	30/09/2020	30/06/2020	31/12/2019	30/09/2019	QoQ	YTD	YoY
GROSS BALANCE							
Public sector	**13**	**13**	**14**	**14**	**-1.2%**	**-1.8%**	**-2.2%**
Private sector	**1,277**	**1,306**	**1,337**	**1,560**	**-2.3%**	**-4.5%**	**-18.2%**
Business	**507**	**504**	**502**	**535**	**0.8%**	**1.1%**	**-5.2%**
RED and construction	94	96	102	108	-2.0%	-7.4%	-12.5%
SMEs and self-employed	368	359	377	380	2.3%	-2.4%	-3.4%
Other corporates	45	48	24	47	-5.1%	92.6%	-2.7%
Individuals	**769**	**802**	**835**	**1,025**	**-4.1%**	**-7.9%**	**-24.9%**
Mortgages	489	507	515	671	-3.6%	-5.0%	-27.2%
Consumer and other	281	295	321	353	-5.0%	-12.5%	-20.6%
Repos and valuation adjustments	**0**	**0**	**0**	**0**	**-**	**-**	**-**
NON PERFORMING LOANS	**1,290**	**1,320**	**1,351**	**1,573**	**-2.2%**	**-4.5%**	**-18.0%**
Non performing loans (excluding RED loans)	1,196	1,223	1,249	1,466	-2.3%	-4.3%	-18.4%
PROVISIONS							
Public sector	**8**	**8**	**8**	**8**	**0.4%**	**-1.0%**	**-2.2%**
Private sector	**831**	**785**	**712**	**800**	**5.9%**	**16.9%**	**3.9%**
Business	**432**	**399**	**348**	**375**	**8.3%**	**24.3%**	**15.4%**
RED and construction	73	67	99	101	7.8%	-26.4%	-27.8%
SMEs and self-employed	281	250	215	225	12.4%	30.7%	24.6%
Other corporates	79	82	34	49	-3.9%	129.8%	62.0%
Individuals	**399**	**386**	**364**	**425**	**3.5%**	**9.7%**	**-6.1%**
Mortgages	164	156	143	168	5.0%	14.7%	-2.9%
Consumer and other	236	230	221	257	2.4%	6.6%	-8.3%
Repos and valuation adjustments	**11**	**11**	**10**	**10**	**0.5%**	**12.7%**	**11.3%**
NON PERFORMING LOANS	**850**	**803**	**729**	**817**	**5.8%**	**16.6%**	**4.0%**
Non performing loans (excluding RED loans)	777	736	630	717	5.6%	23.4%	8.4%
% COVERAGE							
Public sector	**56.7%**	**55.8%**	**56.2%**	**56.7%**	**0.9 pp**	**0.4 pp**	**0.0 pp**
Private sector	**65.1%**	**60.1%**	**53.2%**	**51.3%**	**5.0 pp**	**11.9 pp**	**13.8 pp**
Business	**85.2%**	**79.3%**	**69.3%**	**70.0%**	**5.9 pp**	**15.9 pp**	**15.2 pp**
RED and construction	77.1%	70.1%	97.0%	93.4%	7.0 pp	-19.9 pp	-16.3 pp
SMEs and self-employed	76.4%	69.5%	57.0%	59.2%	6.9 pp	19.3 pp	17.1 pp
Other corporates	173.5%	171.3%	145.4%	104.3%	2.2 pp	28.1 pp	69.3 pp
Individuals	**51.9%**	**48.1%**	**43.5%**	**41.5%**	**3.8 pp**	**8.3 pp**	**10.4 pp**
Mortgages	33.5%	30.7%	27.7%	25.1%	2.8 pp	5.8 pp	8.4 pp
Consumer and other	84.0%	77.9%	69.0%	72.7%	6.1 pp	15.0 pp	11.3 pp
Repos and valuation adjustments					**n.a.**	**n.a.**	**n.a.**
NON PERFORMING LOANS	**65.9%**	**60.9%**	**54.0%**	**52.0%**	**5.0 pp**	**11.9 pp**	**13.9 pp**
Non performing loans (excluding RED loans)	65.0%	60.2%	50.5%	48.9%	4.8 pp	14.6 pp	16.1 pp

The Group continues to reduce its non-performing assets, with the balance of the latter standing at EUR 1,290 million at the end of September 2020, representing a drop of 18.0% in existing balances at the close of the same date a year earlier (-EUR 283 million), and 2.2% i the quarter despite the difficult macro environment. All of this translates into a further improvement in the NPL ratio, which has edged to 4.6%, representing a drop of 0.8 pp in the last 12 months. The portfolio's credit quality is high, as shown by the fall in volume of new entries into the non-performing category in the last quarter; this follows 2 quarters during which the volumes of entries were comparable to periods before the outbreak of the pandemic. Since the first quarter of 2020 there has also been a reduction in the rate of recoveries, due in part to the lack of portfolio sales, and which nevertheless, excluding write-offs, remains above the levels of entries.

Finally, even though the NPL rate, as remarked above, does not show signs of deterioration in the portfolio, in the third quarter the bank has recorded EUR 63 million as coverage for the estimated impact of the COVID-19 crisis on lending risk; together with the recognitions made in previous quarters, the total for this item now comes to 166 million. As a result of this, coverage levels have risen considerably, improving both in the year (11.9 pp) and in the last 12 months (13.9 pp), to reach 65.9%. When the extraordinary provisions mentioned above are stripped out, the credit impairments made are slightly lower than those in the same period of last year, although the cost of risk has risen slightly because of the fall in total lending in the year and the existence of income from loan portfolio sales within the impairments item in the previous period.

Million euros	**3Q 2020**	**2Q 2020**	**1Q 2020**	**4Q 2019**	**3Q 2019**
NPL EVOLUTION					
NPLs at the beginning of the period	**1,320**	**1,334**	**1,351**	**1,573**	**1,731**
Recoveries	-19	-4	-6	-216	-153
Write-offs	-11	-10	-10	-7	-4
NPLs at the end of the period	**1,290**	**1,320**	**1,334**	**1,351**	**1,573**

Million euros	**3Q 2020**	**2Q 2020**	**1Q 2020**	**4Q 2019**	**3Q 2019**
NPL recoveries evolution					
Gross entries	35	58	56	23	56
Recoveries	-54	-62	-62	-239	-209
Net recoveries	**-19**	**-4**	**-6**	**-216**	**-153**

FORECLOSED ASSETS

At the end of the third quarter of 2020, the net balance of foreclosed assets, net of provisions, amounted to EUR 415 million (Eur 1,117 million gross), limiting their weight to only 0.67% of Unicaja Banco Group's total assets. On the other hand, the vast majority of these real estate assets (52.0% in terms of net book value) are finished new housing.

