REGISTRATION DOCUMENT

UNIÓN DE CRÉDITOS INMOBILIARIOS, S.A., ESTABLECIMIENTO FINANCIERO DE CRÉDITO

18 July 2019

This Registration Document has been registered in the Registers of CNMV on 18 July 2019.

In accordance with Annex IX of the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements.

CONTENTS

I. RISK FACTORS

The risks identified below could have a negative impact on Unión de Créditos Inmobiliarios, S.A., Establecimiento Financiero de Crédito's ("**UCI**", the "**Company**" or the "**Issuer**") business, profits, financial position and/or image and reputation. The following is a summary of the main currently known factors which may impact UCI presented in four different categories. The most material risk factors, being those inherent to the financial sector and affected by a range of macroeconomic variables beyond the Company's control, have been presented first and all the remaining risk factors have been ranked in order of their materiality. Unión de Créditos Inmobiliarios, S.A., Establecimiento Financiero de Crédito, an entity supervised by the European Central Bank (the "**ECB**") for prudential regulation purposes, confirms that it has taken into due account the instructions and recommendations received from the ECB and the Bank of Spain when preparing the information contained in this Registration Document, to the extent that those instructions and recommendations could impact the financial statements and the risks presented below.

1. Credit risk

The most relevant results corresponding to credit risk in 2018 are set forth below:

- The outstanding loan balance for UCI at the end of 2018 stood at €11,271.4 million, compared to €11,384.9 million in 2017. Of the €11,271.4, €6,145.4million corresponded to balances directly within the balance sheet of UCI; €5,126 million to securitisation funds whose assets are included to their balance sheet (only UCI 9 securitisation continues to be derecognised from the balance sheet-fund issued prior to 2004). The self-subscribed UCI 18 fund issued in 2008 was cancelled in June 2018 for € 691.8 million, booking the assets back onto the balance sheet in the same month.

- Foreclosed properties managed at the end of 2018 amounted to €310.4 million in net book value, compared to €334.3 million recorded in 2017. In 2018, 1,225 foreclosed properties were sold or received in lieu of debt, alongside 255 rentals in Spain, a higher figure than to those obtained in 2016 and 2017. In addition, 329 properties of customers experiencing payment difficulties were sold, a 25% rise on the 2017 figure.

- The outstanding €21.8 million of the developer UCI loan balance at year-end is equivalent to only 0.19% of the total outstanding balance.

  - For the purposes of Circular 3/2008, 22 May, of Bank of Spain ("**Circular 3/2008**"), UCI's group of companies of which UCI, S.A. is the parent (the "**UCI Group**" or the "**Group**") is not exposed to any "large" risks, which are deemed to refer to those that exceed 10% of eligible equity. Pursuant to regulations in force contained in Circular 3/2008, no individual exposure, including all types of credit risk, may exceed 25% of the Group's equity.

- The non-performing loans ratio ("**NPL Ratio**") on the balance sheet of UCI, stands at 12.3% (13.5% in 2017).

- The non-performing loans coverage ratio (specific) ("**NPL Coverage Ratio**") of UCI for the non-performing loans portfolio over 90 days, stood at 20.7% (20.8% in 2017). The stock of generic provisions amounted to € 37.2 million at 2018 year-end, €9.1 million down on the stock at the end of 2017. The total stock of provisions covering loans amounted to €325.2 million, representing a decrease of €22.5 million in 2018, including the generic provisions mentioned above. The NPL Ratio and the NPL Coverage Ratio are APM, the definition, explanation, use and reconciliation of which are set out in Section 11.7 "Alternative Performance Measures".

- UCI´s current acceptance policy is as follow:

    - The average loan to value ("**LTV**") of the new portfolio originated in 2018 in Spain and Portugal was below 80% for the tenth consecutive year. Transactions originated in Spain and Portugal since 2010 with LTVs greater than 80% accounted for less than 35% of that portfolio.

    - The average affordability ratio (expenditure over income) in 2018 stood at 27.8%, remaining at historical lows.

    - Concerning personal-contribution indicator, it remains steady at values about 27%, showing a high client´s degree of involvement in the loan.

    - The maturity of the new portfolio originated in 2018 was reduced significantly, standing at 28 years on average.

    - Lastly, the Company considers "Internal Governance" and "Risk Management and Control" to be "Acceptable".

The main conclusions as of 31 December 2018 regarding the credit risk of UCI are the following:

- Residual risk: medium-low
- Internal Governance: acceptable
- Risk management and control: acceptable
- Trend: stable-decreasing

2. Structural balance-sheet risk

UCI tests interest income for sensitivity to interest rate fluctuations, which are analysed by a committee that meets twice a month for this purpose. This sensitivity is affected by the mismatches between maturity and review dates on interest rates that occur between the different balance sheet items, representing a risk for the institution.

The mismatches between the review periods of assets and liabilities on the balance sheet make it possible to detect concentrations of interest-rate risk at different periods. The impact on interest income of gaps in interest rates is also assessed.

Information provided to the end of the 2018 financial year includes UCI's balance sheet, in which the self-subscribed securitisation fund UCI 18 has been included after its cancellation in June 2018, and the securitisation funds UCI 10, 11, 12, 14, 15, 16, 17 and Prado I, II, III, IV, V and VI, sold to external investors.

Interest rate risks distinguishing between different currencies have not been measured separately, because the only positions sensitive to interest rates are in euros.

In the assessment of the structural risk, among other measures, UCI carries out a stress test by means of which it is analyzed the impact of an interest rate movement of 200 basis points for the euro currency taking into consideration the structure and size of the balance sheet of UCI.

As of 31 December 2018, the estimated interest-rate risk on the net interest income sensitive to interest rates over a one-year horizon has been quantified at -€15.2 million, and on the percentage of the net interest income sensitive to interest rates at -10.20%. We interpret that a rise in interest rates would trigger a loss on the net interest income ("**NII**"). As of 31 December 2018, the NII was 140.1 million. The NII is an APM, the definition, explanation, use and reconciliation of which are set out in Section 11.7 "Alternative Performance Measures".

The main asset item sensitive to interest rates is the client portfolio on the balance sheet, 87.66% of which is at a floating rate, with 6.81% at a mixed rate, with a first period at a fixed interest rate, followed by revisions at a floating rate; and only 5.53% is at an entirely fixed rate.

Of the loans given at a floating rate, 82.53% have their rate reviewed every six months, and 17.47% are reviewed annually.

Moreover, the UCI's assets include a portfolio of securities from its securitisation issues, which amounted to € 1,157 million at 2018 year-end.

Financial instruments such as mortgage-backed securities (Spain portfolio), "cash" provisions from credit facilities provided by its shareholders (portfolios for Spain, Portugal and Greece) and formal financial derivatives also signed with its shareholders (Interest Rate Swaps, FRAs and Call Money Swaps) are used to track and hedge interest-rate risk on these different items. The latter instruments are booked both in assets and in liabilities.

Because of its condition as a Financial Credit Establishment, the institution does not accept reimbursable deposits from the public. As of 31 December 2018, the estimate of the interest-rate risk impact on the institution's economic value has been quantified at -€14.6 million. In percentage terms this would represent a potential negative impact of -2.43%, a measurement which has been entered onto the RP51 statement and which represents a reduction of less than 20% of the institution's entire economic value.

For the assessment of the potential impact of interest-rate risk on economic value, the working assumption has been that the size of the balance sheet remains the same, without factoring for any new business coming in. The fair value of those items sensitive to interest rates has been obtained by updating the principal and interest flows of the items sensitive to interest rates to the interbank market interest rate curve and to the derivative curve at 31 December.

