

# FINANCIAL REPORT

January to June 2022

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**1. Highlights**

**The technological and operational integration after the merger has been accomplished as planned.**

<b>01</b>	Elapsed time since legal registration of the merger and the technological and operational integration	<b>10 months</b>	<b>Technological and operational integration has been completed in less than a year.</b>
<b>02</b>	Fixed fee for the agreement with Santa Lucia S.A.	<b>318M</b>	<b>An agreement was signed to extend the joint bancassurance alliance (authorizations pending).</b>
<b>03</b>	Staff Costs YoY Variation	<b>-11.4%</b>	<b>56% of the planned personnel exits already accomplished.</b>
	General administrative expenses YoY Variation	<b>-4.1%</b>	
<b>04</b>	NII quarterly evolution	<b>+13.8%</b>	<b>Customer spread begins to grow.</b>
	Customer spread quarterly evolution	<b>+6 p.p.</b>	
<b>05</b>	Recurrent fees YoY variation	<b>+12.8%</b>	<b>Fees grow in line with the commercial activity pace</b>
	Mutual funds fees YoY Variation	<b>+34%</b>	
	Credit card fees YoY Variation	<b>+28%</b>	
<b>06</b>	Cost of risk	<b>27 p.b.</b>	<b>Cost of risk normalizes.</b>
	YoY impairments variation	<b>-43.6%</b>	
<b>07</b>	2Q after-tax profit	<b>+105M</b>	<b>Recovery of revenues, costs and impairments controlled.</b>
	After-tax profit YoY Variation	<b>+61.8%</b>	
<b>08</b>	CET 1 Ratio Fully loaded	<b>12,76%</b>	<b>1,583M in excess of regulatory requirements</b>
<b>09</b>	NPL Ratio	<b>3.49%</b>	<b>NPL ratio remains contained with high coverage levels</b>
	NPL coverage Ratio	<b>65%</b>	
<b>10</b>	Gross foreclosed sales	<b>315M</b>	<b>Foreclosed assets decline and sales record positive results</b>
	Gross foreclosed assets YoY Variaton	<b>-17.0%</b>	

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

## 2. Key figures

<b>TABLE 0 (Million euros / % / pp)</b>	<b>30/06/22</b>	<b>31/03/22</b>	<b>30/06/21</b>	<b>QoQ</b>	<b>Ytd</b>	<b>YoY</b>
<b>BALANCE SHEET</b>						
Total assets <sup>(1)</sup>	114,832	110,623	112,967	3.8%	-0.6%	1.7%
Gross loans and advances to customers <sup>(1) &amp; (2)</sup>	56,199	55,519	55,997	1.2%	1.3%	0.4%
Performing gross loans and advances to customers <sup>(1) &amp; (2)</sup>	54,237	53,560	54,211	1.3%	1.3%	0.0%
On-balance sheet customers funds <sup>(1) &amp; (2)</sup>	91,555	90,745	91,654	0.9%	-4.6%	-0.1%
Off-balance sheet customer funds and insurance	20,725	21,782	21,102	-4.9%	-6.0%	-1.8%
Shareholders equity <sup>(1)</sup>	6,536	6,383	6,858	2.4%	1.9%	-4.7%
Total equity <sup>(1)</sup>	6,350	6,101	7,091	4.1%	0.4%	-10.5%
<i>(1) Data as of 06.30.21 is aggregated consolidated public information of both entities. (2) Excluding valuation adjustments and intercompanies</i>						
<b>RESULTS (cumulative figures)</b>						
Net interest income <sup>(3)</sup>	502	235	543			-7.6%
Gross income <sup>(3)</sup>	825	382	819			0.8%
Pre-provision profit <sup>(3)</sup>	389	164	340			14.5%
Consolidated net income <sup>(3)</sup>	165	60	102			61.8%
Cost to income <sup>(3)</sup>	52.9%	57.2%	58.5%	-4.3 pp	-8.9 pp	-5.7 pp
Return On Tangible net Equity (ROTE) <sup>(3)</sup>	5.2%	3.8%		1.4 pp		
<i>(3) 2021 data from the pro-forma income statement where the results of Unicaja and Liberbank are added to all dates and extraordinary adjustments from the merger or restructuring costs recorded by Liberbank prior to the integration are not considered.</i>						
<b>RISK MANAGEMENT</b>						
Non performing loans (NPL) (a) <sup>(1)</sup>	1,962	1,959	1,785	0.2%	0.1%	9.9%
Foreclosed assets (b) <sup>(1)</sup>	1,943	2,093	2,342	-7.1%	-12.0%	-17.0%
Non performing assets -NPA- (a+b) <sup>(1)</sup>	3,905	4,052	4,127	-3.6%	-6.3%	-5.4%
NPL ratio <sup>(1)</sup>	3.5%	3.5%	3.2%	0.0 pp	0.0 pp	0.3 pp
NPL coverage <sup>(1)</sup>	64.9%	68.3%	63.2%	-3.4 pp	-3.6 pp	1.7 pp
Foreclosed assets coverage <sup>(1)</sup>	63.1%	62.9%	55.5%	0.2 pp	0.3 pp	7.6 pp
Non performing assets (NPA) coverage <sup>(1)</sup>	64.0%	65.5%	58.8%	-1.5 pp	-1.5 pp	5.2 pp
Cost of risk <sup>(1)</sup>	0.27%	0.36%	0.58%	-0.1 pp	-0.1 pp	-0.3 pp
<b>LIQUIDITY</b>						
Loan to deposit ratio <sup>(1)</sup>	79.3%	80.5%	79.4%	-1.2 pp	4.3 pp	0.0 pp
LCR <sup>(4)</sup>	333%	314%	310%	19.3 pp	26.0 pp	23.0 pp
NSFR <sup>(4)</sup>	142%	137%	147%	5.0 pp	0.0 pp	-5.0 pp
<b>SOLVENCY</b>						
CET1 ratio phased in <sup>(4)</sup>	13.5%	13.3%	17.0%	0.2 pp	-0.1 pp	-3.5 pp
CET1 ratio fully loaded <sup>(4)</sup>	12.8%	12.6%	16.1%	0.2 pp	0.2 pp	-3.4 pp
Total capital ratio phased in <sup>(4)</sup>	16.8%	16.6%	18.6%	0.2 pp	0.0 pp	-1.8 pp
Total capital ratio fully loaded <sup>(4)</sup>	16.1%	15.9%	17.8%	0.2 pp	0.4 pp	-1.7 pp
Risk weighted assets (RWA) <sup>(4)</sup>	34,899	34,524	36,271	1.1%	-1.1%	-3.8%
Texas ratio <sup>(4)</sup>	44.1%	46.3%	43.4%	-2.1 pp	-1.9 pp	0.8 pp
<i>(4) Data as of 06.30.21 pre-merger with Liberbank.</i>						
<b>OTHER DATA</b>						
Employees (average number)	8,337	8,799	9,673	-5.3%	-13.2%	-13.8%
Branches in Spain	1,097	1,237	1,401	-11.3%	-88.2%	-21.7%
ATMs	2,506	2,612	2,687	-4.1%	-6.5%	-6.7%

QoQ (variation 2Q22 vs 1Q22) - Ytd (variation 2Q22 vs 4Q21) - YoY (variation 2Q22 vs 2Q21)

### 3. Macroeconomic environment

World GDP is expected to grow by 3% in 2022, according to the OECD's June estimates, meaning a 0.5 p.p. cut compared to the previous estimate. The loss of momentum in economic activity is expected to be greater in the European economies, as a result of the impact from the war between Russia and Ukraine.

The European Commission expects real GDP growth of 2.7% in 2022 and 2.3% in 2023 (May estimates), down 4.0% and 2.8% respectively from last winter's forecast, due to inflation and increased uncertainty.

Specifically, inflation forecasts stand at 6.1% for 2022 and 2.7% in 2023. This is a significant upward revision compared to previous forecasts (3.5% for 2022). Inflationary pressures are explained by the war conflict, higher energy prices due to dependence on Russian gas, and China's reduced export capacity, affected by a new wave of Covid that has caused new confinements and supply problems in global delivery chains.

The European Central Bank (ECB) has taken measures to combat these high inflation rates, announcing a rate hike of 50 b.p., the largest in the last 11 years, doubling the one previously announced. This also represents a change in strategy and the end of the "forward guidance" policy that the institution had maintained to date.

The ECB has also approved the Transmission Protection Instrument (TPI), which seeks to avoid asymmetry in the financing costs of European economies ("fragmentation"). This decision coincides with a new political crisis in Italy. The ECB has detailed that the purchases will have conditions and no restrictions on volume.

Against this backdrop of high uncertainty and fears of an economic slowdown, the main stock markets fell significantly, while in the bond market, yields (market IRR) rose across the board.

In particular, the IRR of the Bund (German 10-year bond) broadly surpassed the 1.20% barrier.