Following Unicaja Banco Group's conservative policy, the provisioning for foreclosed assets stood at EUR 702 million at the end of the third quarter of 2020. This represents a coverage of 62.8%, similar to that of year-end 2019 and to that attained for the same period a year earlier.

During this third quarter 2020, outflows amounted to EUR 48 million, which is equivalent to 4% of the stock held at the beginning of the year. Outflows are slightly higher to that of the previous 2 quarters, as a result of the measures taken to create incentives to mobilise foreclosed assets, after the standstill in the first quarter. This heightened sales push has not made a significant contribution on the sales results of these assets, which nonetheless, remain positive.

Million euros	30/09/2020	30/06/2020	31/12/2019	30/09/2019	QoQ	YTD	YoY
GROSS BALANCE							
From lending to RE developers	**557**	**567**	**581**	**602**	**-1.8%**	**-2.5%**	**-31.0%**
Finished buildings	66	71	72	75	1.8%	-2.3%	-50.2%
Buildings under construction	54	50	54	66	-12.6%	-7.4%	-44.1%
Land	436	447	455	461	-1.0%	-1.9%	-24.5%
From retail mortgages	**363**	**375**	**347**	**342**	**4.7%**	**8.1%**	**-28.7%**
Other foreclosed assets	**197**	**200**	**191**	**193**	**3.4%**	**4.5%**	**-21.6%**
TOTAL FORECLOSED ASSETS	**1,117**	**1,142**	**1,120**	**1,138**	**1.1%**	**2.0%**	**-28.8%**
Off which finished buildings	**429**	**446**	**419**	**417**	**4.2%**	**6.4%**	**-33.2%**
PROVISIONS							
From lending to RE developers	**390**	**395**	**399**	**417**	**-0.7%**	**-1.1%**	**-31.0%**
Finished buildings	36	37	39	40	0.9%	-3.3%	-52.7%
Buildings under construction	33	30	31	40	-8.0%	-3.9%	-41.0%
Land	321	328	329	337	-0.2%	-0.6%	-26.0%
From retail mortgages	**177**	**182**	**170**	**166**	**2.9%**	**6.9%**	**-28.2%**
Other foreclosed assets	**135**	**136**	**132**	**134**	**1.6%**	**2.8%**	**-15.3%**
TOTAL FORECLOSED ASSETS	**702**	**713**	**702**	**717**	**0.6%**	**1.6%**	**-27.7%**
Off which finished buildings	**213**	**219**	**209**	**206**	**2.5%**	**5.0%**	**-34.0%**
COVERAGE (%)							
From lending to RE developers	**70.0%**	**69.6%**	**68.7%**	**69.2%**	**0.8 pp**	**1.0 pp**	**0.1 pp**
Finished buildings	54.1%	53.0%	53.5%	53.7%	-0.5 pp	-0.5 pp	-2.8 pp
Buildings under construction	60.3%	60.4%	58.2%	60.3%	3.0 pp	2.2 pp	3.2 pp
Land	73.6%	73.3%	72.3%	73.0%	0.6 pp	1.0 pp	-1.4 pp
From retail mortgages	**48.8%**	**48.5%**	**49.1%**	**48.5%**	**-0.9 pp**	**-0.6 pp**	**0.3 pp**
Other foreclosed assets	**68.3%**	**67.9%**	**69.1%**	**69.4%**	**-1.2 pp**	**-1.1 pp**	**5.0 pp**
TOTAL FORECLOSED ASSETS	**62.8%**	**62.4%**	**62.7%**	**63.0%**	**-0.3 pp**	**-0.3 pp**	**0.9 pp**
Of which finished buildings	**49.7%**	**49.2%**	**49.8%**	**49.4%**	**-0.8 pp**	**-0.6 pp**	**-0.6 pp**

Million euros	3T 2020	2T 2020	1T 2020	4T 2019	3T 2019
FORECLOSED ASSETS EVOLUTION					
BoP	**1,142**	**1,130**	**1,120**	**1,138**	**1,604**
Inflows	23	57	27	35	57
Outflows	48	44	17	53	522
EoP	**1,117**	**1,142**	**1,130**	**1,120**	**1,138**
% Quaterly out-flows / foreclosures at beginning of year	**4%**	**4%**	**2%**	**3%**	**31%**

8. Results

RESULTS			**YoY**	
Million euros	**30/09/2020**	**30/09/2019**	**Amount**	**%**
Interest income	543	578	-35	-6.1%
Interest expense	116	141	-25	-17.8%
NET INTEREST INCOME	**427**	**437**	**-10**	**-2.3%**
Dividend income	13	24	-11	-45.8%
Equity method	28	29	-1	-3.9%
Net fee income	170	172	-1	-0.8%
Trading income	71	69	2	3.1%
Other operating income/expenses	51	55	-4	n.a.
GROSS INCOME	**760**	**785**	**-25**	**-3.2%**
Administrative costs	393	422	-29	-6.8%
Staff costs	275	291	-16	-5.6%
Other administrative costs	119	131	-12	-9.4%
Depreciation and amortization	36	32	4	11.5%
PRE-PROVISION PROFIT	**331**	**331**	**0**	**0.0%**
Provisions /reversal of provisions	32	114	-82	-72.0%
Impairments / reversal of financial assets	195	37	158	422.1%
NET OPERATING INCOME	**104**	**180**	**-76**	**-42.1%**
Impairments on non-financial assets	2	-24	26	-110.5%
PROFIT BEFORE TAX	**102**	**203**	**-102**	**-50.0%**
Taxes	24	44	-20	-45.3%
NET INCOME FROM CONTINUING OPERATIONS	**77**	**159**	**-82**	**-51.4%**
Profit / loss from discontinued operations	0	0	0	n.a.
CONSOLIDATED NET INCOME	**77**	**159**	**-82**	**-51.4%**
CONSOLIDATED NET INCOME (excluding COVID provisions)	**194**	**159**	**35**	**21.7%**
ATTRIBUTABLE NET INCOME	**77**	**159**	**-82**	**-51.4%**