Measuring the impact of interest-rate risk on economic value relative to the institution's equity reveals a negative potential impact on equity of -2.67%.

The estimate of the impact of interest rate risk on the net interest income sensitive to interest rates over a one-year horizon rose to the end of 2018 from -10.20%, or -€15,217 million in cash. This contrasts with the rate at the end of 2017 of -18.73%, or –€13.064 million. This variation is explained by the combined effect of an improvement in the forecast net interest income sensitive to interest rates over the one-year horizon and a lower rise in interest risk exposure; all this within a management framework in which, since UCI's Board of Directors' meeting at the end of 2010, the resolution was adopted not to cover interest rate risk from the external securitisation funds issued before 2007.

In addition, the institution's Board of Directors has set maximum ceilings for sensitivity to variations in interest income of 100 base points on interest income and a time horizon of 12 months of +/-8.5%, where 88% of the institution's interest rate risk is concentrated. No non-compliance with these thresholds has been recorded.

In 2018, the impact estimate, as a percentage of economic value and of equity, was -2.43% and -2.67%, respectively, whereas in 2017 these same ratios posted at -4.41% and -4.68%.

To conclude, the impact of interest-rate risk on economic value, the institution's equity and its net interest income do not breach the limits which would threaten the institution's future solvency and stability and for this reason no further equity has been set aside to hedge this risk.

3. Liquidity risk

Liquidity risk is associated with the Issuer's ability to finance its commitments acquired at reasonable market prices, as well as to carry out its business plans with stable sources of financing. The measure used to control liquidity risk is the liquidity gap, which provides information on contractual cash inflows and outflows over the lifetime of loans.

To mitigate liquidity risk, UCI has always had a recurring policy of turning to the capital markets through the securitisation of its credit assets. Thus, the holders of asset-backed securities placed on the market bear liquidity risk until the loans mature. Since 1994, UCI has issued 24 securitisation funds in Spain, including self-subscribed funds, for an initial overall sum of €17,350 million of which, as of December 2018, €5,236 million, 48% of the total balance under management in the institution, represented the part held by external investors. After the cancellation in June 2018 of 100% of the self-subscribed UCI 18 issue, the institution held in its portfolio to the end of 2018 a balance of repurchased or retained bonds from its own issuances for a sum of €1,157 million, constituting a potential source of financing delivered as collateral in the ECB. For assets not refinanced through securitisations placed on the market, the Company manages refinancing through lines of credit with its two leading shareholders: Santander and BNP Paribas (please see Section 10 below for more information). The branches in Portugal and Greece are financed directly through their parent company in Spain.

These lines of credit are reviewed at least once yearly and simultaneously with both shareholders in order to adapt them to the needs of the business within the framework of the Issuer's liquidity policy and structure. The criteria for hedging liquidity risk are established by the Board of Directors. Furthermore, the drawdowns on lines of credit are recorded every month and presented during the ALM Committees. On 31 December 2018, the sum of all institutional drawdowns to fund Spain, Portugal and Greece came to €7,191.2 million, leaving a total of €906 million available to the institution from credit lines, for estimated net liquidity needs, excluding new issuances, of €283 million in 2019.

Therefore, it is considered that the securitizations and credit lines are properly adapted to the needs of the business and that no additional capital is required to cover liquidity risk.

4. Market risk

Pursuant to the provisions established in Circular 4/2004, section 1, rule 24, bonds that were self-subscribed and/or withheld from securitizations issued were not considered as a held-to-maturity investment portfolio but rather deducted from liabilities (financial liabilities at amortized cost).

In relation to the repurchase of securitised bonds, the Company intends to keep these bonds on the balance sheet until maturity. Consequently, market price fluctuations would not imply any Market Risk.

The Issuer's hedging derivatives are treated as cash flow hedging instruments designed to cover liabilities against interest rate fluctuations.

Therefore, the variations in the price of these instruments in the market do not have any market risk since they are classified as "Held-to-maturity investment portfolio".

Thus, UCI's exposure to market risk is mainly determined by the existence of foreclosed assets in payment of debt classified as "Available for sale".

Variations in home prices have a direct impact on the UCI's balance sheet and on the valuation of assets, which is reflected in the profit & loss account.

The coverage ratio of foreclosed real estate assets ("**Foreclosed Assets coverage ratio**") of the Issuer corresponded to 21% at the end of 2018 (22.5% in 2017). The Foreclosed Assets coverage ratio is an APM, the definition, explanation, use and reconciliation of which are set out in Section 11.7 "Alternative Performance Measures".

Main conclusions as of 31 December 2018:

- Residual risk: medium-low
- Internal Governance: good
- Risk management and control: good
- Trend: stable- decreasing

5. IRPH Risk

Up to 31 March 2019, 56% of the portfolio of UCI is referenced to the IRPH Mortage Loan Reference Index). 187 mortgage loan creditors (which represent 0.19% of the portfolio of UCI) brought legal proceedings in this respect against UCI and of those, up to 31 March 2019, 183 were sentenced favorably to UCI and 4 against UCI.

The Spanish Supreme Court, in a judgment of November 2017, confirmed the validity of this index. The Issuer has not been a defendant in these legal proceedings.

However, a preliminary question before the Court of Justice of the European Union (CJEU), is pending resolution in relation to the application of the IRPH (Mortgage Loan Reference Index), in the framework of mortgage loans. The abovementioned resolution of the Court of Justice of the European Union could eventually declare null the application of the IRPH (Mortgage Loan Reference Index) in the framework of the mortgage loans hence sheltering the reimbursement by creditors to debtors of the paid interests based on IRPH even retroactively.

II. INFORMATION OF THE ISSUER

(Annex IX of the Commission Regulation (EC) No. 809/2004)

1. PERSONS RESPONSIBLE

1.1. Persons responsible for the information given in the registration document.

Mr. Philippe Jacques Laporte, acting in its capacity as Chief Financial Officer, by virtue of the resolution adopted by the Board of Directors at its meeting held on 29 March 2019, and for and on behalf of UNIÓN DE CRÉDITOS INMOBILIARIOS, S.A., ESTABLECIMIENTO FINANCIERO DE CRÉDITO ("**UCI**", the "**Company**" or the "**Issuer**"), with registered office at C/ Retama 3, Madrid 28045, assumes responsibility for the information contained in this registration document (the "**Registration Document**"), the content of which is in line with Annex IX of Commission Regulation (EC) No 809/2004 of 29 April 2004.

1.2. Declaration by those responsible for the registration document

Mr. Philippe Jacques Laporte for and on behalf of UCI, having taken all reasonable care to ensure that such is the case, declares that the information contained in the Registration Document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

2. STATUTORY AUDITORS

2.1. Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body)

The financial statements for 2017 and 2018 were audited by Mazars Auditores, S.L.P., with registered office at Barcelona, at calle Diputació, 260, 08007, with Tax Identification Number B-61622262.

Mazars Auditores, S.L.P. is registered with the Official Registry of Auditors (*Registro oficial de auditores de cuentas, ROAC*) with number S1189 and registered with the Commercial Register of Madrid, in Volume 30734, Sheet 212, Page B-1801000.

2.2. If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, indicate details if material.

Mazars Auditores, S.L.P. has not been resigned or removed as auditor to the Issuer during the period covered by the historical financial information set out in this Registration Document.

3. RISK FACTORS

The specific risk factors of the Issuer are those described in Section I of this Registration Document, called "RISK FACTORS".

