UNICAJA BANCO, S.A.
AND ITS SUBSIDIARIES
(UNICAJA BANCO GROUP)

Auditor's report, consolidated annual accounts
and consolidated directors' report at 31 December 2014

A free translation of the report on the consolidated annual accounts originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain. In the event of a discrepancy, the Spanish language version prevails

AUDITOR'S REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

To the Sole Shareholder of Unicaja Banco, S.A.,

Report on the Consolidated Annual Accounts

We have audited the accompanying consolidated annual accounts of Unicaja Banco, S.A. (the Parent Company) and its subsidiaries (the Group), consisting of the consolidated balance sheet at 31 December 2014, the consolidated income statement, the consolidated statement of recognised income and expenses, the consolidated statement of changes in equity, the consolidated cash flow statement and the related notes to the consolidated annual accounts for the year then ended.

Directors' Responsibility for the Consolidated Annual Accounts

The parent company's directors are responsible for the preparation of these consolidated annual accounts, so that they present fairly the consolidated equity, financial position and financial performance of Unicaja Banco, S.A. and its subsidiaries, in accordance with International Financial Reporting Standards, as adopted by the European Union, and other provisions of the financial reporting framework applicable to the Group in Spain and for such internal control as directors determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated annual accounts based on our audit. We conducted our audit in accordance with legislation governing the audit practice in Spain. This legislation requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the parent company´s directors´ preparation of the consolidated annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the consolidated annual accounts taken as a whole.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the consolidated equity and financial position of Unicaja Banco, S.A. and its subsidiaries as at December 31, 2014, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union, and other provisions of the financial reporting framework applicable in Spain.

Emphasis of Matter

We draw your attention to Note 1.2 to the consolidated annual accounts, which refers to the acquisition of control by the Unicaja Banco Group of Banco de Caja España de Inversiones, Salamanca y Soria, S.A. (hereinafter, Banco CEISS) on 28 March 2014, meaning that the figures in the accompanying consolidated annual accounts are not directly comparable with those of the previous year. This acquisition was completed in the context of the restructuring process of Banco CEISS and, according to which its assets and liabilities are recognised at fair value in accordance with International Financial Reporting Standards, adopted by the European Union. That restructuring is defined in accordance with Law 9/2012, on credit institution restructuring and resolution and the latest amendment of the Resolution Plan and Term Sheet. This does not alter our opinion.

Report on Other Legal and Regulatory Requirements

The accompanying consolidated directors' report for 2014 contains the explanations which the Parent Company's Directors consider appropriate regarding the situation of the Group, the development of its business and other matters, and does not form an integral part of the consolidated annual accounts. We have verified that the accounting information contained in the consolidated directors' report is in agreement with that of the consolidated annual accounts for 2014. Our work as auditors is limited to checking the consolidated directors' report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from the accounting records of the Group.

PricewaterhouseCoopers Auditores, S.L.

INITIALLED FOR PURPOSES OF IDENTIFICATION PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Original in Spanish signed by
Alejandro Esnal Elorrieta

30 March 2015

UNICAJA BANCO, S.A.
AND ITS SUBSIDIARIES
(UNICAJA BANCO GROUP)

Consolidated Annual Accounts at 31 December
2014 and Consolidated Director's Report 2014

UNICAJA BANCO, S.A. AND ITS SUBSIDIARIES (UNICAJA BANCO GROUP)

BALANCE SHEET AS AT 31 DE DECEMBER 2014 AND 2013

(Thousands of euros)

ASSETS	Note	2014	2013 (*)
CASH AND BALANCES AT CENTRAL BANKS	7	611 917	1 913 257
FINANCIAL ASSETS HELD FOR TRADING	8	228 871	291 771
Loans and advances to credit institutions		-	-
Loans and advances to other debtors		-	-
Debt securities		176 425	277 106
Equity instruments		-	8 428
Trading derivatives		52 446	6 237
Memorandum item: Loaned or advanced as collateral		-	*108 616*
OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-
Memorandum item: Loaned or advanced as collateral		-	-
AVAILABLE-FOR-SALE FINANCIAL ASSETS	9	12 503 087	2 566 037
Debt securities		11 575 532	1 951 956
Equity instruments		927 555	614 081
Memorandum item: Loaned or advanced as collateral		*2 339 387*	*1 387 108*
LOANS AND RECEIVABLES	10	37 670 583	28 886 959
Loans and advances to credit institutions		762 809	6 011 925
Loans and advances to other debtors		35 086 336	21 766 390
Debt securities		1 821 438	1 108 644
Memorandum item: Loaned or advanced as collateral		*3 077 733*	*8 882 363*
HELD-TO-MATURITY INVESTMENTS	9	9 639 624	4 242 658
Memorandum item: Loaned or advanced as collateral		*2 249 963*	*3 916 484*
CHANGES IN THE FAIR VALUE OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK		-	-
HEDGING DERIVATIVES	11	921 921	543 745
NON-CURRENT ASSETS HELD FOR SALE	15	931 290	263 918
INVESTMENTS	12	424 115	279 759
Associates		305 265	279 759
Jointly-controlled entities		118 850	-
Group entities		-	-
INSURANCE CONTRACTS LINKED TO PENSIONS	19	147 763	132 097
REINSURANCE ASSETS		7 074	-
TANGIBLE ASSETS	13	1 385 970	753 691
Property, plant and equipment		1 031 047	591 311
For own use		1 031 047	591 311
Leased out under operating lease		-	-
Assigned to welfare projects		-	-
Investment properties		354 923	162 380
Memorandum item: Acquired under finance lease		*3 507*	*5 413*
INTANGIBLE ASSETS	14	1 771	3 689
Goodwill		184	-
Other intangible assets		1 587	3 689
TAX ASSETS	23	2 747 643	677 616
Current		89 386	45 705
Deferred		2 658 257	631 911
OTHER ASSETS	15	728 786	702 914
Inventory		593 892	673 671
Other		134 894	29 243
TOTAL ASSETS		**67 950 415**	**41 258 111**
MEMORANDUM ITEMS			
CONTINGENT EXPOSURES	30.1	1 357 712	892 851
CONTINGENT COMMITMENTS		3 401 911	3 450 329

LIABILITIES AND EQUITY	Note	2014	2013 (*)
LIABILITIES			
FINANCIAL LIABILITIES HELD FOR TRADING	8	64 582	11 981
Deposits from central banks		-	-
Deposits from credit institutions		-	-
Deposits from other creditors		-	-
Debt securities issued		-	-
Trading derivatives		64 582	11 981
Short positions		-	-
Other financial liabilities		-	-
OTHER FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-
FINANCIAL LIABILITIES AT AMORTISED COST	16	63 007 812	38 592 934
Deposits from central banks		8 721 715	4 562 045
Deposits from credit institutions		1 397 150	1 858 514
Deposits from other creditors		49 171 162	28 712 061
Debt securities issued		1 877 739	2 503 646
Subordinated liabilities		647 832	90 979
Other financial liabilities		1 192 214	865 689
CHANGES IN THE FAIR VALUE OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK		-	-
HEDGING DERIVATIVES	11	56 725	44 088
LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE		13 350	-
INSURANCE CONTRACTS LIABILITIES	19	29 528	5 740
PROVISIONS	17	724 487	345 181
Provisions for pensions and similar obligations		353 633	183 950
Provisions for taxes and other legal contingencies		-	-
Provisions for contingent liabilities and commitments		119 270	28 685
Other provisions		251 584	132 546
TAX LIABILITIES	23	533 864	111 516
Current		16 668	28 417
Deferred		517 196	83 099
WELFARE FUNDS		-	-
OTHER LIABILITIES	18	227 790	98 956
TOTAL LIABILITIES		**64 658 138**	**39 210 396**
EQUITY			
SHAREHOLDERS´ EQUITY	21 y 22	2 673 810	2 031 497
Assigned capital		881 288	800 000
Registered		881 288	800 000
Less: Non-demanded capital		-	-
Share premium		1 132 857	1 649 044
Reserves		86 462	(471 658)
Accumulated reserves (losses)		286 609	(344 499)
Reserves (losses) of entities accounted for using the equity method		(200 147)	(127 159)
Other equity instruments		98 682	-
Equity component of compound financial instruments		98 682	-
Non-voting equity units and associated funds (savings banks)		-	-
Other		-	-
Less: Treasury shares		-	-
Profit or loss attributed to the group		474 521	54 111
Less: Dividends and remuneration		-	-
VALUATION ADJUSTMENTS		292 105	11 734
Available-for-sale financial assets	9	289 450	37 684
Cash flow hedges		794	(24 302)
Hedges of net investments in operations abroad		-	-
Exchange differences		(52)	(120)
Entities accounted for using the equity method	22	6 173	(941)
Non-current assets held for sale		-	(224)
Other valuation adjustments		(4 260)	(363)
MINORITY INTERESTS		326 362	4 484
Valuation adjustments		5 074	(3 785)
Other	20	321 288	8 269
TOTAL EQUITY		**3 292 277**	**2 047 715**
TOTAL LIABILITIES AND EQUITY		**67 950 415**	**41 258 111**

(*) It is solely and exclusively presented for comparison purposes (Note 1.5).

The accompanying Notes 1 to 48 and Appendices I, II, III, IV and V form an integral part of the consolidated balance sheet at 31 December 2014.

UNICAJA BANCO, S.A. AND ITS SUBSIDIARIES (UNICAJA BANCO GROUP)

CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013

(Thousands of euros)

	Note	(Debit) Credit 2014	2013 (*)
INTEREST AND SIMILAR INCOME	31	1 474 058	1 103 267
INTEREST EXPENSE AND SIMILAR CHARGES	32	(755 384)	(491 201)
NET INTEREST INCOME		**718 674**	**612 066**
RETURN ON EQUITY INSTRUMENTS	33	36 273	24 889
LOSS/PROFIT OF COMPANIES VALUED AT EQUITY METHOD	34	11 149	15 627
FEE AND COMMISSION INCOME	35	250 452	156 436
FEE AND COMMISSION EXPENSE	36	(23 217)	(19 497)
GAINS/(LOSSES) ON FINANCIAL ASSETS AND LIABILITIES (NET)	37	390 066	241 406
Financial assets held for trading		(8 941)	2 966
Other financial assets at fair value through profit or loss		-	-
Financial instruments not carried at fair value through profit or loss		295 883	234 922
Other		103 124	3 518
EXCHANGE DIFFERENCES (NET)	2.4	2 664	(237)
OTHER OPERATING INCOME	38	94 420	68 705
Insurance and reinsurance premiums collected		31 432	-
Sales and income from the provision of non-financial services		31 406	33 088
Other operating income		31 582	35 617
OTHER OPERATING EXPENSE	39	(134 201)	(82 451)
Expenses relating to insurance and reinsurance contracts		(21 246)	-
Variation in inventories		-	(785)
Other operating expenses		(112 955)	(81 666)
GROSS OPERATING INCOME		**1 346 280**	**1 016 944**
ADMINISTRATIVE EXPENSES	40	(584 219)	(359 026)
Staff costs		(414 972)	(269 939)
Other general administrative expenses		(169 247)	(89 087)
DEPRECIATION AND AMORTIZATION	13 y 14	(43 884)	(34 792)
PROVISIONS (NET)	17	(148 096)	(48 769)
IMPAIRMENT LOSSES ON FINANCIAL ASSETS (NET)		(355 815)	(454 566)
Loans and receivables	10 y 26	(324 721)	(446 008)
Other financial instruments not measured at fair value through profit or loss	9	(31 094)	(8 558)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES		**214 266**	**119 791**
IMPAIRMENT LOSSES ON OTHER ASSETS (NET)	41	(79 998)	(61 852)
Goodwill and other intangible assets		-	-
Other assets		(79 998)	(61 852)
GAINS/(LOSSES) ON DISPOSAL OF ASSETS NOT CLASSIFIED AS NON-CURRENT ASSETS HELD FOR SALE	42	(1 398)	205
NEGATIVE GOODWILL ON BUSSINESS COMBINATIONS		372 462	-
GAINS/(LOSSES) ON DISPOSAL OF NON-CURRENT ASSETS HELD FOR SALE NOT CLASSIFIED AS DISCOUNTED OPERATIONS	43	(30 908)	(13 295)
PROFIT/(LOSS) BEFORE TAX		**474 424**	**44 849**
INCOME TAX	23	(47 510)	9 571
MANDATORY TRANSFER TO COMMUNITY PROJECTS AND WELFARE FUNDS		-	-
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**426 914**	**54 420**
INCOME FROM DISCONTINUED OPERATIONS (NET)		20 600	-
NET PROFIT FOR THE YEAR		**447 514**	**54 420**
Profit/Loss attributable to parent entity		474 521	54 111
Profit/Loss attributable to minority interests	20	(27 007)	309

(*) It is solely and exclusively presented for comparison purposes (Note 1.5).

The accompanying Notes 1 to 48 and Appendices I, II, III, IV and V form an integral part of the consolidated balance sheet at 31 December 2014.

UNICAJA BANCO, S.A. AND ITS SUBSIDIARIES (UNICAJA BANCO GROUP)

RECOGNISED CONSOLIDATED INCOME AND EXPENSES FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013

(Thousands of euros)

	Note	2014	2013 (*)
A) CONSOLIDATED PROFIT FOR THE YEAR		**447 514**	**54 420**
B) OTHER RECOGNISED INCOME AND EXPENSES		**280 371**	**30 922**
B.1) Items not to be reclassified to profit or loss		**(3 897)**	**(363)**
Actuarial gains/(losses) on defined-benefit pension plans	40	(5 567)	(519)
Non-current assets held for sale		-	-
Companies accounted for using the equity method		-	-
Income tax on items not to be reclassified to profit or loss		1 670	156
B.2) Items eligible to be reclassified to profit or loss		**284 268**	**31 285**
Available-for-sale financial assets	9	359 666	21 827
Valuation gains (losses)		647 148	123 652
Amounts transferred to the income statement		(287 482)	(101 825)
Other reclassifications		-	-
Cash flow hedges	11	35 851	(16 803)
Revaluation gains/(losses)		15 618	(28 530)
Amounts transferred to income statement		20 233	11 727
Amounts transferred to the initial value of hedged items		-	-
Other reclassifications		-	-
Hedges of net investments in operations abroad		-	-
Valuation gains (losses)		-	-
Amounts transferred to the income statement		-	-
Other reclassifications		-	-
Exchange differences	2.4	97	(33)
Valuation gains (losses)		97	(33)
Amounts transferred to the income statement		-	-
Other reclassifications		-	-
Non-current assets held for sale	15	320	730
Valuation gains (losses)		320	730
Amounts transferred to the income statement		-	-
Other reclassifications		-	-
Equity method entities	22	10 163	38 971
Valuation gains (losses)		12 956	38 971
Amounts transferred to the income statement		(2 793)	-
Other reclassifications		-	-
Other recognised income and expenses		-	-
Income tax	23	(121 829)	(13 407)
C) TOTAL INCOME AND EXPENSES RECOGNISED (A+B)		**727 885**	**85 342**
C.1) Attributed to the parent company		754 892	85 033
C.2) Attributed to minority interests		(27 007)	309

(*) It is solely and exclusively presented for comparison purposes (Note 1.5).

The accompanying Notes 1 to 48 and Appendices I, II, III, IV and V form an integral part of the consolidated balance sheet at 31 December 2014.

UNICAJA BANCO, S.A. AND ITS SUBSIDIARIES (UNICAJA BANCO GROUP)

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013

(Thousands of euros)

	EQUITY ATTRIBUTABLE TO PARENT COMPANY								Minority interests	Total Equity
	EQUITY						Valuation adjustments	Total		
	Capital and share premium	Reserves		Other Equity instruments	Profit for the year attributed to parent company	Total Own Funds				
		Reserves (accumulated losses)	Equity method entities Reserves							
Balance at 1 January 2014 (*)	**2 449 044**	**(326 354)**	**(127 159)**	**-**	**71 410**	**2 066 941**	**11 734**	**2 078 675**	**4 484**	**2 083 159**
Adjustments due to changes in accounting policy (Nota 1.5)	-	(18 145)	-	-	(17 299)	(35 444)	-	(35 444)	-	(35 444)
Adjustments made to correct errors	-	-	-	-	-	-	-	-	-	-
Adjusted beginning balance	**2 449 044**	**(344 499)**	**(127 159)**	**-**	**54 111**	**2 031 497**	**11 734**	**2 043 231**	**4 484**	**2 047 715**
Total recognised income and expense	**-**	**-**	**-**	**-**	**474 521**	**474 521**	**280 371**	**754 892**	**(27 007)**	**727 885**
Other changes in equity	**(434 899)**	**631 108**	**(72 988)**	**98 682**	**(54 111)**	**167 792**	**-**	**167 792**	**348 885**	**516 677**
Capital increases	96 592	-	-	-	-	96 592	-	96 592	-	96 592
Capital reductions	-	-	-	-	-	-	-	-	-	-
Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-	-	-
Increases in other equity instruments	-	-	-	98 682	-	98 682	-	98 682	-	98 682
Reclassification of financial liabilities to other equity instruments	-	-	-	-	-	-	-	-	-	-
Reclassification of other equity instruments to financial liabilities	-	-	-	-	-	-	-	-	-	-
Distribution of dividends (c)	-	(17 930)	-	-	-	(17 930)	-	(17 930)	-	(17 930)
Transactions involving own equity instruments (net)	-	-	-	-	-	-	-	-	-	-
Transfers between equity items	(531 491)	585 602	-	-	(54 111)	-	-	-	-	-
Increase/(Decrease) due to business combinations	-	-	-	-	-	-	-	-	348 885	348 885
Optional transfer to welfare funds	-	-	-	-	-	-	-	-	-	-
Equity-instrument-based payment	-	-	-	-	-	-	-	-	-	-
Other increases/(decreases) in equity	-	63 436	(72 988)	-	-	(9 552)	-	(9 552)	-	(9 552)
Balance at 31 December 2014	**2 014 145**	**286 609**	**(200 147)**	**98 682**	**474 521**	**2 673 810**	**292 105**	**2 965 915**	**326 362**	**3 292 277**

(*) It is solely and exclusively presented for comparison purposes (Note 1.5).

The accompanying Notes 1 to 48 and Appendices I, II, III, IV and V form an integral part of the consolidated balance sheet at 31 December 2014.

UNICAJA BANCO, S.A. AND ITS SUBSIDIARIES (UNICAJA BANCO GROUP)

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013

(Thousands of euros)

	EQUITY ATTRIBUTABLE TO PARENT COMPANY									
	EQUITY								Minority interests	Total Equity
	Capital and share premium	Reserves		Other Equity instruments	Profit for the year attributed to parent company	Total Own Funds	Valuation adjustments	Total		
		Reserves (accumulated losses)	Equity method entities Reserves							
Balance at 1 January 2013 (*)	**2 449 044**	**254 978**	**(79 173)**	**-**	**(577 253)**	**2 047 596**	**(19 188)**	**2 028 408**	**2 696**	**2 031 104**
Adjustments due to changes in accounting policy (Nota 1.5)	-	(18 145)	-	-	-	(18 145)	-	(18 145)	-	(18 145)
Adjustments made to correct errors	-	-	-	-	-	-	-	-	-	-
Adjusted beginning balance	**2 449 044**	**236 833**	**(79 173)**	**-**	**(577 253)**	**2 029 451**	**(19 188)**	**2 010 263**	**2 696**	**2 012 959**
Total recognised income and expense	**-**	**-**	**-**	**-**	**54 111**	**54 111**	**30 922**	**85 033**	**309**	**85 342**
Other changes in equity	**-**	**(581 332)**	**(47 986)**	**-**	**577 253**	**(52 065)**	**-**	**(52 065)**	**1 479**	**(50 586)**
Capital increases	-	-	-	-	-	-	-	-	-	-
Capital reductions	-	-	-	-	-	-	-	-	-	-
Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-	-	-
Increases in other equity instruments	-	-	-	-	-	-	-	-	-	-
Reclassification of financial liabilities to other equity instruments	-	-	-	-	-	-	-	-	-	-
Reclassification of other equity instruments to financial liabilities	-	-	-	-	-	-	-	-	-	-
Distribution of dividends (c)	-	-	-	-	-	-	-	-	-	-
Transactions involving own equity instruments (net)	-	-	-	-	-	-	-	-	-	-
Transfers between equity items	-	(577 253)	-	-	577 253	-	-	-	-	-
Increase/(Decrease) due to business combinations	-	-	-	-	-	-	-	-	-	-
Optional transfer to welfare funds	-	-	-	-	-	-	-	-	-	-
Equity-instrument-based payment	-	-	-	-	-	-	-	-	-	-
Other increases/(decreases) in equity	-	(4 079)	(47 986)	-	-	(52 065)	-	(52 065)	1 479	(50 586)
Balance at 31 December 2013 (**)	**2 449 044**	**(344 499)**	**(127 159)**	**-**	**54 111**	**2 031 497**	**11 734**	**2 043 231**	**4 484**	**2 047 715**

(*) Balance at 31 December 2012 published in the 2012 consolidated financial statements (Note 1.5).

(**) It is solely and exclusively presented for comparison purposes (Note 1.5).

The accompanying Notes 1 to 48 and Appendices I, II, III, IV and V form an integral part of the consolidated balance sheet at 31 December 2014.

UNICAJA BANCO, S.A. AND ITS SUBSIDIARIES (UNICAJA BANCO GROUP)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013
(Thousands of euros)

	Note	2014	2013 (*)
A) CASH FLOWS FROM OPERATING ACTIVITIES		**(2 700 354)**	**(639 685)**
Net profit for the year		**447 514**	**54 420**
Adjustments to profit and loss		**(7 415 605)**	**116 105**
Depreciation and amortization	13 y 14	43 884	34 792
Other adjustments	2.19	(7 459 489)	81 313
Net increase/decrease in operating assets		**(19 103 845)**	**(1 304 801)**
Financial assets held for trading	8.1	62 900	(167 138)
Other financial assets at fair value through profit or loss		-	-
Available-for-sale financial assets	9.1	(9 937 050)	179 921
Loans and receivables	10	(8 783 624)	(1 503 436)
Other operating assets		(446 071)	185 852
Net increase/decrease in operating liabilities		**25 081 961**	**533 427**
Financial liabilities held for trading	8.2	52 601	4 401
Other financial liabilities at fair value through profit or loss		-	-
Financial liabilities at amortised cost	16	24 465 512	665 056
Other operating liabilities		563 848	(136 030)
Collections/Payments of income tax		**(1 710 379)**	**(38 836)**
B) CASH FLOWS FROM INVESTMENT ACTIVITIES		**1 513 105**	**2 182 295**
Payments		**(68 814)**	**(13 646)**
Tangible assets	13	(3 881)	(11 753)
Intangible assets	14	(3)	(1 661)
Investments	12	(64 930)	(232)
Other business units		-	-
Non-current assets and associated liabilities for sale	15	-	-
Held-to-maturity investments	9.4	-	-
Other payments related to investing activities		-	-
Collections		**1 581 919**	**2 195 941**
Tangible assets	13	7 749	12 324
Intangible assets	14	2 752	-
Investments	12	53 542	500
Other business units		-	-
Non-current assets and associated liabilities for sale	15	-	-
Held-to-maturity investments	9.4	1 517 876	2 183 117
Other payments related to investing activities		-	-
(Continued)			

(*) It is solely and exclusively presented for comparison purposes (Note 1.5).
The accompanying Notes 1 to 48 and Appendices I, II, III, IV and V form an integral part of the consolidated balance sheet at 31 December 2014.

UNICAJA BANCO, S.A. AND ITS SUBSIDIARIES (UNICAJA BANCO GROUP)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2014 Y 2013

(Thousands of euros)

	Note	2014	2013 (*)
C) CASH FLOWS FROM FINANCING ACTIVITIES		**(74 100)**	**(113 413)**
Payments		**(74 100)**	**(113 413)**
Dividends	3	(17 930)	-
Subordinated liabilities	16.5	(56 170)	(113 413)
Redemption of own equity instruments		-	-
Acquisition of own equity instruments		-	-
Other payments related to financing activities		-	-
Collections		**-**	**-**
Subordinated liabilities	16.5	-	-
Issuance of own equity instruments		-	-
Disposal of own equity instruments		-	-
Other collections related to financing activities		-	-
D) EFFECT OF EXCHANGE RATE FLUCTUATIONS		**-**	**-**
E) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**(1 261 349)**	**1 429 197**
F) CASH AND CASH EQUIVALNETS AT BEGINNING OF PERIOD		**1 947 679**	**518 482**
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD		**686 330**	**1 947 679**
MEMORANDUM ITEMS:			
COMPONENTS OF CASH AND CASH EQUIVALENTS FOR THE PERIOD			
Cash	2.19	341 525	211 754
Cash equivalent balances at central banks	2.19	270 383	1 701 503
Other financial assets	2.19	74 422	34 422
Less: bank overdrafts repayable on demand			
Total cash and cash equivalents at end of period	2.19	**686 330**	**1 947 679**
Of which held by consolidated entities but not drawable by group		-	-

(*) It is solely and exclusively presented for comparison purposes (Note 1.5).
The accompanying Notes 1 to 48 and Appendices I, II, III, IV and V form an integral part of the consolidated balance sheet at 31 December 2014.

UNICAJA BANCO, S.A. AND ITS SUBSIDIARIES
(UNICAJA BANCO GROUP)

NOTES TO THE CONSOLIDATED REPORT FOR THE YEAR ENDED AT 31 DECEMBER 2014
(Expressed in thousands of euros)

1. Introduction, basis of presentation of the annual accounts and other information

1.1 Introduction, nature of the Company and The Single Supervisory Mechanism (SSM)

1.1.1 Introduction and nature of the Company

Unicaja Banco, S.A. (hereinafter Unicaja Banco, the Parent Company or the Bank) is a credit institution incorporated for an indefinite period on 1 December 2011. Its commenced activities as a result of the approval by the General Assembly of Monte de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga, Antequera y Jaén – Unicaja (currently, Fundación Bancaria Unicaja) of the indirect carrying on of finance activities through a bank.

The Bank is subject to the legislation and regulations governing banking institutions in Spain. Other public information regarding the bank is available on its website (www.unicajabanco.es) and at its registered domicile (Avenida Andalucía, 10 and 12, in Malaga).

The Bank's corporate purpose consists of all types of general banking activities, transactions, actions, contracts and services or those that are directly or indirectly related or are supplementary to them provided they are permitted or not prohibited by law.

The Bank's corporate purpose includes the rendering of investment and other auxiliary services, as well as the rendering of insurance agency activities, as an exclusive or associated operator, but not simultaneously.

In accordance with the bylaws, the activities making up its corporate purpose may be fully or partially carried out indirectly in any manner allowed by law and, in particular, through the ownership of shares in companies or other entities that have the same, similar or supplementary corporate purpose.

The Bank has been entered into the Malaga Mercantile Registry and as a credit institution in the Special Registry at the Bank of Spain under number 2103. The Bank also holds a license to carry out banking activities granted by the Ministry of Finance in accordance with Article 1 and concordant articles of Royal Decree 1245/1995.

In the context of the taking of control at 28 March 2014 of Banco de Caja España de Inversiones, Salamanca y Soria, S.A. (hereinafter, Banco CEISS), outlined in the Note 1.2, and as a result of exchange of securities made at 2 April 2014, Unicaja Bank, S.A. has lost its capacity as a single-member society which has been retained since its creation.

The Group's 2014 consolidated financial statements have not yet been approved by the Bank's Shareholder's General Meeting. Nonetheless, the Bank's board of directors expects the consolidated annual accounts to be approved without significant changes.

At 31 December 2014, 90,78% of the Bank's share capital pertains to Fundación Bancaria Unicaja, previously Monte de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga, Antequera y Jaén (Unicaja), the ultimate parent company of the Bank and the parent of Unicaja Group. Both the Bank and its parent company are domiciled in Malaga and are subject to Spanish legislation and their annual accounts are deposited at the Malaga Mercantile Registry. Fundación Bancaria Unicaja prepares consolidated annual accounts as the ultimate parent of the Group, in accordance with Article 42 of the Commercial Code. The latest consolidated annual accounts prepared by Group Unicaja related to the year ended 31 December 2013 and have been filed with the Malaga Mercantile Registry.

Moreover, the Bank is the parent of a subgroup of subsidiaries that engage in diverse activities and make up Unicaja Banco Group. In accordance with Article 6 of Royal Decree 1159/2010 (17 September) which approves the Rules for Preparing Consolidated Annual Accounts and amends the General Accounting Plan approved by Royal Decree 1514/2007 (16 November) and the General Accounting Plan for SMEs approved by Royal Decree 1515/2007 (16 November), the Bank is obligated to prepare consolidated annual accounts as it has issued securities that are traded on a regulated market in any European Union Member State, applying international financial reporting standards adopted by European Union Regulations. Consequently, the Bank has prepared the consolidated annual accounts for Unicaja Banco, S.A. - Sociedad and its subsidiaries (Unicaja Banco Group), in addition to its own annual accounts, in accordance with current legislation.

The companies that form part of Unicaja Banco Group at 31 December 2014 are as follows:

Company Name	**Activity**
Alqlunia Duero, S.L.	Real estate
Alteria Corporación Unicaja, S.L.U.	Investment on assets, real estate and financial societies
Altos de Jontoya Residencia para Mayores, S.L.U.	Geriatric care
Analistas Económicos de Andalucía, S.L.U.	Studies and analysis
Andaluza de Tramitaciones y Gestiones, S.A.U.	Management of documents and deeds
Banco de Caja España de Inversiones, Salamanca y Soria, S.A.	Financial Institution
Bruesa Duero, S.L	Real estate
Caja Duero Capital, S.A.U.	Assets, securities and financial companies Investment
Caja España de Inversiones, Sociedad de Participaciones Preferentes, S.A.U.	Issue of shares
Caja España Fondos, S.A.U., S.G.I.I.C.	Investment fund management Company
Caja España Mediación, Operador Banca-Seguros Vinculado, S.A.U.	Insurance broker
Campo Inversiones, S.A.U.	Agrarian and Livestock Services
Cartera de Inversiones Agroalimentarias, S.L.	Food industry
Conexiones y Servicios del Duero, S.A.	Auxiliary Services
Corporación Uninser, S.A.U.	Financial services
Diode España, S.A.U.	Distribution of Computer Components
Escuela Superior de Estudios de Empresa, S.A.	Studies and analysis
Finanduero Sociedad de Valores, S.A.U.	Assets, securities and financial companies Investment
Gestión de Actividades y Servicios Empresariales, S.A.U.	Electronic recording and data-processing
Gestión de Inmuebles Adquiridos, S.L.U.	Real estate
Gestión de Inversiones en Alquileres, S.A.U.	Offices Rent
Grupo de Negocios Duero, S.A.U.	Financial Management
Guendulain Suelo Urbano, S.L.U.	Real estate
Inmobiliaria Acinipo, S.L.U.	Real estate
Inmobiliaria Uniex Sur, S.L.U.	Real estate
Inmocaja, S.A.U.	Real Property holding Company
Invergestión Sociedad de Inversiones y Gestión, S.A.U.	Assets, securities and financial companies Investment
Mijas Sol Resort, S.L.U.	Real estate
Parque Industrial Humilladero, S. L.	Industrial land development
Renta Porfolio, S.L.U.	Rental property

Company Name	Activity
Segurándalus Mediación, Correduría de Seguros, S.A.U.	Insurance broker
Tubos de Castilla y León, S.A.U.	Water-Pipe manufacturing
Unicaja Banco, S.A.	Financial Institution
Unicaja Gestión de Activos Inmobiliarios, S.A.U.	Real Property holding Company
Unicartera Caja 2, S.L.U.	Promotion or Financing of I+D in the medical field
Unicartera Gestión de Activos, S.L.U.	Recovery activity and Disputes Managements
Unicartera Internacional, S.L.U.	Assets, securities and financial companies Investment
Unicartera Renta, S.L.U.	Assets, securities and financial companies Investment
Unicorp Corporación Financiera, S.L.U.	Provision of services
Unicorp Patrimonio, Sociedad de Valores, S.A.U.	Property Management
Unigest, S.G.I.I.C., S.A.U.	Management Company of Collective Investment Institutions
Unimediación, S.L.U.	Insurance Broker
Unimediterráneo de Inversiones, S.L.U.	Assets, securities and financial companies Investment
Unión del Duero, Compañía de Seguros Generales, S.A.	Insurances
Uniwindet Parque Eólico Las Lomillas, S.L.U.	Renewable Energies
Uniwindet Parque Eólico Loma de Ayala, S.L.U.	Renewable Energies
Uniwindet Parque Eólico Los Jarales, S.L.U.	Renewable Energies
Uniwindet Parque Eólico Tres Villas, S.L.U.	Renewable Energies
Uniwindet, S.L.	Renewable Energies
Viajes Caja España, S.A.	Travel Agency
Viproelco, S.A.	Real state Development

In accordance with current legislation, the Board of Directors of the Parent Company has prepared the Bank's individual annual accounts. The effect on consolidation on the accompanying balance sheet at 31 December 2014 and 2013, the income statement, the statement of changes in equity and the cash flow statement for 2014 and 2013 is summarised below:

				Thousands of euros
		2014		2013
	Individual	Consolidated	Individual	Consolidated
Assets	36 767 082	67 950 415	41 811 217	41 258 111
Equity	2 866 330	3 292 277	2 201 294	2 083 159
Income for the year	238 375	447 514	89 718	54 420
Total income and expense in the statement of changes in equity	487 692	727 885	87 165	85 342
Net increase/(decrease) in cash and cash equivalents	(1 540 663)	(1 261 349)	1 413 497	1 429 197

The Group’s consolidated annual accounts for 2014 and the annual accounts of most of its subsidiaries are pending approval by its respective General Assembly or General Meeting. Nonetheless, the Entity’s Board of Directors expects these annual accounts to be approved without significant changes.

