

ANNEX 1

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

ISSUER IDENTIFICATION

ENDING DATE OF THE FINANCIAL YEAR	31/12/2017
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C.I.F. (TAX ID CODE)	A93139053
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REGISTERED NAME
UNICAJA BANCO, S.A.

REGISTERED NAME
Avda. de Andalucía, 10-12, 29007 Málaga (Spain)

FORM OF ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

A REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT YEAR

A.1 Explain the Company's remuneration policy. This section will include information on:

- General principles and grounds of the remuneration policy.
- Most significant changes made to the remuneration policy with regard to that applied during the previous financial year, as well as changes made during the year to the terms for exercising options already granted.
- Criteria used and composition of the comparable groups of companies whose remuneration policies have been examined to establish the company's remuneration policy.
- Relative significance of the variable items of remuneration as compared to fixed items and criteria followed to determine the various components of the directors' remuneration package (*remuneration mix*).

Explain the remuneration policy
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The remuneration policy in force at Unicaja Banco intends to encourage a sound and effective risk management which, while promoting the efficient development of the Company's corporate management, does not entail an excessive risk assumption.

The Annual General Meeting of Shareholders held on 30 April 2015 approved the "Remuneration Policy for the Directors of Unicaja Banco, S.A." for the period 2015-2017, in accordance with that established in the regulations on banking ordering, supervision and solvency and, for reference thereof, in the Spanish Corporate Enterprises Act (*Ley de Sociedades de Capital*), as well as in the Bylaws and in the Board of Directors Regulations.

The Board of Directors of Unicaja Banco, with the favourable report from the Remuneration and Risk Committees, approved in December 2016 the 'Remuneration Policy Associated to Risk Management'. The final purpose of this Policy is to apply the requirements on remuneration to the members of the Board of Directors, both executive and non-executive, to the senior management and to the staff categories at Unicaja Banco whose professional activities have a significant impact on its risk profile, at a group, parent company and subsidiary level (all of them, the "Identified Group").

The following are established as the general principles of the "Remuneration Policy Associated to Risk Management":

- It will not offer incentives for taking risks which exceed the level tolerated by the Company, taking as a reference, to the extent to which it is applicable, the Risk Appetite Framework of Grupo Unicaja Banco.
- It will be compatible with the corporate strategy, the objectives, the values and the long-term interests of the Company, avoiding conflicts of interest. With regard to corporate strategy, it will consider the "Business Plan" in force from time to time, approved by the Board of Directors, to the extent to which it is applicable.

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- It will differentiate clearly the criteria to set the different components of the global remuneration. In general lines, they will be as follows:
 - o Fixed component: it will reflect mainly the relevant professional experience and organizational responsibility.
 - o Variable component: it will reflect a sustainable and risk-adjusted performance, as well as performance in excess of that required to fulfill the employee's job description as part of the terms of employment.

The "Remuneration Policy Associated to Risk Management" incorporates the criteria of the Directive 2013/36/EU, the Spanish Law 10/2014, the Spanish Royal Decree 84/2015 and of the Circular 2/2016 of the Bank of Spain, and the "Guidelines on sound remuneration policies" of the European Banking Authority (EBA/GL/2015/22), among other regulatory provisions.

Additionally, the "Remuneration Policy Associated to Risk Management" sets the guidelines and criteria to be used to develop the variable remuneration scheme for the Identified Group, where the following must be remarked:

- Establishment of deferral and retention periods.
- At least 50% of the variable remuneration will be paid in shares or other instruments which reflect properly the Company's credit rating. Payments in shares or instruments shall be retained for the appropriate period.
- Incorporation of malus and clawback clauses for cases of poor performance of the individual and/or the Company, and implementation of procedures for their effectiveness.

According to the 'Remuneration Policy Associated to Risk Management', where remuneration includes variable components, there will be a balanced and efficient link between these and the fixed components, so that the fixed component represents a sufficiently high proportion of the total remuneration.

In December 2016, the 'General Scheme of Incentives of Unicaja Banco' was approved, and it was updated in December 2017.

The application of a specific scheme of incentives for executive Directors, among other groups, is foreseen.

In July 2017, the Board of Directors approved a specific incentive system for the Company's CEO, applicable to the year 2017 and which will be updated annually. As at the date of this Report (March 2018), no incentive systems have been developed for other executive Directors.

As it has been mentioned, the "Policy for the Remuneration of the Directors of Unicaja Banco, S.A." was approved in 2015 to be applied, in addition to that year, during the financial years 2016 and 2017.