4. INFORMATION ABOUT THE ISSUER

4.1. History and development of the Issuer

4.1.1. Legal and commercial name of the Issuer

The complete corporate name of the Issuer is "UNIÓN DE CRÉDITOS INMOBILIARIOS, S.A. ESTABLECIMIENTO FINANCIERO DE CRÉDITO" as per Article 1 of its Bylaws.

4.1.2. Place of registration of the Issuer and its registration number

The Company is is registered in the Commercial Register of Madrid at Volume 4071, Sheet 120, number M-67739, and registered in the Registry of Financial Credit Institutions of the Bank of Spain with number 8,512.

UCI's Tax Identification Number is A39025515 and its LEI Code is 95980020140005209368.

4.1.3. Date of incorporation and length of life of the issuer, except where indefinite

The Company was incorporated in Spain under the name of FIDEAUTO, S.A., ENTIDAD DE FINANCIACIÓN for an indefinite period of time by virtue of a public deed granted on 30 April 1980 before the Notary Public of Torrelavega (Cantabria), Mr. Alfredo García Bernardo Landeta, under number 440 of his own records.

On 22 February 1989, UCI modified its corporate name to FIDEAUTO, S.A. ENTIDAD DE FINANCIACIÓN by virtue of the public deed granted before the Notary Public of Madrid, Mr. Juan Carlos Caballería Gómez, under 1046 of his own records.

UCI's Bylaws were adapted to the Spanish Public Limited Companies Act (*Ley de Sociedades Anónimas*) on 25 June 1992.

The Company then changed its corporate name to "UNIÓN DE CRÉDITOS INMOBILIARIOS, S.A. ESTABLECIMIENTO FINANCIERO DE CRÉDITO" by means of a public deed granted on 4 December 1996 before the Notary Public of Madrid, Mr. Antonio Fernández-Golfín Aparicio, under number 3016 of his own records.

4.1.4. Domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office)

UNIÓN DE CRÉDITOS INMOBILIARIOS, S.A. ESTABLECIMIENTO FINANCIERO DE CRÉDITO, is a Spanish financial credit institution (*establecimiento financiero de crédito*) structured also as a public limited company (*sociedad anónima*) and is therefore subject to the revised text of the Royal Decree-Law 1/2010 of 2 July approving the Restated Text of the Capital Companies Act (the "**Capital Companies Act**").

UCI was incorporated in Spain in 1980. Its corporate and tax address in Madrid, at calle Retama 3 (28045). The telephone number of its registered office is 0034 91 337 37 37.

UCI is subject to special Spanish legislation governing credit institutions in general, and to the supervision, control and regulations of the European Central Bank and the Bank of Spain, in particular.

4.1.5. Any recent events particular to the Issuer and which are to a material extent relevant to the evaluation of the Issuer's solvency.

The NPL ratio in assets managed by UCI decreased to 12.3% at the end of 2018, in comparison with the level of 13.5% at 2017 closing. As a result, the NPL balance decreased by 151 million Euros. The NPL Ratio is an APM, the definition, explanation, use and reconciliation of which is set out in Section 11.7 "Alternative Performance Measures".

UCI has maintained its main axis in the area of recoveries, performing a detailed follow-up of the credit portfolio and maintaining a responsible collection strategy, focused on the search of definitive solutions for clients who undergo payment difficulties.

Sales of foreclosed assets have maintained a strong activity, which has been compatible with the generation of a positive impact by 4.9 million Euros in the income statement of 2018 (2.8 million Euros in 2017), as a consequence of high levels of provisions of said assets, as well as the progressive improvement of the real estate market.

Coverage risk's allocations of bad debt have decreased from the 45.4 million Euros in 2017 to 42.1 million Euros in 2018. The negative impact on foreclosed assets provisions has been considerably reduced (21.8 million Euros in 2018 in comparison to 29.8 million Euros in 2017).

During 2018, UCI maintained generic provisions in an amount higher than the minimum required by law, allocating 9.1 million Euros of new allocations, setting the total stock of generic provisions at 37.2 million Euros as of closing of 2018.

The coverage of exposures with payment delays of 90 days or more on the Company's balance sheet has remained substantially stable, going from 20.8% in 2017 to 20.7% in 2018 (these percentages do not consider the additional protection provided by the valuation of mortgage guarantees). The Ratio NPL Coverage is an APM, the definition, explanation, use and reconciliation of which is set out in Section 11.7 "Alternative Performance Measures".

The real estate owned by the Company, classified as assets available for sale, had a value (net of provisions) of 310.4 million Euros in 2018 and 334.3 million Euros in

2017. This decrease derives from positive results achieved in the trading of foreclosed real estate assets by means of both sale and lease transactions (the later type of transaction started four (4) years ago).

5. BUSINESS OVERVIEW

5.1. Principal activities

5.1.1. Brief description of the Issuer's principal activities stating the main categories of products sold and/or services performed.

UCI is a private financial credit entity supervised by Bank of Spain and the ECB, whose corporate purpose is to carry out a range of activities, transactions and services, mainly in relation to mortgage loans for individuals. The financing of the credits granted comes from its asset securitization program (RMBS) and from the credit lines granted by its two main indirect shareholders (please see section 10 below for more information).

At the registration date of the Base Prospectus, the Issuer has the following credit ratings issued by the agencies indicated below:

- **FITCH Ratings España, S.A.U.**: BBB Long Term / F2 Short-Term / Support Rating 2, Outlook Stable (January 2019).
- **DBRS Ratings Limited**: A (low) Long Term / R-1 (low) Short-Term / Support Rating SA1, Outlook Stable (March 2019).

The rating agencies mentioned have been registered with the European Securities and Markets Authority ("**ESMA**") in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies. Nevertheless, there is no guarantee that the above ratings granted by the rating agencies will be maintained throughout the term of the Base Prospectus.

The Company carries out its mortgage commercial activity in the Iberian Peninsula (Spain and Portugal) and in the past also in Greece (in run-off since 2011 and closed in March 2019), where its main focus is on financing retail customers for the purchase of residences.

The Company has strengthened the marketing of its loans in Spain through both real estate professionals and its own brand Hipotecas.com, which is intended for final customers who mainly acquire online, an initiative that has successfully combined strict cost and risk control. It has also maintained an active internal management policy for recoveries and sale of foreclosed assets, resulting in an improvement of its delinquency figures and the management and sale of foreclosed assets.

Description of the main business lines

The main activity of UCI's consists of financing the purchase and renovation of homes, mainly through personal and mortgage loans, in accordance with the provisions of law.

Regarding the business activity carried out by the Company, the customer is at the center of this activity and the purpose of the Company is to facilitate the client's access to housing through "responsible purchase" and "brand promise". The relational model is unique in the different territories where UCI operates and provides a differential experience, which offers security and confidence to the clients when facing such an important decision, which substantially affects the financial health of clients, as it is the purchase of their home.

The number of mortgage loans granted in Spain and Portugal is the following:

Number of mortgages in Spain and Portugal		
Country	**2017**	**2018**
Spain	2,997	3,416
Portugal	1,117	1,237

The real estate professionals are a key figure in UCI's business model. Their intermediation service is essential for the clients and for the community where they exercise their profession. This work requires quality criteria to which UCI Group (including UCI) in Spain and Portugal contributes by providing tools for the professional development of their business through specialized training and agreements with the National Association of Realtors (NAR).

