FINANCIAL REPORT

January to March 2021

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Basis of presentation

The consolidated income statement and consolidated balance sheet together with the breakdowns of the same are included in this Financial Report, and are shown with management criteria. They have been drawn up in compliance with the International Financial Reporting Standards (henceforth IFRS) and presented in accordance with the bases, principles and accounting criteria defined in Note 1 of the Group's consolidated annual statements for the fiscal year 2020. In accordance with the Guidelines on alternative performance measures published by the European Securities and Markets Authority on 5th October, 2015 (ESMA / 2015 / 1415en), a glossary of definitions and the reconciliation with the items presented in the financial statements of certain alternative financial measures used is attached.

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

Introduction

Unicaja Banco Group posted net income of EUR 43 million in the first quarter of 2021, after provisioning EUR 25 million for Covid-19

Net income	43€ million	-7.4%

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Results

Core revenue*	+2.8%
OPEX	-6.1%
Core income**	+27.8%
Consolidated income	-7.4%

Risks

NPA	-8.4%
NPL ratio	-0.5pp
NPL coverage ratio	68.4%
NPA coverage ratio	65.9%

Commercial activity

Total Performing credit and loans	+0.5%
New lending ***	+38%
Retail customer funds	+9.6%

Liquidity and solvency

LTD	64.2%
CET 1	16.5%

X (solid green)	To 31 March 2021
X (white box)	YoY March 2021 and March 2020
X (light green)	YTD March 2021 and December 2020

(*) Net interest income + Net fees
(**) Net interest income + Net fees - Transformation expenses
(***) To private sector

Unicaja Banco has improved its recurring profitability and continues earmarking resources to improve its coverage ratios:

- **Core revenue (net interest income +fees) grew** by 2.8% year-on-year.
- **Net interest income** expanded by 3.6% with respect to the same quarter last year, thanks to the fall in the cost of funds.
- **Net fee income** grow by 0.9% year-on-year, driven by collections and payment services.
- **Operating expenses** have fallen by EUR 9 million (-6.1%) with respect to the same period a year earlier.
- Impairment volumes are similar to the first quarter of 2020, with **extraordinary** Covid-related provisions of **EUR 25 million** filed so far this year.

Commercial activity shows a positive balance:

- So far this year, **customer funds** are up 1.3% and 9.6% year-on-year, with growth of 9.8% and 8.9% in on and off balance sheet funds & insurance, respectively.
- **Private sector performing loans** have grown by 0.1% in the quarter. **Front book increased in the first quarter of the year**, posting a growth of 36% in corporates and 39% in retail individuals compared to the previous quarter.

Non-performing assets continued to fall and coverage is up:

- The bank continues to **cut non-performing assets** by 8.4% (EUR -208 million) in the last 12 months, and 0.7% in the last quarter.
- High levels of **coverage** continue, rising by 6.8 pp from the year before, and 0.7 pp during the first quarter of 2021, to stand at 65.9%.

Financial strength and high liquidity levels:

- The Group has a **comfortable liquidity position**, with a LTD ratio of 64.2% and a LCR of 286%, significantly higher than the required minimum.
- The regulatory CET1 stands at 16.5% and total capital at 18.0%, boosting surplus capital over the required minimum by EUR 1,283 million.

2. Key Highlights

Million euros / % / pp	31/03/21	31/12/20	30/09/20	31/03/20	YTD	YoY
BALANCE SHEET						
Total assets	65,516	65,544	62,145	55,632	0.0%	17.8%
Gross loans and advances to customers (ex-reverse repos, ex others financial assets)*	26,934	26,932	26,849	27,564	0.0%	-2.3%
Performing gross loans and advances to customers (ex-reverse repos, ex other financial assets)*	25,750	25,751	25,560	26,229	0.0%	-1.8%
On-balance sheet customers funds*	41,920	41,327	40,276	38,180	1.4%	9.8%
Off-balance sheet customer funds and insurance	12,994	12,888	12,567	11,928	0.8%	8.9%
Shareholders equity	4,021	4,001	3,991	3,952	0.5%	1.7%
Total equity	3,914	4,005	4,075	4,033	-2.3%	-3.0%
(*) Excluding valuation adjustments						
RESULTS (cumulative figures)						
Net interest income	145	578	427	140		3.6%
Gross income	240	955	760	254		-5.3%
Pre-provision profit	101	383	331	105		-4.0%
Consolidated net income	43	78	77	46		-7.4%
Cost to income	52.6%	54.7%	51.8%	54.3%	-2.1 pp	-1.7 pp
ROE	4.3%	2.0%	2.6%	4.7%	2.4 pp	-0.3 pp
ROA	0.3%	0.1%	0.2%	0.3%	0.1 pp	-0.1 pp
RISK MANAGEMENT						
Non performing loans (NPL) (a)	1,184	1,181	1,290	1,334	0.2%	-11.3%
Foreclosed assets (b)	1,072	1,091	1,117	1,130	-1.8%	-5.1%
Non performing assets -NPA- (a+b)	2,256	2,272	2,407	2,464	-0.7%	-8.4%
NPL ratio	4.2%	4.2%	4.6%	4.6%	0.0 pp	-0.5 pp
NPL coverage	68.4%	67.4%	65.9%	56.0%	1.0 pp	12.5 pp
Foreclosed assets coverage	63.1%	62.9%	62.8%	62.7%	0.2 pp	0.4 pp
Non performing assets (NPA) coverage	65.9%	65.2%	64.5%	59.1%	0.7 pp	6.8 pp
Cost of risk	0.52%	0.85%	0.91%	0.48%	-0.3 pp	0.0 pp
Cost of Risk Ex Covid (*)	0.16%	0.14%	0.13%	0.13%	0.0 pp	0.0 pp
(*) Excludes Covid-19 provisions						
LIQUIDITY						
Loan to deposit ratio	64.25%	65.17%	66.66%	72.19%	-0.9 pp	-7.9 pp
LCR	286%	310%	311%	335%	-24.0 pp	-49.0 pp
NSFR	143%	142%	141%	143%	1.0 pp	0.0 pp
SOLVENCY						
CET1 ratio (phase-in)	16.47%	16.63%	16.26%	15.36%	-0.2 pp	1.1 pp
CET1 ratio (fully loaded)	15.14%	15.02%	14.69%	14.11%	0.1 pp	1.0 pp
Total capital ratio (phase-	18.04%	18.17%	17.79%	16.85%	-0.1 pp	1.2 pp
Total capital ratio (fully loaded)	16.72%	16.58%	16.23%	15.61%	0.1 pp	1.1 pp
Risk weighted assets (RWA)	22,145	22,492	22,822	23,297	-1.5%	-4.9%
Texas ratio	42.8%	42.4%	43.7%	45.9%	21.9 pp	-3.1 pp

September 2020 include the deduction of software for prudential purposes as per Regulation (EU) 2020/873 which were not part of the regulatory calculation prior to the publication in December of the Regulation (EU) 2020/2176.
1Q21 and 1Q20 includes the profit of the quarter non-audited.

	31/03/21	31/12/20	30/09/20	31/03/20	YTD	YoY
ADDITIONAL INFORMATION						
Employees (average number)	6,005	6,209	6,249	6,299	-3.3%	-4.7%
Branches	889	949	1,015	1,031	-6.3%	-13.8%
ATMs	1,452	1,470	1,481	1,488	-1.2%	-2.4%

3. Macroeconomic environment

The economic forecast has improved in recent months, with the OECD anticipating that global Gross Domestic Product (GDP) will rise in 2021 by 5.6%, over 1 percentage point (pp) higher than estimated in its December 2020 Economic Outlook report, and returning to pre-pandemic levels by mid-2021, if the expected vaccination rates are achieved and no new variants of the virus appear. By 2022, production is expected to have grown by 4.0%.

Perspectives for growth will improve if vaccine production and distribution accelerate, if there is better coordination worldwide and if the appearance of virus mutations can be anticipated, which would enable containment measures to be relaxed earlier. Consumer spending and business confidence would be affected if the vaccination programmes are not sufficiently effective in reducing infection rates, or if the new variants become widespread and this were to require the modification of current vaccines. In this context, the OECD recommends that the support measures be continued as long as economies are limited by the containment measures, in order to preserve productive and employment ecosystems.

The OECD also highlights the discrepancies between countries and sectors. Specifically, according to its central scenario, GDP in the US could rise by 6.5% in 2021, which amounts to a review to the upside of more than 3 pp since December. In the eurozone, it forecasts a GDP increase of 3.9%, 0.3 pp higher than its estimate last December.

In the eurozone, the latest published data and information from forward-looking surveys point to a continuation of the moderate recovery in the first quarter of 2021, highlighting the latest projections by the European Central Bank (ECB) that GDP is likely to contract again in the first few months of the year, due to the persistence of the pandemic and the adoption of restrictive measures.

The European Commission forecasts growth of close to 4% in 2021, similar to the figures from the ECB and OECD, and 0.4 pp lower than last November's estimates, accounted for by the lockdown measures implemented by most member states since autumn. By contrast, expected growth for 2022 has been revised upwards 0.8 pp, to 3.8%, since activity is expected to intensify in the spring and significantly so from the summer onwards, as vaccination programmes move ahead, which will allow restrictions to be relaxed.

Nevertheless, uncertainty remains very high, and a greater severity or persistence of the pandemic, as well as delays in the vaccination programmes, could delay the lifting of containment measures. There is also a risk that the crisis will affect the economic and social fabric of the EU, principally due to business bankruptcies and structural extinction of employment.

However, the likelihood that the vaccination rollout will enable restrictions to be relaxed earlier than forecast, as well as the European recovery instrument NextGenerationEU, could foster greater-than-expected growth.

Inflation, meanwhile, has risen in the last few months, due fundamentally to the increase in energy prices. At the end of January the oil price stood at around USD 55, with Saudi Arabia's commitment to reduce production against expectations of another fall in demand. But underlying inflationary pressure remains contained and, although the latest ECB forecasts are for a gradual rise in inflation in the medium term, the projections have remained generally unchanged from last December and as such below the inflation target.

Against this backdrop, the ECB believes that it is still essential to keep financial terms favourable while the pandemic lasts. To this end, at its 11th March meeting, its Governance Council decided to carry on buying assets as part of the pandemic emergency purchase programme (PEPP), with total provisioning of EUR 1.85 trillion until the end of March 2022 at least and, in any event, until the coronavirus crisis phase is considered to have ended.