Therefore, the Board of Directors, with the favourable report of the Remuneration Committee has to submit to the Annual General Meeting of Shareholders to be held in April 2018, a reasoned proposal of a new "Policy for the Remuneration of the Directors of Unicaja Banco, S.A.", for the period 2018-2020.

The key features of the new Policy are:

- It develops a series of criteria taken into account for the statement of the general principles of the remuneration policy of the Company's Directors. These criteria aim at internal equity and competitiveness, flexibility, transparency, simplicity, internal control in the application of the Policy and proportionality.

- With regard to the principles of the “Policy for the Remuneration of Directors”, these aim at the sound and effective risk management; compatibility with the corporate strategy, objectives, values and long-term interests of the Company, avoiding conflicts of interest; in relation to executive Directors, when applicable, it intends to maintain a balanced and efficient ratio between variable remuneration and fixed components; to determine the grounds for fixed and variable components (relevant professional experience, dedication and organizational responsibility, and a sustainable and risk adjusted performance, in excess of that required to fulfill the description of functions as part of the performance conditions, respectively); to establish malus and clawback clauses; to defer part of the remuneration, to deliver cash, shares or instruments of the Company as variable remuneration and the retention of a part thereof; and to graduate the amount of variable remuneration, according to the situation of the Company, the sector and the personal circumstances of the Director.

A.2. Information regarding preparatory work and the decision-making process followed to determine the remuneration policy, and any role played by the Remuneration Committee and other control bodies in the configuration of the remuneration policy. This information shall include, where applicable, any mandate given to the Remuneration Committee, the composition thereof, and the identity of external advisors whose services have been used to determine the remuneration policy. There shall also be a statement of the category of any directors who have participated in the definition of the remuneration policy.

Explain the process for determining the remuneration policy
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The ‘Policy for the Remuneration of the Directors of Unicaja Banco, S.A.’ for the period 2015-2017 was approved on 30 April 2015, so the Company’s bodies –in particular, the Remuneration Committee- have been working since 2017 in the proposal of a Policy for the period 2018-2018.

The Board of Directors is assisted, in the area of remunerations, in general, by the Remuneration Committee, which acts with the due coordination with the Risk Committee, so that the latter can fulfill, with regard to the remuneration scheme applicable in the Company and in accordance with the statutory and regulatory framework, the competences assigned to it.

In relation to the “Policy for the Remuneration of Directors”, the Remuneration Committee shall have, inter alia, the following functions, in accordance with Article 27 bis (3) of the Company’s Bylaws:

- To ensure observance of the remuneration policy established by the Company, as well as to propose to the management body the remuneration policy for directors, senior managers, risk-taking employees, employees which exercise control functions or other similar categories, the individual remuneration of executive directors and other basic contractual conditions of senior managers, risk-taking employees, employees which exercise control functions or other similar categories, in accordance with the general laws for companies and with those specific for credit institutions.
- It will prepare the specific report accompanying the proposal of the Board of Director’s remuneration policy.

As at 31 December 2017 and without later modifications until the date of preparation of this report (March 2018), the members of the Remuneration Committee are:

- 1. Mr. Guillermo Jiménez Sánchez (Chairman).
- 2. Mr. Juan Fraile Cantón (Secretary).
- 3. Mrs. Petra Mateos-Aparicio Morales (Director).
- 4. Mr. Victorio Valle Sánchez (Director).
- 5. Mr. José M^a de la Torre Colmenero (Director).

None of them is an executive Director. Mr. Fraile and Mr. De la Torre are external proprietary Directors and Mr. Jiménez, Mr. Valle and Mrs. Mateos-Aparicio are external independent Directors.

A.3. State the amount and nature of the fixed components, with a breakdown, if applicable, of remuneration for the performance by the executive directors of the duties of senior management, of additional remuneration as chair or member of a board committee, of attendance fees for participation in the board and its committees or other fixed remuneration as director, and an estimate of the annual fixed remuneration resulting therefrom. Identify other benefits that are not paid in cash and the basic parameters upon which such benefits are provided.

Explain the fixed components of remuneration

Remuneration of Directors acting in their capacity as such

For the financial year 2017, in accordance with the “Policy for the Remuneration of the Directors of Unicaja Banco, S.A.” for the period 2015-2017, the remuneration of Directors acting in their capacity as such has been guided by the following criteria:

- 1. Fixed remuneration for belonging to the Board of Directors: 30,000 euros gross per year, distributed into 12 monthly payments.
- 2. Fixed remuneration for the performance of a non-executive Vice-Chair: 12,000 euros gross per year, distributed into 12 monthly payments.
- 3. Fixed remuneration for the performance of the Chair of a Committee of support to the Board of Directors (currently: Audit and Regulatory Compliance Committee, Risk Committee, Appointments Committee and Remuneration Committee): 12,000 euros gross per year, distributed into 12 monthly payments.