Set out below is a summary of the Parent entity’s individual balance sheet, individual income statement, individual statement of changes in equity and individual cash flow statement for the years ended 31 December 2014 and 2013 which have been prepared in accordance with the same accounting principles and measurement methods, gathered in the Circular 4/2004 of the Bank of Spain, as those applied in these consolidated annual accounts:

a) Individual Balance sheets for the years ended 31 December 2014 and 2013:

	Thousands of euros	
	2014	**2013 (*)**
Cash and deposits at central banks	391 253	1 913 155
Trading portfolio	195 461	282 514
Available-for-sale financial assets	8 528 052	2 446 549
Loans and receivables	21 796 569	29 839 261
To-maturity investment portfolio	2 511 583	4 239 667
Hedging derivatives	737 217	543 745
Non-current assets held for sale	238 914	263 918
Shareholdings	851 042	715 734
Insurance contracts linked to pensions	144 247	132 097
Property, plant and equipment	518 082	530 376
Intangible assets	554	1 000
Tax assets	808 627	838 178
Other assets	45 481	65 023
Total assets	**36 767 082**	**41 811 217**
Trading portfolio	29 359	11 981
Financial liabilities at amortized cost	32 753 456	38 687 435
Hedging derivatives	34 365	25 157
Provisions	402 993	358 599
Tax liabilities	176 736	102 358
Welfare funds	503 843	424 393
Total liabilities	**33 900 752**	**39 609 923**
Valuation adjustments	269 395	20 078
Equity:	2 596 935	2 181 216
Assigned capital	881 288	800 000
Share premium	1 246 429	1 762 616
Reserves	132 161	(471 118)
Other equity instruments	98 682	-
Income for the year	238 375	89 718
Less: Dividends and remuneration	-	-
Total equity	**2 866 330**	**2 201 294**
Total liabilities and equity	**36 767 082**	**41 811 217**
Contingent risks	815 762	886 839
Contingent commitments	2 350 997	3 548 087
Total memorandum accounts	**3 166 759**	**4 434 926**

(*) It is solely and exclusively presented for comparison purposes (Note 1.5).

b) Individual income statements for the years ended 31 December 2014 and 2013:

	Thousands of euros	
	2014	2013 (*)
Interest and similar income	949 763	1 106 729
Interest expense and similar charges	(388 506)	(486 888)
Net interest income	**561 257**	**619 841**
Return on equity instruments	95 083	60 586
Fee and commission income	133 584	143 297
Fee and commission expense	(15 901)	(19 625)
Gains/(losses) on financial assets and liabilities (net)	290 829	239 725
Exchange differences (net)	1 300	(237)
Other operating income	11 253	33 403
Other operating expense	(59 228)	(63 145)
Gross operating income	**1 018 177**	**1 013 845**
Administrative expenses	(347 195)	(333 528)
Depreciation and amortization	(22 618)	(25 524)
Provisions (net)	(96 273)	(50 275)
Impairment losses on financial assets (net)	(122 985)	(452 994)
Profit/(loss) from operating activities	**429 106**	**151 524**
Impairment losses on other assets (net)	(93 883)	(55 969)
Gains/(losses) on disposal of assets not classified as non-current assets held for sale	(301)	234
Negative goodwill on business combinations	-	-
Gains/(losses) on disposal of non-current assets held for sale not classified as discounted operations	(13 368)	(13 294)
Profit/(loss) before tax	**321 554**	**82 495**
Income tax	(83 179)	7 223
Mandatory transfer to community projects and welfare funds		**-**
Profit/(loss) from continuing operations	**238 375**	**89 718**
Profit/(loss) from discounted operations (net)	**-**	**-**
Net profit for the year	**238 375**	**89 718**

(*) It is solely and exclusively presented for comparison purposes (Note 1.5).

c) Individual statements of changes in equity for the years ended 31 December 2014 and 2013:

	Thousands of euros	
	2014	**2013 (*)**
Profit for the year	**238 375**	**89 718**
Other income and expenses	**249 317**	**(2 553)**
Items that will not be reclassified to income	**(1 081)**	**(363)**
Actuarial gains (losses) on pension plans	(1 545)	(519)
Non-current assets held for sale		
Tax benefits related to items that will not be reclassified to income	464	156
Items that may be reclassified to income	**250 398**	**(2 190)**
Financial assets available for sale	320 668	13 188
Hedges of cash flows	36 626	(17 013)
Hedges of net investments in foreign operations		
Exchange differences	97	(32)
Non-current assets held for sale	321	729
Entities accounted for using the participation method		
Other income and expenses		
Income tax related to items that may be reclassified to income	(107 314)	938
Total income and expenses recognized	**487 692**	**87 165**

(*) It is solely and exclusively presented for comparison purposes (Note 1.5).

d) Individual statement of changes in equity for the years ended 31 December 2014 and 2013:

	Thousands of euros							
	EQUITY							
	Capital	Share premium	Reserves	Other Equity instruments	Income for the year	Total	Valuation adjustament	TOTAL EQUITY
Balance at 1 of January 2014 (*)	**800 000**	**1 762 616**	**(452 973)**	**-**	**107 017**	**2 216 660**	**20 078**	**2 236 738**
Adjustments due to changes in accounting policy	-	-	(18 145)	-	(17 299)	(35 444)	-	(35 444)
Adjustments made to correct errors	-	-	-	-	-	-	-	-
Adjusted beginning balance	**800 000**	**1 762 616**	**(471 118)**	**-**	**89 718**	**2 181 216**	**20 078**	**2 201 294**
Total recognized Income and expense	**-**	**-**	**-**	**-**	**238 375**	**238 375**	**249 317**	**487 692**
Other equity changes	**81 288**	**(516 187)**	**603 279**	**98 682**	**(89 718)**	**177 344**	**-**	**177 344**
Transfers between equity items	81 288	15 304	-	-	-	96 592	-	96 592
Increases (decreases) by combinations business	-	-	-	98 682	-	98 682	-	98 682
Dividends distributions/ Payment to Partners (Note 3)	-	-	(17 930)	-	-	(17 930)	-	(17 930)
Optional transfer to welfare funds	-	(531 491)	621 209	-	(89 718)	-	-	-
Other increases (decreases)	-	-	-	-	-	-	-	-
Balance at 31 of December 2014	**881 288**	**1 246 429**	**132 161**	**98 682**	**238 375**	**2 596 935**	**269 395**	**2 886 330**

(*) Account balance at 31 December 2013, published on the consolidated annual accounts for 2013 (Note 1.5).

	Thousand of euros							
						EQUITY	Valuation adjustament	
	Capital/ Endowment fund	Share premium	Reserves	Capital/ Endowment fund	Share premium	Reserves	Capital/ Endowment fund	TOTAL EQUITY Share premium
Balance at 1 of January 2013 (*)	**800 000**	**1 762 616**	**78 518**	**-**	**(531 491)**	**2 109 643**	**22 631**	**2 132 274**
Adjustments due to changes in accounting policy	-	-	(18 145)	-	-	(18 145)	-	(18 145)
Adjustments made to correct errors	-	-	-	-	-	-	-	-
Adjusted beginning balance	**800 000**	**1 762 616**	**60 373**	**-**	**(531 491)**	**2 091 498**	**22 631**	**2 114 129**
Total recognized Income and expense	**-**	**-**	**-**	**-**	**89 718**	**89 718**	**(2 553)**	**87 165**
Other equity changes	**-**	**-**	**(531 491)**	**-**	**531 491**	**-**	**-**	**-**
Transfers between equity items	-	-	-	-	-	-	-	-
Increases (decreases) by combinations business	-	-	-	-	-	-	-	-
Dividends distributions/ Payment to Partners (Note 3)	-	-	-	-	-	-	-	-
Optional transfer to welfare funds	-	-	(531 491)	-	531 491	-	-	-
Other increases (decreases)	-	-	-	-	-	-	-	-
Balance at 31 of December 2013 (**)	**800 000**	**1 762 616**	**(471 118)**	**-**	**89 718**	**2 181 216**	**20 078**	**2 201 294**

(*) Account balance at 31 December 2012, published on the consolidated annual accounts for 2012 (Note 1.5).
(**) It is solely and exclusively presented for comparison purposes (Note 1.5).

e) Individual cash flow statements for the years ended 31 December 2014 and 2013:

	Thousands of euros	
	2014	2013 (*)
Cash flows from operating activities	**(2 959 394)**	**(623 177)**
Net profit for the year	238 375	89 718
Adjustments to profit and loss	667 425	158 846
Net increase/decrease in operating assets	1 862 162	(1 327 883)
Net increase/decrease in operating liabilities	(5 732 915)	470 818
Collections/Payments of income tax	5 559	(14 676)
Cash flows from investment activities	**1 493 326**	**2 146 449**
Payments	(68 649)	(71 937)
Collections	1 561 975	2 218 386
Cash flows from financing activities	**(74 595)**	**(109 775)**
Payments	(74 595)	(109 775)
Collections	-	-
Effect of exchange rate fluctuations	**-**	**-**
Net increase (decrease) in cash and cash equivalents	**(1 540 663)**	**1 413 497**
Cash and cash equivalents at beginning of period	1 931 916	518 419
Cash and cash equivalents at end of period	391 253	1 931 916

(*) It is solely and exclusively presented for comparison purposes (Note 1.5).

1.1.2 Single Supervisory Mechanism

Starting in November 2014 the Single Supervisory Mechanism (SSM), consisting of the European Central Bank (ECB) and the competent national authorities, including the Bank of Spain, became the new financial supervisory system for credit institutions in the Eurozone and is based on principles and standards jointly agreed by the various European organisations.

As a step prior to the entry into force of the SSM and within the context of the Comprehensive Assessment process, European credit institutions were subjected to a rigorous evaluation of their solvency by the ECB in coordination with the national supervisors and the European Banking Authority (EBA) through an analysis of asset quality at 31 December 2013 ("Asset Quality Review or AQR") and a Stress Test (ST) under two hypothetical macroeconomic scenarios (base case and adverse) over the three projected years (2014-2016).

Unicaja Banco Group, made up by the parent Unicaja Banco and the subsidiary Banco de Caja España de Inversiones de Salamanca y Soria (Banco CEISS) easily passed the overall evaluation performed and the results were reported on 26 October 2014. This again reveals the quality of its assets and solvency level, as was the case in prior evaluations, and it remains one of the most solvent entities of reference in the Spanish financial system.

- The impact after the exhaustive and rigorous asset quality review (AQR) was not significant, which demonstrates the high quality of Unicaja Banco Group's assets and the excellent coverage level for those assets.

- The data published by the EBA with respect to the stress tests shows that Unicaja Banco Group presents a CET1 coefficient of 11.9% in the base scenario (€3,942 million) which is 3.9% higher than the required minimum (8.00%). Under the adverse scenario, the CET1 coefficient was 8.9% (€2,990 million), which is 3.4% higher than the required minimum (5.5%). In absolute terms this represents excess capital totalling €1,285 million and €1,140 million, respectively.

As a consequence of the results obtained in the Comprehensive Assessment, the regulatory capital requirements for Unicaja Banco Group did not increase, remained at 8% and no accounting policy applied to the preparation of the financial statements had to be modified.

On 14 February 2015 Royal Decree 84/2015 (13 February), which enables Law 10/2014 (26 June) on the organisation, supervision and solvency of credit institutions was published in the Official State Gazette. This adapts the Spanish legal system to European regulations regarding the Single Supervisory Mechanism (SSM).

This legislation falls within the context of EU Council Regulation 1024/2013 (15 October 2013), which empowers the European Central Bank to perform specific tasks with respect to policies relating to the prudent supervision of credit institutions. This Regulation approves the Single Supervisory Mechanism (SSM), which is made up by the European Central Bank (ECB) and the National Supervisory Authorities, including the Bank of Spain. Regulation 1024/2013 is enabled by European Central Bank Regulation (EU) 468/2004 (16 April 2014), which establishes the cooperation framework for the SSM among the ECB, the competent national authorities and the designated national authorities.

The SSM is one of the pillars of Banking Union, together with the Single Resolution Mechanism, also recently created, which is backed by a single, complete and detailed regulatory code for financial services throughout the internal market.

This measure involves attributing to the SSM, particularly the European Central Bank, supervisory duties including the authorisation, revocation and implementation of penalties for credit institutions, which traditionally had been performed by national authorities. The European Central Bank therefore assumes the supervision of the entire banking system, directly supervising the most significant entities and indirectly supervising those that are less significant. The relevance of the implementation of the SSM in Spain is seen in the fact that 15 groups of credit institutions have been identified as significant, which represent more than 90% of the system assets, among which is Unicaja Banco Group.

This change in the legal framework for supervisory competencies makes it necessary to adapt our legal system to the new reality, in particular the distribution of competencies between the European Central Bank and the Bank of Spain, which is also covered by this Royal Decree. Accordingly, Title I of Royal Decree 84/2015, which regulates the requirements that credit institutions must meet, establishes the eminently formal adaptations that are necessary for the Spanish legal system to be brought into line with the new supervisory framework established by the European Union, particularly with respect to authorisations, the acquisition of significant shareholdings and the evaluation of the suitability of the members of senior management at credit institutions. Title II also covers certain adaptations to SSM that relate to excess capital. In turn, Additional Provision Two of this system which, strictly speaking, covers the supervisory duties regulated by Title III under the principle that the European Central Bank will directly supervise the most significant entities and the Bank of Spain will supervise the less significant entities.

Royal Decree 84/2015 provides the enabling regulations for Law 10/2014 (26 June) on the organisation, supervision and solvency of credit institutions and fully incorporates into Spanish law the provisions of Directives whose transposition required changes in the law. However, in addition to the transposition Law 10/2014 (26 June), implemented a rewording of the main regulations regarding the organisation and discipline of credit institutions which, until then, had been subject to disperse regulations that were difficult to understand in many cases due to the successive amendments of banking regulations.

This Royal Decree also culminates the regulatory development of Law 10/2014 (26 June), through the rewording of the content of those regulations covering the organisation and discipline of credit institutions. For this reason this Royal Decree provides a single text containing the provisions of Royal Decree 216/2008 (15 February) regarding the equity of financial institutions that remained in force after EU Regulation 575/2013 (26 June 2013) and Directive 2013/36/EU) (26 June 2013) entered into force, together with Royal Decree 1245/1995 (14 July) on the creation of banks, trans-frontier activities and other matters relating to the legal system applicable to credit institutions. The Royal Decree is divided into three large Titles: activity requirements, credit institution solvency and the supervision of credit institutions.

1.2 The acquisition of Banco de Caja España de Inversiones, Salamanca y Soria, S.A.

Banco de Caja España de Inversiones, Salamanca y Soria, S.A. (Banco CEISS) is a financial institution created for an indefinite period on 24 November 2011. It commenced activities as a result of the approval by the General Assembly of Caja España de Inversiones, Salamanca y Soria, Caja de Ahorros y Monte de Piedad (hereinafter CEISS) of the indirect carrying on of financial activities through a bank.

1.2.1 Considerations regarding the acquisition process

On 15 July 2013, the Board of Directors of Unicaja Banco, S.A. adopted a resolution to commence the process that is necessary to make an offer to shareholders and the holders of convertible and potentially convertible bonds issued by Banco de Caja España de Inversiones, Salamanca y Soria, S.A. (Banco CEISS). Subsequently, both the Board of Directors of Unicaja Banco (on 5 October 2013) and shareholders at a General Meeting of Unicaja Banco (on 11 October 2013) approved a swap transaction involving the shares and convertible securities issued by Banco CEISS as a result of the hybrid instrument management action agreed by the FROB in resolutions adopted on 16 May and 15 July 2013.

Within the framework of this offer, shareholders at a General Meeting of Unicaja Banco held on 11 October 2013 adopted a resolution with the conditions described in the relevant event published on that same date:

- Increase the share capital of the Bank, foreseeing incomplete subscription, by an amount of up to €86,258 thousand through the issue of up to 86,258,486 ordinary registered shares with a par value of €1 each and a unitary share premium of €0.18827 per share, up to a total of €16,240 thousand, which gives rise to a maximum share capital increase of €102,498 thousand (including the share premium).

- Issue mandatory and contingent bonds convertible into newly issued ordinary shares in Unicaja Banco, foreseeing incomplete subscription, for a maximum amount of €115,754 thousand in accordance with the terms and conditions and subject to the conversion bases and types indicated in the relevant event published by Unicaja Banco.

- Issue perpetual contingent bonds convertible into newly issued ordinary shares in Unicaja Banco, foreseeing incomplete subscription, for a maximum amount of €115,754 thousand in accordance with the terms and conditions and subject to the conversion bases and types indicated in the relevant event published by Unicaja Banco.

The Prospectus regarding the offer to swap shares, mandatory and contingent convertible bonds and perpetual contingent convertible bonds by Unicaja Banco, to be subscribed by shareholders and the holders of mandatory and contingent convertible bonds in Banco CEISS was authorised by the National Stock Market Commission (CNMV) on 26 November 2013 and a supplement was subsequently authorised on 30 December 2013.

In accordance with the terms of the Prospectus, the swap offer was subject to the condition that it be accepted by at least: (i) 75% of the shares in Banco CEISS (the "Condition of Minimum Acceptance of Shareholders"); and (b) 75% of the sum of the shares in Banco CEISS and the mandatory and contingent convertible bonds in Banco CEISS to which the offer is directed ("Condition of Minimum Acceptance of all Security Holders"), and Unicaja Banco reserves the right to waive compliance with the Condition of Minimum Acceptance of all Security Holders.

Within the framework of the swap offer, Unicaja Banco received a letter from the FROB reporting that its Governing Commission had agreed to (i) the basic lines of the modification of the resolution plan for Banco CEISS and, as a consequence, the Term Sheet attached to the decision of the European Commission dated 13 May 2013, (ii), and its intention to submit that modification for the approval of the Bank of Spain and the European Commission. That letter was accompanied by the notification received by the FROB from the Directorate General for Competition at the European Commission indicating that although the final decision had to be adopted by the College of Commissioners, the projected amendment to the resolution plan for Banco CEISS was compatible, based on its preliminary analysis, with the EU framework for State assistance. Unicaja Banco also received a letter from the Bank of Spain regarding these amendments and reporting that the Executive Committee at the Bank of Spain had stated its agreement with them so that they may be included in the planned amendment of the resolution plan for Banco CEISS the approval of which would be requested by the FROB.

On 29 January 2014 Banco CEISS indicated its acceptance of the basic lines of the amendment to its resolution plan through the publication of a relevant event. As was indicated by Banco CEISS in the relevant event, two agreements supplementing the Term Sheet were expected to be adopted: (i) between Banco CEISS and SAREB to establish the adjustments deriving from the asset transfer agreement between SAREB and Banco CEISS, concluded on 28 February 2013 and (ii) between Banco CEISS and FROB to regulate a Compensation Mechanism relating to the shares in Banco CEISS that the FROB would acquire as a result of the claims from the holders of the mandatory and contingent convertible bonds in Banco CEISS that do not accept the Offer.

Based on the content of the aforementioned letters and the relevant event, the amendment of the resolution plan for Banco CEISS and, consequently, the Term Sheet, was formally adopted in accordance with the following basic lines:

a) The distribution between the FROB and Banco CEISS of the negative effects that could arise from any claims from the holders of the mandatory and contingent convertible bonds in Banco CEISS that do not accept the Offer, such that the FROB will assume 71% of that impact up to a maximum of €241 million, net of any compensation that the FROB may receive by virtue of the Compensation Mechanism and Banco CEISS would assume the remaining 29%.

b) The assumption of certain commitments and limitations regarding the future activity carried out by Banco CEISS that change those initially established in the Term Sheet, and which basically consist of: (i) The maximum volume of the credit portfolio is reduced by an additional 10%; (ii) the maximum size of the balance sheet will be reduced by an additional 15%; (iii) the target loan to deposit ratio will be 10% lower than that initially foreseen in the areas in which Banco CEISS primarily operates; (iv) the organisational restructuring will include the closing of 5% more offices and the planned decline in the payroll will be maintained up until 31 December 2014, although there will be an additional 5% reduction before 31 December 2016. Additional restrictions will be placed on the distribution of dividends by Banco CEISS during the resolution period.

As was stated in the relevant event issued by Banco CEISS and in the letters received, the two resolutions indicated above were adopted:

a) A base agreement between the FROB and Banco CEISS with respect to the shares in Banco CEISS that the FROB may acquire as a result of the claims resolved in accordance with paragraph (a) above (the “Compensation Mechanism”), under which the FROB will receive an amount not less than that relating to those shares as measured by the consultancy Oliver Wyman, which concluded that 100% of Banco CEISS had an equity value equivalent to €334 million. If the maximum pay-out indicated in section (a) above is made, the maximum value to be received by the FROB will be €78 million, and Banco CEISS will not have the obligation to acquire those shares before 1 January 2018. This agreement establishes that under no circumstances will the FROB become a shareholder of Unicaja Banco as a result of that mechanism.

b) The liquidation transactional agreement to be concluded between Banco CEISS and SAREB to establish the adjustments deriving from the asset transfer agreement concluded by SAREB and Banco CEISS on 28 February 2013 (to which reference is made in the section "Risk Factors" in the Registration Document). The concluding of the aforementioned transactional agreement, as is noted by Banco CEISS in its relevant event dated 29 January 2014, will not in any case mean that the amount for which Banco CEISS is responsible will represent any significant deviation with respect to the forecasts set out in the Term Sheet, attached to the European Commission Decision dated 13 May 2013 ("State Aid SA36249 (2013/N)" decision).

Based on the materialisation of the aforementioned agreements and due to the interest of Unicaja Banco in completing the acquisition of Banco CEISS, as is indicated in the relevant event dated 29 January 2014, Unicaja Banco committed to waiving the Condition of Minimum Acceptance of all Security Holders once all necessary authorisation is obtained, including the definitive approval by Banco CEISS, FROB, Bank of Spain and SAREB of the aforementioned agreements and proposals in the terms indicated and the authorisation, when appropriate, of EU authorities.

In the relevant event dated 29 January 2014 Unicaja Banco states that within the framework of acceptance not reaching 75% of all Securities, the modification of the Resolution Plan and the Term Sheet and the release from compliance with the Condition of Minimum Acceptance of All Security Holders, the intention set out in the Prospectus of not requesting an exemption from complying with the regulatory solvency coefficients for Banco CEISS on an individual basis is maintained.

Taking into account the above, the following steps were agreed up until the end of the Offer:

a) Registration with the CNMV of a Supplement to the Offer Prospectus and the opening of a three business day period in which new orders accepting the Offer may be presented, as well as orders to revoke any acceptance orders already received.

b) At the time the approval is received and the aforementioned agreements and proposals are definitively formalised in the indicated terms, Unicaja Banco will waive the Condition of Minimum Acceptance of All Security Holders.

c) If on 31 March 2014 such approval has not been obtained, Unicaja Banco would not waive the Condition of Minimum Acceptance of All Security Holders and the Offer would automatically cease to have any effect.

The supplement to the Prospectus was approved and registered by the CNMV on 30 January 2014 and the period for presenting new acceptance orders or the revocation of acceptance orders already received was established as 31 January, 3 February and 4 February 2014.

On 28 March 2014 Unicaja Banco published a relevant event reporting that:

(i) On 4 February 2014 Banco CEISS and SAREB (Sociedad de Activos Procedentes de la Reestructuración Bancaria, S.A.) formally entered into a liquidation agreement in the terms established in the preceding relevant events.

(ii) On 12 March 2014 the Bank of Spain approved the modification of the resolution plan for Banco CEISS.

(iii) On 18 March 2014 the Fondo de Reestructuración Ordenada Bancaria (FROB) notified Unicaja Banco that the European Commission had informed the Kingdom of Spain on 13 March 2014 of the modification to the Term Sheet attached to the European Commission Decision dated 13 May 2013, in accordance with the proposal presented by the Governing Committee of the FROB.

(iv) On 21 March 2014 Banco CEISS and the FROB concluded an agreement relating to the repurchase by Banco CEISS from the FROB of those securities issued by Banco CEISS that may previously be acquired by the FROB as a result of the claims made by holders of mandatory and contingent convertible bonds in Banco CEISS that may be purchased by FROB, in accordance with the terms of the resolution plan.

In the light of the above and in accordance with the plan, at the Board of Directors' meeting held on 28 January 2014 Unicaja Banco dropped the Condition of Minimum Acceptance of All Security Holders on which the Offer was conditioned.

The Board of Directors of Unicaja Banco also took note that, after the end of the additional acceptance period and the period for revoking the offer to swap shares, mandatory and contingent convertible bonds and perpetual contingent convertible bonds in Unicaja Banco to be subscribed by shareholders and the holders of mandatory and contingent convertible bonds in Banco CEISS (the “Offer”) opened the preceding 30 January as a result of the publication of a supplement to the Offer Prospectus and, in accordance with the information received from the Agent Entity, the Offer was accepted by the holders of 335,239,366 shares in Banco CEISS and the holders of 342,550,260 mandatory and contingent convertible bonds in Banco CEISS.

As was set out in the Offer Prospectus authorised by the CNMV on 26 November 2013 (which also authorised two supplements on 30 December 2013 and 30 January 2014, respectively), the Offer was subject to the condition that it be accepted by at least: (i) 75% of the shares of Banco CEISS; and (b) 75% of the sum of the shares in Banco CEISS and the mandatory and contingent convertible bonds in Banco CEISS to which the Offer was directed (jointly the "Condition of Minimum Acceptance").

In the light of the result of the Offer indicated above: (i) the first requirement was met, consisting of the acceptance of at least 75% of the shares in Banco CEISS (as it was accepted by 99.39% of those shares, including the 18,356,056 shares directly and indirectly owned by Unicaja Banco) but (ii) the second requirement was not met consisting of the acceptance of at least 75% of the sum of the shares in Banco CEISS and the mandatory and contingent convertible bonds in Banco CEISS to which the Offer was directed since 60.70% of that group of shares and mandatory and contingent convertible bonds in Banco CEISS was reached (including the 18,356,056 shares and 7,543,033 bonds held by Unicaja Banco and excluding the 11,449,069 bonds held by Banco CEISS itself).

Notwithstanding the above, after the approval of the amendment to the resolution plan for Banco CEISS and the rest of the related agreements and in accordance with the commitment previously assumed, the Board of Directors of Unicaja Banco adopted a resolution to eliminate compliance with the second requirement from the Condition of Minimum Acceptance that referred to all of the securities to which the Offer was directed and thereby gave full effect to the Offer after the remaining resolutions that were necessary to proceed with the swap involving the securities accepting the Offer were adopted.

As a result, on 2 April 2014 the shareholders and the holders of mandatory and contingent convertible bonds in Banco CEISS that accepted the offer received as compensation the corresponding shares, mandatory and contingent convertible bonds and perpetual contingent convertible bonds in Unicaja Banco (Note 21.2).

1.2.2 Business combination

As a result of the aforementioned operation, Unicaja Banco took control of Banco CEISS starting on 28 March 2014 for accounting purposes. On that date Unicaja Banco became the owner of 99.39% of the shares in Banco CEISS (with a 60.70% stake of all shares and mandatory and contingent convertible bonds in that company), while the former shareholders and the holders of the mandatory and contingent convertible bonds in Banco CEISS acquired a 9.22% interest in the share capital of Unicaja Banco.

The acquisition of Banco CEISS by Unicaja Cano is a strategic opportunity that allows the Entity's business to be expanded towards areas that traditionally constituted the fundamental core of the business carried on by Banco CEISS, as well as to strengthen the individual and SME segment, while obtaining synergies between both entities.

The value of the consideration provided by Unicaja Banco total €248,987 thousand which mainly relates to the swap of the shares, the mandatory and contingent convertible bonds and the perpetual contingent convertible bonds in Unicaja Banco to be subscribed by the holders of shares and the mandatory and contingent convertible bonds in Banco CEISS.

The total net fair value adjustments applied at the date control was acquired of the capital and reserves of Banco CEISS amounted to €483,142 thousand. The breakdown of these adjustments among the various asset, liability and equity items is as follows:

- Positive adjustment totalling €49,106 thousand relating to the available-for-sale financial assets, including the effect on the equity measurement adjustments.
- Negative adjustment totalling €350,000 thousand for corrections to the asset impairment value recorded under the heading "Credit investments".
- Positive adjustment totalling €99,724 thousand to the debt securities recognised under the heading "Credit investments" and €346,880 thousand recognised under the heading "Held-to-maturity investment portfolio".
- Positive adjustment totalling €216,170 thousand to investments in jointly-controlled companies and associates recognised under the heading "Shareholdings", including the effect of the measurement adjustments relating to companies consolidated under the equity method.
- Negative adjustment totalling €50,160 thousand relating to assets (own use, investment property and non-current assets available-for-sale).
- Positive adjustment totalling €114,313 thousand to deferred tax assets.
- Negative adjustment totalling €291,660 thousand to mortgage bonds recognised as customer deposits under the heading "Financial liabilities at amortised cost".
- Positive adjustment totalling €7,000 thousand to provisions for risks and contingent commitments under the heading "Provisions".
- Positive adjustment totalling €227,641 thousand to deferred tax liabilities.

To determine the amount of these adjustments, the Entity has applied generally accepted measurement methods in accordance with the fair value calculation criteria for assets and liabilities as described in Note 2 (Accounting policies and principles and measurement criteria applied" and in Note 25 "Fair value" in these notes to the consolidated annual accounts. The Entity also obtained a review of the aforementioned fair value adjustments from an independent expert.

A summary of the fair value adjustment supplied to the consolidated balance sheet of the entity acquired through the business combination at the date on which they took effect for accounting purposes is set out below:

			Thousand of euros
Assets	**Book value before the fair value setting**	**Fair value setting Adjustments**	**Fair Value Business Combination**
Cash and Due from central Banks	487 868	-	487 868
Trading portfolio	27 672	-	27 672
Available for sale Financial Assets	4 570 668	(16 677)	4 553 991
Lending Investments	18 782 677	(250 276)	18 532 401
Held to maturity investment Portfolio	7 352 953	346 880	7 699 833
Hedging Derivates	159 810	-	159 810
Non-current Assets held for sale	394 583	(44 128)	350 455
Shares	270 861	193 990	464 851
Insurance Contracts related to pensions	5 396	-	5 396
Re-insurance Assets	7 053	-	7 053
Tangible Assets	757 038	(6 032)	751 006
Intangible Assets	476	-	476
Tax Assets	1 902 596	114 313	2 016 909
Other Assets	166 860	-	166 860
Total of Assets	**34 886 511**	**338 070**	**35 224 581**

Liabilities and Equity	Thousand of euros		
	Book value before the fair value setting	Fair value setting Adjustments	Fair Value Business Combination
Trading Portfolio	27 731	-	27 731
Financial Liabilities at amortized cost	33 647 052	(291 660)	33 355 392
Hedging Derivates	10 690	-	10 690
Liabilities associated with non-current assets held for sale	14 120	-	14 120
Insurance contracts Liabilities	23 918	-	23 918
Provisions	283 122	7 000	290 122
Tax Liabilities	128 142	227 641	355 783
Other Liabilities	111 572	-	111 572
Total Liabilities	**34 246 347**	**(57 019)**	**34 189 328**
Own Funds:	553 187	483 142	1 036 329
Capital or endowment fund	88 935	-	88 935
Share Premium	266 804	-	266 804
Reserves	(560 977)	483 142	(77 835)
Other Equity Instruments	792 021	-	792 021
Income Statement for the year	(33 596)	-	(33 596)
Valuation Adjustments	86 958	(88 053)	(1 095)
Minority Interests	19	-	19
Total Equity	**640 164**	**395 089**	**1 035 253**
Total Liabilities and Equity	**34 886 511**	**338 070**	**35 224 581**

Once the fair value of the assets and liabilities originating from Banco CEISS was adjusted, the resulting negative consolidation difference was €372,462 thousand, which was recognised under the heading "Negative difference on business combinations" in the consolidated income statement at 31 December 2014.

The amount of ordinary income (consolidated gross margin) provided by the acquired entities since the acquisition date amounts to €343,334 thousand and the total ordinary income recognised by Unicaja Banco Group since the acquisition date was €1,346,280 thousand. The revenue obtained by Banco CEISS Group during the period between 1 January 2014 and the acquisition date totalled €127,448 thousand.

1.2.3 Conversion of the Banco CEISS convertible instruments into shares

On 25 June 2014 the Board of Directors of Banco CEISS adopted a resolution to establish the mandatory conversion of all the Mandatory and Contingent Convertible Bonds. This gave rise to the execution of a share capital increase totalling €200,869 thousand through the issue of 803,474,655 new shares, all of the same class and series as those in existence. As a result of the execution of the share capital increase, the share capital of Banco CEISS is now €289,802 thousand divided into 1,159,208,236 shares with a par value of €0.25 each represented by book entries.

The conversion ratio for the Mandatory and Contingent Convertible Bonds into ordinary shares in Banco CEISS was that resulting from the quotient of the unitary face value of those Bonds (€1.00) and the value attributed to the ordinary shares in Banco CEISS (conversion price), established at €1.00 per share. As a result, for each Mandatory and Contingent Convertible Bond each holder received one new share in Banco CEISS.

As a result of the conversion, Unicaja Banco Group holds 60.70% of the share capital of Banco CEISS, which is the percentage interest maintained at 31 December 2014.

1.3 Basis of presentation of the consolidated annual accounts

The Group's Consolidated annual accounts are presented in accordance with that established under International Financial Reporting Standards adapted by the European Union (hereinafter, "IFRS – EU"), bearing in mind Circular 4/2004 of the Bank of Spain, of 22 December, which is the development and adaptation to the Spanish credit entity sector of the International Financial Reporting Standards approved by the European Union, and its subsequent amendments.

In this report the abbreviations "IAS" and "IFRS" are employed to refer to International Accounting Standards and to International Financial Reporting Standards, respectively, and the abbreviations "ICIFRS" and "CAS", to refer interpretations of the Interpretations Committee on International Financial Reporting Standards and the former Interpretations Committee respectively, all of these having been approved by the European Union (hereinafter, "EU"), is the basis on which these consolidated annual accounts were prepared.