Likewise, net purchases within the asset purchasing programme (APP) will continue at a monthly rate of EUR 20 billion, and will remain in place for as long as necessary. It was decided that official interest rates, meanwhile, would also stay unchanged as long as liquidity is being provided through financing operations (TLTRO III).

As indicated above, economies have performed differently between countries and sectors. Services are more affected by the restrictions to social interaction and mobility than the industrial sector, which is recovering more swiftly. Thus, those countries with greater weighting of tourism, hospitality and leisure generally in their economies are being hit harder by the pandemic, as in the case of the Spanish economy; according to the OECD, the country could record growth of 5.7% this year, which would be the highest correction to the upside among the main eurozone economies.

The Bank of Spain's central scenario is that GDP will grow by 6.0% in 2021, 0.8 pp less than forecast in December. Activity growth will accelerate in the second half of the year, encouraged by the progress of mass vaccinations and the implementation of the European NGEU project. It is estimated that part of the positive impact of this programme, previously expected for 2021, will be delayed until 2022, by which time growth is expected to rise to 5.3% (1.1 pp higher than previously forecast), moderating to 1.7% by 2023.

The economic outlook remains subject to a high degree of uncertainty, for which reason the Bank of Spain has opted, as in previous quarters, to present two alternative scenarios. These are underpinned by different assumptions about how the pandemic will develop and the speed of mass immunization of the population, as well as the relationship of the pandemic's medium-term effects on productive infrastructure, employment and the behaviour of economic agents (household savings rate and tourism exports).

The central scenario contemplates the likelihood of new outbreaks in the next few months, that will necessitate similar containment measures to those currently in place, to be gradually withdrawn until they have virtually disappeared by the end of 2021. The rate of household saving will fall over the forecast horizon and tourism inflows will not reach a relative normality until 2022.

After the sharp contraction in 2020, both private domestic demand and trading flows are expected to show a significant uptick in 2021, the size of which will depend on the scenario being used. Hours worked may show an upward curve from the second quarter onwards, in line with the recovery in production, while the unemployment rate will start to fall throughout 2021, although remaining higher than pre-pandemic levels until mid-2023. Likewise, the Public Administrations balance is expected to improve during the projection horizon, although it will continue to be very high. Debt, meanwhile, will settle at similar levels to 2020, although these figures will be influenced by the SAREB reclassification indicated by Eurostat.

When we look at the assumptions underlying these forecasts, the price of oil could experience a significant increase in 2021, falling during the subsequent two years, while export markets in the short term, in this central scenario, are expected to do better than anticipated three months ago. In turn, the euro exchange rate has now slightly appreciated from its position three months ago.

Turning to the most recent information available from the National Statistics Institute's Quarterly National Accounts, for the fourth quarter of 2020, GDP recorded a variation of 0.0% from the previous quarter (-0.7% in the eurozone overall), compared to the 17.1% hike in the third quarter. This result was slightly better than forecast, due mainly to the increase in public spending, although investment and exports grew too, despite the notable reduction once again in tourism services exports.

Year on year, the fall in GDP is estimated at -8.9% (-4.9% in the eurozone), similar to the previous quarter, with a drop across the board in demand components, except for consumption spending by the Public Administrations (4.5% up from the fourth quarter of 2019). In the case of exports, the fall is more than 15%, with a much more noticeable decrease in services exports, and particularly those in the tourism area, while household spending has fallen by more than 9%. From the vantage point of supply, the only sectors with an increase in their Gross Value Added (GVA) are agriculture and, within services, public administration, financial activities and insurance, whereas trade, transport and hospitality, together with artistic and recreational activities, have fallen by over 20%.

In 2020 as a whole, the Spanish economy has recorded a 10.8% fall in production (compared to -6.6% in the eurozone as a whole), which is the steepest fall in the EU. From the demand perspective, the fall has been generalised, with the exception of public-sector spending, with private spending and investment shrinking by over 10%; exports have dropped by around 20%, with a reduction in tourism services exports of 75.9%. In terms of supply, only the primary sector has grown and, within the services sector, public administration, financial activities and insurance. In all other sectors, falls have ranges between -2.0% in real estate activities, and -24.9% in artistic services, with significant decreases in trade, transport and hospitality (-24.4%), an area that accounted for nearly a quarter of GVA in 2019.

According to the figures from the Quarterly Accounts, in the fourth quarter of 2020, employment ticked up by 1.2%. However, in year-on-year terms, full-time equivalent jobs have decreased by 5.2%, which represents a million job losses in the last year. In terms of hours worked, quarterly growth to the end of the year was 1.0%, while the fall was 6.1%. Thus, the number of full-time equivalent jobs diminished by 7.5% during the year, while hours worked shrank by 10.4%.

The Labor Force Survey (LFS) shows a slightly more moderate year-on-year drop in employment to the end of 2020, with the recovery in the second half of the year of around half of the jobs destroyed in the first semester. In the fourth quarter, the number of people in work grew by 0.9% (1.3% in seasonally adjusted terms), to 19,344,300, which represents a 3.1% fall in year-on-year terms (622,600 fewer people in work than at the end of 2019), compared to -3.5% in the third quarter. The rate of the fall in affiliations to the Social Security also moderated, to -2.0% in the fourth quarter in year-on-year terms, although job recovery will have halted, as a result of subsequent new surges of the virus.

We should bear in mind that, according to the LFS, the number of workers who did not work in the week taken as a reference was 1,889,100, a significant drop from the third quarter figure (3,592,800 workers were absent from their employment), mainly due to the lower impact of holidays, given that absences as a result of furloughs and partial unemployment for technical or economic reasons have only fallen by 16,800 in the fourth quarter.

Employment rose in all sectors at the end of 2020, with larger increases in the services and primary sectors. There was a significant rise in the number of wage earners on temporary contracts (accounting for nearly 65% of the growth in employment for the quarter) even though overall employment numbers were still 9.0% below the level of the fourth quarter of 2019, but the reduction in permanent hires and among the numbers of non-wage earners was less pronounced.

By sectors, the drop in employment in the last year was generalised, hitting the services sector particularly hard (537,100 fewer jobs), as a result of the steeper fall in employment in trade, transport and hospitality (nearly 573.000 fewer positions), especially in hospitality (down by 395,000).

As was the case in previous quarters, this LFS figure classifies furloughed workers (ERTE in the Spanish acronym) and the self-employed who have ceased their activities as being in work. Specifically, at the end of December, the number of workers on furlough was 755,613, despite the near 80% reduction from the figure for April. Subsequent waves and the reintroduction of restrictions put a brake on the ending of this situation, with the number of people on furlough rising again until February, especially in hospitality and recreational activities, coinciding with the third wave, together with over 350,000 one-off income supplements to self-employed workers. In the current circumstances, the data for effective hours worked may better reflect the real development of employment, and these show a 6.1% drop from a year ago

In terms of the labour force, after the steep fall in the second quarter of 2020, because of the difficulties in finding a new job as a result of the mobility restrictions after the state of alarm was declared, in the fourth quarter the drop has slowed to a year-on-year rate of 0.4%, with working population assets increasing by 164,300 from the third quarter. Thus, despite the increase in employment (167,400 more jobs), the number of people out of work was practically stable in the last quarter (3,100 fewer people out of work than in the third quarter), growing by 16.5% compared to the end of 2019 (527,900 more unemployed), bringing the unemployment rate to 16.1% (twice the average for the eurozone), around 2.5 pp above the rate twelve months earlier.

In short, restrictions to mobility and activity imposed to try to control the pandemic have conditioned the performance of the key labour market variables throughout 2020. Thus, the working population has experienced its sharpest fall (-1.3% over the year as a whole) of the historic series. Employment, meanwhile has fallen by an average of 2.9%, the first drop since 2014, although this drop has been more moderate than in other periods of crisis, undoubtedly thanks to furloughs and other measures.

Turning to the Spanish economy's capacity or need of financing (the balances of the current account and the capital accounts of the balance of payments), in 2020 as a whole, according to the Bank of Spain's preliminary data, financing capacity was EUR 12,812 million, compared to the EUR 30,788 million accumulated in 2019. The drop in the current account balance is particularly notable (EUR 8,029 million in 2020 against EUR 26,575 million the year before), which is chiefly explained by the performance of tourism, where the surplus has fallen by EUR 37,220 million in the last year, a reduction that has been slightly offset by the improvement in the goods & non-tourism services balance, which expanded by over EUR 17 billion. The balance of primary and secondary income account, meanwhile, improved, although still in negative territory, and capital surplus did better as well.

In the case of the most recent indicators, both industrial production and incoming tourists and goods exports have suffered a more intense decrease in the first weeks of the year, in year-on-year terms, as was also the case with affiliations to Social Security. Qualitative indicators, meanwhile, such as the OECD's composite leading indicator and the purchasing managers' index (PMI) have posted improvements in February, in line with the eurozone as a whole and its principal economies. In this latter case, there was an improvement in both the manufacturing and the services component, although the latter is still shrinking.

Therefore, the hardening of measures to contain the third wave of the pandemic in the first two months of the year has once again had a negative impact on performance, although the reduction in infection may have given rise to a certain improvement in March, coinciding with the loosening of restrictions. The principal forecasting bodies agree in expecting GDP to fall again in the first quarter of 2021, with the Bank of Spain's latest projections giving a quarter-on-quarter variation of -0.4% in their central scenario, dropping to nearly -1% in its severe scenario, and rising into positive territory (0.4%) in the mild scenario.

