# FINANCIAL REPORT

**January to September 2021**

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## 1. Highlights

### The merger by absorption of Unicaja Banco and Liberbank has been formalised.

| | | | |
|---|---|---|---|
| 01 | Mutual funds YoY variation<br>**+27.2%** | New mortgages YoY variation<br>**+56.4%** | **Strong commercial momentum in the retail business, focused on mortgages and specialised savings products** |
| 02 | Very low risk in performing loan portfolio (retail mortgages and public sector)<br>**70%** | NPL ratio<br>**3.39%** | **Loan portfolio has a low risk profile and high quality standards** |
| 03 | NPL coverage ratio<br>**72%** | | **The level of NPL coverage is the highest among listed Spanish banks** |
| 04 | Cost of risk<br>**41 b.p.** | Recurrent cost of risk<br>**29 b.p.** | **Recurrent cost of risk is reduced to 29 b.p.** |
| 05 | Recurrent core margin YoY variation (Net interest income + fees)<br>**2.4%** | Recurrent fees YoY variation*<br>**21.6%** | **Recurrent core revenues evolve positively**<br>**despite lower net interest income contribution** |
| 06 | Administrative expenses YoY variation*<br>**-2.8%** | | **Operating expenses decrease pending incorporation of merger synergies** |
| 07 | Net income<br>**1,395M** | | **Net profit reveals badwill of €1,301 billion** |
| 08 | CET 1 Fully loaded ratio<br>**13.61%** | | **The strong solvency position is maintained** |
| 09 | NSFR<br>**140%** | LCR<br>**300%** | **Solid liquidity position** |
| 10 | Ranking by total assets<br>**5º** | | **Unicaja Banco is now the fifth largest Spanish bank in terms of balance sheet size** |

*(*)Data calculated on the pro-forma income statement which includes those generated by both Liberbank and Unicaja Banco in the first nine months of the year, excluding impacts of the merger (€ 1,301 million of badwill, €17 million of acquisition expenses, €22 million of provisions for IT and restructuring of the branch network and € 143 million for personnel restructuring).*

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

## 2. Key figures

**TABLE 1:**

| *Million euros / % / pp* | 30/09/21 | 30/06/21 | 31/12/20 | 30/09/20 | QoQ | Ytd | YoY |
|---|---|---|---|---|---|---|---|
| **BALANCE SHEET** | | | | | | | |
| Total assets [1] | 109,144 | 112,967 | 113,065 | 108,970 | -3.4% | -3.5% | 0.2% |
| Gross loans and advances to customers [2] | 54,940 | 55,997 | 54,266 | 53,428 | -1.9% | 1.2% | 2.8% |
| Performing gross loans and advances to customers [2] | 53,079 | 54,211 | 52,281 | 51,349 | -2.1% | 1.5% | 3.4% |
| On-balance sheet customers funds [2] | 73,283 | 70,552 | 68,145 | 66,824 | 3.9% | 7.5% | 9.7% |
| Off-balance sheet customer funds and insurance | 21,443 | 21,102 | 19,750 | 18,991 | 1.6% | 8.6% | 12.9% |
| Shareholders equity [1] | 6,161 | 6,897 | 6,920 | 6,911 | -10.7% | -11.0% | -10.8% |
| Total equity [1] | 6,013 | 7,091 | 7,333 | 7,281 | -15.2% | -18.0% | -17.4% |
| *(1) 06.30.21 and previous periods is aggregated consolidated public information of both entities. (2) Excluding valuation adjustments and intercompanies* | | | | | | | |
| **RESULTS (cumulative figures)** | | | | | | | |
| Net interest income (3) | 793 | 543 | 1,123 | 837 | | | -5.3% |
| Gross income (3) | 1,204 | 819 | 1,632 | 1,297 | | | -7.2% |
| Pre-provision profit (3) | 490 | 340 | 676 | 572 | | | -14.3% |
| Consolidated net income (3) | 156 | 102 | 93 | 110 | | | 41.3% |
| Cost to income (3) | 59.3% | 58.5% | 58.6% | 55.9% | 0.8 pp | 0.7 pp | 3.4 pp |
| *(3) Data from the pro-forma income statement in which the results of Unicaja and Liberbank are added to all dates and impacts of the merger in 2021 are not considered (1,301 million euros of badwill, 17 million euros of acquisition expenses, 22 million euros of endowments for network and IT restructuring and 143 million euros of* | | | | | | | |
| **RISK MANAGEMENT** | | | | | | | |
| Non performing loans (NPL) (a) (1) | 1,862 | 1,785 | 1,986 | 2,079 | 4.3% | -6.2% | -10.4% |
| Foreclosed assets (b) (1) | 2,323 | 2,342 | 2,350 | 2,419 | -0.8% | -1.1% | -4.0% |
| Non performing assets -NPA- (a+b) (1) | 4,185 | 4,127 | 4,336 | 4,498 | 1.4% | -3.5% | -7.0% |
| NPL ratio (1) | 3.4% | 3.2% | 3.7% | 3.9% | 0.2 pp | -0.3 pp | -0.5 pp |
| NPL coverage (1) | 72.1% | 63.2% | 62.8% | 61.5% | 8.9 pp | 9.2 pp | 10.6 pp |
| Foreclosed assets coverage (1) | 62.1% | 55.5% | 56.0% | 55.7% | 6.6 pp | 6.0 pp | 6.4 pp |
| Non performing assets (NPA) coverage (1) | 66.5% | 58.8% | 59.1% | 58.4% | 7.7 pp | 7.4 pp | 8.1 pp |
| Cost of risk (1) | 0.41% | 0.58% | 0.76% | 0.81% | -0.2 pp | -0.3 pp | -0.4 pp |
| **LIQUIDITY** | | | | | | | |
| Loan to deposit ratio (1) | 75.0% | 79.4% | 79.6% | 80.0% | -4.4 pp | -4.7 pp | -5.0 pp |
| LCR (4) | 300% | 310% | 310% | 311% | -9.9 pp | -9.9 pp | -10.9 pp |
| NSFR (4) | 140% | 147% | 142% | 141% | -7.2 pp | -2.2 pp | -1.2 pp |
| *(4) Data from 06.30.21 and earlier pre-merger with Liberbank.* | | | | | | | |
| **ADDITIONAL INFORMATION** | | | | | | | |
| CET1 ratio *phase in* (5) | 14.9% | 17.0% | 16.6% | 16.3% | -2.1 pp | -1.7 pp | -1.4 pp |
| CET1 *ratio fully loaded* (5) | 13.6% | 16.1% | 15.0% | 14.7% | -2.5 pp | -1.4 pp | -1.1 pp |
| Total capital ratio *phase in* (5) | 16.6% | 18.6% | 18.2% | 17.8% | -2.0 pp | -1.5 pp | -1.2 pp |
| Total capital ratio *fully loaded* (5) | 15.4% | 17.8% | 16.6% | 16.2% | -2.4 pp | -1.2 pp | -0.8 pp |
| Risk weighted assets (RWA) (5) | 35,699 | 36,271 | 22,492 | 22,822 | -1.6% | 58.7% | 56.4% |
| Texas ratio (5) | 47.6% | 43.4% | 43.8% | 45.4% | 4.2 pp | 3.8 pp | 2.2 pp |
| *(5) Data prior to 06.30.21 pre-merger with Liberbank. Data from 06.30.21 pro-forma including contribution from Liberbank.* | | | | | | | |
| **OTROS DATOS** | | | | | | | |
| Employees (average number) | 9,677 | 9,697 | 9,907 | 9,929 | -0.2% | -2.3% | -2.5% |
| Branches | 1,371 | 1,401 | 1,524 | 1,591 | -2.1% | -10.0% | -13.8% |
| ATMs | 2,683 | 2,687 | 2,717 | 2,730 | -0.1% | -1.3% | -1.7% |

*QoQ (variation 3T21 vs 2T21) - Ytd (variation 3T21 vs 4T20) - YoY (variation 3T21 vs 3T20)*

## 3. Macroeconomic environment

### International economic situation

In the second quarter of the year, world-wide economic growth continued, in a context of progressive relaxation of activity restrictions, supported by advances in the vaccination process and the maintenance of support for economic policy measures. However, the rebound in infections due to the spread of the Delta variant of the coronavirus in the third quarter could translate into a certain moderation of this expansion.

In its latest forecasts, the International Monetary Fund foresees a continued recovery of the **world economy** in the medium term. Specifically, it estimates growth of 5.9% for 2021 and 4.9% for the following year. However, these forecasts are subject to a high degree of uncertainty, due, among other factors, to the inflationary episodes that have been recorded in recent months, although, in principle, they are expected to be of a transitory nature.

Looking at the **Eurozone** in particular, the European Central Bank (ECB) expects output to reach its pre-crisis level by the end of 2021, following growth of 5%. This dynamism will tend to moderate in the next two quarters, but will still allow to register growings of 4.6% in 2022 and of 2.1% in 2023. These projections are based on a series of assumptions including the relaxation of the virus containment measures, a decrease in uncertainty related to the pandemic and a relaxation in the inflationary pressures, once the supply tensions and disruptions that have affected global supply chains are reduced.

Although the ECB has recently reviewed its monetary policy strategies, with potential impact on the behaviour of interest rates and the duration of asset purchase programmes, it is expected to maintain its expansionary tone.

### Situation of the Spanish economy

With regard to the **Spanish economy**, the latest available economic information suggests that, in the third quarter of the year, GDP grew by 2.0% quarter-on-quarter and by 2.7% year-on-year, driven mainly by the performance of private consumption. On the supply side, the year-on-year growth in the services sector stands out, especially in the trade, transportation and hotel and catering industries, contrasted with the decline in activity in the agricultural sector.

The expansion of activity has been reflected in the improved performance of labour market indicators. The Labour Force Survey (EPA) for the third quarter shows a quarter-on-quarter increase in employment of 1.8% (1.3% in seasonally adjusted terms), adding 359,300 people in absolute terms. In this way, and despite near 100,000 workers are still affected by a Temporary Layoff Plan (ERTE), the number of jobs exceed 20 million people, figure not recorded since 2008, and above pre-pandemic figures (19.97 million jobs in 4Q 2019). For its part, the unemployment rate has continued to fall, standing at 14.6% but still stands slightly above the 13.8% recorded in 4Q 2019.

Looking forward, the most recent projections by the Bank of Spain point to growth of 6.3% for 2021 and 5.9% for 2022, with pre-pandemic levels expected to recover by mid-2022. However, it should be noted that these forecasts were published prior to the revision of the quarterly National Accounting, carried out by the INE (Statistics National Institute) on September 23rd, where 2Q 2021 GDP growth was revised downwards to 1.1% QoQ, 1.7 point below the first estimate published at the end of July.

In addition, the Bank of Spain remembers that certain downside risks could materialise in the next quarters. Among them, in addition to the pandemic evolution, these include i) the rate of absorption by households of the savings accumulated during the p and its impact on private consumption, ii)the recovery of tourism, iii) uncertainty about the spped of disposal of NGEU funds, iv)the persistence and intensity of disruptions in global production chains, v) inflationary pressures and their second-round effects, and vi) the possible lingering effects of the criss on potential growth.

## 4. Merger by absorption of Liberbank by Unicaja Banco

On 29 December 2020, the Boards of Directors of Unicaja Banco, S.A. and Liberbank, S.A. agreed to approve and sign the Joint Merger Plan for the absorption of Liberbank (absorbed company) by Unicaja Banco (absorbing company).