Origination of new mortgage credits, which amounted around 709 million Euros in 2018, substantially grew from the 2017 figures. More specifically, this number increased in 2018 by 32% with regards to 2017, and in 2017 by 44% with regards to 2016. The activity in Spain reached 524 million Euros in 2018, 36% more than in 2017. The figure in Portugal amounted up to 185 million Euros, with a growth of 21%.

In Spain, UCI's commercial offer has maintained the two strategic lines established in 2015. On the one hand, UCI has continued developing the brand Hipotecas.com, under which it granted 19% of the total the credits executed in Spain in 2018 (in line with the 20% of 2017, in comparison to the 15% in 2015), which implies an increase of 24% compared to 2017. On the other hand, the increase in the origination was achieved through UCI's intermediaries, particularly professionals from the real estate sector, contributed 39% of the total origination in Spain. The increase in UCI's business has been compatible with a responsible credit strategy which, in financial terms, has implied the high weight of fixed and mixed-rate credits with a first long fixed-rate period (these type of credits constituting a 89% of UCI's annual production, after 91% in 2017 and 61% in 2015).

Both in Spain and Portugal, the proportion of commission-based financial consultants on the commercial activity has maintained its increase from 51% in 2017 to 61% in 2018 (53% in Spain and 82% in Portugal).

Catalogue of products and services

UCI's main activity consists of financing the purchase and renovation of homes, mainly through personal and mortgage loans.

The mortgage loans granted by UCI have followed (i) the procedures established by UCI for the granting of mortgage loans (the "**Granting Policy**") (for those loans granted from 1 January 2010); or (ii) risk policies that do not differ substantially from the Granting Policy (for those loans granted before 1 January 2010).

UCI's origination channels are the following:

1. Real Estate Agents: Agencies that intervene in the process of sale and purchase of properties.
2. Broker: Financial intermediaries whose main activity is to obtain financing for their clients, usually not intervening in the process of sale and purchase of properties.
3. Hipotecas.com: UCI's online origination channel (www.hipotecas.com).
4. Developers: Real estate agents whose main activity is intervention in the sale of developments that can be reconciled with intervention in the sale and purchase of second-hand housing.
5. Financial Entities: Financial institutions, banks or savings banks (*cajas de ahorros*) with which UCI has signed a cooperation agreement in order to manage its clients' financial transactions.
6. Insurance: Insurance agents that reconcile their main activity of insurance intermediation with financial intermediation.
7. Branch UCI: Financial transactions with clients that arrive directly at UCI's offices.

In addition, UCI can also enter into cooperation agreements with any other originator of operations, which in any case, will be subject to a strict acceptance policy by the Risk Management Division (*Dirección de Riesgos*). Such policy includes, with prior consent from the originator, consultation of risk files (ASNEF, CIRBE, Worldcheck and so on), request of commercial and asset information, and analysis of potential effects of the relationship with such intermediary on UCI's image. Furthermore, any mortgage loan originated by a third party is always approved by UCI following its Granting Policy.

Principal projects and strategic objectives to be developed in the period 2019-2020

At the end of 2018, the Group's 2020 strategy was defined on the basis of UCI 's mission, vision, values and brand promise. The plan counts with four (4) strategic axes, which in turn have the respective lines of action that provide the framework for the projects and strategic objectives to be developed in the period 2019-2020.

The axes are:

- Responsible and sustainable in order to offer innovative financial products with a commitment to contribute to social welfare and care of the environment.

- New sources of income to cover the complete cycle of needs of our customers around housing. The aim is to encourage a collaborative attitude, open knowledge and the development of new products and services that meet the needs of consumers.

- Financial autonomy to strengthen the positioning of UCI in the market and generate sources of liquidity in the short, medium and long term as well as profitable products and sustainable finances.

- Reinvention from a talent, culture and leadership perspective to technological renewal and digital transformation, empowering talent in the organization.

In 2018, and in line with the transformation in which the company is immersed, the following projects have taken place:

UCI participates as representative of the Spanish mortgage sector in the project "Green Mortgages" and, since June 2018, is part of the pilot test of EeMAP Energy Efficiency of EMF (European Mortgage Federation). This initiative is part of the green Mortgages project of UCI, which is going to be implemented in Spain and Portugal. This project is aimed at both the financing of high-efficiency housing energy (energy certificate A or B) as well as reforms and/or rehabilitations associated with energy improvement.

The opportunities of this initiative will be transferred to the business, to new profiles of and market segments, as well as to the development of new agreements and new products. In addition to new sources of financing through the 'green' mortgages that originate.

In 2018, 193 operations have been financed with an energy certification A or B in UCI Spain and Portugal.

5.1.2. The basis for any statements made by the issuer regarding its competitive position

Not applicable.

6. ORGANISATIONAL STRUCTURE

6.1. If the Issuer is part of a group, a brief description of the group and of the Issuer’s position within it.

UCI is part of a group of companies of which UCI, S.A. is the parent company (the “**Parent Company**”).

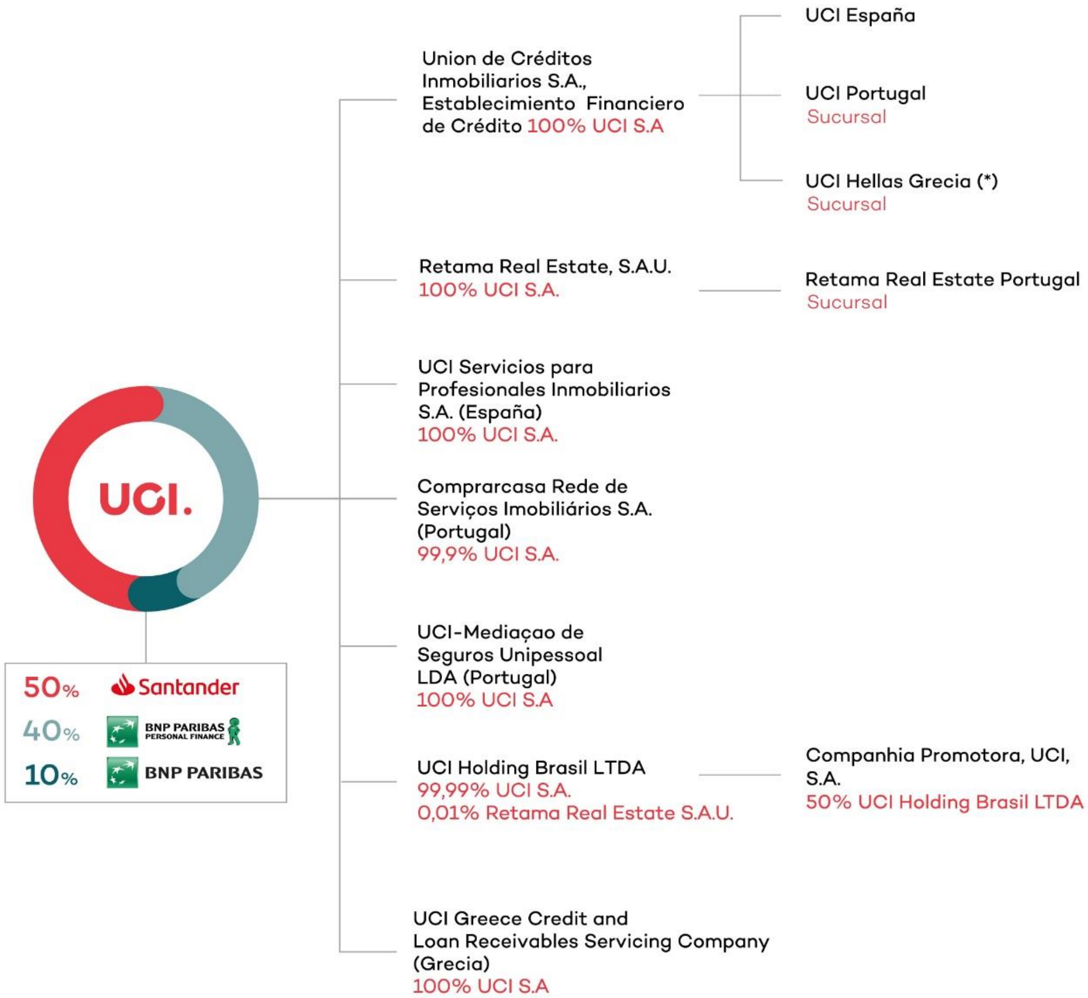
The Group's main activity is granting mortgage loans. Its corporate purpose also allows it to carry out the activities of a financial credit institution (*establecimiento financiero de crédito*).