#### Spanish economic situation

In Spain, GDP recorded a quarter-on-quarter growth of 0.2% in the first quarter of the year, 2.0 p.p. lower than in the previous quarter. Household consumption fell by 2.0%, while investment spiked 2.3%. The spike was more intense in capital goods (9.5%) and less so in the housing component (0.4%). In year-on-year terms, GDP grew by 6.3%, with a positive contribution from both domestic demand (4.0 p.p.) and the foreign sector (2.3 p.p.). On the supply side, the services increase was noteworthy (8.4%).

The leading indicator of the Consumer Price Index (CPI) increased 10.2% in June, 1.5 p.p. higher than in the previous month. Core inflation showed an annual variation of 5.5%.

Regarding the labor market, the latest data from the Labor Force Survey (EPA) show that, in the first quarter of the year, the number of employed persons exceeded 20 million, with an increase of 1.1% compared to the previous quarter (adjusted for calendar and seasonal effects). Employment rose by 4.6% year-on-year, 878,000 more people in absolute terms. The unemployment rate stood at 13.6%, and the number of unemployed decreased by 479,200 compared to the first quarter of 2021.

The Bank of Spain has revised its growth forecast downwards for 2022, to 4.1% (-0.4 p.p. compared to the previous estimate) and to 2.8% in 2023 (2.9% in the previous estimate). It also estimated that the Harmonized Index of Consumer Prices will increase by 7.2% on average in 2022, moderating significantly in 2023 (2.6%).

As for the public accounts, the deficit could stand at 5.0% of GDP in 2022, falling back over the next few years to 2.9% in 2025.

Regarding corporate and household debt, in the first quarter of 2022, gross debt reached €1,664 billion, after experiencing a slight increase of 0.3% compared to the same period of 2021. The debt of non-financial corporations remained unchanged in March 2022 (960.4 billion), standing at 77.7% of GDP, 11.3 p.p. lower than a year ago, while that of households (703.9 billion) increased by 0.9% year-on-year to 57% of GDP, 5.7 p.p. lower than the share recorded in March 2021.

Regarding real estate activity, in the first four months of 2022, 212,928 home property transactions were recorded in Spain. This represents a year-on-year growth of 23.1%. This notable upturn in demand has been accompanied by a significant price increase of 8.5% in the first quarter. The year-on-year growth of home mortgages granted in the first four months of the year (16.3%) was also remarkable.

### **Financial Sector**

The rise in interest rates will lead to an improvement in banks' interest margins, by increasing the unit margins of the loan portfolio and the profitability of fixed-income investments. However, this will increase the financial pressure on households and companies, which could affect their ability to repay their debts, especially in a context of higher inflation.

At this scenario, asset quality will be tested with a potential impact on impairments and provisions, and ultimately on solvency.

The sector is awaiting the approval of a new banking tax announced by the Government, the details of which are still unknown. This new tax seeks to collect 1,500 million euros each year, over a period of two years.

#### 4. Balance sheet

**TABLE 1** (Million euros)

	30/06/22	31/03/22	30/06/21	QoQ	Ytd	YoY
Cash and cash balances at central banks	19,782	15,410	8,855	28.4%	-7.1%	123.4%
Assets held for trading & Fin. assets at fair value thr. P&L	205	249	169	-17.4%	-24.8%	21.1%
Fin. assets at fair value through o/ comprehensive income	977	1,275	1,040	-23.3%	-24.7%	-6.0%
Financial assets at amortised cost	57,354	57,369	29,676	0.0%	0.4%	93.3%
Debt securities at amortised cost	25,415	25,689	20,951	-1.1%	2.3%	21.3%
Hedging derivatives	1,586	985	657	61.0%	94.7%	141.4%
Investment in joint ventures and associates	977	987	368	-1.0%	-7.2%	165.7%
Tangible assets	2,176	2,232	1,122	-2.5%	-3.3%	93.9%
Intangible assets	79	83	77	-4.4%	-1.2%	2.7%
Tax assets	5,137	5,215	2,770	-1.5%	-2.1%	85.4%
Other assets	541	473	393	14.6%	-0.4%	37.8%
Non current assets held for sale	602	658	235	-8.6%	-14.0%	156.6%
<b>TOTAL ASSETS</b>	<b>114,832</b>	<b>110,623</b>	<b>66,313</b>	<b>3.8%</b>	<b>-0.6%</b>	<b>73.2%</b>
Financial liabilities held for trading & at fair value thr. P&L	38	36	24	6.5%	23.1%	59.9%
Financial liabilities at amortised cost	104,670	100,619	59,916	4.0%	-0.8%	74.7%
Deposits from central banks	10,241	10,266	5,456	-0.2%	-0.5%	87.7%
Deposits from credit institutions	7,960	8,223	3,596	-3.2%	19.4%	121.4%
Customer deposits	79,921	77,495	48,691	3.1%	-5.0%	64.1%
Other Issued Securities	2,916	2,437	366	19.6%	16.8%	696.9%
Other financial liabilities	3,633	2,198	1,807	65.3%	94.6%	101.1%
Hedging derivatives	1,008	1,078	609	-6.5%	0.8%	65.6%
Provisions	1,294	1,366	723	-5.2%	-9.4%	78.9%
Tax liabilities	398	376	267	5.9%	2.3%	48.9%
Other liabilities	1,073	1,048	808	2.5%	19.2%	32.8%
<b>TOTAL LIABILITIES</b>	<b>108,482</b>	<b>104,523</b>	<b>62,347</b>	<b>3.8%</b>	<b>-0.7%</b>	<b>74.0%</b>
Own Funds	6,536	6,383	4,049	2.4%	1.9%	61.4%
Accumulated other comprehensive income	-186	-283	-84	-34.1%	107.0%	121.5%
Minority Interests	0	0	1	-0.4%	4.5%	-14.3%
<b>Total Equity</b>	<b>6,350</b>	<b>6,101</b>	<b>3,966</b>	<b>4.1%</b>	<b>0.4%</b>	<b>60.1%</b>
<b>Total Liabilities and Equity</b>	<b>114,832</b>	<b>110,623</b>	<b>66,313</b>	<b>3.8%</b>	<b>-0.6%</b>	<b>73.2%</b>

Source: Consolidated Balance Sheet (PC1 statement of the Bank of Spain). Data as of 06.30.21 are pre-merger with Liberbank.

Consolidated balance sheet grows by 3.8% year on year during the second quarter, reaching €114,832 million.

*Loans and advances at amortized cost* increased +0.4% year-to-date (no change in the quarter), driven by growth in mortgages, consumer lending and public administrations.

The securities portfolio is mainly composed of government bonds, classified in the amortized cost portfolio (*debt securities at amortized cost*), and has an average yield of 1.31%.

*Non current assets held for sale* continued to perform positively, declining by 8.6% during the quarter (-14.0% through the year).

*Customer deposits* showed a quarterly variation of +3.1%.

€500 million of preferred senior debt were issued, maturing in June 2025, with a cancellation option by the bank at the end of the second year. The demand for the securities exceeded supply by 2.5 times, with a spread of 305 b.p. This is Unicaja Banco's first green issue for the materialization of the sustainable transition in the environmental aspect.

**5. Customer Funds**

TABLE 2 (Million €) Exc. valuation adjustments	30/06/22	31/03/22	30/06/21	QoQ	Ytd	YoY
<b>On-balance sheet customer funds</b>	<b>82,931</b>	<b>79,730</b>	<b>83,175</b>	<b>4.0%</b>	<b>-3.8%</b>	<b>-0.3%</b>
<b>Customer funds (excluding bonds)</b>	<b>74,751</b>	<b>72,049</b>	<b>76,534</b>	<b>3.7%</b>	<b>-4.8%</b>	<b>-2.3%</b>
<b>Public Sector</b>	<b>7,122</b>	<b>6,442</b>	<b>6,960</b>	<b>10.5%</b>	<b>-23.1%</b>	<b>2.3%</b>
<b>Private sector</b>	<b>67,629</b>	<b>65,607</b>	<b>69,574</b>	<b>3.1%</b>	<b>-2.3%</b>	<b>-2.8%</b>
Sight deposits	58,105	56,715	56,612	2.5%	-0.5%	2.6%
Term deposits	5,543	5,741	6,841	-3.4%	-9.2%	-19.0%
Repos	3,981	3,151	6,121	26.3%	-15.6%	-35.0%
<b>Issues</b>	<b>8,180</b>	<b>7,681</b>	<b>6,641</b>	<b>6.5%</b>	<b>6.4%</b>	<b>23.2%</b>
Mortgages securities	6,422	6,422	5,996	0.0%	0.0%	7.1%
Other values	1,159	660	45	75.8%	75.7%	2476.4%
Subordinated liabilities	599	599	600	0.0%	-1.4%	-0.1%
<b>Off-balance sheet customer funds &amp; insurance</b>	<b>20,725</b>	<b>21,782</b>	<b>21,102</b>	<b>-4.9%</b>	<b>-6.0%</b>	<b>-1.8%</b>
Mutual funds *	11,759	12,353	11,455	-4.8%	-5.2%	2.7%
Pension funds	3,761	3,930	3,988	-4.3%	-6.7%	-5.7%
Insurance savings	4,173	4,382	4,711	-4.8%	-8.2%	-11.4%
Other managed assets	1,031	1,117	947	-7.7%	-1.7%	8.8%
<b>TOTAL CUSTOMER FUNDS</b>	<b>103,656</b>	<b>101,512</b>	<b>104,277</b>	<b>2.1%</b>	<b>-4.2%</b>	<b>-0.6%</b>
<b>Retail customers funds</b>	<b>91,555</b>	<b>90,745</b>	<b>91,654</b>	<b>0.9%</b>	<b>-4.6%</b>	<b>-0.1%</b>
<b>Wholesale funds (Markets)</b>	<b>12,101</b>	<b>10,767</b>	<b>12,624</b>	<b>12.4%</b>	<b>-1.0%</b>	<b>-4.1%</b>

(\* ) Includes mutual funds discretionary portfolios

The volume of total customer funds amounts to €103,656 million, growing by 2.1% in the second quarter. 88% are retail customer funds which increased by 0.9% between March and June and decrease by 0.1% year-on-year, in a macroeconomic context not very favorable for savings: high inflation and high volatility in the financial markets. During the first quarter of the year, and for the first time since 2019, household savings declined in Spain by 0.8% (source: INE).