4. Balance Sheet

Million euros	31/03/2021	31/12/2020	30/09/2020	31/03/2020	YTD	YoY
Cash and balances at central banks	7,682	6,667	4,600	2,366	15.2%	224.6%
Assets held for trading & Finantial assets at fair value through P&L	211	284	362	132	-25.7%	59.5%
Financial assets at fair value through other comprehensive income	1,139	1,494	2,440	2,100	-23.8%	-45.8%
Financial assets at amortised cost	28,335	29,391	28,611	28,643	-3.6%	-1.1%
Loans and advances to central banks and credit institution	601	1,762	1,115	566	-65.9%	6.2%
Loans and advances to customers	27,734	27,629	27,496	28,078	0.4%	-1.2%
Debt securities at amortised cost	22,481	22,157	20,564	16,779	1.5%	34.0%
Hedging derivatives	737	617	589	680	19.4%	8.3%
Investment in joint ventures and associates	363	362	376	324	0.4%	12.3%
Tangible assets	1,124	1,145	1,155	1,155	-1.8%	-2.7%
Intangible assets	77	74	73	70	3.6%	9.5%
Tax assets	2,760	2,741	2,674	2,684	0.7%	2.8%
Other assets	364	367	456	395	-0.6%	-7.7%
Non current assets held for sale	242	244	245	304	-1.1%	-20.5%
TOTAL ASSETS	**65,516**	**65,544**	**62,145**	**55,632**	**0.0%**	**17.8%**
Financial liabilities held for trading & at fair value through P&L	22	12	21	52	93.2%	-57.0%
Financial liabilities at amortised cost	59,192	59,053	55,685	49,167	0.2%	20.4%
Deposits from central banks	5,471	4,998	5,011	3,300	9.5%	65.8%
Deposits from credit institutions	4,165	3,805	2,306	1,060	9.4%	293.0%
Customer deposits	47,707	48,701	46,847	43,274	-2.0%	10.2%
Other Issued Securities	364	363	369	362	0.4%	0.6%
Other financial liabilities	1,485	1,186	1,152	1,171	25.2%	26.8%
Hedging derivatives	547	609	455	393	-10.2%	39.1%
Provisions	745	799	798	865	-6.7%	-13.8%
Tax liabilities	268	258	268	295	4.0%	-8.9%
Other liabilities	827	809	842	828	2.2%	-0.1%
TOTAL LIABILITIES	**61,601**	**61,539**	**58,070**	**51,599**	**0.1%**	**19.4%**
Own Funds	4,021	4,001	3,991	3,952	0.5%	1.7%
Accumulated other comprehensive income	-107	4	84	81	-2684.6%	-232.6%
Minority Interests	1	0	0	0	10.1%	9.2%
Total Equity	**3,914**	**4,005**	**4,075**	**4,033**	**-2.3%**	**-3.0%**
Total Liabilities and Equity	**65,516**	**65,544**	**62,145**	**55,632**	**0.0%**	**17.8%**
OFF BALANCE SHEET CUSTOMER FUNDS AND INSURANCE	**12,994**	**12,888**	**12,567**	**11,928**	**0.8%**	**8.9%**

At the close of the first quarter 2021, Unicaja Banco Group’s assets came to EUR 65,516 million. “Financial assets at amortised cost” account for EUR 28,335 million, with Loans and advances to customers worth EUR 27,734 million.

“Debt securities at amortised cost” amount to EUR 22,481 million, and mainly consist of Sovereign Treasury debt.

Total assets have edged down very slightly over the quarter, where the reduction of EUR 1,056 million in “loans and advances at amortised cost” (resulting from the reduction in positions with credit institutions, which have fallen by EUR 1,161 million) is offset by the increased balance in “Cash and balances at central banks” (EUR 1,015 million).

However, we should highlight the net gains of EUR 324 million in investments in “Debt securities at amortised cost” and a EUR 119 million increase in the “Hedging derivatives” balance, together with reductions in “Financial assets held for trading through profit and loss and other comprehensive income” (EUR 428 million altogether). The “Loans and advances to customers at amortised cost” item, that essentially represents the balance of customer credit activity adjusted for impairments, has booked net growth over the quarter of EUR 105 million (0.4%), largely thanks to the increase in repos, while customer credit has remained stable.

Year on year, the variation in total assets is 17.8% (EUR 9,883 million). The increase is mainly to be found in “Debt securities at amortised cost”, which has grown by 34% (EUR 5,703 million) and in the short-term expansion of “Cash and balances at central banks” (EUR 5,316 million more than in March 2020).

The growth of “Loans and advances to customers” in the first quarter reduces the year-on-year variation of this item to -1.2% (EUR 343 million in absolute terms). The year-on-year variation combines the increase of repos and other financial assets (EUR 323 million) with the net reduction in the credit position with customers (-EUR 666 million excluding valuation adjustments), of which EUR 150 million are accounted for by the reduction of non-performing balances and the remainder by performing credit, essentially retail mortgage credit, where repayments and cancellations over the last 12 months remain higher than the volume of new lending in the same period.

The Group’s total liabilities come to EUR 61,601 million. The vast majority of this is made up of financial liabilities carried at amortized cost, amounting to EUR 59,192 million. Of these, customer deposits of EUR 47,707 million account for 81% 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 12,994 million.

Liabilities during the quarter posted a variation of 0.1%, with the rises in “Deposits from Central bank” (EUR 472 million, because of the increase in TLTRO financing obtained), in “Deposits from Credit Institutions” (EUR 360 million), and in “Other financial liabilities” (EUR 299 million) being offset by the reduction in the “Customers Deposits” item (EUR 993 million). This in turn includes lower balances on multi-issuer covered bonds (EUR 100 million) and repos on the markets (EUR 1,439 million) with an increase in retail customer deposits (EUR 593 million).

Over the last twelve months as a whole, total liabilities have risen by 19.4% (EUR 10,003 million in absolute terms). This rise is principally due to “Customer deposits” (EUR 4,433 million, of which EUR 3,741 million correspond to the increase in retail customer deposits), “Deposits from Credit institution deposits” (EUR 3,105 million) and “Deposits from Central bank ” (EUR 2,171 million, resulting from greater financing through TLTRO transactions).

Total equity stood at EUR 3,914 million at the end of the first quarter, a drop of EUR 91 million so far this year, as a result of the sum booked in “Accumulated Other Comprehensive Income” (-EUR 112 million) as a consequence, basically, of the variation in the valuation of cash flow hedging derivatives (-EUR 98 million), relating to the performance this quarter of sovereign debt yields.

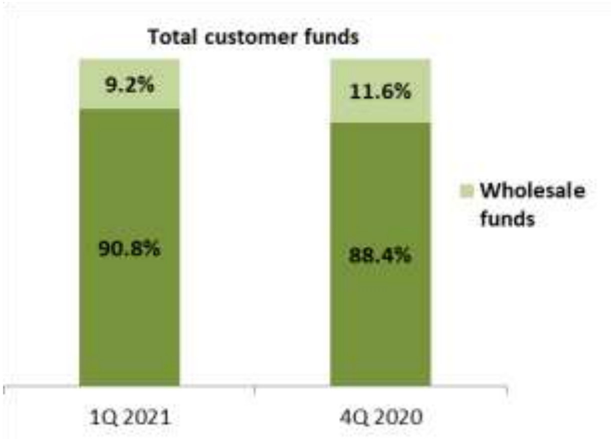
5. Customer Funds

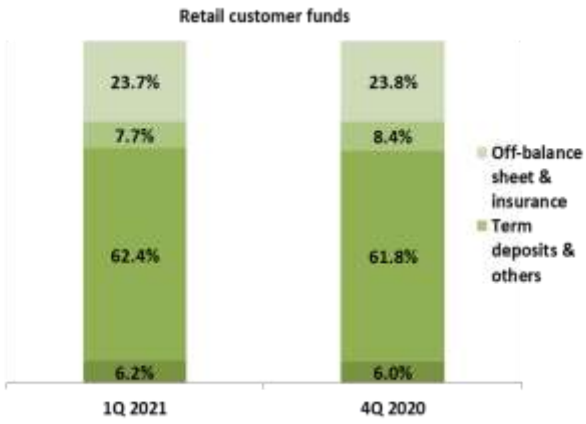
Million euros. Excluding valuation adjustments	31/03/2021	31/12/2020	30/09/2020	31/03/2020	YTD	YoY
On-balance sheet customer funds	**47,502**	**48,448**	**46,594**	**42,967**	**-2.0%**	**10.6%**
Customer funds	**47,142**	**48,088**	**46,234**	**42,607**	**-2.0%**	**10.6%**
Public Sector	**3,402**	**3,265**	**3,367**	**2,942**	**4.2%**	**15.6%**
Private sector	**43,739**	**44,823**	**42,867**	**39,665**	**-2.4%**	**10.3%**
Sight deposits	34,267	33,500	31,722	29,411	2.3%	16.5%
Term deposits	7,207	7,648	8,290	9,080	-5.8%	-20.6%
of which: covered bonds	*3,166*	*3,266*	*3,266*	*3,404*	*-3.1%*	*-7.0%*
Repos	2,265	3,675	2,856	1,174	-38.4%	93.0%
Issues	**360**	**360**	**360**	**360**	**0.0%**	**0.0%**
Promissory notes	0	0	0	0	-	-
Mortgages securities	60	60	60	60	0.0%	0.0%
Other values	0	0	0	0	-	-
Subordinated liabilities	300	300	300	300	0.0%	0.0%
Off-balance sheet customer funds and insurance	**12,994**	**12,888**	**12,567**	**11,928**	**0.8%**	**8.9%**
Mutual funds	5,749	5,586	5,235	5,047	2.9%	13.9%
Pension funds	2,430	2,384	2,262	2,145	1.9%	13.3%
Insurance savings	3,914	4,030	4,155	3,950	-2.9%	-0.9%
Other managed assets	901	887	914	785	1.6%	14.8%
TOTAL CUSTOMER FUNDS	**60,496**	**61,336**	**59,161**	**54,895**	**-1.4%**	**10.2%**
Retail customers funds	**54,915**	**54,215**	**52,843**	**50,107**	**1.3%**	**9.6%**
of which: on-balance sheet	41,920	41,327	40,276	38,180	1.4%	9.8%
Public Sector	3,402	3,265	3,367	2,942	4.2%	15.6%
Sight deposits	34,267	33,500	31,722	29,411	2.3%	16.5%
Term deposits	4,042	4,382	5,025	5,675	-7.8%	-28.8%
Others	209	180	163	151	16.3%	38.5%
of which: off-balance sheet and insurance	12,994	12,888	12,567	11,928	0.8%	8.9%
Wholesale funds	**5,582**	**7,121**	**6,318**	**4,787**	**-21.6%**	**16.6%**

Total customer funds managed by the Group at the end of the first quarter of 2021 came to EUR 60,496 million.

