FINANCIAL REPORT

January to December 2021

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1. Highlights

Launching a new strategic plan 2022-2024

Ambition: To be a sustainable bank, profitable and efficient, with a low risk profile and increasing shareholder remuneration

Pillars:
- 01. Accelerate commercial activity through a higher specialization
- 02. Improve efficiency through operational excellence
- 03. Advanced risk management under a conservative profile
- 04. Digital banking
- 05. Sustainability

Targets:

	Capital generation	ROTE (adjusted capital excess[2])
	1,500 M[1]	>8%
	2022-2024	2024

(1) Including shareholders remuneration and a CET1 Fully loaded increase between 2022 and 2024
(2) Adjusting the capital excess over the CET1 Fully loaded objective of 12.5% (AT1 coupons deducted). Without deducting capital excess, the target would be over 7.5%

Commercial activity evolves positively, a low risk profile is mantained and solvency has been strengthened with MREL computable issues

01
Mutual funds YoY variation: **+23.3%**
New mortgages YoY variation: **+34.6%**
Strong commercial momentum in the retail business, focused on mortgages and specialised savings products

02
NII + Fees - Opex: **+1.2%**
Recurrent core margin YoY variation*: **-7%**
Recurrent fees YoY variation*: **21%**
Opex YoY variation*: **-3%**
Banking business profitability growths driven by recurrent fees and lower expenses
(integration synergies yet to materialize)

03
NPL ratio: **3.53%**
NPL coverage ratio: **69%**
Loan book with low NPL ratio and high coverages

04
Total Capital Fully loaded: **15.75%**
Solid solvency position, strengthened with new issues

05
NSFR: **142%**
LCR: **307%**
Strong liquidity position

(*)Data calculated on the pro-forma income statement which includes those generated by both Liberbank and Unicaja Banco in the whole year and extraordinary merger adjustments or restructuring costs recorded by Liberbank prior to the merger are not considered.

Annex I- Alternative Performance Measures (APMs) details the definition and calculation of the ratios and variables used throughout the document

2. Key figures

TABLE 0 (*Million euros / % / pp*)	**31/12/21**	**30/09/21**	**31/12/20**	**QoQ**	**YoY**
BALANCE SHEET					
Total assets (1)	115,550	109,144	113,065	5.9%	2.2%
Gross loans and advances to customers (1) & (2)	55,483	54,940	54,266	1.0%	2.2%
Performing gross loans and advances to customers (1) & (2)	53,522	53,079	52,281	0.8%	2.4%
On-balance sheet customers funds (1) & (2)	96,007	94,726	87,894	1.4%	9.2%
Off-balance sheet customer funds and insurance	22,038	21,443	19,750	2.8%	11.6%
Shareholders equity (1)	6,416	6,161	6,920	4.1%	-7.3%
Total equity (1)	6,326	6,013	7,333	5.2%	-13.7%
(1) Data as of 12.31.20 is aggregated consolidated public information of both entities. (2) Excluding valuation adjustments and intercompanies					
RESULTS (cumulative figures)					
Net interest income (3)	1,028	793	1,123		-8.5%
Gross income (3)	1,517	1,204	1,632		-7.1%
Pre-provision profit (3)	580	490	676		-14.1%
Consolidated net income (3)	137	156	93		47.2%
Cost to income (3)	61.8%	59.3%	58.6%	2.4 pp	3.2 pp
Return On Tangible net Equity (ROTE) (3)	2.4%	2.6%		-0.2 pp	
(3) Data from the pro-forma income statement where the results of Unicaja and Liberbank are added to all dates and extraordinary adjustments from the merger or restructuring costs recorded by Liberbank prior to the integration are not considered.					
RISK MANAGEMENT					
Non performing loans (NPL) (a) (1)	1,961	1,862	1,986	5.3%	-1.3%
Foreclosed assets (b) (1)	2,209	2,323	2,350	-4.9%	-6.0%
Non performing assets -NPA- (a+b) (1)	4,169	4,185	4,336	-0.4%	-3.8%
NPL ratio (1)	3.5%	3.4%	3.7%	0.1 pp	-0.1 pp
NPL coverage (1)	68.5%	72.1%	62.8%	-3.5 pp	5.7 pp
Foreclosed assets coverage (1)	62.7%	62.1%	56.0%	0.7 pp	6.7 pp
Non performing assets (NPA) coverage(1)	65.5%	66.5%	59.1%	-1.1 pp	6.3 pp
Cost of risk (1)	0.41%	0.41%	0.76%	0.0 pp	-0.4 pp
LIQUIDITY					
Loan to deposit ratio (1)	75.0%	75.0%	79.6%	0.0 pp	-4.6 pp
LCR (4)	307%	300%	310%	6.9 pp	-3.0 pp
NSFR (4)	142%	140%	142%	2.2 pp	0.0 pp
(4) Data as of 12.31.20 pre-merger with Liberbank.					
ADDITIONAL INFORMATION					
CET1 ratio *phased in* (5)	13.6%	14.9%	16.6%	-1.3 pp	-3.0 pp
CET1 *ratio fully loaded* (5)	12.5%	13.6%	15.0%	-1.1 pp	-2.5 pp
Total capital ratio *phased in* (5)	16.8%	16.6%	18.2%	0.2 pp	-1.4 pp
Total capital ratio *fully loaded* (5)	15.8%	15.4%	16.6%	0.3 pp	-0.8 pp
Risk weighted assets (RWA) (5)	35,291	35,699	22,492	-1.1%	56.9%
Texas ratio (5)	46.0%	47.6%	43.8%	-1.5 pp	2.2 pp
(5) Data as of 12.31.20 pre-merger with Liberbank.					
OTHER DATA					
Employees (average number)	9,604	9,677	9,907	-0.8%	-3.1%
Branches	1,368	1,371	1,524	-0.2%	-10.2%
ATMs	2,679	2,683	2,717	-0.1%	-1.4%

QoQ (variation 4Q21 vs 3Q21) - YoY (variation 4Q21 vs 4Q20)

3. Macroeconomic environment

According to the latest OECD Economic Outlook report, economic activity continues to recover globally, reaching pre-pandemic levels, although it is being uneven across major geographic areas. During the last part of 2021, a loss of momentum in productive and commercial activity has occured, largely due to the Omicron variant of Covid virus, the imbalances derived from the tensions in global production chains, and the increase in the price of raw materials and other intermediate goods. The OECD estimates that, by 2021 as a whole, the growth of the world economy will have reached 5.6%, while for 2022, a growth of production of 4.5% is predicted.

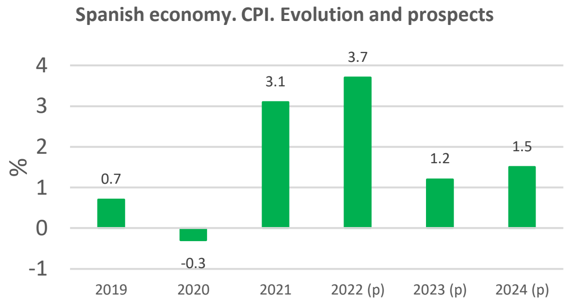
In this context, the Central Banks of the US, Canada and Australia have made changes to their monetary policy guidance by gradually reducing their asset purchase programs and announcing increases in their policy rates.

As for the European economy, according to the European Commission's Autumn Forecast report, activity has recovered to higher levels than expected, intensifying as vaccination campaigns have progressed and certain restrictions have been relaxed. In the third quarter of 2021, the European economy would have recovered to its pre-pandemic level of production, after showing in the second quarter the highest year-on-year growth rate since 1999, of 14.4%. In 2021 as a whole, it is estimated that the EU economy would have recorded an increase of 5.2%, with a growth of 4.3% predicted for 2022, supported by the strength of domestic demand and the recovery of public and private investment, boosted by funds from the Recovery and Resilience Mechanism.

At its last meeting in December 2021, the European Central Bank decided to maintain the interest rates on the main refinancing operations and on the marginal lending facility and the deposit facility at 0.00%, 0.25% and -0.50%, respectively. It also approved the reduction of the pace of net purchases in its emergency pandemic program (PEPP) with respect to the previous quarter, while confirming the suspension of the program at the end of March 2022, although with the possibility of resuming it if needed. At the same time, it decided to increase monthly purchases under the APP program.