On November 1999, the Group opened a Branch in Portugal for distributing mortgage loans to individuals. Additionally, in 2004, the Group opened a new Branch in Greece, where production was paralyzed in 2011, and has been closed in March 2019.

The Parent Company is under the obligation of drawing up its own individual consolidated financial statements, which are also subject to mandatory audit, together with the consolidated financial statements for the Group which include, where applicable, the corresponding holdings in Subsidiaries. The Group's entities are involved in activities related with the financing of loans.

As of 31 December 2018 and 2017, the total assets, net equity and results for the year of the subsidiary UNION DE CREDITOS INMOBILIARIOS S.A. E.F.C. represented almost all of the same concepts within the Group.

The following organizational chart shows the Group's affiliates and subsidiaries entities and branches in 2018:



(*) Since February 2018, all the loans from UCI Greece have been reasigned to UCI, S.A. E.F.C., and administrative closure was done in April 2019. All Hellas UCI employees were transfered to the company denominated UCI Greece Credit & Loan Receivables Servicing Company.

6.2. Statement about the Issuer being dependent upon other entities within the Group, together with an explanation of this dependence.

The sole shareholder of the Issuer is UCI, S.A., the Parent Company of UCI's Group. Moreover, the members of UCI's Board of Directors are the same as in the Parent Company's Board of Directors. For further information about the Board of Directors of UCI, please see Section 9 below.

7. TREND INFORMATION

7.1. Statement that there has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements. If the Issuer is unable to make such a statement, provide details of this material adverse change.

From 31 December 2018 (the date of the last published audited annual accounts) through to the date of this Registration Document, there has been no material change in the prospects of the Issuer, except for the matters explained under Section 11.1 of this Registration Document, which describes the most recent results published by the Issuer as of at 31 March 2019.

8. PROFIT FORECASTS OR ESTIMATES

The Issuer has opted not to include a profit forecast.

9. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

9.1. Names, business addresses and functions in the Issuer of the following persons, and indication of the principal activities performed by them outside the Issuer where these are significant with respect to that Issuer:

The management of the Issuer is entrusted by the Bylaws to the Board of Directors.

The members of the Issuer's Board of Director and their business address are the following:

Position in the Board of Directors	Name	Other functions in the Issuer	Significant activities outside the Issuer
Chairman	Mr. Matías Rodríguez Inciarte	Chairman of the Evaluation, Adequacy and Remunerations Committee	Chairman of Santander Universidades
Director	Mrs. Remedios Ruiz Maciá	Member of the Audit and Risk Committee	Global Head EWRM Santander Group Santander Totta Board Member
Director	Mr. Benoît Patrice Stéphane Cavelier	Member of the Evaluation, Adequacy and Remunerations Committee	Delegated general Director of BNP Paribas Personal Finance

Director	Mr. Michel Falvert	Chairman of the Audit and Risk Committee	Key Partner BNP Paribas Personal Finance
Non-director Secretary	Mr. Eduardo Isidro Cortina Romero	Head of Legal Department and Compliance Officer of UCI	

Furthermore, Mr. Roberto Colomer Blasco, CEO of UCI, is also considered a senior management within UCI's organization. Moreover, Mr. Roberto Colomer Blasco is sole director of Retama Real Estate, S.A.U. y and member of the board of directors of UCI SPPI, S.A.U.

There are no others senior management within UCI's organization.

The business address of the persons mentioned above is the following:

UNIÓN DE CRÉDITOS INMOBILIARIOS S.A. E.F.C.

Calle Retama 3

28045, Madrid (Spain)

At the verification date of this Registration Document, the Board of Directors is composed of four (4) members. Mr. Marías Rodríguez Inciarte was appointed Chairman of the Board of Directors on 15 January 2016 and Mr. Eduardo Isidro Cortina Romero was appointed non-director secretary on 24 February 2003.

- **UCI has also the following management and supervisory bodies:**
- **Audit and Risk Committee**

The Audit and Risk Committee is composed of the following members:

- Mrs. Remedios Ruiz Maciá (member)
- Mr. Michel Falvert (chairman)

Should UCI issue any type of fixed income securities admitted to trading on official secondary markets (or if for any other reason UCI becomes a public interest entity in accordance with the applicable law), then UCI would have to modify the current composition of its Audit and Risk Committee in order to comply with the Capital Companies Act requirements.

The functions of the Audit and Risk Committee are the following:

Audit functions:

i To inform in the General Meeting of Shareholders about any matters raised by shareholders on matters of its competence.

ii To propose to the Board of Directors the submission to the General Meeting of Shareholders the appointment of external auditors referred to in Article 264 of the Capital Companies Act (previously, Article 204 of the Public Limited Companies Act (*Ley de Sociedades Anónimas*).

iii Supervision of internal audit services and their activity.

iv Awareness of the financial information process and the Company's internal control systems.

v Relations with the external auditors to receive information on any issues that may jeopardize their independence and any others related to the process of developing the accounts audit, as well as any other communications foreseen under the legislation on auditing accounts and in the technical auditing standards.

vi Approval of the Annual Capital Self-Assessment Report (*Informe Anual de Autoevaluación de Capital*).

vii Verification and approval of the document "Information with Prudential Relevance" (*Información con Relevancia Prudencial*).

viii Verification of the information to be published annually on Remuneration policy and practices included within the "Information on Prudential Relevance" (*Información con Relevancia Prudencial*).

ix Monitoring and modification of the approved Standard Model for the calculation of capital requirements for operational risk, and approval, where appropriate, of new models, other than the Standard Model.

Risk functions:

i To advise the Board of Directors on the Company's current and future global propensity to risk and its strategy in this area, and to assist the Board in monitoring the implementation of that strategy.

ii Ensure that the pricing policy of products offered to customers takes full account of the business model and risk strategy of the Company. Otherwise, the Committee shall submit to the Board of Directors a plan to remedy the situation.

iii To determine, together with the Board of Directors, the nature, amount, format and frequency of the risk information that the Committee itself and the Board of Directors shall receive.

iv Collaborate in the establishment of rational remuneration policies and practices. To this end, the Committee shall examine, without detriment to the functions of the Appointments and Remuneration Committee, whether the incentive policy provided for in the remuneration system takes into consideration the risk, capital, liquidity and the probability and opportunity of profits.

- **Evaluation, Adequacy and Remunerations Committee**

The Evaluation, Adequacy and Remunerations Committee is composed of the following members:

o Mr. Matías Rodríguez Inciarte (chairman)

o Mr. Benoît Patrice Stéphane Cavelier (member)

The rules regarding the composition of the Remunerations Committee foreseen in the Capital Companies Act (particularly in article 529 quindecies) are not applicable to the Issuer to the extent that the Issuer is not a listed company.