The bulk of managed funds are customer deposits (EUR 47,142 million), of which EUR 34,267 million are private sector clients' sight deposits, EUR 7,207 million are term deposits (including EUR 3,166 million in non-negotiable mortgage covered bond issues) and EUR 2,265 million are repos. Customer funds managed using off-balance sheet instruments and savings insurance amounted to EUR 12,994 million, consisting mainly of customer funds raised through investment funds (EUR 5,749million), pension funds (EUR 2,430 million) and savings insurance (EUR 3,914 million).

As to the origin of the funds, 90.8% relates to retail customers' banking business (EUR 54,915 million), while the remaining 9.2% (EUR 5,582 million) is represented by funds raised in wholesale markets through issuances, multi-issuer covered bonds and repos. So far this year, retail client funds have risen by 1.3%, while those raised on the markets have shrunk by 21.6%, a decrease which is primarily due to the reduced short-term treasury positions (-EUR 1,439 million less than at the end of December) and, to a lesser degree, to the maturity of a multi-issuer covered bonds issue (-EUR 100 million).





Negotiable issuances remains unchanged in the first quarter of 2021, which consist of the EUR 300 million subordinated liability issued in 2019, eligible as Tier II, and by EUR 60 million of mortgage securities, both totally in the hands of wholesale market investors.

Total retail funds have grown by 1.3% in the year to date, and by 9.6% year-on-year. This increase is found both in deposits (1.4% over the quarter, 9.8% year-on-year) and in funds raised through off-balance sheet products and insurance (0.8% over the quarter, 8.9% year-on-year).

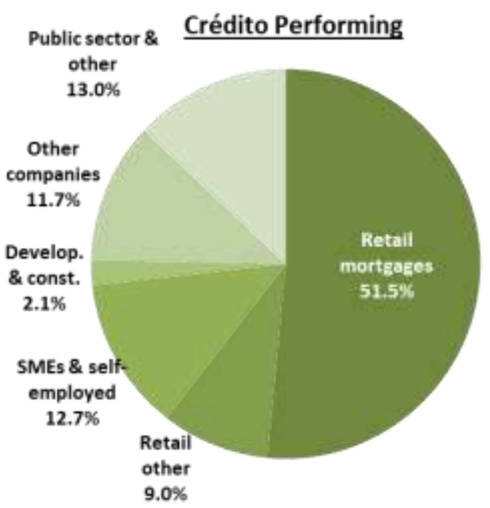
Within deposits, in the context of low market interest rates, the weight of sight balances continues to trend upwards, growing by 16.5% in the last 12 months, and now represents 62.4% of all funds raised from customers, to the detriment of term deposits, the total balance of which has fallen by 28.8% in the last twelve months; the bulk of this reduction in term balances in the last year is due to the maturity of high-return deposits, which has passed through as a significant reduction in the average cost of financing retail deposits as a category.

The expansion of funds raised by off-balance sheet products and insurance derives mainly from the growth in investment funds (2.9% in the quarter, 13.9% in the last 12 months).

6. Performing Loans

Million euros. Excluding valuation adjustments	31/03/2021	31/12/2020	30/09/2020	31/03/2020	YTD	YoY
Public sector	**2,006**	**2,026**	**1,662**	**1,938**	**-1.0%**	**3.5%**
Private sector	**23,744**	**23,725**	**23,896**	**24,291**	**0.1%**	**-2.3%**
Corporates	**7,241**	**7,188**	**7,282**	**7,187**	**0.7%**	**0.8%**
RED and construction	565	577	577	604	-2.0%	-6.4%
SMEs and self-employed	3,476	3,479	3,623	3,631	-0.1%	-4.3%
Other corporates	3,200	3,133	3,083	2,952	2.1%	8.4%
Individuals	**16,503**	**16,536**	**16,614**	**17,104**	**-0.2%**	**-3.5%**
Mortgages	14,054	14,026	14,072	14,511	0.2%	-3.1%
Consumer and other	2,448	2,511	2,542	2,594	-2.5%	-5.6%
PERFORMING LOANS TO CUSTOMERS	**25,750**	**25,751**	**25,558**	**26,229**	**0.0%**	**-1.8%**
Repos and valuation adjustments	**1,527**	**1,403**	**1,426**	**1,192**	**8.9%**	**28.1%**
TOTAL PERFORMING LOANS	**27,277**	**27,153**	**26,984**	**27,422**	**0.5%**	**-0.5%**

Performing loans balance (excluding valuation adjustments) of the Group stands at EUR 27,277 million at the close of March 2021. Of these, EUR 2,006 million correspond to loans to public sector, EUR 23,744 million to private sector loans and EUR 1,527 million to reverse repos and other unclassified balances, the latter being collateral for financing transactions in markets and derivatives, as well as to suspense accounts awaiting settlement. By portfolio type, the most important are retail individual loans with mortgage guarantees, representing 51.5% of total performing loans, and the SME and self-employed portfolio, accounting for another 12.7%.



The balance of performing credit to customers, excluding market transactions and unclassified balances, was practically the same at the end of March as it was at the end of 2020, offsetting the net reduction in credit to public administrations (-EUR 20 million) with the net increase in the private sector balance (EUR 19 million). Within the private sector, credit to corporates and the self-employed has risen (EUR 53 million), while retail individuals loans have fallen (-EUR 33 million); in the latter category, nevertheless, there is a notable net growth in mortgage loans in this first quarter of 2021 (+EUR 28 million), marking a change in trend from earlier quarters.

Performing loans hits -0.5% below that recorded on the same date a year earlier. The positive year-on-year variations in credit to public administrations have held steady (+3.5%), as they have in financing to corporates and the self-employed (+0.8%), while loans to individuals are still lower than they were 12 months earlier (-3.5%), although a recovery has been trending in the last two quarters, after the reduction in demand for credit during the middle of 2020 because of the onset of the Covid pandemic and the period of strict lockdown that followed. It is worth noting the strong growth in the front book recorded in the previous quarter, significantly stronger both in corporates (+36%) and in individuals (+39%) loans.

7. Non-performing loans & foreclosed assets

Million euros	31/03/2021	31/12/2020	30/09/2020	31/03/2020	YTD	YoY
GROSS BALANCE						
Public sector	**13**	**13**	**13**	**14**	**-1.6%**	**-3.3%**
Private sector	**1,170**	**1,168**	**1,277**	**1,321**	**0.2%**	**-11.4%**
Business	**503**	**487**	**507**	**494**	**3.3%**	**1.9%**
RED and construction	79	82	94	99	-3.3%	-20.1%
SMEs and self-employed	366	345	368	363	6.0%	0.8%
Other corporates	58	60	45	32	-2.9%	81.8%
Individuals	**668**	**681**	**769**	**827**	**-2.0%**	**-19.3%**
Mortgages	411	426	489	510	-3.5%	-19.3%
Consumer and other	256	255	281	318	0.5%	-19.4%
Repos and valuation adjustments	**0**	**0**	**0**	**0**	**-**	**-**
NON PERFORMING LOANS	**1,184**	**1,181**	**1,290**	**1,334**	**0.2%**	**-11.3%**
Non performing loans (excluding RED loans)	**1,105**	**1,099**	**1,196**	**1,235**	**0.5%**	**-10.6%**
PROVISIONS						
Public sector	**8**	**8**	**8**	**8**	**0.0%**	**-0.4%**
Private sector	**803**	**789**	**842**	**739**	**1.7%**	**8.6%**
Business	**413**	**387**	**443**	**367**	**6.7%**	**12.7%**
RED and construction	48	47	73	102	3.2%	-53.0%
SMEs and self-employed	278	273	281	210	1.9%	32.8%
Other corporates	87	68	90	55	28.7%	58.3%
Individuals	**389**	**402**	**399**	**372**	**-3.1%**	**4.6%**
Mortgages	191	192	164	159	-0.8%	19.9%
Consumer and other	198	209	236	213	-5.2%	-6.9%
Repos and valuation adjustments	**0**	**0**	**0**	**0**	**-**	**-**
NON PERFORMING LOANS	**810**	**796**	**850**	**747**	**1.7%**	**8.5%**
Non performing loans (excluding RED loans)	**762**	**750**	**777**	**644**	**1.6%**	**18.3%**
% COVERAGE						
Public sector	**57.6%**	**56.7%**	**56.7%**	**55.9%**	**0.9 pp**	**1.7 pp**
Private sector	**68.6%**	**67.6%**	**66.0%**	**55.9%**	**1.0 pp**	**12.6 pp**
Business	**82.2%**	**79.6%**	**87.4%**	**74.3%**	**2.6 pp**	**7.9 pp**
RED and construction	60.8%	57.0%	77.1%	103.4%	3.8 pp	-42.6 pp
SMEs and self-employed	76.1%	79.2%	76.4%	57.8%	-3.1 pp	18.3 pp
Other corporates	148.8%	112.3%	197.5%	170.9%	36.6 pp	-22.0 pp
Individuals	**58.3%**	**59.0%**	**51.9%**	**45.0%**	**-0.7 pp**	**13.3 pp**
Mortgages	46.4%	45.2%	33.5%	31.3%	1.2 pp	15.1 pp
Consumer and other	77.5%	82.1%	84.0%	67.1%	-4.6 pp	10.4 pp
Repos and valuation adjustments					**n.a.**	**n.a.**
NON PERFORMING LOANS	**68.4%**	**67.4%**	**65.9%**	**56.0%**	**1.0 pp**	**12.5 pp**
Non performing loans (excluding RED loans)	**69.0%**	**68.2%**	**65.0%**	**52.2%**	**0.8 pp**	**16.8 pp**

Strict control over credit risk is enabling Unicaja to keep NPLs from increasing, despite the macroeconomic deterioration derived from the pandemic.

NPAs at the close of the first quarter of 2021 (EUR 1,184 million) is practically the same as that recorded at the end of the previous fiscal year, which represents a drop of 11.3% (151 million euros) against that existing at this time last year.

The non-performing ratio, therefore, has not varied significantly during the quarter, remaining at 4.2%, 0.5 percentage points below where it was in March 2020. Entries are higher than in the first quarter of 2020. On the other hand, recoveries are also growing compared to the first three quarters of 2020. We should note that more than half of the entries during the quarter are due to the classification of transactions as “watchlist performing”, for prudential reasons; were it not for this criterion there would have been higher levels of net recoveries before write-offs than those booked in the first 3 quarters of 2020.