In Spain, the latest Quarterly National Accounts data for the fourth quarter of 2021 show a GDP growth of 2.0% QoQ, resulting in a 5.2% YoY variation, compared to 3.4% in the previous quarter. In 2021 as a whole, growth was 5.0%.

In this context, the Consumer Price Index has shown in 2021 a notable increase of 3.1% in annual average terms, the main explanatory factors being the increase in energy prices, together with food and hostel services. The leading indicator for January 2022 points to an annual variation of 6.0%, 0.5 p.p. lower than that recorded in the previous month. For the year as a whole, prices are expected to experience an average variation of 3.7%, with a more moderate growth from 2023 onwards.



Source: National Statistics Institute (INE) and Bank of Spain

The improvement in activity is shown in the evolution of labor market indicators. According to the Labor Force Survey (EPA), during the year, more than 840,000 net jobs were created, bringing the employed population around 20.2 million (the highest figure since the end of 2008). However, it should be remembered that this figure includes workers affected by a Temporary Layoff Plan (ERTE), which as of December 31 amounted to 102,548. The unemployment rate stood at 13.3%, 0.5 percentage points lower than in the same period of 2019.

According to the latest data from the Financial Accounts of the Spanish Economy, the gross debt of companies and households reached €1,936.2 billion in the third quarter of 2021, meaning an increase of 2.2% year-on-year, mainly due to the growth in the debt of non-financial corporations (3.3%). The debt-to-GDP ratio stood at 164.7%, 0.5 p.p. down, compared to the third quarter of 2020.

In the specific case of households, net financial wealth (total financial assets minus liabilities) reached €1,697.0 billion at the end of the third quarter of 2021, an increase of 8.0% compared to the same period of the previous year. The financial assets of households and NPISHs stood at around €2,500 billion, growing by 5.8% year-on-year. By instrument, 41.2% of financial assets were in cash and deposits, followed by equity holdings (24.5%), mutual funds shares (15.7%) and insurance and pension funds (15.6%). The component that experienced the highest annual variation was mutual fund shares.

In November, the outstanding balance of credit to non-financial companies registered a year-on-year growth of 2.3% and credit to households by 0.9%. Considering the purpose of credit financing, the balance in October of secured term debtors recorded a fall of -0.8%, compared to the increase in demand debtors (3.9%), commercial credit (9.7%) and financial leases (1.7%).

Between January and November 2021, financial institutions granted new credit operations amounting to €355,164 million, a year-on-year decrease of 12.2%. Of the aforementioned balance, non-financial companies contracted €260,310 million (-19.9%). Households took loans of €94,854 million (+18.7% year-on-year), of which €53,603 million were for housing (+39.1%), €26,049 million for consumption (+8.0%) and €15,202 million for other purposes (-12.0%).

The moderation of activity in the fourth quarter of the year with respect to previous months has led the main international organizations and national research services to recently revise downwards their growth prospects. The latest macroeconomic projections from the Bank of Spain suggest that the recovery would accelerate in 2022, with GDP growing by 5.4%. However, at least in the short term, these forecasts are subject to a high degree of uncertainty, as they depend on the evolution of the pandemic and its effects on the productive fabric and employment, the impact on activity of temporary disruptions in global supply chains and the increase in inflation, as well as on the channeling and use of European funds and the economic policies adopted.

4. Balance sheet

TABLE 1 *(Million euros)*	**31/12/21**	**30/09/21**	**31/12/20**	**QoQ**	**YoY**
Cash and balances at central banks	21,298	15,367	6,667	38.6%	219.4%
Assets held for trading & Fin. assets at fair value thr. P&L	273	356	284	-23.3%	-3.9%
Fin. assets at fair value through o/ comprehensive income	1,298	1,346	1,494	-3.6%	-13.2%
Financial assets at amortised cost	57,142	56,839	29,391	0.5%	94.4%
Debt securities at amortised cost	24,850	24,932	22,157	-0.3%	12.2%
Hedging derivatives	815	796	617	2.3%	32.1%
Investment in joint ventures and associates	1,052	1,030	362	2.1%	190.8%
Tangible assets	2,249	2,273	1,145	-1.0%	96.5%
Intangible assets	80	84	74	-4.7%	7.7%
Tax assets	5,250	4,760	2,741	10.3%	91.5%
Other assets	544	626	367	-13.1%	48.1%
Non current assets held for sale	700	735	244	-4.7%	186.6%
TOTAL ASSETS	**115,550**	**109,144**	**65,544**	**5.9%**	**76.3%**
Financial liabilities held for trading & at fair value thr. P&L	31	29	12	6.0%	167.5%
Financial liabilities at amortised cost	105,476	99,616	59,053	5.9%	78.6%
Deposits from central banks	10,292	10,318	4,998	-0.3%	105.9%
Deposits from credit institutions	6,665	3,864	3,805	72.5%	75.1%
Customer deposits	84,154	82,041	48,701	2.6%	72.8%
Other Issued Securities	2,498	1,916	363	30.4%	588.2%
Other financial liabilities	1,867	1,477	1,186	26.4%	57.4%
Hedging derivatives	1,000	1,053	609	-5.1%	64.1%
Provisions	1,428	1,118	799	27.8%	78.8%
Tax liabilities	389	411	258	-5.4%	50.9%
Other liabilities	900	902	809	-0.2%	11.3%
TOTAL LIABILITIES	**109,224**	**103,131**	**61,539**	**5.9%**	**77.5%**
Own Funds	6,416	6,161	4,001	4.1%	60.4%
Accumulated other comprehensive income	-90	-149	4	-39.4%	-2267.5%
Total Equity	**6,326**	**6,013**	**4,005**	**5.2%**	**57.9%**
Total Liabilities and Equity	**115,550**	**109,144**	**65,544**	**5.9%**	**76.3%**

Source: Consolidated Balance Sheet (PC1 statement of the Bank of Spain). Data as of 12.31.20 are pre-merger with Liberbank.

Consolidated balance sheet grows by more than 76% after the merger with Liberbank in the third quarter of 2021. It reached a size of €115,550 million and grew +5.9% in the last quarter.

Loans and advances at amortized cost increased +0.5% since September, driven by growth in corporate lending.

The securities portfolio is mainly composed of government bonds, classified in the amortized cost portfolio (*amortized cost debt securities*), and has an average yield of 0.83%.

Customer deposits showed a quarterly variation of +2.6%, thanks to the seasonal growth of household savings. However, in the current interest rate environment, the strongest growth is concentrated in off-balance sheet products, such as mutual funds. The balance in off-balance sheet products amounted to €22,038 million, increasing by +2.8% in the quarter.

Finally, it is worth mentioning that in the fourth quarter €660 million of senior debt (recorded under the heading of *Debt securities issued*) and €500 million of AT1 were issued, increasing equity. Both issues contribute to compliance with MREL requirements.

5. Customer Funds

TABLE 2 (*Million €) Exc. valuation adjustments*	31/12/21	30/09/21	31/12/20	QoQ	YoY
On-balance sheet customer funds	**86,192**	**83,454**	**83,482**	**3.3%**	**3.2%**
Customer funds	**78,502**	**76,350**	**75,868**	**2.8%**	**3.5%**
Public Sector	**9,259**	**9,198**	**5,575**	**0.7%**	**66.1%**
Private sector	**69,243**	**67,151**	**70,293**	**3.1%**	**-1.5%**
Sight deposits	58,424	56,969	54,343	2.6%	7.5%
Term deposits	6,104	6,420	8,035	-4.9%	-24.0%
Repos	4,715	3,762	7,915	25.3%	-40.4%
Issues	**7,690**	**7,105**	**7,614**	**8.2%**	**1.0%**
Mortgages securities	6,422	6,452	6,919	-0.5%	-7.2%
Other values	660	45	95	1366.5%	594.7%
Subordinated liabilities	608	608	600	0.0%	1.3%
Off-balance sheet customer funds & insurance	**22,038**	**21,443**	**19,750**	**2.8%**	**11.6%**
Mutual funds *	12,410	11,811	10,063	5.1%	23.3%
Pension funds	4,033	4,005	3,859	0.7%	4.5%
Insurance savings	4,546	4,658	4,940	-2.4%	-8.0%
Other managed assets	1,049	968	887	8.4%	18.3%
TOTAL CUSTOMER FUNDS	**108,230**	**104,897**	**103,231**	**3.2%**	**4.8%**
Retail customers funds	**96,007**	**94,726**	**87,894**	**1.4%**	**9.2%**
Wholesale funds	**12,222**	**10,171**	**15,337**	**20.2%**	**-20.3%**

(*) Includes mutual funds discretional portfolios

The volume of total customer funds amounts to €108,230 million, implying a year-on-year growth of 4.8%. 89% came from retail customers, growing +9.2% year-on-year and +1.4% in the last quarter.