The functions of the Evaluation, Adequacy and Remunerations Committee are the following:

i To formulate and review the criteria to be followed for the evaluation of the Board of Directors, as well as the evaluation itself of those who are to be proposed for the position of members of the Board of Directors.

ii To inform, following standards of objectivity and conformity to the corporate interests, about the proposals for the appointment and re-election of directors, as well as for the appointment of the members of each of the commissions and/or committees that may be created within the Board of Directors.

iii To inform about proposals relating to the appointment, removal or separation of the chairman, managing director, vice-chairman, secretary and, as the case may be, vice-secretary or vice-secretaries of the Board of Directors.

iv To evaluate or inform, as the case may be, on the adequacy of key personnel and directors in accordance with the adequacy manual, and develop the remaining competencies and functions attributed therein.

v To inform about the appointments and removals of senior managers.

vi To propose, within the framework established in the Bylaws, the retribution system for the Board of Directors as a whole and individually, in terms of concepts, amounts and system of payment, and the other basic conditions of its contracts.

vii To propose to the Board of Directors the remuneration policy for senior managers, including the basic conditions of contracts as well as the remuneration of those other managers who, not belonging to senior management, receive significant remuneration.

viii To determine and approve annually the annual remuneration that senior executives should receive, as well as the remuneration of those other managers who, not belonging to senior management, have significant remunerations.

ix To ensure compliance with the Company's remuneration policy and periodically review the remuneration policy for directors and senior managers.

x To review and approve the information on remunerations that must be made public or sent to regulatory or supervisory entities.

xi To ensure the transparency of remunerations and submit to the Board of Directors any relevant information.

xii To evaluate, at least once a year, their performance and the quality of their work.

xiii Any other functions assigned to this committee in its regulations, in the adequacy manual, or attributed to it by decision of the Board of Directors.

9.2. Administrative, Management and Supervisory bodies' conflicts of interests

As of the date of this Registration Document, the Board members of UCI, S.A. and persons related to them, as defined in article 231 of the Capital Companies Act, have not communicated to other Board members any situation of conflict, direct or indirect, with the Company's interest.

The Issuer has the following internal regulations, that among others, include certain provisions related to any conflict of interest that the Board members and key personnel of UCI may have:

i. Manual for the assessment of adequacy of board members and key personnel (the "**Manual for the Adequacy of Board Members and Key Personnel**").

This manual contains the units, functions and internal procedures of the Group (including UCI) for the internal evaluation of the adequacy of the members of the Board of Directors, general managers or similar and other employees who are responsible for internal control functions or occupy key positions for the daily development of the activity.

Clause 3 of Chapter I of the aforementioned manual establishes that the members of the Board shall be in a position to exercise good governance of the Company, in such a way that the factors indicated below do not determine a continuous or structural conflict of the director with the interests of the

Company or do not allow the director to devote sufficient time to his functions as such. These factors may be any of the following:

- Having held, in the past or in present, positions in the same Company or in other private or public organizations that determine potential conflicts of interest, or;
- Having a personal, professional or economic relationship with other members of the Board of Directors, its Parent Company or its subsidiaries that determines potential conflicts of interest; or
- Having a personal, professional or economic relationship with the shareholders of the Company, its Parent Company or its subsidiaries that determines potential conflicts of interest; or
- Being a member of the Board or holding similar positions in more than six entities including management of family or personal assets companies and, in any case, in more than four credit institutions. Membership on the boards of companies of the same consolidated group shall count as a single board;
- To have a profession or occupation that foreseeably determines a difficulty in being able to dedicate sufficient time to the Company.

ii. UCI's conflict of interest general policy (the "**Conflict of Interests Policy**")

The Conflict of Interest Policy is applicable to all the entities, directors, managers and employees of the Group (including UCI). This policy identifies different types of situations of conflict of interest, which are articulated through an ethical code of conduct, and whose fundamental principles are:

(a) the separation of functions within the Group, with the aim of guaranteeing the independence of the different areas;

(b) the promotion and dissemination of best practices in the area of compliance, and professional ethics and

(c) the establishment of controls at all levels of activities.

The Conflicts of Interest Policy defines a conflict of interest as a situation in which the interests of the Group, clients employees or managers come into competition (directly or indirectly), being the interest the source of any advantage (material, immaterial, professional, commercial, financial or personal), that serves to favor the interests of one party to the detriment of another.

Both the Manual for the Adequacy of Board Members and Key Personnel and the Conflict of Interest Policy are publicly available on UCI website under section "Corporate Governance".

As indicated under the Conflict of Interest Policy, articles 225 and 232 of the Capital Companies Act establishes the director's duty of care and the actions deriving from its infringement.

Moreover, article 229.3 of the Capital Companies Act establishes that the directors shall notify the rest of directors and the Board of Directors about any conflict of interest, whether direct or indirect, that they (or any related party) may have with the Company.

10. MAJOR SHAREHOLDERS

10.1. To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.

UCI, S.A. holds one hundred percent (100%) of the Issuer's share capital and therefore holds 100% of the Issuer's total voting rights.

Shareholder	Number of voting rights	% of voting rights
UCI, S.A.	580,000	100%

The Issuer is indirectly controlled by UCI, S.A.'s shareholders, which are the following:

Indirect shareholder	Number of voting rights	% of voting rights
Banco Santander, S.A.	18,777,500	50%
BNP Paribas Personal Finance, S.A. (France)	15,022,000	40%
BNP Paribas, S.A. (France)	3,755,500	10%

10.2. Description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.

UCI is not aware of any agreement, which will could result in a change of control of the Issuer.

11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFIT AND LOSSES

11.1. Historical Financial Information

UCI's audited individual annual accounts together with the audit report of Mazars as of and for the years ended 31 December 2017 and 31 December 2018, shall be deem to be incorporated by reference in this Registration Document as described in section 15 of this Registration Document.

The financial statements have been prepared in accordance with the financial reporting framework applicable to the Group (including UCI), which is set forth in the International Financial Reporting Standards adopted by the European Union through EU Regulations, in accordance with Regulation No 1606/2002 of the European Parliament and of the Council of 19 July 2002, and subsequent amendments (hereinafter "**IFRS**"), taking into consideration Circular 4/2004, and successive modifications, except for modifications introduced by Circular 4/2016 with regards to annex IX, not applicable to Financial Credit Establishments, which constitute the development and adaptation of the International Financial Reporting Standards adopted by the European Union to the sector of Spanish credit entities.

The financial statements have been prepared taking into account all accounting principles and standards, as well as compulsory valuation criteria which have a significant effect therein, so that they show a true and fair view of the UCI's equity and financial position at 31 December 2018 and results of its transactions, recognized income and expenses, changes in net equity and cash flows during the year ended at such date.

The individual annual financial statements of the Issuer for 2017 and 2018 have been audited by Mazars.

The tables below includes the audited balance sheets and income statements of the Issuer as of 31 December 2017 and 2018.