QUARTERLY EVOLUTION

Million euros	**3Q 2020**	**2Q 2020**	**1Q 2020**	**4Q 2019**	**3Q 2019**
Interest income	187	175	180	186	189
Interest expense	38	38	40	44	45
NET INTEREST INCOME	**150**	**137**	**140**	**142**	**144**
Dividend income	2	4	7	4	4
Equity method	9	8	12	11	8
Net fee income	57	52	61	59	58
Trading income	8	35	28	32	43
Other operating income/expenses	7	38	5	-24	33
GROSS INCOME	**232**	**274**	**254**	**223**	**291**
Administrative costs	127	129	138	142	141
Staff costs	91	92	92	98	98
Other administrative costs	37	37	46	44	44
Depreciation and amortization	13	12	11	11	11
PRE-PROVISION PROFIT	**92**	**134**	**105**	**71**	**139**
Provisions /reversal of provisions	15	13	4	238	71
Impairments / reversal of financial assets	66	94	36	-20	19
NET OPERATING INCOME	**11**	**28**	**65**	**-147**	**49**
Impairments on non-financial assets	-5	4	4	-118	-9
PROFIT BEFORE TAX	**16**	**24**	**61**	**-29**	**57**
Taxes	0	9	15	-43	14
NET INCOME FROM CONTINUING OPERATIONS	**16**	**15**	**46**	**13**	**43**
Profit / loss from discontinued operations	0	0	0	0	0
CONSOLIDATED NET INCOME	**16**	**15**	**46**	**13**	**43**
CONSOLIDATED NET INCOME (excluding COVID provisions)	**61**	**70**	**63**	**13**	**43**
ATTRIBUTABLE NET INCOME	**16**	**15**	**46**	**13**	**43**

YIELDS & COSTS

Million euros / %	3Q 2020			2Q 2020			1Q 2020			4Q 2019			3Q 2019		
	Average balances	FI/FE	Yield/ cost (%)	Average balances	FI/FE	Yield/ cost (%)	Average balances	FI/FE	Yield/ cost (%)	Average balance	FI/FE	Yield/ cost (%)	Average balance	FI/FE	Yield/ cost (%)
Financial intermediaries	7,254	-2	-0.10	5,874	0	-0.03	4,372	0	-0.03	4,697	-2	-0.16	3,628	-2	-0.21
Fixed income portfolio	21,009[1]	59	1.12	18,821[1]	58	1.23	17,380[1]	55	1.27	16,807[1]	54	1.28	16,993[1]	53	1.23
Net loans (including NPLs)	**26,515**	**110**	**1.65**	**26,924**	**111**	**1.65**	**26,616**	**119**	**1.80**	**26,825**	**125**	**1.85**	**27,284**	**132**	**1.92**
Other assets	7,795	0		7,698	0		7,803	0		7,928	1		7,959	0	
TOTAL ASSETS	**62,574**	**167**	**1.06**	**59,317**	**168**	**1.14**	**56,170**	**174**	**1.25**	**56,257**	**178**	**1.26**	**55,864**	**182**	**1.29**
Financial intermediaries	10,580	-16	-0.60	8,274	-5	-0.25	6,150	-4	-0.23	6,500	-5	-0.29	6,619	-4	-0.23
Debt securities	3,326	18	2.11	3,395	18	2.11	3,551	18	2.07	3,874	22	2.22	4,109	24	2.31
Customer deposits	**39,917**	**13**	**0.13**	**38,875**	**15**	**0.16**	**37,969**	**16**	**0.17**	**37,531**	**17**	**0.18**	**36,977**	**17**	**0.19**
Sight deposits (PS)	31,529	1	0.01	30,373	1	0.02	29,334	2	0.03	28,722	2	0.03	28,054	2	0.03
Term deposits (PS)	5,260	12	0.91	5,585	14	1.00	5,758	14	0.98	5,952	15	0.97	6,175	15	0.94
Subordinated liabilities	300	2	3.08	300	2		300	2		150	1		0	0	0.00
Other liabilities	8,451	1		8,473	1		8,200	1		8,202	1		8,159	1	
TOTAL LIABILITIES	**62,574**	**18**	**0.11**	**59,317**	**31**	**0.21**	**56,170**	**34**	**0.24**	**56,257**	**36**	**0.25**	**55,864**	**38**	**0.27**
CUSTOMER SPREAD*			**1.52**			**1.49**			**1.63**			**1.66**			**1.73**
NET INTEREST MARGIN	**62,574**	**150**	**0.95**	**59,317**	**137**	**0.93**	**56,170**	**140**	**1.01**	**56,257**	**142**	**1.00**	**55,864**	**144**	**1.02**

F.I.: Financial Interest
F.E.: Financial expenses
PS: Private Sector
(*) Net loans (including NPLs) - Customer deposits

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

At the close of third quarter of 2020, the Group reported a net profit of EUR 77.4 million after making a EUR 166 million provision for the COVID 19 crisis. Excluding this extraordinary provision, pre-tax income at the end of September 2020 would have been 22% higher than that posted for the same period in 2019.

Net profit attained year-to-date comes in the first instance from core revenues (net interest income and fees) of EUR 597.1 million, which accounts for a fall of EUR 11 million (-1.8%) with respect to the same period a year earlier. This drop has been offset by the measures to contain transformation expenses (administration costs + amortizations and depreciations) that have made savings so far this year of EUR 25 million, improving the Bank's core revenue (core income – transformation expenses) by 8.9%.

Unicaja has managed to raise its core income in the third quarter, after the impact of the lockdown in the second. Thus, there has been a 9.2% increase in net interest income, thanks to the improvement in cost of funding in both the retail and the wholesale segments. The fall in retail costs, as a result of the maturing of high-cost term liabilities, which will continue to mid-2021, has contributed, together with continued lending profitability, to better customer spread. Wholesale funding costs, meanwhile, are improving thanks to the contribution of TLTRO.

In addition, fees have increased by 8.1% this quarter, boosted by collection and payment fees, as well as by larger contributions from investment funds and insurance to the brokerage and non-banking products item.

FEES

Million euros	3Q 2020	2Q 2020	1Q 2020	4Q 2019	3Q 2019	QoQ	YoY
FEE INCOME	**64**	**55**	**67**	**64**	**64**	**15.6%**	**-0.2%**
From contingent risk	2	2	3	4	2	-8.3%	24.0%
From contingent commitments	1	1	1	1	1	15.8%	9.2%
From currency exchange	0	0	0	0	0	43.2%	-78.6%
From payments and collections	33	31	32	37	36	8.5%	-6.7%
From non banking products	27	21	30	22	25	25.4%	5.6%
Other fees	2	1	2	1	1	83.1%	46.8%
FEE EXPENSES	**7**	**3**	**6**	**5**	**6**	**144.6%**	**19.3%**
NET FEE INCOME	**57**	**52**	**61**	**59**	**58**	**8.1%**	**-2.3%**

Also underpinning this performance is trading income (EUR 2.1 million higher than the same period in de 2019), from capital gains on its fixed income portfolio.