The present consolidated annual accounts were prepared applying the total of the accounting principles and norms and the valuation principles of obligatory application that have a significant effect on these, so that they reflect the true image of the equity and of the financial situation of the Group as at 31 December 2014 and the results of operations, changes in net equity and cash flows that have arisen in the Group in the financial year ended on that date.

Note 2 summarises the principles and polices and the most significant valuation criteria applied in the preparation of consolidated annual accounts of the Group for the year 2014.

The consolidated annual accounts have been prepared based on the accounting records of the Bank and other Group entities. Nonetheless, and given that the accounting principles and standards applied in the preparation of the Group's consolidated annual accounts for 2014 may differ from those used by some of the consolidated entities, during the consolidation process the necessary adjustments and reclassifications have been made to standardise such principles and standards and bring them into line with the IFRS-EU applied by the Entity.

Unless otherwise stated, these consolidated annual accounts are presented in thousand euros.

1.4 Responsibility for the information and estimates

The information contained in the present consolidated annual accounts is the responsibility of the Directors of the Parent Company.

In the consolidated financial statements of the Group for the year 2014, estimates were occasionally made by the Directors of the Group to quantify some of the assets, liabilities, income, expenses and obligations reported herein. Basically, these estimates refer to:

- Impairment losses on certain assets (Notes 9, 10, 12, 13, 14 and 15).
- Assumptions used in actuarial calculations of liabilities and commitments relating to post-employment benefits and other long-term commitments with employees (Notes 2.12 and 40).
- Useful life of property, plant and equipment and intangible assets (Notes 2.14, 2.15, 13 and 14).
- Measurement of goodwill on consolidation (Notes 2.16 and 4).

- Estimation of the probability of occurrence of events classed as contingent liabilities and, if applicable, estimation of the provisions necessary to cover these events (Notes 2.18 and 17).

- Reversal period of temporary differences (Notes 2.13 and 23.4).

- Fair value of certain unlisted assets (Note 25).

- The realisable value of certain guarantees related to the collection of assets (Note 45).

These estimates were made based on the best information available at 31 December 2014 concerning the facts analysed. Nonetheless, future events could generate significant adjustments (upward or downward) in coming years, which would be made prospectively, in accordance with prevailing regulations, to recognize the impact of the change in the estimate on the consolidated income statement for the years in question.

In 2014 there were no changes to the Group's accounting estimates having a significant impact on either the consolidated results for the year or the consolidated balance sheet.

1.5 Changes in accounting policies, errors and comparative information

1.5.1. Comparative information

In accordance with IAS 1 the comparative information contained in these notes for 2013 is presented solely and exclusively for the purpose of comparison with the information at 31 December 2014 and therefore does not constitute the Unicaja Banco Group's 2013 annual accounts.

In this respect the information for 2013 has been restated for the purposes of comparison as a result of the retroactive application of a change in accounting policy in accordance with the content of IAS 8 "Accounting policies, changes in accounting estimates and errors".

That change in accounting policy arises due to the issue on 13 June 2014 of European Commission Regulation 634/2014, which adopts Interpretation 21 of the International Financial Reporting Standards Interpretations Committee "Levies" (hereinafter IFRIC 21) and as a result of the clarifications issued during the final quarter of 2014 by the Bank of Spain and the National Stock Market Commission regarding that interpretation as it relates to the accounting treatment for ordinary and extraordinary contributions to the Deposit Guarantee Fund by Credit Institutions (Note 1.10).

In this context, Unicaja Banco Group has applied this updated interpretation thereby giving rise to the following changes in accounting policies:

- The expense for ordinary contributions must be recognised such that at the end of the year the consolidated balance sheet records the liability for the contribution made during the first month of the following year. The aforementioned accounting policy meant that the expense relating to the contribution had to be recognised in the year in which it was paid.

- The expense relating to the extraordinary contribution resulting from Royal Decree-Law 6/2013 accrued at the time at which that Royal Decree-Law entered into force, i.e. 24 March 2013, since it involved a contribution that did not depend on the entity's future activity and had to be recognised in full at that date, regardless of the payment date. In accordance with the accounting policy previously applied, the expense relating to this contribution was recognised as it was paid.

- However, the application of IFRIC 21 does not give rise to changes in the accounting treatment applied to the extraordinary payment approved by the Deposit Guarantee Fund Managing Committee on 30 July 2012 since the amounts payable under this extraordinary payment are deducted from the ordinary annual payment and, as a result, it accrues for accounting purposes at the same time as the ordinary contribution.

The retroactive application of this change in accounting policy meant that at 31 December 2013 there was a reduction in the Group's 2013 net profits totalling €17,299 thousand, and increase in tax assets totalling €15,190 thousand and in financial liabilities at amortised cost totalling €50,634 thousand, as well as a decrease in reserves at 31 December 2012 amounting to €18,145 thousand. Appendix V presents a reconciliation of the consolidated balance sheet at 31 December 2013 and 2012 and of the consolidated income statement for the year ended 31 December 2013, which provides a breakdown of the effect of the change in the accounting policy on each of the items making up those financial statements.

As a result of the process of acquiring Banco de Caja España de Inversiones, Salamanca y Soria, S.A. (Banco CEISS) that took place in 2014 (Note 1.2), the figures in these consolidated annual accounts at 31 December 2014 are not comparable with those for the preceding year. For these purposes it should be noted that the figures in the consolidated income statement for 2014 only include the results from Banco CEISS since Unicaja Banco Group took control on 28 March 2014.

1.5.2. Seasonality of income and expenses

The nature of the most significant transactions carried out by Unicaja Banco Group entities fundamentally relates to typical financial institution activities and therefore these consolidated annual accounts are not significantly affected by seasonal factors.

1.6 Investments in credit institutions

In accordance with Article 20 of Royal Decree 1245/1995 (14 July), there follows a list of the Group's share in domestic and foreign credit institutions that exceed 5% of their capital or voting rights at 31 December 2014:

Entity	**% share**
Banco de Caja España de Inversiones, Salamanca y Soria, S.A. (*)	60.70%
EBN, Sociedad Española de Banca de Negocios, S.A. (**)	33.89%
Banco Europeo de Finanzas, S.A. (***)	40.72%

(*) Direct investment of 60.66% and indirect investment of 0.04% through Unicartera Gestión de Activos, S.L.U.
(**) Direct investment of 21.09% and indirect investment of 12.80% through Banco de Caja España de Inversiones, Salamanca y Soria, S.A.
(***) Direct investment of 1.20% and indirect investment of 39.52% through Alteria Corporación Unicaja, S.L.U.

1.7 Agency agreements

At 31 December 2014, the following agents of the Group's Parent entity meet the requirements of Article 22 of RD 1245/1995 and Bank of Spain Circular 4/2010:

1) Entity's Authorized Signatories

Name	Geographical scope
Ángel Maigler Unguetti	Montizón y Venta de los Santos (Jaén)
Aplagest Consulting, S.L.	Campo de Criptana (Ciudad Real)
Construcciones y Promociones Taberno, Gestiones Inmobiliarias, S.L.	Taberno (Almería)
María Eugenia Sánchez Berjaga	Hornos de Segura (Jaén)
María Dolores Asensio Águila	Paterna del Río y Bayárcal (Almería)
Contaestrella, S.L.	Puebla de los Infantes (Sevilla)
Pablo Fernández Rivera	Fondón (Almería)
Antonio Sánchez Ruíz	Villarodrigo (Jaén)
Antonio Sánchez Escobar	La Joya (Antequera - Málaga)
José Antonio Arrebola Benítez	Estación de Salinas (Archidona - Málaga)
Gestión 3 Uleila, S.L.	Uleila del Campo (Almería)
Pablo Fernández Enríquez	Alcolea (Almería)
José Manuel Alcaraz Forte	Ragol e Instinción (Almería)
Antonia Castellano Yeste	Hijate (Almería)
María Isabel Juárez Padilla	Rioja (Almería)
Mayo Abellán Berruezo	Mojácar (Almería)
Gema Ayala López	Alhabia y Alboloduy (Almería)
Miguel Sancho Aguilera	El Saucejo (Sevilla)
Antonio Sánchez Povedano	Fuente-Tojar (Córdoba)
Cavar Mediación, S.L	Peñarroya-Pueblonuevo (Córdoba)

2) List of Bank nominees for customer retention or promotion and marketing operations or services.

Name	Geographical scope
Viada Asesores, S.L.	Puertollano (Ciudad Real)
Sistemas Interactivos Malagueños S.L.	Torremolinos (Málaga)
Avances Tecnológicos y Diseño S.L.	Marbella (Málaga)
Sistema Asesores Málaga, S.L.	Málaga
Sur Finanz Agentes, S.L	Marbella (Málaga)
Manuela Jurado Ollero	Marmolejo (Jaén)
Francisco Javier Bazán Virtudes	Málaga
Grupo Inmobiliario Soto Jiménez, S.L.	Atarfe (Granada)
Mario Navarro Díaz	Estepona (Málaga)
Manuela Joyar Montilla	Jaén
Francisco Javier Arroyo Lorca	Valverde del Camino (Huelva)
Antonio Acosta Oller	Tíjola (Almería)
Jara-Inversiones e Intermediación, S.L.	Almería
Carmen Ávila Andrés	Granada
Matilde Cuerva Tortosa	Almería
Catalina Castro Jurado	Torrox (Málaga)
Carlos Lorente Martínez	Iznalloz (Granada)
José Melero Verdejo, S.L.	Córdoba
Daimiel Asesores Inmobiliarios, S.L.	Daimiel (Ciudad Real)
Del Ferrio Inversiones, S.L	Estepona (Málaga)
Antonia María Manso Sánchez	Tahivilla (Cádiz)
Orvel 21, S.L.	Vélez-Málaga (Málaga)
Jarava Barrera, S.L.	Ciudad Real
Josefina Salvador Valero	Linares (Jaén)
Manuel Ángel Garrido Rengel	Moguer (Huelva)
Grupo Asesor O.T.S, S.L.	Socuéllanos (Ciudad Real)
Gestem Planificación y Desarrollo Integral de Empresas, S.L.	Málaga

1.8 Environmental impact

The Unicaja Banco Group entities global transactions are subject to environmental protection regulations (environmental laws). The Entity considers that the Group substantially meets the requirements of environmental laws and that it has procedures in place to guarantee and encourage compliance.

The Entity considers that the Group has adopted the necessary measures with respect to the protection and improvement of the environment and the minimisation of environmental impact, where applicable, in accordance with current environmental laws. In 2014 and 2013 the Entity did not make any significant environmental investments and did not identify any need to make provision for environmental risks and charges or any significant contingencies in connection with environmental protection and improvement.

1.9 Minimum ratios

1.9.1 Minimum Equity Ratio

Up until 31 December 2013 legislation governing capital requirements for Spanish credit institutions, on an individual and financial group level, was established by Bank of Spain Circular 3/2008 on the calculation and control of minimum equity.

On 27 June 2013 the Official Journal of the European Union published the new regulations regarding capital requirements (called CRD-IV), which was applicable starting on 1 January 2014 and consist of:

- European Parliament and Council Directive 2013/36/EU (26 June) relating to access to credit institution and investment company activities and the prudent supervision of those entities, which amends Directive 2002/87/EC and repeals Directives 2006/48/EC and 2006/49/EC.

- Regulation (EU) No. 575/2013 (hereinafter CRR) (26 June 2013), issued by the European Parliament and Council, on prudent requirements for credit institutions and investment companies, which amends Regulation (EU) No. 648/2012.

The Directives have to be transposed into Spanish legislation while the European Union regulations are immediately applicable after entering into force. In Spain, Royal Decree-Law 14/2013 (29 November) on urgent measures to adapt Spanish laws to European Union legislation governing the supervision and solvency of financial institutions, partially transposed Directive 2013/36/EU into Spanish law and Final Provision Five empowered the Bank of Spain to make use of the options attributed to the competent national authorities under Regulation (EU) No. 575/2013.

Therefore starting on 1 January 2014 the provisions of Bank of Spain Circular 3/2008 that go against the aforementioned European legislation were repealed. In addition, on 5 February 2014 Bank of Spain Circular 2/2014 (31 January) was published and which, in accordance with the authority that Regulation (EU) No. 575/2013 grants to the competent national authorities, the Bank of Spain made use of some of the permanent regulatory options established by that Regulation.

Law 10/2014 (26 June) on the organisation, supervision and solvency of credit institutions continued to transpose the CRD-IV into the Spanish legal system.

All of the above constitutes the current legislation in force regulating the equity that must be maintained by credit institutions both individually and as consolidated groups, and stipulates how this capital is measured. This includes the processes to be followed for the self-assessment of capital and the information to be made public.

At 31 December 2014 Unicaja Group's equity totalled €3,347,844 thousand, of which €3,334,180 thousand forms part of Common Equity Tier 1 (CET1). This represents a surplus over the equity requirements, in accordance with the new European regulations established by Directive 2013/36/EQ (CRD-IV) and EU Regulation No. 575/2013 (CRR) that entered into force in 2014 amounting to €923,198 thousand at 31 December 2014. The surplus of CET1 over the minimum requirement amounts to €1,970,316 thousand.

	Thousands of euros	
	2014	**2013 (*)**
Basic equity Level 1	3 347 844	2 060 621
Of which: Ordinary Capital-Common Equity Tier 1 (CET 1)	*3 334 180*	*2 060 326*
Eligible capital Level 2	-	49 129
Total eligible equity	**3 347 844**	**2 109 750**
Total equity requirement	**2 424 646**	**1 281 342**

(*) The figures for 31 December 2013 have been calculated in accordance with existing regulations at this date. Instead of Common Equity Tier 1, the comparative amount at 31 December 2013 should be understood as Unicaja Group's principal at that date, because it was not applied CET1 calculation.

Unicaja Banco Group rigorously attends to the management of the capital self-assessment process and solvency risk in order to maintain a prudent risk profile and balance, adequately preserving solvency, profitability and liquidity targets.Risk management processes are guided by the following basic principles:

- Permanent rigorous action to maintain a prudent and balanced risk profile, preserving the objectives of solvency, profitability and adequate liquidity.
- Active participation and supervision by Senior Management, which approves the general business strategies and policies applied by the Entity and establishes the general lines of risk management and control at the Entity.
- General internal control environment.
- Segregation of duties and the process of measuring and controlling the Entity's risk is completely independent from the risk taking function.
- The prudent management of exposure to credit risk, particularly by avoiding projects of uncertain viability and a quantitative limitation of investments based on sufficient guarantee parameters.
- Selection of adequate risk measurement methodologies.

The Entity's policies, methods and procedures relating to Overall Risk Management are approved by the Board of Directors. The Audit Committee, the Risk Committee, the Asset, Liability and Budget Committee (ALBC), the Internal Audit Department and the Comprehensive Risk Control Department at the Bank is responsible for ensuring adequate compliance with those policies, methods and procedures, ensuring that they are adequate, are effectively implemented and reviewed on a regular basis.

1.9.2 Minimum reserves ratio

At 31 December 2014 and 2013, and throughout 2014 and 2013, the Entity complied with the minimum reserves ratio imposed by applicable Spanish regulations.

On 21 December 2011 the Official Journal of the European Union (OJEU) published Regulation (EU) 1358/2011 of the European Central Bank (14 December), which amends Regulation (EC) 1745/2003, relating to the application of minimum reserves. The aforementioned amendment consists of including the reduction from 2% to 1%, approved by the Board of Governors of the European Central Bank on 8 December 2011, affecting the minimum reserve ratio to be held by entities subject to the regulations. This amendment entered into force as from the reserve maintenance period starting on 18 January 2012.

1.10 Deposit Guarantee Fund

Group credit institutions form part of the Credit Institution Deposit Guarantee Fund. In 2014 and 2013 the cost of ordinary, additional and extraordinary contributions to this organisation totalled €62,812 thousand and €52,189 thousand, respectively. These amounts were recognised under "Other operating expenses - Contribution to the Deposit Guarantee Fund" in the accompanying consolidated income statement (Note 39).

On 2 December 2011 Royal Decree-Law 19/2011 (2 December) entered into force and amended Royal Decree - Law 16/2011 which established that the amount of the contributions by Entities to the Credit Institution Deposit Guarantee Fund would increase to 2 per thousand of the calculation base, which was applicable to the contributions made starting on the date it entered into force. The ordinary contribution expense mentioned above accrues as the Group credit institutions render their services to customers, such at the end of the year the balance sheet records the contribution liability that will be paid during the first month of the subsequent year.

In order to restore sufficient equity to the Fund in accordance with the provisions of Article 6.2 of Royal Decree-Law 16/2011 (14 October), on 30 July 2012 the Credit Institution Deposit Guarantee Fund Management Committee adopted a resolution to apply extraordinary contributions to member entities, distributed in accordance with the calculation base for the contributions at 31 December 2011 and payable in ten equal annual instalments. The amount of the instalments that must be paid on each date may be deducted from the ordinary annual contribution which, if appropriate, may be paid by the entity on that same day and up to the amount of the ordinary instalment. On 31 December 2014 and 2013, the present value of the amount pending payment in this respect totals €58,002 thousand and €26,289 thousand, respectively.

Finally, in order for the Credit Institution Deposit Guarantee Fund to maintain an adequate equity position to allow it to properly perform its duties with respect to the stability of the Spanish financial system, and in accordance with the provisions of Royal Decree-Law 6/2013 (22 March), a special one-time contribution of 3 per thousand of eligible deposits was established. This contribution was structured into two stages: The first consists of 40%, to which a series of deductions relating to the size of the entity concerned, their contributions to the SAREB or the receipt of public assistance, are applicable. The second stage consists of the remaining 60% payable over a maximum of seven years starting in 2014 in accordance with the payment schedule established by the Credit Institution Deposit Guarantee Fund Management Committee. In accordance with Note 1.5 this expense was considered to accrue at the time at which that Royal Decree-Law entered into force, i.e. 24 March 2013, since it involves a contribution that does not depend on the Group entity's future activity and must be recognised in full at that date, regardless of the payment date. The expense recognised in 2013 for this additional allocation required by Royal Decree-Law 6/2013 totalled €24,884 thousand.

1.11 Subsequent events

On 30 January 2015 the Boards of Directors of Unicaja Banco, S.A. and Banco de Caja España de Inversiones, Salamanca y Soria, S.A. (Banco CEISS) approved an agreement under which Unicaja Banco acquired from Banco CEISS a line of business consisting of 30 operating offices and bank branches located outside the primary territory of Banco CEISS, specifically in Andalucía, Castilla-La Mancha, Badajoz and Ceuta, which is the primary geographic area in which Unicaja Banco operates.

The effectiveness of the transfer is subject to a condition subsequent consisting of obtaining approval from the competent regulatory and supervisory authorities.

The price of the transaction is the market value of the line of business at the time the transaction was concluded and it will finally be determined after obtaining the relevant authorisation.

At the date on which these consolidated annual accounts were prepared the required approval had not yet been obtained from the regulatory and supervisory authorities.

On 26 February 2015 Bench One of the Supreme Court announced the publication of a judgment relating to the interest rate floor clauses for mortgage loans. The Court did not question the validity of those clauses but stated that they were incorrectly marketed in the cases it analysed and declared those clauses to be null and void due to a lack of transparency. It also concluded that the reimbursement of amounts to customers was necessary starting on the date on which the judgment was published but it did not apply retroactive policies.

During the period from 31 December 2014 to the issue date of these consolidated annual accounts, there have been no particularly relevant events that are not referred to in the notes to the accounts.

1.12 Changes in the International Financial Reporting Standards.

In 2014, new accounting norms became effective and have, therefore, been taken into account in the preparation of the Group's consolidated annual accounts for 2014:

Norms, modifications and interpretations	Description	Obligatory application to financial years beginning from
IFRS 10	Consolidated financial statements	1 January 2014
IFRS 11	Joint arrangements	1 January 2014
IFRS 12	Details of interests in other entities	1 January 2015
Modification of IAS 27	Separate financial statements	1 January 2016
Modification of IAS 28	Investments in associates and joint ventures	1 January 2014
Modification of IAS 32	Financial Instruments: presentation Offsetting financial assets and liabilities	1 January 2014
Modification of IFRS 10, 11 and 12	Classification of transition rules of these rules	1 January 2014
Modification of IFRS 10, 12 and 27	Investment Entities	1 January 2014
Modification of IAS 36	Breakdown of the recoverable amount of non-financial assets	1 January 2014
Modification of IAS 39	Derivatives novation and continuity for hedge accounting	1 January 2014

On the date of the preparation of these consolidated annual accounts, the following norms and interpretations (the most important applied on that date) that had been published by the IASB had not come into effect, either because their effective data is after the date of these consolidated annual accounts, or because they have not yet been adapted by the European Union:

Norms, modifications and interpretations	Description	Obligatory application to financial years beginning from
IFRIC 21 (*)	Charges	1 January 2015
Annual Improvements of IFRS	Improvement Project-Cycle 2011-2013	1 January 2015
Annual Improvements of IFRS	Improvement Project-Cycle 2010-2012	1 January 2015
Modification of IAS 19	Defined benefit Planes: employees Contributions	1 January 2015
IFRS 14	Deferred regulatory Accounts	1 January 2016
IFRS 11 Modification	Acquisition of shares in joint Operations	1 January 2016
IAS 16 and IAS 38 Modification	Depreciation and amortization accepted Methods	1 January 2016
IFRS 15	Regular incomes from customers contracts	1 January 2017
IAS 16 and IAS 41 Modification	Agriculture: plants used to produce fruits	1 January 2016
IFRS 9	Financial Instruments	1 January 2018
IAS 27 Modification	Equity Method in separated financial statements	1 January 2016
IFRS 10 and IAS 28 Modification	Sale or Contribution of assets between an investor and his associates or joint business	1 January 2016
Annual Improvements of IFRS	Improvement Project-Cycle 2012-2014	1 January 2016
IAS 1 Modification	Presentation of Financial Statements	1 January 2016
IPRS 10, IFRS 12 and IAS 28 Modification	Exception to consolidation for investment entities	1 January 2016

(*) IFRIC 21 earlier application has been allowed by Unicaja Bank Group

The Administrators of the Savings Bank believe that the application of the majority of these norms will not have an important impact on the Group's consolidated annual accounts in the following years.

Standards and interpretations taking effect this year

During 2014 the following amendments to IFRS or interpretations (IFRIC) entered into force but have not had a significant impact on the consolidated financial statements:

- IFRS 10 "Consolidated financial statements": IFRS 10 was issued in May 2011 and replaces the guidelines regarding control and consolidation established in IAS 27 "Consolidated and separate financial statements" and eliminates and repeals SIC 12 "Consolidation - Special purpose entities". IFRS 10 establishes the principles governing the presentation and preparation of consolidated financial statements. This IFRS introduces changes in the concept of control, which continues to be defined as a determining factor as to whether or not the company should be included in the consolidated financial statements. The concept of unity between a parent company and its subsidiaries for the purposes of consolidated financial statements and consolidation procedures have not changed with respect to the previous IAS 27.

- IFRS 11 "Joint Arrangements": IFRS 11 supersedes IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly-Controlled Entities — Non-monetary contributions by Venturers". IFRS 11 establishes the accounting treatment for joint arrangements based on the rights and obligations deriving from the agreement and not on its legal format. The types of joint agreements are reduced to two: joint operations and joint ventures. Joint operations mean that a participant has rights to the assets and obligations deriving from the agreement and therefore recognises its share in proportion to the assets, liabilities, revenues and expenses recorded by the company in which the interest is held. Joint arrangements arise when a participant has a right to the results obtained or to the net assets of the company in which the interest is held and therefore uses the equity method to recognise its interest in the company. The option of proportional consolidation is eliminated for joint arrangements.

- IFRS 12 "Disclosure of interests in other entities": IFRS 12 sets out the disclosure requirements applicable to investments in subsidiaries, associates, joint ventures and unconsolidated structured entities.

- IAS 27 (Revised) “Separate financial statements”. The requirements previously established in IAS 27 with respect to the preparation of consolidated financial statements are included in the new IFRS 10 and therefore the former's scope of application is reduced to the accounting for investments in subsidiaries, joint ventures and associates in the separate financial statements prepared by the investing company, which have not been changed with respect to the preceding legislation. The standard requires that an entity that prepares separate financial statements recognise these investments at cost or in accordance with IFRS 9.

- IAS 28 (Revised) “Investments in associates and joint ventures”. IAS 28 has been updated to include references to the joint ventures, which under IFRS 11 "Joint arrangements" have to be recognised using the equity method. At the same time information was added regarding the accounting treatment of the instruments that provide potential voting rights, the valuation of shares in associates and joint ventures held by venture capital entities, mutual companies and other similar entities, the accounting treatment when the interest in an associate or joint venture is reduced but the equity method continues to be applicable and the accounting treatment of the contribution of a non-monetary asset to an associate or joint venture in exchange for an interest in the company's equity.

- IAS 32 (Revised) “Offsetting financial assets and financial liabilities”: The amendment clarifies that the right to offset financial assets and liabilities must be presently available, i.e. not depend on a future event. In addition, the right must be legally available during the ordinary course of the operations of the counterparties involved in the transaction, even in the case of default, insolvency and bankruptcy.

- IFRS 10 (Revised), IFRS 11 (Revised) and IFRS 12 (Revised) "Consolidated financial statements, joint arrangements and disclosures regarding interests in other companies: Transition guidelines (Amendments to IFRS 10, IFRS 11 and IFRS 12)": Its objective is to clarify the guide for transitioning to IFRS 10, indicating that the date of first application is the first day of the year in which IFRS are applied for the first time. When IFRS 10 is adopted control on the initial application date must be evaluated. It makes the transition requirements with respect to IFRS 10, 11 and 12 more flexible by limiting the reporting of adjusted comparative information only to the preceding comparative year. Furthermore, the requirement to disclose comparative information regarding unconsolidated structured entities for years prior to the first application of IFRS 12 is eliminated.

- IFRS 10 (Revised), IFRS 12 (Revised) and IAS 27 (Revised) "Investment entities" IFRS 10 is revised to include the definition of "investment entity" and introduces an exception to the obligation to consolidate its subsidiaries when the entity concerned complies with this definition which, instead, will be measured at fair value through changes in profit or loss. The only exception is for the subsidiaries that render services relating to the investment activities carried out by the investment entity, which will be consolidated. The amendments to IFRS 12 require the disclosure of specific information regarding the subsidiaries of the investment entities. The amendments to IAS 27 eliminate the option that investment entities had to measure investments in certain subsidiaries at cost or at fair value in their separate financial statements.

- IAS 36 (Revised) “Recoverable amount disclosures for non-financial assets”: It includes an amendment to the limited scope of IAS 36 "Asset impairment" to clarify that the scope of the disclosures regarding the recoverable amount of assets, if that amount is based on fair value less selling costs, is limited to the assets showing impairment. It requires detailed information as to how the measurement of fair value less costs to sell, or the cost of other disposal, was obtained when an impairment loss has been recognised or reversed.

- IAS 39 (Revised) "Novation of derivatives and continuation of hedge accounting": It introduces a limited scope exemption to the interruption of hedge accounting in cases of the novation of a derivative designated as a hedge instrument and the replacement of the counterparty by a central counterparty as a result of legal or regulatory requirements.

The application of the aforementioned standards and interpretations did not have any significant impact on the Group's consolidated annual accounts.

Standards and interpretations that have been issued but have not yet entered into force

At the date these consolidated annual accounts were prepared new International Financial Reporting Standards and the relevant interpretations had been published but none were mandatory for the years commencing on or after 1 January 2014. The analysis of any future impact that could arise due to adopting these standards has not yet been completed, although no significant impacts are expected when they enter into force. These standards are as follows:

- IFRIC 21 "Levies" This interpretation covers the accounting treatment of levies imposed by public entities, other than taxes on profits, and fines and penalties imposed for the failure to comply with legislation. The main question raised in this respect is when the entity must recognise a liability for the obligation to pay a levy that is recognised in accordance with IAS 37. It also covers the accounting treatment of a liability relating to the payment of a levy when the due date and amount are known. The interpretation is mandatory for all years starting on or after 1 January 2015, although it may be applied early, which effectively is the case with Unicaja Banco Group.

- Annual improvements to IFRS, 2011-2013 cycle: The amendments included in these Annual Improvements generally apply to years that commence starting on 1 January 2015, although they may be adopted early. The main amendments refer to the following items:

    - IFRS 3 “Business combinations”. Exceptions to scope for joint ventures.
    - IFRS 13 “Fair value measurement”. Scope of the "portfolio exception"
    - IAS 40 “Investment property”: Relationship between IAS 40 and IFRS 3 when a property is classified as an investment property or owner-occupied property

- Annual improvements to IFRS, 2010-2012 cycle: The amendments included in these Annual Improvements generally apply to years that commence starting on 1 February 2015, although they may be adopted early. The main amendments refer to the following items:

    - IFRS 2 “Share-based payments" Definition of "vesting condition"
    - IFRS 3 “Business combinations”: Recognition of contingent consideration in a business combination.
    - IFRS 8, "Operating segments": Disclosures regarding the inclusion of operating segments and the reconciliation of all assets assigned to the segments being reported with respect to the entity's assets.
    - IFRS 13 “Fair value measurement”: References to the capacity to measure current receivables and payables at their nominal value when the effect of the discount is not significant.
    - IAS 16 "Property, plant and equipment and IAS 38 "Intangible assets": Proportional restatement of accumulated depreciation/amortisation when the revaluation model is used.
    - IAS 24 “Related party disclosures”. Entities that provide key management personnel services as a related party.

- IAS 19 (Revised), “Defined benefit plans: employee contributions": IAS 19 (revised in 2011) makes a distinction between employee contributions relating to the service rendered and those that are not associated with the service. The current amendment also makes a distinction between contributions associated to the service only in the year in which they arise and those that are associated with the service over more than one year. The amendment allows contributions associated with the service that do not vary with the duration of the service to be deducted from the cost of the accrued services during the year in which the relevant service is rendered. The contributions associated with the service that vary in accordance with its duration must extend over the period the service is provided using the same assignment method that is applied to the benefits. This amendment applies retrospectively to the years commencing on or after 1 February 2015. Early adoption is permitted.

- IFRS 14 “Regulatory deferral accounts”: This is an interim standard regarding the accounting treatment of certain balances that arise in regulated tariff activities. It is applicable only to those entities that adopt IFRS 1 for the first time, allowing them to continue to recognise the amounts relating to the tariff regulations in accordance with their accounting policies prior to the adoption of IFRS. However, to reinforce comparability with the entities that already apply IFRS and do not recognise these amounts, the standard requires that the effect of this tariff regulation be presented separately from other items. An entity that already presents its financial statements in accordance with IFRS cannot apply this standard. This standard will be in effect starting on 1 January 2016 although it may be adopted early.

- IFRS 11 (Revised) “Recognition of purchases of shares in joint ventures” It requires that the accounting principles for a business combination to be applied to an investor that acquires an interest in a joint venture constituting a business. Specifically, identifiable assets and liabilities will have to be measured at fair value, the costs relating to the acquisition recognised as an expense, the deferred tax recognised and the residual amount recognised as goodwill. All other accounting principles for a business combination apply, unless they conflict with IFRS 11. This amendment will be applied on a prospective basis for the years commencing on or after 1 January 2016, although it may be applied early.

- IAS 16 (Revised) and IAS 38 (Revised) “Clarification of acceptable methods of depreciation and amortisation”: This amendment clarifies that it is not adequate to use methods based on ordinary income to calculate the depreciation of an asset because ordinary income generated by an activity that includes the use of an asset generally reflect factors other than the consumption of the financial benefits within the asset. The IASB also clarifies that it is generally presumed that ordinary income is an inadequate basis for measuring the consumption of the financial benefits within an intangible asset. This amendment will be effective starting in years commencing on or after 1 January 2016 and will be applied on a prospective basis. The amendment may be applied early.

- IFRS 15 “Revenue from contracts with customers”: In May 2014 the IASB and the FASB jointly issued a converging standard relating to the recognition of ordinary revenue originating from customer agreements. Under this standard, revenue is recognised when a customer obtains control of an asset or service sold, i.e. when it has both the ability to direct the use and obtain the benefits of the asset or service. This IFRS includes new guidelines to determine whether or not revenue should be recognised over time or at a certain moment. IFRS 15 requires broad information regarding both the recognised income and income that is expected to be recognised in the future with respect to existing contracts. It also requires quantitative and qualitative information regarding significant judgments applied by management when calculating recognised income, as well as any changes in these judgments. IFRS 15 will be applicable to years commencing on or after 1 January 2017, although it may be applied early.

- IAS 16 (Revised) and IAS 41 (Revised) "Agriculture: Bearer plants to grow produce" Under this amendment plants that are held to obtain produce must be recognised in the same manner as property, plant and equipment, which is different from other biological assets. As a result, the amendments include these plants under the scope of IAS 16 instead of IAS 41. The produce grown on these plants will be maintained within the scope of IAS 41. These amendments will be applicable on a prospective basis to years starting on or after 1 January 2016, although early application is permitted.

- IFRS 9, "Financial instruments". It addresses the classification, measurement and recognition of financial assets and liabilities. The complete version of IFRS 9 was published in July 2014 and replaces the guidelines under IAS 39 regarding the classification and measurement of financial instruments. IFRS 9 maintains, although it simplifies, the mixed measurement model and establishes three main measurement categories for financial assets: amortised cost, fair value through changes in profit or loss and fair value through changes in other comprehensive income. The basis of classification depends on the Company's business model and the characteristics of the contractual cash flow for the financial asset. Investments in equity instruments must be measured at fair value through profit or loss with the irrevocable election at initial recognition to present changes in fair value through other non-recyclable comprehensive income, provided that the instrument is not held for trading. If the equity instrument is held for trading any changes in fair value are presented in profit or loss.