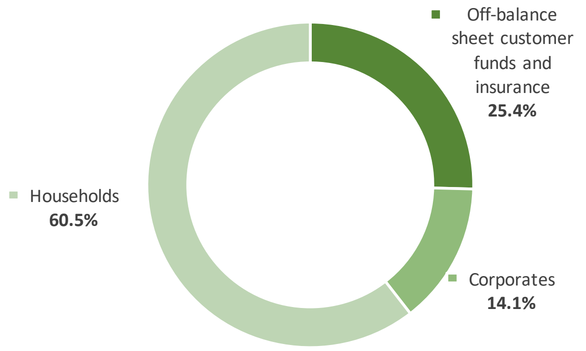
Off balance sheet products, particularly mutual funds, showed significant growth both over the year (+23.3%) and in the last quarter (+5.1%), with net subscriptions three times higher than in the previous year.

The persistence of the negative interest rates scenario has led to a change of strategy in the management of corporate and public administration deposits, aimed at covering the costs of depositing liquidity surpluses at the ECB. At the end of the year, this new strategy had already been applied to nearly 16% of the demand deposits of these afore mentioned segments (€3,469 million), and the measure is expected to be extended at the beginning of 2022.

In the fourth quarter of the year, the Bank issued €500 million of AT1 perpetual debt, and additionally two senior preferred debt issues of €660 million (mentioned in the previous section).

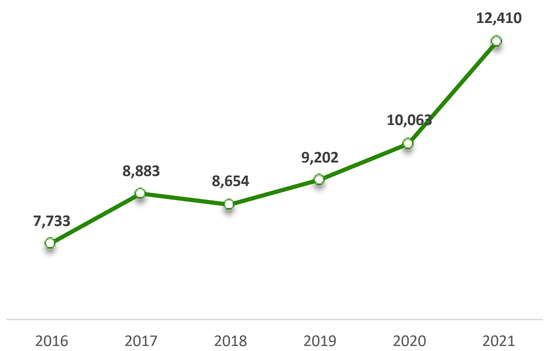
Retail Funds sector and product breakdown

Exc. Public Sector



Mutual Funds evolution

In € Million



6. Performing loans

TABLE 3 *(Million €) Exc. valuation adjustments*	31/12/21	30/09/21	31/12/20	QoQ	YoY
Public sector	**5,563**	**5,915**	**5,708**	**-6.0%**	**-2.5%**
Private sector	**47,959**	**47,163**	**46,573**	**1.7%**	**3.0%**
Business	**14,093**	**13,435**	**13,674**	**4.9%**	**3.1%**
Real Estate developers	841	926	1,020	-9.2%	-17.6%
SMEs and self-employed	6,937	7,027	7,290	-1.3%	-4.8%
Other corporates	6,315	5,482	5,364	15.2%	17.7%
Individuals	**33,866**	**33,729**	**32,899**	**0.4%**	**2.9%**
Mortgages	31,090	31,001	30,168	0.3%	3.1%
Consumer and other	2,776	2,728	2,730	1.8%	1.7%
PERFORMING LOANS TO CUSTOMERS	**53,522**	**53,079**	**52,281**	**0.8%**	**2.4%**

The performing loans portfolio amounted to €53,522 million, growing by +2.4% year-on-year. It maintained a low risk profile, with a high weight of mortgages to individuals (€31,090 million, 58% of the total) and loans to public sector (€5,563 million, 10% of the total).

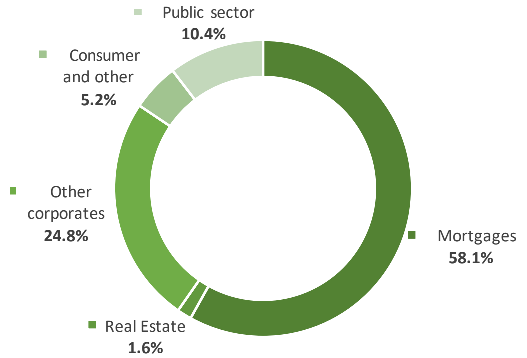
In 2021, €13,087 million of new loans and credits were granted, including €4,518 million in mortgages, which represents a +34.6% increase over the previous year, reaching a market share of 9% of the national total, with a strong presence in Madrid and Barcelona, representing nearly 50% of the Bank's new lending (source: General Council of Notaries. Data as at November 2021, accumulated over the last 12 months).

The mortgage portfolio to individuals is composed of operations that finance the first home (92%), with low LTVs (in 91% of cases less than 80%) and concentrated in markets with high commercial dynamism (such as the Community of Madrid, which represents 22% of the total).

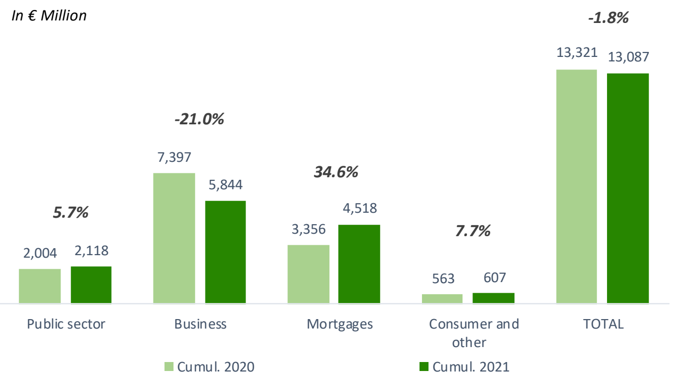
The corporate risk portfolio is highly diversified by business sector. During the year, new production amounts to €5,844 million, lower than in the previous year due to the stimulus to combat the effects of the pandemic (ICO guarantees), which led companies to anticipate their liquidity needs.

The growth of credit to non-financial private sector (excluding household mortgages) since the beginning of October 2020 reached 2.7%, ensuring the accrual of an additional 0.5% interest rate for one year in the funding raised from the ECB (TLTROS).

Gross performing loans sector breakdown



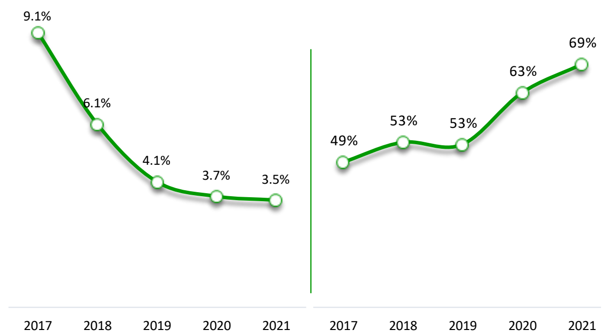
Cumulative Lending Operations



7. NPL & foreclosed assets

TABLE 4 *(Million euros)*	**31/12/21**	**30/09/21**	**31/12/20**	**QoQ**	**YoY**
NON PERFORMING LOANS	**1,961**	**1,862**	**1,986**	**5.3%**	**-1.3%**
Public sector	**13**	**13**	**17**	**4.4%**	**-20.4%**
Private sector	**1,947**	**1,849**	**1,969**	**5.3%**	**-1.1%**
Business	**924**	**840**	**933**	**10.0%**	**-0.9%**
Real Estate	157	154	161	2.0%	-2.4%
SMEs and self-employed	599	552	655	8.5%	-8.6%
Other corporates	169	135	117	25.3%	44.0%
Individuals	**1,023**	**1,009**	**1,036**	**1.4%**	**-1.3%**
Mortgages	954	939	962	1.5%	-0.8%
Consumer and other	69	70	75	-0.5%	-7.1%
TOTAL NPL RATIO	**3.5%**	**3.4%**	**3.7%**	**0.1 pp**	**-0.1 pp**
Public sector	**0.2%**	**0.2%**	**0.3%**	**0.0 pp**	**-0.1 pp**
Private sector	**3.9%**	**3.8%**	**4.1%**	**0.1 pp**	**-0.2 pp**
Business	**6.2%**	**5.9%**	**6.4%**	0.3 pp	-0.2 pp
Real Estate	15.7%	14.2%	13.6%	1.5 pp	2.1 pp
SMEs and self-employed	7.9%	7.3%	8.2%	0.7 pp	-0.3 pp
Other corporates	2.6%	2.4%	2.1%	0.2 pp	0.5 pp
Individuals	**2.9%**	**2.9%**	**3.1%**	**0.0 pp**	**-0.1 pp**
Mortgages	3.0%	2.9%	3.1%	0.0 pp	-0.1 pp
Consumer and other	2.4%	2.5%	2.7%	-0.1 pp	-0.2 pp

NPL Ratio and Coverage



The Group reduced its non-performing assets by €25 million in 2021, down to €1,961 million (-1.3% year-over-year).