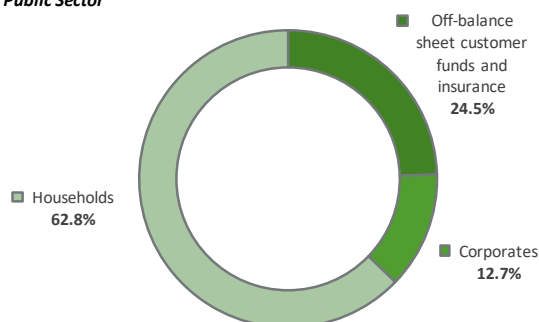
Mutual funds declined by 4.8% in the quarter and increase by 2.7% in the year.

During the second quarter €500 million of senior debt were issued, fully booked in the wholesale market.

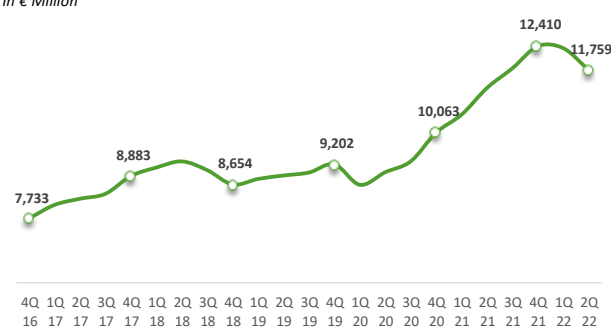
On a year-on-year basis, there was a sharp decline in wholesale repurchase agreements.

**Retail Funds sector and product breakdown**

Exc. Public Sector


**Mutual Funds evolution**

In € Million





## 6. Performing loans

**TABLE 3** (Million €) *Exc. valuation adjustments*

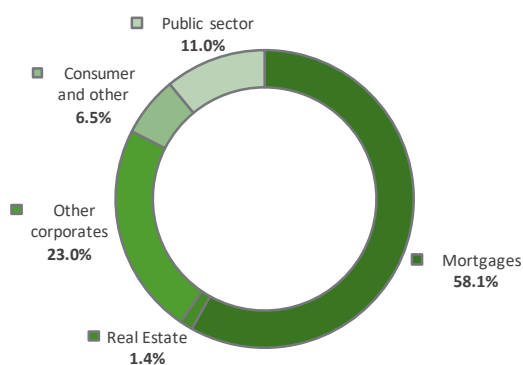
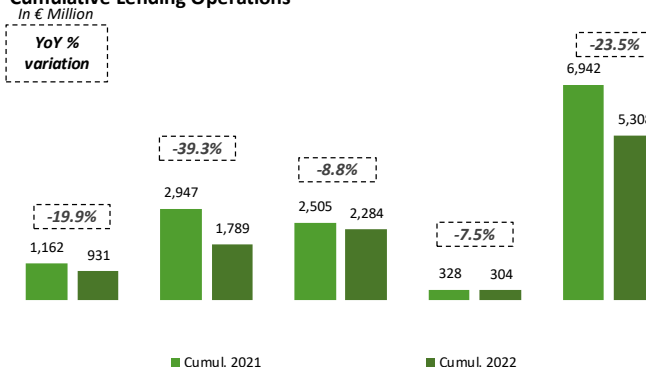
	30/06/22	31/03/22	30/06/21	QoQ	Ytd	YoY
<b>Public sector</b>	5,953	5,614	6,006	6.0%	7.0%	-0.9%
<b>Private sector</b>	48,284	47,946	48,206	0.7%	0.7%	0.2%
<b>Business</b>	13,223	13,665	13,769	-3.2%	-6.2%	-4.0%
Real Estate developers	758	817	943	-7.3%	-9.9%	-19.6%
SMEs and self-employed	6,520	6,667	7,057	-2.2%	-6.0%	-7.6%
Other corporates	5,945	6,181	5,770	-3.8%	-5.9%	3.0%
<b>Individuals</b>	35,060	34,281	34,436	2.3%	3.5%	1.8%
Mortgages	31,528	31,467	30,966	0.2%	1.4%	1.8%
Consumer and other	3,532	2,814	3,470	25.5%	27.3%	1.8%
<b>PERFORMING LOANS TO CUSTOMERS</b>	<b>54,237</b>	<b>53,560</b>	<b>54,211</b>	<b>1.3%</b>	<b>1.3%</b>	<b>0.0%</b>

The performing loans portfolio amounted to €54,237 million, growing by 1.3% quarter-on-quarter. It maintains a low risk profile, with a high weight of mortgages to individuals (58% of the total) and loans to public sector (11% of the total).

In the first half of the year, €5,308 million of new loans and credits were granted. This includes €2,284 million in mortgages. The market share of new mortgages stands at 8.4% of the national total (source: General Council of Notaries. Data as of May 2022, accumulated over the last 12 months).

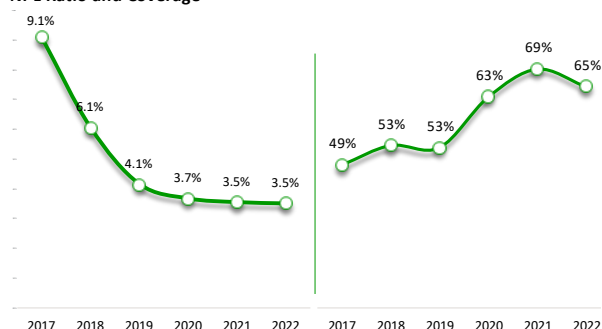
The granting of new loans has slowed down due to the financing lines guaranteed by the ICO, which allowed companies to stockpile liquidity in 2021. Other factors contributing to this decline were: the extraordinary increase in credit in 2021, in order to meet the investment growth target (required to obtain maximum profitability for TLTROS), and the rigorous transfer of interest rate increases to product prices.

The corporate portfolio is highly diversified by business sector. 15% of the outstanding risk of the corporate portfolio is guaranteed by the ICO, of which 94% was already paying principal by the end of the second quarter of 2022, with 92% classified as performing loans.

**Gross performing loans sector breakdown**

**Cumulative Lending Operations**


**7. NPL & foreclosed assets**

TABLE 4 (Million euros)	30/06/22	31/03/22	30/06/21	QoQ	Ytd	YoY
<b>NON PERFORMING LOANS</b>	<b>1,962</b>	<b>1,959</b>	<b>1,785</b>	<b>0.2%</b>	<b>0.1%</b>	<b>9.9%</b>
<b>Public sector</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>1.6%</b>	<b>-2.6%</b>	<b>2.5%</b>
<b>Private sector</b>	<b>1,949</b>	<b>1,946</b>	<b>1,773</b>	<b>0.1%</b>	<b>0.1%</b>	<b>9.9%</b>
<b>Business</b>	<b>920</b>	<b>924</b>	<b>865</b>	<b>-0.4%</b>	<b>-0.4%</b>	<b>6.5%</b>
Real Estate	151	147	161	3.1%	-3.6%	-6.2%
SMEs and self-employed	592	594	591	-0.3%	-1.0%	0.2%
Other corporates	177	183	112	-3.4%	4.9%	57.8%
<b>Individuals</b>	<b>1,028</b>	<b>1,022</b>	<b>908</b>	<b>0.6%</b>	<b>0.5%</b>	<b>13.3%</b>
Mortgages	973	960	815	1.4%	2.0%	19.4%
Consumer and other	55	62	93	-11.1%	-20.3%	-40.5%
<b>TOTAL NPL RATIO</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.2%</b>	<b>0.0 pp</b>	<b>0.0 pp</b>	<b>0.3 pp</b>
<b>Public sector</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.0 pp</b>	<b>0.0 pp</b>	<b>0.0 pp</b>
<b>Private sector</b>	<b>3.9%</b>	<b>3.9%</b>	<b>3.5%</b>	<b>0.0 pp</b>	<b>0.0 pp</b>	<b>0.3 pp</b>
<b>Business</b>	<b>6.5%</b>	<b>6.3%</b>	<b>5.9%</b>	<b>0.2 pp</b>	<b>0.4 pp</b>	<b>0.6 pp</b>
Real Estate	16.6%	15.2%	14.6%	1.4 pp	0.9 pp	2.0 pp
SMEs and self-employed	8.3%	8.2%	7.7%	0.1 pp	0.4 pp	0.6 pp
Other corporates	2.9%	2.9%	1.9%	0.0 pp	0.3 pp	1.0 pp
<b>Individuals</b>	<b>2.8%</b>	<b>2.9%</b>	<b>2.6%</b>	<b>0.0 pp</b>	<b>-0.1 pp</b>	<b>0.3 pp</b>
Mortgages	3.0%	3.0%	2.6%	0.0 pp	0.0 pp	0.4 pp
Consumer and other	1.5%	2.2%	2.6%	-0.6 pp	-0.9 pp	-1.1 pp

**NPL Ratio and Coverage**


Non-performing assets remain stable at €1,962 million, showing a minimum variation of +€3 million in the quarter. Most of the NPL inflows of 2022 have been subjectively marked as such.