The merger between Unicaja Banco and Liberbank was approved by the extraordinary general shareholders' meetings of both entities held on 31 March 2021. The conditions precedent necessary for the execution of the merger by absorption were fulfilled on 26 July 2021, at which time control over the assets and liabilities of the Liberbank Group is deemed to have been taken.

The deed of merger by absorption was registered at the Malaga Mercantile Registry, thus giving legal effect to the transaction, on 30 July 2021.

The recognition date for accounting purposes has been set at 31 July 2021. In this respect, the effect on equity and on the profit & loss account of using the aforementioned convenience date for the accounting records of the business combination compared to using the date of effective acquisition of control is not material.

In accordance with the exchange ratio determined and the valuation of Unicaja Banco shares at 30 July 2021, the value of the consideration delivered by Unicaja Banco amounts to 830 million euros, which corresponds to the exchange of Unicaja Banco shares subscribed by holders of Liberbank shares (1,075,072,455 shares at a price of 0.7725 euros per share).

The total net fair value adjustments made at the date of taking control of the Liberbank Group's equity amounted to 994 million euros. The breakdown of these adjustments between the various asset, liability and equity items is as follows:

**TABLE 2:**

| ASSETS | Unicaja Banco | Liberbank | Aggregate | Elimin./ Reclassif. | PPA adjustments | Fair value after PPA |
|---|---|---|---|---|---|---|
| Cash and cash balances at central banks | 4,405 | 2,699 | 7,104 | - | - | 7,104 |
| FA at fair value (FV) through o/ comprehensive income | 1,024 | 340 | 1,364 | 5,414 | (7) | 6,771 |
| Financial Assets at amortized cost (*) | 53,719 | 38,508 | 92,227 | (9,130) | (402) | 82,695 |
| Other Financial Assets | 735 | 451 | 1,186 | - | - | 1,186 |
| Tangible real estate assets | 1,351 | 1,869 | 3,220 | - | (189) | 3,031 |
| Intangible Assets | 76 | 167 | 243 | - | (159) | 84 |
| Tax assets | 2,777 | 1,842 | 4,619 | - | 117 | 4,736 |
| Other assets | 1,047 | 779 | 1,825 | - | (21) | 1,804 |
| **TOTAL ASSETS** | **65,134** | **46,654** | **111,788** | **(3,716)** | **(661)** | **107,411** |

| LIABILITIES | Unicaja Banco | Liberbank | Aggregate | Elimin./ Reclassif. | PPA adjustments | Fair value after PPA |
|---|---|---|---|---|---|---|
| Financial Liabilities measured at amortized cost (**) | 58,246 | 42,701 | 100,947 | (3,716) | 111 | 97,342 |
| Other Financial Liabilities | 838 | 352 | 1,190 | - | - | 1,190 |
| Provisions | 711 | 224 | 935 | - | 202 | 1,137 |
| Tax Liabilities | 268 | 118 | 386 | - | 20 | 406 |
| Other Liabilities | 1,191 | 134 | 1,325 | - | - | 1,325 |
| **TOTAL LIABILITIES** | **61,254** | **43,529** | **104,783** | **(3,716)** | **333** | **101,400** |

| EQUITY | Unicaja Banco | Liberbank | Aggregate | Elimin./ Reclassif. | PPA adjustments | Fair value after PPA |
|---|---|---|---|---|---|---|
| Shareholder's Equity | 4,030 | 2,811 | 6,841 | - | (719) | 6,122 |
| Accumulated Other Comprehensive Income | (151) | 314 | 163 | - | (275) | (112) |
| Minority Interest | 1 | - | 1 | - | - | 1 |
| **TOTAL EQUITY** | **3,880** | **3,125** | **7,005** | **-** | **(994)** | **6,011** |
| **TOTAL EQUITY AND LIABILITIES** | **65,134** | **46,654** | **111,788** | **(3,716)** | **(661)** | **107,411** |

*(* )It includes the effect of the adaptation to the Unicaja Banco Group's business models, which generates a reclassification of 5,414 million euros between the heading of financial assets at amortised cost and the heading of financial assets at fair value with changes in other comprehensive income. It also includes the elimination of operations between the Unicaja Banco Group and the Liberbank Group that were in force at the date of the accounting effects of the business combination, with a total amount of €3,716 million. The composition of these balances is as follows: (i) debt securities issued by Unicaja Banco and acquired by Liberbank for an amount of €25 million, and (ii) repos contracted between Unicaja Banco and Liberbank for an amount of €3,691 million (these are repos for the Unicaja Banco Group, which were recorded under "Financial assets at amortised cost", and repos for the Liberbank Group, which were recorded under "Financial liabilities at amortised cost" until the date of accounting effects of the business combination). This represents an elimination of balances under financial assets at amortised cost of €3,716 million, with a corresponding balancing entry under financial liabilities at amortised cost..*

*(**) Includes the elimination of operations between the Unicaja Banco Group and the Liberbank Group that were in force at the date of accounting effects of the business combination, with a total amount of €3,716 million.*

The main fair value adjustments to the Liberbank Group's assets and liabilities made in the accounting record of the business combination are as follows:

- Loans and advances to customers: In accordance with IFRS 3, the value of the loan portfolio classified as financial assets at amortised cost has been adjusted to reflect its fair value compared to the hedges established by the Liberbank Group at the date of the business combination, recorded in accordance with IFRS 9. This adjustment includes the effect of adjusting the expected loss over the life-time of the transaction. It also includes the effect of putting at fair value certain fixed-rate loans that were subject to macro-hedges recorded as fair value hedges and which have been discontinued by the Liberbank Group. Gross impact: €373 million.
- Debt securities portfolio: The fair value of the fixed-income securities portfolio at amortised cost has been determined on the basis of the market prices of these assets at the date of the business combination. Gross impact: €29 million.
- Equity instruments portfolio: With regard to equity instruments recorded at fair value through other comprehensive income, the valuation criteria of the absorbed entity have been unified with those of the absorbing entity. Gross impact: €7 million.
- Investments in joint ventures and associates: Investments in joint ventures and associates have been adjusted for their fair value at the date of the business combination. For this purpose, generally accepted market valuation methodologies have been used and discounts for illiquidity have been considered for certain investments. Gross impact: €10 million.
- Real Estate tangible assets: The value of real estate tangible assets has been adjusted, mainly for assets that are classified as non-current assets held for sale. To determine the fair value of these assets at the date of the business combination, market proxies, such as sales experience, have been considered and the manner in which the combined entity is expected to divest these non-current assets has been taken into account. Gross impact: €200 million
- Adjustments related to intangible assets: In accordance with IFRS 3 and IAS 38, only intangible assets acquired that meet the identifiability requirements and on which the

entity expects to obtain future economic benefits may be recognised in a business combination. In the context of the merger by absorption of Liberbank by Unicaja Banco, and the future IT integration between both entities, the value of the Liberbank Group's intangible assets, mainly comprising specific developments of its own IT applications, has been adjusted. Gross impact: €137 million
In addition, the value of goodwill associated with holdings in joint ventures and associates has been negatively adjusted, taking into account the activity of these entities in the new context derived from the merger by absorption of Liberbank by Unicaja Banco. Gross impact: €22 million.

- Adjustments for fair value of financial liabilities: The fair value of financial liabilities at amortised cost generated by wholesale issues for which there are sufficient references to determine their fair value on the basis of a market price in an active market at the date of the business combination, within the meaning of IFRS 13, have been adjusted. Gross impact: €111 million.
- Adjustments to provisions for contingencies and other obligations: Although IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" states that, as a general criterion, contingent liabilities are not recognised for accounting purposes as liabilities, in the case of business combinations, in accordance with the provisions of IFRS 3 "Business Combinations", contingent liabilities of the acquired entity must be recognised and measured at their fair value at the acquisition date, if they are a present obligation arising from past events and their fair value can be measured reliably. On the basis of these criteria, the fair value of contingent liabilities and other legal, tax and labour obligations, as well as contingencies arising from contractual requirements caused by the process of the merger by absorption of Liberbank itself, have been recognised in the consolidated balance sheet. Gross impact: €202 million.
- Adjustments to deferred tax assets and liabilities: as a consequence of the fair value adjustments recorded in the business combination, deferred tax assets (€342 million) and deferred tax liabilities (€20 million) increase. In addition, it was considered reasonable to record tax loss carryforwards amounting €225 million (non-monetizable deferred tax assets), in accordance with the provisions of IFRS 3.

As a result of recording these assets and liabilities at fair value, a negative difference between the acquisition cost and the fair value of the assets and liabilities acquired has arisen, amounting to €1,301 million, which has been recognised under "Negative goodwill recognised in profit or loss" in the consolidated income statement.

The calculation of this negative goodwill is as follows:

**TABLE 3:**

| In € million | |
|---|---|
| **Cost resulting from business combinations (A)** | **830** |
| **Equity of Liberbank's Group adjusted by PPA (B)** | **2,131** |
| consolidated equity of Liberbank's Group | 3,125 |
| Minority interests (non-controlling interests) | - |
| Fair value recognition adjustments and others | (994) |
| *Adjustments for fair value of financial assets and equity investments* | *(299)* |
| *Adjustments for fair value of real estate tangible assets* | *(140)* |
| *Adjustments related to intangible assets* | *(111)* |
| *Adjustments for fair value of financial liabilities* | *(78)* |
| *Adjustments to provisions for contingencies and other obligations* | *(141)* |
| *Adjustments to non-monetizable deferred tax assets* | *(225)* |
| **NEGATIVE GOODWILL RECOGNIZED IN INCOME (A-B)** | **1,301** |

To determine the amount of these adjustments, the Unicaja Banco Group has used generally accepted valuation methodologies and in accordance with criteria for determining the fair value of assets and liabilities that are in line with those described in Note 26 "Fair value" of the latest published consolidated annual accounts of Unicaja Banco, S.A. and subsidiaries for the year ended 31 December 2020. The Group has also had an independent expert review the aforementioned fair value adjustments.