Finally, even though the NPL ratio, as remarked above, does not show signs of deterioration in the portfolio, the Bank continues to increase overall portfolio coverage following a policy of recognising watchlist performing risk and reclassification of transactions to stage 2. Furthermore, as well as the EUR 200 million extraordinary provisioning for Covid-19 made in 2020, additional provisioning of EUR 25 million has been set aside during this first quarter. All this results in a significant increase in the level of credit risk coverage, which at the end of this first quarter stands at 68.4% of non-performing assets, 12.5 percentage points higher than in the same quarter of the previous year. When the extraordinary provisions mentioned above are excluded, loan impairments recorded this month put the recurrent cost of risk at 16 basis points, while total cost of risk edeges to 52 basis points, slightly higher than last year in the same period.

Million euros	1Q 2021	4Q 2020	3Q 2020	2Q 2020	1Q 2020
NPL EVOLUTION					
NPLs at the beginning of the period	**1,181**	**1,290**	**1,320**	**1,334**	**1,351**
Recoveries	16	-93	-19	-4	-6
Write-offs	-14	-15	-11	-10	-10
NPLs at the end of the period	**1,184**	**1,181**	**1,290**	**1,320**	**1,334**

Million euros	1Q 2021	4Q 2020	3Q 2020	2Q 2020	1Q 2020
NPL recoveries evolution					
Gross entries	86	48	35	58	56
Recoveries	-70	-142	-54	-62	-62
Net recoveries	**16**	**-93**	**-19**	**-4**	**-6**

FORECLOSED ASSETS

At the end of the first quarter of 2021, the balance of foreclosed assets, net of provisions, amounted to EUR 395 million (Eur 1,072 million gross), limiting their weight to only 0.60% of Unicaja Banco Group's total assets. On the other hand, the vast majority of these real estate assets (53.2% in terms of net book value) are finished new housing.

Following Unicaja Banco Group's conservative policy, the provisioning for foreclosed assets was EUR 677 million at the end of March. This represents a coverage of 63.1%, 0.2 pp greater than that for 2020.

During this first quarter 2021, outflows at cost amounted to EUR 50 million, which is equivalent to 4% of the stock held at the beginning of the year. Outflows are in line to that attained in previous quarters, as a result of the measures implemented to create incentives to move foreclosed assets, after the standstill in the first quarter of 2020. These volumes of foreclosed asset outflows, which do not include portfolio sales, are being carried out with no significant impact on the contribution to results of these assets.

Million euros	31/03/2021	31/12/2020	30/09/2020	31/03/2020	YTD	YoY
GROSS BALANCE						
From lending to RE developers	**516**	**535**	**557**	**577**	**-3.6%**	**-10.7%**
Finished buildings	68	69	66	69	-1.8%	-1.9%
Buildings under construction	47	48	54	57	-1.3%	-17.0%
Land	401	418	436	451	-4.1%	-11.2%
From retail mortgages	**355**	**354**	**363**	**359**	**0.5%**	**-0.9%**
Other foreclosed assets	**201**	**203**	**197**	**193**	**-0.8%**	**4.0%**
TOTAL FORECLOSED ASSETS	**1,072**	**1,091**	**1,117**	**1,130**	**-1.8%**	**-5.1%**
Off which finished buildings	**423**	**423**	**429**	**428**	**0.1%**	**-1.1%**
PROVISIONS						
From lending to RE developers	**361**	**376**	**390**	**398**	**-3.8%**	**-9.1%**
Finished buildings	36	37	36	37	-2.8%	-2.2%
Buildings under construction	29	30	33	33	-3.0%	-9.4%
Land	296	308	321	328	-4.0%	-9.9%
From retail mortgages	**177**	**171**	**177**	**177**	**3.3%**	**0.0%**
Other foreclosed assets	**138**	**139**	**135**	**134**	**-0.4%**	**3.4%**
TOTAL FORECLOSED ASSETS	**677**	**686**	**702**	**708**	**-1.4%**	**-4.5%**
Off which finished buildings	**213**	**209**	**213**	**214**	**2.2%**	**-0.4%**
COVERAGE (%)						
From lending to RE developers	**70.1%**	**70.3%**	**70.0%**	**68.9%**	**-0.2 pp**	**1.2 pp**
Finished buildings	53.3%	53.8%	54.1%	53.4%	-0.6 pp	-0.2 pp
Buildings under construction	62.7%	63.7%	60.3%	57.4%	-1.1 pp	5.2 pp
Land	73.8%	73.7%	73.6%	72.7%	0.1 pp	1.1 pp
From retail mortgages	**49.8%**	**48.4%**	**48.8%**	**49.3%**	**1.4 pp**	**0.4 pp**
Other foreclosed assets	**68.8%**	**68.5%**	**68.3%**	**69.2%**	**0.3 pp**	**-0.4 pp**
TOTAL FORECLOSED ASSETS	**63.1%**	**62.9%**	**62.8%**	**62.7%**	**0.2 pp**	**0.4 pp**
Of which finished buildings	**50.3%**	**49.3%**	**49.7%**	**50.0%**	**1.0 pp**	**0.3 pp**

Million euros	1Q 2021	4Q 2020	3Q 2020	2Q 2020	1Q 2020
FORECLOSED ASSETS EVOLUTION					
BoP	**1,091**	**1,117**	**1,142**	**1,130**	**1,120**
Inflows	30	35	23	57	27
Outflows	50	60	48	44	17
EoP	**1,072**	**1,091**	**1,117**	**1,142**	**1,130**
% Quaterly out-flows / foreclosures at beginning of year	**4%**	**5%**	**4%**	**4%**	**2%**

8. Results

RESULTS *Million euros*	**31/03/2021**	**31/03/2020**	**YoY Amount**	**YoY %**
Interest income	172	180	-8	-4.7%
Interest expense	26	40	-14	-33.9%
NET INTEREST INCOME	**145**	**140**	**5**	**3.6%**
Dividend income	1	7	-6	-90.7%
Equity method	8	12	-4	-33.2%
Net fee income	62	61	1	0.9%
Trading income	14	28	-14	-51.2%
Other operating income/expenses	11	5	6	108.1%
GROSS INCOME	**240**	**254**	**-13**	**-5.3%**
Administrative expenses	126	138	-11	-8.2%
Staff expenses	87	92	-5	-5.0%
Other administrative expenses	39	46	-7	-14.7%
Depreciation and amortization	13	11	2	19.7%
PRE-PROVISION PROFIT	**101**	**105**	**-4**	**-4.0%**
Provisions /reversal of provisions	9	4	4	99.4%
Impairments / reversal of financial assets	36	36	1	2.2%
NET OPERATING INCOME	**56**	**65**	**-9**	**-14.2%**
Impairments on non-financial assets	-2	4	-6	-153.0%
PROFIT BEFORE TAX	**58**	**61**	**-3**	**-5.6%**
Taxes	15	15	0	-0.4%
NET INCOME FROM CONTINUING OPERATIONS	**43**	**46**	**-3**	**-7.4%**
Profit / loss from discontinued operations	0	0	0	n.a.
CONSOLIDATED NET INCOME	**43**	**46**	**-3**	**-7.4%**
CONSOLIDATED NET INCOME (excluding COVID provisions)	**60**	**63**	**-3**	**-5.4%**
ATTRIBUTABLE NET INCOME	**43**	**46**	**-3**	**-7.4%**

QUARTERLY EVOLUTION **Million euros**	**1Q 2021**	**4Q 2020**	**3Q 2020**	**2Q 2020**	**1Q 2020**
Interest income	172	182	187	175	180
Interest expense	26	31	38	38	40
NET INTEREST INCOME	**145**	**151**	**150**	**137**	**140**
Dividend income	1	2	2	4	7
Equity method	8	7	9	8	12
Net fee income	62	63	57	52	61
Trading income	14	21	8	35	28
Other operating income/expenses	11	-50	7	38	5
GROSS INCOME	**240**	**195**	**232**	**274**	**254**
Administrative expenses	126	129	127	129	138
Staff expenses	87	92	91	92	92
Other administrative expenses	39	36	37	37	46
Depreciation and amortization	13	14	13	12	11
PRE-PROVISION PROFIT	**101**	**52**	**92**	**134**	**105**
Provisions /reversal of provisions	9	11	15	13	4
Impairments / reversal of financial assets	36	47	66	94	36
NET OPERATING INCOME	**56**	**-6**	**11**	**28**	**65**
Impairments on non-financial assets	-2	-4	-5	4	4
PROFIT BEFORE TAX	**58**	**-3**	**16**	**24**	**61**
Taxes	15	-3	0	9	15
NET INCOME FROM CONTINUING OPERATIONS	**43**	**0**	**16**	**15**	**46**
Profit / loss from discontinued operations	0	0	0	0	0
CONSOLIDATED NET INCOME	**43**	**0**	**16**	**15**	**46**
CONSOLIDATED NET INCOME (excluding COVID provisions)	**60**	**24**	**61**	**70**	**63**
ATTRIBUTABLE NET INCOME	**43**	**0**	**16**	**15**	**46**

YIELDS & COSTS

Million euros / %	1Q 2021			4Q 2020			3Q 2020			2Q 2020			1Q 2020		
	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	8,741	-1	-0.07	7,523	-2	-0.08	7,254	-2	-0.10	5,874	0	-0.03	4,372	0	-0.03
Fixed income portfolio	22,773[1]	52	0.93	22,306[1]	56	1.00	21,009[1]	59	1.12	18,821[1]	58	1.23	17,380[1]	55	1.27
Net loans (including NPLs)	**26,135**	**103**	**1.59**	**26,078**	**107**	**1.63**	**26,515**	**110**	**1.65**	**26,924**	**111**	**1.65**	**26,616**	**119**	**1.80**
Other assets	7,881	-1		7,937	1		7,795	0		7,698	0		7,803	0	
TOTAL ASSETS	**65,530**	**152**	**0.94**	**63,845**	**162**	**1.01**	**62,574**	**167**	**1.06**	**59,317**	**168**	**1.14**	**56,170**	**174**	**1.25**
Financial intermediaries	12,223	-16	-0.54	11,346	-16	-0.57	10,580	-16	-0.60	8,274	-5	-0.25	6,150	-4	-0.23
Debt securities	3,276	16	1.95	3,326	17	2.01	3,326	18	2.11	3,395	18	2.11	3,551	18	2.07
Customer deposits	**41,429**	**4**	**0.04**	**40,630**	**7**	**0.07**	**39,917**	**13**	**0.13**	**38,875**	**15**	**0.16**	**37,969**	**16**	**0.17**
Sight deposits (PS)	33,884	0	0.01	32,611	1	0.01	31,529	1	0.01	30,373	1	0.02	29,334	2	0.03
Term deposits (PS)	4,212	4	0.37	4,703	6	0.54	5,260	12	0.91	5,585	14	1.00	5,758	14	0.98
Subordinated liabilities	300	2	3.01	300	2		300	2		300	2		300	2	2.99
Other liabilities	8,302	1		8,243	1		8,451	1		8,473	1		8,200	1	
TOTAL LIABILITIES	**65,530**	**7**	**0.04**	**63,845**	**11**	**0.07**	**62,574**	**18**	**0.11**	**59,317**	**31**	**0.21**	**56,170**	**34**	**0.24**
CUSTOMER SPREAD*			**1.55**			**1.56**			**1.52**			**1.49**			**1.63**
NET INTEREST MARGIN	**65,530**	**145**	**0.90**	**63,845**	**151**	**0.94**	**62,574**	**150**	**0.95**	**59,317**	**137**	**0.93**	**56,170**	**140**	**1.01**