Attendance fees for attendance at meetings of the Board of Directors and support Committees: 800 euros gross per meeting.

The maximum amount of yearly remuneration to be paid to the whole of Directors in their role as such was set in 2017, as in 2015 and 2016, in 800,000 euros gross.

As the validity of the “Policy for the Remuneration of Directors” approved by the General Meeting in 2015 has expired, it is necessary to proceed to the approval of a new “Policy for the Remuneration of Directors” for the period 2018-2020. For that purpose, a proposal of Policy has been prepared, and it will be submitted to the Annual General Meeting of Shareholders to be held in April 2018, where this Annual Report on the Remuneration of Directors shall also be submitted for advisory voting.

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The proposed "Policy for the Remuneration of Directors" has set the maximum amount of annual remuneration for the whole of directors acting in their capacity as such, for the year 2018, in 950,000 euros gross. The said amount shall be updated for the years 2019 and 2020 according to the percentage of salary review set in the collective agreement applicable to the Company's employees.

Once the "Policy for the Remuneration of Directors" is approved, and until the Board of Directors determines the distribution of the said maximum amounts among the different remuneration components, taking into account, for that purpose, the functions and responsibilities assigned to each of them and other objective circumstances deemed relevant, the distribution of amounts mentioned above shall remain applicable.

Remuneration of Directors for the performance of executive functions

The fixed cash remuneration contractually agreed for 2018 for Directors due to the performance of executive functions is as follows:

- Executive Chairman: 588 thousand euros.
- CEO: 511 thousand euros.

In the case of the Executive Deputy Chairman, whose tenure will end upon the holding of the Annual General Meeting of Shareholders 2018, the fixed cash remuneration received from 1 January until the said moment will be, as contractually agreed, 99 thousand euros.

Finally, Mrs. M^a Luisa Lombardero Barceló tendered her resignation as Director of Unicaja Banco, S.A. on 21 February 2018, having received no fixed cash remuneration for the performance of executive functions, given that her condition as executive director arises from her position of CEO at Banco de Caja España de Inversiones, Salamanca y Soria, S.A. ("EspañaDueño").

Other benefits not paid in cash

Other benefits not paid in cash to the Directors are detailed in sections A.5. and A.10.

A.4. Explain the amount, nature and main features of the variable components of the remuneration systems.

In particular:

- Identify each of the remuneration plans of which the directors are beneficiaries, their scope, date of approval, date of implementation, date of effectiveness, and main features. In the case of stock option plans and other financial instruments, the general features of the plan shall include information on the conditions for the exercise of such options or financial instruments for each plan.
- State any remuneration received under profit-sharing or bonus schemes, and the reason for the accrual thereof.
- Explain the fundamental parameters and rationale for any annual bonus plan.
- The categories of directors (executive directors, proprietary external directors, independent external directors or other external directors) that are

beneficiaries of remuneration systems or plans which include variable remuneration.

- The rationale for such remuneration systems or plans, the criteria chosen for the performance assessment, and the assessment components and methods to determine whether or not such assessment criteria have been met, and an estimate of the absolute amount of variable remuneration to which the current remuneration plan would give rise, based on the level of compliance with the assumption or goals used as the benchmark.
- If applicable, information shall be provided regarding any payment deferral periods that have been established and/or the periods for retaining shares or other financial instruments.

Explain the variable components of remuneration systems
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Remuneration of Directors acting in their capacity as such

No variable remuneration has been established for non-executive Directors.

Remuneration of Directors for the performance of executive functions

The Bylaws provide for the possibility that a part of the remuneration of executive Directors may be variable and correlated to indicators of the performance of the Director and the company.