In accordance with paragraph B64, section (q), (ii) of IFRS 3, a consolidated income statement for the nine-month period from 1 January 2021 to 30 September 2021 is presented below as if the acquisition date had occurred at the beginning of that period (ie 1 January 2021):

| CONSOLIDATED PROFIT OR LOSS STATEMENT PRO FORMA SUMMARY | Group Unicaja Banco 30/09/2021 (*) | Group Liberbank 31/07/2021 | Aggregate | PPA adjustments impact | Pro forma |
|---|---|---|---|---|---|
| Net interest Income (**) | 495 | 298 | 793 | 16 | 810 |
| Dividends and Income of equity-accounted entities | 45 | 22 | 67 | 0 | 67 |
| Net fees | 228 | 127 | 355 | 0 | 355 |
| Gains (losses) on Financial Assets and Liabilities and Ex.diff. | 31 | -5 | 26 | 0 | 26 |
| Operating results | -32 | -41 | -73 | 0 | -73 |
| Results from insurance contracts | 18 | 0 | 18 | 0 | 18 |
| **Gross margin** | **786** | **401** | **1,187** | **16** | **1,204** |
| Administrative costs and amortizations (***) | -484 | -230 | -714 | 7 | -707 |
| Provisions/ reversal of provisions | -57 | -173 | -230 | 0 | -230 |
| Impairment losses on financial assets not measured at fair value through P&L | -126 | -88 | -214 | 0 | -214 |
| **Pre-impairment income** | **119** | **-90** | **29** | **24** | **53** |
| Negative good-will recognized in income | 1,301 | 0 | 1,301 | 0 | 1,301 |
| Other gains/losses | 2 | -8 | -6 | 0 | -6 |
| **Pre-tax income** | **1,422** | **-98** | **1,324** | **24** | **1,348** |
| Tax expense or Income related to profit or loss from continuing operations | -27 | 33 | 6 | 7 | 13 |
| **Profit after taxes** | **1,395** | **-65** | **1,330** | **31** | **1,361** |
| Profit/Loss after tax from discontinued operations | 0 | 0 | 0 | 0 | 0 |
| **Consolidated Income** | **1,395** | **-65** | **1,330** | **31** | **1,361** |
| Attributable to minority interest | 0 | 0 | 0 | 0 | 0 |
| Attributable to owners of the parent | 1,395 | -65 | 1,330 | 31 | 1,361 |

*(*) It does not include the results obtained by the Liberbank Group up to the date of accounting effects of the business combination, i.e. until 31 July 2021, which are included in the following column.*

*(**) The "Impact of PPA adjustments" column under the "Net interest income" heading includes the effect on interest income and expenses that the fair value of the Liberbank Group's financial assets and liabilities would have had if the business combination had been recorded on 1 January 2021.*

*(***) The "Impact of PPA adjustments" column under "Administrative expenses and amortisation" includes the effect on the amortisation expense that the fair value of the Liberbank Group's intangible assets would entail if the business combination had been recognised on 1 January 2021.*

The consolidated balance sheet as at 30 September 2021 and the consolidated profit and loss account of the Unicaja Banco Group for the nine-month period ended on that date, with the registration of the business combination as at 31 July 2021, are presented as Annex I and Annex II, respectively, to this quarterly financial report.

## 5. Customer Funds

**TABLE 5:**

| *Million euros. Excluding valuation adjustments* | 30/09/21 | 30/06/21 | 31/12/20 | 30/09/20 | QoQ | Ytd | YoY |
|---|---|---|---|---|---|---|---|
| **On-balance sheet customer funds** | **83,454** | **83,175** | **83,482** | **80,424** | **0.3%** | **0.0%** | **3.8%** |
| **Customer funds** | **81,557** | **81,273** | **81,529** | **78,472** | **0.3%** | **0.0%** | **3.9%** |
| **Public Sector** | **9,198** | **6,960** | **5,575** | **5,946** | **32.1%** | **65.0%** | **54.7%** |
| **Private sector** | **72,359** | **74,312** | **75,955** | **72,525** | **-2.6%** | **-4.7%** | **-0.2%** |
| Sight deposits | 56,969 | 56,612 | 54,343 | 51,748 | 0.6% | 4.8% | 10.1% |
| Term deposits | 11,627 | 11,580 | 13,697 | 14,617 | 0.4% | -15.1% | -20.5% |
| *of which: covered bonds* | *5,207* | *4,739* | *5,661* | *5,661* | *9.9%* | *-8.0%* | *-8.0%* |
| Repos | 3,762 | 6,121 | 7,915 | 6,160 | -38.5% | -52.5% | -38.9% |
| **Issues** | **1,897** | **1,902** | **1,952** | **1,952** | **-0.3%** | **-2.8%** | **-2.8%** |
| Mortgages securities | 1,245 | 1,257 | 1,257 | 1,257 | -1.0% | -1.0% | -1.0% |
| Other values | 45 | 45 | 95 | 95 | 0.0% | -52.6% | -52.6% |
| Subordinated liabilities | 608 | 600 | 600 | 600 | 1.3% | 1.3% | 1.3% |
| **Off-balance sheet customer funds and insuran** | **21,443** | **21,102** | **19,750** | **18,991** | **1.6%** | **8.6%** | **12.9%** |
| Mutual funds * | 11,811 | 11,455 | 10,063 | 9,282 | 3.1% | 17.4% | 27.2% |
| Pension funds | 4,005 | 3,988 | 3,859 | 3,715 | 0.4% | 3.8% | 7.8% |
| Insurance savings | 4,658 | 4,711 | 4,940 | 5,081 | -1.1% | -5.7% | -8.3% |
| Other managed assets | 968 | 947 | 887 | 914 | 2.2% | 9.2% | 5.9% |
| **TOTAL CUSTOMER FUNDS** | **104,897** | **104,277** | **103,231** | **99,415** | **0.6%** | **1.6%** | **5.5%** |
| **Retail customers funds** | **94,726** | **91,654** | **87,894** | **85,815** | **3.4%** | **7.8%** | **10.4%** |
| of which: on-balance sheet | 73,283 | 70,552 | 68,145 | 66,824 | 3.9% | 7.5% | 9.7% |
| Public Sector | 9,198 | 6,960 | 5,575 | 5,946 | 32.1% | 65.0% | 54.7% |
| Sight deposits | 56,969 | 56,612 | 54,343 | 51,748 | 0.6% | 4.8% | 10.1% |
| Term deposits | 6,420 | 6,841 | 8,035 | 8,956 | -6.2% | -20.1% | -28.3% |
| Others | 696 | 139 | 192 | 174 | 401.9% | 262.7% | 299.1% |
| of which: off-balance sheet and insurance | 21,443 | 21,102 | 19,750 | 18,991 | 1.6% | 8.6% | 12.9% |
| **Wholesale funds** | **10,171** | **12,624** | **15,337** | **13,600** | **-19.4%** | **-33.7%** | **-25.2%** |

*(*) Includes discretional portfolios*

The volume of total customer funds amount to €104,897 million at the end of the third quarter and grew 5.5% year-on-year, driven by investment saving products and public sector deposits.

According to the origin of funds, 90% came from retail customers (€94,726 million), while the remaining 10% (€10,171 million) came from funds raised on wholesale markets through issues, covered bonds and repos.

In 2021, retail customer funds increased by +7.8% and +10.4% in the last twelve months.

Two lines of action have been developed in the management of funds, which will be strengthened in the coming quarters: 1) one aimed at transferring negative remuneration to the deposits of public sector and corporates, given the persistence of the scenario of negative interest rates, 2) and another aimed at the development and marketing of investment savings products, which allow customers to make their savings profitable in the medium and long term.

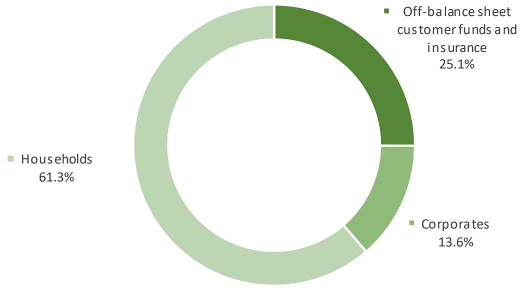
Both lines of action are bearing fruit. Deposits with negative remuneration reached EUR 2,852 million, although they still represent less than 20% of the deposits of public sector and large corporates.

Investment savings products, and more specifically investment funds, showed significant growth both in the year (+17.4%) and in the last twelve months (+27.2%), with net subscriptions seven times higher than in the previous year at the same date.

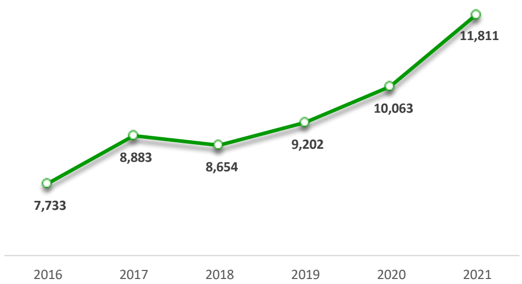
Assets managed through mutual funds accounted for 14% of retail customer funds, excluding public sector balances, and the weight of total off-balance sheet funds in the customer savings mix rose to 25%.

Funds from wholesale markets fell in the year (-33.7%) and in the last twelve months (-25.2%).

**Retail Funds sector and product breakdown**
***Exc. Public Sector***




**Mutual Funds evolution**



## 6. Performing loans

**TABLE 6:**

| *Million euros. Excluding valuation adjustments* | 30/09/21 | 30/06/21 | 31/12/20 | 30/09/20 | QoQ | Ytd | YoY |
|---|---|---|---|---|---|---|---|
| **Public sector** | **5,915** | **6,006** | **5,708** | **5,029** | **-1.5%** | **3.6%** | **17.6%** |
| **Private sector** | **47,163** | **48,206** | **46,573** | **46,320** | **-2.2%** | **1.3%** | **1.8%** |
| **Business** | **13,435** | **13,769** | **13,658** | **13,775** | **-2.4%** | **-1.6%** | **-2.5%** |
| Real Estate developers | 926 | 943 | 1,019 | 978 | -1.8% | -9.1% | -5.3% |
| SMEs and self-employed | 7,027 | 7,057 | 7,281 | 7,431 | -0.4% | -3.5% | -5.4% |
| Other corporates | 5,482 | 5,770 | 5,357 | 5,366 | -5.0% | 2.3% | 2.2% |
| **Individuals** | **33,729** | **34,436** | **32,915** | **32,545** | **-2.1%** | **2.5%** | **3.6%** |
| Mortgages | 31,001 | 30,966 | 30,168 | 29,813 | 0.1% | 2.8% | 4.0% |
| Consumer and other | 2,728 | 3,470 | 2,746 | 2,732 | -21.4% | -0.7% | -0.1% |
| **PERFORMING LOANS TO CUSTOMERS** | **53,079** | **54,211** | **52,281** | **51,349** | **-2.1%** | **1.5%** | **3.4%** |

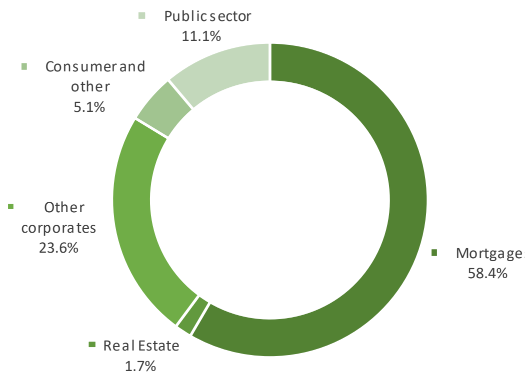
The performing loans portfolio amounted to €53,079 million, +3.4% year-on-year. It maintained a low risk profile, with a high weight of mortgages to individuals (€31,001 million, 58% of the total) and loans to public sector (€5,915 million, 11% of the total). Both portfolios concentrated the growth of the last few months. Mortgages grew +4.0% year-on-year and loans to public sector +17.6%

Consumer credit, on the other hand, remained stable in year-on-year terms and declined in the quarter due to seasonal factors (repayment of the double advance of pensions in June).

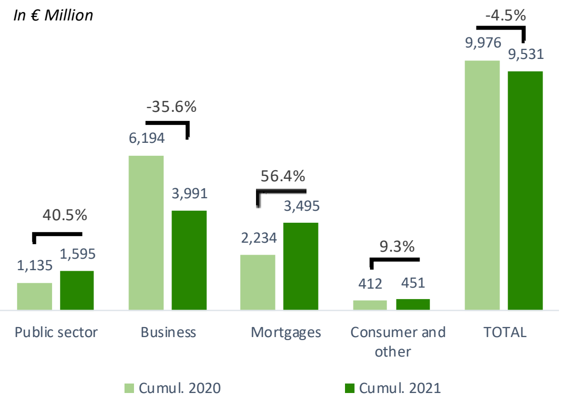
In the year, 9,531 million new loans and credits were granted, including 3,495 million mortgages, which represents a +56.4% increase over the same period of the previous year, reaching a market share of 10.6% of the national total (source: General Council of Notaries. Data as at June 2021, accumulated over the last 12 months).