ASSETS	Note	2018	2017 (*)	LIABILITIES AND NET EQUITY	Note	2018	2017 (*)
Cash and deposits with central banks		**9**	**11**	**LIABILITIES**			
Financial assets held for trading		**1.017**	**3.412**	**Financial liabilities held for trading**		**4.366**	**3.619**
Deposits with credit entities		-	-	Deposits from central banks		-	-
Credits to customers		-	-	Deposits on credit institutions		-	-
Debt securities		-	-	Deposits from other creditors		-	-
Capital instruments		-	-	Debt certificates including bonds		-	-
Trading derivatives	**23**	1.017	3.412	Trading derivatives	**23**	4.366	3.619
Memorandum item. Loaned or advanced as collateral		-	-	Short positions		-	-
				Other financial liabilities		-	-
Other financial assets designated at fair value through profit and loss		**-**	**-**				
Deposits with credit entities		-	-	**Other financial liabilities at fair value through profit or loss**		-	-
Credits to customers		-	-	Deposits from central banks		-	-
Debt securities		-	-	Deposits on credit institutions		-	-
Capital instruments		-	-	Deposits from other creditors		-	-
Memorandum item. Loaned or advanced as collateral		-	-	Debt certificates including bonds		-	-
				Trading derivatives			
Financial assets available for sale		**-**	**-**	Other financial liabilities		-	-
Debt securities		-	-				
Other capital instruments		-	-	**Financial liabilities at amortized cost**	**22**	**11.476.494**	**11.666.034**
Memorandum item. Loaned or advanced as collateral		-	-	Deposits from central banks		-	-
				Deposits on credit institutions		7.196.015	7.198.297
Credit investments	**16**	**11.010.555**	**11.111.864**	Deposits from other creditors		4.139.105	4.307.239
Deposits with credit entities		54.722	82.665	Debt certificates including bonds		-	-
Credits to customers		10.955.833	11.029.199	Subordinated liabilities		141.374	160.498
Debt securities		-	-	Other financial liabilities		-	-
Memorandum item. Loaned or advanced as collateral		-	-			-	-

Investments held to maturity		-	-
Memorandum item. Loaned or advanced as collateral		-	-
Changes in the fair value of the hedged items in portfolio hedges of interest rate risk		-	-
Hedging derivatives	**24**	-	**2.695**
Non-current assets held for sale	**17**	**310.441**	**334.331**
Investments		-	-
Associates		-	-
Jointly controlled entities		-	-
		-	-
Insurance contracts linked to pensions		-	-
Tangible assets	**18**	**117.214**	**102.255**
Property, plants and equipment		2.585	2.658
For own use		2.585	2.658
Other assets leased out under an operating lease			
Investment properties	**19**	114.629	99.597
Memorandum item. Acquired under a finance lease		-	-
Intangible assets		**596**	**471**
Goodwill		-	-
Other intangible assets		596	471
Tax assets	**20**	**56.264**	**51.501**
Current		111	8
Deferred		56.153	51.493
Other assets	**21**	**430.143**	**492.645**
TOTAL ASSETS		**11.926.239**	**12.099.185**
Memorandum item	**29**		
Contingent risks		-	-
Contingent commitments		12.787	11.587

Changes in the fair value of the hedged items in portfolio hedges of interest rate risk		-	-
Hedging derivatives	**24**	**14.612**	**759**
Hedging derivatives liabilities associated with non-current assets held for sale		-	-
Provisions	**21**	**3.494**	**2.584**
Provisions for pensions and similar obligations		-	-
Provisions for taxes and other legal contingencies		-	-
Provisions for contingent exposures and commitments		-	-
Other provisions		3.494	2.584
Tax liabilities	**20**	**1.075**	**2.113**
Current		1.075	1.305
Deferred		-	808
Other liabilities	**21**	30.751	27.654
TOTAL LIABILITIES		**11.530.792**	**11.702.763**
EQUITY		**395.447**	**396.422**
Own funds	**26**	**405.099**	**394.536**
Capital or endowment fund		38.280	38.280
Issued		38.280	38.280
Minus: unpaid and uncalled			
Share premium		-	-
Reserves		356.256	345.939
Other equity instruments		-	-
Equity component of compound financial instruments		-	-
Other equity instruments		-	-
Minus: Treasury shares		-	-
Profit or loss attributed to the parent company		10.563	10.317
Minus: Dividends and remuneration		-	-
Valuation adjustments	**25**	**-9.652**	**1.886**
Financial assets held for sale		-	-
Cash flow hedges		-9.652	1.886
Hedge for net investment in foreign operations		-	-
Exchange differences		-	-
Non-current assets held for sale		-	-
Other valuation adjustments		-	-
Non-controlling interests		-	-
TOTAL EQUITY AND LIABILITIES		**11.926.239**	**12.099.185**

	Note	2018	2017(*)
Interests and similar income	**30**	218.970	231.818
Interests and similar charges	**31**	78.868	75.973
NET INTEREST INCOME		**140.102**	**155.845**
Return on equity instruments		-	-
Fee and commission income		10.187	11.512
Fee and commission expenses		4.973	3.691
Net gains (losses) on financial assets and liabilities		19.018	8.786
Held for trading		1.330	-405
Other financial instruments at fair value through profit or loss		-	-
Other financial instruments not at fair value through profit or loss		-	-
Liabilities at amortized cost		17.688	9.191
Rest		-	-
Net exchange differences		-	-
Other operating income		2.838	2.696
Other operating expenses		-	-
GROSS INCOME		**167.172**	**175.148**

Administration expenses			
Personnel expenses	**32**	31.249	31.795
Other administrative expenses	**33**	49.638	43.658
Depreciation and amortization		3.058	2.815
Provisioning expense (net)		912	1.299
Impairment losses on financial assets (net)		49.392	55.288
Loans and receivables		49.392	55.288
Other financial instruments not at fair value through profit or loss		-	-
NET OPERATING INCOME		**32.923**	**40.293**
Impairment losses on other assets (net)		131	200
Goodwill and other intangible assets		-	-
Other assets		131	200
Gains (losses) on derecognized assets not classified as non-current assets held for sale		-684	-483
Negative goodwill		-	-
Gains (losses) on non-current assets held for sale not classified as discontinued operations		-20.071	-29.047
INCOME BEFORE TAX		**12.037**	**10.563**
Income tax	**28**	1.474	246
INCOME FROM CONTINUING TRANSACTIONS		**10.563**	**10.317**
Income from discontinued transactions (net)			
PROFIT/(LOSS) FOR THE YEAR		**10.563**	**10.317**

(*) Presented, solely and exclusively, for comparison purposes.

The following information has been included for information purposes:

Gross Income

Gross income obtained by the Issuer amounted to 167.2 million Euros, which implies a decrease of 8.0 million Euros (-4.5%) with regard to 2017. This evolution is explained by the following:

1. Firstly, due to a more favorable impact of the restructuring operations of UCI's liabilities in 2018 than in 2017. These operations consisted in the new repurchase of securities in the secondary market and in the liquidation of the Fund UCI 18, generating a total positive impact of 11.8 million, compared to the 9.3 million in 2017.

2. Secondly, due to the credit portfolio's evolution. Although its amount has slightly decreased in 2018, there was an increase of the income-generating performing outstanding balance. This phenomenon breaks a negative trend that started with the previous decade's financial crisis. This, combined with stable interest rates, has resulted in an increase of the financial margin originated from the credit portfolio for approximately 1 million Euros.

The setback of gross margin is mainly due to the fact that, in 2017, there was extraordinary income derived from the recognition as income in 2018 of products generated from restructured credits that were not doubtful on the date where the agreement was restructured, which negatively affects the y-o-y comparison. Without this effect, gross margin would have increased by 7.6%.

11.2. Financial statements

The Issuer does not prepare consolidated financial statements and therefore the financial statements shown in section 11.1 above are individual statements.