However, dividends have fallen compared to the same period last year, strongly impacted by the COVID-19 crisis, which has motivated large numbers of companies to defer or cancel dividend pay outs.

As has been already highlighted, due to the temporary reduction in core revenues, Unicaja Banco has implemented a major cost containment drive which has reduced administration costs by 6.8% from the same period last year, well above the forecast for the current 2020 period in the strategic plan. This push represents a EUR 29 million reduction compared to the same period in 2019.

Finally, impairments and other results came to a net total of EUR 229 million, which is a EUR 102 million increase with respect to the same period a year earlier. Were it not for the extraordinary insolvency provisions of EUR 166 million mentioned above, impairments and other results would have been EUR 64 million lower than in the same period last year. Impairments linked to foreclosures remain very low, while those designed to cover loan losses, excluding the extraordinary provisioning mentioned, are EUR 6 million lower than in the same period in 2019, representing very low ordinary cost of risk.

IMPAIRMENTS AND OTHER RESULTS						**YoY**	
Million euros	**3Q 2020**	**2Q 2020**	**1Q 2020**	**4Q 2019**	**3Q 2019**	**Amount**	**%**
Credit impairments	65	94	34	-21	17	48	273.5%
Foreclosed assets impairments	-2	5	1	8	-1	-1	55.2%
Provisions and other results	13	11	8	113	65	-52	-79.9%
TOTAL IMPAIRMENTS	**76**	**109**	**44**	**100**	**81**	**-5**	**-6.0%**

CUMULATIVE IMPAIRMENTS AND OTHER RESULTS			**YoY**	
Million euros	**3Q 2020**	**3Q 2019**	**Amount**	**%**
Credit impairments	193	33	160	482.8%
Foreclosed assets impairments	4	-1	5	-603.1%
Provisions and other results	32	95	-63	-66.3%
TOTAL IMPAIRMENTS	**229**	**128**	**102**	**79.8%**

9. Liquidity

Loan to deposits				**QoQ**	
Million euros	**30/09/2020**	**30/06/2020**	**31/12/2019**	**Amount**	**%**
Credit and loans (excluding valuations adjustments and OFA)	27,976	29,016	28,169	-1,040	-3.6%
-Reverse repos	1,127	1,202	1,018	-75	-6.3%
a) Core credit and loans	**26,849**	**27,814**	**27,151**	**-964**	**-3.5%**
Customers deposits (excluding valuations adjustments)	46,234	45,627	42,335	607	1.3%
-Repos	2,693	2,457	722	236	9.6%
-Multi-issuer covered bonds	3,266	3,266	3,578	0	0.0%
b) Core customer deposits	**40,276**	**39,905**	**38,035**	**371**	**0.9%**
LtD ratio (a/b)	**66.7%**	**69.7%**	**71.4%**	**-3.0%**	

The Group's high liquidity levels are reflected in its LTD ratio which, at the close of the third quarter of 2020, stands at 66.7%, up 3.0 percentage points in the previous quarter due to the strong growth in customer deposits compared to performance in lending.

				QoQ	
Liquid assets	**30/09/2020**	**30/06/2020**	**31/12/2019**	**Amount**	**%**
Cash surplus (1)	3,756	6,395	3,736	-2,639	-41.3%
Reverse repos	1,920	1,294	1,110	626	48.4%
Fixed income portfolio and other discountable assets in ECB	20,533	18,612	15,919	1,920	10.3%
Total liquid assets (ECB discount value)	**26,209**	**26,301**	**20,765**	**-92**	**-0.4%**
Liquid assets used					
In ECB	5,011	5,025	3,303	-14	-0.3%
Repos	5,418	6,182	3,452	-764	-12.4%
Total liquid assets used	**10,429**	**11,206**	**6,755**	**-777**	**-6.9%**
AVALABLE DISCOUNTABLE LIQUID ASSETS	**15,780**	**15,095**	**14,011**	**685**	**4.5%**
% over total assets	**25.4%**	**24.0%**	**24.7%**	**1.4%**	

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

Unicaja Banco Group recorded in the third quarter of 2020 a liquid and discountable assets position at the European Central Bank, net of assets used, of EUR 15,780 million, representing 25.4% of the balance sheet total. The LCR ratio is also worth noting, at 311%, is well above regulatory requirements.

Debt securities maturities

	Debt securities (*)
2020	**0**
2021	**690**
2022	**182**

(*) Includes multi issuer covered bonds

LIQUIDITY RATIOS	**30/09/2020**	**30/06/2020**	**31/03/2020**	**31/12/2019**	**QoQ**
LCR	311%	346%	335%	319%	-35 pp
NSFR	141%	141%	143%	141%	0 pp

10. Solvency

PHASE IN RATIOS					
Million € and %	30/09/2020	30/06/2020	31/03/2020	31/12/2019	30/09/2019
Qualifying capital	**4,059**	**4,014**	**3,925**	**3,938**	**3,668**
CET1 capital (BIS III)	3,712	3,666	3,578	3,590	3,621
Capital and share premium	2,820	2,820	2,820	2,820	2,820
Reserves	1,077	1,067	1,069	946	951
Attributable net profit (excluding dividends)	34	27	21	88	85
Deductions	-474	-443	-448	-438	-432
Others (1)	256	195	115	174	198
Tier 1	47	48	48	48	48
Tier 2	300	300	300	300	0
Risk weighted assets	**22,822**	**23,168**	**23,297**	**23,000**	**23,516**
CET1 capital (BIS III) (%)	**16.3%**	**15.8%**	**15.4%**	**15.6%**	**15.4%**
Tier 1	0.2%	0.2%	0.2%	0.2%	0.2%
Tier 2	1.3%	1.3%	1.3%	1.3%	0.0%
Total capital ratio (%)	**17.8%**	**17.3%**	**16.8%**	**17.1%**	**15.6%**

(1) Treasury stock, minorities, other global result and transitional period of IFRS9