The mortgage portfolio to individuals is made up of operations that finance the first home (87%), with low LTVs (in 89% 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).

**Gross performing loans sector breakdown**




**Cumulative Lending Operations**



The corporate risk portfolio is highly diversified by business sector. In the first nine months of the year, new production amounts to €3,991 million, lower than in the same period of the previous year due to the stimulus to combat the effects of the pandemic (ICO guarantees), which led companies to anticipate their liquidity needs.

## 7. Non-performing loans & foreclosed assets

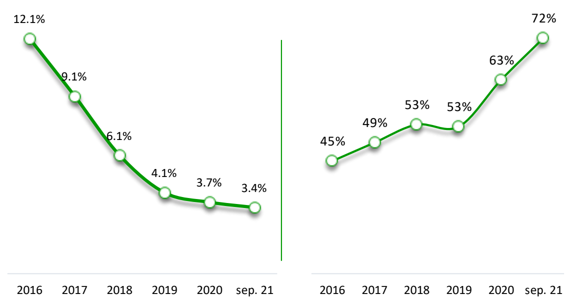
**TABLE 7:**

| *Million euros* | 30/09/21 | 30/06/21 | 31/12/20 | 30/09/20 | QoQ | Ytd | YoY |
|---|---|---|---|---|---|---|---|
| **GROSS BALANCE** | | | | | | | |
| **Public sector** | **13** | **13** | **13** | **13** | **0.9%** | **-4.2%** | **-4.2%** |
| **Private sector** | **1,849** | **1,773** | **1,972** | **2,066** | **4.3%** | **-6.3%** | **-10.5%** |
| **Business** | **840** | **865** | **936** | **931** | **-2.8%** | **-10.3%** | **-9.7%** |
| Real Estate | 154 | 161 | 161 | 166 | -4.6% | -4.3% | -7.1% |
| SMEs and self-employed | 552 | 591 | 658 | 669 | -6.7% | -16.2% | -17.6% |
| Other corporates | 135 | 112 | 117 | 96 | 20.1% | 14.9% | 40.6% |
| **Individuals** | **1,009** | **908** | **1,036** | **1,135** | **11.1%** | **-2.6%** | **-11.1%** |
| Mortgages | 939 | 815 | 962 | 1,067 | 15.2% | -2.3% | -12.0% |
| Consumer and other | 70 | 93 | 74 | 67 | -25.0% | -6.6% | 3.3% |
| **NON PERFORMING LOANS** | **1,862** | **1,785** | **1,986** | **2,079** | **4.3%** | **-6.2%** | **-10.4%** |
| | | | | | | | |
| **NPL RATIO** | | | | | | | |
| **Public sector** | **0.2%** | **0.2%** | **0.2%** | **0.3%** | **0.0 pp** | **0.0 pp** | **0.0 pp** |
| **Private sector** | **3.8%** | **3.5%** | **4.1%** | **4.3%** | **0.2 pp** | **-0.3 pp** | **-0.5 pp** |
| **Business** | **5.9%** | **5.9%** | **6.4%** | **6.3%** | 0.0 pp | -0.5 pp | -0.4 pp |
| Real Estate | 14.2% | 14.6% | 13.6% | 14.5% | -0.4 pp | 0.6 pp | -0.2 pp |
| SMEs and self-employed | 7.3% | 7.7% | 8.3% | 8.3% | -0.4 pp | -1.0 pp | -1.0 pp |
| Other corporates | 2.4% | 1.9% | 2.1% | 1.8% | 0.5 pp | 0.3 pp | 0.6 pp |
| **Individuals** | **2.9%** | **2.6%** | **3.1%** | **3.4%** | **0.3 pp** | **-0.1 pp** | **-0.5 pp** |
| Mortgages | 2.9% | 2.6% | 3.1% | 3.5% | 0.4 pp | -0.1 pp | -0.5 pp |
| Consumer and other | 2.5% | 2.6% | 2.6% | 2.4% | -0.1 pp | -0.2 pp | 0.1 pp |
| **TOTAL NPL RATIO** | **3.4%** | **3.2%** | **3.7%** | **3.9%** | **0.2 pp** | **-0.3 pp** | **-0.5 pp** |
| | | | | | | | |
| **PROVISIONS** | | | | | | | |
| **Public sector** | **8** | **7** | **8** | **8** | **0.0%** | **-4.2%** | **-3.8%** |
| **Private sector** | **1,334** | **1,121** | **1,240** | **1,271** | **1.3%** | **-7.8%** | **-13.6%** |
| **Business** | **665** | **632** | **684** | **720** | **-0.6%** | **-0.3%** | **-12.9%** |
| Real Estate | 88 | 80 | 79 | 105 | -11.2% | -21.2% | -49.5% |
| SMEs and self-employed | 417 | 416 | 499 | 497 | -0.7% | -5.8% | -8.4% |
| Other corporates | 160 | 136 | 106 | 118 | 4.5% | 36.4% | 2.6% |
| **Individuals** | **669** | **489** | **557** | **551** | **3.6%** | **-15.0%** | **-14.5%** |
| Mortgages | 556 | 383 | 450 | 412 | 9.4% | -2.8% | 14.4% |
| Consumer and other | 113 | 106 | 106 | 139 | -2.6% | -26.3% | -34.5% |
| **TOTAL IMPAIRMENT LOSSES** | **1,342** | **1,128** | **1,248** | **1,279** | **1.3%** | **-7.8%** | **-13.6%** |
| | | | | | | | |
| **% COVERAGE** | | | | | | | |
| **Public sector** | **59.6%** | **57.1%** | **56.6%** | **56.4%** | **2.5 pp** | **2.9 pp** | **3.2 pp** |
| **Private sector** | **72.2%** | **63.2%** | **62.9%** | **61.5%** | **8.9 pp** | **9.3 pp** | **10.6 pp** |
| **Business** | **79.2%** | **73.1%** | **73.0%** | **77.4%** | 6.1 pp | 6.2 pp | 1.8 pp |
| Real Estate | 57.5% | 49.5% | 48.9% | 63.7% | 8.0 pp | 8.6 pp | -6.1 pp |
| SMEs and self-employed | 75.6% | 70.3% | 75.8% | 74.2% | 5.3 pp | -0.1 pp | 1.4 pp |
| Other corporates | 118.6% | 121.2% | 90.8% | 123.5% | -2.7 pp | 27.7 pp | -5.0 pp |
| **Individuals** | **66.3%** | **53.9%** | **53.7%** | **48.5%** | **12.4 pp** | **12.6 pp** | **17.8 pp** |
| Mortgages | 59.2% | 47.0% | 46.8% | 38.6% | 12.2 pp | 12.4 pp | 20.6 pp |
| Consumer and other | 162.3% | 114.2% | 142.8% | 206.5% | 48.1 pp | 19.5 pp | -44.3 pp |
| **TOTAL COVERAGE RATIO** | **72.1%** | **63.2%** | **62.8%** | **61.5%** | **8.9 pp** | **9.2 pp** | **10.6 pp** |

The Group reduced its non-performing assets by EUR -124 million in the year and by EUR -217 million in the last twelve months, despite the adverse macroeconomic environment, bringing the balance of non-performing assets to €1,862 million at the end of September 2021, a reduction of -10.4% year-on-year and -6.2% in the year.

As a result, the NPL ratio improved to 3.4%, a fall of 50 basis points over the last 12 months and 27 basis points year to date.

NPL Ratio and Coverage




During the pandemic, 5% of the mortgage portfolio received payment moratoriums, most of which (95%) have already matured, without this having led to a significant increase in their NPL ratio, which remains below 3%

Coverage levels continued to rise, increasing both in the year (+9.2 p.p.) and in the last twelve months (+10.6 p.p.) to 72.1%.

To this must be added the additional protection provided by the ICO guarantee on 17% of the corporate portfolio, favoured by the support measures provided to the productive sector in the pandemic period.

## FORECLOSED ASSETS

**TABLE 8:**

| *Million euros* | 30/09/21 | 30/06/21 | 31/12/20 | 30/09/20 | QoQ | Ytd | YoY |
|---|---|---|---|---|---|---|---|
| **GROSS BALANCE** | | | | | | | |
| Buildings under construction | 266 | 270 | 268 | 267 | -1.8% | -1.0% | -0.6% |
| Residential | 698 | 710 | 718 | 724 | -1.7% | -2.7% | -3.5% |
| Land | 1,090 | 1,093 | 1,070 | 1,114 | -0.2% | 1.8% | -2.1% |
| Commercial RE | 269 | 269 | 293 | 314 | 0.1% | -8.3% | -14.4% |
| **TOTAL FORECLOSED ASSETS - GROSS BALANCE** | **2,323** | **2,342** | **2,350** | **2,419** | **-0.8%** | **-1.1%** | **-4.0%** |
| **PROVISIONS** | | | | | | | |
| Buildings under construction | 174 | 132 | 124 | 121 | 31.4% | 39.8% | 43.9% |
| Residential | 374 | 350 | 356 | 352 | 6.9% | 5.1% | 6.2% |
| Land | 755 | 695 | 703 | 733 | 8.7% | 7.4% | 3.0% |
| Commercial RE | 139 | 123 | 133 | 141 | 13.2% | 4.1% | -1.6% |
| **TOTAL FORECLOSED ASSETS - PROVISIONS** | **1,442** | **1,299** | **1,316** | **1,347** | **11.0%** | **9.5%** | **7.0%** |
| **COVERAGE (%)** | | | | | | | |
| Buildings under construction | 65.5% | 49.0% | 46.4% | 45.3% | 16.5 pp | 19.1 pp | 20.2 pp |
| Residential | 53.5% | 49.2% | 49.5% | 48.6% | 4.3 pp | 4.0 pp | 4.9 pp |
| Land | 69.3% | 63.6% | 65.7% | 65.8% | 5.7 pp | 3.6 pp | 3.5 pp |
| Commercial RE | 51.6% | 45.6% | 45.4% | 44.8% | 6.0 pp | 6.1 pp | 6.7 pp |
| **TOTAL FORECLOSED ASSETS - COVERAGE (%)** | **62.1%** | **55.5%** | **56.0%** | **55.7%** | **6.6 pp** | **6.0 pp** | **6.4 pp** |

At the end of the third quarter, the balance of foreclosed assets, net of provisions, stood at €881 million (€2,323 million gross value), 0.81% of the Group's total assets. Of these, 47.2% are finished buildings or under construction (in terms of net book value).

Gross outflows of foreclosed assets classified as non-current assets held for sale amounted to €279 million, 12% of the stock at the beginning of the year. The level of outflows, discounting seasonal factors, is in line with previous quarters. Of the year's sales, 48% were housing, 32% land and 20% tertiary sector assets and work in progress. These volumes of foreclosed assets are having a positive impact on the income statement.

Gross foreclosed assets declined -4.0% year-on-year and -0.8% in the third quarter.

Provisions for foreclosed assets amounted to €1,442 million at the end of the third quarter, a coverage ratio of 62.1%, +6.6 p.p. higher than in the previous quarter and 6.4 p.p. higher than 12 months ago.

In addition, €73 million gross of assets classified as investment property were sold during the year.