11.3. Auditing of historical annual financial information

11.3.1. Statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.

The individual financial statements for 2017 and 2018 were audited by Mazars. The audit reports thereon contained no disclaimers or qualifications.

11.3.2. Indication of other information in the registration document which has been audited by the auditors.

Not applicable.

11.3.3. Where financial data in the registration document is not extracted from the issuer's audited financial statements, state the source of the data and state that the data is unaudited.

Alternative Performance Measures provided in section 11.7. below have not been audited.

11.4. Age of latest financial information

The audited financial information included in this Registration Document is as at and for the first year ended 31 December 2018. It therefore does not precede the date of approval of this Registration Document by more than 18 months. Legal and arbitration proceedings

A preliminary question before the Court of Justice of the European Union (CJEU), is pending resolution in relation to the application of the IRPH (Mortage Loan Reference Index), in the framework of executing mortgage loans. However, the Spanish Supreme Court, in a judgment of November 2017, confirmed the validity of this index. The Issuer has not been a defendant in these legal proceedings.

Up to 31 March 2019, 56% of the portfolio of UCI is referenced to the IRPH Mortage Loan Reference Index). 187 mortgage loan creditors brought legal proceedings in this respect against UCI and of those, up to 31 March 2019, 183 were sentenced favorably to UCI and 4 against UCI.

Within the general context of litigiousness of the financial sector in Spain, the judicial claims for costs related to the execution of mortgage loans are one of the most recurrent claims received by the Issuer.

11.5. Significant change in the Issuer's financial or trading position

Since 31 March 2019, there have been no significant changes in the Company's financial or trading position or other significant events affecting the Company, beyond those described above or included in this Registration Document.

11.6. Alternative Performance Measures (APM)

This Registration Document (and the documents incorporated by reference in this Registration Document) contains certain management measures of performance or APMs, which are used by management to evaluate UCI's overall performance or liquidity. These measures are used in UCI's planning, operational and financial decision-making and are commonly used in the finance sector as indicators to monitor institutions' assets, liabilities and economic/financial positions.

These APMs are not audited, reviewed or subject to review by UCI's auditors and are not measures required by, or presented in accordance with, IFRS-EU. Many of these APMs are based on UCI's internal estimates, assumptions and calculation. Accordingly, investors are cautioned not to place undue reliance on these APMs.

Furthermore, these APMs, as used by UCI, may not be comparable to other similarly titled measures used by other companies. Investors should not consider such APMs in isolation, as alternatives to the information calculated in accordance with IFRS, as indications of operating performance or as measures of the UCI's profitability or liquidity. Such APMs must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS and investors are advised to review these APMs in conjunction with the audited annual accounts incorporated by reference in this Registration Document.

UCI believes that the description of these APMs in this Registration Document follows and complies with the "ESMA Guidelines on Alternative Performance Measures" dated 5 October 2015.

The following are the APMs used in this Registration Document:

Foreclosed properties coverage ratio: foreclosed impairment in respect of foreclosed properties. This is currently a very relevant indicator in the banking sector and it is calculated by dividing the provision for foreclosed properties between the balance of foreclosed properties. This ratio is used by UCI to measure the coverage foreclosed properties and it is also an indication of assets quality.

	dic-17	*dic-18*	*mar-19*
Foreclosed properties coverage ratio	**23,9%**	**21,0%**	**20,6%**
Provision for foreclosed properties (Numerator)	105,1	105,1	105,1
Foreclosed properties (Denominator)	439,4	402,7	389,8
Net REOs	**334,3**	**297,6**	**284,7**

The foreclosed properties correspond to the net amount of the properties that have been awarded and their provisions. This figure can be found under note 17 of the corresponding annual accounts and its net value under the section "Non-current assets held for sale" of the corresponding annual accounts.

Net Interest Income ("NII"): difference between interest income from loans and other interest-earning assets and interest and other financial expenses. This APM reflects the result of the banking activity of an entity.

		dic-17	dic-18	mar-19
Net Interest Income		**155.845,0**	**140.102,0**	**39.028,1**
Financial Income		231.818,0	218.970,0	55.370,9
Minus	Financial Expenses	75.973,0	78.868,0	16.342,8

The Financial Income figures can be found under note 30 of the corresponding annual accounts. The Financial Expenses figures can be found under note 31 of the corresponding annual accounts.

NPL Coverage Ratio: Loan impairment in respect of NPLs. This is currently one of the most relevant indicators in the banking sector and it shows the level of credit provisions that the entity has already absorbed in to its profit and loss accounts in respect of the total of impaired loans.

		dic-17	dic-18	mar-19
NPL Coverage Ratio		**20,8%**	**20,7%**	**20,7%**
Numerator	NPL (+90days) losses	319,6	288,0	285,2
Denominator	NPL (+90 days) assets	1.539,4	1.388,5	1.377,3

The NPL (+90days) figure can be found under note 16 of the corresponding annual accounts.

NPL Ratio: NPL loans of more than 90 days in arrears in respect of gross customer loans. This is currently one of the most relevant indicators in the banking sector and it shows the quality of the credit investment of the entity insofar as it reflects the level of impaired loans in respect of the total volume of loans.

		dic-17	*dic-18*	*mar-19*
NPL Ratio		**13,5%**	**12,3%**	**12,6%**
Numerator	NPL (+90 days)	1.539,4	1.388,5	1.377,3
Denominator	Outstanding loan balance	11.384,9	11.271,4	10.920,1

The NPL (+90days) figure can be found under note 16 of the corresponding annual accounts.

The outstanding loan balance correspond to the net amount of outstanding balance to the Issuer clients. This figure can be found under note 16 of the corresponding annual accounts and its net value under section "credits to customers" of the corresponding annual accounts.

12. MATERIAL CONTRACTS

There are no material contracts entered into outside of the ordinary course of the Issuer's business, which could result in an obligation or entitlement that is or could be material to the Issuer's ability to meet its obligation to security holders in respect of the securities being issued.

13. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

13.1. Where a statement or report attributed to a person as an expert is included in the registration document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the registration document.

Not applicable.

13.2. Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading; in addition, identify the source(s) of the information.

Not applicable.

14. DOCUMENTS ON DISPLAY

For the life of the Registration Document, the bylaws of the Issuer, the manual for the Adequacy of Board Members and Key Personnel and the Conflict of Interest Policy may be inspected in UCI's webpage (www.uci.com) and in UCI's head offices.

15. DOCUMENTS INCORPORATED BY REFERENCE

The information set out below shall be deemed to be incorporated by reference in, and to form part of, this Registration Document provided however that any statement contained in any document incorporated by reference in, and forming part of, this Registration Document shall be deemed to be modified or superseded for the purpose of this Registration Document to the extent that a statement contained herein modifies or supersedes such statement:

(a) UCI's audited individual annual accounts and the directors' report, together with the audit report of Mazars as of and for the year ended 2017, available at UCI's website:

https://www.uci.com/documentacion/annual_report_UCI17.pdf

(b) UCI's audited individual annual accounts and the directors' report, together with the audit report of Mazars as of and for the year ended 2018, available at UCI's website:

https://www.uci.com/ucicomfiles/titulizaciones/informes_anuales/UCI%20Annual%20Report%202018.pdf

In Madrid, on 18 July 2019

UNIÓN DE CRÉDITOS INMOBILIARIOS, S.A., ESTABLECIMIENTO FINANCIERO DE CRÉDITO

Mr. Philippe Jacques Laporte

Chief Financial Officer