The following criteria of the “General Scheme of Incentives of Unicaja Banco” should be highlighted:

- The payment of incentives shall be linked to compliance with the strategic objectives included in the Business Plan in force in the Company.
- The variable remuneration shall be affected by changes in the Company’s results, being adjusted to all kind of current and future risks, taking into account the necessary cost of capital and liquidity, what may result in the variable remuneration reducing to zero.
- In case of non-compliance with the short-term liquidity ratio, the payment of the variable remuneration shall be deferred one year and, if the said ratio is not achieved in a second consecutive financial year, the said remuneration would be lost.
- Up to 100% of the total variable remuneration shall be subject to malus or clawback clauses.
- Deferred remuneration shall be paid during the deferral years in a proportional manner and shall be subject to *ex post* adjustments for results and for the evolution of the Company’s risk, capital and liquidity in the corresponding period.
- The variable remuneration shall be conditioned to, among other requirements, the Company, as at the end of the financial year in question, reaching the minimum recurring Profit Before Tax (*Beneficio antes de Impuestos*, BAI) determined in the Business Plan.
- Once compliance with the requirements above has been determined, the indicator of achievement of goals (*Indicador de Consecución de Objetivos*, ICO) will be taken into account for the calculation of the accrued variable remuneration.

- 50% of the accrued incentive shall be deferred for a period of five years, in a proportional manner; half the variable remuneration shall be paid, in any case, by the delivery of shares, subject to one-year retention period.

As mentioned in section A.1., in July 2017 the Board of Directors approved a specific system of incentives for the Company's CEO for the year 2017.

During the validity period of the "Policy for the Remuneration of Directors", the Board of Directors shall update annually the said scheme for the CEO.

The Board of Directors, upon proposal by the Remuneration Committee, shall assess annually the target variables and achievement levels to which the CEO's variable remuneration is linked, so that the annual granting that may result is fully aligned with the Company's corporate strategy, objectives, values and long-term interests.

The maximum amount which may result from the CEO's variable remuneration plan for 2018 is 128 thousand euros.

A.5. Explain the main features of the long-term savings systems, including retirement and any other survival benefit, either wholly or partially financed by the company, and whether funded internally or externally, with an estimate of the equivalent annual amount or cost thereof, stating the type of plan, whether it is a defined-contribution or defined-benefit plan, the conditions for the vesting of economic rights in favour of the directors, and the compatibility thereof with any kind of indemnity for advanced or early termination of the labour relationship between the company and the director.

Also state the contributions in favor of the director to defined-contribution pension plans; or any increase in the director's vested rights, in the case of contributions to defined-benefit plans.

<p>Explain the long-term saving systems</p>
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Remuneration of Directors acting in their capacity as such

Non-executive Directors are not entitled to this type of remuneration, in accordance with that established in the Company's Bylaws.

Remuneration of Directors for the performance of executive functions

In accordance with the Bylaws, executive Directors shall be entitled to remuneration composed by, among other elements, an assistance part which will include the appropriate welfare and insurance system.

Executive Directors may be entitled to an assistance part consisting in the subscription by the Company of a defined-contribution savings insurance, in their favour, with the updates that may correspond according to the system in force.

A significant part of the contributions to pension commitments or savings insurances to cover analogous contingencies -which will not be lower than 15%-, shall be in variable components and shall be treated as discretionary benefits.

Malus and clawback clause arrangement will also be applied to this kind of payments.

The maximum contributions for 2018 for each executive Director are:

Executive Chairman: 162 thousand euros.

CEO: 200 thousand euros.

Executive Deputy Chairman (as it has been mentioned, until the date on which the Annual General Meeting of Shareholders is held, when his tenure ends): 47 thousand euros.

A.6 State any termination benefits agreed to or paid in case of termination of duties as a director.

Explain any termination benefits

Remuneration of Directors acting in their capacity as such

Given the legal nature of the relationship between Directors in their capacity as such and the Company, the payment of termination benefits is not foreseen.

Remuneration of Directors for the performance of executive functions

As a general rule, the compensation agreed in the contracts entered into with the executive Directors will be applied, which are defined as below.

Payments made for early termination, if any, of the contracts of executive Directors, not due to non-compliance attributable to the Director, shall be reasonable and proportional. The compensation amount shall be referred to the annual fixed cash remuneration for the performance of executive functions, according to the number of annuities or fractions determined by Unicaja Banco's Board of Directors, not exceeding two years. Such compensation shall decrease over time, according to the time passed until the moment of the possible early termination and subject, in any case, to the applicable regulations, being related to the period of office.

To that end, the amount of the compensation shall be calculated by applying a factor (from 0 to 1, which will be closer to 1 during the first years of tenure and to 0 in the final years) to a base amount which, as it has been said, shall be linked to the annual fixed cash remuneration for the performance of executive functions of the corresponding executive Director.

In any case, early termination compensations shall be subject to the limitations and restrictions applicable from time to time to credit institutions.