  There have been no changes to the classification and measurement of financial liabilities, except for the recognition of changes in own credit risk in other comprehensive income for liabilities carried at fair value through profit or loss. Under IFRS 9 there is a new impairment loss model called the expected credit loss model that replaces the incurred impairment loss model defined by IAS 39 and which will give rise to the recognition of such losses earlier than under IAS 39. IFRS 9 relaxes the requirements to consider the hedge effective. Under IAS 39, a hedge should be highly effective both prospectively and retrospectively. IFRS 9 replaces this line and requires that an economic relationship exists between the hedged item and hedging instrument and that the hedge ratio is the same as that actually used by the entity in its risk management. Contemporaneous documentation is still required but is different to that prepared under IAS 39. Finally, broad information is required, including a reconciliation of the beginning and ending balance of the provision for expected defaults, assumptions and data and a reconciliation during the transition between the original classification under IAS 39 and the new classification categories under IFRS 9.

  IFRS 9 will be applicable to years commencing on or after 1 January 2018, although it may be applied early. IFRS 9 will be applied retroactively but the restatement of comparative figures will not be required. If an entity opts to apply IFRS 9 early all requirements must be applied at the same time. The entities that apply the standard before 1 February 2015 continue to have the option to apply the standard in stages.

- IAS 27 (Revised) “Equity method in separate financial statements”. It is amended to re-establish the option of using the equity method to account for investments in subsidiaries, joint arrangements and associates in a company's separate financial statements. The definition of separate financial statements was also clarified. An entity that chooses to change the equity method will apply the amendments in years that commence on or after 1 January 2016 in accordance with IAS 8 "Accounting policies, changes in accounting estimates and errors". Early adoption is permitted.

- IFRS 10 (Revised) and IAS 28 (Revised) “Sale or contribution of assets between an investor and its associates/joint ventures”: These amendments clarify the accounting treatment of sales and contributions of assets between an investor and its associates and joint ventures that will depend on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a "business". The investor will recognise the complete gain or loss when the non-monetary assets constitute a "business". If the assets do not comply with the definition of a business, the investor recognises the gain or loss in proportion to the interests of other investors. The amendments will only be applicable when an investor sells or contributes assets to an associate or joint venture. The amendments to IFRS 10 and IAS 28 are prospective and will be effective in years commencing on or after 1 January 2016.

- Improvement project 2012-2014 cycle: The amendments affect IFRS 5, IFRS 7, IAS 19 and IAS 34 and will be applicable to the years commencing on or after 1 July 2016, subject to be adopted by the EU. The main amendments refer to:

    - IFRS 5 "Non-current assets held for sale and discontinued operations" Changes in disposal methods.
    - IFRS 7, "Financial instruments": Disclosures”. Continuing involvement in administration agreements.
    - IAS 19 “Employee benefits”: Determination of the discount rate for post-employment compensation obligations.
    - IAS 34 “Interim financial information”: Information presented in another part of the interim financial information.

- IAS 1 (Revised), “Presentation of financial statements”: The amendments to IAS 1 encourage companies to apply professional judgment when determining which information to disclose in the financial statements. The amendments clarify that materiality applies to the financial statements as a whole and including immaterial information may hamper the usefulness of the financial information. The amendments clarify that entities should use professional judgment to determine when, and in what order, the information is presented in the financial statements. The amendments to IAS 1 may be applied immediately and are mandatory for all years commencing on or after 1 January 2016.

- IFRS 10 (Revised), IFRS 12 (Revised) and IAS 28 (Revised) "Investment entities": Applying the exemption to consolidation": These amendments clarify three aspects regarding the application of the requirement for investment entities to measure subsidiaries at fair value instead of consolidating them. The proposed amendments:

    - Confirm that the exception to presenting consolidated financial statements continues to be applied to an investment entity's subsidiaries when they are parent companies.
    - Clarify that a parent investment entity must consolidate a subsidiary that provides services relating to the investment instead of measuring the subsidiary at fair value.
    - Simplify the application of the equity method to an entity that is not itself an investment company but which holds an interest in an associate that is an investment entity.

    This standard is applicable to years starting on or after 1 January 2016 although early application is permitted.

The Bank's Directors understand that the entry into force of most of these standards will not have a relevant impact on the Group's financial statements.

2. Accounting principles and policies and measurement methods applied

During the preparation of the consolidated annual accounts for 2014 and 2013, the following accounting principles and policies and measurement methods were applied:

2.1 Consolidation

2.1.1 Subsidiaries

"Subsidiaries" are defined as companies over which the Parent has the capacity to exercise effective control; control is, in general but not exclusively, presumed to exist when the Parent owns directly or indirectly more than half of the voting power of the investee, or even if this percentage is lower or zero, when there are other circumstances or agreements that give the Confederation Control. In accordance with IAS 27, control is the power to govern the financial and operating policies of a company so as to obtain benefits from its activities.

The subsidiaries annual accounts are consolidated with those of the Entity using the full consolidation method, as stipulated in IAS 27. Consequently, all significant balances deriving from transactions between the fully-consolidated companies have been eliminated during consolidation. Additionally, third-party interests in the:

- Group's equity is presented in "Minority interests" in the consolidated balance sheet (Note 20).

- Consolidated results for the year are presented in "Surplus attributed to minority interests" in the consolidated income statement (Note 20).

Results generated by subsidiaries acquired by the Group during the year are consolidated taking into account only the amounts for the period running from the acquisition date to the year end. Additionally, results generated by subsidiaries sold during the year are consolidated taking into account only the amounts for the period running from the beginning of the year to the date of sale.

Note 12.2 contain details of the most significant acquisitions and disposals of subsidiaries completed in 2014.

Appendix I provide relevant information on these entities.

2.1.2 Joint ventures

"Joint ventures" are investments in entities that are not subsidiaries but are controlled jointly by two or more unrelated entities.

In accordance with IFRS 11 "Joint Arrangements" arise when a participant has the right to the results obtained or to the net assets of the company in which the interest is held and therefore uses the equity method to recognise its stake in the company. Jointly-controlled entities are classified as joint ventures in the consolidated financial statements and for the purposes of IFRS 11 they are measured using the "equity method".

Appendix II provides relevant information on these entities.

In Note 12.2 provides information on the most significant acquisitions that have taken place in 2014 joint ventures and new shares in the capital of companies, that already had this whole business condition at beginning of year.

2.1.3 Associates

“Associates” are all the entities over which the Entity has significant influence but not control or joint control. Significant influence generally accompanies a direct or indirect shareholding of 20% or more of the voting rights.

At 31 December 2014 Group associates are considered to be entities in which at least 20% of the voting rights are held: Alestis Aerospace, S.L. and Deoleo, S.A. In addition associates of Banco CEISS are also classified as such taking into account Unicaja Banco's interest in that company and it is considered that there is significant influence over those associates (see details in Appendix III).

The main reasons why the Group is considered to have significant influence over those companies are as follows:

- Unicaja Banco Group has concluded agreements with the shareholders of Alestis Aerospace, S.L. that allow it to form part of the Board of Directors, participate in the organisation and operations of the governing bodies and participate in, or in some cases block, business decisions. It is also entitled to appoint a total of three Directors designated jointly with other shareholders, which represents 50% of all Directors.

- As a result of its interest in Deoleo, S.A., Unicaja Banco Group is entitled to appoint a total of three Directors.

In the consolidated financial statements, associates are consolidated using the equity method, as defined in prevailing legislation (IAS 28).

If as a result of losses incurred by an associate its equity is negative, in the consolidated balance sheet would appear of the Group with a nil value, unless the Group is required to provide financial support.

Appendix III provides relevant information on these entities.

2.2 Financial instruments

2.2.1 Initial recognition of financial instruments

Financial instruments are initially recognized in the consolidated balance sheet when the Group becomes party to the relevant contract, in accordance with the terms of that contract. Specifically, debt instruments such as loans and deposits in cash are recognized as from the date on which the legal right to receive or the legal obligation to pay the cash is generated, respectively. In general, derivative financial instruments are recognized on the date they are contracted.

Purchases and sales of financial assets arranged through conventional contracts (contracts under which the parties reciprocal obligations must be fulfilled within a timeframe established by regulations or market convention and which may not be settled by differences), such as stock market contracts or currency forwards, are accounted for from the date on which the benefits, risks, rights and duties inherent in all ownership are transferred to the acquirer. Depending on the type of financial asset purchased or sold, this may be the contract date or the settlement or delivery date. Specifically, transactions effected on the foreign exchange spot market are recognized at the settlement date, transactions effected using equity instruments traded in Spanish securities markets are recorded at the contract date and transactions effected using debt instruments traded on Spanish securities markets are recognized at the settlement date.

2.2.2 Disposal of financial instruments

A financial asset is written off the consolidated balance sheet in any of the following circumstances:

- The contractual rights to the cash flows generated have expired; or

- The financial asset, together with its substantial risks and rewards, is transferred, or control is transferred, even where risks and rewards are not substantially transferred or retained.

A financial liability is written off the balance sheet when the obligations generated have been extinguished or when it has been re-purchased by the Group for either re-placement or settlement.

2.2.3 Fair value and amortized cost of financial instruments

The fair value of a financial instrument at a given date is understood to be the amount at which it may be purchased or sold at that date between duly informed parties in an arm's length transaction. The most objective and common reference value for a financial instrument's fair value is the price that would be paid in an organised, transparent and deep market ("quoted price" or "market price").

In the absence of a market price for a specific financial instrument, its fair value is estimated on the basis of recent transactions involving similar instruments or, failing this, using valuation techniques that are acceptable to the international financial community, taking into account the specific features of the instrument to be measured and, above all, the different types of associated risks.

Specifically, the fair value of held-for-trading derivative financial instruments traded in organised, transparent and deep markets is the same as their daily market price. If, in exceptional circumstances, the price cannot be established on a given date, they are measured using similar methods to those applied to derivatives not traded in organised markets.

The fair value of derivatives not traded in organised markets, or traded in organised markets that are not deep or transparent, is equal to the sum of the future cash flows generated by the instrument, discounted at the measurement date ("present value" or "theoretical close"), employing valuation techniques accepted by the financial markets: "net present value" (NPV), option pricing models, etc.

Amortized cost is the acquisition cost of a financial asset or liability adjusted (upward or downward) for capital and interest repayments and, where applicable, for the (higher or lower) portion (recognized in the consolidated income statement by applying the effective interest method) of the difference between the initial amount and the repayment value of the financial instruments. The amortized cost of financial assets also includes impairment adjustments.

The effective interest rate is the discount rate that brings the initial value of a financial instrument exactly into line with total estimated cash flows throughout its residual life. In the case of fixed-income financial instruments, the effective interest rate is equal to the contractual rate defined on acquisition, adjusted for commissions and transaction costs that must be included in the calculation of the effective interest rate, under IAS 39. The effective interest rate for variable-rate financial instruments is estimated in the same way as for fixed-income transactions and is recalculated at each interest review date stated in the contract, taking into consideration changes in the transactions future cash flows.

2.2.4 Classification and valuation of financial assets and liabilities

Financial instruments are classified into the following categories in the Group's consolidated balance sheet:

- **Financial assets and liabilities at fair value through profit or loss:** This category includes financial instruments for trading and other financial assets and liabilities classified as at fair value through profit or loss:

  - **"Financial assets held for trading"** are assets acquired in order to be realized in the short term or which form part of a portfolio of financial instruments identified or managed jointly, for which there is evidence of recent actions taken to obtain short-term gains, and derivative financial instruments not designated as hedge instruments, including instruments segregated from hybrid financial instruments (IAS 39).

  - **"Financial liabilities held for trading"** are liabilities issued for repurchase in the near future or that form part of a portfolio of financial instruments identified or managed jointly for which there is evidence of recent actions to obtain short-term gains, short positions in securities arising from sales of assets acquired under non-optional repurchase agreements and loans of securities, and derivative financial instruments not designated as hedge instruments, including instruments segregated from hybrid financial instruments.

  - **"Other financial assets or liabilities at fair value through profit or loss"** they are designated as financial assets or liabilities in their initial recognition, the fair value of which can be estimated in a reliable manner and this designation can be applied to:

  (i) hybrid assets and liabilities for which the implicit derivatives cannot be separately valued in a reliable manner, the separation of these is obligatory,

  (ii) hybrid financial assets and liabilities as a whole, designated from their initial recognition, except when the implicit derivatives do not significantly modify the cash flows that, in another way, the instrument would have generated or when the hybrid instrument was first considered the prohibition of separating from the implied derivatives was evident,

  (iii) financial assets and liabilities on which more relevant information is obtained because with this there is a significant reduction in the incoherencies in the recognition or valuation (also called accounting asymmetries) that would arise in the valuation of the assets or liabilities, or through the recognition of gains or losses with different criteria,
  (iv) financial assets and liabilities on which more relevant information is obtained due to the existence of a group of financial assets or liabilities in each case from which more relevant information is obtained because there is a group of financial assets, or of assets and financial liabilities that are managed and their yield is valued based upon their fair value, in accordance with a documented management risk or investment strategy and the information on this group is also supplied based upon the fair value to the key management personnel.

- **Held-to-maturity investments**: it includes debt securities with fixed maturities and identified or identifiable cash flows that are classified by the Entity at initial date and subsequently, with the intention and financial capacity to hold them until maturity date.

  The debt securities included in this category are initially carried at fair value, as adjusted for transaction costs directly attributable to the acquisition of the financial asset, which are recognized in the income statement using the effective interest method as defined in IAS 39. They are subsequently carried at amortized cost, calculated based on the effective interest rate.

- **Loans and receivables**: this category includes unlisted debt securities, financing provided to third parties arising from the ordinary credit and loan activities carried out by the Entity, and debts incurred by asset buyers and by service users. It also includes finance lease transactions where the entities are the lessors.

The financial assets included in this category are initially carried at fair value, as adjusted for commissions and transaction costs directly attributable to the acquisition of the financial asset and which, under Bank of Spain Circular 4/2004 (22 December), must be recognized in the income statement using the effective interest method, to maturity. Following acquisition, the assets are carried at amortized cost.

Assets acquired at a discount are recorded at the cash amount paid and the difference between the repayment value and that cash amount is recognized as financial income applying the effective interest method during the period to maturity.

In general terms it is the intention of the consolidated companies hold the loans and credits granted to maturity, and therefore presented in the consolidated balance sheet at amortized cost.

The interest accrued on these assets, calculated using the effective interest method, is recognized in the caption “Interest and Similar Income” in the income statement. Exchange differences on securities denominated in foreign currency other than the Euro are registered as mentioned in Note 2.4. Possible impairment losses on these assets are recorded as indicated in Note 2.7. Debt securities included in fair value hedged transactions are recorded as mentioned in Note 2.3.

- **Available-for-sale financial assets**: this category includes debt securities not classified as held to maturity, such as loans and receivables, or as at fair value through Profit or loss, and equity instruments owned by Unicaja relating to entities which are not subsidiaries, joint ventures or associates, and which have not been classified at fair value through profit or loss.

The instruments included in this category are initially measured at fair value, adjusted for transaction costs, which are recognized until maturity in the income statement using the effective interest method. In the case in which the financial assets have no fixed maturities, they are accounted to the income statement when they become impaired or written off the balance sheet. Following acquisition, the financial assets included in this category are carried at fair value.

Nonetheless, equity instruments, which fair value cannot be determined in a sufficiently objective manner, are carried at cost in these annual accounts, net of impairment as explained in Note 2.7.

Balancing entries are registered in “Interest and Similar Income” (calculated using the effective interest method) and “Return on Equity Instruments” in the income statement, with respect to changes in the fair value of financial assets classified as available for sale, relating to interest or dividends accrued, respectively. Impairment losses on these instruments are recorded as mentioned in Note 2.7. Exchange differences on financial assets denominated in foreign currency other than the euro are accounted as mentioned in Note 2.4. Changes in the fair value of financial assets covered by fair value hedges are registered as mentioned in Note 2.3.

A balancing entry is made in “Valuation Adjustments”, in the Entity’s equity, with respect to the remaining changes to the fair value from the acquisition date of available-for-sale financial assets until the financial asset is written off, when the balance is taken to “Gains (Losses) on non-current assets held for sale not classified as discontinued operations” in the income statement.

- **Financial liabilities at amortized cost**: this category of financial instruments relates to financial liabilities that are not included in any of the previous categories. Financial liabilities included in this category are initially carried at fair value adjusted for transaction costs that may be directly attributable to the issue of the financial liability, which will be allocated to the consolidated income statement to maturity, using the effective interest rate method defined in IAS 39. They are subsequently valued at amortized cost, calculated using the effective interest rate method defined in IAS 39.

  The liabilities issued by the consolidated entities which, having the legal nature of capital, do not fulfil the conditions to be classified as equity under IAS 32, i.e., basically shares issued by the consolidated entities that do not carry voting rights and entitle the holders to dividends in the event that certain conditions are met, are classified as financial liabilities at amortized cost except if the Group has designated them as financial liabilities at fair value through profit or loss and provided that the relevant conditions are met.

  Accrued interest on these securities, calculated through the effective interest rate method is reflected under “Interest and similar charges” in the consolidated income statement. Exchange differences on securities denominated in a currency other than the euro, included in this portfolio, is reflected in accordance with Note 2.4. Financial liabilities in fair value hedging transactions are reflected in accordance with Note 2.3.

Nonetheless, financial instruments which should be considered as non-current assets held for sale in accordance with IFRS 5 are reflected in the consolidated financial statements as mentioned in Note 2.20.

Reclassifications between financial instruments portfolios are made according to the following assumptions:

i. Except in the case iv) stated below, the financial instruments may not be reclassified into or out of the category assessed at fair value through profit and loss, once acquired, issued or assumed.

ii. A financial asset, which intent or financial capacity changes, is classified from “Held-to-maturity investments” to "Available-for-sale financial assets". In this case, the same treatment is applied to all financial instruments held-to-maturity except under the circumstances stated by the applicable law (sales close to maturity date, or once received major part of the financial assets principal, or sales attributed to a non-recurring event that could not have been anticipated by the Entity).

    During 2014 and 2013, Unicaja Banco Group proceeded to sell part of the debt securities classified under the held-to-maturity investment portfolio (Note 9.4). The transactions comply with the requirements of paragraph GA22 of IAS 39 "Financial instruments: recognition and measurement" and therefore the rest of the debt securities in the held-to-maturity investment portfolio do not need to be reclassified to the available-for-sale financial asset portfolio.

iii. If a reliable valuation of a financial asset or liability becomes available, for which no such valuation had been previously available, and if it were obligatory to value them a fair value, such as non-quoted capital instruments and the derivatives that these have as underlying assets, these financial assets or financial liabilities will be valued at their fair value and the difference from their carrying amount will be treated in line with what is established for their portfolio class.

    During the years 2014 and 2013 there has been no significant reclassification as described above.

iv. If, as a result of a change in the intention or in the financial capacity of the Entity or, the expiry of the two year penalty period imposed by the applicable norm for the case of the sale of financial assets classified in the investment portfolio as at due date, financial assets (debt instruments) included in the category of "financial assets available for sale" may be reclassified to the "investment portfolio at due date". In this case, the fair value of these financial instruments on the date of the transfer becomes their new amortized cost and the difference between this amount and their reimbursable value is charged to the consolidated profit and loss account applying the interest rate method applicable, during the residual life of the instrument.

During the years 2014 and 2013 there has been no significant reclassification as described above.

v. A financial asset that is not a derivative may not be classified under "financial assets held for trading" if ceased to be maintained for the purpose of short term sale or repurchase, when one of the following circumstances takes place:

- In rare and exceptional circumstances, unless the assets could have been susceptibly included in the heading "Loans and receivables". Rare and exceptional circumstances are those that arise from a particular event, which is unusual and highly unlikely to recur in the foreseeable future.

- When the Entity's intention and financial capacity to maintain the financial asset in the foreseeable future or until maturity, provided that it fulfilled the definition of "Loans and receivables" at its initial recognition.

In these situations, the assets are classified at the reclassification date fair value, without reversing the results, and considering this value as their cost or amortized cost. In no case these assets may turn to be reclassified as "Financial assets held for trading".

During the years 2014 and 2013 there has been no significant reclassification as described above.

2.3 Hedging and mitigation of risks

The Group uses financial derivatives as part of its strategy to limit its exposure to interest rate, market and foreign exchange risks, inter alia. When the transactions fulfil the requirements of IAS 39, they are treated as hedges.

When the Group designates a transaction as a hedge, it does so as from the time of inception of the transactions or the instruments included in the hedge, which is appropriately documented. When documenting these hedge transactions, the hedged instrument(s) and hedging instrument(s) are duly identified together with the nature of the risk which is intended to be hedged and the criteria or methods followed by the Entity to measure the effectiveness of the hedge over the hedge term, taking into account the risk to be covered.

Only transactions that are considered highly effective throughout the hedge term are treated as hedge transactions. A hedge is considered highly effective if during the specific term any changes in fair value or cash flows attributed to the risk covered by the hedge of the financial instrument or instruments are virtually fully offset by the changes in fair value or cash flows, as appropriate, of the hedging instrument or instruments.

In order to measure the effectiveness of designated hedges, the Group analyses whether, from inception and to the end of the defined hedging period, changes in fair value or cash flows of the hedged item that are attributable to the hedged risk may prospectively be expected to be offset almost completely by changes in fair value or cash flows, as applicable, of the hedging instrument or instruments and whether, retrospectively, the hedge results have fluctuated within a range of 80% to 125% with respect to the results of the item hedged.

The Entity's hedges are classified as follows:

- Fair value hedges: These hedges cover exposure to changes in the fair value of financial assets and liabilities or of Groups' commitments not yet recognized, or of an identified portion of such assets, liabilities and the Group's commitments, attributable to a specific risk, provided it might affect the consolidated income statement.

- Cash-flow hedges: These hedges cover changes in cash flows attributed to a specific risk associated with a financial asset or liability or a highly probable transaction, provided it may affect the income statement.

As regards the specific financial instruments designated as hedged items and hedging instruments, measurement differences are recognized as described below:

- For fair value hedges, differences in hedges and hedged items (depending on the type of the hedged risk) are recognized directly in the consolidated income statement.

- For cash flow hedges, measurement differences arising on the effective portion of the hedge are temporarily recorded in the equity item "Valuation adjustments - Cash flow hedges". The financial instruments covered by cash flow hedges are recognized as explained in Note 2.2 and no adjustments are made due to the fact that they are classified as hedged items.

In the latter case, measurement differences are not recognized in the income statement until the gains or losses on the hedged item are recognized or, in the case of the hedge was related to a highly probable future transaction whose consequence is the recognition of a not financial asset or liability, these measurement differences would be recognized as part of the acquisition cost or until the maturity date of the hedged item.

Measurement differences on the hedging instrument relating to the ineffective portion of cash flow hedges are recognized directly in "Gains/ (losses) on financial assets and liabilities (net)" in the consolidated income statement.

The Group interrupts the hedge accounting when the instrument expires or is sold, when a hedge no longer meets the criteria for the hedge accounting or when the transaction ceases to be classed as a hedge.

Where the hedge fair value is interrupted as stated in the previous paragraph, in the case of hedged items carried at amortized cost, the adjustments made for the hedge accounting purposes are recognized in the income statement until the maturity date of the hedged items, applying the effective interest rate as recalculated on the interruption date.

Where cash flow hedge accounting is interrupted, the gain or losses accumulated on the hedging instrument recognized in the equity caption "Valuation adjustments - Cash flow hedges" in the consolidated balance sheet remains in that heading until the hedged expected transaction takes place, when the amount in question is taken to the consolidated income statement or, when the hedged item is an expected transaction that results in the recognition of a financial asset or liability, an adjustment is made to the acquisition cost of the asset or liability. In the case of expected transactions, when the transaction is not expected to be effected, the relevant amount recognized in the equity item "Valuation adjustments - Cash flow hedges" is immediately taken to the consolidated income statement.

2.4 Foreign currency transactions

2.4.1 Functional currency

The Group's functional currency is the euro. All balances and transactions denominated in currencies other than the euro are considered as foreign currency balances and transactions.

The total equivalent value in euros of the Entity's foreign currency assets and liabilities at 31 December 2014 was €99,602 thousands and €67,243 thousands, respectively (€38,000 thousands and €14,617 thousand, respectively, at 31 December 2013). The 83% and 85%, respectively at 31 December 2014 was denominated in US dollars (75% and 80%, respectively at 31 December 2013) and 7% and 6%, respectively at 31 December 2014 in pounds sterling (14% and 17% respectively, at 31 December 2013), y and the remainder in other foreign currencies traded in the Spanish market.

2.4.2 Foreign currency translation

Foreign currency transactions effected by the Group are initially recognized in the financial statements at their equivalent value in euros, using the exchange rates prevailing at the dates of the transactions. The Entity subsequently translates the monetary balances in foreign currency to the functional currency using the year-end exchange rate. Additionally:

- Non-monetary items carried at historical cost are translated into the functional currency using the exchange rate prevailing at their acquisition date.

- Non-monetary items carried at fair value are translated into the functional currency using the exchange rate in force at the date on which fair value was determined.

2.4.3 Exchange rates applied

The exchange rates used by the Entity to translate balances denominated in the main foreign currencies to euros when preparing the annual accounts at 31 December 2014 and 2013 are the rates published by the European Central Bank.

2.4.4 Accounting for exchange differences

Exchange differences arising from the translation of foreign currency balances into the Group's functional currency are generally recognized at their net amount in "Exchange differences (net)" in the consolidated income statement, except for differences in financial instruments carried at fair value through the income statement, which are recognized in the consolidated income statement together with any other change in fair value.

In 2014, exchange differences recognized in the Bank's consolidated income statement totaled a net loss of € 2,664 thousand, as compared with a net gain of € 237 thousand in 2013.

Exchange differences in non-monetary items which fair value is adjusted by means of a balancing entry in equity are recognized in "Valuation adjustments – Exchange differences" in the consolidated balance sheet, until they are realized. Exchange differences arising on non-monetary items whose fair value is adjusted against the consolidated equity.

In 2014 and 2013, exchange differences recognized in the consolidated statement of recognized income and expenses as "Other recognized income and expenses" amounted to € 97 thousand and € 33 thousand, respectively, relating in both cases to net losses on measurement.

2.5 Recognition of income and expense

Set out below is a summary of the most significant accounting policies employed by the Group to recognize income and expense:

2.5.1 Interest income and expense, dividends and similar items

In general, interest income and expense and similar items are accounted in an accruals basis, applying the effective interest method defined in IAS 39. Dividends received from other companies are recognized in the income statement when the Entity becomes entitled to receive them.

2.5.2 Commissions, fees and similar items

Income and expense relating to commissions and similar fees, which are not included in the calculation of the effective interest rate of operations and/or do not form part of the acquisition cost of financial assets or liabilities, except for those carried at fair value through the income statement, are recognized in the income statement using different methods depending on their nature. The most significant methods used are explained below:

- Amounts associated with the acquisition of financial assets and liabilities carried at fair value through the income statement are recognized in the consolidated income statement at the payment date.

- Amounts arising from long-term transactions or services are recognized in the consolidated income statement over the term of the transactions or services.

- Amounts relating to a one-off event are recorded in the consolidated income statement when that event takes place.

2.5.3 Non-financial income and expense

These amounts are accounted in an accruals basis.

2 5.4 Deferred collections and payments

Deferred collections and payments are carried at the amount obtained by discounting expected cash flows at market rates.

2.6 Offset of balances

Only debtor and creditor balances arising from transactions which, under contract or legislation, provide for possible offset and are to be settled at their net amount, or simultaneously realized and paid, are offset and therefore presented in the consolidated balance sheet at their net amount.

2.7 Financial asset impairment

The carrying value of financial assets is generally adjusted against the consolidated income statement when there is objective evidence that there are impairment losses. This is the case where:

- For debt instruments, i.e. loans and debt securities, when following their initial recognition there is an event or various events which have a negative impact on the relevant future cash flows.

- For equity instruments, when following their initial recognition there is an event or various events making it impossible to recover their carrying amount.

In the event that the recovery of any amount in respect of the impairment recorded is considered remote, such impairment is written off the consolidated balance sheet, although the Group may take the necessary actions to secure collection until the final extinguishment of its debt claims due to lapsing, remission or other reasons.

In the case of debt instruments carried at amortized cost, the amount of impairment losses is equal to the difference between their carrying amount and the present value of forecast future cash flows discounted at the instrument's original effective interest rate, where a fixed rate was contracted, or at the effective interest rate at the date of the financial statements, determined based on the contractual terms, in the case of a variable rate. For listed debt instruments, the market value may be used, provided it is sufficiently reliable to be representative of the amount that may be recovered by the Group.

Objective evidence of impairment will be determined individually for all debt instruments that are significant, and individually or collectively for groups of debt instruments which are not individually significant. Whenever a specific instrument cannot be included in any group of assets with similar risk characteristics, it will be analysed exclusively on an individual basis in order to ascertain whether it is impaired and, whenever this is the case, to estimate the impairment loss.

The collective assessment of a group of financial assets to estimate impairment losses is as follows:

- Debt instruments are included in groups with similar credit risk characteristics, indicative of debtor capacity to pay all amounts, principal and interest, in accordance with contractual terms. The characteristics of credit risk which are taken into account in order to group together assets are, inter alia, instrument type, debtor's business sector, geographical location of the activity, type of guarantee, age of amounts overdue and any other factor that may be relevant when estimating future cash flows.

- Future cash flows in each group of debt instruments are estimated based on the Entity's experience of historical losses for instruments with similar credit risk characteristics to those of the respective group, following the necessary adjustments to adapt historical data to current market conditions.

- Impairment losses in each group are the difference between the carrying value of all the Entity's debt instruments and the present value of its estimated future cash flows.

Debt instruments not carried at fair value through the income statement, contingent risks and contingent commitments are classified, on the basis of the insolvency risk attributable to the customer or transaction, in the categories defined by Exhibit IX of Bank of Spain Circular 4/2004, and its subsequent amendments. Debt instruments not classified as ordinary risks are specifically provisioned for estimated impairment in accordance with the above-mentioned Circular, taking into account the age of the unpaid amounts, guarantees furnished and the financial situation of the customer and any guarantors.

The above-mentioned financial instruments are also analysed to determine credit risk on the basis of country risk, i.e. the risk incurred with respect to customers resident in a specific country due to circumstances other than ordinary commercial risks.

In addition to the specific provisions for impairment mentioned to above, the Group covers losses affecting debt instruments not carried at fair value through the income statement, and contingent risks classified as ordinary risks, by means of a general provision, which is calculated based on historical impairment data and other circumstances known at the assessment date, in respect of inherent impairment losses incurred at the date of the financial statements that have yet to be assigned to specific transactions, calculated using statistical methods.

In this regard, the Group has used the parameters established by the Bank of Spain, based on its experience and industry date, which determine the method and amount to be used to cover inherent impairment losses incurred in debt instruments and contingent risks classified as normal risks, which are changed regularly on the basis of the evolution of the data in question. This impairment loss provisioning method is based on the fixed rates provided by Exhibit IX of Bank of Spain Circular 4/2004 and its subsequent amendments, which varies based on the risk rating of the financial instruments as set out in Annex IX mentioned.

The recognition in the income statement of interest accrued on the basis of the contractual terms is interrupted for all debt instruments classified individually as impaired and for those for which impairment losses have been calculated collectively because the amounts involved are more than ninety days past due.

The amount of impairment losses incurred in debt securities and equity instruments included in the item "Available-for-sale financial assets" is equal to the positive difference between their acquisition cost, net of principal repayments, and their fair value less any impairment loss previously recognized in the consolidated income statement.

When there is objective evidence that the decline in fair value is attributable to impairment, the latent losses recognized directly as measurement adjustments in equity are recorded immediately in the consolidated income statement. If subsequently all or part of the impairment losses are recovered, the amount involved is recognized, in the case of debt securities, in the income statement for the recovery period and, in the case of equity instruments, as valuation adjustments in consolidated equity.

In order to draw conclusions as to the existence of objective evidence of impairment of listed and unlisted debt instruments, the Group analyses any loss-causing events, such as circumstances causing significant financial difficulties for the issuer or obligor, breaches of contractual clauses, such as defaults or delays in the payment of principal or interest, increase in the probability of the issuer becoming insolvent or undergoing any other type of financial restructuring, disappearance of an active market for the financial instrument in question, due to financial difficulties, and a credit rating cut, which could be a sign of impairment if considered together with other available information.

In the specific case of listed equity instruments, the Group analyses whether a prolonged or significant fall in the investment's fair value below cost is objective evidence of impairment. For the purposes of determining when there is objective evidence that the price fall is due to impairment, in the event of exceptional circumstances in the markets that determine the price, the price effects derived from general market movements are analysed separately from the movements relating to factors specifically attributable to the issuer. Where there are no exceptional market circumstances but there are prolonged falls below the carrying amount, representing a relevant percentage, the Group also analyses evidence of impairment. Unless there are more specifically justifiable criteria, a standard 18-month period and a standard 40% reference rate are used. Even where there are no exceptional market circumstances, an analysis is also performed to determine whether there are objective reasons to consider that the security's price does not reflect its fair value and, therefore, is not a valid figure for quantifying potential impairment. Objective reasons in this case may be related to a very low free float, prolonged speculative actions affecting the share price, etc., all of which could distort the price of equity instruments.

For debt and equity instruments classified under non-current assets held for sale, the losses recorded previously in equity are considered to be realized and are recognized in the consolidated income statement at the date of their classification.

For investments in subsidiaries, jointly-controlled entities and associates, the Institution estimates impairment losses by comparing the recoverable amount with the carrying amount. Such impairment losses are recorded in the consolidated income statement for the period in which they arise while subsequent recoveries are recorded in the consolidated income statement for the recovery period.

2.8 Financial guarantees and related provisions

Financial guarantees are contracts in which an entity undertakes to pay specified sums for the account of a third party in the event that payment is not made by the third party, irrespective of the form of the obligation: guarantee deposit, financial or technical guarantee, irrevocable documentary credit issued or confirmed by the Entity, etc.