The NPL ratio remains at 3.49% declining by 4 b.p. during the quarter, remaining below the sector average (close to 4%).

Coverage remains high at 65% (above the sector average, which stands at 60%).

TABLE 5 (Million euros)	30/06/22	31/03/22	30/06/21	QoQ	Ytd	YoY
<b>Credit</b>	<b>56,199</b>	<b>55,519</b>	<b>55,997</b>	<b>1.2%</b>	<b>1.3%</b>	<b>0.4%</b>
Stage 1	50,683	50,037	50,512	1.3%	1.5%	0.3%
Stage 2	3,554	3,523	3,700	0.9%	-0.4%	-3.9%
Stage 3	1,962	1,959	1,785	0.2%	0.1%	9.9%
<b>Provisions</b>	<b>1,274</b>	<b>1,338</b>	<b>1,128</b>	<b>-4.8%</b>	<b>-5.2%</b>	<b>12.9%</b>
Stage 1	160	130	91	22.9%	23.6%	76.1%
Stage 2	300	325	277	-7.9%	-5.7%	8.3%
Stage 3	814	883	761	-7.8%	-9.1%	7.0%
<b>Coverage</b>	<b>64.9%</b>	<b>68.3%</b>	<b>63.2%</b>	<b>-3.4 pp</b>	<b>-3.6 pp</b>	<b>1.7 pp</b>
Stage 1	0.3%	0.3%	0.2%	0.1 pp	0.1 pp	0.1 pp
Stage 2	8.4%	9.2%	7.5%	-0.8 pp	-0.5 pp	1.0 pp
Stage 3	41.5%	45.1%	42.6%	-3.6 pp	-4.2 pp	-1.1 pp

The portfolio classified as stage 2 (risks under special surveillance) amounts to €3,554 million (6.3% of the total) and has a coverage level of 8.4% (among the highest in the industry).

The mortgage portfolio maintains an NPL ratio of 3% (without variation).

**TABLE 6 (Million euros)**

	30/06/22	31/03/22	30/06/21	QoQ	Ytd	YoY
<b>TOTAL FORECLOSED ASSETS - GROSS BALANCE</b>	<b>1,943</b>	<b>2,093</b>	<b>2,342</b>	<b>-7.1%</b>	<b>-12.0%</b>	<b>-17.0%</b>
Buildings under construction	262	270	270	-2.8%	7.2%	-3.0%
Residential	568	613	710	-7.4%	-19.2%	-20.1%
Land	947	1,012	1,093	-6.5%	-9.8%	-13.4%
Commercial RE	167	198	269	-15.7%	-21.1%	-37.9%
<b>TOTAL FORECLOSED ASSETS - PROVISIONS</b>	<b>1,226</b>	<b>1,316</b>	<b>1,299</b>	<b>-6.8%</b>	<b>-11.5%</b>	<b>-5.7%</b>
Buildings under construction	169	173	132	-2.4%	6.8%	27.2%
Residential	313	335	350	-6.5%	-19.4%	-10.4%
Land	665	705	695	-5.7%	-9.2%	-4.3%
Commercial RE	79	103	123	-23.1%	-25.6%	-35.6%
<b>TOTAL FORECLOSED ASSETS - COVERAGE (%)</b>	<b>63.1%</b>	<b>62.9%</b>	<b>55.5%</b>	<b>0.2 pp</b>	<b>0.0 pp</b>	<b>7.6 pp</b>
Buildings under construction	64.3%	64.0%	49.0%	0.3 pp	-0.2 pp	15.3 pp
Residential	55.2%	54.7%	49.2%	0.5 pp	-0.2 pp	6.0 pp
Land	70.2%	69.7%	63.6%	0.6 pp	0.5 pp	6.7 pp
Commercial RE	47.3%	51.9%	45.6%	-4.6 pp	-2.8 pp	1.7 pp

The balance of foreclosed assets stands at €1,943 million, provisioned with €1,226 million, resulting in a net balance of €718 million, 0.6% of the Group's total assets.

Gross outflows of foreclosed assets amounted to €315 million. Sales recorded positive results, and are distributed among housing (50% of the total), land (37% of the total) and tertiary sector

assets and buildings under construction (13% of the total).

Foreclosed assets gross value declined by 7.1% during the quarter and by 17.0% in the last twelve months. The coverage level stands at 63.1% (the highest in the sector in Spain).

In addition, €74 million of gross assets classified as investment property were sold in the 2022.

**TABLE 7 (Million euros)**

	30/06/22	31/03/22	30/06/21	QoQ	Ytd	YoY
<b>Non performing assets (NPA)- GROSS BALANCE</b>	<b>3,905</b>	<b>4,052</b>	<b>4,127</b>	<b>-3.6%</b>	<b>-6.3%</b>	<b>-5.4%</b>
NPL	1,962	1,959	1,785	0.2%	0.1%	9.9%
Foreclosed Assets	1,943	2,093	2,342	-7.1%	-12.0%	-17.0%
<b>NPAs Ratio</b>	<b>6.7%</b>	<b>7.0%</b>	<b>7.1%</b>	<b>-0.3 pp</b>	<b>-0.5 pp</b>	<b>-0.4 pp</b>
<b>Non performing assets (NPA)- PROVISIONS</b>	<b>2,499</b>	<b>2,654</b>	<b>2,428</b>	<b>-5.8%</b>	<b>-8.4%</b>	<b>3.0%</b>
NPL	1,274	1,338	1,128	-4.8%	-5.2%	12.9%
Foreclosed Assets	1,226	1,316	1,299	-6.8%	-11.5%	-5.7%
<b>Non performing assets (NPA)- COVERAGE (%)</b>	<b>64.0%</b>	<b>65.5%</b>	<b>58.8%</b>	<b>-1.5 pp</b>	<b>-1.5 pp</b>	<b>5.2 pp</b>
NPL	64.9%	68.3%	63.2%	-3.4 pp	-3.6 pp	1.7 pp
Foreclosed Assets	63.1%	62.9%	55.5%	0.2 pp	0.3 pp	7.6 pp

NPAs declined by €146 million in the second quarter and by €222 million in the last twelve months (-5.4%) and their coverage level stands at 64.0%, one of the highest among Spanish banks.

**8. Results**
**TABLE 8** (Million euros)

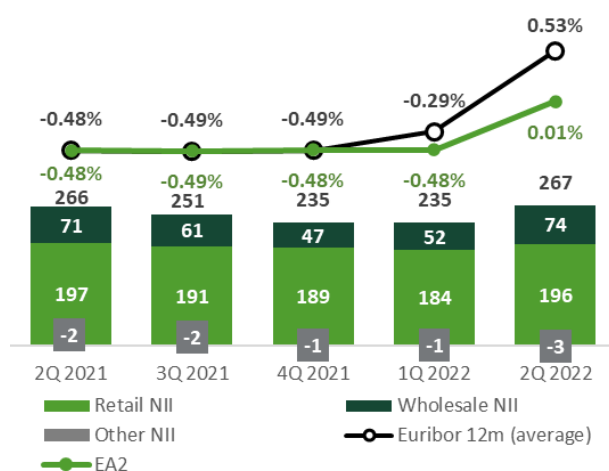
	30/06/22	30/06/21	YoY	YoY%
Interest income	578	627	-49	-7.8%
Interest expense	-77	-85	8	-9.4%
<b>NET INTEREST INCOME</b>	<b>502</b>	<b>543</b>	<b>-41</b>	<b>-7.6%</b>
Dividend income	12	17	-5	-28.0%
Share of results of entities accounted for using the equity method	41	33	8	23.9%
Net fee income	264	234	30	12.8%
Trading income and exchange differences	30	22	8	38.2%
Other operating income/expenses	-24	-30	6	-19.3%
<b>GROSS INCOME</b>	<b>825</b>	<b>819</b>	<b>6</b>	<b>0.8%</b>
Administrative costs	-390	-429	39	-9.0%
Staff costs	-257	-290	33	-11.4%
Other administrative costs	-133	-138	6	-4.1%
Depreciation and amortization	-46	-51	4	-8.8%
<b>PRE-PROVISION PROFIT</b>	<b>389</b>	<b>340</b>	<b>49</b>	<b>14.5%</b>
Provisions /reversal of provisions	-52	-53	2	-3.4%
Impairments / reversal of impairments of financial assets	-89	-158	69	-43.6%
<b>NET OPERATING INCOME</b>	<b>248</b>	<b>129</b>	<b>120</b>	<b>93.1%</b>
Other profits or losses	-23	4	-27	
<b>PROFIT BEFORE TAX</b>	<b>225</b>	<b>133</b>	<b>93</b>	<b>69.8%</b>
Taxes	-61	-31	-30	96.4%
<b>CONSOLIDATED NET INCOME</b>	<b>165</b>	<b>102</b>	<b>63</b>	<b>61.8%</b>
<b>ATTRIBUTABLE NET INCOME</b>	<b>165</b>	<b>102</b>	<b>63</b>	<b>61.8%</b>