The NPL ratio consolidated the downward trend of recent years, standing at 3.5%. In the last 12 months it has declined 13 b.p., remaining below the sector average (close to 4%).

TABLE 5 *(Million euros)*	**31/12/21**	**30/09/21**	**31/12/20**	**QoQ**	**YoY**
Saldos*	**55,483**	**54,940**	**54,266**	**1.0%**	**2.2%**
Stage 1	49,952	49,270	48,892	1.4%	2.2%
Stage 2	3,570	3,808	3,389	-6.3%	5.3%
Stage 3	1,961	1,862	1,986	5.3%	-1.3%
Provisiones	**1,343**	**1,342**	**1,248**	**0.1%**	**7.7%**
Stage 1	129	192	89	-32.8%	45.8%
Stage 2	318	342	256	-7.0%	24.4%
Stage 3	896	808	904	11.0%	-0.8%
Coberturas	**68.5%**	**72.1%**	**62.8%**	**-3.5 pp**	**5.7 pp**
Stage 1	0.3%	0.4%	0.2%	-0.1 pp	0.1 pp
Stage 2	8.9%	9.0%	7.5%	-0.1 pp	1.4 pp
Stage 3	45.7%	43.4%	45.5%	2.3 pp	0.2 pp

The coverage levels have increased during the year (+5.7 p.p.), reaching 68.5%.

The portfolio classified as stage 2 amounts to €3.57 billion (6.4% of the total) and has a coverage level of 8.9%.

During the pandemic, 5% of the mortgage portfolio received payment moratoriums, which have already matured. The mortgage portfolio mantains a NPL ratio of 3%.

16% of the corporate portfolio is guaranteed by the ICO.

TABLE 6 (*Million euros*)	**31/12/21**	**30/09/21**	**31/12/20**	**QoQ**	**YoY**
TOTAL FORECLOSED ASSETS - GROSS BALANCE	**2,209**	**2,323**	**2,350**	**-4.9%**	**-6.0%**
Buildings under construction	245	266	268	-7.9%	-8.8%
Residential	702	698	718	0.6%	-2.2%
Land	1,050	1,090	1,070	-3.7%	-1.9%
Commercial RE	212	269	293	-21.3%	-27.9%
TOTAL FORECLOSED ASSETS - PROVISIONS	**1,385**	**1,442**	**1,316**	**-3.9%**	**5.2%**
Buildings under construction	158	174	124	-9.3%	26.8%
Residential	389	374	356	4.1%	9.4%
Land	732	755	703	-3.0%	4.2%
Commercial RE	106	139	133	-23.6%	-20.4%
TOTAL FORECLOSED ASSETS - COVERAGE (%)	**62.7%**	**62.1%**	**56.0%**	**0.7 pp**	**6.7 pp**
Buildings under construction	64.5%	65.5%	46.4%	-1.0 pp	18.1 pp
Residential	55.4%	53.5%	49.5%	1.9 pp	5.9 pp
Land	69.8%	69.3%	65.7%	0.5 pp	4.1 pp
Commercial RE	50.1%	51.6%	45.4%	-1.5 pp	4.7 pp

The balance of foreclosed assets stands at €2,209 million, provisioned with €1,385 million, resulting in a net balance of €823 million, 0.7% of the Group's total assets. Gross outflows of foreclosed assets classified as *non-current assets held for sale* amounted to €435 million in 2021, and €156 million during the quarter, a yearly high despite no portfolio sales.Of the year’s sales, 48% were housing, 32% land and 20% tertiary sector assets and work in progress, having a positive impact on the income statement.

Foreclossed assets gross value decline by 6.0% during the year and by 4.9% in the fourth quarter. The coverage level stands at 62.7%, +0.7 p.p. over the previous quarter, and 6.7 p.p. over that of 12 months ago.

In addition, €87 million of gross assets classified as investment property were sold during the year.

TABLE 7 (*Million euros*)	**31/12/21**	**30/09/21**	**31/12/20**	**QoQ**	**YoY**
Non performing assets (NPA)- GROSS BALANCE	**4,169**	**4,185**	**4,336**	**-0.4%**	**-3.8%**
NPL	1,961	1,862	1,986	5.3%	-1.3%
Foreclosed Assets	2,209	2,323	2,350	-4.9%	-6.0%
NPAs Ratio	**7.2%**	**7.3%**	**7.7%**	**-0.1 pp**	**-0.4 pp**
Non performing assets (NPA)- PROVISIONS	**2,729**	**2,784**	**2,564**	**-2.0%**	**6.4%**
NPL	1,343	1,342	1,248	0.1%	7.7%
Foreclosed Assets	1,385	1,442	1,316	-3.9%	5.2%
Non performing assets (NPA)- COVERAGE (%)	**65.5%**	**66.5%**	**59.1%**	**-1.1 pp**	**6.3 pp**
NPL	68.5%	72.1%	62.8%	-3.5 pp	5.7 pp
Foreclosed Assets	62.7%	62.1%	56.0%	0.7 pp	6.7 pp

NPAs declined by €166 million (-3.8% year-on-year) and their coverage level stands at 65.5%, one of the highest among Spanish banks, after increasing by +6.3 p.p. in the last twelve months.

8. Aggregated Results

Official income statement 12.31.21

TABLE 8 *(Million euros)*	**OFFICIAL 31/12/21**	**Non recurrent Merger**
Interest income	852	
Interest expense	-122	
NET INTEREST INCOME	**730**	
Dividend income	19	
Share of results of entities accounted for using the equity method	40	
Net fee income	362	
Trading income and exchange differences	52	
Other operating income/expenses	-105	-17
GROSS INCOME	**1,099**	**-17**
Administrative costs	-638	
Staff costs	-437	
Other administrative costs	-200	
Depreciation and amortization	-69	
PRE-PROVISION PROFIT	**392**	**-17**
Provisions /reversal of provisions	-469	-399
Impairments / reversal of financial assets	-182	
NET OPERATING INCOME	**-258**	**-416**
Other profits or losses	-22	
Badwill	1,301	1,301
PROFIT BEFORE TAX	**1,021**	**885**
Taxes	92	125
CONSOLIDATED NET INCOME	**1,113**	**1,010**
ATTRIBUTABLE NET INCOME	**1,113**	**1,010**