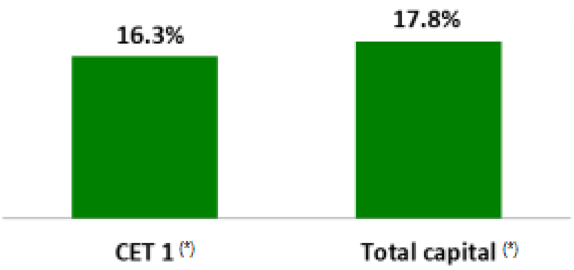
FULLY LOADED RATIOS					
Million € and %	30/09/2020	30/06/2020	31/03/2020	31/12/2019	30/09/2019
Qualify capital	**3,663**	**3,658**	**3,609**	**3,540**	**3,256**
CET1 capital (BIS III)	3,316	3,311	3,261	3,192	3,208
Capital and share premium	2,820	2,820	2,820	2,820	2,820
Reserves	1,077	1,067	1,069	946	951
Attributable net profit (excluding dividends)	34	27	21	88	85
Deductions	-711	-679	-683	-737	-746
Others (2)	97	76	34	76	99
Tier 1	47	48	48	48	48
Tier 2	300	300	300	300	0
Risk weighted assets	**22,568**	**22,954**	**23,113**	**22,793**	**23,304**
CET1 capital (BIS III) (%)	**14.7%**	**14.4%**	**14.1%**	**14.0%**	**13.8%**
Tier 1	0.2%	0.2%	0.2%	0.2%	0.2%
Tier 2	1.3%	1.3%	1.3%	1.3%	0.0%
Total capital ratio (%)	**16.2%**	**15.9%**	**15.6%**	**15.5%**	**14.0%**

(1) Treasury stock, minorities and other global result

(*) Proforma data: Excludes the deduction of the authorised limit on unused treasury stock The result of the unaudited period was included in March 2020. In June 2020 the phase-in data includes the effect of the IFRS 9 phase-in (Regulation (EU) 2020/873), approved in the third quarter of 2020. Starting June 2020 the deduction of software for prudential purposes is included (Regulation (EU) 2020/873).

	30/09/2020
	Phase in
CET1 (%)	16.3%
Total capital (%)	17.8%
2019 CET1 SREP requirement	8.75%
2019 Total capital SREP requirement	12.25%
Excess of capital over 2019 CET1 SREP requirement	**5.54%**

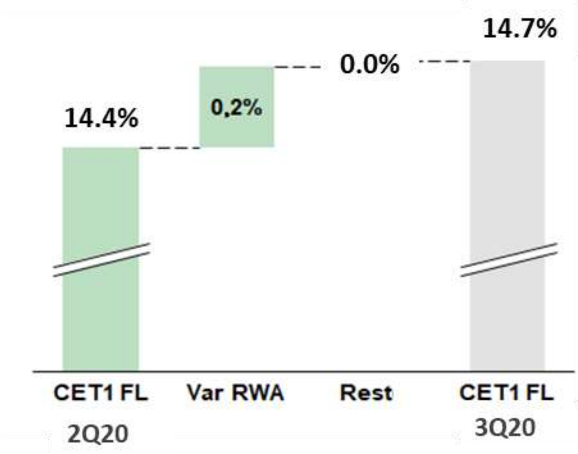
Unicaja Banco Group has a common equity tier 1 ratio (CET1) of 16.3%, a 0.9 pp improvement in this ratio compared to the same period last year. The successful issue of securities worth EUR 300 million classified as Tier II, conducted in the fourth quarter of 2019, has meant that the total capital ratio has risen during the previous 12 months by 2.2 pp to 17.8%.



In fully loaded terms Unicaja Banco has a CET1 ratio of 14.7% and a total capital ratio of 16.2%, which compared to the same period of 2019, represents a 0.9 pp and 2.3 pp increase, respectively.

These capital ratios have taken into account the removal from the Agenda of the Annual General Meeting of the proposal for a dividend distribution for 2019, that the Board of Directors had submitted, awaiting greater visibility. Following the recommendation of the oversight bodies, it has been suspended, as has also been the case other banking institutions.

During the quarter, the CET1 fully loaded ratio posted an increase of 27 basis points. This is due mainly to variations in RWAs which account for an improvement of 25 bp in the ratio, while the remaining 2 bp comes from a combination of other impacts.



The levels required by the ECB (including progressive application of systemic and conservation buffers) for September 2020, sets the total capital ratio at 12.25%. This means that the Group has a surplus of EUR 1,264 million over its total capital requirements. It is worth noting that on 12th March, the ECB announced flexibility measures, which have not been included in the calculation of capital surplus, allowing institutions to operate in the short term with capital ratios below the Pillar 2 guidance (P2G) and below the capital conservation buffer, as well as to use in part non-CET1 capital instruments to comply with their Pillar 2 (P2R) requirements.

Finally, the Texas ratio comes in at 43.7% at the close of the third quarter of 2020. 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 6.2 pp in the last 12 months.

	30/09/2020	30/06/2020	31/03/2020	31/12/2019	30/09/2019	QoQ	YoY
Texas Ratio	43.7%	45.1%	45.9%	46.7%	49.9%	-1.4 pp	-6.2 pp

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

(*) Proforma data: Proforma data: Excludes the deduction of the authorised limit on unused treasury stock The result of the unaudited period was included in March 2020. In June 2020 the phase-in data includes the effect of the IFRS 9 phase-in (Regulation (EU) 2020/873), approved in the third quarter of 2020. Starting June 2020 the deduction of software for prudential purposes is included (Regulation (EU) 2020/873).

11. Subsequent events

Unicaja Banco's General Shareholders' Meeting took place on 28th October 2020, and approved the application of earnings to 31st December 2019. The agreed breakdown is as follows:

	€ million
a) Legal reserve:	12.6
b) Voluntary reserves:	109.0
c) Capitalization reserve (Law 27/201)	4.0
TOTAL	125.6

By virtue of the provisions in Article 90.6 a) of Royal Decree 8/2020, this proposal replaces the one stated in the 2019 annual report.

Furthermore, agreement was reached to reduce the bank's share capital by EUR 30.5 million, by cancelling 30,541,097 treasury shares, representing 1.89% of share capital, charged to discretionary reserves. This capital reduction by Unicaja Banco will not have an impact on solvency, given that the institution held these shares as treasury stock.

