

## Internal control mechanisms, including administrative and accounting procedures

The Board of Directors and Senior Managers of Unicaja Banco, S.A. (hereinafter, "Unicaja", the "Institution" or the "Bank") are aware of the importance of ensuring the reliability of the financial information disclosed to the market, so they are fully involved in the System of Internal Control of Financial Information (SCIIF, *Sistema de Control Interno de la Información Financiera*).

The Bank's Board of Directors exercises the responsibility of the existence and maintenance of the information and risk control systems, including therein the SCIIF itself.

Some of the duties of the Board of Directors are the preparation of the annual individual and consolidated accounts and the approval of the financial information, as well as the establishment, maintenance and oversight of the information and risk control systems, so as to ensure to the Institution the adequacy and reliability of the prepared information.

The Institution's Senior Management has assumed the responsibility of the design and implementation of the SICFI, as well as the responsibility to ensure its quality, consistence and continuous update through the Directorate General of Finance and the Directorate General of Risk Control and Relations with Supervisors. In this sense, with regard to its design and implementation, it develops the risk management and control systems allowing the identification and management of the main risk and their dissemination to the involved areas.

The Directorate General of Finance, as the first line of defense, is responsible for ensuring that the practices and processes developed in the Institution to prepare the financial information guarantee its reliability and its compliance with the financial reporting framework applicable to the Institution and its Group, in order to assess that the financial information of Grupo Unicaja complies with the following principles:

- a) The transactions, facts and other events reflected in the financial information actually exist and have been recorded at the appropriate time in accordance with the applicable financial reporting framework (existence and occurrence).
- b) The information reflects all transactions, facts and other events in which the Institution and/or its Group is an affected party (integrity).
- c) The transactions, facts and other events are recorded and valued in accordance with the applicable financial reporting framework (valuation).
- d) The transactions, facts and other events are classified, presented and disclosed in the financial information in accordance with the applicable financial reporting framework (presentation, breakdown and comparability).
- e) The financial information reflects, as of the corresponding date, the rights and obligations through the corresponding assets and liabilities, in accordance with the applicable financial reporting framework (rights and obligations).

In the area of financial reporting, these functions are materialized in the following tasks:

- a) To prepare, aggregate and review Unicaja's individual and consolidated financial information in accordance with the applicable financial reporting framework.
- b) To receive from the Group's subsidiaries the corresponding financial information to be used in the consolidation process.

- c) To identify any changes that may occur in each period in relation to the applicable financial reporting framework and to design the action plans required to comply with the new accounting standards (with the collaboration of other Unicaja departments if necessary).
- d) To perform the necessary first-line controls to ensure that the financial information published is free of material misstatements.
- e) To maintain reciprocal communication with Unicaja's Directorate General of Risk Control and Relations with Supervisors and Directorate General of Internal Audit.

For its part, the Directorate General of Risk Control and Relations with Supervisors, as the second line of defense, is responsible for ensuring that the SCIIF is updated periodically and that the controls that form part of this system are in force and operating effectively in each fiscal year. These functions are materialized in the following tasks:

- a) To define the methodology and rules necessary for the operation of the SCIIF.
- b) To evaluate the adequacy of the design of the procedures and control activities established in order to effectively mitigate the risks of material misstatement in financial information.
- c) To coordinate, where appropriate, the heads of the most significant subsidiaries for the purposes of the consolidation process and its impact on the SCIIF.
- d) To carry out, together with the affected departments and the Directorate General of People and Resources, specific training actions aimed at fostering the internal control culture among all Unicaja Group employees with control functions.
- e) To establish second line of defense controls and to review the framework of controls established in the first line of defense.
- f) To inform the Institution's governing bodies of the SCIIF activity.
- g) To maintain reciprocal communication with Unicaja's Directorate General of Finance and with the Directorate General of Internal Audit

For this purpose, the Directorate General of Risk Control and Relations with Supervisors has a "Manual de seguimiento y actualización del Sistema de Control Interno de Información Financiera (SCIIF) del Grupo Unicaja" (Manual for monitoring and updating of Grupo Unicaja's Internal Financial Information Control System -SCIIF-), which details all these functions and establishes the methodology for the periodic monitoring and updating of the SCIIF.

Finally, the Directorate General of Internal Audit, as the third line of defense, has assumed the supervision of the SCIIF and its activity consists of ensuring its effectiveness, obtaining evidence of its correct design and operation. Its functions in this area are to check that controls are in place to mitigate risks that may affect the reliability of the financial information and to verify that the controls are working effectively.

These functions are materialized in the following tasks:

- a) To advise the Audit and Regulatory Compliance Committee on matters of internal control over financial information, promoting internal standards and codes or, where appropriate, improving them.
- b) To promote the culture of internal control over financial information at all organizational levels of the Unicaja Group that require it.
- c) To report the weaknesses detected and follow up on their correction within a reasonable time.
- d) To maintain reciprocal communication with the Directorate General of Finance and with the Directorate General of Risk Control and Relations with Supervisors.



For this purpose, the Institution's Directorate General of Internal Audit has a "Manual interno de supervisión del Sistema de Control Interno de la Información Financiera (SCIIF)" (Internal Manual for the Supervision of the Financial Information Internal Control System -SCIIF-), which identifies the financial information subject to supervision procedures, the specific tasks that form part of said supervision process, the methodology and criteria used, and the regulatory framework that is a reference.

For further details, please refer to the Annual Corporate Governance Report available on the Bank's corporate website ([www.unicajabanco.com](http://www.unicajabanco.com)).