A.7. State the terms and conditions that must be included in the contracts of executive directors performing senior management duties. Include information regarding, among other things, the term, limits on termination benefit amounts, continuance in office clauses, prior notice periods, and payment in lieu of prior notice, and any other clauses relating to hiring bonuses, as well as benefits or golden parachutes due to advanced or early termination of the contractual relationship between the company and the executive director. Include, among other things, any post-contractual clauses or agreements on non-competition, exclusivity, continuance in office or loyalty, and non-competition.

Explain the conditions of employment contracts for executive directors

Main terms and conditions common to the commercial contracts entered into by the Institution and the executive Directors

- Term: 4 years, due to nature of the Company as a listed company, with regard to the Chairman and the CEO. In the contract of the Executive Deputy Chairman, signed in 2011, a term of 6 years was set, and tenure will end on the date on which the Annual General Meeting of Shareholders is held in April 2018.
- Compensation for termination of the contractual relationship (due to causes different from those set above): The Executive Chairman has waived the compensation scheme for termination. The contract of the Executive Deputy Chairman does not foresee any compensation for early termination of the contractual relationship, whereas the contract with the CEO includes the compensation system described in this Report.
- Exclusivity agreements:
 - Executive Chairman: may attend to professional responsibilities in his own companies or investees by his family and non-profit organizations, provided that they do not prevent or hamper the exercise of his responsibilities in the Bank or the Group this belongs to, avoiding any kind of conflict with the interests of the Bank or the Group. It will only be compatible with membership of Governing Bodies in other Entities and Institutions.
 - Executive Deputy Chairman: may attend to professional responsibilities in his own companies or investees by his family and non-profit organizations, provided that they do not prevent or hamper the exercise of his responsibilities in the Bank or the Group this belongs to, avoiding any kind of conflict with the interests of the Bank or the Group. In particular, he may reconcile his position with other executive positions in the companies of the Bank's Group. As it has been said before, his tenure will end on the date on which the Annual General Meeting is held in April 2018.
 - CEO: exclusive dedication, only compatible with membership of Governing Bodies of other Entities and Institutions, provided that the said membership is in representation of the Company and/or expressly authorized. It is expressly stated that he may attend to professional responsibilities in his own companies, provided that they do not compete with the activity of the Bank or the Group this belongs to, and do not prevent or hamper the exercise of his responsibilities therein, avoiding any kind of conflict of interest.
- Post-contractual non-concurrence agreements:
 - Executive Chairman and Executive Deputy Chairman: Not established.
 - CEO: 12 months.
- Permanence or loyalty agreements: Not established.

A.8. Explain any supplementary remuneration accrued by the directors in consideration of services provided other than those inherent in their position.

Explain the supplementary remuneration

No remuneration has been accrued for this concept nor is it foreseen.

A.9. State any remuneration in the form of advances, loans and guarantees granted, with an indication of the interest rate, main features, and amounts potentially returned, as well as the obligations assumed on their behalf as a guarantee.

Explain the advances, loans and guarantees granted

No remuneration has been accrued for this concept nor is it foreseen.

A.10. Explain the main features of remuneration in kind.

Remuneration of Directors acting in their capacity as such

No remuneration has been accrued by Directors acting in their role as such for this concept nor is it foreseen.

Remuneration of Directors for the performance of executive functions

The assistance part of remuneration of executive Directors consists of a complementary social welfare scheme, to cover risks (life assurance) and medical care services. The Executive Chairman has waived to the coverage of a medical health insurance assumed by the Company.

The amount in section D.1.a).iv) (“Other benefits”/“Life insurance premiums”) includes the medical insurance premium.

A.11. State the remuneration accrued by the director by virtue of payments made by the listed company to a third party where the director provides services, if such payments are remunerate the services thereof in the company.

Explain the remuneration accrued by the director by virtue of the payments made by the listed company to a third party to which the director provides services

No remuneration has been accrued for this concept nor is it foreseen.

A.12. Any item of remuneration other than those listed above, of whatever nature and provenance within the group, especially when it is deemed to be a related-party transaction or when the making thereof detracts from a true and fair view of the total remuneration accrued by the director.

Explain the other items of remuneration

No remuneration has been accrued for this concept nor is it foreseen.

A.13. Explain the actions taken by the company regarding the remuneration system in order to reduce exposure to excessive risk and to align it with the long-term goals, values, and interests of the company, including any reference to: measures provided to ensure that the remuneration policy takes into account the long-term results of the company, measures establishing an appropriate balance between the fixed and variable components of remuneration, measures adopted with respect to those categories of personnel whose professional activities have a significant impact on the entity’s risk profile, recovery formulas

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or clauses to be able to demand the return of the variable components of remuneration based on results if such components have been paid based on data that is later clearly shown to be inaccurate, and measures provided to avoid any conflicts of interest.