Pro-forma income statement 12.31.21

TABLE 9 *(Million euros)*	**31/12/2021**	**4Q21**	**3Q21**	**2Q21**	**1Q21**	**YoY**	**YoY%**
Interest income	1,189	277	284	307	320	-152	-11.3%
Interest expense	-161	-42	-34	-41	-44	57	-26.0%
NET INTEREST INCOME	**1,028**	**235**	**251**	**266**	**277**	**-95**	**-8.5%**
Dividend income	24	5	1	17	1	7	42.1%
Share of results of entities accounted using equity method	58	10	15	23	10	-12	-16.6%
Net fee income	489	134	121	117	117	80	19.5%
Trading income and exchange differences	47	21	4	6	17	-52	-52.4%
Other operating income/expenses	-129	-91	-7	-28	-2	-44	52.3%
GROSS INCOME	**1,517**	**313**	**385**	**400**	**419**	**-115**	**-7.1%**
Administrative costs	-841	-201	-211	-214	-214	23	-2.7%
Staff costs	-571	-140	-141	-145	-145	35	-5.7%
Other administrative costs	-269	-61	-70	-69	-69	-11	4.5%
Depreciation and amortization	-96	-22	-23	-26	-25	-3	3.4%
PRE-PROVISION PROFIT	**580**	**90**	**150**	**160**	**180**	**-96**	**-14.1%**
Provisions /reversal of provisions	-100	-34	-12	-38	-15	-31	45.0%
Impairments / reversal of provisions of financial assets	-271	-56	-57	-81	-77	145	-34.8%
NET OPERATING INCOME	**210**	**0**	**82**	**40**	**88**	**18**	**9.4%**
Other profits or losses	-29	-23	-10	0	4	49	-62.5%
PROFIT BEFORE TAX	**180**	**-24**	**71**	**41**	**92**	**67**	**59.1%**
Taxes	-43	5	-18	-5	-26	-23	115.1%
CONSOLIDATED NET INCOME	**137**	**-18**	**54**	**36**	**66**	**44**	**47.2%**
ATTRIBUTABLE NET INCOME	**137**	**-18**	**54**	**36**	**66**	**44**	**47.2%**

The aggregate income statement includes those generated by both Liberbank and Unicaja Banco in the 12 months of the year, and excludes merger adjustments: (see table 8), as well as restructuring costs recorded in Liberbank prior to the merger.

QUARTERLY YIELDS & COSTS

Million euros / %	4Q 2021			3Q 2021			2Q 2021			1Q 2021			4Q 2020		
TABLE 10	**Av. Bal.**	**FI/FE**	**Yield**	**Av. Bal.**	**FI/FE**	**Yield**	**Av. Bal.**	**FI/FE**	**Yield**	**Av. Bal.**	**FI/FE**	**Yield**	**Av. Bal.**	**FI/FE**	**Yield**
Financial intermediaries	16,614	-13.7	-0.33	11,028	-4.5	-0.16	11,042	-5.2	-0.19	9,173	-4.0	-0.18	8,938	-3.8	-0.17
Fixed income portfolio	25,553	52.6	0.82	29,705	56.7	0.76	31,247	68.6	0.88	32,889	75.5	0.93	33,060	79.2	0.95
Net loans (including NPLs)	**54,394**	**189.7**	**1.38**	**55,261**	**193.0**	**1.39**	**54,877**	**199.6**	**1.46**	**54,241**	**209.2**	**1.56**	**54,069**	**217.6**	**1.60**
Other assets		0.6			0.3			0.1			0.1			1.0	
TOTAL ASSETS		**229.2**			**245.4**			**263.1**			**280.8**			**294.0**	
Financial intermediaries	17,479	-34.0	-0.77	19,398	-33.9	-0.69	21,308	-38.0	-0.71	20,368	-35.5	-0.71	20,554	-35.9	-0.70
Debt securities	7,062	19.1	1.07	5,977	18.5	1.23	5,959	23.7	1.59	6,654	26.3	1.60	6,731	27.3	1.62
Customer deposits	**74,026**	**1.2**	**0.01**	**72,099**	**1.6**	**0.01**	**69,849**	**2.7**	**0.02**	**68,699**	**4.5**	**0.03**	**67,947**	**7.5**	**0.04**
Sight deposits (PS)	57,400	0.3	0.00	56,911	0.4	0.00	55,731	0.1	0.00	54,784	0.0	0.00	52,880	0.3	0.00
Term deposits (PS)	6,844	1.1	0.06	7,104	1.3	0.07	7,558	2.8	0.15	8,261	4.4	0.22	9,070	7.0	0.31
Subordinated liabilities	605	6.8	4.46	574	6.5	4.48	596	6.8	4.55	583	6.7	4.64	584	6.9	4.72
Other liabilities		1.4			1.9			2.1			2.0			2.4	
TOTAL LIABILITIES		**-5.6**			**-5.4**			**-2.8**			**4.1**			**8.3**	
CUSTOMER SPREAD*			**1.38**			**1.38**			**1.44**			**1.54**			**1.56**
NET INTEREST MARGIN		**234.7**			**250.8**			**265.8**			**276.7**			**285.7**	

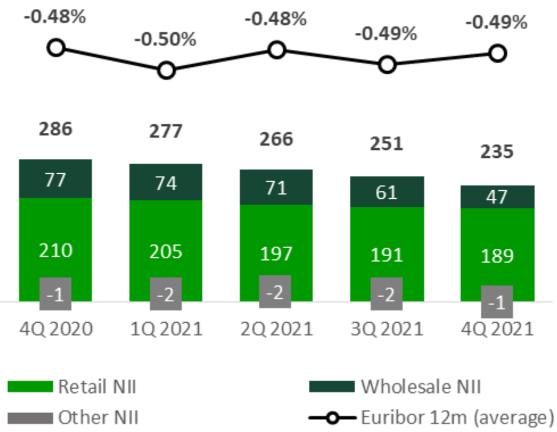
F.I.: Financial Interest
F.E.: Financial expenses
PS: Private Sector

(*) F.I. Net loans (including NPLs) - F.E. Customer deposits

Net interest income fell by 7.3% year-on-year (-8.5% including non-recurrent revenues). The main cause of this decline is the fall in interest rates, which has already been passed through to net interest income in the fourth quarter, expecting a recovery from the first quarter of 2022 onwards.

The customer margin stands at around 1.4%, impacted in the second half of the year by significant lending operations granted to public administrations and large companies with high ratings, in order to ensure the necessary lending growth to accrue the additional 0.5% remuneration in the TLTROS.

In the fourth quarter the net interest income goes down by €16 million compared to the previous quarter. This decline has been concentrated in the wholesale business, due to the delay in the investment program, which resulted in a lower contribution from the ALCO portfolio, and the cost of excess liquidity deposited with the European Central Bank, which will be corrected with the new pricing strategy for corporate and public administration deposits.



The retail margin decreased by €3 million compared to the previous quarter, due to lower average performing loan balances in the quarter, as rates remained stable in the main portfolios after the impact of the fall in interest rates faded out.

TABLE 11 (*Million euros*)	**4Q 2021**	**3Q 2021**	**2Q 2021**	**1Q 2021**	**QoQ**	**12M21 vs 12M20**
FEE INCOME	**145**	**132**	**129**	**127**	**9.6%**	**19.7%**
From contingent risk	4	3	3	5	18.1%	-5.2%
From contingent commitments	0	1	1	1	-64.3%	-2.0%
From currency exchange	0	0	0	0	5.1%	-16.0%
From payments and collections	82	76	71	65	8.3%	27.8%
From non banking products	56	50	51	53	12.0%	12.3%
Other fees	3	2	2	3	33.3%	19.8%
FEE EXPENSES	**11**	**11**	**11**	**10**	**-1.9%**	**22.2%**
NET FEE INCOME	**134**	**121**	**117**	**117**	**10.6%**	**19.5%**
Non recurrent net fees	**0**	**0**	**0**	**0**		
RECURRENT NET FEES	**134**	**121**	**117**	**117**	**10.6%**	**21.3%**

Fees increase by 21.3% on a recurring basis during the year, driven by an increased commercial activity in mutual funds, insurance and payment services.

The increase in assets under management in mutual funds and the active management of investment savings products improved the profitability of this line of business, which grew 27.3% year-on-year. Equally significant was the rise in fees from insurance business (+9.5%) and services related to payment systems (+27.8%).

Profit from associates amounted to €82 million including dividends and results of entities accounted using the equity method, mainly coming from insurance companies.

Gains on financial transactions and exchange differences amounted to €47 million, of which €21 million were realized in the fourth quarter of the year, coming from the fixed-income portfolio.