2021 data from the pro-forma income statement where the results of Unicaja and Liberbank are added to all dates and extraordinary adjustments from the merger or restructuring costs recorded by Liberbank prior to the integration are not considered.

**Quarterly performance of the income statement**
**TABLE 9** (Million euros)

	2Q 22	1Q 22	4Q 21	3Q 21	2Q 21
Interest income	301	277	277	284	307
Interest expense	-34	-42	-42	-34	-41
<b>NET INTEREST INCOME</b>	<b>267</b>	<b>235</b>	<b>235</b>	<b>251</b>	<b>266</b>
Dividend income	12	1	5	1	17
Share of results of entities accounted using equity method	38	3	10	15	23
Net fee income	130	133	134	121	117
Trading income and exchange differences	21	10	21	4	6
Other operating income/expenses	-26	2	-91	-7	-28
<b>GROSS INCOME</b>	<b>443</b>	<b>382</b>	<b>313</b>	<b>385</b>	<b>400</b>
Administrative costs	-194	-196	-201	-211	-214
Staff costs	-129	-129	-140	-141	-145
Other administrative costs	-65	-67	-61	-70	-69
Depreciation and amortization	-23	-23	-22	-23	-26
<b>PRE-PROVISION PROFIT</b>	<b>225</b>	<b>164</b>	<b>90</b>	<b>150</b>	<b>160</b>
Provisions /reversal of provisions	-25	-27	-34	-12	-38
Impairments / reversal of impairments of financial assets	-38	-51	-56	-57	-81
<b>NET OPERATING INCOME</b>	<b>162</b>	<b>86</b>	<b>0</b>	<b>82</b>	<b>40</b>
Other profits or losses	-21	-2	-23	-10	0
<b>PROFIT BEFORE TAX</b>	<b>141</b>	<b>84</b>	<b>-24</b>	<b>71</b>	<b>41</b>
Taxes	-36	-24	5	-18	-5
<b>CONSOLIDATED NET INCOME</b>	<b>105</b>	<b>60</b>	<b>-18</b>	<b>54</b>	<b>36</b>
<b>ATTRIBUTABLE NET INCOME</b>	<b>105</b>	<b>60</b>	<b>-18</b>	<b>54</b>	<b>36</b>

Quarterly Net interest income increases by €32 million during the second quarter, up to €267 million.


**QUARTERLY YIELDS & COSTS**

Million euros / %

TABLE 10	2Q 2022			1Q 2022			4Q 2021			3Q 2021			2Q 2021		
	Av. Bal.	FI/FE	Yield	Av. Bal.	FI/FE	Yield	Av. Bal.	FI/FE	Yield	Av. Bal.	FI/FE	Yield	Av. Bal.	FI/FE	Yield
F.I. Financial intermediaries, Repos	13,919	-7.5	-0.22	15,496	-14.0	-0.37	16,614	-13.7	-0.33	11,028	-4.5	-0.16	11,042	-5.2	-0.19
F.I. Fixed income portfolio	25,551	75.9	1.19	25,166	57.6	0.93	25,553	52.6	0.82	29,705	56.7	0.76	31,247	68.6	0.88
<b>F.I. Net loans (including NPLs)</b>	<b>55,760</b>	<b>192.5</b>	<b>1.38</b>	<b>55,340</b>	<b>183.5</b>	<b>1.34</b>	<b>55,326</b>	<b>189.7</b>	<b>1.36</b>	<b>55,261</b>	<b>193.0</b>	<b>1.39</b>	<b>54,877</b>	<b>199.6</b>	<b>1.46</b>
F.I. Other assets		-1.0			0.2			0.6			0.3				0.1
<b>TOTAL ASSETS</b>	<b>260.0</b>			<b>227.2</b>			<b>229.2</b>			<b>245.4</b>			<b>263.1</b>		
C.F. Financ. Intermediaries, Repos	19,394	-28.9	-0.60	17,954	-33.2	-0.75	17,479	-34.0	-0.77	19,398	-33.9	-0.69	21,308	-38.0	-0.71
C.F. Issuances (inc. singular bonds)	7,216	19.1	1.06	7,174	17.6	1.00	7,062	19.1	1.07	5,977	18.5	1.23	5,959	23.7	1.59
<b>C.F. Customer deposits</b>	<b>67,647</b>	<b>-3.1</b>	<b>-0.02</b>	<b>71,615</b>	<b>-0.4</b>	<b>0.00</b>	<b>74,026</b>	<b>1.2</b>	<b>0.01</b>	<b>72,099</b>	<b>1.6</b>	<b>0.01</b>	<b>69,849</b>	<b>2.7</b>	<b>0.02</b>
Sight deposits (PS)	56,242	-3.9	-0.03	57,532	-0.7	0.00	57,400	0.3	0.00	56,911	0.4	0.00	55,731	0.1	0.00
Term deposits (PS)	5,042	0.3	0.03	6,527	0.9	0.05	6,844	1.1	0.06	7,104	1.3	0.07	7,558	2.8	0.15
C.F. Subordinated liabilities	596	4.0	2.72	806	7.4	3.72	605	6.8	4.46	574	6.5	4.48	596	6.8	4.55
C.F. Other liabilities		1.8			1.3			1.4			1.9			2.1	
<b>TOTAL LIABILITIES &amp; NET EQUITY</b>	<b>-7.0</b>			<b>-7.3</b>			<b>-5.6</b>			<b>-5.4</b>			<b>-2.8</b>		
<b>CUSTOMER SPREAD*</b>		<b>1.40</b>			<b>1.35</b>			<b>1.35</b>			<b>1.38</b>			<b>1.44</b>	
<b>NET INTEREST INCOME</b>	<b>267.0</b>			<b>234.6</b>			<b>234.7</b>			<b>250.8</b>			<b>265.8</b>		

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

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

Fees increased by 12.8% year on year, showing significant growth in mutual funds (+33.9%) and credit cards (+27.6%).

Profit from associates amounted to €54 million in 2022, including dividends and results of associate entities, mainly from insurance companies and the position in Oppidum capital (EDP's holding company).

The wholesale business increased its contribution to the net interest income adding €74 million, driven by new fixed income investments, the active management of the portfolio and savings in wholesale funding costs. Retail business also increases its quarterly contribution by €12 million, favored by the increase in interest rates and the reduction of funding costs.

Customer spread grows 6 b.p. up to 1.40%.

Gains on financial transactions and exchange differences amount to €30 million in the first half of 2022.

Administrative expenses show a year on year decrease of 9.0%. Personnel expenses fall by 11.4% year on year, after the first synergies resulting from the workforce adjustments materialized. By the end of June 2022, 56% of the personnel exits foreseen in the Redundancy

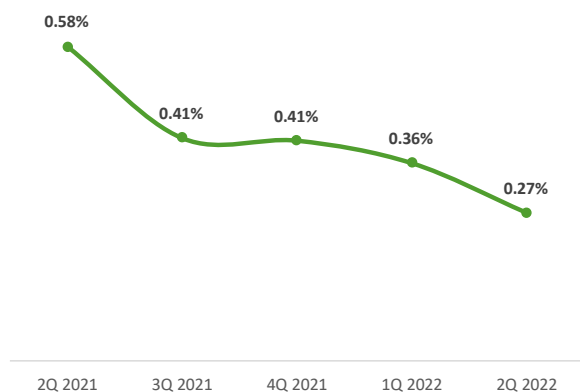
TABLE 11 (Million euros)						6M22 vs	
	2Q 2022	1Q 2022	4Q 2021	3Q 2021	2Q 2021	QoQ	6M21
<b>FEE INCOME</b>	<b>143</b>	<b>144</b>	<b>145</b>	<b>132</b>	<b>129</b>	<b>-0.8%</b>	<b>12.5%</b>
From contingent risk	5	4	4	3	3	6.9%	18.1%
From contingent commitments	1	1	0	1	1	47.0%	3.9%
From currency exchange	0	0	0	0	0	31.4%	112.9%
From payments and collections	72	75	82	76	71	-3.7%	7.9%
From non banking products	63	61	56	50	51	2.0%	18.9%
Other fees	2	3	3	2	2	-12.1%	-1.3%
<b>FEE EXPENSES</b>	<b>13</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>14.9%</b>	<b>9.8%</b>
<b>NET FEE INCOME</b>	<b>130</b>	<b>133</b>	<b>134</b>	<b>121</b>	<b>117</b>	<b>-2.1%</b>	<b>12.8%</b>

Program (ERE) signed on December 3, 2021, following the merge with Liberbank, had materialized. The ERE is to run until December 31, 2024, although there is a plan to accelerate exits, in order to anticipate savings.