Explain actions taken to reduce risks
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Unicaja Banco, as other financial institutions, is subject to the European Union provisions, directly applicable in Spain or applicable through certain transposition regulations, which subject the remuneration scheme of Directors –among other groups- to certain limits and guarantees. This regulatory framework is reflected mainly in the “Remuneration Policy Associated to Risk Management”, which is applied, in addition to Directors, to senior managers, risk takers, staff engaged in control functions and employees receiving total remuneration that takes them into the same remuneration bracket as senior managers and risk takers, whose professional activities have an significant impact on Unicaja’s risk profile at a group, parent and subsidiary level (the “Identified Group”).

These criteria, in those aspects particularly related to Directors, have been expressly included in the “Policy for the Remuneration of Directors” for the period 2018-2020.

The Company’s Remuneration Committee shall act in due coordination with the Risk Committee, so that the latter may carry out, in accordance with the statutory and regulatory framework, the competences it has been assigned and, in particular, the analysis of whether the incentive policy in force takes account of the risk, capital, liquidity and probability and opportunity of profits. In particular, the Risk Committee shall act, at least and when corresponding, in the effective determination of the bonus pool to distribute, in fixing objectives and measuring performance, as well as in the moment of the payment of the variable remuneration, to check that remuneration is adjusted for all kind of current and future risks and that the necessary cost of capital and liquidity are considered.

As it has been mentioned before, the general remuneration policy of the Company promotes a sound and efficient risk management, and it does not offer incentives to assume risks which exceed the level tolerated by the Company. It is compatible as well with the corporate strategy, goals, values and long-term interests of the Company, avoiding conflicts of interest.

To reinforce the application of the “Policy for the Remuneration of Directors”, Directors – and the rest of the Identified Group- are required to commit not to use personal hedging strategies, or insurance related to remuneration and liability, which may undermine the risk alignment effects embedded in their remuneration arrangements.

Where remuneration is linked to results, the entitlement to receive it and its total amount shall be based, in any case, on objective indicators, without prejudice to the qualitative or non-financial assessment that will be carried out by the Remuneration Committee, considering criteria other than financial but which may be relevant in relation to the reception of the variable remuneration by the Director in question.

Variable remuneration, including the deferred part, will be paid or consolidated only if it is sustainable according to Unicaja Banco’s financial situation, and if it is justified on the basis of the results of the Company, the business unit and person in question.

Without prejudice to the application of the general principles of contract law, the total variable remuneration shall be considerably reduced where poor or negative financial performance of Unicaja Banco occurs, taking into account both current remuneration

and the reduction in the payouts of amounts previously earned, if any, through malus or clawback arrangements.

B REMUNERATION POLICY FOR FUTURE YEARS

Repealed.

C OVERALL SUMMARY OF THE APPLICATION OF THE REMUNERATION POLICY DURING THE FINANCIAL YEAR JUST ENDED

C.1. Summarise the main features of the remuneration structure and components in the remuneration applied during the financial year just ended that results in the itemized individual remuneration accrued by each director appearing in section D of this report, and a summary of the decisions taken by the board to apply the components.

Explain the remuneration structures and items from the remuneration policy applied during the financial year

Remuneration of Directors acting in their role as such

The remuneration of Directors during 2017 has been guided by the following criteria, pursuant to the ‘Policy for the Remuneration of the Directors of Unicaja Banco, S.A.’ for the period 2015-2017:

- 1. Fixed remuneration for belonging to the Board of Directors: 30,000 euros gross per year, distributed into 12 monthly payments.
- 2. Fixed remuneration for the performance of a non-executive Vice-Chair: 12,000 euros gross per year, distributed into 12 monthly payments.
- 3. Fixed remuneration for the performance of the Chair of a Committee of support to the Board of Directors (currently: Audit and Regulatory Compliance Committee, Risk Committee, Appointments Committee and Remuneration Committee): 12,000 euros gross per year, distributed into 12 monthly payments.
- 4. Attendance fees for attendance at meetings of the Board of Directors and support Committees: 800 euros gross per meeting.

The effective fixed remuneration received by Directors acting in their capacity as such amounted to 377 thousand euros; the total amount of attendance fees reached 403 thousand euros. Both items amounted to 780 thousand euros.

Remuneration of Directors for the performance of executive functions

As for executive Directors, the amount received in concept of salaries during 2017 amounted to 1,393 thousand euros.

The premiums corresponding to medical insurance and risk (life assurance) amounted to 58 thousand euros, and contributions to long-term saving systems amounted to 300 thousand euros.