**TABLE 9:**

| *Million euros* | 30/09/21 | 30/06/21 | 31/12/20 | 30/09/20 | QoQ | Ytd | YoY |
|---|---|---|---|---|---|---|---|
| **GROSS BALANCE** | | | | | | | |
| NPL | 1,862 | 1,785 | 1,986 | 2,079 | 4.3% | -6.2% | -10.4% |
| Foreclosed Assets | 2,323 | 2,342 | 2,350 | 2,419 | -0.8% | -1.1% | -4.0% |
| **Non performing assets (NPA)- GROSS BALANCE** | **4,185** | **4,127** | **4,336** | **4,498** | **1.4%** | **-3.5%** | **-7.0%** |
| **NPAs Ratio** | **7.3%** | **7.1%** | **7.7%** | **8.1%** | **0.2 pp** | **-0.4 pp** | **-0.7 pp** |
| **PROVISIONS** | | | | | | | |
| NPL | 1,342 | 1,128 | 1,248 | 1,279 | 18.9% | 7.5% | 4.9% |
| Foreclosed Assets | 1,442 | 1,299 | 1,316 | 1,347 | 11.0% | 9.5% | 7.0% |
| **Non performing assets (NPA)- PROVISIONS** | **2,784** | **2,428** | **2,564** | **2,626** | **14.7%** | **8.5%** | **6.0%** |
| **COVERAGE (%)** | | | | | | | |
| NPL | 72.1% | 63.2% | 62.8% | 61.5% | 8.9 pp | 9.2 pp | 10.6 pp |
| Foreclosed Assets | 62.1% | 55.5% | 56.0% | 55.7% | 6.6 pp | 6.0 pp | 6.4 pp |
| **Non performing assets (NPA)- COVERAGE (%)** | **66.5%** | **58.8%** | **59.1%** | **58.4%** | **7.7 pp** | **7.4 pp** | **8.1 pp** |

## NON PERFORMING ASSETS

Total non-performing assets fell by €-151 million in the year and by EUR -313 million year-on-year (-7.0%) and their coverage ratio stood at 66.5%, the highest among Spanish listed banks, after increasing by +7.7 p.p. in the quarter and +8.1 p.p. in the last twelve months.

## 8. Results (pro-forma)

**TABLE 10:**

| Million euros | 30/09/2021 | 3Q21 | 2Q21 | 1Q21 | 9M21 vs 9M20 Amount | 9M21 vs 9M20 % |
|---|---|---|---|---|---|---|
| Interest income | 912 | 284 | 307 | 320 | -94 | -9% |
| Interest expense | -118 | -34 | -41 | -44 | 50 | -30% |
| **NET INTEREST INCOME** | **793** | **251** | **266** | **277** | **-44** | **-5%** |
| Dividend income | 19 | 1 | 17 | 1 | 5 | 41% |
| Share of results of entities accounted for using the equity | 49 | 15 | 23 | 10 | -9 | -15% |
| Net fee income | 355 | 121 | 117 | 117 | 57 | 19% |
| Trading income | 26 | 4 | 6 | 17 | -50 | -66% |
| Other operating income/expenses | -37 | -7 | -28 | -2 | -53 | -344% |
| **GROSS INCOME** | **1,204** | **385** | **400** | **419** | **-93** | **-7%** |
| Administrative costs | -640 | -211 | -214 | -214 | 18 | -3% |
| Staff costs | -432 | -141 | -145 | -145 | 24 | -5% |
| Other administrative costs | -208 | -70 | -69 | -69 | -6 | 3% |
| Depreciation and amortization | -74 | -23 | -26 | -25 | -7 | 10% |
| **PRE-PROVISION PROFIT** | **490** | **150** | **160** | **180** | **-82** | **-14%** |
| Provisions /reversal of provisions | -65 | -12 | -38 | -15 | -21 | 47% |
| Impairments / reversal of financial assets | -214 | -57 | -81 | -77 | 97 | -31% |
| **NET OPERATING INCOME** | **210** | **82** | **40** | **88** | **-6** | **-3%** |
| Other profits or losses | -6 | -10 | 0 | 4 | 73 | -92% |
| **PROFIT BEFORE TAX** | **204** | **71** | **41** | **92** | **68** | **50%** |
| Taxes | -48 | -18 | -5 | -26 | -23 | 87% |
| **CONSOLIDATED NET INCOME** | **156** | **54** | **36** | **66** | **45** | **41%** |
| **ATTRIBUTABLE NET INCOME** | **156** | **54** | **36** | **66** | **45** | **41%** |

To see the evolution of the business, an income statement is presented which includes the results generated by both Liberbank and Unicaja Banco in the first nine months of the year.

Regarding the consolidated income statement corresponding to the nine month period between January 1st of 2021 and Septembrer, 30th 2021 (Table 4), the following adjustments related to the merger are made: € 1.301 million of badwill, € 17 million of acquisition expenses, EUR 22 million of provisions for restructuring the branch network and IT and EUR 143.2 million of provisions made by Liberbank prior to the merger for personnel restructuring.

Net interest income fell by 3.6% year-on-year (-5.3% excluding non-recurrent revenues), a decline concentrated in the retail business, while the wholesale business showed a year-on-year variation of zero.

**TABLE 11:**
**QUARTERLY YIELDS & COSTS**

| *Million euros / %* | 3Q 2021 | | | 2Q 2021 | | | 1Q 2021 | | | 4Q 2020 | | | 3Q 2020 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Average balance | FI/FE | Yield/ cost (%) | Average balance | FI/FE | Yield/ cost (%) | Average balance | FI/FE | Yield/ cost (%) | Average balance | FI/FE | Yield/ cost (%) | Average balance | FI/FE | Yield/ cost (%) |
| Financial intermediaries | 11,028 | -4.5 | -0.16 | 11,042 | -5.2 | -0.19 | 9,173 | -4.0 | -0.18 | 8,938 | -3.8 | -0.17 | 9,330 | -4.0 | -0.17 |
| Fixed income portfolio | 29,705 | 56.70 | 0.76 | 31,247 | 68.60 | 0.88 | 32,889 | 75.45 | 0.93 | 33,060 | 79.18 | 0.95 | 31,635 | 83.83 | 1.05 |
| **Net loans (including NPLs)** | **55,261** | **193.0** | **1.39** | **54,877** | **199.6** | **1.46** | **54,241** | **209.2** | **1.56** | **54,069** | **217.6** | **1.60** | **53,409** | **219.9** | **1.64** |
| Other assets | | 0.26 | | | 0.08 | | | 0.09 | | | 1.03 | | | 0.10 | |
| **TOTAL ASSETS** | | **245.4** | | | **263.1** | | | **280.8** | | | **294.0** | | | **299.8** | |
| Financial intermediaries | 19,398 | -33.9 | -0.69 | 21,308 | -38.0 | -0.71 | 20,368 | -35.5 | -0.71 | 20,554 | -35.9 | -0.70 | 19,777 | -33.8 | -0.68 |
| Debt securities | 5,977 | 18.5 | 1.23 | 5,959 | 23.7 | 1.59 | 6,654 | 26.3 | 1.60 | 6,731 | 27.3 | 1.62 | 6,688 | 28.2 | 1.68 |
| **Customer deposits** | **72,099** | **1.6** | **0.01** | **69,849** | **2.7** | **0.02** | **68,699** | **4.5** | **0.03** | **67,947** | **7.5** | **0.04** | **66,993** | **13.5** | **0.08** |
| Sight deposits (PS) | 56,911 | 0.4 | 0.00 | 55,731 | 0.1 | 0.00 | 54,784 | 0.0 | 0.00 | 52,880 | 0.3 | 0.00 | 51,467 | 0.5 | 0.00 |
| Term deposits (PS) | 7,104 | 1.3 | 0.07 | 7,558 | 2.8 | 0.15 | 8,261 | 4.4 | 0.22 | 9,070 | 7.0 | 0.31 | 9,882 | 12.8 | 0.51 |
| Subordinated liabilities | 574 | 6.5 | 4.48 | 596 | 6.8 | 4.55 | 583 | 6.7 | 4.64 | 584 | 6.9 | 4.72 | 589 | 7.1 | 4.81 |
| Other liabilities | | 1.9 | | | 2.1 | | | 2.0 | | | 2.4 | | | 2.3 | |
| **TOTAL LIABILITIES** | | **-5.4** | | | **-2.8** | | | **4.1** | | | **8.3** | | | **17.3** | |
| **CUSTOMER SPREAD*** | | | **1.38** | | | **1.44** | | | **1.54** | | | **1.56** | | | **1.56** |
| **NET INTEREST MARGIN** | | **250.8** | | | **265.8** | | | **276.7** | | | **285.7** | | | **282.5** | |

The improvement in net interest income due to the higher volume of loans and the lower cost of funding was offset by the increase in arrangement costs and the fall in interest rates. These factors reduced the profitability of retail business and left the customer margin at 1.4% (table 11)

In the wholesale business, on the other hand, the year-on year decline in issuance funding costs and the income from the ECB fully offset the decrease in the fixed income portfolio yields (due to the smaller size of the portfolio and the sales and the mark-to-market of assets in the context of the integration between Unicaja Banco and Liberbank).

In the third quarter the net interest income goes down by € 15 million, of which € 10 million come from the wholesale business and are related to fixed income sales and with the decline of the repos profitability. Retail business profitability declines by € 5 million during the quarter, conditioned by the same factors determining its interanual evolution.

Euribor 12 m (average)

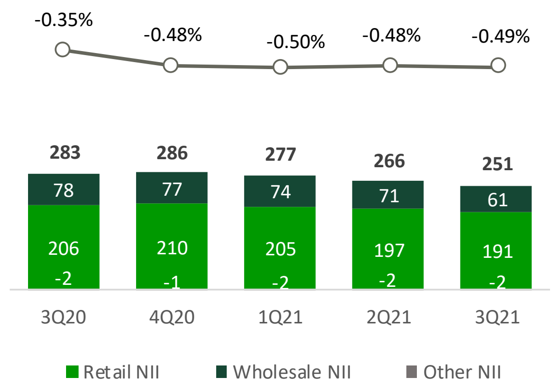



**TABLE 12:**

| *Million euros* | 3Q21 | 2Q21 | 1Q21 | 4Q20 | 3Q20 | QoQ | 9M21 vs 9M20 |
|---|---|---|---|---|---|---|---|
| **FEE INCOME** | **132** | **129** | **127** | **121** | **111** | **2.8%** | **19.6%** |
| From contingent risk | 3 | 3 | 5 | 4 | 3 | -4.9% | -5.5% |
| From contingent commitments | 1 | 1 | 1 | 1 | 1 | 22.6% | 16.6% |
| From currency exchange | 0 | 0 | 0 | 0 | 0 | 50.8% | -31.9% |
| From payments and collections | 76 | 71 | 65 | 65 | 57 | 7.7% | 27.8% |
| From non banking products | 50 | 51 | 53 | 49 | 47 | -3.0% | 12.0% |
| Other fees | 2 | 2 | 3 | 2 | 2 | -15.6% | 19.6% |
| **FEE EXPENSES** | **11** | **11** | **10** | **9** | **11** | **-2.5%** | **25.2%** |
| **NET FEE INCOME** | **121** | **117** | **117** | **111** | **100** | **3.3%** | **19.1%** |
| **Non recurrent net fees** | **0** | **0** | **0** | **0** | **6** | | |
| **RECURRENT NET FEES** | **121** | **117** | **117** | **111** | **94** | **3.3%** | **21.6%** |

Fee income increased 21.6% on a recurring basis, driven by higher commercial activity in investment funds, insurance and payment services.

The increase in volume in investment funds and the active management of investment savings products improved the profitability of this line of business, which grew 28.1% year-on-year. Equally significant was the rise in fees from insurance business +11.2% and services related to means of payment +27.8%

Profit from associates amounted to €67 million including dividends and results of associates, mainly coming from insurance companies.