In accordance with IFRS-EU and the Group generally considers the financial guarantee contracts provided to third parties as financial instruments within the scope of IAS 39.

At the time of their initial recognition the Group reflects financial guarantees provided under liabilities on the consolidated balance sheet at fair value plus the transaction costs that may be directly attributable, which generally is equal to the amount of the premium received, plus, if appropriate, the present value of commissions and interest to be received on such contracts over their term, with a balancing entry, under assets, of the amount of the likened commissions and interest collected at inception and accounts receivable for the present value of the commissions and interest receivable. Subsequently, these contracts are carried under liabilities on the consolidated balance sheet at the higher of the following two amounts:

- The amount calculated in accordance with IAS 37. In this respect, the financial guarantees, irrespective of the holder, arrangement or other circumstances, are analysed regularly to determine the credit risk to which they are exposed and if appropriate, estimate the need for provision, determined by applying criteria similar to those established to quantify impairment losses on the debt instruments valued at amortized cost.

- The amount initially reflected for these instruments less amortization of this amount which, under IAS 18, is charged on a straight-line basis over the term of such contracts to the consolidated income statement.

Provisions for financial guarantees are recorded in the item "Provisions - Provisions for contingent risks and commitments" under liabilities in the consolidated balance sheet. A balancing entry is made in the caption "Provisions (net)" in the consolidated income statement.

When a provision is required for financial guarantees, commissions pending accrual on the guarantees, carried on the liabilities in the consolidated balance sheet in the caption "Accrual accounts", are reclassified to the relevant provision.

2.9. Accounting for leases

2.9.1 Finance leases

Finance leases are those in which substantially all the risks and rewards carried by the leased asset are transferred to the lessee.

Whenever the Entity acts as the lessor of an asset in a finance lease transaction, the sum of the present values of the amounts that will be received from the lessee plus the guaranteed residual value (usually the purchase option price when the lease expires) are recorded as financing provided to third parties and therefore included in the caption "Loans and receivables" in the consolidated balance sheet, in accordance with the nature of the lessee.

When the Entity acts as the lessee in a finance lease operation, the cost of the leased assets is recorded in the balance sheet on the basis of the nature of the asset leased and a liability is carried in the same amount (the lower of the fair value of the leased asset and the sum of the present values of the amounts payable to the lessor plus, if appropriate, the purchase option exercise price). These assets are depreciated at similar rates to those applied to the Group's property, plant and equipment for own use (Note 2.14).

In both cases, the financial income and expense on finance leases is credited and charged, respectively, to the consolidated income statement captions "Interest and similar income" and "Interest expenses and similar charges", applying the effective interest rate on the lease, calculated in accordance with the new regulations, to estimate accrual.

In relations with finance lease developed by Unicaja Banco Group, quantitative information at 31th December 2014 and 2013 is detailed below:

(a) Gross investment (call option included) and current value at 31th December 2014 and 2013 reconciliation is the following:

	Thousands of euros	
	2014	**2013**
Accounts receivable Nominal Value	74 784	-
Purchasing operations Nominal Value	3 707	-
Total nominal Value at the end	**78 491**	**-**
Unearned finance incomes	7 514	-
Current value at close	**86 005**	**-**

(b) The present value of minimum lease payments at 31th December 2014 and 2013 and their residual terms distribution is the following:

	Thousands of euros	
Capital lease (mínimum quota)	**2014**	**2013**
Less than a year	33 409	-
Between one and five years	39 558	-
More tan five years	9 331	-
	82 298	**-**

(c) The unguaranteed residual values accruing to the benefit of the lessor at 31th December 2014 are € 3,707 thousands (there were no financial leases at 31th December 2013).

(d) The accumulated allowance for uncollectible minimum lease payments receivable at 31th December 2014 amount to € 34,493 thousands (there were no financial leases at 31th December 2013).

2.9.2 Operating leases

In operating leases, ownership of the leased asset and substantially all risks and benefits of ownership are retained by the lessor.

Where the Group acts as the lessor in operating lease agreements, the acquisition cost of the leased asset is carried under “Property, plant and equipment” in “Investment property” or “Other assets leased out under operating leases”, depending on the nature of the leased assets. Such assets are depreciated in accordance with the policies adopted for similar property, plant and equipment for own use and the revenue from lease contracts is recognized in the consolidated income statement on a straight-line basis in the caption “Other operating income”

Where the Group acts as the lesser in operating lease agreements, the lease costs, including any incentives granted by the lessor, are charged on a straight-line basis to the consolidated income statement caption “Other general administrative expenses”.

2.10 Managed assets

Managed assets by the consolidated entities and owned by third parties are not recognized in the consolidated balance sheet. Fees generated by this activity are recorded in the item “Fees and commission income” in the consolidated income statement. Note 30.4 provides information on third-party assets managed by the Group during the years ended 31 December 2014 and 2013.

2.11 Investment funds managed by the Group

Investment funds managed by the consolidated entities are not recognized in the Group’s consolidated balance sheet as the fund assets are owned by third parties. Fees accrued during the year for services rendered to the funds by the Group entities (asset management, portfolio depository services, etc.) are recorded in “Fee and commission income” in the consolidated income statement.

2.12 Staff costs

2.12.1 Post-employment commitments

2.12.1.1 General description of commitments

Under the prevailing collective bargaining agreement, the Institution must supplement the social security benefits of its employees or their beneficiaries in the event of retirement, widowhood, orphanhood, permanent disability or major disability.

During 2002 the Institution reached an agreement with its employees to modify and transform the pre-existing pension supplement arrangements for retirement and related contingencies and for occupational hazard contingencies. As a consequence of that agreement, a part of the pension commitments with employees were externalized to the fund Unifondo Pensiones V, Fondo de Pensiones. The remaining pension commitments covered by the internal fund at 31 December 2001 were covered by insurance policies during 2004 and 2005 (Note 40.1).

The basic terms of the agreement entail a shift from a mixed company pension arrangement to group defined contribution and defined benefit arrangements. As a consequence, the pension plan contemplated in the agreement encompasses five groups into which the employees are classified based on their length-of-service, post and applicable collective bargaining agreement. Depending on the group, the benefits consist of minimum guaranteed sums for death and disability, and defined contributions or benefits for each commitment.

As a result of the merger of Monte de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga y Antequera (actually, Fundación Bancaria Unicaja) and Caja Provincial de Ahorros de Jaén (Caja de Jaén), on 13 April 2011 the "Employment Agreement for the Integration of the Employment Pension Plans at Monte de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga, Antequera y Jaén” was signed, and compliance was obtained through the "Employment Agreement regarding the Procedure for Integrating the Employment Pension Plant at Monte de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga, Antequera y Jaén” dated 26 July 2011.

The purpose of this agreement was to establish the foundation on which the Employment Pension Plan for all Unicaja employees would be regulated as a result of the merger and the procedure for unifying the existing Employment Plans at both entities by integrating the Pension Plan for Employees of Caja de Jaén into the Unicaja Employee Pension Plan, which has resulted in the termination and liquidation of the former and the creation of a new group consisting of the employees of that entity.

On 20 September 2011, the Employee Pension Plan Control Committee at Unicaja approve the amendment of the Pension Plan Specifications to adjust to the wording established in the aforementioned employment agreement, immediately accepting the integration of participants and their consolidated rights and the beneficiaries of the Caja de Jaén Employee Pension Plan that registered with the new plan on 26 October 2011.

As a result of the creation of a bank at Unicaja, the Unicaja Employee Pension Plan Control Committee agreed to authorize the Managing Entity to receive contributions from Unicaja Banco, even though it is not yet recognized as a Promoter, and to start the process for converting the Unicaja Employee Pension Plan into a Joint Promotion Plan within the one-year deadline established by law.

Finally, during 2014 Unicaja Banco Group acquired 60.70% of the share capital of Banco de Caja España de Inversiones, Salamanca y Soria, S.A. (Banco CEISS) which, in accordance with its current employment agreements, must pay a supplement for Social Security benefits relating to its employees, or their heirs, in the case of retirement, widowhood, orphan hood, permanent disability or serious disability. Banco CEISS' post-employment commitments with its employees are treated as “defined-contribution commitments” when it makes predetermined contributions to a separate entity, without any real or effective obligation to make additional contributions if the separate entity is unable to pay benefits to the employees for the services rendered in the current year and in prior years. Post-employment commitments that do not fulfil the above-mentioned conditions are treated as “defined-benefit commitments”. Note 40.1.1 includes the post-employment commitments falling to CEISS after the date on which Unicaja Banco Group took control.

At 31 December 2014 and 2013, the actuarial study calculations for the defined benefit systems have been carried out using the following assumptions:

	2014	2013
Wage growth	2%	2%
Social security coverage growth	1%	1%
Pension review rate	1%	1%
Mortality tables	PERMF 2000-P	PERMF 2000-P

The commitments accruing to retired employees or beneficiaries at 31 December 2014 and 2013 are externalized to the fund Unifondo Pensiones V, Fondo de Pensiones and covered by an insurance policy that applies an insured interest rate of 5.406% to 13 July 2041 and 2.5% as from that date, and the PERMF 2000-P mortality tables.

- Defined contribution commitments

The contribution accrued during the year is recognized under the caption “staff costs” in the consolidated income statement.

At 31 December 2014 and 2013 there were no pending contribution to external defined contribution plans.

- Defined benefit commitments

In the heading “Provisions - Provisions for pensions and similar liabilities” on the liabilities side of the consolidated balance sheet (or on the assets side, in the caption “Other assets - Other”, depending on whether the difference is positive or negative and provided the conditions laid down in applicable regulations IAS 19 and to IFRIC 14, for its registry are fulfilled), the Group recognizes the present value of its defined benefit pension commitments, net of the fair value of the assets that qualify as plan assets and of deferred past service costs.

“Plan assets” are assets allocated to a specific defined-benefit commitment that will be directly used to settle these obligations and that fulfil the following conditions: they are not owned by the Group’s entity but rather by a legally independent third party, they may only be used to pay or finance employees post-employment remuneration and they may not be returned to the Group’s entity, except when the remaining plan assets are sufficient to comply with all the obligations of the plan or the entity related to current or past employee benefits, or to reimburse employee benefits already paid by the Group.

Where the Group is able to demand that an insurance company pay part or all of the disbursement required to settle a defined benefit obligation, it being practically certain that insurance company will reimburse some or all of the payments required to settle that obligation, but the insurance policy does not qualify as a plan asset, the Entity recognizes its reimbursement right on the assets side of the balance sheet in “Insurance contracts linked to pensions” and treats the balance in this item as a plan asset in all other respects.

Actuarial gains and losses derive from differences between prior actuarial assumptions and actual fact, and from changes in the actuarial assumptions used.

Pursuant to IAS 19, the Group recognizes actuarial gains or losses that may arise in connection with its post-employment commitments with employees in the period in which they arise, by charging or crediting the consolidated statement of recognized income and expenses, through “Other recognized income and expenses”, which are treated for such purposes as items that will not be taken to the income statement.

The “Cost of past services" arising from changes to existing post-employment remuneration or from the inclusion of new benefits is the cost of improving the benefits, relating to the years of service of each employee, based on a linear distribution of the cost using the projected credit unit method; it is recognized immediately in the consolidated income statement for the period in question.

Post-employment benefits are recorded in the consolidated income statement as follows:

- Current service costs, i.e. the increase in the present value of the obligations arising from the services provided by employees in the current year, are recognized in “Staff costs";

- Interest costs, i.e. the increase in the present value of the obligations that occurs during the year due to the pass of time, are recognized in "Interest expenses and similar charges". Whenever the obligations are presented liabilities, net of related plan assets, the cost of the liabilities recorded in the consolidated income statement will correspond solely to the obligations recognized on the liabilities side.

- The expected return on assets assigned to cover commitments and related losses and gains, less any administrative costs and taxes, is recognized under “Interest and similar income”.

2.12.1.2 Policies applied to post-employment remuneration

Having regard to the policies applied and the method for determining the discount rates applied to post-employment remuneration, the following must be considered:

- **For insured commitments**: The policies applied are contained in IAS 19 and in Bank of Spain regulations; specifically, when determining the discount rate, the approach stipulated in Rule 35, section B.3), point 10.d) of Bank of Spain Circular 4/2004 is applied, coinciding with the provisions of IAS 19. At 31 December 2014, for commitments covered by insurance policies, the Bank has calculated the fair value of the assets and commitments using a discount rate based on the average term of the commitments.

- **For non-insured commitments**: The market reference rate used is the rate for issues of corporate bonds and debentures with high credit ratings, based on the IBOXX AA Corporate curve (i.e. the curve for highly-rated corporate bonds in the Eurozone) at 31 December 2014.

2.12.1.3 Defined-benefit post-employment commitments

At year-end 2014, the Unicaja Banco and Banco CEISS defined-benefit post-employment commitments are grouped into different plans, as described below:

Definition of Plan 1 of Unicaja Banco

a) Defined-benefit post-employment remuneration externalized under an employee pension plan named “Plan de Pensiones de los Empleados de Unicaja y Unicaja Banco”, which includes serving employees and employee beneficiaries who already receiving post-employment benefits.

b) Defined-benefit post-employment remuneration externalized under an insurance policy qualifying for the externalization of commitments pursuant to Royal Decree 1588/1999, as the legal limits on pension plan contributions preclude the financing of these commitments under the pension plan.

Definition of Plan 2 of Unicaja Banco

a) Defined-benefit post-employment remuneration externalized under an insurance policy qualifying for the externalization of commitments pursuant to Royal Decree 1588/1999, covering pension commitments derived from the Collective Bargaining Agreements for Savings Banks and for Private Banking for employees not covered by the pension plan named “Plan de Pensiones de Empleados de Unicaja y Unicaja Banco”.

b) Defined-benefit post-employment remuneration externalized under an insurance policy qualifying for the externalization of commitments pursuant to Royal Decree 1588/1999, covering pension commitments for a group of early-retired employees.

c) Defined-benefit post-employment remuneration externalized under an insurance policy qualifying for the externalization of commitments pursuant to Royal Decree 1588/1999, covering pension commitments for a group of early retired employees.

Banco CEISS Plan 1

All of these commitments originate from Caja de Ahorros de Salamanca y Soria.

a) Externalised defined post-employment benefits that have been externalised through an employment system pension plan for employees originating from Caja de Ahorros de Salamanca y Soria, called "Pension Plan for Employees of Caja de Ahorros de Salamanca y Soria", including active personnel and beneficiary personnel that are already receiving the post-employment benefit.

b) Defined post-employment benefits externalised through an insurance policy eligible for such commitments in accordance with Royal Decree 1588/1999, policy number PD 80 01/000002 and PD 80 01/000003, since the legal limits applicable to pension plan contributions do not allow them to be financed through the Pension Plan itself.

Banco CEISS Plan 2

Commitments originate from Caja de Ahorros de Salamanca y Soria:

a) Defined post-employment benefits externalised through an insurance policy eligible for such commitments in accordance with Royal Decree 1588/1999, policy numbers PD 80 01/000002, PD 80 01/000003, RV 80 02/000002 and PD 80 07/000072.

b) Defined post-employment benefits in an internal fund to cover retirement income.

Commitments originating from Caja de Ahorros y Monte de Piedad:

a) Defined post-employment benefits externalised through insurance policies eligible for such commitments in accordance with Royal Decree 1588/1999, policy number 8118, under which the benefits payable relate to the flows from the associated financial assets in terms of both their amount and the payment schedule (*cash flow matching*).

b) Defined post-employment benefits externalised through insurance policies eligible for such commitments in accordance with Royal Decree 1588/1999, policy number PCP-1001, under which the benefits payable relate to the flows from the associated financial assets in terms of both their amount and the payment schedule (*cash flow matching*).

c) Defined post-employment benefits externalised through insurance policies eligible for such commitments in accordance with Royal Decree 1588/1999, policy number 10/78, under which the benefits payable relate to the flows from the associated financial assets in terms of both their amount and the payment schedule (*cash flow matching*). The commitment externalised under this policy was satisfied in 2014 and the relevant obligation was settled and the insurance policy was surrendered.

2.12.2 Other long-term remuneration - Phased early retirement

The Group reached an agreement for phased early retirement with the employee's representatives for specific situations affecting certain employee groups and to bring the Institution's workforce into line with its organisational needs. The agreement will be in force from 31 December 2015 and employees must meet the following requirements in order to qualify. For the calculation of commitments to employees arising from that agreement, the organization has been based on assumptions made in accordance with market conditions and the characteristics of the group covered.

During the years 2014 and 2013, the Group reached some agreements individually consistent, mainly in early retirement agreements through contract suspensions, whose commitments are adequately covered in each of the above dates.

In order to calculate the commitments with employees coming from these agreements, the Group has been based on assumptions applied according to the market conditions and using the covered group specifications.

2.12.3 Death and disability

The commitments assumed by the Group to cover current employee death and disability contingencies by means of insurance policies contracted with Unicorp Vida, Insurance and Reinsurance Company, S.A. under the pension plan (Note 2.12.1) are recognized in the consolidated income statement in an amount equal to the insurance premiums accrued during the year.

2.12.4 Length-of-service awards

Unicaja Banco has taken its commitment to meeting employees a benefit to the same amount of €1,615 and €2,000, updatable by the percentage of basic salary revision of the Collective Agreement in the event that the employee meets 20 and 35 years of service in the institution, respectively.

At the end of 2014 there is no Banco CEISS employee entitled to receive length of service awards as they have been eliminated through the payment of the amount accrued by one employee.

Pre-retirement commitments are recognized, for all applicable purposes, using the same criteria explained above for defined benefit commitments, except that the entire cost of past services and the actuarial gains or losses are recorded immediately when they arise.

2.12.5 Severance indemnities

Under current legislation, the consolidated Spanish companies and some foreign companies are required to make severance payments to employees terminated without just cause. The Group is required to pay indemnities to employees who, under certain conditions, are dismissed from the Company.

2.13 Income tax

Income tax expense is recognized in consolidated the income statement, except where it derives from a transaction whose results are taken directly to equity, in which case a balancing entry for income tax is also made in the Group's equity.

Income tax expense for the year is calculated as tax payable on taxable income for the year, as adjusted for variations during the year in asset and liability balances arising from temporary differences, tax deductions and allowances, and any tax-loss (Note 23).

The Group considers that there is a temporary difference when there is a difference between the carrying amount and the taxable amount of an asset or liability. The amount attributed to an asset or liability for tax purposes is treated as the tax base. A taxable temporary difference is a difference that will generate a future obligation for the Group to make a payment to the relevant authority. A deductible temporary difference is a difference that will generate a refund right or a reduction in a payment to be made to the relevant authority in the future.

Tax credits for deductions and allowances and tax credits for tax-loss carry forwards are amounts that, though generated on the completion of an activity or obtainment of a result, are not applied for tax purposes in the relevant tax return until the conditions stipulated in tax legislation are fulfilled, and provided the Group considers that application in future years is probable.

Current tax assets and liabilities are amounts that the Entity expects to recover from or pay to the corresponding tax authority within 12 months as from the date on which they are recognized. Deferred tax assets and liabilities are amounts that the Entity expects to recover from or pay to the corresponding tax authority in future years.

Deferred tax liabilities are recognized for all taxable temporary differences. Nonetheless, deferred tax liabilities resulting from the recording of goodwill are not recognized.

The Group only records deferred tax assets arising from deductible temporary differences, tax credits for deductions or allowances or for tax losses when the following conditions are fulfilled:

- Deferred tax assets are only recognized in the event that the Group will probably record sufficient tax gains in the future to offset the relevant amounts; and

- Deferred tax assets deriving from tax losses have arisen due to causes identified as unlikely to arise again.

Deferred tax assets and liabilities are not recognized when an asset or liability is initially recorded in the accounts, which does not result from a business combination and, at the recognition date, which does not affect reported results or taxable income.

At each accounting close, deferred tax assets and liabilities are analysed to ensure that they remain valid and any necessary adjustments are made accordingly.

2.14 Tangible assets

2.14.1 Property, plant and equipment for own use

Property, plant and equipment for own use comprise assets owned or being acquired under finance leases that the Group holds for current or future use for purposes other than community projects or for the production or supply of goods and which are expected to be used for more than one financial year. Among other assets, this category includes property, plant and equipment received by the Group to fully or partially settle financial assets representing debt claims against third parties and which the Group plans to use itself on a continuous basis.

Property, plant and equipment for own use are carried at acquisition cost in the consolidated balance sheet, which is the fair value of any consideration provided plus the total amount of cash payments made or committed, less accumulated depreciation and any estimated losses determined by comparing the carrying amount of each item with its recoverable amount. The acquisition cost of the material assets elements for own use and freely available includes the valuation of these that was made on 1 January 2004 at fair value. This fair value as at 1 January 2004 was obtained on the basis of valuations performed by independent experts.

To this end, the acquisition cost of assets awarded to the Group and included in property, plant and equipment for own use is equal to the carrying amount of the financial assets provided in exchange for the award.

Depreciation is calculated using the straight-line method based on the acquisition cost of the assets less their residual value. The land on which the buildings and other structures stand is understood to have an indefinite life and is therefore not depreciated.

A balancing entry for annual depreciation charges for property, plant and equipment is recognized in "Depreciation - Property, plant and equipment" in the consolidated income statement. Depreciation is charged at the following rates, based on average estimated useful lives:

	Annual rate
Buildings	1% a 3%
Furniture and installations	8% a 13%
Machinery and electronic equipment	13% a 27%

At each accounting close, the Group checks for internal or external indications that the carrying amount of property, plant and equipment exceeds the recoverable amount, in which case the carrying amount of the asset in question is written down to its recoverable amount and future depreciation charges are adjusted in proportion to the adjusted carrying amount and the new residual useful life, if a new estimate is necessary. If applicable, this write-down of property, plant and equipment is charged to the consolidated income statement caption "Impairment losses on other assets (net)".

Similarly, where there are indications that the value of impaired property, plant and equipment has been recovered, the Group recognizes the reversal of the impairment loss shown in previous periods by crediting the income statement caption “Impairment losses on other assets (net)” and adjusting future depreciation charges accordingly. The reversal of the impairment loss on an asset in no event may entail an increase in its carrying amount in excess of the amount that would be carried if no impairment loss had been recognized in prior years.

Additionally, the estimated useful lives of property, plant and equipment for own use are reviewed at least yearly to detect significant changes. If necessary, adjustments are made to depreciation charges for future years in the income statement on the basis of the new useful lives.

Repair and maintenance costs for property, plant and equipment for own use, are charged to the consolidated income statement during the financial period in which they are incurred, in the caption “Other general administrative expenses”. Financial costs incurred to finance property, plant and equipment for own use are recognized in the consolidated income statement when they accrue and do not form part of the acquisition cost of the assets.

2.14.2 Investment property

“Investment property” in the consolidated balance sheet includes the carrying amounts of land, buildings and other structures held for rental or to obtain a gain on the sale of the property as a result of future market price increases.

The same methods applied to property, plant and equipment for own use (Note 2.14.1) are used to recognize the acquisition cost, depreciation, estimated useful life and impairment losses on investment property.

2.14.3 Other assets leased out under operating leases

The consolidated balance sheet line “Other assets leased out under operating leases” records the carrying amounts of property, plant and equipment other than land and buildings leased out by the Group under operating leases.

The same methods applied to property, plant and equipment for own use (Note 2.14.1) are used to recognize the acquisition cost of assets leased out, depreciation, estimated useful life and any impairment losses.

2.14.4 Recoverable amount of tangible assets

The tangible assets for own use and investment property are carried at acquisition cost, recognizing impairment adjustments if the assets recoverable amount is lower than cost. According to IAS 36, the recoverable amount is the higher of fair value less costs to sell and the value in use of the assets. Where there is no reliable measurement of fair value, the value in use of the assets is used as the recoverable amount, entailing the estimation of future cash inflows and outflows derived from the continued use of the assets and from their final sale or disposal through other means; a suitable discount rate is then applied to the cash flows calculated.

According to IAS 36, an assets value in use must be determined, in general, as follows:

- Future cash flow projections must be based on reasonable assumptions that represent managements best estimate of the economic conditions that will exist over the assets residual life and on the most recent budgets or financial forecasts approved by management, excluding any future estimated cash inflow or outflow that is expected from future restructurings or from improvements in the return on assets originally planned. The estimates based on these budgets or forecasts must cover a maximum period of five year, unless a longer period may be justified.

- Cash flows projected beyond the period covered by the most recent budgets or financial forecasts, to the end of the assets useful life, must be estimated by extrapolating the projections referred to previously, applying a constant or decreasing growth rate, unless an increasing rate may be justified which, in any event, must not exceed the long-term average growth rate for the relevant products or industries, the country in which the entity operates and the market in which the asset is used, unless a higher growth rate may be justified.

The discount rate used is a pre-tax rate that reflects the current market evaluation of the time value of money and specific risks affecting the asset that have not already been adjusted in the estimates of future flows.

A rate that reflects the current market evaluation of the time value of money and specific risks affecting the asset is deemed to be the yield that investors would require were they to choose an investment that generates cash flows the amounts, timing and risk profile of which are equivalent to the flows that the Group expects to obtain from the asset in question. This discount rate is estimated on the basis of the rate implicit in current market transactions involving similar assets. Where the discount rate for a specific asset is not directly available from the market, substitutes are used to estimate the discount rate.

2.15 Intangible assets

Intangible assets are identifiable non-monetary and non-physical assets that arise from legal business or have been developed internally by the Group. Intangible assets are only recognized when their cost may be reliably and objectively estimated and the Group considers they will probably generate future economic benefits.

Intangible assets are initially recognized at acquisition or production cost and are subsequently measured at cost less, where appropriate, any accumulated depreciation and impairment losses they experienced.

Intangible assets are carried in the consolidated balance sheet at acquisition or production cost, net of accumulated amortization and any impairment losses.

Intangible assets can have an "indefinite life" when, on the basis of an analysis of all relevant factors, we conclude that there is no foreseeable limit to the period over which is expected to generate net cash flows for consolidated companies, or "finite useful life" in the remaining cases.

Intangible assets with indefinite useful lives are not amortized, but rather at the end of each year, the consolidated companies revise their remaining useful lives in order to ensure that they are still indefinite or otherwise proceed accordingly.

Intangible assets with finite lives are amortized over the methods similar to those adopted for the amortization of tangible assets criteria. The annual amortization of intangible assets with finite useful lives is recognized under "Depreciation and amortization - Intangible Assets" in the consolidated income statement.

For intangible assets with indefinite useful lives and the finite useful life, the consolidated companies recognize any loss that may have occurred in the carrying amount of these assets due to impairment, using a balancing entry in "losses impairment of other assets (net) - Goodwill and other intangible "assets of the consolidated income statement. The criteria for recognizing impairment losses on these assets and, where appropriate, the reversal of impairment losses recognized in prior years are similar to those used for tangible assets for own use (Note 2.14.1).

2.16 Goodwill

2.16.1 Contabilización de fondos de comercio

The excess of the cost of shareholdings in entities measured using the equity method over their acquired carrying amounts, adjusted at the date of first consolidation, is allocated as follows:

- Where the excess may be allocated to specific components of the acquired company's equity, the value of assets (or liabilities) whose fair values are higher (or lower) than the carrying amounts at which they were recognized in the balance sheets of the acquired companies is increased (or reduced) accordingly.

- Where the excess may be allocated to specific intangible assets, it is recognized directly in the consolidated balance sheet provided the fair value may be reliably measured at the acquisition date.

- Any remaining differences are carried as goodwill, which is allocated to one or more specific cash-generating units.

Goodwill is only recognized when acquired for valuable consideration and therefore represents advance payments made by the acquiring entity in respect of future economic benefits deriving from the acquired entity's assets that cannot be individually and separately identified and recognized.

As from 1 January 2013, the Group has recognized goodwill in associates as part of the acquisition cost of the entities acquired, in the consolidated balance sheet item "Equity investments - Associates", as explained in Note 4.

Goodwill acquired as from 1 January 2004 is carried at acquisition cost and goodwill acquired prior to that date is carried at the net amount recognized at 31 December 2003, calculated in accordance with the regulations previously applied by the Group (Bank of Spain Circular 4/1991, 14 June). In both cases, at each accounting close, an estimate is made to identify any impairment that would reduce the recoverable amount to below the net cost recognized; if so, the goodwill is written down through the item "Impairment losses on other assets (net)" in the consolidated income statement.

Goodwill impairment losses are not subsequently reversed.

2.16.2 Negative goodwill

Negative differences between the cost of the shareholdings in consolidated entities and associates with respect to the relevant carrying amounts, adjusted at the date of the first consolidation, are recognized as follows:

- Where the excess may be allocated to specific components of the acquired company's equity, the value of liabilities (or assets) whose fair values are higher (or lower) than the carrying amounts at which they were recognized in the balance sheets of the acquired companies, is increased (or reduced) accordingly.

- The remaining amounts which may not be allocated are recorded under "Other gains" in the consolidated income statement for the year in which capital is acquired in the consolidated entity or associate.

2.17 Inventories

This category of the consolidated balance sheet records non-financial assets that the Group:

- Hold for sale in the ordinary course of business;
- Is currently producing, building or developing for this purpose, or
- Plans to consume in the production process or in the provision of services.

Therefore "Inventories" include land and other properties the Group maintains for sale or for its real estate activities.

Inventories are measured at the lowest cost, which incorporates all the outlays made for their acquisition and subsequent transformation; the direct and indirect costs incurred to obtain their current condition and location; the financial costs directly attributable to them, provided they need a period of time longer than one year for their sale (taking into account the previously-mentioned criteria for the capitalization of financial costs of tangible assets for own use); and their "realisable net value". The realisable net value is understood to be the estimated price of their disposal during the ordinary course of business, less the estimated costs for finishing their production and the necessary costs for carrying out their sale.

Both the reductions as well as, if applicable, the subsequent recoveries in the realisable net value below their net book value are recorded in the income statement for the year in which they take place under the caption "Impairment losses on rest of assets (net)".

The carrying value of sold inventories is written off and recorded as an expense under the caption "Other operating expenses" on the consolidated income statement.

The assets allocated by the Group, considering these as those assets that the Group receives from its borrowers or other debtors to satisfy , totally or partially, financial assets that represent collection rights against these, independently of the manner in which the property rights are acquired, and that, in line with their nature and the end to which they are applied, are classified as inventories by the Group, are booked initially at their acquisition cost, understanding this to be the net book value of the debts from which they originated, calculating this net value in line with the norm applicable to the Savings Bank. Afterwards the allocated assets are subject to the estimation of the corresponding impairments that, as may be the case, arise on these, calculated in line with the general determination criteria for the inventories indicated earlier.

2.18 Provisions and contingent liabilities

When preparing the consolidated entities annual accounts, their respective Directors distinguish between:

- Provisions: creditor balances that cover obligations in force at the balance sheet date deriving from past events that could give rise to financial losses for the entities. Although such losses are regarded as probable and are specific in nature, the amount and/or settlement date involved cannot be determined, and

- Contingent liabilities: possible obligations deriving from past events which may materialise subject to one or more future events beyond the control of the consolidated entities.

The Group's consolidated annual accounts include all significant provisions for obligations that are deemed more likely to arise than not to arise. Contingent liabilities are not recognized in the consolidated financial statements, although information is provided in accordance with applicable regulations In accordance with IAS 37 (Note 17).

Provisions quantified using the best information available regarding the consequences of the event in question, and re-estimated at the year end, are applied to meet the specific obligations for which they were originally recognized and fully or partially reversed should such obligations cease to exist or decrease.

At year-end 2014 and 2013, a number of legal proceedings and claims had been instigated against the consolidated entities, arising in the ordinary course of business. The Group's legal advisors and directors consider that the outcome of these proceedings and claims will not have a significant impact on the consolidated annual accounts for the years in which the judgements are issued.

Provisions deemed necessary as stated above are charged or credited to the consolidated income statement caption "Provisions (net)".

2.19 Consolidated cash flow statements

The terms employed in the Group consolidated cash flow statements corresponding to the years 2014 and 2013 have the following meanings:

- Cash flows: Inflows and outflows of cash and cash equivalents (short-term, highly-liquid investments in respect of which the risk of value fluctuations is low).

- Operating activities: typical credit institution activities and other activities that may not be classified as investing or financing activities.

- Investing activities: acquisition, sale or disposal through other means of non-current assets and other investments not included in cash and cash equivalents.

- Financing activities: activities that cause changes in the size and composition of equity and liabilities and do not form part of operating activities.

As part of the cash flows from operating activities, certain adjustments are included to obtain the amount of those flows on the basis of consolidated results for the period. At 31 December 2014 and 2013, "Other adjustments" are included, in addition to depreciation and amortization, relating to consolidated income statement items that do not generate cash flows.

When preparing the consolidated cash flow statement, "cash and cash equivalents" consist of highly-liquid current investments in respect of which the risk of value fluctuations is low. Accordingly, the Group Unicaja Banco treats the following financial assets and liabilities as cash or cash equivalents:

- The Group's own cash, which is recognized in the consolidated balance sheet caption "Cash and deposits at central banks". At 31 December 2014, the Group's own cash amounted to €341,525 thousand (€211,754 thousand at 31 December 2013).

- The balances held with Central Banks, which are booked under the heading "Cash and deposits in Central Banks" on the asset side of the consolidated balance sheet , which as at 31 December 2014 amounted to €270,383 thousand (€1,701,503 thousand at 31 December 2013).

- Net demand deposits at credit institutions other than the balances at central banks and excluding mutual accounts. Demand deposits at credit institutions other than central banks are recognized, among other items, in "Loans and receivables – Deposits at credit institutions" on the consolidated balance sheet, amounting to €275,118 thousand at 31 December 2014 (€93,933 thousand at 31 December 2013).

- Demand deposits of credit institutions other than central banks are recognized, among other items, in "Financial liabilities at amortized cost – Credit institution deposits" on the consolidated balance sheet, amounting to €200,696 thousand at 31 December 2014 (€59,511 thousand at 31 December 2013).

