



ANNUAL GENERAL MEETING OF SHAREHOLDERS 2020 BIS

**REPORT PREPARED BY THE BOARD OF DIRECTORS REGARDING THE
PROPOSAL FOR SHARE CAPITAL REDUCTION REFERRED TO IN ITEM
TWO OF THE AGENDA**

MALAGA, 25 SEPTEMBER 2020

REPORT PREPARED BY THE BOARD OF DIRECTORS OF UNICAJA BANCO, S.A. REGARDING THE PROPOSAL FOR CAPITAL REDUCTION, REFERRED TO IN ITEM TWO OF THE AGENDA OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS, CONVENED TO BE HELD IN MALAGA ON 27 OCTOBER 2020 ON FIRST CALL AND, IF THERE IS NOT A SUFFICIENT QUORUM, ON SECOND CALL ON 28 OCTOBER 2020.

1.- PURPOSE OF THIS REPORT.

This report is prepared by the Board of Directors of UNICAJA BANCO, S.A. (the “Company”) pursuant to the provisions of Articles 286 and 318 of the *Royal Decree-Law 1/2010 of 2 July, approving the consolidated text of the Corporate Enterprises Act* (the “Corporate Enterprises Act”) and Article 10 of the *Royal Decree 84/2015 of 13 February, implementing Law 10/2014 of 26 June, on the regulation, supervision and solvency of credit institutions*, and its purpose is to justify the proposal to reduce share capital by means of the redemption of own shares (the “Capital Reduction”), which is submitted for approval by the Annual General Meeting of Shareholders under item Two of the Agenda and which, once implemented, will necessarily involve the amendment of Article 5 of the Corporate Bylaws, to duly reflect the amount of the share capital and the number of shares it is divided into.

2.- DESCRIPTION AND RATIONALE OF THE PROPOSAL.

The proposal submitted by the Board of Directors to the General Meeting of Shareholders includes a reduction in the share capital to redeem own shares already held by the Company as treasury stock as at the date of this proposal, and with a nominal value of one euro each.

The proposed Capital Reduction amounts to 30,541,097 euros, by means of the redemption of 30,541,097 shares with a nominal value of one euro each, and which represent, as at the date of this report, 1.8966% of the share capital.

The Capital Reduction will be carried out with a charge to unrestricted reserves and the Company will post a reserve for redeemed capital for an amount equal to the nominal value of the redeemed shares, the use of which, pursuant to article 335 c) of the Corporate Enterprises Act, will only be possible with the same requirements as those set forth for reducing share capital, and therefore, in accordance with the said provision, the company creditors shall not be entitled to the right to challenge reductions referred to in article 334 of the Corporate Enterprises Act.

For the purposes of Article 411.1 of the Corporate Enterprises Act, it is hereby noted that the consent of the bondholders of the outstanding bonds is not required, as the initial proportion between the total capital plus Company reserves and the amount of unredeemed bonds will not be modified.

It will also be proposed that the General Meeting of Shareholders authorizes the Board of Directors, with express power to sub-delegate, so that in a term not exceeding one (1) month since the Capital Reduction is approved by the General Meeting of shareholders, it proceeds to its execution, being able to determine those aspects not expressly foreseen therein or a consequence thereof.

The execution of the share Capital Reduction, subject to the proceedings that may be applicable, will involve the amendment of Article 5 of the Corporate Bylaws, to include the new figure of the share capital.

The goal of the Capital Reduction is to redeem own shares, reducing the number of outstanding shares, what will increase the shareholding percentage of shareholders in the Company.

Should the proposed resolution be approved, own shares of the Company which are already held as treasury stock as at the date of this proposal will be redeemed.

3.- PROPOSED RESOLUTION SUBMITTED TO APPROVAL BY THE GENERAL MEETING OF SHAREHOLDERS

The proposed resolution submitted by the Board of Directors to the General Meeting of Shareholders is as follows:

“Reduction of the share capital by 30,541,097 euros, by means of the redemption of 30,541,097 shares held by the Company as treasury stock, with a nominal value of one euro each (the “Capital Reduction”).

Given that the purpose of the Capital Reduction is the redemption of own shares held by the Company itself, there will be no repayment of contributions.

The Capital Reduction will be carried out with a charge to unrestricted reserves and the Company will post a reserve for redeemed capital for an amount equal to the nominal value of the redeemed shares, the use of which, pursuant to article 335 c) of the Corporate Enterprises Act, will only be possible with the same requirements as those set forth for reducing share capital, and therefore, in accordance with the said provision, the company creditors shall not be entitled to the right to challenge reductions referred to in article 334 of the Corporate Enterprises Act.

For the purposes of Article 411.1 of the Corporate Enterprises Act, it is hereby noted that the consent of the bondholders of the outstanding bonds is not required, as the initial proportion between the total capital plus Company reserves and the amount of unredeemed bonds will not be modified.

The Capital Reduction shall be executed in a term no longer than one month since the approval of the present proposed resolution by the General Meeting.

Once the share Capital Reduction is executed, subject to the proceedings that may be applicable, Article 5 of the corporate bylaws will be reworded as follows:

“Article 5. Share Capital

The share capital stands at ONE THOUSAND FIVE HUNDRED SEVENTY-NINE MILLION, SEVEN HUNDRED SIXTY-ONE THOUSAND AND TWENTY-FOUR EUROS (1,579,761,024€), divided into ONE THOUSAND FIVE HUNDRED SEVENTY-NINE MILLION, SEVEN HUNDRED SIXTY-ONE THOUSAND AND TWENTY-FOUR (1,579,761,024) nominative shares with a par value of ONE EURO (1.00€) each, fully subscribed and paid up, and all of the same class and series.”

Delegation of powers to the Board of Directors, as broadly as may be necessary in Law, with express power to sub-delegate or, when it is legally possible, to grant power to any or several persons, member or not of the same body, so that acting severally or jointly, as established, proceed to the execution of the Capital Reduction, being able to determine those aspects not expressly foreseen therein or not a consequence thereof.

In particular, and including but not limited to, the Board of Directors is authorized, as broadly as may be necessary in Law, and with the above mentioned express powers to sub-delegate or, if applicable, to grant powers, to:

- (i) Determine the date on which, within the one-month period since approval by the General Meeting of the present proposed resolution, the Capital Reduction must be executed.
- (ii) Execute the Capital Reduction.
- (iii) Carry out any actions and to subscribe public or private documents as may be necessary and convenient for the execution and formalization of the Capital Reduction, including supplement or correction of mistakes or omissions which may prevent its full effectiveness.
- (iv) Request and carry out as many procedures and actions as may be necessary for the delisting of the redeemed shares in the stock exchanges of Madrid, Barcelona, Bilbao and Valencia, through the Sistema de Interconexión Bursátil (Continuous Market) and the cancellation of the corresponding accounting registries of “Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A, Unipersonal” (IBERCLEAR).
- (v) Carry out any action, necessary or convenient for the effectiveness of the Capital Reduction, before Spanish or foreign entities or public or private institutions.

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This present Report is prepared by the Board of Directors of Unicaja Banco, S.A. in Malaga, on 25 September 2020, for the appropriate purposes.