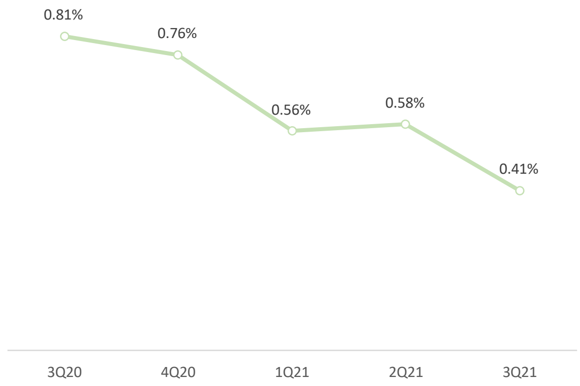
Gains on financial transactions and exchange differences amounted to €26 million.

The results recorded under Other operating income / expenses amounted to €-37 million, seasonally affected in the second quarter by the recording of the contribution 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 profits from a shareholders' agreement related with Caser.

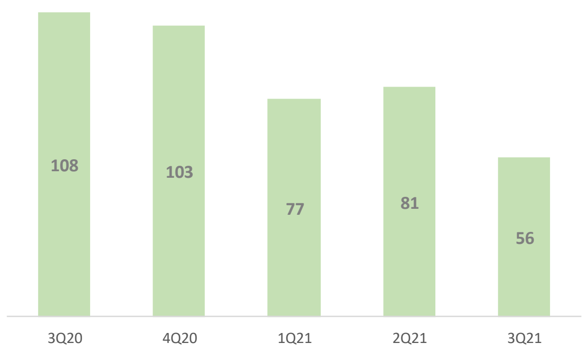
Administrative expenses show a year-on-year decrease of -2.8%, although they only reflect part of the synergies that will arise from the merger.

'Provisions /reversal of provisions' of EUR 65 million relate to guarantees and different litigation issues. Impairments of financial assets (€-214 million) include loan-loss provisions, showing a 31% decline year-on-year. The cost of risk was 41 b.p. (29 b.p. in recurring terms).

**Cost of risk evolution**




**Credit impairments** (In € millions)




## 9. Liquidity

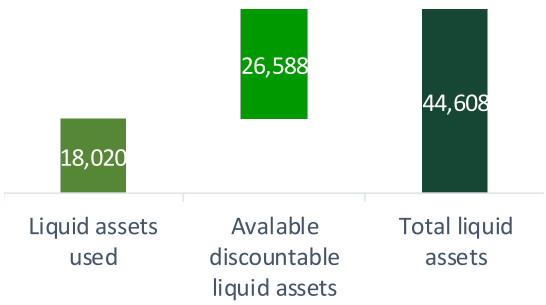
The Entity maintains very comfortable liquidity levels.

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 300%.

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 140%.

**Liquidity position**




At the end of the third 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 €26,588 million, which represents 24.4% of the total balance sheet.

**TABLE 13:**

| PHASED IN RATIOS | | | | | |
|---|---|---|---|---|---|
| *Million € and %* | 30/09/2021 * | 30/06/2021 * | 31/12/2020 * | 30/09/2020 * | QoQ |
| **Qualifying capital** | **5,935** | **6,756** | **4,087** | **4,059** | **-12.2%** |
| CET1 capital (BIS III) | 5,316 | 6,164 | 3,740 | 3,712 | -13.8% |
| Capital and share premium | 3,864 | 3,349 | 2,789 | 2,820 | 15.4% |
| Reserves | 858 | 3,458 | 1,086 | 1,077 | -75.2% |
| Attributable net profit (excluding dividends) | 1,330 | -1 | 54 | 34 | |
| Deductions | -1,198 | -973 | -500 | -474 | 23.1% |
| Others (1) | 461 | 331 | 310 | 256 | 39.3% |
| Tier 1 | 47 | 47 | 47 | 47 | 0.0% |
| Tier 2 | 571 | 545 | 300 | 300 | 4.9% |
| **Risk weighted assets** | **35,699** | **36,271** | **22,492** | **22,822** | **-1.6%** |
| **CET1 capital (BIS III) (%)** | **14.9%** | **17.0%** | **16.6%** | **16.3%** | **-2.1 pp** |
| Tier 1 | 0.1% | 0.1% | 0.2% | 0.2% | 0.0 pp |
| Tier 2 | 1.6% | 1.5% | 1.3% | 1.3% | 0.1 pp |
| **Total capital ratio (%)** | **16.6%** | **18.6%** | **18.2%** | **17.8%** | **-2.0 pp** |

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

* The data for 09.30.2021 are post-merger with Liberbank, the data for 06.30.2021 is a pro-forma integrating Liberbank. Data from previous pre-merger periods with Liberbank.

| FULLY LOADED RATIOS | | | | | |
|---|---|---|---|---|---|
| *Million € and %* | 30/09/2021 | 30/06/2021 | 31/12/2020 * | 30/09/2020 * | QoQ |
| **Qualify capital** | **5,465** | **6,441** | **3,691** | **3,663** | **-15.1%** |
| CET1 capital (BIS III) | 4,824 | 5,829 | 3,343 | 3,316 | -17.3% |
| Capital and share premium | 3,864 | 3,349 | 2,789 | 2,820 | 15.4% |
| Reserves | 858 | 3,458 | 1,086 | 1,077 | -75.2% |
| Attributable net profit (excluding dividends) | 1,330 | -1 | 54 | 34 | |
| Deductions | -1,389 | -1,121 | -738 | -711 | 23.9% |
| Others | 161 | 145 | 151 | 97 | 10.9% |
| Tier 1 | 47 | 47 | 47 | 47 | 0.0% |
| Tier 2 | 594 | 564 | 300 | 300 | 5.4% |
| **Risk weighted assets** | **35,441** | **36,138** | **22,260** | **22,568** | **-1.9%** |
| **CET1 capital (BIS III) (%)** | **13.6%** | **16.1%** | **15.0%** | **14.7%** | **-2.5 pp** |
| Tier 1 | 0.1% | 0.1% | 0.2% | 0.2% | 0.0 pp |
| Tier 2 | 1.7% | 1.6% | 1.3% | 1.3% | 0.1 pp |
| **Total capital ratio (%)** | **15.4%** | **17.8%** | **16.6%** | **16.2%** | **-2.4 pp** |

## 10. Solvency

At 30 September 2021, under phased-in, the Unicaja Banco Group had a CET 1 Common Equity Tier 1 of 14.9%, a Tier 1 Capital ratio of 15.0% and a Total Capital ratio of 16.6%. These ratios represent a buffer over the bank's required levels of 6.9 p.p. in CET 1 and 4.3 p.p. in Total Capital.

Under fully loaded basis, the Unicaja Banco Group's CET 1 Common Equity Tier 1 ratio was 13.6%, Tier 1 Capital ratio 13.7% and Total Capital ratio 15.4%.

The quarterly reduction in solvency ratios is mainly due to PPA adjustments.

The tangible book value per share (TBV per share) reached 2.23 at 30 September 2021.

Finally, the Texas ratio stays at 47.6%

## 11. The Share

The share capital of Unicaja Banco is 2,654,833,479 euros, divided into 2,654,833,479 registered shares of 1 euro 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**. Fitch. On 14 January 2021, the agency affirmed Unicaja Banco's long-term rating at "BBB-" and its short-term rating at "F3". The outlook is set at Negative. Unicaja Banco's current ratings are therefore:

- Long-term IDR rating "BBB-" Negative outlook.
- Short-term IDR rating "F3".
- Viability rating (VR) "bbb-".
- Subordinated debt rating (Tier 2) "BB”

**Moody’s**. On 25 May 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. Sustainable finances

Unicaja Banco has continued to carry out Corporate Social Responsibility (CSR) and sustainable and responsible banking activities throughout the third quarter of 2021, of which the following are noteworthy among others:

i. As part of the integration process of Unicaja Banco and Liberbank, sustainability governance has been strengthened, with the creation of the ESG Business Division and the Sustainability and CSR Division.

ii. In terms of financial products, following the recent launch of Unicaja Banco and Santalucía's first sustainable pension plan, Uniplan Futuro Sostenible, the Entity's catalogue has been expanded following the merger operation to include green mortgages.

iii. The Edufinet financial education project has continued to develop its activity, both in person and online. In this regard, Edufinet has continued to deepen the development of sessions so that the beneficiaries of the actions learn concepts of financial sustainability and can make responsible economic and financial decisions. Sessions on circular economy, blue economy, wage equality or corporate governance, among others, have been given.

## Appendix I. Consolidated balance sheet of the Unicaja Banco Group at 30 September 2021 (in million euros)

**Table 14:**

| ASSETS | |
|---|---|
| CASH AND CASH BALANCES AT CENTRAL BANKS AND OTHER DEMAND DEPOSITS | 15,367 |
| FINANCIAL ASSETS HELD FOR TRADING | 44 |
| Derivatives | 30 |
| Equity Instruments | 13 |
| Debt securities | - |
| Loans and advances | - |
| Central Banks | - |
| Credit Institutions | - |
| Customers | - |
| FINANCIAL ASSETS NOT HELD FOR TRADING MANDATORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS | 312 |
| Equity instruments | 174 |
| Debt securities | 138 |
| Loans and advances | - |
| Central Banks | - |
| Credit Institutions | 138 |
| Customers | - |
| FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS | - |
| Debt securities | - |
| Loans and advances | - |
| Central Banks | - |
| Credit Institutions | - |
| Customers | - |
| FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME | 1,346 |
| Equity instruments | 666 |
| Debt securities | 680 |
| Loans and advances | - |
| Central Banks | - |
| Credit Institutions | - |
| Customers | - |
| *Memorandum item: loaned or pledged as colateral with right of sale or pldege* | - |
| FINANCIAL ASSETS MEASURED AT AMORTIZED COST | 81,772 |
| Debt securities | 24,932 |
| Loans and advances | 56,839 |
| Central Banks | |
| Credit Institutions | 1,453 |
| Customers | 55,386 |
| *Memorandum item: loaned or pledged as colateral with right of sale or pldege* | 18,236 |
| DERIVATIVES – HEDGE ACCOUNTING | 796 |
| CHANGES IN THE FAIR VALUE OF HEDGED ITEMS IN A PORTFOLIO HEDGED FOR INTEREST RATE RISK | 111 |
| INVESTMENTS IN BUSINESS COMBINATIONS AND ASSOCIATES | 1,030 |
| Business combinations | 71 |
| Associates | 959 |
| ASSETS COVERED BY INSURANCE OR REINSURANCE CONTRACTS | 2 |
| TANGIBLE ASSETS | 2,273 |
| Property, plant and equipment | 1,402 |
| For own use | 1,402 |
| Under operating leases | - |
| Investment property | 871 |
| *Of which: under operating leases* | 653 |
| *Memorandum ítem: acquired under leasing* | 32 |
| INTANGIBLE ASSETS | 84 |
| Goodwill | 40 |
| Other intangible assets | 44 |
| TAX ASSETS | 4,760 |
| Current tax assets | 81 |
| Deferred tax assets | 4,679 |
| OTHER ASSETS | 513 |
| Pension insurance contracts | 32 |
| Stock | 185 |
| Other assets | 296 |
| NON CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE | 735 |
| **TOTAL ASSETS** | **109,144** |