2.20 Non-current assets held for sale

The caption “Non-current assets held for sale” on the consolidated balance sheet records the carrying amount of assets that are highly likely to be sold, in their present condition, within one year as from the date of the consolidated annual accounts.

Non-current assets held for sale also include holdings in associates or joint ventures that meet the requirements stated in the previous paragraph.

Consequently, the carrying amount of these items, which may be financial or non-financial in nature, will foreseeable be recovered through their selling price rather than through continued use.

Specifically, investment property or other non-current assets received by the consolidated entities from their debtors in full or partial settlement of obligations are treated as non-current assets held for sale unless the consolidated entities have decided to use these assets on a continuous basis.

Symmetrically, the heading “liabilities associated with non-current assets for sale” includes the creditor balances associated to the groups at disposal or to the interrupted operations of the Group.

Non-current assets held for sale are generally measured at the lower of their carrying amount when they are recognized as such and their fair value net of estimated costs of sales. While included in this category, property, plant and equipment, and intangible assets subject to depreciation and amortization by nature are not depreciated or amortized.

In the event that the carrying amount exceeds the fair value of the assets, net of costs of sales, the Group adjusts the carrying amount of the assets by the amount of the excess and makes a balancing entry in the caption “Asset impairment losses (net) - Non-current assets held for sale” in the consolidated income statement. In the event that the fair value of the assets increases at a subsequent date, the Group reverses the losses previously recorded in the accounts, increasing the carrying amount subject to the limit of the amount prior to their impairment, against “Asset impairment losses (net) - Non-current assets for sale” in the consolidated income statement

Profits arising from the sale of non-current assets for sale are presented under the heading “Gains (losses) on non-current assets for sale not classified as interrupted operations” in the consolidated profit and loss account.

Notwithstanding the above, financial assets, assets arising from employee retributions, assets from deferred taxes and assets from insurance contracts that are part of a group at disposal or of an interrupted operation, will not be valued as explained in the preceding paragraphs, but in accordance with the principles and norms applicable to these concepts, that have been explained in previous section of Note 2.12.

2.21 Business combinations

Business combinations are operations in which two or more entities or economic units of the same entity or group of companies are combined.

Those business combinations completed as from 1 January 2004 in which the Group acquires control of an entity are recognized as follows:

- The Group estimated the cost of business combinations, defined as the fair value of the assets delivered, of the liabilities incurred and of the capital instruments issued, as may be the case, by the acquiring entity.

- The fair value of the assets, liabilities and contingent liabilities of the target entity is estimated, including any intangible assets that may not have been recognized by target company, which are included in the consolidated balance sheet.

- The difference between the net fair value of the assets, liabilities and contingent liabilities of the target entity or economic unit and the cost of the business combination is recognized in these consolidated annual accounts as follows:

    - Where the difference between the net fair value of the assets, liabilities and contingent liabilities of the target entity or economic unit and the cost of the business combination is negative, it is recognized in "Intangible assets – Goodwill" on the assets side of the consolidated balance sheet, in the event that the business combination has resulted in the merger or absorption of the target entities or an economic unit other than an entity has been acquired.

    - Where the difference between the net fair value of the assets, liabilities and contingent liabilities of the target entity or economic unit and the cost of the business combination is positive, will be registered a goodwill of consolidation that in no case will be amortized, but will be subject to annual impairment analysis set out in the International Financial Reporting Standards.

For acquisitions of shares in stages over a particular entity, for which, under one of the purchases, control over the investee is acquired, the following accounting policies applied by the Group:

- The cost of the business combination is the sum of the cost of each individual transaction.

- For each acquisition of shares effected to the moment in which the Group gains control over the investee entity, the goodwill or negative consolidation difference is calculated separately for each transaction, following the procedure described previously in this note.

- Any difference between the fair value of the assets and liabilities of the investee entity at each of the successive acquisition dates and their fair value on the date the Group gains control over the entity is recognized as an adjustment to the value of the assets and liabilities.

2.22 Transfers of financial assets

The accounting treatment of transfers of financial assets is subject to the manner in which the risks and returns associated with the assets are transferred to third parties.

- If all the risks and benefits of the assets transferred are substantially transferred to third parties, such as in unconditional sales, sales under repos at fair value on the repurchase date, sales of financial assets with a call option acquired or put option issued deeply “out of the money”, asset securitization in which the assignor retains no subordinated financing and nor grants any type of credit enhancement to the new holders and other similar situations, the financial instrument transferred is written off the consolidated balance sheet and at the same time any right or obligation retained or created as a result of the transfer is recognized.

- If the risks and benefits associated with the financial asset transferred are substantially retained, such as in sales of financial assets under repos at a fixed price or at the selling price plus interest, security lending contracts under which the borrower is required to return the same or similar assets, the securitization of financial assets in which subordinated financing is maintained or other types of credit enhancement that substantially absorb expected credit losses on securitized assets and other analogous cases, the financial asset transferred is not written off the consolidated balance sheet and continues to be measured using the same criteria as those used prior to the transfer. Conversely, the following items are recognized and not offset:

    - A financial liability associated with an amount equal to the benefit received; which is later valued at its amortized cost;

    - Both revenue from the financial asset transferred but not written off and expense from the new financial liability.

- If neither the risks nor benefits associated with the financial asset transferred are substantially transferred or retained, as in the sale of financial assets with a call option acquired or a put option issued which are not deeply “in the money” or “out of the money”, financial asset securitization in which the assignor assumes subordinated financing or other types of credit enhancements for part of the asset transferred and other similar cases, the following distinction is made:

    - Where the assignor does not retain control of the transferred financial asset: in this case, the asset transferred is written off the consolidated balance sheet and any right or obligation retained or created as a result of the transfer is recognized.

    - Where the assignor retains control of the transferred financial asset: the asset continues to be recognized in the consolidated balance sheet at an amount equal to its exposure to value changes that could arise, also recognizing an associated financial liability. The net amount of the asset transferred and associated liability will be the amortized cost of the rights and obligations retained if the asset transferred is measured at amortized cost or the fair value of the rights and obligations retained, if the asset transferred is measured at fair value.

2.23 Results from discontinued operations

Income and expense, regardless of their nature, including those relating to impairment adjustments that arise during the year from a component of Group operations that has been classified as discontinued, even if generated before that classification, are presented net of the tax effect in the consolidated income statement as a single amount under the heading "Results from discontinued operations (net)", both if the component remains in the consolidated balance sheet and if eliminated. This heading also includes the results from the sale or other disposal of those operations.

In 2014 results from discontinued operations included in the validated income statement total €20,600 thousand. During 2013 no amount from discontinued operations was included in the consolidated income statement.

3. Distribution of the Parent Entity's surplus

The proposal for the distribution of the Parent Entity's net income for 2014 that the Board of Directors will submit to the General Meeting of Shareholders for approval is set out below along with the already approved for 2013 is as follows:

	Thousands of euros	
	2014	**2013**
Legal reserve	23 838	10 702
Cash dividends	25 000	17 930
Interim dividends paid	-	-
Dividends pending payment	25 000	*17 930*
Voluntary reserves	189 537	78 385
Negative results of previous exercises	-	-
Net profit	**238 375**	**107 017 (*)**

(*) The 2013 result has been restated (Note 1.5).

In accordance with Legislative Royal Decree 1/2010 (2 July), which approves the Spanish Companies Act 2010, companies that obtain profits must allocate 10% of profits for the year to a Legal reserve. Appropriations must be made until the legal reserve reaches 20% of paid up share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased capital stock amount. Until the balance exceeds the 20% threshold, the legal reserve may only be used to offset losses, in the event of other available reserves being insufficient for this purpose.

At the date these annual accounts were prepared and after determining that the conditions established in the prospectus were met, the Board of Directors of Unicaja Banco adopted a resolution to make payment of the discretional compensation for the Mandatory and Contingent Convertible Bonds (NeCoCos) and the Perpetual Contingent Convertible Bonds (PeCoCos) issued by the bank for the gross total amount of €17,124 thousand.

Earnings per share of the Parent

Basic earnings per share are calculated by dividing the net profit for the year attributable to the Bank by the weighted average number of outstanding shares for the year, excluding the average number of treasury shares held during the year. Diluted earnings per share are determined in a similar manner to basic earnings per share, but the weighted average number of outstanding shares is adjusted to account for the potentially dilutive effect of stock options, warrants and convertible debt in force at the year end.

Set out below are Unicaja Banco Group's basic and diluted earnings per share for the financial years ended 31 December 2014 and 2013:

	2014	2013
Profit attributable to Parent Company (thousand of euros)	475 521	54 111
Finance costs of mandatory emissions convertible (in thousands of euros)	-	-
Adjusted Profit (thousand of euros)	475 521	54 111
On which: Discontinued Operations Profit (minority net)	20 600	-
Average number of ordinary shares outstanding reduced by the own (thousand)	892 109	800 000
Profit per share for continuous activities (euros)	**0,509**	**0,068**
Profit per share for discontinuous activities (euros)	**0,023**	**-**
Earnings per share (euros)	**0,532**	**0,068**

	2014	2013
Profit attributable to Parent Company (thousand of euros)	475 521	54 111
Finance costs of mandatory emissions convertible (in thousands of euros)	-	-
Adjusted Profit (thousand of euros)	475 521	54 111
On which: Discontinued Operations Profit (minority net)	20 600	-
Average number of ordinary shares outstanding reduced by the own (thousand)	892 109	800 000
Average number of shares from the conversion of Bonds (thousand)	33 092	-
Adjusted total average number of shares for calculation of diluted profit per share (thousand)	925 201	800 000
Diluted profit per share for continuous activities (euros)	**0,491**	**0,068**
Diluted profit per share for discontinuous activities (euros)	**0,022**	**-**
Diluted Earnings per share (euros)	**0,513**	**0,068**

As a result of the acquisition process involving Banco CEISS described in Note 1.2, Unicaja Banco Group maintains instruments with a potentially diluting effect at 31 December 2014. The basic earnings per share coincide with the diluted earnings per share at 31 December 2013 given that no such instruments existed at that date.

Unicaja Banco Group has issued Mandatory and Contingent Convertible Bonds (NeCoCos) and the Perpetual Contingent Convertible Bonds (PeCoCos) that are recorded under the heading "Other equity instruments" and the discretional compensation is subject to compliance with a series of conditions (Note 21.2). During 2014 no compensation commitments were made for these convertible instruments.

In accordance with IAS 33"Earnings per share" the average number of shares and other outstanding instruments in 2014 was used. The Mandatory and Contingent Convertible Bonds (NeCoCos) have been taken into consideration in the calculation of basic and diluted earnings since they are instruments that must be converted while the Perpetual Contingent Convertible Bonds (PeCoCos) have only been taken into consideration with respect to diluted earnings.

4. Goodwill of the Equity Method entities

At 31 December 2014 and 2013, the Bank recorded goodwill in equity method associates pending impairment in the amount of € 36,230 thousand and € 38,137 thousand, respectively. This goodwill was generated basically through a comparison with the net fair value of the assets, liabilities and contingent liabilities acquired by the Bank when it invested in the companies Autopistas del Sol, S.A., Concesionaria España, S.A. and Hidralia, Gestión Integral de Aguas de Andalucía, S.A., through the company Hidrocartera, S.L. in the latter case. At 31 December 2014, the goodwill is recognized as part of the acquisition cost of the target companies in the consolidated balance sheet item “Equity investments - Associates”. The amount pending impairment derives from the profits expected by the Bank's directors from the target companies, based on the strength of their customer base and on their average income per customer.

During the fiscal year 2014, in accordance with Note 2.16, the aforementioned goodwill was impaired in an amount of €1,907 thousand.

The following table shows the dates of initial recognition and the initial gross amounts of the goodwill in associates, as well as cumulative impairment losses and the net amounts of goodwill at 31 December 2014 and 2013:

			Thousands of euros			
			Accumulated loss provisions		**Net amount**	
	Initial amount	**Initial registration date**	**2014**	**2013**	**2014**	**2013**
Autopista del Sol, C.E.S.A.	34 833	Sep. 2005	(8 495)	(7 646)	26 338	27 187
Hidralia, G.I.A.A., S.A.	20 467	Jun. 2005	(10 575)	(9 517)	9 892	10 950
	55 300		**(19 070)**	**(17 163)**	**36 230**	**38 137**

As this goodwill relates to administrative concessions and licences held by the target companies for a certain period of time, the Bank's directors consider that, barring other evidence of impairment, the recoverable value of the goodwill recognized decreases in proportion to the number of years remaining to the end of the administrative concession or licence.

5. Segment information

The Group is engaged mainly in the retail banking business. Virtually all its business is conducted in Spain and the directors consider that customer types are similar throughout its territorial area of influence. Consequently, in compliance with prevailing regulations, the information on the Group’s business and geographical segments is not deemed to be relevant.

Set out below are details of the relative significance of the Unicaja Banco Group's operating segments at 31 December 2014 and 2013, for each of the segmentation types or parameters defined in paragraphs 32 to 34 of IFRS 8.

Sector information (products and services)

There follows a breakdown of the Unicaja Banco Group's consolidated balance sheet by sector at 31 December 2014 and 2013, including the same sector information reported to the Bank of Spain.

At 31 December 2014, the credit institutions sector accounts for 99.77% of total consolidated assets and 99.98% of consolidated equity. To this end, pursuant to Rule 70.2 of Bank of Spain Circular 4/2004, the item “Credit institutions sector” includes the information on the consolidated group of credit institutions defined in Rule 1 of Bank of Spain Circular 4/2004.

a) Consolidated balance sheet at 31 December 2014

		Distribution (thousands of euros)			
Assets	**Total**	**Sector banks**	**Insurance companies**	**Other entities**	**Adjustments and eliminations**
Cash and balances at central banks	611 917	611 905	1	12	(1)
Financial assets held for trading	228 871	228 871	-	-	-
Available for sale financial assets	12 503 087	12 551 544	18 156	495	(67 108)
Loans and receivables	37 670 583	37 720 328	8 351	66 493	(124 589)
Held to maturity investments	9 639 624	9 642 649	-	-	(3 025)
Hedging derivatives	921 921	921 921	-	-	-
Non-current assets held for sale	931 290	701 484	-	-	229 806
Investments	424 115	569 284	-	22 412	(167 581)
Insurance contracts linked to pensions	147 763	147 763	-	-	-
Reinsurance assets	7 074	-	7 074	-	-
Tangible assets	1 385 970	1 278 117	30	112 334	(4 511)
Intangible assets	1 771	1 123	10	651	(13)
Tax assets	2 747 643	2 723 914	84	31 434	(7 789)
Other assets	728 786	691 977	16 390	37 266	(16 847)
Total assets	67 950 415	67 790 880	50 096	271 097	(161 658)

		Distribution (thousands of euros)			
Liabilities and Equity	**Total**	**Sector banks**	**Insurance companies**	**Other entities**	**Adjustments and eliminations**
Financial liabilities held for trading	64 582	64 582	-	-	-
Financial liabilities at amortized cost	63 007 812	62 888 150	6 780	203 506	(90 624)
Hedging derivatives	56 725	42 426	-	14 299	-
Liabilities Associated with non-current assets held for sale	13 350	13 350	-	-	-
Insurances Contracts Liabilities	29 528	-	24 206	-	5 322
Provisions	724 487	722 566	48	2 222	(349)
Tax Liabilities	533 864	543 412	1 428	1 501	(12 477)
Other liabilities	227 790	224 929	1 993	16 645	(15 777)
Total Liabilities	64 658 138	64 499 415	34 455	238 173	(113 905)
Equity	2 673 810	2 673 810	13 801	42 946	(56 747)
Valuation adjustements	292 105	292 105	1 840	(10 022)	8 182
Minority Interest	326 362	325 550	-		812
Total Equity	3 292 277	3 291 465	15 641	32 924	(47 753)
Total Liabilities and Equity	67 950 415	67 790 880	50 096	271 097	(161 658)

b) Consolidated balance sheet at 31 December 2013

Assets	Total	Sector banks	Insurance companies	Other entities	Adjustments and eliminations
		Distribution (thousands of euros)			
Cash and balances at central banks	1 913 257	1 913 225	-	32	-
Financial assets held for trading	291 771	291 771	-	-	-
Available for sale financial assets	2 566 037	2 562 662	-	4 906	(1 531)
Loans and receivables	28 886 959	28 913 762	-	71 344	(98 147)
Held to maturity investments	4 242 658	4 242 658	-	-	-
Hedging derivatives	543 745	543 745	-	-	-
Non-current assets held for sale	263 918	263 918	-	-	-
Investments	279 759	264 915	-	-	14 844
Insurance contracts linked to pensions	132 097	132 097	-	-	-
Reinsurance assets	-	-	-	-	-
Tangible assets	753 691	623 418	-	130 273	-
Intangible assets	3 689	1 336	-	2 353	-
Tax assets	677 616	659 028	-	18 588	-
Other assets	702 914	734 899	-	57 518	(89 503)
Total assets	41 258 111	41 147 434	-	285 014	(174 337)

Liabilities	Total	Sector banks	Insurance companies	Other entities	Adjustments and eliminations
		Distribution (thousands of euros)			
Financial liabilities held for trading	11 981	11 981	-	-	-
Financial liabilities at amortized cost	38 592 934	38 506 978	-	217 544	(131 588)
Hedging derivatives	44 088	25 157	-	18 931	-
Liabilities Associated with non-current assets held for sale	-	-	-	-	-
Insurances Contracts Liabilities	5 740	-	-	-	5 740
Provisions	345 181	344 213	-	968	-
Tax Liabilities	111 516	108 490	-	3 026	-
Other liabilities	98 956	103 718	-	3 421	(8 183)
Total Liabilities	39 210 396	39 100 537	-	243 890	(134 031)
Equity	2 031 497	2 031 497	-	49 727	(49 727)
Valuation adjustements	11 734	11 734	-	(9 421)	9 421
Minority Interest	4 484	3 666	-	818	-
Total Equity	2 047 715	2 046 897	-	41 124	(40 306)
Total Liabilities and Equity	41 258 111	41 147 434	-	285 014	(174 337)

Geographic area information

The Unicaja Banco Group operates in Spain; customer types are similar throughout the country. The Group therefore considers a single geographic segment for its operations, the information breakdown required by paragraph 33 of IFRS 8 not being applicable.

Note 26 to the consolidated accounts provides information on risk concentration by activity and geographic area at 31 December 2014 and 2013.

Main customer information

The Unicaja Banco Group is engaged mainly in the retail banking business and has no customers accounting for over 10% of the Group's ordinary income; the Group thus considers that the information breakdown required by paragraph 34 of IFRS 8 is not applicable.

6. Remuneration of the Board of Directors and Senior Management

6.1 Board of Directors' remuneration of the Parent Entity.

The following table provides a breakdown of remuneration accrued to the members of the Board of Directors of the Parent Entity, Unicaja Banco, S.A.U., exclusively in their capacity as Board directors during the periods 2014 and 2013, consisting of per diems and fixed remuneration relating solely to their roles as non-executive Board directors:

	Thousands of euros	
	2014	**2013**
Arcas Cubero, Javier	-	32
Atencia Robledo, Manuel	15	30
Azuaga Moreno, Manuel	15	30
Casero Domínguez, Juan Ramón	-	35
Cid Jiménez, José Luis	-	32
Dell´ Olmo García, Ildefonso M.	-	32
Domínguez-Adame Cobos, Eloy	49	-
Fernández Céspedes, Pedro	-	41
Fraile Cantón, Juan	67	81
Herrera Núñez, Francisco	-	31
Jiménez Sánchez, Guillermo	8	-
Lombardero Barceló, Mª Luisa	2	-
López López, Antonio	67	78
Mateos-Aparicio Morales, Petra	49	-
Medel Cámara, Braulio	16	34
Molina Morales, Agustín	59	67
Torre Colmenero, José Mª de la	49	50
Valle Sánchez, Victorio	75	88

6.2 Parent Entity's Senior Management remuneration.

For the purposes of preparing these consolidated annual accounts, senior management is considered to be made up of fourteen people (fourteen people in 2013), who has described these effects as key personnel, including three Executive Directors (three in 2013). The compensation received by the members of this group in the years 2014 and 2013 amounted to € 3,184 thousand and € 3,532 thousand, respectively. The obligations assumed based on these guidelines in terms of post-employment benefits deriving exclusively from their status as employees or bank executives totaled to € 366 thousand in 2014, having been charged € 409 thousand in 2013, amounts covered entirely by the relevant funds.

6.3 Other transactions performed with Board Directors and Senior Management

Note 44 on related parties provides the asset and liability balances of transactions effected with the Group's Board Directors and senior management at 31 December 2014 and 2013, including a breakdown of income and expenses recognized in the 2014 and 2013 consolidated income statements in respect of such transactions, excluding the amounts referred to in Notes 6.1 and 6.2.

6.4 Post-employment benefits of former members of the Group's Board of Directors and Senior Management

The consolidated income statements for 2014 and 2013 contain no charges for pension and similar obligations relating to former members of the Group's Board and senior management, as such commitments were entirely covered in previous years by insurance policies.

7. Cash and deposits at central banks

An analysis of the balances in this balance sheet caption at 31 December 2014 and 2013 is as follows:

	Thousands of euros	
	2014	**2013**
Cash	341 525	211 754
Deposits at Bank of Spain	270 383	1 701 486
Measurement adjustments - Accrued interest	9	17
	611 917	**1 913 257**

The interest accrued during the years 2014 and 2013 for these deposits have been of €472 thousand and €926 thousand, respectively, and are included in "Interest and similar income" in the consolidated income statement (Note 31).

8. Financial assets held for trading

8.1 Breakdown of the balance and maximum credit risk - debtor balances

The following table contains a breakdown of the financial assets included in this category at 31 December 2014 and 2013, classified by type of counterparty and by type of instrument:

	Thousands of euros	
	2014	**2013**
By counterparty type -		
Credit institutions	25 852	1 152
Resident, public administrations	137 835	258 451
Non-resident, public administrations	37 680	-
Resident, other sectors	27 017	24 676
Non-resident, other sectors	487	7 492
	228 871	**291 771**
By instrument type -		
Listed shares	-	8 428
Listed bonds and debentures	176 425	277 106
Derivatives traded on organised markets	487	41
Derivatives not traded on organised markets	51 959	6 196
	228 871	**291 771**

The carrying amounts shown in the above table represent the credit risk exposure borne by the Group at each year end with respect to the financial instruments indicated.

The interest accrued during the years 2014 and 2013 for debt instruments classified in the trading portfolio have been of €3,647 thousand and €3,376 thousand, respectively, and are included in "Interest and similar income" in the profit and loss account statement (Note 31).

The average effective interest rate on debt instruments classified in this portfolio at 31 December 2014 was 0.94% (2.46% at 31 December 2013).

The positive flow included in the 2014 consolidated cash flow statement in respect of balances receivable from financial assets and liabilities held for trading amounted to € 62,900 thousand (negative flow of €167,138 thousand in 2013).

8.2 Breakdown of the balance - creditor balances

The following table contains a breakdown of the financial liabilities included in this category at 31 December 2014 and 2013, classified by type of counterparty and by type of instrument:

	Thousands of euros	
	2014	**2013**
By counterparty type -		
Credit institutions	32 758	4 976
Other resident sectors	31 824	7 005
	64 582	**11 981**
By instrument type -		
Derivatives traded on organised markets	42	-
Derivatives not traded on organised markets	64 540	11 981
	64 582	**11 981**

The positive flow included in the 2014 consolidated cash flow statement in respect of balances payable from financial assets and liabilities held for trading amounted to € 52,601 thousand (positive flow of € 4,401 thousand in 2013).

8.3 Derivative financial instruments held for trading

Set out below is a breakdown by type of derivative of the fair value of the Group's derivatives held for trading and their notional value (on the basis of which future payments and collections are calculated) at 31 December 2014 and 2013:

Thousands of euros

	2014				2013			
	Debtor balances		Creditor balances		Debtor balances		Creditor balances	
	Fair Value	Notional Value	Fair Value	Notional Value	Fair Value	Notional Value	Fair Value	Notional Value
Un-matured currency purchases/sales:	**816**	**4 533**	**831**	**5 230**	**396**	**6 987**	**391**	**6 987**
Currencies purchased against euro	8	316	831	5 230	-	-	391	6 987
Currencies sold against euro	808	4 217	-	-	396	6 987	-	-
Equity and interest rate futures	**-**	**-**	**-**	**12 532**	**-**	**-**	**-**	**1 244**
Purchased	-	-	-	-	-	-	-	-
Sold	-	-	-	12 532	-	-	-	1 244
Equity options:	**1 876**	**88 300**	**10 640**	**2 040 945**	**41**	**10 968**	**6 271**	**1 762 492**
Purchased	1 876	88 300	98	1 668	41	10 968	-	-
Issued	-	-	10 542	2 039 277	-	-	6 271	1 762 492
Interest rate options	**6 588**	**808 115**	**6 606**	**260 274**	**-**	**-**	**-**	**-**
Purchased	2 601	534 362	2 557	-	-	-	-	-
Sold	3 987	273 753	4 049	260 274	-	-	-	-
Other equity transactions	**-**	**-**	**1 841**	**141 730**	**199**	**87 490**	**287**	**190 675**
Equity swaps	-	-	8	2 936	68	5 000	-	-
Forward transactions	-	-	1 833	138 794	131	82 490	287	190 675
Currency options:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Purchased	-	-	-	-	-	-	-	-
Issued	-	-	-	-	-	-	-	-
Other currency options	**19 713**	**36 105**	**21 495**	**38 380**	**-**	**-**	**-**	**-**
Currency swaps	19 713	36 105	21 495	38 380	-	-	-	-
Other interest rate transactions	**23 453**	**202 552**	**23 169**	**201 709**	**5 601**	**54 588**	**5 032**	**55 040**
Interest rate swaps	23 453	202 552	23 169	201 709	5 601	54 588	5 032	55 040
Other products	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	52 446	**1 139 605**	**64 582**	**2 700 800**	**6 237**	**160 033**	**11 981**	**2 016 438**

The notional amount of the contracts concluded does not represent the actual risk assumed by the Group, since the net position in these financial instruments is obtained by offsetting and/or combining the relevant amounts.

Note 11 provides the methods applied by the Group to measure the financial instruments classified in this category.

9. Available-for-sale financial assets

9.1 Breakdown of the balance and maximum credit risk

The following table contains a breakdown of the financial assets included in this category at 31 December 2014 and 2013, classified by type of counterparty and by type of instrument:

	Thousands of euros	
	2014	**2013**
By counterparty type		
Credit institutions	354 120	125 802
Resident, public administrations	8 428 489	1 094 334
Non-resident, public administrations	566 508	321 778
Resident, other sectors	2 240 020	958 721
Non-resident, other sectors	698 082	66 788
	12 287 219	2 567 423
(Impairment losses) (*)	(76)	(66)
Other measurement adjustments	215 944	(1 320)
	12 503 087	**2 566 037**
By instrument type		
Debt securities:	11 575 532	1 951 956
Spanish government securities	7 919 672	1 023 782
Treasury bills	*1 855 232*	-
Government bonds and debentures	*6 064 440*	*1 023 782*
Other Spanish public administration	484 057	70 552
Foreign government securities	566 508	321 778
Issued by financial institutions	330 672	90 217
Other fixed-income securities	2 058 755	447 013
(Impairment losses) (*)	(76)	(66)
Other measurement adjustments	215 944	(1 320)
Other equity instruments:	927 555	614 081
Shares in listed Spanish companies	559 479	343 688
Shares in unlisted Spanish companies	219 652	161 813
Shares in listed foreign companies	71 090	57 768
Shares in unlisted foreign companies	17	19
Shares in investment funds	77 317	50 793
	12 503 087	**2 566 037**

(*)At 31 December 2014 and 2013 this amount relates to impairment losses recognized to cover credit risk.

The carrying amount shown in the table above represents the level of credit risk exposure of the Group at the end of those years in relation to financial instruments included.

The total in the table above as "Other equity instruments" includes the 31 December 2014 a balance of €575,719 thousand corresponding to impairment losses of the elements included in this section (€251,719 thousand at 31 December 2013), having recorded over exercise a net provision of this correction, not including other movements or transfers, amounting to €30,919 thousand, collected under the heading "impairment losses on financial assets (net) "in the consolidated income statement (€8,037 thousand at 31 December 2013).

With respect to debt securities classified as financial assets available for sale, net provision of impairment losses in 2014 amounted to €10 thousand, also collected under the heading of "losses impairment (net) "in the consolidated income statement (net recovery of impairment losses €521 thousand at 31 December 2013).

Among the most significant movements in the "Available-for-sale financial assets" portfolio in 2014 are the following Group transactions:

- Acquisition of 335,239,366 shares in Banco CEISS for € 202,489 thousand.
- Acquisition of 557,620 shares in Banco Popular Español for € 3,000 thousand.
- Acquisition of 2,191,874 shares in Autopista del Sureste for € 2,192 thousand.
- Sale of 4,005,062 shares in QMC for € 2,111 thousand, generating a profit of € 736 thousand.
- Sale of 923,610 shares in Banco Popular Español for € 4,863 thousand, generating a profit of € 329 thousand.
- Sale of 84,200 shares in Gas Natural for € 1,861 thousand, generating a profit of € 211 thousand.
- Sale of 30,000,000 shares of Magnum Capital L.P. for € 20,322 thousand, generating a profit of € 11,788 thousand.
- Sale of 5,000 shares in Fondespaña Duero for € 300 thousand, generating a profit of € 32 thousand.

Among the most significant movements in the "Available-for-sale financial assets" portfolio in 2013 are the following Group transactions:

- Sale of 9,049,769 shares in Sacyr Vallehermoso for € 19,950 thousand, generating a profit of € 4,958 thousand.
- Acquisition of 2,328,740 shares in Bankia for € 3,150 thousand (derived from a bond exchange).
- Acquisition of 3,477,551 shares in Catalunya Banc for € 6,300 thousand (derived from a bond exchange).
- Acquisition of 1,751,055 shares in NCG Banco for € 2,700 thousand (derived from a bond exchange).
- Acquisition of 6,750,000 shares in Banco CEISS for € 6,750 thousand (derived from a bond exchange).
- Acquisition of 715,990 shares in Banco Popular Español for € 3,000 thousand (derived from a bond exchange).
- Acquisition of 119,523 shares in Cartera Perseidas for € 2,893 thousand.
- Sale of 3,796,247 shares in Metrovacesa for € 8,491 thousand, generating a profit of € 2,796 thousand.
- Sale of 29,282 shares in Cea SICAV for € 181,000 thousand, generating a profit of € 2,513 thousand.
- Sale of 4,005,062 shares in QMC for € 3,002 thousand, generating a profit of € 727 thousand.
- Sale of 1,273,076 shares in Banco Popular Español for € 5,296 thousand, generating a profit of € 829 thousand.
- Sale of 1,457,357 shares in Duro Felguera for € 7,287 thousand, generating a profit of € 651 thousand.
- Sale of 1,903,230 shares in CIE Automotive for € 5,276 thousand, generating a profit of € 1,209 thousand.

These amounts are registered under the "Gains on financial assets (net)" in the consolidated at 31 December 2014 income statement, accounting for equity instruments classified as financial assets available for sale (Note 37).

The interest accrued during the years 2014 and 2013 for debt instruments classified as financial assets available for sale have been of €181,418 thousand and €100,770 thousand, respectively, are included in "Interest and yields assimilated "in the consolidated income statement (Note 31).

The average effective interest rate on debt instruments classified in this portfolio at 31 December 2014 was 1.66% (2.82% at 31 December 2013).

The negative flow included in the statement of consolidated cash flows for the year 2014 on financial assets available for sale in this caption amounts € 9,937,050 thousand (positive flow of € 179,921 thousand in 2013).

9.2 Credit risk coverage

Set out below are movements during 2014 and 2013 in impairment losses recorded to cover credit risk and cumulative impairment losses recognized at the beginning and end of 2014 and 2013 in respect of debt instruments classified as available-for-sale financial assets:

	Thousands of euros
Balance at 31 December 2012	**131**
Net appropriations for the year	561
Prior-year provisions available	(40)
Other	(586)
Balance at 31 December 2013	**66**
Net appropriations for the year	26
Prior-year provisions available	(16)
Other	-
Balance at 31 December 2014	**76**

9.3 Measurement adjustments to available-for-sale financial assets

Set out below is the reconciliation of opening and closing balances of measurement adjustments to available-for-sale financial assets in equity on the consolidated balance sheets for 2014 and 2013, against the amounts recognized in the consolidated income statement as gains/(losses) on financial assets and liabilities and as impairment losses on financial assets, and against the amounts recognized in the consolidated statement of recognized income and expenses.

	Thousands of euros	
	2014	**2013**
Value adjustments to assets held for sale at January 1	**37 684**	**22 405**
Transfer to results	**(287 482)**	**(101 825)**
Portion allocated to the consolidated income statement	(276 280)	(144 018)
Change in fair value of the securities sold in the year from 1 January or from the date of purchase to date of sale	(11 202)	42 193
Other changes in fair value	**647 148**	**123 652**
Income tax	**(107 900)**	**(6 548)**
Value adjustments to assets held for sale at December 31	**289 450**	**37 684**

Set out below is a breakdown of the amount taken to the consolidated income statement during 2014 and 2013:

	Thousands of euros	
	2014	**2013**
Result of financial transactions (Note 37)	(273 733)	(141 595)
Impairment of available for sale registered at fair value	(2 547)	(2 423)
	(276 280)	**(144 018)**

9.4 Held-to-maturity investment portfolio

At 31 December of 2014 and 2013 the heading "Held-to-maturity investment portfolio" mainly records Spanish public debt and guaranteed debt securities issued by credit institutions. As a result of the recent evolution of debt markets, as well as the Group's intention and financial capacity to maintain those investments to maturity, it decided to modify its investment strategy classifying assets that were initially classified under "Held-to-maturity Investment Portfolio" to that heading.