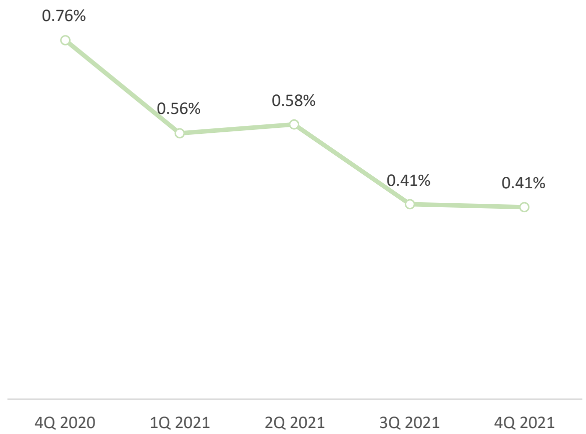
The results recorded under *Other operating income / expenses* amounted to €-129 million, registering the annual contribution to the Deposit Guarantee Fund (€-89 million) and to the FUR (€-31 million). This heading of the income statement showed a significant year-on-year decline, due to the recognition in 2020 by Unicaja Banco of a positive one-off from a shareholders' agreement related with Caser.

Administrative expenses show a year-on-year decrease of -2.7%.

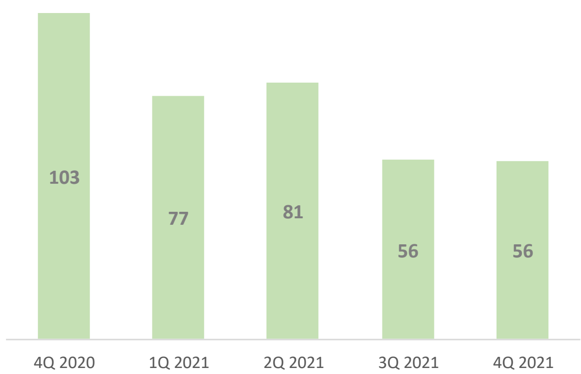
Provisions /reversal of provisions amount to €100 million in order to cover risks related to guarantees and different litigation issues. In the fourth quarter, the bank opted to record prudential provisions for guarantees, higher than those required by accounting regulation, arising from the application of internal provisioning models (backstop).

Impairments of financial assets (€-271 million) include loan-loss provisions, including those necessary to bring accounting provisions in line with prudential requirements in the loan portfolio. The cost of risk stands at 41 b.p.

Cost of risk evolution



Credit impairments **(In € millions)**



9. Liquidity

The Entity maintains very comfortable liquidity levels.

The LTD ("Loan to Deposit") ratio, which shows the percentage that the balance of loans represents in relation to the balance of retail deposits, was 75.0%.

The LCR (Liquidity Coverage Ratio), which indicates the level of short-term liquidity, was 307%.

The NSFR (Net Stable Financial Ratio), which measures the ratio between the stable resources that would be desirable according to the type of investments made by the Group, was 142%.

At the end of the forth quarter of 2021, the Unicaja Banco Group recorded a position of liquid and discountable assets at the European Central Bank, net of assets used, of €28,211 million, which represents 24.4% of the total balance sheet.

10. Solvency

TABLE 12 *(Million € and %)*	**31/12/2021 ***	**30/09/2021 ***	**31/12/2020 ***	**QoQ**
Qualifying capital (PHASED-IN)	**5,934**	**5,935**	**4,087**	**0.0%**
CET1 capital (BIS III)	4,800	5,316	3,740	-9.7%
Tier 1	547	47	47	1055.0%
Tier 2	586	571	300	2.6%
Risk weighted assets	**35,291**	**35,699**	**22,492**	**-1.1%**
CET1 capital (BIS III) (%)	**13.6%**	**14.9%**	**16.6%**	**-1.3 pp**
Tier 1	1.6%	0.1%	0.2%	1.4 pp
Tier 2	1.7%	1.6%	1.3%	0.1 pp
Total capital ratio (%)	**16.8%**	**16.6%**	**18.2%**	**0.2 pp**

* The data for 12.31.2021 and 09.30.2021 are post-merger with Liberbank, the data for 12.31.2020 is pre-merger with Liberbank.

Million € and %	**31/12/2021 ***	**30/09/2021 ***	**31/12/2020 ***	**QoQ**
Qualify capital FULLY LOADED	**5,523**	**5,463**	**3,691**	**1.1%**
CET1 capital (BIS III)	4,389	4,824	3,343	-9.0%
Tier 1	547	47	47	1055.0%
Tier 2	586	592	300	-1.0%
Risk weighted assets	**35,064**	**35,441**	**22,260**	**-1.1%**
CET1 capital (BIS III) (%)	**12.5%**	**13.6%**	**15.0%**	**-1.1 pp**
Tier 1	1.6%	0.1%	0.2%	1.4 pp
Tier 2	1.7%	1.7%	1.3%	0.0 pp
Total capital ratio (%)	**15.8%**	**15.4%**	**16.6%**	**0.3 pp**

At 31 December 2021, under phased-in, the Unicaja Banco Group had a CET 1 Common Equity Tier 1 of 13.6%, a Tier 1 Capital ratio of 15.2% and a Total Capital ratio of 16.8%. These ratios represent a buffer over the bank's required levels of 5.6 p.p. in CET 1 and 4.2 p.p. in Total Capital.

Under fully loaded basis, the Unicaja Banco Group's CET 1 Common Equity Tier 1 ratio was 12.5%, Tier 1 Capital ratio 14.1% and Total Capital ratio 15.8%.

The quarterly reduction in the CET1 solvency ratios is mainly due to the restructuring provisions set up in December (€377 million), which will enable synergies to emerge from the integration and therefore increase future profits.

The tangible book value per share (TBV per share) reached 2.15 at 31 December 2021.

On November 11, 2021, €500 million of the AT1 was issued at a cost of 4.875%. The volume demanded was €2.6 billion, with more than 250 accounts in the book.

Finally, the Texas ratio stays at 46.0%.

11. The Share

The share capital of Unicaja Banco is €663,708,369.75, divided into 2,654,833,479 registered shares of €0.25 par value each, fully subscribed and paid up, belonging to the same class and series, with identical voting and economic rights, and represented by book entries.

The Bank's main shareholders are Fundación Bancaria Unicaja which holds 30.3% of the share capital of Unicaja Banco, S.A., Oceanwood Capital Management LLP 7.4% (including financial instruments), Fundación Bancaria Caja de Ahorros de Asturias 6.6%, Indumenta Pueri 5.0% and Tomás Olivo 3.6%. The remaining 47.1% of the share capital is held by other wholesale and retail investors.

12. Rating

Fitch. On 3 December 2021, the agency affirmed Unicaja Banco's long-term rating at "BBB-" and its short-term rating at "F3". The outlook is upgraded from Negative to Stable, showing that Unicaja Banco's financial performance during the pandemic was "better than expected". Unicaja Banco's current ratings are therefore:

- Long-term IDR rating "BBB-" Stable outlook.
- Short-term IDR rating "F3".
- Viability rating (VR) "bbb-".
- Subordinated senior preferred debt "BBB-"
- Subordinated debt rating (Tier 2) "BB"
- CoCos (AT1) "B+"

Moody's. On 24 November 2021, the agency confirmed Unicaja Banco's credit rating at "Baa3" with a stable outlook and its short-term rating (Short-term Bank Deposits) at P-3 ("Prime-3"). Therefore, Unicaja Banco's current ratings are:

- Long-term rating "Baa3" with stable outlook.
- Short-term rating (Short-term Bank Deposits) "P3".
- Rating mortgage covered bonds "Aa1".
- Subordinated debt rating (Tier2) "Ba3"

13. Strategic Plan 2022-2024

On December 10, 2021, Unicaja Banco presented the 2022-24 Strategic Plan. The Plan is articulated around five priorities: greater specialization to accelerate commercial activity, improved efficiency through operational excellence, advanced risk management with a conservative profile, improved and increased digital banking capabilities, and a commitment to sustainability in all lines of business.

The Plan has, among other financial objectives, to achieve at the end of the period a ROTE (return on tangible equity) of over 8%[1], distributing to

[1] *Adjusting the capital excess over the CET1 Fully loaded objective of 12.5% (AT1 coupons deducted). Without deducting capital excess, the target would be over 7.5%*

shareholders (pay-out ratio) at least 50% of the profits obtained and maintaining a minimum quality capital (fully loaded) of 12.5%.

14. Relevant events subsequent to the closing

The General Shareholders' Meeting of Unicaja Banco held in March 2021 approved a share capital reduction of up to €1,991,295,591 to create a voluntary restricted reserve by reducing the nominal value of all the shares.