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 the first quarter of 2021, the Group reported a net profit of EUR 42.5 million or EUR 3.4 million lower than that recorded in the same period of 2020. In comparison with the first quarter of 2020, the improvement in the most frequently recurring items is visible, both in terms of revenue from interest and fees (with year-on-year increases of 3.6% and 0.9% respectively) and in operating expenses, where savings of 6.1% over the first quarter of 2020 were achieved. With the opposite effect, this year there are lower results in trading activities and in the contribution made by investee companies and other capital investments, while the overall impairments and other income item is similar to the same period last year.

Net profit year-to-date comes in the first instance from core revenues (net interest income and fees) of EUR 207.1 million, which accounts for an increase of EUR 5.6 million (+2.8%) with respect to the same period a year earlier. The rise in net interest income is a consequence above all of the improvement in financing costs, both retail and wholesale, which has made it possible to offset the negative effect of having historically low interest rates on investment incomes. The increase in fees can be accounted for by the rise in revenues from collections and payments services and other fees, which compensates a lower contribution from fees for securities and non-banking financial product services, affected by a drop in the contribution made by insurance activity, which in the first quarter of 2020 booked non-recurring income.

As well as the improvement in core revenue, the cost reduction process resulting from containment measures over transformation expenditure has continued (administration

Million euros	1Q 2021	4Q 2020	3Q 2020	2Q 2020	1Q 2020	QoQ	YoY
FEE INCOME	**68**	**68**	**64**	**55**	**67**	**-0.4%**	**0.8%**
From contingent risk	3	2	2	2	3	37.4%	-2.5%
From contingent commitments	1	1	1	1	1	-4.9%	4.5%
From currency exchange	0	0	0	0	0	-11.0%	-70.4%
From payments and collections	35	40	33	31	32	-11.6%	9.8%
From non banking products	27	23	27	21	30	14.8%	-8.8%
Other fees	2	1	2	1	2	8.6%	3.1%
FEE EXPENSES	**6**	**5**	**7**	**3**	**6**	**13.7%**	**-0.3%**
NET FEE INCOME	**62**	**63**	**57**	**52**	**61**	**-1.6%**	**0.9%**

expenses + amortisations and depreciations), reinforced last year as a result of the onset of the Covid pandemic, which has meant a year-on-year saving of EUR 9.1 million (6.1%), leading to an improvement in the Group's core income (core revenue – transformation costs) of 27.8%.

Dividends and income from institutions valued using the equity method were lower by EUR 6.3 and EUR 3.9 million respectively than the first quarter of 2020. The trimming of dividends is essentially a consequence of changes in the composition of the listed portfolio that has triggered a change in the seasonality of dividend collections, which will be later than the previous year. Likewise, trading income was lower than last year (EUR 13.8 million in the first quarter of 2021, compared to EUR 28.3 million in the same period of 2020) because of the lower capital gains realised in the fixed income portfolio.

The contribution during the period of the "Other operating income/expenses" item has increased by EUR 5.7 million from the same quarter the previous year, basically due to a non-recurrent improvement in income from insurance activity booked in this section.

Finally, the netting out of impairments this quarter (EUR 42.8 million) is slightly lower than the same period in 2020 (43.7 million), with most of this (EUR 36.3 million) corresponding to provisioning for credit risk coverage, slightly higher than the sums assigned in the previous period and that includes EUR 25 million in extraordinary provisions relating to Covid-19 impacts (exactly the same amount as that booked in the first quarter of 2020). The remaining impairments posted at a slightly lower level to those of the same period a year ago.

IMPAIRMENTS AND OTHER RESULTS						**YoY**	
Million euros	**1Q 2021**	**4Q 2020**	**3Q 2020**	**2Q 2020**	**1Q 2020**	**Amount**	**%**
Credit impairments	36	46	65	94	34	2	6.4%
Foreclosed assets impairments	1	-5	-2	5	1	0	-13.8%
Provisions and other results	6	14	13	11	8	-3	-33.8%
TOTAL IMPAIRMENTS	**43**	**55**	**76**	**109**	**44**	**-1**	**-1.8%**

CUMULATIVE IMPAIRMENTS AND OTHER RESULTS			**cumulative variation**	
Million euros	**1Q 2021**	**1Q 2020**	**Amount**	**%**
Credit impairments	36	34	2	6.4%
Foreclosed assets impairments	1	1	0	-13.8%
Provisions and other results	6	8	-3	-33.8%
TOTAL IMPAIRMENTS	**43**	**44**	**-1**	**-1.8%**

9. Liquidity

Loan to deposits *Million euros*	31/03/2021	31/12/2020	30/09/2020	30/06/2020	31/03/2020	QoQ Amount	%
Credit and loans (excluding valuations adjustments and OFA)	28,153	28,074	27,976	29,016	28,693	79	0.3%
-Reverse repos	1,219	1,142	1,127	1,202	1,129	77	6.7%
a) Core credit and loans	26,934	26,932	26,849	27,814	27,564	2	0.0%
Customers deposits (excluding valuations adjustments)	47,142	48,088	46,234	45,627	42,607	-946	-2.0%
-Repos	2,056	3,495	2,693	2,457	1,023	-1,439	-41.2%
-Multi-issuer covered bonds	3,166	3,266	3,266	3,266	3,404	-100	-3.1%
b) Core customer deposits	41,920	41,327	40,276	39,905	38,180	593	1.4%
LtD ratio (a/b)	64.2%	65.2%	66.7%	69.7%	72.2%	-91.7%	0.0%

The Group's high liquidity levels are reflected in its LTD ratio which, at the close of the first quarter of 2021, stands at 64.2%, up 0.9 percentage points in the quarter thanks to the growth in retail sight deposits customer deposits and sustained credit duirng this period.

Liquid assets	31/03/2021	31/12/2020	30/09/2020	30/06/2020	31/03/2020	QoQ Amount	%
Cash surplus (1)	6,843	5,822	3,756	6,395	1,683	1,021	17.5%
Reverse repos	1,359	2,461	1,920	1,294	1,294	-1,102	-44.8%
Fixed income portfolio and other discountable assets in ECB	21,400	21,279	20,533	18,612	15,867	121	0.6%
Total liquid assets (ECB discount value)	29,601	29,562	26,209	26,301	18,844	39	0.1%
Liquid assets used							
In ECB	5,471	4,998	5,011	5,025	3,300	472	9.4%
Repos	6,735	7,719	5,418	6,182	2,473	-983	-12.7%
Total liquid assets used	12,206	12,717	10,429	11,206	5,773	-511	-4.0%
AVALABLE DISCOUNTABLE LIQUID ASSETS	17,395	16,845	15,780	15,095	13,072	550	3.3%
% over total assets	26.6%	25.7%	25.4%	24.0%	23.5%	0.9%	

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

Unicaja Banco recorded at the close of the first quarter of 2021 a liquid and discountable assets position at the European Central Bank, net of assets used, of EUR 17,395 million, representing 26.6% of the Group's total assets. The LCR ratio is also worth noting, at 286%, is well above regulatory requirements, while the NSFR is remains slightly above 140%.

Debt securities maturities

	Debt securities (*)
2021	590
2022	182
2022	300

(*) Includes multi issuer covered bonds

LIQUIDITY RATIOS	31/03/2021	31/12/2020	30/09/2020	30/06/2020	31/03/2020	QoQ
LCR	286%	310%	311%	346%	335%	-24 pp
NSFR	143%	142%	141%	141%	143%	1 pp

10. Solvency

PHASE IN RATIOS					
Million € and %	**31/03/2021**	**31/12/2020**	**30/09/2020**	**30/06/2020**	**31/03/2020**
Qualifying capital	**3,996**	**4,087**	**4,059**	**4,014**	**3,925**
CET1 capital (BIS III)	3,648	3,740	3,712	3,666	3,578
Capital and share premium	2,789	2,789	2,820	2,820	2,820
Reserves	1,142	1,086	1,077	1,067	1,069
Attributable net profit (excluding dividends)	22	54	34	27	21
Deductions	-584	-500	-474	-443	-448
Others (1)	279	310	256	195	115
Tier 1	47	47	47	48	48
Tier 2	300	300	300	300	300
Risk weighted assets	**22,145**	**22,492**	**22,822**	**23,168**	**23,297**
CET1 capital (BIS III) (%)	**16.5%**	**16.6%**	**16.3%**	**15.8%**	**15.4%**
Tier 1	0.2%	0.2%	0.2%	0.2%	0.2%
Tier 2	1.4%	1.3%	1.3%	1.3%	1.3%
Total capital ratio (%)	**18.0%**	**18.2%**	**17.8%**	**17.3%**	**16.8%**

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

FULLY LOADED RATIOS					
Million € and %	**31/03/2021**	**31/12/2020**	**30/09/2020**	**30/06/2020**	**31/03/2020**
Qualify capital	**3,675**	**3,691**	**3,663**	**3,658**	**3,609**
CET1 capital (BIS III)	3,327	3,343	3,316	3,311	3,261
Capital and share premium	2,789	2,789	2,820	2,820	2,820
Reserves	1,142	1,086	1,077	1,067	1,069
Attributable net profit (excluding dividends)	22	54	34	27	21
Deductions	-762	-738	-711	-679	-683
Others (2)	136	151	97	76	34
Tier 1	47	47	47	48	48
Tier 2	300	300	300	300	300
Risk weighted assets	**21,979**	**22,260**	**22,568**	**22,954**	**23,113**
CET1 capital (BIS III) (%)	**15.1%**	**15.0%**	**14.7%**	**14.4%**	**14.1%**
Tier 1	0.2%	0.2%	0.2%	0.2%	0.2%
Tier 2	1.4%	1.3%	1.3%	1.3%	1.3%
Total capital ratio (%)	**16.7%**	**16.6%**	**16.2%**	**15.9%**	**15.6%**

(*) Notes

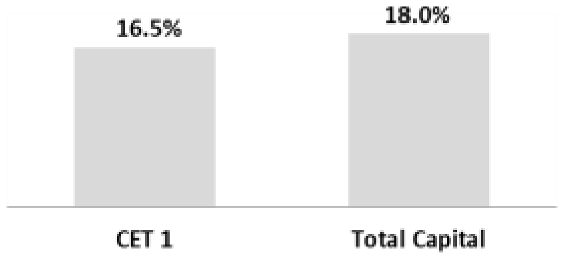
June 2020 includes IFRS 9 phased in effect according to Regulation (UE) 2020/873, which was approved by Supervisor during the third quarter.