Below is a breakdown of the financial assets included in this category at 31 December 2014 and 2013, classified by type of counterparty and type of instrument:

	Thousands of euros	
	2014	**2013**
By counterparty type		
Credit institutions	484 321	727 906
Resident, public administrations	5 468 794	3 027 150
Resident, other sectors	3 670 081	461 250
Non-resident, other sectors	16 428	26 352
	9 639 624	**4 242 658**
By instrument type -		
Debt securities:	5 347 159	2 750 070
Spanish government securities	-	-
Treasury bills	*5 347 159*	*2 750 070*
Other Spanish public administration	121 635	277 080
Foreign government securities	-	-
Issued by financial institutions	484 321	727 906
Other fixed-income securities	3 686 509	487 602
	9 639 624	**4 242 658**

The carrying amount shown in the table above represents the level of credit risk exposure to the Bank at the end of those years in relation to financial instruments included therein.

Interest accrued in 2014 and 2013 on these securities totaled €261,181 thousand and €237,663 thousand, respectively and is included under the heading "Interest and similar charges" in the accompanying consolidated income statement (Note 31).

The effective average interest rate of the debt instruments classified in this portfolio at 31 December 2014 and 2013 stood at 2.58% and 3.77%, respectively.

During the final months of 2013 Unicaja Banco sold part of the debt securities classified under the held-to-maturity portfolio with a carrying cost of €1,261,366 thousand, which gave rise to €93,044 thousand in profits for the Group recorded under the heading "Results from financial operations held-to-maturity investment portfolio" in the consolidated income statement (Note 37). The debt securities sold had a face value of €1,266,000 thousand and a selling price of €1,354,379 thousand. The transactions were carried out by Unicaja Banco within the framework of the acquisition of Banco de Caja España de Inversiones, Salamanca y Soria, S.A. (Banco CEISS) described in Note 1.2 based on the effect of a business combination with an entity of a similar size to Unicaja Banco and with the objective of maintaining the entity's interest rate and credit risk positions.

During 2014 Unicaja Banco Group continued with the process of selling debt securities in the held-to-maturity investment portfolio with a total carrying cost of €1,016,002 thousand capital gains totalling €103,246 thousand.

Specifically, in the breakdown of these figures by entity, during the first months of 2014 Unicaja Banco completed the process of selling debt securities in the held-to-maturity portfolio that had a carrying cost of €694,139 thousand at a selling price of €745,086 thousand. The aggregate face value of these assets total €708,450 thousand and the sale gave rise to a profit of €50,947 thousand for the group that was also recognised under the heading "Results from financial operations held-to-maturity investment portfolio" in the consolidated income statement (Note 37). These sale transactions were also due to the acquisition of Banco CEISS described in Note 1.2, and had the objective of maintaining the interest rate and credit risk positions of the group resulting from the combination.

In December 2014 Unicaja Banco sold debt securities in the held-to-maturity portfolio that had a carrying cost of €321,864 thousand at a selling price of €374,163 thousand. The aggregate face value of these assets total €257,000 thousand and the sale gave rise to a profit of €52,299 thousand for the group that was also recognised under the heading "Results from financial operations held-to-maturity investment portfolio" in the consolidated income statement (Note 37). These sales transactions are due to the changes in the regulatory capital requirements and the need to take certain recapitalisation action, including the materialisation of certain capital gains in the debt securities portfolio classified under the held-to-maturity portfolio.

The sales mentioned in the preceding paragraphs took place in accordance with current accounting legislation and taking into consideration the provisions of paragraph GA22 of IAS 39 (Financial instruments: recognition and measurement", which covers situations in which financial assets in the held-to-maturity portfolio may be sold without doubts arising as to the Group's intention to maintain the rest of the held-to-maturity portfolio. It should also be noted that these sales are attributed to isolated non-recurring events that could not have reasonably been anticipated. For the described reasons the transactions are considered to meet the requirements established by paragraph GA22 of IAS 39, such that the rest of the debt securities in the held-to-maturity portfolio of financial assets available for sale do not have to be reclassified (Note 2.2.4).

10. Loans and receivables

10.1 Breakdown of the balance and maximum credit risk

The following table contains a breakdown of the financial assets included in this category at 31 December 2014 and 2013, classified by type of counterparty and by type of instrument:

	Thousands of euros	
	2014	**2013**
By counterparty type		
Credit institutions	1 118 854	6 039 593
Resident, public administrations	2 035 250	596 917
Non-resident, public administrations	37	106
Resident, other sectors	37 153 641	23 528 014
Non-resident, other sectors	347 719	101 958
	40 655 501	30 266 588
(Impairment losses)	(2 978 333)	(1 377 104)
Other measurement adjustments	(6 585)	(2 525)
	37 670 583	**28 886 959**
By instrument type		
Variable-rate credit lines and loans	31 882 887	18 044 928
Fixed-rate credit lines and loans	2 791 073	1 271 580
Debt securities	1 801 930	1 082 596
Securities acquired under repurchase agreements	3 347 106	9 262 920
Term deposits at credit institutions	262 815	127 369
Other deposits at credit institutions	99 206	100 546
Other financial assets	470 484	376 649
	40 655 501	30 266 588
(Impairment losses)	(2 978 333)	(1 377 104)
Other measurement adjustments	(6 585)	(2 525)
	37 670 583	**28 886 959**

The carrying amounts shown in the above table represent the credit risk exposure borne by the Group at each year end with respect to the financial instruments indicated.

The interests accrued during 2014 and 2013 for loans to customers have been €936,405 thousand and €693,907 thousand, respectively, and are included in "Interest and similar income" in the consolidated income statement (Note 31). Meanwhile, interest earned on deposits with credit institutions amounted to €10,219 thousand and €29,376 thousand, respectively, and is included also in "Interest and similar income" in the accompanying income statement (Note 31).

The average effective interest rate of the debt instruments classified in this portfolio at 31 December 2014 for customer loans has been 3.02% (3.37% at 31 December 2013) and for deposits credit institutions was 0.37% (0,81% at 31 December 2013).

The negative cash flow included in the statement of consolidated cash flows for the year 2014 by credit investments recorded under this heading amounted €8,783,624 thousand (negative flow of € 1.503.436 thousand in 2013).

Refinancing operations, refinanced and restructured

On 2 October 2012, the Bank of Spain issued Circular 6/2012, on the rules regarding public and reserved financing reporting and model financial statements that amend Circular 4/2004 (22 December), which established the obligation to report certain information relating to refinanced and restructured transactions.

Additionally, on 30 April 2013 the Bank of Spain sent a letter explaining the approach agreed by its Executive Committee in connection with the preparation and approval of the refinancing and accounting policies applied to the transactions in question. This approach is treated as a reference framework by Unicaja Banco for compliance with Bank of Spain Circular 4/2004.

At 31 December 2014 and 2013, the breakdown of refinanced and restructured transactions (a) based on the criteria of Bank of Spain Circular 6/2012, is as follows:

							Thousand of euros
							2014
	Full real estate mortgage guarantee		**Other real guarantees (c)**		**Unsecured**		
	No. of transactions	**Gross amount**	**No. of transactions**	**Gross amount**	**No. of transactions**	**Gross amount**	**Specific coverage**
Normal Risk (b)							
Public administrations	27	39 976	8	29 984	494	248 851	-
Other individual legal persons and businesses	2 829	367 344	1 090	258 356	1 914	529 927	-
Of which: Financing for construction and development	*210*	*91 093*	*13*	*60 246*	*45*	*5 734*	-
Other natural persons	5 591	385 527	730	37 884	2 871	21 099	-
	8 447	**792 847**	**1 828**	**326 224**	**5 279**	**799 877**	**-**
Sub-prime risk							
Public administrations	2	7	-	-	24	11 207	-
Other individual legal persons and businesses	1 922	369 595	613	202 862	1 540	188 853	(188 051)
Of which: Financing for construction and development	*253*	*139 331*	*23*	*43 827*	*41*	*7 725*	*(76 483)*
Other natural persons	3 301	266 754	321	19 073	1 240	11 371	(27 734)
	5 225	**636 356**	**934**	**221 935**	**2 804**	**211 431**	**(215 785)**
Doubtful risk							
Public administrations	-	-	-	-	-	-	-
Other individual legal persons and businesses	3 288	764 708	1 486	868 173	1 827	460 199	(1 319 509)
Of which: Financing for construction and development	*544*	*252 394*	*208*	*228 123*	*157*	*63 810*	*(402 572)*
Other natural persons	5 219	507 961	1 171	113 818	1 194	16 722	(211 030)
	8 507	**1 272 669**	**2 657**	**981 991**	**3 021**	**476 921**	**(1 530 539)**
	22 179	**2 701 872**	**5 419**	**1 530 150**	**11 104**	**1 488 229**	**(1 746 324)**

	Full real estate mortgage guarantee		Other real guarantees (c)		Unsecured		
							Thousand of euros 2013
	No. of transactions	**Gross amount**	**No. of transactions**	**Gross amount**	**No. of transactions**	**Gross amount**	**Specific coverage**
Normal Risk (b)							
Public administrations	17	186	9	195	493	61 876	-
Other individual legal persons and businesses	2 306	313 026	1 092	303 237	1 742	537 975	-
Of which: Financing for construction and development	*64*	*87 761*	*78*	*100 607*	*22*	*61 826*	-
Other natural persons	3 537	303 952	461	35 494	2 204	16 333	-
	5 860	**617 164**	**1 562**	**338 926**	**4 439**	**616 184**	**-**
Sub-prime risk							
Public administrations	2	30	3	3	2	2	-
Other individual legal persons and businesses	1 771	382 826	821	274 695	1 017	117 625	(239 926)
Of which: Financing for construction and development	*377*	*291 129*	*90*	*164 648*	*67*	*20 148*	*(167 623)*
Other natural persons	2 075	119 082	520	18 226	716	4 253	(35 376)
	3 848	**501 938**	**1 344**	**292 924**	**1 735**	**121 880**	**(275 302)**
Doubtful risk							
Public administrations	-	-	-	-	-	-	-
Other individual legal persons and businesses	1 896	417 198	1 074	423 025	660	81 133	(678 731)
Of which: Financing for construction and development	*387*	*257 500*	*253*	*286 095*	*88*	*39 944*	*(408 477)*
Other natural persons	2 118	182 488	479	30 914	341	2 799	(86 480)
	4 014	**599 686**	**1 553**	**453 939**	**1 001**	**83 932**	**(765 211)**
	13 722	**1 718 788**	**4 459**	**1 085 789**	**7 175**	**821 996**	**(1 040 513)**

(a) Includes all refinancing operations, refinanced or restructured as defined in paragraph g) of paragraph 1 of Annex IX of the Circular 4/2004 of Bank of Spain.

(b) Risks classified as normal special monitoring as stated in point a) of paragraph 7 of Annex IX of the Circular 4/2004.

(c) Includes real estate mortgage transactions not full, i.e. loan to value greater than 1, and other transactions secured by the real estate mortgage whatever your loan to value.

The gross amount of additions of refinanced or restructured transactions classified as doubtful or substandard by Unicaja Bank Group in 2014 and 2013 (without taking into account the effect of the entries resulting from the business combination - Note 1.2) totaled €639,455 and € 568,770 thousand, respectively.

	Thousands of euros	
	2014	**2013**
Public Administrations	11 208	35
Other legal entities and individual entrepreneurs	388 082	484 495
Of which: funding for construction and development	*62 647*	*323 372*
Rest of physical persons	240 165	84 240
	639 455	**568 770**

The Bank has a transaction refinancing, restructuring, renewal and renegotiating policy that has been approved by the maximum governing body and is included in the Entity's credit policy and manual. This policy details the requirements and situations under which a range of measures are offered to assist customers that are undergoing financial difficulties.

Although control over refinanced risks has always formed part of the Unicaja Banco's prudential monitoring of the loan portfolio, the Bank has adapted its systems for managing, identifying and monitoring transactions involving credit exposure to the definitions contained in Bank of Spain Circular 6/2012. Specifically, the Bank has policies for refinancing, restructuring, renewing and renegotiating loans which detail the requirements, terms and situations in which a broad range of measures are available to help customers that are in financial difficulties.

In general terms, these renegotiated loans do not include changes to conditions deemed substantial, besides an increase in the term of loans, the inclusion or extension of grace periods, or the improvement of loan collateral, so that, for accounting purposes, this does not entail the write-off of the original assets or the recognition of new assets at fair value.

As regards the accounting treatment of renegotiated loans, the Group complies with Annex IX of Bank of Spain Circular 4/2004, applying the impairment adjustment rates stated in section 17 and in paragraph 8 of Rule 29 of Circular 4/2004 on changes to the terms of debt instruments caused by financial difficulties of the borrower or debtor, in line with paragraph GA84 of IAS 39. According to the procedure applied by the Unicaja Banco Group, if the new loan eliminates a doubtful exposure, the new loan must always be classed as doubtful, unless the requirements of Annex IX of Circular 4/2004 are fulfilled.

The policies and procedures applied when managing exposures allow the itemized monitoring of loans. In this regard, any loan the terms of which must be modified due to the deterioration of borrower solvency already has the relevant impairment provision at the novation date. Consequently, as the transactions are correctly measured, no additional impairment provisioning requirements are applicable to the refinanced loans.

As regards the accounting treatment of interest, the Group does not recognize in the income statement interest accrued after loans are reclassified as doubtful. If outstanding interest is received as a result of a doubtful loans refinancing or restructuring, the interest is recognized as income in the income statement for the year.

Where the Bank is reasonably certain that the customer will comply with the payment schedule following the refinancing of a loan, the loan is classed as a performing loan. Various factors are considered, such as the contribution of new effective collateral. Consequently, in such cases, the need to hedge credit exposure on the loan might be reduced.

Renegotiated or refinanced loans are classified as defined in Bank of Spain Circular 4/2004. It should be noted that the Bank of Spain has published criteria for the reclassification of these risks which basically address aspects such as the determination of borrower payment capacity, discounted value of collateral furnished and other factors, such as loan grace periods or the number of times a loan has been restructured.

Following the initial classification, in the case of loans classed as doubtful or substandard, prudent cure criteria are applied so that subsequent developments may allow reclassification to performing loan status. These criteria are applicable where repayments have effectively been made on the loan refinanced, such that doubts are dissipated as to collection, taking into account both the amount repaid and the period in which the borrower has been meeting payment obligations.

10.2 Past-due and impaired assets

Set out below is a breakdown of financial assets classified as loans and receivables and considered to be impaired due to credit risk at 31 December 2014 and 2013, and items that are not considered to be impaired but include amounts that are past due at that date, classified by counterparty and by age:

Assets impaired at 31 December 2014

	Thousands of euros				
	Up to 180 days	**Between 180 and 270 days**	**Between 270 days and 1 year**	**Over 1 year**	**Total**
By counterparty type					
Resident, public administrations	1 129	193	139	4 314	5 775
Resident, other sectors	1 127 974	252 110	209 781	3 119 627	4 709 492
Non-resident, public administrations	-	-	-	-	-
Non-resident, other sectors	22 325	3 683	3 656	68 952	98 616
	1 151 428	**255 986**	**213 576**	**3 192 893**	**4 813 883**

Assets impaired at 31 December 2013

	Thousands of euros				
	Up to 6 months	**Between 6 and 9 months**	**Between 9 and 12 months**	**Over 12 months**	**Total**
By counterparty type					
Resident, public administrations	860	-	46	246	1 152
Resident, other sectors	439 406	173 376	256 393	1 065 366	1 934 541
Non-resident, public administrations	-	-	-	-	-
Non-resident, other sectors	871	294	178	1 104	2 447
	441 137	**173 670**	**256 617**	**1 066 716**	**1 938 140**

At 31 December 2014 and 2013 the Institution records reclassified substandard risks relating basically to property transactions (Note 46).

Past-due balances not deemed to be impaired at 31 December 2014

	Thousands of euros			
	Less than one month	**Between 1 and 2 months**	**Between 2 months and 90 days**	**Total**
By counterparty type				
Credit institutions	35	-	-	35
Resident, public administrations	10 041	54	2 233	12 328
Resident, other sectors	57 762	36 006	28 912	122 680
Non-resident, public administrations	-	-	-	-
Non-resident, other sectors	180	201	88	469
	68 018	**36 261**	**31 233**	**135 512**

Past-due balances not deemed to be impaired at 31 December 2013:

	Thousands of euros			
	Less than one month	**Between 1 and 2 months**	**Between 2 and 3 months**	**Total**
By counterparty type				
Credit institutions	68	-	-	68
Resident, public administrations	417	128	10 804	11 349
Resident, other sectors	52 296	25 178	101 609	179 083
Non-resident, public administrations	-	-	-	-
Non-resident, other sectors	123	18	26	167
	52 904	**25 324**	**112 439**	**190 667**

10.3 Credit risk coverage

Set out below are movements for 2014 and 2013 in impairment losses recorded to cover credit risk on debt instruments classified as loans and receivables at the beginning and end of 2014 and 2013, together with cumulative impairment losses.

Movements in impairments losses in 2014 are set below:

	Thousands of euros			
	Specific provision	**General provision**	**Provision for substandard risk**	**Total**
Balance at 31 December 2013	**1 054 365**	**15 280**	**307 459**	**1 377 104**
Charged to the income for the year	913 240	893	(29 503)	884 630
Recovered and credited to the surplus for the year	(513 750)	(3 371)	(63 673)	(580 794)
Other movements (*)	1 107 278	902	189 213	1 297 393
Balances applied to instruments written off during the year	-	-	-	-
Balance at 31 December 2012	**2 561 133**	**13 704**	**403 496**	**2 978 333**
Of which:				
Determined individually	818 993	-	-	818 993
Determined collectively	1 742 140	13 704	403 496	2 159 340
	2 561 133	**13 704**	**403 496**	**2 978 333**

(*) “Other movements” includes the effect of the business combination described on the Note 1.2.

Movements in impairments losses in 2013 are set below:

	Thousands of euros			
	Specific provision	General provision	Provision for substandard risk	Total
Balance at 31 December 2012	**1 034 477**	**19 013**	**150 039**	**1 203 529**
Charged to the income for the year	871 434	2 682	176 915	1 051 031
Recovered and credited to the surplus for the year	(582 485)	(6 446)	(19 495)	(608 426)
Other movements	(269 061)	31	-	(269 030)
Balances applied to instruments written off during the year	-	-	-	-
Balance at 31 December 2013	**1 054 365**	**15 280**	**307 459**	**1 377 104**
Of which:				
Determined individually	531 414	-	-	531 414
Determined collectively	522 951	15 280	307 459	845 690
	1 054 365	**15 280**	**307 459**	**1 377 104**

Set out below is a breakdown by nature of the item “Other movements” for the periods 2014 and 2013, based on the amounts presented in the previous table:

	Thousands of euros	
	2014	2013
Utilization due to reclassification to non-performing charged to asset impairment adjustments	(249 101)	(192 363)
Utilization due to repossession of tangible and other assets	(76 480)	(76 667)
Reclassification of rent classed as doubtful	-	-
Business combination (Note 1.2)	1 622 974	-
	1 297 393	**(269 030)**

11. Hedging derivatives (debtors and creditors)

At 31 December 2014 and 2013, contracted derivatives designated as hedges and the items hedged consisted basically of:

- Interest rate swaps hedging mortgage bonds issued by Unicaja and third-party bonds acquired by the Group.

- Futures on listed equities hedging changes in the share price prior to the sale of the shares.

The measurement methods used to determine the fair value of derivatives are the discounted cash flow method, applied to interest rate derivatives, and the Montecarlo technical simulation method, used to measure structured products having an optional component.

There follows a breakdown by product type of the fair values of receivables and payables relating to derivatives designated as hedging instruments in fair value hedges and cash flow hedges at 31 December 2014 and 2013, indicating hedge types, hedging instruments and hedged items:

Type and countable cover hedging instrument	2014 Debtor fair value	2014 Creditor fair value	2014 Notional	2013 Debtor fair value	2013 Creditor fair value	2013 Notional	Hedged item
						Thousands of euros	
Fair value hedges:							
Buy sell currencies against euros	**-**	**26 602**	**4 490 967**	**-**	**-**	**-**	
Sales of foreign exchange euros	-	26 602	4 490 967	-	-	-	Debt securities
Currency options	**-**	**209**	**19 506**	**37**	**-**	**11 471**	
Purchased currency options	-	209	19 506	37	-	11 471	Hedge exchange
Currency options issued	-	-	-	-	-	-	
Other operations on interest rates	**906 358**	**23 955**	**5 733 484**	**543 346**	**2 664**	**4 586 948**	
Financial interest rate swaps (IRS bonds)	900 883	1 594	5 399 480	535 291	2 664	4 416 948	Loand agreement and bonds issued
Financial interest rate swaps (IRS loan portfolio)	-	14 299	116 704	-	-	-	Cash flow of Credits
Financial interest rate swaps (IRS balances with central banks)	-	2 637	-	-	-	-	Balances with central banks
Financial interest rate swaps (IRS Client deposits)	767	-	5 300	-	-	-	Client deposits
Financial interest rate swaps (IRS bonds)	4 708	5 425	212 000	8 055	-	170 000	Debt securities
Other derivatives	**3 994**	**-**	**223 460**	**-**	**-**	**-**	**-**
Equity swap & embedded derivative	3 994	-	223 460	-	-	-	Structured products
Subtotal	**910 352**	**50 766**	**10 467 417**	**543 383**	**2 664**	**4 598 419**	
Cash flow hedges:							
Other operations on interest rates	**11 569**	**5 959**	**2 475 000**	**362**	**41 424**	**2 361 404**	
Financial interest rate swaps (IRS loan portfolio)	-	-	-	-	18 931	111 404	Cash flow of Credits
Financial interest rate swaps (IRS balances with central banks)	-	5 510	2 000 000	-	22 493	2 000 000	Balances with central banks
Financial interest rate swaps (IRS bonds)	11 569	449	475 000	362	-	250 000	Debt securities
Subtotal	**11 569**	**5 959**	**2 475 000**	**362**	**41 424**	**2 361 404**	
Total	**921 921**	**56 725**	**12 942 417**	**543 745**	**44 088**	**6 959 823**	

At 31 December 2014 and 2013, the Unicaja Banco Group does not record financial instruments that must be classed as hedges of net investments in foreign operations.

The Unicaja Banco Group only treats hedges deemed to be highly effective throughout the term of the hedge as “hedging transactions”. A hedge is deemed highly effective if, during the forecast hedge term, any changes in the fair value or cash flows attributed to the financial instruments hedged are almost entirely offset by changes in the fair value or cash flows, as applicable, of the hedging instruments.

Designated “cash flow hedges” cover changes in the cash flows attributed to a specific exposure to a financial asset or liability, or a highly probable forecast transaction, provided the consolidated income statement might be affected. Set out below is the information required by paragraph 23 of IFRS 7 in connection with these cash flow hedges:

- Periods in which the flows are expected to occur: Flows relating to deposits in central banks will occur to March 2015, while flows associated with debt securities will occur to October 2017.
- Periods in which the income statement is expected to be affected: Same periods in which the cash flows are expected to occur.
- Amount recognized in the past year in the consolidated income statement item “Interest and similar income” to rectify income from hedging transactions: Profit of € 2,520 thousand (loss of € 134 thousand in 2013).
- Amount recognized in the past year in the consolidated income statement item “Interest expense and similar charges” to rectify expense from hedging transactions: Loss of € 20,233 thousand (loss of € 11,513 thousand in 2013).
- Cash flow hedge ineffectiveness recognized in results for the year: no Cash flow hedge ineffectiveness has been recognized in the consolidates income statement in 2014. Related to the previous year, cash flow hedge ineffectiveness recognized in the consolidated income statement in 2013 totals € 3,083 thousand, relating to interest rate futures sales.

Net gains on measurement recognized in the consolidated statement of recognized income and expenses for 2014 and 2013 in respect of cash flow hedges amounted to € 15,618 thousand and €11,727 thousand, respectively. Additionally, in 2014 net gains of € 20,233 thousand were taken to the consolidated income statement (net gains of €11,727 thousand in 2013).

Designated "fair value hedges" cover exposure to changes in the fair value of financial assets and liabilities or of firm commitments not yet recognized, or of an identified portion of such assets, liabilities or firm commitments, attributable to a particular exposure, provided the consolidated income statement might be affected. Set out below is the information required by paragraph 24 of IFRS 7 in connection with these fair value hedges:

- Losses and gains on hedging instruments: See accompanying table showing a breakdown of losses and gains on hedging instruments during 2014 and 2013.
- Losses and gains on the hedged item attributable to the exposure hedged: See accompanying table showing a breakdown of losses and gains on hedged items that are actually attributable to the hedged exposure during 2014 and 2013.
- Ineffectiveness of hedges of net investments in foreign operations recognized in results for the year: The Group has no hedges of this kind.

	31 december 2014				31 december 2013			
	Results on hedging instruments		Hedged results		Results on hedging instruments		Hedged results	
Hedging instrument	**Loss**	**Profit**	**Loss**	**Profit**	**Loss**	**Profit**	**Loss**	**Profit**
Buying and selling of foreign currencies against euro	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sales of foreign currency on securities	-	-	-	-	-	-	-	-
Other operations on values	**574 449**	**330 805**	**80 644**	**323 833**	**-**	**-**	**157**	**-**
Swaps values	-	-	-	-	-	-	-	-
Options on Securities	-	-	-	-	-	-	-	-
Operations in term	574 449	330 805	80 644	323 833	-	-	157	-
Currency options	**305**	**395**	**395**	**305**	**476**	**363**	**445**	**557**
Purchased currency options	305	395	395	305	476	363	445	557
Currency options issued	-	-	-	-	-	-	-	-
Other operations on interest rates	**141 293**	**254 145**	**252 563**	**140 013**	**367 193**	**188 127**	**186 448**	**336 107**
Financial interest rate swaps (IRS bonds)	138 038	252 767	251 277	136 548	351 617	156 234	154 337	349 984
Financial interest rate swaps (IRS balances with central banks)	-	-	-	-	-	-	-	-
Financial interest rate swaps (IRS Client deposits)	95	-	-	95	-	-	-	-
Financial interest rate swaps (IRS bonds)	3 160	1 378	1 286	3 370	15 576	31 893	32 111	16 123
Other derivatives	**3 771**	**3 398**	**3 398**	**3 771**	**-**	**-**	**-**	**-**
Equity swap & embedded derivative	3 771	3 398	3 398	3 771	-	-	-	-
	719 818	**588 743**	**337 000**	**467 922**	**367 669**	**188 490**	**187 050**	**366 664**

Thousands of euros

The notional amount of the contracts formalized does not represent the actual risk assumed by the Group in relation to such instruments.

The Group applies fair value hedge accounting basically to transactions in which it is exposed to changes in the fair value of certain assets and liabilities that are sensitive to interest rate fluctuations, i.e. assets and liabilities linked to a fixed interest rate, which is converted into a variable rate by means of the relevant hedges.

In the Group's opinion, at 31 December 2014 and 2013 there are no doubts that the expected transactions will be completed.

12. Investments

12.1 Investments - Equity Entities

Appendix II and III contain a breakdown of the Multi Group's shareholdings in associates and jointly-controlled entities at 31 December 2014 and 2013 indicating the percentage held and other relevant information.

The contribution from the main associates and jointly-controlled entities to the consolidated balance sheet item “Equity investments” at 31 December 2014 and 2013 are as follows:

	Thousands of euros	
	2014	2013
Alestis Aerospace, S.L.	-	7 525
Hidralia, Gestión Integral de Aguas de Andalucía, S.A.	48 716	49 169
Autopista del Guadalmedina, Concesionaria Española, S.A.	20 942	22 393
Autopista del Sol, Concesionaria España, S.A.	26 435	30 164
Deoleo, S.A.	51 443	63 223
EBN Banco de Negocios, S.A.	10 431	10 564
Grupo Hoteles Playa, S.A.	-	11 376
Ingeniería de Suelos y Explotación de Recursos, S.A.	4 679	7 238
Sociedad Municipal de Aparcamientos y Servicios, S.A.	8 328	8 135
Unicorp Vida, Compañía de Seguros y Reaseguros, S.A.	77 191	75 930
Banco Europeo de Finanzas, S.A.	38 661	-
Hidrocartera, S.L.	3 910	-
Muelle Uno-Puerto de Málaga, S.A.	10 125	-
Aciturri Aeronáutica, S.L.	28 197	-
Madrigal Participaciones, S.A.	44 012	-
Cartera Perseidas, S.L.	54 367	-
Otras entidades	(3 322)	(5 958)
	424 115	**279 759**

Set out below is the reconciliation between the opening and closing balances of “Shares” in the consolidated balance sheets for 2014 and 2013:

	Thousands of euros	
	2014	2013
Net book value at 1 January	**279 759**	**293 542**
Additions for the year	144 672	3 841
Disposals for the year	(11 491)	(39 504)
Outcome equity	11 149	15 627
Impairment losses (Note 41)	(17 219)	(7 937)
Distributed dividends	(53 669)	(19 333)
Differences in valuation adjustments	5 716	27 280
Transfers between associated and group / multigroup	51 476	(1 974)
Other movements	13 722	8 217
Net book value at 31 December	**424 115**	**279 759**

The item “Other movements" relates basically to capital increases and reductions in associates, which are not recognized as additions or disposals provided the percentage shareholding does not change.

At 31 December 2014 and 2013 the Group recorded an amount of €17,219 thousand and €7,937 thousand, respectively, in respect of impairment of investments in associates, being recorded in the caption “Impairment losses on other assets (net)” (Note 41).

The balance of the caption "Equity Investments" in the consolidated balance sheets at 31 December 2014 and 2013 includes €36,230 thousand and €38,137 thousand, respectively, related to goodwill associated with this type of shares. Note 4 sets out information relating to this goodwill.

12.2 Notification of shareholdings acquired and sold

Here are the notifications of acquisitions and sales of shareholdings in group entities, associates and jointly-controlled entities that have been submitted in accordance with Article 86 of the Spanish Companies Act and Article 53 of Stock Market Act 24/1988.

In 2014 the main acquisitions and disposals of shareholdings in associated companies were as follows:

- Acquisition on 28 February 2014 of 285.600 shares in Uniwindet, S.L., for €2,459 thousand.
- Acquisition on 11 April 2014 of 39,060 shares in Liquidámbar Inversiones Financieras, S.L., for €101 thousand.
- Adquisition on 11 April 2014 of 22,133 shares in Cartera Perseidas, S.L., for €536 thousand.
- Sale on 30 June 2014 of 2,250,000 shares in Liquidámbar Inversiones Financieras, S.L., for €5,696 thousand, generating a loss of €111 thousand for the Group.
- Sale on 29 July 2014 of 100% of shares in Tasaciones Andaluzas, S.A.U. for €706 thousand and 100% of shares in Consultora Técnica Tasa, S.L.U. for €406 thousand, generating a profit of €211 thousand.
- Adquisition on 31 July 2014 of 4,714 shares in Parque Científico-Tecnológico de Almería, S.A., for €924 thousand.
- Adquisition on 29 September 2014 of 119,751 shares in Alestis Aerospace, S.L., as a result of a capital increase.
- Sale on 31 October 2014 of 1,861,027 shares in Grupo El Árbol Distribución y Supermercados, S.A., that represents 15.95% of the Company's share capital.
- Sale on 19 November 2014 of 5,167,102 shares in Compañía Andaluza de Rentas e Inversiones, S.A., that represent 33.39% of the Company´s share capital, generating a profit of €73 thousand.
- Sale on 26 November 2014 of 360,067 shares in Marinas Puerto de Málaga, Sociedad Promotora del Plan Especial del Puerto de Málaga, S.A., which represent 29.98% of the Company's share capital, generating a profit of €109 thousand.
- Adquisition on 27 November 2014 of 66,006 shares in Malagaport, S.L., for €120 thousand.
- Sale on 11 December 2014 of 22,645,353 shares in Sodinteleco, S.L., that represent 31.87%, generating a profit of €115 thousand.
- Adquisition on 29 September 2014 of 11,029,412 shares in Muelle Uno-Puerto de Málaga, S.A. for €7,500 thousand.

In addition, in 2014 it has been occurred the absorption fusion by Gestión de Inmuebles Adquiridos, S.L. (as absorber Entity) with Promotora Guadalnervión, S.L., Unic-as Promociones Inmobiliarias, S.L. and Urbasur, Actuaciones Urbanísticas, S.L. (as absorbed Entity).

In 2013 the main acquisitions and disposals of shareholdings in associated companies were as follows:

- Acquisition on 5 February 2013 and 23 September 2013 of 1,245 shares in Sociedad de Gestión San Carlos, S.A. (Sogescar) for € 418 thousand; the Group's interest in this company at 31 December 2013 stands at 50.32%.
- Acquisition on 11 February 2013 of 1,144 shares in Unic-as Promociones Inmobiliarias, S.L. for € 1,500 thousand; the Group's interest in this company at 31 December 2013 stands at 100%.
- Acquisition on 28 February 2013 of 3,130 shares in Inversiones Social Docente del Ahorro Benéfico Español, S.A. (ISDABE).
- Liquidation on 9 April 2013 affecting 1,185,704 shares in A.I.E. Alcione I, 1,222,546 shares in A.I.E. Alcione II, 1,959,000 shares in A.I.E. Naviera Urania. At 31 December 2013 the Group holds no shares in these companies.
- Acquisition on 14 May 2013 of 100,000 shares in Urbasur Actuaciones Urbanísticas, S.L. for € 50,000 thousand; the Group's interest in this company at 31 December 2013 stands at 100%.
- Sale on 6 June 2013 of 12,375,755 shares in Participaciones Agrupadas, S.L. for € 25 thousand, generating a profit of € 25 thousand.