Once the authorization of the European Central Bank (ECB) was obtained, the capital reduction was registered in the Malaga Mercantile Registry on January 13, 2022.

As a result of the transaction, the share capital of Unicaja Banco, which amounted to €2,654,833,479 divided into 2,654,833,479 shares of 1 euro par value, has been set at €663,708,369.75, divided into 2,654,833,479 shares of €0.25.

The capital reduction is neutral in terms of shareholders' equity and solvency levels.

Appendix I:

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 Unicaja Banco Group on its annual or interim financial statements:

ALTERNATIVE PERFORMANCE MEASURES

(In € million or %)

Table 13:

	31/12/2021	30/09/2021	31/12/2020
Total customer funds (1+2+3)	**108,230**	**104,897**	**103,231**
(1) Financial liabilities at amortized cost. Customer deposits (without valuation adjustments) (1a+1b)	83,709	81,557	81,529
(1a) Financial liabilities at amortized cost. Customer deposits	84,154	82,041	82,610
(1b) Valuation adjustments. Financial liabilities at amortized cost. Customer deposits	-443	-484	-1,081
(2) Debt securities issued (w/o valuation adjustments) (2a+2b)	2,482	1,897	1,952
(2a) Debt securities issued	2,498	1,916	1,985
(2b) Valuation adjustments. Debt securities isued	-15	-18	-32
(3) Funds managed through off-balance sheet instruments. Management data	22,038	21,443	19,750

Source: Consolidated public financial statement and Internal information using management criteria.
Purpose: Allows to know the total balance and evolution of the resources managed by the group, both on- and off-balance sheet.

Table 14:

	31/12/2021	30/09/2021	31/12/2020
Retail customer funds (non-market) (1-2-3-4+5)	**96,007**	**94,726**	**87,894**
(1) Total customer funds	108,230	104,897	103,231
(2) Covered bonds under the heading “Term deposits”. Carrying amount (excluding valuation adjustments)	5,207	5,207	5,661
(3) Deposits from customers. Repos (excluding valuation adjustments)	4,715	3,762	7,915
(4) Issued debt securities (excluding valuation adjustments)	2,482	1,897	1,952
(5) Repos controlled by retail customers. Management data	182	696	192

Source: Consolidated public financial statements and internal information using management criteria
Purpose: To determine the total balance and evolution of the funds managed by the group, both on-balance sheet and off-balance sheet, at the customer level without considering market operations.

Table 15:

	31/12/2021	30/09/2021	31/12/2021
Wholesale funds (Markets) (1+2+3-4)	**12,222**	**10,171**	**15,337**
(1) Covered bonds under the heading "Term deposits". Carrying amount (excluding valuation adjustments)	5,207	5,207	5,661
(2) Deposits from customers. Repos (excluding valuation adjustments)	4,715	3,762	7,915
(3) Issued debt securities (excluding valuation adjustments)	2,482	1,897	1,952
(4) Repos controlled by retail customers. Management measure	182	696	192

Source: Consolidated public financial statements and internal information using management criteria
Purpose: To determine the total balance and evolution of the funds managed by the group, both on-balance sheet and off-balance sheet, at the customer level without considering market operations.

Table 16:

	31/12/2021	30/09/2021	31/12/2020
Repos controlled by retail customers. Management measure (1a)	**182**	**696**	**192**
(1) Deposits from customers. Repos (excluding valuation adjustments)	4,715	3,762	7,915
(1a.) Repos controlled by retail customers. Management measure	182	696	192
(1b.) Rest of repos	4,533	3,066	7,723

Source: Internal information using management criteria

Table 17:

	31/12/2021	30/09/2021	31/12/2020
Performing Gross loans w/o Repos and OFA (excluding valuation adjustments) (1-7)	**53,522**	**53,079**	**52,281**
(1) Loan portfolio and receivables. Gross amount (2a+3a-4-5-6)	55,483	54,940	54,266
(2) Financial assets held for trading with changes in profit or loss	228	356	418
(2a) of which: Loans and advances - Customers	*134*	*138*	*131*
(3) Financial assets at amortized cost	81,992	81,772	90,571
(3a) of which: Loans and advances - Customers	*56,023*	*55,386*	*54,984*
(4) Valuation adjustments (excluding other financial assets)	-881	-881	-755
(5) Reverse Repos	779	870	1,142
(6) Other financial assets	777	596	462
(7) Loan portfolio and receivables. Gross amount Stage 3 (excluding other financial assets)	1,961	1,862	1,986

Source: Consolidated public balance sheet
Purpose: It allows to know the total balance and evolution of the Group's performing loans and advances (considered as those in stage 1 or stage 2).

Table 18:

	31/12/2021	30/09/2021	31/12/2020
Loan to Deposits (LtD)	**75.0%**	**75.0%**	**79.6%**
(1) Numerator. Loans and advances to customers - excluding valuation adjustments	**55,483**	**54,940**	**54,266**
(2) Denominator. Customer deposits (non-market) - excluding valuation adjustments - (2a-2b-2c+2d)	**73,969**	**73,283**	**68,145**
(2a) Financial liabilities at amortized cost. Deposits from customers (excluding valuation adjustments)	83,709	81,557	81,529
(2b) Covered bonds under the heading “Term deposits”. Carrying amount (excluding valuation adjustments)	5,207	5,207	5,661
(2c) Deposits from customers. Repos (excluding valuation adjustments)	4,715	3,762	7,915
(2d) Repos controlled by retail customers. Management data	182	696	192

Source: Consolidated public financial statements and internal information using management criteria

Purpose: Liquidity indicator measuring the funds available to the Group in customer deposits in relation to the volume of loans and advances.

Table 19:

	31/12/2021	30/09/2021	31/12/2020
NPL Ratio (1/2)	**3.5%**	**3.4%**	**3.7%**
(1) Loans and receivables. Gross amount Stage 3	1,961	1,862	1,986
(2) Loans and receivables. Gross amount.	55,483	54,940	54,266

Source: Consolidated public financial statements.

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

Table 20:

	31/12/2021	30/09/2021	31/12/2020
NPL Coverage Ratio (1/2)	**68.5%**	**72.1%**	**62.8%**
(1) Loans and receivables. Total impairment losses on assets	1,343	1,342	1,248
(2) Loans and receivables. Gross amount Stage 3	1,961	1,862	1,986

Source: Consolidated public financial statements

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

Table 21:

	31/12/2021	30/09/2021	31/12/2020
Foreclosed assets coverage (1/2)	**62.7%**	**62.1%**	**56.0%**
(1) Accumulated impairment losses on foreclosed real estate or properties received in payment of debts	1,385	1,442	1,316
(2) Gross carrying amount of foreclosed real estate or properties received in payment of debts	2,209	2,323	2,350

Source: Internal information using management criteria

Purpose: Shows the extent to which foreclosed real estate assets are covered and, thus, their net exposure value and the quality of those assets.

Table 22:

	31/12/2021	30/09/2021	31/12/2020
NPA coverage ratio (1+2)/(3+4)	**65.5%**	**66.5%**	**59.1%**
(1) Loans and receivables. Total impairment losses on assets	1,343	1,342	1,248
(2) Accumulated impairment losses on foreclosed real estate or properties received in payment of debts	1,385	1,442	1,316
(3) Loans and receivables. Gross amount Stage 3	1,961	1,862	1,986
(4) Gross carrying amount of foreclosed real estate or properties received in payment of debts	2,209	2,323	2,350

Source: Consolidated public financial statements and internal information using management criteria.

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.

Table 23:

	31/12/2021	30/09/2021
Texas ratio (1+2)/(3+4+5)	**46.0%**	**47.6%**
(1) Loans and receivables portfolio. Gross amount Stage 3	1,961	1,862
(2) Gross carrying amount of real estate foreclosed assets	2,209	2,323
(3) Loans and receivables portfolio. Total adjustments for impairment of assets	1,343	1,342
(4) Impairment of real estate foreclosed assets	1,385	1,442
(5) Total equity	6,326	6,013

Source: Consolidated public balance sheet

Purpose: Reflects the percentage of non-performing assets covered by funds and equity.