September 2020 include the deduction of software for prudential purposes as per Regulation (EU) 2020/873 which were not part of the regulatory calculation prior to the publication in December of the Regulation (EU) 2020/2176.

1Q21 and 1Q20 includes the profit of the quarter non-audited.

	31/03/21
	Phase in
CET1 (%)	16.5%
Total capital (%)	18.0%
2020 Total capital SREP requirement	12.3%
Excess of capital over CET1 SREP requirement	**5.79%**

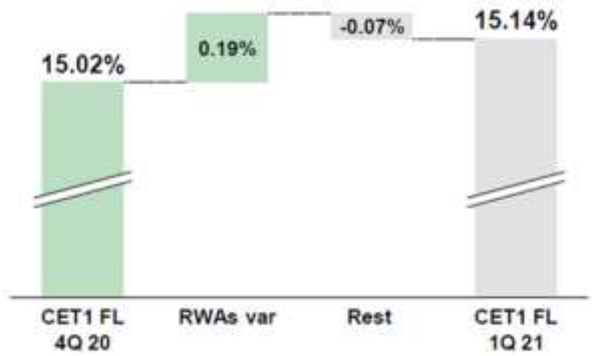
Unicaja Banco Group has a common equity tier 1 ratio (CET1) of 16.5%, a 1.1 pp improvement in this ratio compared to the same period last year. Likewise, the total capital ratio improves by 1.2 pp during the year, reaching 18.0% at the close of the first quarter of 2021.



In fully loaded terms Unicaja Banco has a CET1 ratio of 15.1% and a total capital ratio of 16.7%, which compared to the same period of 2020, represents a 1.0 pp and 1.1 pp increase, respectively.

We should point out that, on a prudential criterion, these capital ratios contain a discount for an estimated dividend payment charged against the 2021 results, which is still awaiting the decision by the institution's governance bodies and is contingent upon the supervisory authorities' recommendations.

During the quarter, the CET1 fully loaded ratio posted an increase of 0.12 basis points. This is due mainly to variations in RWAs which account for an improvement of 19 bp in the ratio, but the latter is offset mainly by deductions.



The levels required by the ECB (including progressive application of systemic and conservation buffers) for March 2021, sets the total capital ratio at 12.25%. The changes in the Group's capital over the period have enabled it to increase the surplus over these minimum requirements to EUR 1,283 million 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 requirements (P2R).

Finally the Texas ratio improves at the close of the first quarter of 2021, posting 42.8%, with a fall of 3.1 pp in the last 12 months.

	31/03/2021	31/12/2020	30/09/2020	30/06/2020	31/03/2020	QoQ	YoY
Texas Ratio	42.8%	42.4%	43.7%	45.1%	45.9%	0.4 pp	-3.1 pp

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

11. Relevant milestones of the year

On 31st March 2021 the General Shareholders Meeting approved the proposal for the application of income from the 2020 financial year. This provided for the following dividend distribution: i) a first tranche of EUR 11,543,643.14, to be paid to Unicaja Banco shareholders prior to filing the merger, in April 2021; and ii) a second tranche of EUR 5,365,195.97, to be paid out after the merger is filed in the Companies Registry. In compliance with this resolution adopted by the General Shareholders Meeting, on 16th April 2021 the Company disbursed the payment corresponding to the first tranche from the profits of the 2020 financial year, at the rate of EUR 0.00730 per share.

APPROVAL OF THE PROPOSED MERGER

The General Shareholders Meetings of Unicaja Banco, S.A., and Liberbank, S.A., both held on 31st March 2021, approved, in the terms laid out in the Joint Merger Project passed by both institutions' Boards of Directors, on 29th December 2020, the merger by absorption of Liberbank, S.A., by Unicaja Banco, S.A. This will bring about the extinction, via dissolution without liquidation, of Liberbank, S.A. and the en bloc transmission in their entirety of its assets and liabilities to Unicaja Banco, S.A., which will acquire by universal succession all Liberbank, S.A's rights and obligations.

By virtue of this transaction, Liberbank shareholders will receive 1 newly issued Unicaja Banco ordinary share for every 2.7705 Liberbank shares. The agreed swap rate will give Unicaja Banco shareholders 59.5% of the new institution's capital, while Liberbank shareholders will have 40.5%.

The efficacy of the merger is subject to receiving the preceptive regulatory authorisations, which are expected for the end of the second quarter, or beginning of the third of this year.

APPENDIX I:

SHARE PRICE PERFORMANCE

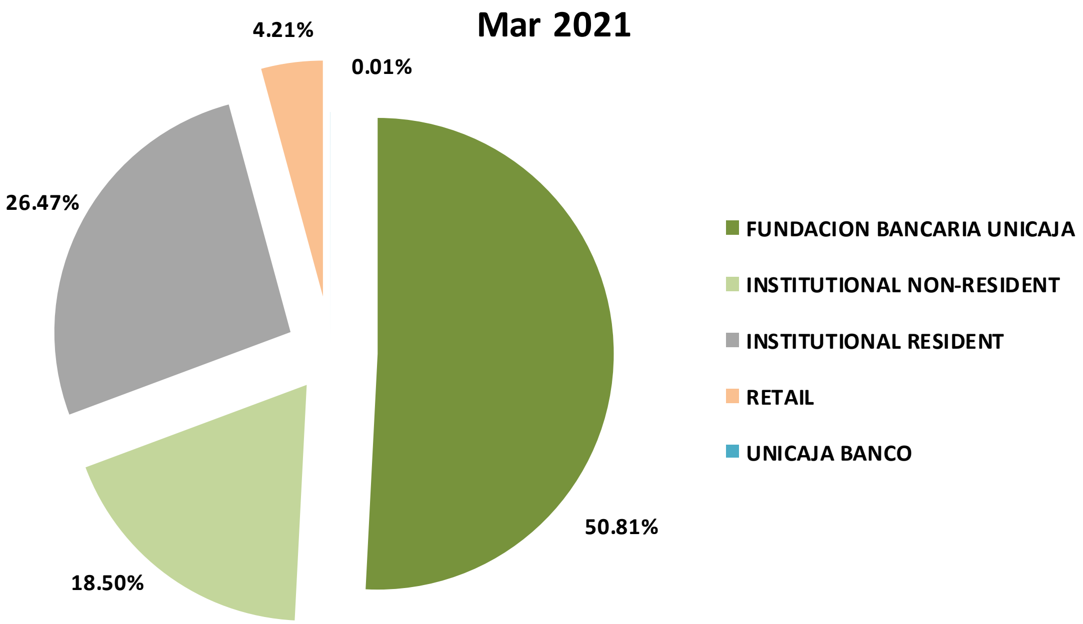
Listing Data

UNICAJA BANCO	Mar-21
Number of shareholders	18,484
Average daily trading (num. of shares)	2,661,548
Average daily trading (euros)	1,857,808
Closing high (euros/share)	0.8775 (March 30)
Closing low (euros/share)	0.5675 (January 25)
Year-end closing (euros/share)	0.8575 (March 31)

Note: Data cumulative YTD March 2021

Main shareholders

	NUM. OF SHAREHOLDERS	SHARES	%
FUNDACION BANCARIA UNICAJA	1	802,707,000	50.81%
INSTITUTIONAL NON-RESIDENT	134	292,261,514	18.50%
INSTITUTIONAL RESIDENT	456	418,182,184	26.47%
RETAIL	17,892	66,511,146	4.21%
UNICAJA BANCO	1	99,180	0.01%
TOTAL	**18,484**	**1,579,761,024**	**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 Unicaja Banco Group on its annual or interim financial statements:

ALTERNATIVE PERFORMANCE MEASURES (APM)

(in EUR million or %)

		March'21	December'20
Cost of risk	Impairment or (-) reversal of impairment in value of loans and receivables to customers. *Management measure*	36.3	239.1
	Average between start/end of period for loans and receivables from customers (excluding valuation adjustments)	28,398	28,283
	Ratio	**0.52%***	**0.85%**

Source: Public income statement consolidated using IAS39 criteria (under IFRS9, these are not broken down) for value impairment, and Note 10.1 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 (365/90)

		March'21	December'20
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 valued at fair value through profit or loss and net gains or (-) losses from adjustments. Financial assets carried at amortized cost	36.3	241.9
	1a. From loans and receivables portfolio. *Management measure*	36.3	239.1
	1b. Rest of financial assets carried at amortised cost	0.0	2.8
	Performance measure (1a)	**36.3**	**239.1**

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.

		March'21	March'20
Cost to income ratio (Operating Expenses excl. amort. & depre. / gross margin)	Administrative expenses	126	138
	Gross Income	240	254
	Ratio	**52.6%**	**54.3%**

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

		Q1 2021	Q4 2020
Customer spread (quarterly 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*	1.59%	1.63%
	Cost in the quarter of retail customer deposits (excluding repos) over average quarterly balances of customer deposits (excluding repos). *Management measure*	0.04%	0.07%
	Difference between yield & cost	**1.55%**	**1.56%**

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.