APPENDIX I:

SHARE PRICE PERFORMANCE

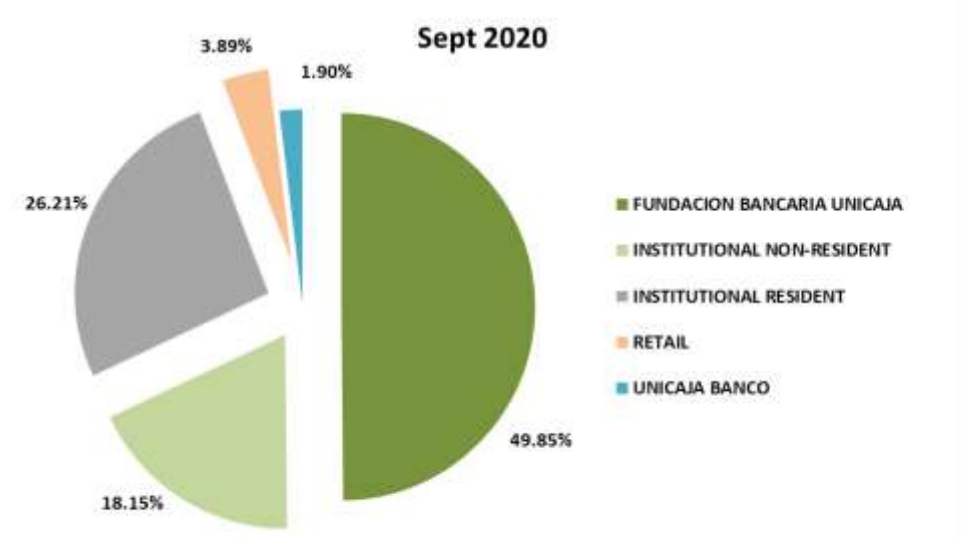
Listing Data

UNICAJA BANCO	sep-20
Number of shareholders	18,379
Average daily trading (num. of shares)	2,802,051
Average daily trading (euros)	1,648,716
Closing high (euros/share)	0.9825 (3-jan)
Closing low (euros/share)	0.42 (22-may)
Year-end closing (euros/share)	0.6405 (30-sep)

Note: Data cumulative YTD September 2020

Main shareholders

	NUM. OF SHAREHOLDERS	SHARES	%
FUNDACION BANCARIA UNICAJA	1	802,707,000	49.85%
INSTITUTIONAL NON-RESIDENT	126	292,306,931	18.15%
INSTITUTIONAL RESIDENT	482	422,026,738	26.21%
RETAIL	17,769	62,685,086	3.89%
UNICAJA BANCO	1	30,576,366	1.90%
TOTAL	**18,379**	**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 adopted by the European Union (EU-IFRS). In addition, Unicaja Banco Group considers that certain Alternative Performance Measures (APM), as defined in the Directive on Alternative Performance Measures issued by the European Securities Market Authority (ESMA) on 5th October 2015 (ESMA / 2015 / 1415en), provide additional information that may be useful for analysing the Group's financial performance.

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

Following the recommendations of the aforementioned Guidelines, the breakdown of the APMs used by Unicaja Banco Group is attached below, including the definitions and matching items of the balance sheet, income statement and notes to the consolidated financial statements used by the Grupo Unicaja Banco on its annual or interim financial statements:

ALTERNATIVE PERFORMANCE MEASURES (APM)

(in EUR million or %)

		September'20	December'19
Cost of risk	Impairment or (-) reversal of impairment in value of loans and receivables to customers. *Management measure*	193.2	11.9
	Average between start/end of period for loans and receivables from customers (excluding valuation adjustments)	28,253	28,467
	Ratio	**0.91%***	**0.04%**

Source: Public income statement consolidated using IAS39 criteria (under IFRS9, these are not broken down) for value impairment, and Note 8.5.2 for loans and advances.
Purpose: Defines the Group's credit quality rating through the annual cost, in terms of impairment losses (loans and receivables write downs, booked to the item Impairment of financial assets not valued at fair value through profit and loss) of each gross customer loans unit.
(*)Annualized measure (366/274)

		September'20	December'19
Impairment or (-) reversal of impairment in value of loans and receivables to customers ***Management measure***	1. Impairment or (-) reversal of impairment in value and gains or losses from adjustments in cash flows of financial assets not valuated at fair value through profit or loss and net gains or (-) losses from adjustments. Financial assets carried at amortized cost	195.3	17.4
	1a. From loans and receivables portfolio. *Management measure*	193.2	11.9
	1b. Rest of financial assets carried at amortised cost	2.2	5.5
	Performance measure (1a)	**193.2**	**11.9**

Source: Public income statement consolidated using IAS39 criteria (under IFRS9, these are not broken down).
Purpose: Defines the figure for impairments of loans and receivables, booked in the impairment of financial assets not valued at fair value through profit and loss item.

		September'20	September'19
Cost to income ratio (Operating Expenses excl. amort. & depre. / gross margin)	Administrative expenses	393	422
	Gross Margin	760	785
	Ratio	**51.8%**	**53.8%**

Source: Consolidated public income statement
Purpose: Productivity metric defining the proportion of funds used to generate operating income.

		Q3 2020	Q4 2019
Customer spread (quaterly figure)	Quarterly yields on loans and advances to customers (excluding reverse repos) over net average quarterly balances of loans and advances to customers (excluding reverse repos and other financial assets) *Management measure*	1.65%*	1.85%
	Cost in the quarter of customer deposits (excluding repos) over average quarterly balances of customer deposits (excluding repos) *Management measure*	0.13%*	0.18%
	Difference between yield & cost	**1.52%***	**1.66%**

Source: Internal information using management criteria
Purpose: Profitability metric that defines the difference between the customer loan portfolio's average profitability and the average cost of customer funds.
*Annualized measure (366/92)

		September'20	December'19
NPL ratio	Loans and receivables portfolio. Gross amount Stage 3	1,290	1,351
	Loans and receivables portfolio. Gross amount	28,274	28,232
	Ratio	**4.6%**	**4.8%**

Source: Note 35.2
Purpose: Measures the quality of the Group's loan portfolio, indicating the percentage of non-performing loans over total loans.

		September'20	December'19
NPL coverage ratio	Loans and receivables portfolio. Total adjustments for impairment of assets.	850	729
	Loans and receivables portfolio. Gross amount Stage 3	1,290	1,351
	Ratio	**65.9%**	**54.0%**

Source: Note 35.2
Purpose: Defines the percentage of the NPL portfolio that is covered by liquidity provisions. An indicator of the expected recovery of these assets.

		September'20	December'19
Foreclosed assets coverage	Impairment of foreclosed real estate assets	702	702
	Gross carrying amount of foreclosed real estate assets	1,117	1,120
	Ratio	**62.8%**	**62.7%**

Source: Note 32
Purpose: Shows the extent to which foreclosed real estate goods are covered and, thus, their net exposure value and the asset quality.