## Table 15:

| LIABILITIES | |
|---|---|
| FINANCIAL LIABILITIES HELD FOR TRADING | 29 |
| DerivaTIVES | 29 |
| Short Positions | - |
| Deposits | - |
| Central Banks | - |
| Credit Institutions | - |
| Customers | - |
| Debt securities issued | - |
| Other financial liabilities | - |
| FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS | - |
| Deposits | - |
| Central Banks | - |
| Credit Institutions | - |
| Customers | - |
| Debt securities issued | - |
| Other financial liabilities | - |
| *Memorandum item: subordinated liabilities* | - |
| PASIVOS FINANCIEROS A COSTE AMORTIZADO | 99,616 |
| Deposits | 96,224 |
| Central Banks | 10,318 |
| Credit Institutions | 3,864 |
| Customers | 82,041 |
| Debt securities issued | 1,916 |
| Other financial liabilities | 1,477 |
| *Memorandum item: subordinated liabilities* | 627 |
| DERIVATIVES – HEDGE ACCOUNTING | 1,053 |
| CHANGES IN THE FAIR VALUE OF HEDGED ITEMS IN A PORTFOLIO HEDGED FOR INTEREST RATE RISK | - |
| ASSETS UNDER REINSURANCE AND INSURANCE CONTRACTS | 591 |
| PROVISIONS | 1,118 |
| Provisions for pensions and other post-employment defined benefit obligations | 58 |
| Other long term employee benefits | 149 |
| Pending legal issues and tax litigation | 3 |
| Commitments and guarantees given | 101 |
| Other provisions | 807 |
| TAX LIABILITIES | 411 |
| Current tax liabilities | 25 |
| Deferred tax liabilities | 387 |
| OTHER LIABILITIES | 311 |
| LIABILITIES INCLUDED IN DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE | - |
| **TOTAL LIABILITIES** | **103,131** |

## Table 16:

| EQUITY | |
|---|---|
| **FONDOS PROPIOS** | **6,161** |
| CAPITAL | 2,655 |
| Paid up capital | 2,655 |
| Unpaid capital which has been called up | - |
| *Memorandum item: uncalled capital* | - |
| SHARE PREMIUM | 1,209 |
| EQUITY INSTRUMENTS ISSUED OTHER THAN CAPITAL | 47 |
| Equity component of compound financial instruments | 47 |
| Other equity instruments issued | - |
| OTHER EQUITY | - |
| ACCUMULATED OTHER COMPREHENSIVE INCOME | (2,618) |
| REVALUATION RESERVES | - |
| OHER RESERVES | 3,476 |
| Reserves or accumulated losses of investments in subsidaries, joint ventures and associates | (90) |
| OtHER | 3,565 |
| (–) TREASURY SHARES | (3) |
| PROFIT OR LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT | 1,395 |
| (–) INTERIM DIVIDENDS | - |
| **OTHER COMPREHENSIVE INCOME** | (149) |
| ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS | 142 |
| Actuarial gains or (-) losses on defined benefit pension plans | 42 |
| Non-current assets and disposal groups held for sale | - |
| Share of other recognised Income and expense of business combinations and associates | 18 |
| Fair value changes of equity instruments measured at fair value with changes in other comprehensive Income | 82 |
| Ineffectiveness in the fair value hedges of equity instruments measured at fair valie with changes in other comprehensive Income | - |
| Fair value changes of equity instruments measured at fair value with changes in other comprehensive Income (hedged element) | - |
| Fair value changes of equity instruments measured at fair value with changes in other comprehensive Income (hedge instrument) | - |
| Fair value changes of financial liabilities through profit or loss due to credit risk | - |
| ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS | (290) |
| Hedge of net investments in foreign operations [effective portion] | - |
| Foreign currency translation | - |
| Cash flow hedges [effective portion]) | (358) |
| Fair value changes of debt instruments measured at fair value with changes in other comprehensive Income | 27 |
| Hedge instruments (not designated elements) | |
| Non-current assets and disposal groups held for sale | |
| Share of other recognised income and expense of Investments in subsidaries, joint ventures and associates | 41 |
| **MINORITY INTEREST (NON-CONTROLLING INTEREST)** | **-** |
| OTHER ACCUMULATED COMPREHENSIVE INCOME | - |
| OTHER ITEMS | - |
| **TOTAL EQUITY** | **6,013** |
| **TOTAL EQUITY AND LIABILITIES** | **109,144** |
| **MEMORANDUM ITEM: OFF-BALANCE SHEET EXPOSURES** | |
| LOAN COMMITMENTS GIVEN | 4,605 |
| FINANCIAL GUARANTEES GIVEN | 186 |
| OTHER COMMITMENTS GIVEN | 5,445 |

**Appendix II. Consolidated profit and loss account of the Unicaja Banco Group for the nine months ended 30 September 2021** (in million euros)

## Table 17:

| | |
|---|---|
| INTEREST INCOME | 575 |
| Financial assets designated at fair value through other comprehensive Income | 3 |
| Financial assets at amortised cost | 641 |
| Other | (70) |
| INTEREST EXPENSES | (80) |
| REIMBURSABLE CAPITAL STOCK EXPENSE ON DEMAND | - |
| **IINTEREST MARGIN** | 495 |
| DIVIDEND INCOME | 15 |
| Results from equity method stakes | 31 |
| FEES INCOME | 251 |
| FEES EXPENSES | (22) |
| GAINS OR (-) LOSSES ON DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS, NET | 21 |
| GAINS OR (-) LOSSES ON FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING, NET | 8 |
| GAINS OR (-) LOSSES ON FINANCIAL ASSETS AND LIABILITIES NOT HELD FOR TRADING MANDATORY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS, NET | 1 |
| GAINS OR (-) LOSSES ON FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS, NET | |
| GAINS OR (-) LOSSES FROM HEDGE ACCOUNTING, NET | (2) |
| EXCHANGE DIFFERENCES [GAIN OR (-) LOSS], NET | 3 |
| OTHER OPERATING INCOME | 41 |
| OTHER OPERATING EXPENSES | (72) |
| INCOME FROM ASSETS UNDER REINSURANCE AND INSURANCE CONTRACTS | 50 |
| LIABILITIES EXPENSES COVERED BY REINSURANCE AND INSURANCE CONTRACTS | (32) |
| **GROSS MARGIN** | **786** |
| ADMINISTRATIVE EXPENSES | (437) |
| Staff expenses | (298) |
| Other administrative expenses | (139) |
| Depreciaton | (47) |
| (PROVISIONS OR REVERSAL OF PROVISIONS) | (57) |
| (IMPAIRMENT OR (-) REVERSAL OF IMPAIRMENT ON FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS) | (126) |
| Financial assets measured at fair value with changes in other comprehensive Income | - |
| Financial assets at amortized cost | (126) |
| **PRE-IMPAIRMENT INCOME** | **119** |
| IMPAIRMENT OR (-) REVERSAL OF IMPAIRMENT ON FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS | - |
| IMPAIRMENT OR (-) REVERSAL OF IMPAIRMENT ON NON-FINANCIAL ASSETS | (3) |
| Tangible assets | 1 |
| Intangible assets | (5) |
| Other | 1 |
| GAINS OR (-) LOSSES ON DERECOGNITION OF NON FINANCIAL ASSETS, NET | 5 |
| NEGATIVE GOODWILL RECOGNISED IN PROFIT OR LOSS | 1,301 |
| PROFIT OR (-) LOSS FROM NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE NOT QUALIFYING AS DISCONTINUED OPERATIONS | (1) |
| **PROFIT OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS** | **1,422** |
| TAX EXPENSE OR (-) INCOME RELATED TO PROFIT OR LOSS FROM CONTINUING OPERATIONS | (27) |
| **PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS** | **1,395** |
| PROFIT OR (-) LOSS AFTER TAX FROM DISCONTINUED OPERATIONS | - |
| **PROFIT OR (-) LOSS FOR THE YEAR** | **1,395** |
| Attributable to minority interest [Non-controlling interest] | - |
| Attributable to owners of the parent | 1,395 |

**Appendix III:**

**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 18:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| (1) Impairment or (-) reversal of impairment in value of loans and receivables to customers (annualised quarterly data). *Management measure* | 225.5 | 324.2 | 411.2 | 430.1 |
| *(2) of which non-recurrent (annualised quarterly data). Management measure* | 64.0 | n.a. | n.a. | n.a. |
| (3) Average of the start/end of period in loans and receivables to customers (ex valuation adjustments) | 54,940 | 55,997 | 54,266 | 53,428 |
| **Cost of risk (1/3)** | **0.41%** | **0.58%** | **0.76%** | **0.81%** |
| **Recurring cost of risk (1-2)/3)** | **0.29%** | **n.a.** | **n.a.** | **n.a.** |

**Source:** Consolidated public financial statement.

**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 19:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| **Impairment or (-) reversal of impairment in value of loans and receivables to customers. *Management measure* (1a+1b)** | **214.4** | **157.6** | **415.1** | **311.6** |
| (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 at amortized cost | 214.4 | 157.6 | 415.1 | 311.6 |
| (1a.) From loans and receivables portfolio. *Management measure* | 214.3 | 157.9 | 412.7 | 309.9 |
| (1b.) Rest of financial assets carried at amortised cost | 0.1 | -0.3 | 2.4 | 1.7 |

**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 20:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| **Cost to income ratio (Operating Expenses excl. amort. & depre. / gross margin) (1/2)** | **53.2%** | **52.3%** | **52.9%** | **50.7%** |
| (1) Administrative expenses | 640 | 429 | 864 | 658 |
| (2) Gross margin | 1.204 | 819 | 1,632 | 1,297 |

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

**Table 21:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| **Customer spread (quaterly figure) (1-2)** | **1.38%** | **1.44%** | **1.56%** | **1.56%** |
| (1) 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* | 1.39% | 1.46% | 1.60% | 1.64% |
| (2) Cost in the quarter of retail customer deposits (excluding repos) over average quarterly balances of customer deposits (excluding repos). *Management measure* | 0.01% | 0.02% | 0.04% | 0.08% |

**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 22:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| **NPL ratio (1/2)** | **3.4%** | **3.2%** | **3.7%** | **3.9%** |
| (1) Loans and receivables portfolio. Gross amount Stage 3 | 1,862 | 1,785 | 1,986 | 2,079 |
| (2) Loans and receivables portfolio. Gross amount | 54,940 | 55,997 | 54,266 | 53,428 |

**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 23:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| **NPL coverage ratio (1/2)** | **72.1%** | **63.2%** | **62.8%** | **61.5%** |
| (1) Loans and receivables portfolio. Total adjustments for impairment of assets | 1,342 | 1,128 | 1,248 | 1,279 |
| (2) Loans and receivables portfolio. Gross amount Stage 3 | 1,862 | 1,785 | 1,986 | 2,079 |

**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 24:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| **Foreclosed assets coverage (1/2)** | **62.1%** | **55.5%** | **56.0%** | **55.7%** |
| (1) Impairment of foreclosed real estate assets | 1,442 | 1,299 | 1,316 | 1,347 |
| (2) Gross carrying amount of foreclosed real estate assets | 2,323 | 2,342 | 2,350 | 2,419 |

**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 25:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| **NPA coverage ratio (1+2)/(3+4)** | **66.5%** | **58.8%** | **59.1%** | **58.4%** |
| (1) Loans and receivables portfolio. Total adjustments for impairment of assets | 1,342 | 1,128 | 1,248 | 1,279 |
| (2) Impairment of real estate foreclosed assets | 1,442 | 1,299 | 1,316 | 1,347 |
| (3) Loans and receivables portfolio. Gross amount Stage 3 | 1,862 | 1,785 | 1,986 | 2,079 |
| (4) Gross carrying amount of real estate foreclosed assets | 2,323 | 2,342 | 2,350 | 2,419 |