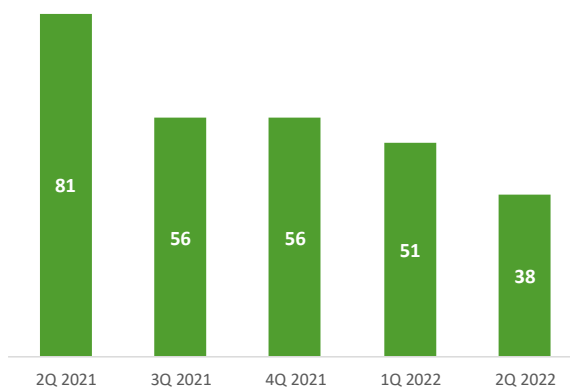
*Provisions /reversal of provisions* amount to €52 million year-to-date, to cover risks related to guarantees and litigation issues.

*Impairments of financial assets* total €89 million of loan-loss provisions year to date. The annualized quarterly cost of risk stands at 27 b.p.

**Cost of risk evolution**



**Credit impairments (In € millions)**



## 9. Liquidity

The Entity maintains very comfortable liquidity levels.

The LTD ("Loan to Deposit") ratio, which shows the percentage that the balance of loans represents in relation to the balance of retail deposits, was 79.3%.

The LCR (Liquidity Coverage Ratio), which indicates the level of short-term liquidity, was 333%.

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

At the end of the second quarter of 2022, Unicaja Banco recorded a position of liquid and discountable assets at the European Central Bank, net of assets used, of €26,313 million, which represents 22.9% of the total balance sheet.

## 10. Solvency

<i>TABLE 12 (Million € and %)</i>	<b>30/06/2022</b>	<b>31/03/2022</b>	<b>30/06/2021</b>	<b>QoQ</b>	<b>Ytd</b>
<b>Qualifying capital (PHASED-IN)</b>	<b>5,876</b>	<b>5,729</b>	<b>6,756</b>	<b>2.6%</b>	<b>-1.0%</b>
CET1 capital (BIS III)	4,711	4,594	6,164	2.6%	-1.9%
Tier 1	547	547	47	0.0%	0.0%
Tier 2	617	588	545	5.0%	5.3%
<b>Risk weighted assets</b>	<b>34,899</b>	<b>34,524</b>	<b>36,271</b>	<b>1.1%</b>	<b>-1.1%</b>
<b>CET1 capital (BIS III) (%)</b>	<b>13.5%</b>	<b>13.3%</b>	<b>17.0%</b>	<b>0.2 pp</b>	<b>-0.1 pp</b>
Tier 1	1.6%	1.6%	0.1%	0.0 pp	0.0 pp
Tier 2	1.8%	1.7%	1.5%	0.1 pp	0.1 pp
<b>Total capital ratio (%)</b>	<b>16.8%</b>	<b>16.6%</b>	<b>18.6%</b>	<b>0.2 pp</b>	<b>0.0 pp</b>

\* The data for 06.30.2022 and 03.31.2022 are post-merger with Liberbank, the data for 06.30.2021 are pre-merger with Liberbank.

<i>Million € and %</i>	<b>30/06/2022</b>	<b>31/03/2022</b>	<b>30/06/2021</b>	<b>QoQ</b>	<b>Ytd</b>
<b>Qualify capital FULLY LOADED</b>	<b>5,603</b>	<b>5,455</b>	<b>6,441</b>	<b>2.7%</b>	<b>1.4%</b>
CET1 capital (BIS III)	4,439	4,320	5,830	2.8%	1.1%
Tier 1	547	547	47	0.0%	0.0%
Tier 2	617	588	564	4.9%	5.2%
<b>Risk weighted assets</b>	<b>34,790</b>	<b>34,389</b>	<b>36,138</b>	<b>1.2%</b>	<b>-0.8%</b>
<b>CET1 capital (BIS III) (%)</b>	<b>12.8%</b>	<b>12.6%</b>	<b>16.1%</b>	<b>0.2 pp</b>	<b>0.2 pp</b>
Tier 1	1.6%	1.6%	0.1%	0.0 pp	0.0 pp
Tier 2	1.8%	1.7%	1.6%	0.1 pp	0.1 pp
<b>Total capital ratio (%)</b>	<b>16.1%</b>	<b>15.9%</b>	<b>17.8%</b>	<b>0.2 pp</b>	<b>0.4 pp</b>

As of 30 June 2022, under phased-in, the Unicaja Banco Group had a CET 1 Common Equity Tier 1 of 13.5%, a Tier 1 Capital ratio of 15.1% and a Total Capital ratio of 16.8%. These ratios represent a buffer over the bank's required levels of 5.3 p.p. in CET 1 and 4.2 p.p. in Total Capital. Capital ratios include the net income pending approval from the ECB to be incorporated in the ratios and deducts accrued dividends.

Under fully loaded basis, the Unicaja Banco Group's CET 1 Common Equity Tier 1 ratio was

12.8%, Tier 1 Capital ratio 14.3% and Total Capital ratio 16.1%.

The CET1 fully loaded ratio increases by +20 b.p. in the quarter, as the generation of results, the reduction of loans to companies and the reduction of tax assets (related to swaps), have offset the increase in risk-weighted assets (coming from applying internal models to the equity portfolio).

The tangible book value per share (TBV per share) reached 2.21 at June 30, 2022.

Finally, the Texas ratio stays at 44.1%.

## 11. The Share

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

The Bank's main shareholders are Fundación Bancaria Unicaja which holds 30% of the share capital of Unicaja Banco, S.A., Indumenta Pueri 8%, Oceanwood Capital Management LLP 7% (including financial instruments) and Fundación Bancaria Caja de Ahorros de Asturias 7%. The remaining 48% of the share capital is held by other wholesale and retail investors.

Unicaja Banco's shares price closed at €0.933 per share, representing a +10.4% appreciation during the year.

## 12. Rating

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

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

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

- Long-term rating "Baa3" with stable outlook.

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

## 13. Technological and operational integration with Liberbank

The technological and operational integration of Liberbank into Unicaja Banco has been completed as planned. The effective integration of the technological platforms was carried out between May 20<sup>th</sup> and 22<sup>nd</sup> of 2022.

This process has involved the integration of 575 branches and centers, 1,249 ATMs and 2,700 mobile devices (Smart PCs, tablets and cell phones) from Liberbank. Thus, the merger process of Unicaja Banco and Liberbank has been completed in less than a year.

## 14. Sustainable banking and CSR

The financial sector is called upon to play a crucial role in the transition to a sustainable economy by redirecting capital flows.

In the second quarter of the year, Unicaja Banco issued its first green bonds for €500 million to fund renewable energies and green buildings that meet certain eligibility requirements.

The bank also offers a wide range of sustainable products and services:

- Green mortgages with incentives for Energy ratings.
- Eco-mobility loans, to fund electric, hybrid or low-emission fuel vehicles.
- Loans related to the improvement of the energy efficiency of homeowners' associations.
- Loans for the promotion and development of clean energies.
- Loans focused on developing sustainability in the agricultural sector.



- Socially responsible investment funds and pension funds managed with ESG investment criteria (Unifond ISR, Liberbank Solidario, Uni Plan Futuro Sostenible).
- Sustainable insurance, including insurance with incentives to electric vehicles.
- Other alliances, such as for the development of sustainable solar energy projects and funding of self-consumption photovoltaic installations, electric chargers loans, etc.

### **15. Bancassurance agreement**

On May 23<sup>rd</sup> of 2022, Unicaja Banco signed an agreement with Santa Lucía to extend its joint bancassurance alliance in: life risk, savings, accident and pension plan lines, following the merger of Unicaja Banco and Liberbank, S.A. Under this agreement, Santa Lucía is expected to acquire 50% plus one share of CCM Vida y Pensiones de Seguros y Reaseguros, S.A. and Liberbank Vida y Pensiones, Seguros y Reaseguros, S.A., with Unicaja Banco keeping the remaining percentage and extending the current alliance with Santa Lucía.