		September'20	December'19
NPA coverage ratio	1. Loans and receivables portfolio. Total adjustments for impairment of assets.	850	729
	2. Impairment of real estate foreclosed assets	702	702
	3. Loans and receivables portfolio. Gross amount Stage 3	1,290	1,351
	4. Gross carrying amount of real estate foreclosed assets	1,117	1,120
	Ratio (1+2)/(3+4)	**64.5%**	**57.9%**

Source: Notes 35.2 and 32
Purpose: The Group uses this APM as an indicator of the asset quality, to measure the weight of distressed assets after deducting provisions for these on the Group's balance sheet.

		September'20	September'19
ROA	Consolidated net income	77.4	159.0
	Total average assets (average of quarterly average balances)	59,354	56,329
	Ratio*	**0.2%**	**0.4%**

Source: Consolidated public income statement and consolidated balance sheet
Purpose: Measures profitability of the Group's entire assets, reflecting the Group's efficiency in generating profits from applying funds to such assets.
*Annualized measure (366/274)

		September'20	September'19
ROE	Consolidated net income	77.4	159.0
	Average own funds (average of quarterly average balances)	3,961	3,927
	Ratio*	**2.6%**	**5.4%**

Source: Consolidated public income statement and consolidated balance sheet
Purpose: Measures the yield from funds invested/retained in the Group and, as such, is an indicator of the profitability of own funds used.
*Annualized measure (366/274)

		September'20	December'19
Loans and advances to customers (excluding valuation adjustments)	Loans and receivables portfolio. Gross amount	28,274	28,232

Source: Note 35.2
Purpose: Reconciles the report's definition with the consolidated annual statement item.

		September'20	December'19
Performing Loans	1. Loans and receivables portfolio. Gross amount	28,274	28,232
	2. Loans and receivables portfolio. Gross amount Stage 3	1,290	1,351
	Performance measure (1-2)	26,984	26,882

Source: Note 35.2
Purpose: Defines the total balance and performance of the Group's performing loans and advances (those classified as stage 1 or stage 2).

		September'20	December'19
Gross loans and advances to customers ex reverse repos & other financial assets (excluding valuation adjustments)	1. Loans and receivables. Credit and loans at variable interest rate	20,146	20,976
	2. Loans and receivables. Credit and loans at fixed interest rate	6,703	6,175
	Performance measure (1+2)	**26,849**	**27,151**

Source: Note 8.5.1 (loans and receivables)
Purpose: Reconciles the definition with consolidated annual statement items. Defines (non-wholesale market) customer credit in the category of loans and advances to customers.

		September'20	December'19
Gross performing loans and advances to customers ex reverse repos & other financial assets (excluding valuation adjustments)	1. Loans and receivables. Credit and loans at variable interest rate	20,146	20,976
	2. Loans and receivables. Credit and loans at fixed interest rate	6,703	6,175
	3. Loans and receivables portfolio. Gross amount Stage 3	1,290	1,351
	Performance measure (1+2-3)	**25,560**	**25,800**

Source: Note 8.5.1 (loans and receivables) and note 35.2 (NPL risks)
Purpose: Defines the total balance and progress of performing credit risk (that is, those in stage 1 or stage 2) in the category of loans and advances to customers.

		September'20	December'19
Total customer funds	1. Financial liabilities measured at amortized cost. Deposits from customers (excluding valuation adjustments)	46,234	42,335
	2. Issued debt securities (excluding valuation adjustments)	360	360
	3. Funds managed through off-balance sheet instruments	12,567	12,863
	Performance measure (1+2+3)	**59,161**	**55,558**

Source: Note 8.6.3 (deposits from customers) and 8.6.4 (debt securities)
Purpose: Defines the total balance and performance of funds managed by the group, both on and off balance sheet.

		September'20	December'19
Retail Customer funds (Non-market)	1. Total customer funds	59,161	55,558
	2. Covered bonds under the heading "Term deposits". Carrying amount (excluding valuation adjustments)	3,266	3,578
	3. Deposits from customers. Repos (excluding valuation adjustments)	2,856	848
	4. Issued debt securities (excluding valuation adjustments)	360	360
	5. Repos controlled by retail customers. *Management measure*	163	125
	Performance measure (1-2-3-4+5)	**52,843**	**50,898**

Source: Note 8.6.3 (deposits from customers) and 8.6.4 (debt securities)
Purpose: Defines the total balance and performance of funds managed by the group, both on and off balance sheet on behalf of customers, excluding market transactions.

		September'20	December'19
Wholesale funds (Markets)	1. Covered bonds under the heading "Term deposits". Carrying amount (excluding valuation adjustments)	3,266	3,578
	2. Deposits from customers. Repos (excluding valuation adjustments)	2,856	848
	3. Issued debt securities (excluding valuation adjustments)	360	360
	4. Repos controlled by retail customers. *Management measure*	163	125
	Performance measure (1+2+3-4)	**6,318**	**4,660**

Source: Note 8.6.3 (deposits from customers) and 8.6.4 (debt securities)
Purpose: Defines the total balance and performance of funds managed by the group in market transactions.

		September'20	December'19
Loan to Deposits (LtD)	1. Loans and receivables. Credit and loans at variable interest rate	20,146	20,976
	2. Loans and receivables. Credit and loans at fixed interest rate	6,703	6,175
	(1+2+3) NUMERATOR. Loans and advances. Customers - excluding valuation adjustments	**26,849**	**27,151**
	1. Financial liabilities measured at amortized cost. Deposits from customers (excluding valuation adjustments)	46,234	42,335
	2. Covered bonds under the heading "Term deposits". Carrying amount (excluding valuation adjustments)	3,266	3,578
	3. Deposits from customers. Repos (excluding valuation adjustments)	2,856	848
	4. Repos controlled by retail customers. *Management measure*	163	125
	(1-2-3+4) DENOMINATOR. Customer deposits (non-market) - excluding valuation adjustments	**40,276**	**38,035**
	Ratio	**66.74%**	**71.4%**

Source: Note 8.5.1 (loans and receivables) / Note 8.6.3 (customer deposits)
Purpose: Liquidity indicator that measures the ratio between the Group's funds in its customer deposits and the volume of loans and advances.

		September'20	December'19
Gross liquid assets	1. Cash surplus (interbank deposits + balance surplus in ECB and operating accounts)	3,756	3,736
	2. Reverse purchase agreements	1,920	1,110
	3. Fixed income portfolio and other discountable assets in ECB	20,533	15,919
	Performance measure (1+2+3)	**26,209**	**20,765**

Sum of:

- Surplus/deficit of deposits in Bank of Spain with respect to the minimum reserve ratio in effect on the date and 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 reverse repos, including the own portfolio issued for use as collateral in ECB and pledged loans, valued at discount value in ECB.