**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 26:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| **Performing loans ex reverse repos & other financial assets (excluding valuation adjustments) (1-2)** | **53,079** | **54,211** | **52,281** | **51,349** |
| (1) Loans and receivables. Gross amount | 54,940 | 55,997 | 54,266 | 53,428 |
| (2) Loans and receivables portfolio. Gross amount Stage 3 | 1,862 | 1,785 | 1,986 | 2,079 |

**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 27:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| **Total customer funds (1+2+3)** | **104,897** | **104,277** | **103,231** | **99,415** |
| (1) Financial liabilities at amortized cost. Deposits from customers (excluding valuation adjustments) | 81,557 | 81,273 | 81,529 | 78,472 |
| (2) Issued debt securities (excluding valuation adjustments) | 1,897 | 1,902 | 1,952 | 1,952 |
| (3) Funds managed through off-balance sheet instruments. *Management measure* | 21,443 | 21,102 | 19,750 | 18,991 |

**Source:** Consolidated public financial statements and internal information using management criteria
**Purpose:** Defines the total balance and performance of funds managed by the group, both on and off balance sheet

**Table 28:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| **Retail customer funds (non-market ) (1-2-3-4+5)** | **94,726** | **91,654** | **87,894** | **85,815** |
| (1) Total customer funds | 104,897 | 104,277 | 103,231 | 99,415 |
| (2) Covered bonds under the heading "Term deposits". Carrying amount (excluding valuation adjustments) | 5,207 | 4,739 | 5,661 | 5,661 |
| (3) Deposits from customers. Repos (excluding valuation adjustments) | 3,762 | 6,121 | 7,915 | 6,160 |
| (4) Issued debt securities (excluding valuation adjustments) | 1,897 | 1,902 | 1,952 | 1,952 |
| (5) Repos controlled by retail customers. *Management measure* | 696 | 139 | 192 | 174 |

**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 29:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| **Wholesale funds (Markets) (1+2+3-4)** | **10,171** | **12,624** | **15,337** | **13,600** |
| (1) Covered bonds under the heading "Term deposits". Carrying amount (excluding valuation adjustments) | 5,207 | 4,739 | 5,661 | 5,661 |
| (2) Deposits from customers. Repos (excluding valuation adjustments) | 3,762 | 6,121 | 7,915 | 6,160 |
| (3) Issued debt securities (excluding valuation adjustments) | 1,897 | 1,902 | 1,952 | 1,952 |
| (4) Repos controlled by retail customers. *Management measure* | 696 | 139 | 192 | 174 |

**Source:** Consolidated public financial statements and internal information using management criteria
**Purpose:** It provides information on the total balance and evolution of the resources managed by the group for the market operations area.

**Table 30:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| **Loan to Deposits (LtD)** | **75.0%** | **79.4%** | **79.6%** | **80.0%** |
| **(1) Numerator. Loans and advances to customers - excluding valuation adjustments** | **54,940** | **55,997** | **54,266** | **53,428** |
| **(2) Denominator. Customer deposits (non-market) - excluding valuation adjustments - (2a-2b-2c+2d)** | **73,283** | **70,552** | **68,145** | **66,824** |
| (2a) Financial liabilities at amortized cost. Deposits from customers (excluding valuation adjustments) | 81,557 | 81,273 | 81,529 | 78,472 |
| (2b) Covered bonds under the heading "Term deposits". Carrying amount (excluding valuation adjustments | 5,207 | 4,739 | 5,661 | 5,661 |
| (2c) Deposits from customers. Repos (excluding valuation adjustments)) | 3,762 | 6,121 | 7,915 | 6,160 |
| (2d) Repos controlled by retail customers. *Management measure* | 696 | 139 | 192 | 174 |

**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 31:**

| | 30/09/2021 |
|---|---|
| **Gross liquid assets (1+2+3)** | **44,608** |
| (1) Cash surplus (interbank deposits + balance surplus in ECB and operating accounts) | 13,840 |
| (2) Reverse purchase agreements | 1,214 |
| (3) Fixed income portfolio and other discountable assets in ECB | 29,553 |

*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).

**Table 32:**

| | 30/09/2021 |
|---|---|
| **Net liquid assets (1-2-3)** | **26,588** |
| (1) Gross liquid assets | 44,608 |
| (2) Taken in ECB | 10,318 |
| (3) Repos and other pledges | 7,701 |

*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.

**Table 33:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| **Operating or transformation expenses (1+2)** | **714.0** | **479.2** | **956.5** | **725.6** |
| (1) Administrative expenses | 640.0 | 428.6 | 863.6 | 658.4 |
| (2) Depreciation | 74.0 | 50.6 | 93.0 | 67.3 |

**Source:** Consolidated public income statement

**Table 34:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| **Credit and loans impairment** | **214.3** | **157.9** | **412.7** | **309.9** |
| Impairment or (-) reversal of impairment in value of loans and receivables to customers. *Management measure* | 214.3 | 157.9 | 412.7 | 309.9 |

**Source:** Consolidated public income statement using IAS39 criteria (under IFRS9, these are not detailed).
**Purpose:** It provides information on the amount of write-downs of loans and receivables, which are recorded under impairment of financial assets not measured at fair value through profit or loss.

**Table 35:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| **Pre-provision profit (before impairments) (1-2-3)** | **489.9** | **339.6** | **675.7** | **571.7** |
| (1) Gross income | 1,203.9 | 818.8 | 1,632.2 | 1,297.4 |
| (2) Administrative expenses | 640.0 | 428.6 | 863.6 | 658.4 |
| (3) Depreciation | 74.0 | 50.6 | 93.0 | 67.3 |

**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 36:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| **Impairments and others (1+2+3+4-5-6-7)** | **285.9** | **207.0** | **562.3** | **435.4** |
| (1) Provisioning or (-) provisioning reversals | 65.4 | 53.5 | 68.7 | 44.5 |
| (2) Impairment or (-) reversal in the value of financial assets not measured at fair value through profit and loss | 214.4 | 157.6 | 415.1 | 311.6 |
| (3) Impairment or (-) reversal in the value of joint ventures or associates | -0.4 | 0.0 | 0.0 | -1.3 |
| (4) Impairment or (-) reversal in the value of non-financial assets | 4.4 | 1.3 | 19.2 | 20.7 |
| (5) Net gain or (-) loss on derecognition from the statements of non-financial assets and stakes | 9.3 | 4.6 | 9.5 | 4.6 |
| (6) Recognised negative goodwill | 0.0 | 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 | -11.3 | 0.8 | -68.8 | -64.6 |

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

**Table 37:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| **Net fees (1-2)** | **355.0** | **233.8** | **409.3** | **298.0** |
| (1) Fee and commission income | 387.5 | 255.3 | 444.6 | 324.0 |
| (2) Fee and commission expenses | 32.5 | 21.5 | 35.4 | 25.9 |

**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 38:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| **Trading income +Exchange differences (1+2+3+4+5+6)** | **25.6** | **22.1** | **98.2** | **76.1** |
| (1) Net gain or (-) losses on derecognition from the statements of financial assets and liabilities (not measured at fair value) through profit or loss | 30.2 | 32.9 | 103.1 | 84.6 |
| (2) Net gain or (-) losses from financial assets and liabilities held for trading | 8.0 | 2.6 | -3.4 | -5.3 |
| (3) Net gain or (-) losses from non-trading financial assets mandatorily designated at fair value through profit or loss | -0.9 | -1.5 | -1.6 | -2.5 |
| (4) Net gain or (-) losses from financial assets and liabilities designated at fair value through profit or loss | 0.0 | 0.0 | 0.0 | 0.0 |
| (5) Net gain (-) losses from hedge accounting | -15.1 | -13.8 | -0.8 | -1.3 |
| (6) Net exchange differences, gains or (-) losses | 3.5 | 1.9 | 1.0 | 0.6 |

**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 39:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| **Other products / operating charges (1-2+3-4)** | **-37.3** | **-30.1** | **-84.5** | **15.3** |
| (1) Other operating income | 69.8 | 47.2 | 140.2 | 112.0 |
| (2) Other operating expenses | 125.2 | 91.2 | 243.9 | 112.3 |
| (3) Income from assets under insurance or reinsurance contracts | 49.8 | 36.4 | 70.4 | 54.5 |
| (4) Expenses from liabilities under insurance or reinsurance contracts | 31.7 | 22.5 | 51.2 | 38.8 |

**Source:** Consolidated public income statement.

**Table 40:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| **Impairment/reversal in the value of other assets and other gains & losses (net) (1+2-3-4-5)** | **6.1** | **-4.1** | **78.5** | **79.4** |
| (1) Impairment or (-) reversal in the value of joint ventures or associates | -0.4 | 0.0 | 0.0 | -1.3 |
| (2) Impairment or (-) reversal in the value of non-financial assets | 4.4 | 1.3 | 19.2 | 20.7 |
| (3) Net gain or (-) loss on derecognition from the statements of non-financial assets | 9.3 | 4.6 | 9.5 | 4.6 |
| (4) Recognised negative goodwill | 0,0 | 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 | -11.3 | 0.8 | -68.8 | -64.6 |

**Source:** Consolidated public income statement.

**Table 41:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| **Repos controlled by retail customers. Management measure (1a)** | **696** | **139** | **192** | **174** |
| (1) Deposits from customers. Repos (excluding valuation adjustments) | 3,762 | 6,121 | 7,915 | 6,160 |
| (1a.) Repos controlled by retail customers. Management measure | 696 | 139 | 192 | 174 |
| (1b.) Rest of repos | 3,066 | 5,983 | 7,723 | 5,986 |

**Source:** Internal information using management criteria

**Table 42:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| **Core revenues (1+2)** | **1,148** | **776** | **1,532** | **1,135** |
| (1) Net interest income (1a-1b-1c) | 793 | 543 | 1,123 | 837 |
| (1a.) Recurring interest and similar revenues | 912 | 627 | 1,326 | 992 |
| (1b.) Non-recurring interest and similar revenues | 0 | 0 | 14 | 14 |
| (1c.) Interest and similar charges | 118 | 85 | 217 | 169 |
| (2) Recurring net fees | 355 | 234 | 409 | 298 |

**Source:** Consolidated income statement.
**Purpose:** Reflects the result obtained by the Group from its core business activity.

**Table 43:**

| | 30/09/2021 | 30/06/2021 | 31/12/2020 | 30/09/2020 |
|---|---|---|---|---|
| **Cost to income ratio (1+2)/3** | **59.3%** | **58.5%** | **58.6%** | **55.9%** |
| (1) Administrative expenses | 640.0 | 428.6 | 863.6 | 658.4 |
| (2) Depreciation | 74.0 | 50.6 | 93.0 | 67.3 |
| (3) Gross margin | 1,203.9 | 818.8 | 1,632.2 | 1,297.4 |

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

**Table 44:**

| | 30/09/2021 |
|---|---|
| **Tangible Book value per share (1/5)** | **2.23** |
| (1) Tangible assets (2–3–4) | 5,929 |
| (2) Total Equity | 6,013 |
| (3) Minority interests | 0.438 |
| (4) Intangible assets | 84 |
| (5) Nº of shares outstanding (million) | 2,654.833 |

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

**Table 45:**

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

**Source:** Consolidated public balance sheet
**Purpose:** Reflects the percentage of non-performing assets that are covered by provisions and equity.