This operation is subject to obtaining the corresponding regulatory and competition authorizations. The consideration to be received by Unicaja Banco Group as a result of the agreement reached with Santa Lucía amounts to a preliminary amount of €318 million (subject to certain adjustments after the closing of the transaction), plus a variable amount of up to €40 million, depending on the level of achievement of certain business objectives over the next ten years.

### **16. Financial Inclusion**

Unicaja Banco has adhered to the agreement of the Spanish Banking Association (AEB), the Spanish Confederation of Savings Banks (CECA) and the National Union of Credit Cooperatives

(Unacc) aimed at strengthening the social and sustainable commitment of banks regarding measures to promote financial inclusion.

The greater preference of customers for digital channels has led to a reduction in the number of branches, although Spain continues to be one of the countries with the highest rates of banking penetration in the world.

However, the Spanish banking community in general and Unicaja Banco in particular, are aware of the concern that exists in certain social sectors, such as the elderly or the disabled, and in some territorial areas, especially in the so-called "rural Spain", regarding difficulties in accessing certain basic banking services, such as cash withdrawals. For this reason, a series of measures have been adopted to improve personalized attention to these groups and to contribute proactively to accelerating progress towards an inclusive economy.

These measures are:

- The extension of face-to-face service hours, at least from 9.00h to 14.00h for cash services, to be provided at the teller window or through ATM.
- Preferential treatment for the elderly in branches.
- Mandatory specific training for the staff of the commercial network on the needs of this group.
- Preferential direct or telephone attention at no additional cost, through a personal interlocutor.
- Telephone service hours from 9:00 a.m. to 6:00 p.m. for customers to whom services are provided with no branch.
- Guarantees of adaptability, accessibility and simplicity of the channels depending on their use.
- Offering customers financial and digital education and fraud prevention activities.

- Informing the group of elderly customers about the measures and improvements adopted.
- Extending the scope of the Financial Inclusion Observatory.

**Appendix I:**
**ALTERNATIVE PERFORMANCE MEASURES (APM)**

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

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

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

**ALTERNATIVE PERFORMANCE MEASURES**

(In € million or %)

**Table 13:**

	30/06/2022	31/03/2022	30/06/2021
<b>Total customer funds (1+2+3)</b>	<b>103,656</b>	<b>101,512</b>	<b>104,277</b>
(1) Financial liabilities at amortized cost. Customer deposits (without valuation adjustments) (1a+1b)	79,958	77,257	81,273
(1a) Financial liabilities at amortized cost. Customer deposits	79,921	77,495	82,116
(1b) Valuation adjustments. Financial liabilities at amortized cost. Customer deposits	37	-247	-843
(2) Debt securities issued (w/o valuation adjustments) (2a+2b)	2,973	2,473	1,902
(2a) Debt securities issued	2,916	2,437	1,915
(2b) Valuation adjustments. Debt securities issued	-57	36	-13
(3) Funds managed through off-balance sheet instruments. <i>Management data</i>	20,725	21,782	21,102

**Source:** Consolidated public financial statement and Internal information using management criteria.

**Purpose:** To know the total balance and evolution of the resources managed by the Group, both on-balance and off-balance sheet.

**Table 14:**

	30/06/2022	31/03/2022	30/06/2021
<b>Retail customer funds (non-market) (1-2-3-4+5)</b>	<b>91,555</b>	<b>90,745</b>	<b>91,654</b>
(1) Total customer funds	103,656	101,512	104,277
(2) Covered bonds under the heading "Term deposits". Carrying amount (excluding valuation adjustments)	5,207	5,207	4,739
(3) Deposits from customers. Repos (excluding valuation adjustments)	3,981	3,151	6,121
(4) Issued debt securities (excluding valuation adjustments)	2,973	2,473	1,902
(5) Repos controlled by retail customers. <i>Management data</i>	60	65	139

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

**Purpose:** To determine the total balance and evolution of the funds managed by the Group, both on-balance sheet and off-balance sheet, at the customer level without considering market operations.

**Table 15:**

	30/06/2022	31/03/2022	30/06/2021
<b>Wholesale funds (Markets) (1+2+3-4)</b>	<b>12,101</b>	<b>10,767</b>	<b>12,624</b>
(1) Covered bonds under the heading "Term deposits". Carrying amount (excluding valuation adjustments)	5,207	5,207	4,739
(2) Deposits from customers. Repos (excluding valuation adjustments)	3,981	3,151	6,121
(3) Issued debt securities (excluding valuation adjustments)	2,973	2,473	1,902
(4) Repos controlled by retail customers. <i>Management measure</i>	60	65	139

**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 in the market operations area.

**Table 16:**

	30/06/2022	31/03/2022	30/06/2021
<b>Repos controlled by retail customers. Management measure (1a)</b>	<b>60</b>	<b>65</b>	<b>139</b>
(1) Deposits from customers. Repos (excluding valuation adjustments)	3,981	3,151	6,121
(1a) Repos controlled by retail customers. <i>Management measure</i>	60	65	139
(1b) Rest of repos	3,921	3,086	5,983

**Source:** Internal information using management criteria.

**Table 17:**

	30/06/2022	31/03/2022	30/06/2021
<b>Performing Gross loans w/o Repos and OFA (excluding valuation adjustments) (1-7)</b>	<b>54,237</b>	<b>53,560</b>	<b>54,211</b>
(1) Loan portfolio and receivables. Gross amount (2a+3a-4-5-6)	56,199	55,519	55,997
(2) Financial assets held for trading with changes in profit or loss	205	249	312
<i>(2a) of which: Loans and advances - Customers</i>	<i>122</i>	<i>111</i>	<i>140</i>
(3) Financial assets at amortized cost	82,769	83,058	89,209
<i>(3a) of which: Loans and advances - Customers</i>	<i>56,476</i>	<i>55,957</i>	<i>56,609</i>
(4) Valuation adjustments (excluding other financial assets)	-931	-914	-651
(5) Reverse Repos	835	863	887
(6) Other financial assets	496	598	517
(7) Loan portfolio and receivables. Gross amount Stage 3 (excluding other financial assets)	1,962	1,959	1,785

**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 classified in stage 1 or stage 2).

**Table 18:**

	30/06/2022	31/03/2022	30/06/2021
<b>Loan to Deposits (LtD)</b>	<b>79.2%</b>	<b>80.5%</b>	<b>79.4%</b>
(1) Numerator. Loans and advances to customers - excluding valuation adjustments	56,199	55,519	55,997
(2) Denominator. Customer deposits (non-market) - excluding valuation adjustments - (2a-2b-2c+2d)	70,830	68,963	70,552
(2a) Financial liabilities at amortized cost. Deposits from customers (excluding valuation adjustments)	79,958	77,257	81,273
(2b) Covered bonds under the heading "Term deposits". Carrying amount (excluding valuation adjustments)	5,207	5,207	4,739
(2c) Deposits from customers. Repos (excluding valuation adjustments)	3,981	3,151	6,121
(2d) Repos controlled by retail customers. Management data	60	65	139

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

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

**Table 19:**

	30/06/2022	31/03/2022	30/06/2021
<b>NPL Ratio (1/2)</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.2%</b>
(1) Loans and receivables. Gross amount Stage 3	1,962	1,959	1,785
(2) Loans and receivables. Gross amount.	56,199	55,519	55,997

**Source:** Consolidated public financial statements.

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

**Table 20:**

	30/06/2022	31/03/2022	30/06/2021
<b>NPL Coverage Ratio (1/2)</b>	<b>64.9%</b>	<b>68.3%</b>	<b>63.2%</b>
(1) Loans and receivables. Total impairment losses on assets	1,274	1,338	1,128
(2) Loans and receivables. Gross amount Stage 3	1,962	1,959	1,785

**Source:** Consolidated public financial statements.

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

**Table 21:**

	30/06/2022	31/03/2022	30/06/2021
<b>Foreclosed assets coverage (1/2)</b>	<b>63.1%</b>	<b>62.9%</b>	<b>55.5%</b>
(1) Accumulated impairment losses on foreclosed real estate or properties received in payment of debts	1,226	1,316	1,299
(2) Gross carrying amount of foreclosed real estate or properties received in payment of debts	1,943	2,093	2,342

**Source:** Internal information using management criteria.

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

**Table 22:**

	30/06/2022	31/03/2022	30/06/2021
<b>NPA coverage ratio (1+2)/(3+4)</b>	<b>64.0%</b>	<b>65.5%</b>	<b>58.8%</b>
(1) Loans and receivables. Total impairment losses on assets	1,274	1,338	1,128
(2) Accumulated impairment losses on foreclosed real estate or properties received in payment of debts	1,226	1,316	1,299
(3) Loans and receivables. Gross amount Stage 3	1,962	1,959	1,785
(4) Gross carrying amount of foreclosed real estate or properties received in payment of debts	1,943	2,093	2,342

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

**Purpose:** It measures the coverage level of distressed assets.

**Table 23:**

	30/06/2022	31/03/2022
<b>Texas ratio (1+2)/(3+4+5)</b>	<b>44.1%</b>	<b>46.3%</b>
(1) Loans and receivables portfolio. Gross amount Stage 3	1,962	1,959
(2) Gross carrying amount of real estate foreclosed assets	1,943	2,093
(3) Loans and receivables portfolio. Total adjustments for impairment of assets	1,274	1,338
(4) Impairment of real estate foreclosed assets	1,226	1,316
(5) Total equity	6,350	6,101

**Source:** Consolidated public balance sheet.

**Purpose:** Reflects the percentage of non-performing assets over total funds and equity.

**Table 24:**

	30/06/2022	31/03/2022	30/06/2021
<b>Customer Spread (quarterly data) (1-2)</b>	<b>1.40%</b>	<b>1.35%</b>	<b>1.44%</b>
(1) Quarterly yields on loans and advances to customers (excluding reverse repos) on average quarterly balances of loans and advances to customers, net (excluding reverse repos and other financial assets). <i>Management Data</i>	1.38%	1.34%	1.46%
(2) Quarterly cost of customer deposits (excluding repos) over average quarterly balance of customer deposits (excluding repos). <i>Management Data.</i>	-0.02%	0.00%	0.02%

**Source:** Internal information using management criteria.

**Purpose:** Profitability metric that defines the difference between the customer loan portfolio's average profitability and the average cost of customer funds.