Source: Internal information using management criteria
Purpose: Defines the total balance and performance of the Group's HQLA (high quality liquid assets).

		September'20	December'19
Net liquid assets	1. Gross liquid assets	26,209	20,765
	2. Taken in the ECB	5,011	3,303
	3. Repos and other pledges	5,418	3,452
	Performance measure (1-2-3)	**15,780**	**14,011**
Any part of the gross assets already used or being used as collateral for financing, either with the ECB, for repos or other pledges, has been discounted.			

Source: Internal information using management criteria
Purpose: Defines the total balance and performance of the Group's HQLA (high quality liquid assets) netted out from assets of this nature that are being used as collateral for financing.

		September'20	September'19
Operating or transformation expenses	1. Administrative expenses	393.4	422.0
	2. Depreciation and amortization	35.8	32.1
	Performance measure (1+2)	**429.2**	**454.1**

Source: Consolidated public income statement
Purpose: Reconciles the report's definition with consolidated public financial statement items.

		September'20	December'19
Credit and loans impairment	Impairment or (-) reversal of impairment in value of loans and receivables to customers. *Management measure*	193.2	11.9

Source: Public income statement consolidated using IAS39 criteria (under IFRS9, these are not broken down).
Purpose: Defines the figure for impairments of loans and receivables, booked in the impairment of financial assets not valued at fair value through profit and loss item.

		September'20	September'19
Pre-provision profit (before impairments)	1. Gross Margin	760.2	785.1
	2. Administrative expenses	393.4	422.0
	3. Depreciation and amortization	35.8	32.1
	Performance measure (1-2-3)	**330.9**	**331.0**

Source: Consolidated public income statement
Purpose: Reconciles the report's definition with consolidated public financial statement items. Shows the Group's results from its business excluding impairments, as defined in its APMs.

		September'20	September'19
Impairments	1. Provisioning or (-) provisioning reversals	31.9	113.8
	2. Impairment or (-) reversal in the value of financial assets not measured at fair value through profit and loss	194.9	37.3
	3. Impairment or (-) reversal in the value of joint ventures or associates	-1.3	0.0
	4. Impairment or (-) reversal in the value of non-financial assets	6.8	15.3
	5. Net gain or (-) loss on derecognition from the statements of non-financial assets and stakes	4.3	32.2
	6. Recognised negative goodwill	0.0	0.0
	7. Gains or (-) losses arising from non-current assets and disposal groups of items classified as held for sale that cannot be classified as discontinued operations	-1.3	6.7
	Performance measure (1+2+3+4-5-6-7)	**229.3**	**127.6**

Source: Consolidated public income statement
Purpose: Reconciles the report's definition with consolidated public financial statement items. Shows the volume of the Group's impairments and provisions.

		September'20	September'19
Net Fees	1. Fee and commission income	186.7	190.1
	2. Fee and commission expense	16.5	18.5
	Performance measure (1-2)	**170.2**	**171.6**

Source: Consolidated public income statement
Purpose: Reconciles the report's definition with consolidated public financial statement items. Shows the net result from service provision and selling of products invoiced through fees and commissions.

		September'20	September'19
Net trading income	1. Net gain or (-) losses on derecognition from the statements of financial assets and liabilities (not measured at fair value) through profit or loss	73.6	66.0
	2. Net gain or (-) losses from financial assets and liabilities held for trading	-3.4	0.1
	3. Net gain or (-) losses from non-trading financial assets mandatorily designated at fair value through profit or loss	-1.2	3.7
	4. Net gain or (-) losses from financial assets and liabilities designated at fair value through profit or loss	0.0	0.0
	5. Net gain (-) losses from hedge accounting	2.5	-1.1
	6. Net exchange differences, gains or (-) losses	-0.1	0.4
	Performance measure (1+2+3+4+5+6)	**71.3**	**69.2**

Source: Consolidated public income statement
Purpose: Reconciles the report's definition with consolidated public financial statement items and groups into one item the contribution to the statement of the asset valuations at fair value and sale, essentially, of fixed and equity assets not valued at fair value through P&L, as well as their hedges as shown in P&L.

		September'20	September'19
Other products / operating charges	1. Other operating income	80.1	102.0
	2. Other operating expenses	44.8	64.8
	3. Income from assets under insurance or reinsurance contracts	54.5	51.5
	4. Expenses from liabilities under insurance or reinsurance contracts	38.8	33.9
	Performance measure (1-2+3-4)	**50.9**	**54.7**

Source: Consolidated public income statement
Purpose: Reconciles the report's definition with consolidated public financial statement items.

		September'20	September'19
Impairment/reversal in the value of other assets and other gains & losses (net)	1. Impairment or (-) reversal in the value of joint ventures or associates	-1.3	0.0
	2. Impairment or (-) reversal in the value of non-financial assets	6.8	15.3
	3. Net gain or (-) loss on derecognition from the statements of non-financial assets	4.3	32.2
	4. Recognised negative goodwill	0.0	0.0
	5. Gains or (-) losses arising from non-current assets and disposal groups of items classified as held for sale that cannot be classified as discontinued operations	-1.3	6.7
	Performance measure (1+2-3-4-5)	**2.5**	**-23.6**

Source: Consolidated public income statement
Purpose: Reconciles the report's definition with consolidated public financial statement items.

		September'20	December'19
Covered bonds under the heading "Term deposits". Carrying amount (excluding valuation adjustments)	1. Covered bonds under the heading "Term deposits". Nominal value	3,434	3,759
	2. Measurement at fair value of issues. Management measure	-168	-181
	Performance measure (1+2)	**3,266**	**3,578**

Source: Note 8.6.3 (customer deposits)

Purpose: Reconciles the report's definition with consolidated public financial statement items.

		September'20	December'19
Repos controlled by retail customers. Management measure	1. Deposits from customers. Repos (excluding valuation adjustments)	2,856	848
	1a. Repos controlled by retail customers. Management measure	163	125
	1b. Rest of repos	2,693	722
	Performance measure (1a.)	**163**	**125**

Source: Note 8.6.3 (customer deposits)

Purpose: Reconciles the report's definition with consolidated public financial statement items.

		September'20	September'19
Core income	1. Net interest income	426.9	436.8
	2. Net fees	170.2	171.6
	3. Transformation expenses	429.2	454.1
	Performance measure (1+2-3)	**167.9**	**154.2**

Source: Consolidated income statement

Purpose: Reconciles the report's definition with consolidated public financial statement items. Shows the Group's results from its core business minus expenses incurred to conduct these operations.