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D BREAKDOWN OF INDIVIDUAL REMUNERATION EARNED BY EACH OF THE DIRECTORS

NAME	DIRECTORSHIP	ACCRUAL PERIOD 2016
MANUEL ATENCIA ROBLEDO	Executive	01/01/2017 to 31/12/2017
MANUEL AZUAGA MORENO	Executive	01/01/2017 to 31/12/2017
ELOY DOMÍNGUEZ-ADAME COBOS	Independent	01/01/2017 to 31/12/2017
JUAN FRAILE CANTÓN	Proprietary	01/01/2017 to 31/12/2017
GUILLERMO JIMÉNEZ SÁNCHEZ	Independent	01/01/2017 to 31/12/2017
MARÍA LUISA LOMBARDERO BARCELÓ	Executive	01/01/2017 to 31/12/2017
ANTONIO LÓPEZ LÓPEZ	Other External	01/01/2017 to 31/12/2017
PETRA MATEOS-APARICIO MORALES	Independent	01/01/2017 to 31/12/2017
ISABEL MARTÍN CASTELLÁ	Independent	08/06/2017 to 31/12/2017
AGUSTÍN MOLINA MORALES	Proprietary	01/01/2017 to 31/12/2017
ENRIQUE SÁNCHEZ DEL VILLAR BOCETA	Executive	01/01/2017 to 31/12/2017
JOSÉ MARÍA DE LA TORRE COLMENERO	Proprietary	01/01/2017 to 31/12/2017
VICTORIO VALLE SÁNCHEZ	Independent	01/01/2017 to 31/12/2017

D.1 Complete the following tables regarding the individualised remuneration of each of the directors (including the remuneration for executive duties) earned during the financial year.

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a) Earned remuneration at the company covered by this report:

i. Cash remuneration (in thousand €)

Name	Salary	Fixed remuneration	Attendance fees	Short-term variable remuneration	Long-term variable remuneration	Remuneration for membership of Board committees	Termination benefits	Other concepts	Total year 2017	Total year 2016
MANUEL ATENCIA ROBLEDO	306	30	17	0	0	0	0	0	353	345
MANUEL AZUAGA MORENO	580	30	17	0	0	0	0	0	627	608
ELOY DOMÍNGUEZ-ADAME COBOS	0	42	43	0	0	0	0	0	85	80
JUAN FRAILE CANTÓN	0	42	39	0	0	0	0	0	81	80
GUILLERMO JIMÉNEZ SÁNCHEZ	0	42	31	0	0	0	0	0	73	76
MARÍA LUISA LOMBARDEO BARCELÓ	0	0	16	0	0	0	0	0	16	14
ANTONIO LÓPEZ LÓPEZ	0	30	38	0	0	0	0	0	68	63
ISABEL MARTÍN CASTELLÁ	0	17	18	0	0	0	0	0	35	0
PETRA MATEOS-APARICIO MORALES	0	42	45	0	0	0	0	0	87	80
AGUSTÍN MOLINA MORALES	0	0	44	0	0	0	0	0	44	46
ENRIQUE SÁNCHEZ DEL VILLAR BOCETA	507	30	17	0	0	0	0	0	554	73
JOSÉ MARÍA DE LA TORRE COLMENERO	0	30	34	0	0	0	0	0	64	64
VICTORIO VALLE SÁNCHEZ	0	42	44	0	0	0	0	0	86	80

ii. Share-based remuneration systems

iii. Long-term savings systems

Name	Contribution by the company (€ thousands)		Amount of accumulated funds (€ thousands)	
	Year 2017	Year 2016	Year 2017	Year 2016
MANUEL ATENCIA ROBLEDO	100	100	2,630	2,376
MANUEL AZUAGA MORENO	0	0	2,914	2,915
ENRIQUE SÁNCHEZ DEL VILLAR BOCETA	200	25	225	25

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iv. Other benefits (in thousand €)

MANUEL ATENCIA ROBLEDÓ			
Remuneration in advances, loans granted			
Interest rate of the transaction		Main features	Amounts potentially returned
0.00			
Life insurance premiums		Guarantees granted by the company in favour of directors	
Year 2017	Year 2016	Year 2017	Year 2016
49	48		

MANUEL AZUAGA MORENO			
Remuneration in advances, loans granted			
Interest rate of the transaction		Main features	Amounts potentially returned
0.00			
Life insurance premiums		Guarantees granted by the company in favour of directors	
Year 2017	Year 2016	Year 2017	Year 2016
6	6		