**Table 25:**

	30/06/2022	31/03/2022	30/06/2021
<b>Net fees (1-2)</b>	<b>263.6</b>	<b>133.2</b>	<b>233.8</b>
(1) Fee and commission income	287.3	144.2	255.3
(2) Fee and commission expenses	23.6	11.0	21.5

**Source:** Consolidated public income statement.

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

**Table 26:**

	30/06/2022	31/03/2022	30/06/2021
<b>Trading income +Exchange differences (1+2+3+4+5+6)</b>	<b>30.5</b>	<b>9.6</b>	<b>22.1</b>
(1) Net gain or (-) losses on derecognition from the statements of financial assets and liabilities (not measured at fair value) through profit or loss	20.0	6.2	32.9
(2) Net gain or (-) losses from financial assets and liabilities held for trading	6.4	10.0	2.6
(3) Net gain or (-) losses from non-trading financial assets mandatorily designated at fair value through profit or loss	-4.0	-6.3	-1.5
(4) Net gain or (-) losses from financial assets and liabilities designated at fair value through profit or loss	-0.3	0.0	0.0
(5) Net gain (-) losses from hedge accounting	6.5	-0.3	-13.8
(6) Net exchange differences, gains or (-) losses	1.9	0.0	1.9

**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 27:**

	30/06/2022	31/03/2022	30/06/2021
<b>Other products / operating charges (1-2+3-4)</b>	<b>-24.3</b>	<b>1.6</b>	<b>-30.1</b>
(1) Other operating income	56.7	25.6	47.2
(2) Other operating expenses	88.3	27.4	91.2
(3) Income from assets under insurance or reinsurance contracts	25.4	12.5	36.4
(4) Expenses from liabilities under insurance or reinsurance contracts	18.2	9.1	22.5

**Source:** Consolidated public income statement.

**Table 28:**

	30/06/2022	31/03/2022	30/06/2021
<b>Operating or transformation expenses (1+2)</b>	<b>436.2</b>	<b>218.7</b>	<b>479.2</b>
(1) Other administrative expenses	390.0	196.0	428.6
(2) Depreciation	46.2	22.7	50.6

**Source:** Consolidated public income statement.

**Table 29:**

	30/06/2022	31/03/2022	30/06/2021
<b>Efficiency ratio (1+2)/3</b>	<b>52.9%</b>	<b>57.2%</b>	<b>58.5%</b>
(1) Other administrative expenses	390.0	196.0	428.6
(2) Depreciation	46.2	22.7	50.6
(3) Gross margin	825.0	382.4	818.8

**Source:** Consolidated income statement.

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

**Table 30:**

	30/06/2022	31/03/2022	30/06/2021
<b>Pre-provision profit (before impairments) (1-2-3)</b>	<b>388.9</b>	<b>163.8</b>	<b>339.6</b>
(1) Gross income	825.0	382.4	818.8
(2) Other administrative expenses	390.0	196.0	428.6
(3) Depreciation	46.2	22.7	50.6

**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 31:**

	30/06/2022	31/03/2022	30/06/2021
<b>Impairment losses or reversal of impairment losses on loans and receivables. Management Data (1a + 1b)</b>	<b>89.0</b>	<b>50.6</b>	<b>157.6</b>
(1) Impairment losses or (-) reversal of impairment and gains or losses on changes in cash flows of financial assets not measured at fair value through profit or loss and net gains or (-) losses on changes. Financial assets at amortized cost	89.0	50.6	157.6
(1a) From loans and receivables to customers. <i>Management data</i>	89.2	50.6	157.9
(1b.) From other financial assets at amortized cost	-0.2	0.0	-0.3

**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 32:**

	30/06/2022	31/03/2022	30/06/2021
(1) Impairment or (-) reversal of impairment in value of loans and receivables to customers (annualised quarterly data). <i>Management data</i>	154.3	202.4	324.2
(2) Loans and receivables. Gross amount (ex valuation adjustments)	56,199	55,519	55,997
<b>Cost of risk (1/2)</b>	<b>0.27%</b>	<b>0.36%</b>	<b>0.58%</b>

**Source:** Consolidated public income statement and management data.

**Purpose:** Defines the Group's credit quality rating through the annualized quarter 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 33:**

	30/06/2022	31/03/2022	30/06/2021
<b>Impairment/reversal in the value of other assets and other gains &amp; losses (1+2-3-4-5)</b>	<b>23.0</b>	<b>1.8</b>	<b>-4.1</b>
(1) Impairment or (-) reversal in the impairment of the value of joint ventures or associates	-1.0	0.0	0.0
(2) Impairment or (-) reversal in the impairment of the value of non-financial assets	17.7	1.9	1.3
(3) Net gain or (-) loss on derecognition from the statements of non-financial assets and stakes	2.5	4.1	4.6
(4) Recognised negative goodwill	0.0	0.0	0.0
(5) Gains or (-) losses arising from non-current assets and disposal groups of items classified as held for sale that cannot be classified as discontinued operations	-8.8	-4.0	0.8

Source: Consolidated public income statement.

**Table 34:**

	30/06/2022	31/03/2022	30/06/2021
<b>Impairments and others (1+2+3+4-5-6-7)</b>	<b>163.6</b>	<b>79.4</b>	<b>207.0</b>
(1) Provisioning or (-) provisioning reversals	51.6	27.0	53.5
(2) Impairment or (-) reversal in the value of financial assets not measured at fair value through profit and loss	89.0	50.6	157.6
(3) Impairment or (-) reversal in the value of joint ventures or associates	-1.0	0.0	0.0
(4) Impairment or (-) reversal in the value of non-financial assets	17.7	1.9	1.3
(5) Net gain or (-) loss on derecognition from the statements of non-financial assets and stakes	2.5	4.1	4.6
(6) Recognised negative goodwill	0.0	0.0	0.0
(7) Gains or (-) losses arising from non-current assets and disposal groups of items classified as held for sale that cannot be classified as discontinued operations	-8.8	-4.0	0.8

Source: Consolidated public income statement.

Purpose: To show the volume of the Group's write-downs and provisions

**Table 35:**

	30/06/2022	31/03/2022
<b>ROTE (1/4)</b>	<b>5.2%</b>	<b>3.8%</b>
(1) Total comprehensive income for the year annualized and net of interests from equity instruments other than capital (2-3)	306.8	218.0
(2) Total comprehensive income for the year	329.4	240.6
(3) Interests from equity instruments other than capital	22.6	22.6
<b>(4) Shareholders' equity -excluding intangible elements, debt issues convertible into shares and preferred shares- (5-6-7-8)</b>	<b>5,856</b>	<b>5,700</b>
(5) Shareholders' equity	6,536	6,383
(6) Issued equity instruments other than capital (AT1)	547	547
(7) Intangible assets	79	83
(8) Equity goodwill	53	54

Source: Consolidated public income statement and Consolidated public balance sheet.

**Table 36:**

	30/06/2022	31/03/2022
<b>Tangible Book value per share (1/7)</b>	<b>2.21</b>	<b>2.15</b>
(1) Tangible assets (2–3–4-5-6)	5,856	5,700
(2) Total Equity	6,536	6,383
(3) Issued equity instruments other than capital (AT1)	547	547
(4) Minority interests	0	0
(5) Intangible assets	79	83
(6) Equity goodwill	53	54
<b>(7) N° of shares outstanding (thousand)</b>	<b>2,654,833</b>	<b>2,654,833</b>

**Source:** Consolidated public balance sheet.

**Purpose:** To show the value that the Bank generates for its shareholders through its own business.

**Table 37:**

	30/06/2022	31/03/2022
<b>Net liquid assets (1-2-3)</b>	<b>26,313</b>	<b>23,332</b>
(1) Gross liquid assets	47,645	44,233
(2) Taken in ECB	10,241	10,266
(3) Repos and other pledges	11,091	10,636

*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.