Table 24:

	31/12/2021	30/09/2021	31/12/2020
Customer Spread (quarterly data) (1-2)	**1.35%**	**1.38%**	**1.56%**
(1) Quarterly yields on loans and advances to customers (excluding reverse repos) on average quarterly balances of loans and advances to customers, net (excluding reverse repos and other financial assets) Management Data	1.36%	1.39%	1.60%
(2) Quarterly cost of customer deposits (excluding repos) over average quarterly balance of customer deposits (excluding repos). Management Data.	0.01%	0.01%	0.04%

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.

Table 25:

	31/12/2021	30/09/2021	31/12/2020
Net fees (1-2)	**489,1**	**355,0**	**409,3**
(1) Fee and commission income	532,3	387,5	444,6
(2) Fee and commission expenses	43,2	32,5	35,4

Source: Consolidated public income statement.

Purpose: Reflects the net profit obtained from the rendering of services and marketing of products that are invoiced via fees.

Table 26:

	31/12/2021	30/09/2021	31/12/2020
Recurrent Net interest income (1a-1b-1c)	**1,028**	**793**	**1,109**
(1a.) Interest and similar revenues	1,189	912	1,341
(1b.) Non-recurring interest and similar revenues	0	0	14
(1c.) Interest and similar charges	161	118	217
Recurring net fees	**489**	**355**	**403**

Source: Consolidated income statement.

Purpose: Reflects the result obtained by the Group from its core business activity.

Table 27:

	31/12/2021	30/09/2021	31/12/2020
Trading income +Exchange differences (1+2+3+4+5+6)	**46.7**	**25.6**	**98.2**
(1) Net gain or (-) losses on derecognition from the statements of financial assets and liabilities (not measured at fair value) through profit or loss	48.1	30.2	103.1
(2) Net gain or (-) losses from financial assets and liabilities held for trading	12.5	8.0	-3.4
(3) Net gain or (-) losses from non-trading financial assets mandatorily designated at fair value through profit or loss	-3.8	-0.9	-1.6
(4) Net gain or (-) losses from financial assets and liabilities designated at fair value through profit or loss	0.0	0.0	0.0
(5) Net gain (-) losses from hedge accounting	-14.9	-15.1	-0.8
(6) Net exchange differences, gains or (-) losses	4.8	3.5	1.0

Source: Consolidated public income statement.

Purpose: Group under a single heading the contribution to the P&L account of the valuation of assets at fair value and the sale of fixed-income assets and equities mainly, not measured at fair value through profit or loss, as well as their hedges reflected in the P&L account.

Table 28:

	31/12/2021	30/09/2021	31/12/2020
Other products / operating charges (1-2+3-4)	**-128.7**	**-37.3**	**-84.5**
(1) Other operating income	90.9	69.8	140.2
(2) Other operating expenses	241.1	125.2	243.9
(3) Income from assets under insurance or reinsurance contracts	63.0	49.8	70.4
(4) Expenses from liabilities under insurance or reinsurance contracts	41.6	31.7	51.2

Source: Consolidated public income statement.

Table 29:

	31/12/2021	30/09/2021	31/12/2020
Operating or transformation expenses (1+2)	**936.7**	**714.0**	**956.5**
(1) Administrative expenses	840.6	640.0	863.6
(2) Depreciation	96.1	74.0	93.0

Source: Consolidated public income statement

Table 30:

	31/12/2021	30/09/2021	31/12/2020
Efficiency ratio (1+2)/3	**61.8%**	**59.3%**	**58.6%**
(1) Administrative expenses	840.6	640.0	863.6
(2) Depreciation	96.1	74.0	93.0
(3) Gross margin	1,516.8	1,203.9	1,632.2

Source: Consolidated income statement.
Purpose: Reflects relative productivity by relating the income obtained to the expenses necessary to obtain that income.

Table 31:

	31/12/2021	30/09/2021	31/12/2020
Pre-provision profit (before impairments) (1-2-3)	**580.1**	**489.9**	**675.7**
(1) Gross income	1,516.8	1,203.9	1,632.2
(2) Administrative expenses	840.6	640.0	863.6
(3) Depreciation	96.1	74.0	93.0

Source: Consolidated public income statement.
Purpose: Reflects the result obtained by the Group from its activity before taking into account the write-downs as defined in its APMs.

Table 32:

	31/12/2021	30/09/2021	31/12/2020
Impairment losses or reversal of impairment losses on loans and receivables. Management Data (1a + 1b)	**270.6**	**214.4**	**415.1**
(1) Impairment losses or (-) reversal of impairment and gains or losses on changes in cash flows of financial assets not measured at fair value through profit or loss and net gains or (-) losses on changes. Financial assets at amortized cost	270.6	214.4	415.1
(1a) From loans and receivables to customers. Management data	270.6	214.3	412.7
(1b.) Of other financial assets at amortized cost	0.0	0.1	2.4

Source: Consolidated public income statement
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.

Table 33:

	31/12/2021	30/09/2021	31/12/2020
(1) Impairment or (-) reversal of impairment in value of loans and receivables to customers (annualised quarterly data). Management measure	225.2	225.5	411.2
(2) Average of the start/end of period in loans and receivables to customers (ex valuation adjustments)	55,483	54,940	54,266
Cost of risk (1/2)	**0.41%**	**0.41%**	**0.76%**

Source: Consolidated public income statement and management data
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.

Table 34:

	31/12/2021	30/09/2021	31/12/2020
Impairment/reversal in the value of other assets and other gains & losses (1+2-3-4-5)	**29.4**	**6.1**	**78.5**
(1) Impairment or (-) reversal in the impairment of the value of joint ventures or associates	-0.2	-0.4	0.0
(2) Impairment or (-) reversal in the impairmente of the value of non-financial assets	13.5	4.4	19.2
(3) Net gain or (-) loss on derecognition from the statements of non-financial assets	10.9	9.3	9.5
(4) Recognised negative goodwill	0.0	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	-27.1	-11.3	-68.8

Source: Consolidated public income statement.

Table 35:

	31/12/2021	30/09/2021	31/12/2020
Impairments and others (1+2+3+4-5-6-7)	**399.6**	**285.9**	**562.3**
(1) Provisioning or (-) provisioning reversals	**99.6**	**65.4**	**68.7**
(2) Impairment or (-) reversal in the value of financial assets not measured at fair value through profit and loss	**270.6**	**214.4**	**415.1**
(3) Impairment or (-) reversal in the value of joint ventures or associates	-0.2	-0.4	0.0
(4) Impairment or (-) reversal in the value of non-financial assets	13.5	4.4	19.2
(5) Net gain or (-) loss on derecognition from the statements of non-financial assets and stakes	10.9	9.3	9.5
(6) Recognised negative goodwill	0.0	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	-27.1	-11.3	-68.8

Source: Consolidated public income statement.
Purpose: Reflects the volume of the Group's write-downs and provisions

Table 36:

	31/12/2021	30/09/2021
ROTE (1/2)	**2.4%**	**2.6%**
(1) Total comprehensive income for the year	**137.5**	**155.7**
(2) Shareholders' equity -excluding intangible elements, debt issues convertible into shares and preferred shares (3-4-5-6)	**5,735**	**5,976**
(3) Shareholders' equity	6,416	6,161
(4) Issued equity instruments other than capital (AT1)	547	47
(5) Intangible assets	80	84
(6) Equity goodwill	54	54

Source: Consolidated public income statement and Consolidated public balance sheet
Purpose: Reflects the bank's profit in relation to its shareholders' equity, excluding intangible items and debt issues convertible into shares and preferred shares

Table 37:

	31/12/2021	30/09/2021
Tangible Book value per share (1/6)	**2.15**	**2.22**
(1) Tangible assets (2-3-4-5)	5,698	5,882
(2) Total Equity	6,326	6,013
(3) Issued equity instruments other tan capital (AT1)	547	47
(4) Minority interests	0	0
(5) Intangible assets	80	84
(6) Nº of shares outstanding (million)	2,654,833	2,654,833

Source: Consolidated public balance sheet
Purpose: Reflects the value that the Bank generates for its shareholders through its own business.

Table 38:

	31/12/2021
Net liquid assets (1-2-3)	**28,211**
(1) Gross liquid assets	49,841
(2) Taken in ECB	10,292
(3) Repos and other pledges	11,338

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.