ENRIQUE SÁNCHEZ DEL VILLAR BOCETA			
Remuneration in advances, loans granted			
Interest rate of the transaction		Main features	Amounts potentially returned
0.00			
Life insurance premiums		Guarantees granted by the company in favour of directors	
Year 2017	Year 2016	Year 2017	Year 2016
3	0		

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b) Remuneration earned by directors of the company for belonging to boards at other companies of the group:

i. Cash remuneration (in thousand €)

Name	Salary	Fixed remuneration	Attendance fees	Short-term variable rem.	Long-term variable rem.	Remuneration for membership of Board committees	Termination benefits	Other concepts	Total year 2017	Total year 2016
MANUEL AZUAGA MORENO	0	0	0	0	0	0	0	0	0	7
Mª LUISA LOMBARDEO BARCELÓ	0	0	13	0	0	0	0	0	13	11
ANTONIO LÓPEZ LÓPEZ	0	30	30	0	0	0	0	0	60	58
PETRA MATEOS-APARICIO MORALES	0	30	30	0	0	0	0	0	60	60

ii. Share-based remuneration systems

iii. Long-term savings plans

c) Summary of remunerations (in thousand €):

The summary must include the amounts for all items of remuneration included in this report that have been earned by the director, in thousands of euros.

In the case of long-term saving systems, include contributions or funding for these types of systems.

Name	REMUNERATION EARNED AT THE COMPANY				REMUNERATION EARNED AT COMPANIES OF THE GROUP				TOTAL		
	Total remuneration in cash	Amount of shares granted	Gross profit of options exercised	Total year 2017 at the company	Total remuneration in cash	Amount of shares granted	Gross profit of options exercised	Total year 2017 at the group	Total year 2017	Total year 2016	Contribution to saving systems during the year
MANUEL ATENCIA ROBLEDO	353	0	0	353	0	0	0	0	353	345	100
MANUEL AZUAGA MORENO	627	0	0	627	0	0	0	0	627	615	0
ELOY DOMÍNGUEZ-ADAME COBOS	85	0	0	85	0	0	0	0	85	80	0
JUAN FRAILE CANTÓN	81	0	0	81	0	0	0	0	81	80	0
GUILLERMO JIMÉNEZ SÁNCHEZ	73	0	0	73	0	0	0	0	73	76	0
MARÍA LUISA LOMBARDERO BARCELÓ	16	0	0	16	13	0	0	13	29	25	0
ANTONIO LÓPEZ LÓPEZ	68	0	0	68	60	0	0	60	128	121	0
ISABEL MARTÍN CASTELLÁ	35	0	0	35	0	0	0	0	35	0	0
PETRA MATEOS-APARICIO MORALES	87	0	0	87	60	0	0	60	147	140	0
AGUSTÍN MOLINA MORALES	44	0	0	44	0	0	0	0	44	46	0
ENRIQUE SÁNCHEZ DEL VILLAR BOCETA	554	0	0	554	0	0	0	0	554	73	200
JOSÉ MARÍA DE LA TORRE COLMENERO	64	0	0	64	0	0	0	0	64	64	0
VICTORIO VALLE SÁNCHEZ	86	0	0	86	0	0	0	0	86	80	0
TOTAL	2,173	0	0	2,173	133	0	0	133	2,306	1,745	300

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D.2 Report the relationship between remuneration obtained by the directors and the results or other measures of the entity’s performance, explaining how any changes in the company’s performance may have influenced changes in the remuneration of the directors.

The remuneration of Directors is not linked to the Company’s performance.

With regard to executive Directors and in relation to the year 2017, the CEO is the only one for whom such a system has been established. Given that the Remuneration Committee has verified that the goals set have not been achieved, there has not been any payment according to this system of incentives for the year 2017.

D.3 Report the results of the consultative vote of the general meeting on the annual remuneration report for the preceding financial year, indicating the number of votes against, if any:

	Number	% over total
Votes issued	822,950,619	89.18%

	Number	% over total
Votes against	9,492	0,00%
Votes for	822,940,124	99.99%
Abstentions	1,003	0.00%

E OTHER INFORMATION OF INTEREST

If there are any significant aspects regarding director remuneration that could not be included in the other sections of this report, but should be included in order to provide more complete and well-reasoned information regarding the remuneration structure and practices of the company with respect to its directors, briefly describe them.

This annual remuneration report has been approved by the company’s Board of Directors, at its meeting held on 21/03/2018.

List whether any Directors voted against or abstained from voting on the approval of this Report.

YES ☐ NO ☒

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