		March'21	December'20
NPL ratio	Loans and receivables portfolio. Gross amount Stage 3	1,184	1,181
	Loans and receivables portfolio. Gross amount	28,461	28,334
	Ratio	**4.2%**	**4.2%**

Source: Note 27
Purpose: Measures the quality of the Group's loan portfolio, indicating the percentage of non-performing loans over total loans.

		March'21	December'20
NPL coverage ratio	Loans and receivables portfolio. Total adjustments for impairment of assets.	810	796
	Loans and receivables portfolio. Gross amount Stage 3	1,184	1,181
	Ratio	**68.4%**	**67.4%**

Source: Note 27
Purpose: Defines the percentage of the NPL portfolio that is covered by liquidity provisions. An indicator of the expected recovery of these assets.

		March'21	December'20
Foreclosed assets coverage	Impairment of foreclosed real estate assets	677	686
	Gross carrying amount of foreclosed real estate assets	1,072	1,091
	Ratio	**63.1%**	**62.9%**

Source: Note 41.2
Purpose: Shows the extent to which foreclosed real estate are covered and, thus, their net exposure value and the asset quality.

		March'21	December'20
NPA coverage ratio	1. Loans and receivables portfolio. Total adjustments for impairment of assets.	810	796
	2. Impairment of real estate foreclosed assets	677	686
	3. Loans and receivables portfolio. Gross amount Stage 3	1,184	1,181
	4. Gross carrying amount of real estate foreclosed assets	1,072	1,091
	Ratio (1+2)/(3+4)	**65.9%**	**65.2%**

Source: Note 27 and Note 41.2
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.

		March'21	December'20
ROA	Consolidated net income	42.5	77.8
	Total average assets (average of quarterly average balances)	65,530	60,476
	Ratio	**0.3%***	**0.1%**

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 (365/90)

		March'21	December'20
ROE	Consolidated net income	42.5	77.8
	Average own funds (average of quarterly average balances) excluding issues of instruments convertible into equity	3,963	3,926
	Ratio	**4.3%***	**2.0%**

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 (365/90)

		March'21	December'20
Loans and advances to customers (excluding valuation adjustments)	Loans and receivables portfolio. Gross amount	28,461	28,334

Source: Note 27
Purpose: Reconciles the report's definition with the consolidated annual statement item.

		March'21	December'20
Performing Loans	1. Loans and receivables portfolio. Gross amount	28,461	28,334
	2. Loans and receivables portfolio. Gross amount Stage 3	1,184	1,181
	Performance measure (1-2)	27,277	27,153

Source: Note 27
Purpose: Defines the total balance and performance of the Group's performing loans and advances (those classified as stage 1 or stage 2).

		March'21	December'20
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	19,172	19,004
	2. Loans and receivables. Credit and loans at fixed interest rate	7,762	7,928
	Performance measure (1+2)	**26,934**	**26,932**

Source: Note 10.1 (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.

		March'21	December'20
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	19,172	19,004
	2. Loans and receivables. Credit and loans at fixed interest rate	7,762	7,928
	3. Loans and receivables portfolio. Gross amount Stage 3	1,184	1,181
	Performance measure (1+2-3)	**25,750**	**25,751**

Source: Note 10.1 (loans and receivables) and Note: 27 (NPL risk)
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.

		March'21	December'20
Total customer funds	1. Financial liabilities measured at amortized cost. Deposits from customers (excluding valuation adjustments)	47,142	48,088
	2. Issued debt securities (excluding valuation adjustments)	360	360
	3. Funds managed through off-balance sheet instruments. Management measure	12,994	12,888
	Performance measure (1+2+3)	**60,496**	**61,336**

Source: Note 17.3 (customer deposits), 17.4 (debt securities) and 31.4 (off-balance sheet customer funds)
Purpose: Defines the total balance and performance of funds managed by the group, both on and off balance sheet.

		March'21	December'20
Retail customer funds (non-market)	1. Total customer funds	60,496	61,336
	2. Covered bonds under the heading "Term deposits". Carrying amount (excluding valuation adjustments)	3,166	3,266
	3. Deposits from customers. Repos (excluding valuation adjustments)	2,265	3,675
	4. Issued debt securities (excluding valuation adjustments)	360	360
	5. Repos controlled by retail customers. *Management measure*	209	180
	Performance measure (1-2-3-4+5)	**54,915**	**54,215**

Source: Note 17.3 (deposits from customers) and 17.4 (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.

		March'21	December'20
Wholesale funds (Markets)	1. Covered bonds under the heading "Term deposits". Carrying amount (excluding valuation adjustments)	3,166	3,266
	2. Deposits from customers. Repos (excluding valuation adjustments)	2,265	3,675
	3. Issued debt securities (excluding valuation adjustments)	360	360
	4. Repos controlled by retail customers. *Management measure*	209	180
	Performance measure (1+2+3-4)	**5,582**	**7,121**

Source: Note 17.3 (deposits from customers) and 17.4 (debt securities)
Purpose: Defines the total balance and performance of funds managed by the group in market transactions.

		March'21	December'20
Loan to Deposits (LtD)	1. Loans and receivables. Credit and loans at variable interest rate	19,172	19,004
	2. Loans and receivables. Credit and loans at fixed interest rate	7,762	7,928
	(1+2+3) NUMERATOR. Loans and advances. Customers - excluding valuation adjustments	**26,934**	**26,932**
	1. Financial liabilities measured at amortized cost. Deposits from customers (excluding valuation adjustments)	47,142	48,088
	2. Covered bonds under the heading "Term deposits". Carrying amount (excluding valuation adjustments)	3,166	3,266
	3. Deposits from customers. Repos (excluding valuation adjustments)	2,265	3,675
	4. Repos controlled by retail customers. *Management measure*	209	180
	(1-2-3+4) DENOMINATOR. Customer deposits (non-market) - excluding valuation adjustments	**41,920**	**41,327**
	Ratio	**64.2%**	**65.2%**

Source: Note 10.1 (loans and receivables) / Note 17.3 (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.

		March'21	December'20
Gross liquid assets	1. Cash surplus (interbank deposits + balance surplus in ECB and operating accounts)	6,843	5,822
	2. Reverse purchase agreements	1,359	2,461
	3. Fixed income portfolio and other discountable assets in ECB	21,400	21,279
	Performance measure (1+2+3)	**29,601**	**29,562**

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).

		March'21	December'20
Net liquid assets	1. Gross liquid assets	29,601	29,562
	2. Taken in the ECB	5,471	4,998
	3. Repos and other pledges	6,735	7,654
	Performance measure (1-2-3)	**17,395**	**16,845**
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.

		March'21	March'20
Operating or transformation expenses	1. Administrative expenses	126.4	137.7
	2. Depreciation and amortization	13.2	11.0
	Performance measure (1+2)	**139.6**	**148.7**

Source: Consolidated public income statement

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

		March'21	December'20
Credit and loans impairment	Impairment or (-) reversal of impairment in value of loans and receivables to customers. *Management measure*	36.3	239.1

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.

		March'21	March'20
Pre-provision profit (before impairments)	1. Gross income	240.4	253.7
	2. Administrative expenses	126.4	137.7
	3. Depreciation and amortization	13.2	11.0
	Performance measure (1-2-3)	**100.8**	**105.0**

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.

		March'21	March'20
Impairments	1. Provisioning or (-) provisioning reversals	8.6	4.3
	2. Impairment or (-) reversal in the value of financial assets not measured at fair value through profit and loss	36.3	35.6
	3. Impairment or (-) reversal in the value of joint ventures or associates	0.0	-1.3
	4. Impairment or (-) reversal in the value of non-financial assets	-1.2	4.2
	5. Net gain or (-) loss on derecognition from the statements of non-financial assets and stakes	-0.2	0.2
	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	1.0	-1.2
	Performance measure (1+2+3+4-5-6-7)	**42.9**	**43.7**

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.

		March'21	March'20
Net Fees	1. Fee and commission income	67.8	67.3
	2. Fee and commission expense	6.1	6.1
	Performance measure (1-2)	**61.7**	**61.2**

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.

		March'21	March'20
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	12.7	34.0
	2. Net gain or (-) losses from financial assets and liabilities held for trading	0.4	-4.2
	3. Net gain or (-) losses from non-trading financial assets mandatorily designated at fair value through profit or loss	0.1	-3.5
	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	-0.2	2.0
	6. Net exchange differences, gains or (-) losses	0.7	-0.1
	Performance measure (1+2+3+4+5+6)	**13.8**	**28.3**

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.

		March'21	March'20
Other products / operating charges	1. Other operating income	10.7	14.6
	2. Other operating expenses	8.0	11.6
	3. Income from assets under insurance or reinsurance contracts	21.7	15.5
	4. Expenses from liabilities under insurance or reinsurance contracts	13.3	13.2
	Performance measure (1-2+3-4)	**11.0**	**5.3**

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

		March'21	March'20
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	0.0	-1.3
	2. Impairment or (-) reversal in the value of non-financial assets	-1.2	4.2
	3. Net gain or (-) loss on derecognition from the statements of non-financial assets	-0.2	0.2
	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	1.0	-1.2
	Performance measure (1+2-3-4-5)	**-2.0**	**3.8**

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

		March'21	December'20
Covered bonds under the heading "Term deposits". Carrying amount (excluding valuation adjustments)	1. Covered bonds under the heading "Term deposits". Nominal value	3,224	3,434
	2. Measurement at fair value of issues. Management measure	-58	-168
	Performance measure (1+2)	**3,166**	**3,266**

Source: Note 17.3 (customer deposits)
Purpose: Reconciles the report's definition with consolidated public financial statement items.

		March'21	December'20
Repos controlled by retail customers. Management measure	1. Deposits from customers. Repos (excluding valuation adjustments)	2,265	3,675
	1a. Repos controlled by retail customers. Management measure	209	180
	1b. Rest of repos	2,056	3,495
	Performance measure (1a.)	**209**	**180**

Source: Note 17.3 (customer deposits)
Purpose: Reconciles the report's definition with consolidated public financial statement items.

		March'21	March'20
Core income	1. Net interest income	145.4	140.4
	2. Net fees	61.7	61.2
	3. Transformation expenses	139.6	148.7
	Performance measure (1+2-3)	**67.5**	**52.8**

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.