- Sale on 12 June 2013 of 250 shares in Hispaparking, S.L. for € 13,000 thousand, generating a profit of € 12 thousand.
- Liquidation on 16 July 2013 of Andaluza de Control y Dispositivos de Seguridad, S.A.U. (ACDS), affecting 10,148 shares amounting to € 436 thousand.
- Acquisition on 18 July 2013 of 38,571 shares in Titulización de Activos, Sociedad Gestora de Fondos de Titulización, S.A. (TDA) for € 2,797 thousand; the Group's interest in this company at 31 December 2013 stands at 38.57% and it is now classed as an associate.
- Sale on 6 November 2013 of 1,505 shares in Servicios Generales de Jaén, S.A. for € 3 thousand, which did not generate a profit.
- Sale on 16 December 2013 of 7,252 shares in Inversiones Social Docente del Ahorro Benéfico Español, S.A. (ISDABE) for € 379 thousand, generating a loss of € 430 thousand that is offset by an impairment provision. At 31 December 2013 the Group holds no shares in this company.
- Subscription in a capital increase on 23 December 2013 of 31,220,000 shares in Unicaja Gestión de Activos Inmobiliarios, S.A.U. (UGAI) for € 31,220 thousand.
- Non-cash contribution on 23 December 2013 to subscribe for a total of 30,040 shares in Gestión de Inmuebles Adquiridos, S.L.U. (GIA) in the amount of € 31,206 thousand.
- Liquidation on 31 December 2013 of 1,749,901 shares in A.I.E. Naviera Nerga. At 31 December 2013 the Group holds no shares in this entity.
- Acquisition on 31 December 2013 of 210,940 shares in Liquidámbar Inversiones Financieras, S.L. for € 564 thousand; the Group's interest in this company at 31 December 2013 stands at 14.74%.
- Vertical merger of Unicorp Retail Properties, S.A.U. into Unicorp Corporación Financiera, S.L., affecting 6,051 shares, amounting to € 3,401 thousand.
- Liquidation of the securitization funds AYT Unicaja Financiación I, FTA, Unicaja Andalucía FT Vivienda TDA 1, FTA, Unicaja AYT Empresas I, FTA and Unicaja TDA VPO, FTA (Note 30.6).

Also, in 2013, there have been the following changes in classification between Group companies, jointly controlled entities and associates:

- Having regard to the shareholding in Sacyr Vallehermoso, S.A., with effect as from 1 January 2013 existing shareholder agreements were cancelled and the investment was reclassified to the available-for-sale assets portfolio at that date.
- The shareholding in Urbasur Actuaciones Urbanísticas, S.L. increased from 50% to 100%, this company becoming a subsidiary of the Unicaja Banco Group.
- The shareholding in Unic-as Promociones Inmobiliarias, S.L. increased from 49% to 100%, this company becoming a subsidiary of the Unicaja Banco Group.

The net payments recorded in the consolidated statement of cash flows for the year 2014 recorded in this caption cash holdings amounted to € 11,388 thousand (net charges of €268 thousand in 2013).

13. Property, plant and equipment

The movements of “property, plant and equipment” in this balance sheets of 2014 and 2013 are as follows:

	Thousands of euros		
	For own use	Investment property	Total
Cost			
Balance at 31 December 2013	**1 149 638**	**233 970**	**1 383 608**
Additions	4 270	2 314	6 584
Disposals and other write-offs	(4 919)	(16 661)	(21 580)
Other transfers and other movements	937 672	282 989	1 220 661
Balance at 31 December 2014	**2 086 661**	**502 612**	**2 589 273**
Accumulated depreciation			
Balance at 31 December 2013	**(541 278)**	**(22 933)**	**(564 211)**
Disposals and other write-offs	3 655	792	4 447
Charges	(36 987)	(6 262)	(43 249)
Other transfers and other movements	(464 948)	(23 783)	(488 731)
Balance at 31 December 2014	(1 039 558)	(52 186)	(1 091 744)
Impairment losses			
At 31 December 2014	**(16 056)**	**(95 503)**	**(111 559)**
Net property, plant and equipment			
Balance at 31 December 2014	**1 031 047**	**354 923**	**1 385 970**

	Thousands of euros		
	For own use	Investment property	Total
Cost			
Balance at 31 December 2012	**1 168 900**	**203 951**	**1 372 851**
Additions	9 188	3 467	12 655
Disposals and other write-offs	(12 521)	(13 814)	(26 335)
Other transfers and other movements	(15 929)	40 366	24 437
Balance at 31 December 2013	1 149 638	233 970	1 383 608
Accumulated depreciation			
Balance at 31 December 2012	**(520 914)**	**(16 186)**	**(537 100)**
Disposals and other write-offs	8 496	499	8 995
Charges	(29 918)	(3 797)	(33 715)
Other transfers and other movements	1 058	(3 449)	(2 391)
Balance at 31 December 2013	(541 278)	(22 933)	(564 211)
Impairment losses			
At 31 December 2013	(17 049)	(48 657)	(65 706)
Net property, plant and equipment			
Balance at 31 December 2013	**591 311**	**162 380**	**753 691**

The above tables identify “Other transfers and other movements" in both the cost and accumulated depreciation of the assets. Set out below is a breakdown by nature of these movements in 2014 and 2013:

	Thousands of euros			
	2014		2013	
	For own use	Investment Property	For own use	Investment Property
Transfers from non-current assets held for sale	-	12 991	-	6 708
Transfers between own use and investment properties	(22 628)	22 628	(15 273)	15 273
Transfers from inventories	-	40 978	-	24 110
Business combination (Note 1.2)	498 379	195 709	-	-
Other movements	(3 027)	(13 100)	402	(9 174)
	472 724	**259 206**	**(14 871)**	**36 917**

The Group has taken out several insurance policies to cover risks that are subject property, plant and equipment. The coverage of these policies is considered sufficient.

The net charges recorded in the statement of consolidated cash flows for the year 2014 by tangible assets recorded under this heading amounted to € 3,868 thousand (net charges of €571 thousand in 2013).

13.1 Property, plant and equipment for own use

Set out below is a breakdown by nature of this balance sheet caption at 31 December 2014 and 2013:

	Thousands of euros			
	Cost	Accumulated depreciation	Impairment losses	Net balance
Data processing equipment and installations	245 516	(236 047)	-	9 469
Furniture, vehicles and other installations	755 371	(593 371)	-	162 000
Buildings	1 042 158	(188 986)	(14 052)	839 120
Work in progress	80	-	-	80
Other	43 536	(21 154)	(2 004)	20 378
Balance at 31 December 2014	**2 086 661**	**(1 039 558)**	**(16 056)**	**1 031 047**
Data processing equipment and installations	90 389	(82 598)	-	7 791
Furniture, vehicles and other installations	535 786	(374 939)	(276)	160 571
Buildings	472 918	(77 250)	(13 065)	382 603
Work in progress	904	-	-	904
Other	49 641	(6 491)	(3 708)	39 442
Balance at 31 December 2013	**1 149 638**	**(541 278)**	**(17 049)**	**591 311**

As part of the net balance as of December 2014 contained in the above table, there are headings for an amount of €3,507 thousand (€5,413 thousand at 31 December 2013) corresponding to plant and equipment net worth societies Group are acquired under leasing.

At 31 December 2014, property, plant and equipment for own use having a gross value of approximately €441,897 thousand (€355,954 thousand at 31 December 2013) was fully depreciated.

13.2 Investment property

The consolidated balance sheet item “Investment property” generally reflects the net values of land, buildings and other structures held in order to be leased. Investment property is carried in the consolidated balance sheet at acquisition cost, which is formed by the fair value of any consideration paid plus all cash outlays made or committed, less accumulated depreciation and any estimated losses calculated by comparing the net value of each item with its recoverable amount. Under IAS 36, the recoverable amount is the higher of fair value less costs to sell and the value in use of the assets.

As these assets generate rental income and their value in use may be estimated, the Group does not follow the same appraised value update criteria applicable to irregular properties held exclusively for sale. The Group calculates the recoverable amount of investment property based on the value in use derived from the rent generated by the assets.

The Unicaja Banco does not have a reliable measurement of the fair value of investment property. As there is no reliable measurement of the fair value of investment property, the Group does not report on the requirements of letters (d) and (e) of IAS 40, paragraph 75.

Direct operating expenses (including repairs and maintenance) recognized in the consolidated income statements for 2014 and 2013 in relation to investment property, showing property that generates rent separately from property that does not, are as follows:

	Thousands of euros	
	2014	**2013**
Expenses associated with investment property that generates rent	3 549	4 679
Expenses associated with investment property that does not generate rent	1 620	975
	5 169	**5 654**

As regards the investment property for which the Group acts as a lessor, regulations applicable to each lease are observed, particularly the provisions of Law 29/1994 (24 November) on Municipal Leases and Law 4/2013 (4 June) on measures to develop and enhance the flexibility of the home rental market.

In 2014 and 2013, income from leased out under operating lease (investment property) owned by the Group totaled €13,550 thousand and €6,610 thousand, respectively (Note 38).

With respect to the information required by IAS 27, paragraph 56, in 2014 and 2013 the Group's annual income from non-cancellable operating leases, i.e. under the former lease regime, totaled € 198 thousand and €74 thousand, respectively.

13.3 Impairment losses

Set out below is a summary of movements in impairment losses affecting property, plant and equipment during 2014 and 2013:

	Thousands of euros		
	Own use	Investment property	Total
Balance at 31 December 2012	**18 693**	**39 038**	**57 731**
Endowments	-	8 009	8 009
Recoveries, sales	(410)	(63)	(473)
Other recoveries	(69)	-	(69)
Other transfers and reclassifications	(1 165)	1 673	508
Balance at 31 December 2013	**17 049**	**48 657**	**65 706**
Endowments	256	2 686	2 942
Recoveries, sales	(74)	(329)	(403)
Other recoveries	-	-	-
Other transfers and reclassifications	(1 175)	44 489	43 314
Balance at 31 December 2014	**16 056**	**95 503**	**111 559**

14. Intangible assets

At 31 December 2014 and 2013, virtually the entire balance of “Intangible assets” in the consolidated balance sheet relates to computer software using in the course of business by the companies of the Unicaja Banco Group.

	Thousands of eueros	
	2014	2013
Goodwill	184	-
Other intangible assets	1 587	3 689
	1 771	**3 689**

It is provided below the breakdown of the category “Goodwill” on 31 December 2014 and 2013, for each society that generates it:

	Thousands of eueros	
	2014	2013
Caja España Fondos, S.A., S.G.I.I.C.	122	-
Caja España Mediación, Operación Banca-Seguros	62	-
	184	**-**

The category “Other intangible assets” of the consolidated balance sheet basically records computer applications used by Grupo Unicaja Banco’s entities.

Movements in “Intangible assets” in the consolidated balance sheet during the periods ended 31 December 2014 and 2013 are as follows:

	Thousands of euros		
	Cost	Accumulated depreciation	Net book value
Balance at 31 December 2012	**19 406**	**(16 301)**	**3 105**
High cost / depreciation	1 798	(1 077)	721
Low cost / depreciation	(383)	375	(8)
Other movements	-	(129)	(129)
Balance at 31 December 2013	**20 821**	**(17 132)**	**3 689**
High cost / depreciation	45	(635)	(590)
Low cost / depreciation	(2 685)	1 025	(1 660)
Other movements (*)	68 337	(68 005)	332
Balance at 31 December 2014	**86 518**	**(84 747)**	**1 771**

(*) The category “Other movements” includes the effect of the business combination (Note 1.2).

The amount recognized in the consolidated income statement item “Amortization - Intangible assets” totals €635 thousand at 31 December 2014 (€ 1,077 thousand at 31 December 2013).

Fully-amortized intangible assets still in use at 31 December 2014 and 2013 amount to € 79,559 thousand and € 14,003 thousand, respectively.

Net receipts recorded in the statement of consolidated cash flows for the year 2014 for intangible assets recorded under this heading amounted to € 2,749 thousand (net payments of € 1,661 thousand in 2013).

15. Other assets

a) Non-current assets for sale

Set out below is a breakdown of the item “Non-current assets for sale”, which includes the carrying amount of assets that do not form part of the Bank's operating activities and the carrying amount of which will foreseeably be recovered through the transfer price. These assets amount to € 931,290 thousand at 31 December 2014 (€ 263,918 at 31 December 2013).

The Group has estimated the fair value of these assets based upon the value obtained in an updated valuation, in line with the content of OM/805/2003, by a valuers authorized by the Bank of Spain.

Set out below is a breakdown of non-current assets classified by purpose at the end of the years 2014 and 2013:

	Thousands of euros	
	2014	**2013**
Equity instruments	**245 698**	**42**
Residential assets	**324 946**	**181 582**
Finished Properties	**305 972**	**41 398**
Dwelling	79 582	12 442
Rest	226 390	28 956
Properties under construction	**19 538**	**15 119**
Dwelling	19 538	14 279
Rest	-	840
Land	**35 136**	**25 777**
	931 290	**263 918**

Net gains recognized in the 2014 consolidated statement of recognized income and expenses on equity instruments classed as non-current assets for sale total € 320 thousand (net gains of € 730 thousand in 2013).

Set out below is the reconciliation between the opening and closing balances of tangible assets included in the consolidated balance sheet item “Non-current assets for sale” for 2014 and 2013:

			Thousands of euros
	Tangible assets awarded	**Value adjustments for impairment**	**Net book value**
Balances at 31 December 2012	**338 863**	**(45 309)**	**293 554**
Additions for the year	126 130	(7 601)	118 529
Disposals and other transfers	(72 535)	14 240	(58 295)
Allocated to income (Note 43)	(3 334)	(10 401)	(13 735)
Transfers to inventories (Note 1.1.3)	(83 331)	8 339	(74 992)
Transfers to investment property	(6 708)	-	(6 708)
Other movements	4 882	683	5 565
Balances at 31 December 2013	**303 967**	**(40 049)**	**263 918**
Additions for the year	104 218	(8 114)	96 104
Disposals and other transfers	(69 887)	12 276	(57 611)
Allocated to income (Note 43)	(3 012)	(17 727)	(20 739)
Transfers to inventories (Note 1.1.3)	(39 405)	2 606	(36 799)
Transfers to investment property	(12 991)	-	(12 991)
Business combination (Note 1.2)	828 997	(131 563)	697 434
Other movements	1 974	-	1 974
Balances at 31 December 2014	**1 113 861**	**(182 571)**	**931 290**

During 2014 and 2013 no significant collections or payments were reflected in the consolidated cash flow statement in respect of non-current assets for sale.

Impairment losses recognized in the consolidated income statement in 2014 and 2013 on non-current assets for sale total € 17,727 thousand and € 10,401 thousand, respectively; they are recognized in the item "Gains/(losses) on non-current assets for sale not classified as discontinued operations" (Note 43).

All the "Non-current assets for sale" in the consolidated balance sheet were received by the Bank or by other consolidated companies for the full or partial settlement of debtor obligations.

The Unicaja Banco Group applies market terms in buyer financing granted for the purchase of properties. Loans granted in 2014 for initial financing total € 14,435 thousand (€6,062 thousand in 2013). At 31 December 2014, gains on these loans pending recognition amount to € 11,285 thousand (€11,308 thousand in 2013).

Valuation companies

The main valuation company that issues reports on the Unicaja Banco Group's assets is Tasaciones Inmobiliarias, S.A. (Tinsa). The following companies also issue valuation reports on the Group's assets: Sociedad de Tasación, S.A. (Sotasa), UVE Valoraciones, S.A., Técnicos de Tasación, S.A. (Tecnitasa) and Eurovaloraciones, S.A. (Euroval).

The Unicaja Banco Group has a procedure for selecting valuation companies that restricts assignments to appraisals that are performed solely through electronic means by valuation companies with an internal code of conduct that complies with applicable legislation, among other requirements. Pre-authorized valuation companies are selected at random.

In general, the appraisals used by the Unicaja Banco Group, both for properties securing loans and for assets that are repossessed or received as payment for debts, must be performed by a valuation company authorized by the Bank of Spain and in accordance with the requirements of Order ECO/805/2003 (27 March).

b) Other assets

A breakdown of the balances in this consolidated balance sheet caption at 31 December 2014 and 2013 is set out below:

	Thousands of euros	
	2014	**2013**
Inventories	593 892	673 671
Other	134 894	29 243
	728 786	**702 914**

At 31 December 2014 and 2013, the consolidated balance sheet item "Other" relates basically to prepayments and accrued income.

The consolidated balance sheet item "Inventories" includes non-financial assets that are held for sale by the consolidated entities in the ordinary course of business, are being produced, built or developed for that purpose, or are expected to be consumed in the production process or in the provision of services. Consequently, land and other properties held for sale or for inclusion in a housing development, are treated as inventories.

Inventories are carried at the lower of cost, which includes all outlays to acquire and transform the inventories, direct or indirect costs incurred to bring them to their current condition and location, and directly attributable financial costs, provided more than one year must elapse before they are sold, and net realisable value. The net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated costs to be incurred to complete the production and sale of the inventories.

In accordance with paragraph 2 of IAS 36 “Inventories”, both decreases and, if applicable, subsequent recoveries of the net realisable value of inventories below their carrying amount are recognized in the consolidated income statement in the period in which they occur, in the item “Impairment losses on other assets (net) - Other assets”.

A breakdown by company of the asset item “Other assets - Inventories” on the consolidated balance sheet at 31 December 2014 and 2013 is as follows:

	Thousands of euros	
	2014	**2013**
Unic-as Promociones Inmobiliarias, S.L.U.	-	23 705
Inmobiliaria Acinipo, S.L.U.	3 327	10 961
Gestión de Inmuebles Adquiridos S.L.U.	584 240	634 277
Unicaja Gestión de Activos Inmobiliarios, S.A.U.	1 526	1 526
Promotora Guadalnervión, S.L.U.	-	2 927
Otras sociedades	4 799	275
	593 892	**673 671**

Set out below are movements in the consolidated balance sheet item "Other assets - Inventories" during 2014 and 2013:

	Thousands of euros	
	2014	**2013**
Net book value at 1 January	**673 671**	**635 194**
Additions for the year	105 277	171 016
Disposals and other transfers	(235 236)	(144 580)
Transfers to investment property	(40 978)	(24 110)
Transfers from non-current assets held for sale	39 405	83 331
Change in impairment losses	54 302	(39 947)
Other movements	(2 549)	(7 233)
Net book value at 31 December	**593 892**	**673 671**

Impairment losses on inventories are recognized in the consolidated income statement item “Impairment losses on other assets (net)”. In 2014 and 2013, the portion of these losses relating to inventories totals € 57,930 thousand and € 44,068 thousand, respectively (Note 41).

Set out below is a breakdown of inventory sales completed during 2014 and 2013 by the Unicaja Banco Group, stating the selling price, cost of sales, use of impairment provisions and other items:

	Thousands of euros	
	2014	**2013**
Sale price	108 306	94 996
Cost of sales	(175 103)	(144 580)
Using deteriorations	76 479	49 802
Commissions for sale	(2 229)	(2 256)
	7 453	**(2 038)**

As regards the appraisals of properties recognized in "Inventories", in accordance with prevailing legislation on the use of appraised values, the Unicaja Banco Group's policy is based on the following criteria:

- In general, the appraisals used by the Bank and its Group, both for properties securing loans and for assets that are repossessed or received as payment for debts, must be performed by a valuation company authorized by the Bank of Spain and in accordance with the requirements of Order ECO/805/2003 (27 March).

- In general, the Bank requests appraisals when loans are being granted, furnishing the necessary documentation on all the assets securing the loan.

- The Unicaja Banco Group has a procedure for selecting valuation companies that restricts assignments to appraisals that are performed solely through electronic means by valuation companies with an internal code of conduct that complies with applicable legislation, among other requirements.

- With respect to the review of appraisal quality, the Unicaja Banco Group has procedures in place to review the appraisal report, particularly in relation to the determining factors; if there are doubts as to the appraised value and/or determining factors, it is compared with values recently obtained for properties that are similar and/or in the same zone. Internal controls are also in place to review the consistency and adequacy of the valuations performed by each valuers.

- In the professional relationships with valuation companies, in order to safeguard valuer independence and avoid conflicts of interest, the Group has put in place adequate mechanisms and barriers to preclude the possibility of their activities being influenced, for purposes unrelated to the assurance of valuation quality, by the Bank's operating units or subsidiaries.

- As regards the frequency of appraisal reviews, pursuant to prevailing legislation, the values of assets securing mortgage loans (at minimum, assets securing loans classed as doubtful or substandard), repossessed assets and assets received as payment for debts are revised every three years at minimum, depending on the status of the loan and the asset type,

- For appraisals that need not fulfil the requirements of Annex IX of Circular 4/2004, the Credit Committee is responsible for establishing a procedure that can combine both valuations performed under Order ECO 805/2003 without visiting the interior of the property and the estimation of the appraised value using statistical or other methods permitted by regulations.

Finally, at 31 December 2014 and 2013 the Unicaja Banco Group records no inventories in the consolidated balance sheet that are pledged to secure the settlement of debts.

16. Financial liabilities at amortized cost

16.1 Deposits from Central Banks

A breakdown of this consolidated balance sheet heading at 31 December 2014 and 2013 is as follows:

	Thousands of euros	
	2014	**2013**
Central Bank of Spain	8 608 510	4 500 000
Measurement adjustments - Accrued interest	113 205	62 045
	8 721 715	**4 562 045**

The interest accrued during the years 2014 and 2013 for these deposits have been of €14,262 thousand and €33,625 thousand, respectively, and are included in "Interest and similar charges" in the consolidated income statement (Note 32).

16.2 Deposits from credit institutions

Set out below is a breakdown by nature of transactions of the consolidated balances in this balance sheet caption at 31 December 2014 and 2013:

	Thousands of euros	
	2014	**2013**
Term deposits	322 354	169 604
Investments	150 000	150 000
Assets sold under repurchase agreements	616 232	1 376 609
Other accounts	298 183	156 517
Measurement adjustments	10 381	5 784
	1 397 150	**1 858 514**

The interest accrued during the years 2014 and 2013 for these deposits have been of €19,289 thousand and €18,667 thousand, respectively, and are included in "Interest expense and similar charges" in the consolidated income statement (Note 32).

The average effective interest rate on the debt instruments classified in this caption at 31 December 2014 was 1.45% (1.10% at 31 December 2013).

16.3. Deposits from other creditors

Set out below is a breakdown by nature of transactions and counterparty of the customers balances at 31 December 2014 and 2013:

	Thousands of euros	
	2014	**2013**
By nature		
Current accounts	7 696 519	3 411 243
Savings accounts	10 961 305	4 853 158
Fixed-term deposits	25 651 432	13 998 956
Assets sold under repurchase agreements	3 731 320	5 814 034
Other	42 209	16 677
Measurement adjustments:	1 088 377	617 993
Of which:		
Micro-hedging transactions	793 645	479 751
Interest accrued	426 717	268 204
Other adjustments	(131 985)	(129 962)
	49 171 162	**28 712 061**
By counterparty		
Resident public administrations	1 682 376	1 107 837
Non-Resident public administrations	6 464	-
Other resident sectors	46 053 690	26 815 167
Other non-resident sectors	340 255	171 064
Measurement adjustments	1 088 377	617 993
Of which:		
Micro-hedging transactions	793 645	479 751
Interest accrued	426 717	268 204
Other adjustments	(131 985)	(129 962)
	49 171 162	**28 712 061**

The interest accrued during the years 2014 and 2013 for these deposits have been €722,372 thousand and €490,976 thousand, respectively, and are included in "Interest expense and similar charges" in the consolidated income statement (Note 32).

The average effective interest rate on the debt instruments classified in this caption at 31 December 2014 was 1.62% (2.06% at 31 December 2013).

Fixed-term deposits include unique mortgage bonds issued in accordance with the provisions of Law 2/1981 (25 March) on the mortgage market and a territorial bond issued in accordance with Law 44/2002 (22 November), as detailed below:

			Thousands of euros	
			Nominal amount	
Issue date	**Maturity date**	**Interest rate**	**2014**	**2013**
02/12/2003	02/12/2018	(a) 4,757%	16 258	16 258
04/12/2003	04/12/2015	Euribor 3 meses + 0,13%	100 000	100 000
25/02/2004	01/03/2016	(a) 4,385%	250 000	250 000
05/04/2004	05/04/2014	(c) 4,005%	-	250 000
05/04/2004	05/04/2014	(c) 4,005%	-	50 000
16/11/2004	16/11/2014	(c) 4,007%	-	146 341
16/11/2004	16/11/2014	(c) 4,007%	-	21 951
16/11/2004	16/11/2019	(a) 4,257%	53 659	53 659
16/11/2004	16/11/2019	(a) 4,257%	8 049	8 049
24/11/2004	27/11/2019	(c) 4,125%	200 000	200 000
29/03/2005	29/03/2015	(c) 3,753%	141 667	141 667
29/03/2005	29/03/2020	(a) 4,003%	58 333	58 333
18/05/2005	21/05/2025	(a) 3,875%	200 000	200 000
15/06/2005	20/06/2017	(a) 3,500%	150 000	150 000
28/06/2005	28/06/2015	Euribor 3 meses + 0,08%	73 077	73 077
28/06/2005	28/06/2025	(a) 3,754%	76 923	76 923
16/11/2005	21/05/2025	(a) 3,875%	200 000	200 000
12/12/2005	12/03/2016	(a) 3,503%	74 074	74 074
12/12/2005	12/12/2022	(a) 3,754%	51 852	51 852
20/02/2006	20/02/2018	Euribor 3 meses + 0,12%	90 000	90 000
10/03/2006	12/03/2016	(a) 3,503%	40 000	40 000
22/03/2006	22/03/2021	(a) 4,005%	100 000	100 000
06/04/2006	08/04/2021	(a) 4,125%	200 000	200 000
25/05/2006	06/04/2016	(b) Euribor 3 meses + 0,06%	250 000	250 000
26/05/2006	24/05/2017	Euribor 3 meses + 0,09%	100 000	100 000
12/06/2006	12/06/2018	(a) 4,255%	100 000	100 000
19/10/2006	21/10/2018	(a) 4,000%	300 000	300 000
23/10/2006	24/05/2017	Euribor 3 meses + 0,09%	100 000	100 000
23/10/2006	23/10/2023	(c) 4,254%	200 000	200 000
16/03/2007	19/03/2017	(a) 4,004%	200 000	200 000
23/03/2007	26/03/2027	(c) 4,250%	150 000	150 000
20/04/2007	08/04/2021	(a) 4,125%	200 000	200 000
23/05/2007	22/05/2019	Euribor 3 meses + 0,09%	200 000	200 000
23/05/2007	23/05/2027	(a) 4,755%	50 000	50 000
23/05/2007	23/05/2027	(a) 4,755%	50 000	50 000
29/06/2007	08/04/2031	(a) 4,250%	400 000	400 000
25/07/2007	18/12/2016	(a) 4,005%	300 000	300 000
19/10/2007	21/10/2017	Euribor 3 meses + 0,17%	250 000	250 000
19/10/2007	08/04/2021	4,125%	60 000	60 000
19/10/2007	26/03/2027	4,250%	110 000	110 000
19/10/2007	08/04/2031	4,250%	180 000	180 000
05/12/2007	20/02/2018	Euribor 3 meses + 0,13%	145 000	145 000
10/04/2008	10/04/2048	(a) 5,280%	22 000	22 000
11/03/2005	11/03/2015	(a) 3,760%	150 000	(*)
29/03/2005	29/03/2015	(d) 3,753%	283 333	(*)
28/06/2005	28/06/2015	Euribor 3 meses + 0,08%	194 872	(*)
22/11/2008	22/11/2015	Euribor 3 meses + 1,21%	200 000	(*)
12/12/2005	12/03/2016	(a) 3,503%	10 000	(*)

Issue date	Maturity date	Interest rate	Thousands of euros Nominal amount 2014	2013
13/06/2009	13/06/2016	4,758%	100 000	(*)
15/06/2005	20/06/2017	3,500%	100 000	(*)
26/12/2008	21/10/2017	Euribor 3 meses + 0,19%	200 000	(*)
23/10/2007	21/10/2017	Euribor 3 meses + 0,17%	200 000	(*)
12/06/2006	12/06/2018	(a) 4,255%	100 000	(*)
02/12/2003	02/12/2018	(a) 4,757%	67 742	(*)
16/11/2004	16/11/2019	(a) 4,257%	52 317	(*)
30/11/2009	30/11/2019	4,511%	154 000	(*)
29/03/2005	29/03/2020	(e) 4,004%	116 667	(*)
15/06/2005	15/06/2020	(a) 3,510%	150 000	(*)
25/05/2006	08/04/2021	4,125%	100 000	(*)
12/12/2005	12/12/2022	(a) 3,754%	100 000	(*)
23/10/2006	23/10/2023	4,254%	100 000	(*)
28/06/2005	28/06/2025	(f) 3,754%	205 128	(*)
20/07/2007	26/03/2027	4,250%	100 000	(*)
23/05/2007	23/05/2027	(a) 4,755%	100 000	(*)
23/11/2006	08/04/2031	4,250%	400 000	(*)
23/03/2007	08/04/2031	4,250%	100 000	(*)
			8 734 951	**5 919 184**

(a) The fixed interest rate borne by the Entity has been converted to a variable rate by contracting swaps on the nominal amount.
(b) Issue bearing interest divided into two tranches, commencing with a fixed rate of 2.891% to 8 July 2006; the rate then changes to the 3-month Euribor + 0.06.
(c) The fixed rate supported by the Group has been made variable by financial swaps on the nominal amount. After that, these swaps were canceled.
(d) The fixed interest rate paid by the Bank has been converted to a variable rate by contracting financial swaps covering the nominal value of €141,667 thousand.
(e) The fixed interest rate paid by the Bank has been converted to a variable rate by contracting financial swaps covering the nominal value of €58,333 thousand.
(f) The fixed interest rate paid by the Bank has been converted to a variable rate by contracting financial swaps covering the nominal value of €76,923 thousand.

(*) Although these issues were outstanding at 31 December 2013, are not included in the consolidated financial statements of Grupo Banco Unicaja to the takeover of Banco CEISS, dated accounting purposes established 28 March 2014 (Note 1.2).

16.4 Marketable debt securities

A breakdown of this consolidated balance sheet heading at 31 December 2014 and 2013 is as follows:

	Thousands of euros 2014	2013
Promissory notes and bills	-	89 427
Mortgage securities	2 858 834	2 629 663
Other non-convertible securities	912 150	1 450 000
Own securities	(1 947 069)	(1 737 578)
Measurement adjustments - Accrued interest	53 824	72 134
	1 877 739	**2 503 646**

16.4.1 Promissory notes and bills

During the years 2014 and 2013 have been in place four programs of notes, with the following key features and balances for the end:

			Thousands of euros	
			Nominal amount subscribed	
	Maturity date	Nominal amount of issue	2014	2013
First commercial paper program Unicaja	Variable (*)	750 000	-	93 506
			-	**93 506**

(*) The notes were issued at any time from one week to eighteen months.

The "First Notes Programme of Unicaja Banco" was registered with the Spanish National Securities Market Commission (CNMV) in March 2012, targeting the general public, including retail and qualified investors, consisting of notes with a nominal value of € 1,000 up to a maximum sum of € 1.5 billion, extendable to € 3 billion de euros. The programme is no longer in force at 31 December 2014 and there are no living notes.

Interest accrued during 2014 for such securities have been €1,126 thousand (€12,955 thousand in 2013), and are included in "Interest expense and similar charges" in the consolidated income statement (Note 32).

The average effective interest rate on the debt instruments classified in this heading at 31 December 2014 was 3.85% (3.71% at 31 December 2013).

The movements of the account of promissory notes and other securities in 2014 and 2013 are as follows:

	Thousands of euros	
	2014	2013
Opening nominal balance	93 506	575 919
Issues	-	29 072
Redemption	(93 506)	(511 485)
Closing nominal balance	-	93 506
Prepaid interest	-	(4 079)
Closing balance	**-**	**89 427**

All these financial instruments are denominated in euros.

The issue prospectuses, prepared in accordance with Circular 2/1999 from the Spanish National Securities Market Commission (CNMV), were officially registered by the CNMV.

16.4.2 Mortgage securities

A detail of the mortgage bonds issued at 31 December 2014 and 2013 is as follows:

Issue	ISIN code	Issue date	Issue amount	Balance at 31/12/14	Balance at 31/12/13	Maturity date	Interest rate
7th Issue Unicaja	ES0464872060	06/10/2009	1 000 000	-	994 489	06/10/2014	3.125%
8th Issue Unicaja	ES0464872078	17/12/2009	70 000	70 000	70 000	17/12/2017	Euribor 6m + 0.69%
9th Issue Unicaja	ES0464872086	17/12/2009	30 000	30 000	30 000	17/12/2021	Euribor 6m + 0.75%
1st Issue Unicaja	ES0458759000	14/10/2010	750 000	746 197	744 207	14/10/2015	4.375%
2nd Issue Unicaja	ES0458759018	22/11/2010	70 000	70 000	70 000	22/11/2018	Euribor 6m + 2.00%
3rd Issue Unicaja	ES0458759026	22/11/2010	30 000	30 000	30 000	22/11/2022	Euribor 6m + 2.00%
4th Issue Unicaja	ES0458759034	23/03/2011	500 000	490 592	490 967	23/03/2016	5.500%
1th Issue Unicaja Banco	ES0480907015	21/12/2012	200 000	200 000	200 000	21/12/2020	Euribor 3m + 4.40%
Mortgage bond Caja España Jun. 2010	ES0415474305	03/06/2010	72 452	72 045	(*)	03/06/2015	3.00%
Mortgage bond Caja España Nov. 2011-1	ES0458673037	03/11/2011	150 000	150 000	(*)	30/04/2015	4.25%
Mortgage bond Caja España Nov. 2011-2	ES0458673045	17/11/2011	500 000	500 000	(*)	17/04/2017	5.50%
Mortgage bond Caja España Nov. 2011-3	ES0458673052	17/11/2011	500 000	500 000	(*)	17/05/2019	6.00%
				2 858 834	**2 629 663**		

(*) These issues had outstanding amount on 31 December 2013 but have not been included in the Unicaja Banco's consolidated financial statements until the date of taking control by Banco CEISS, with the target-date on 28 March 2014. (Note 1.2).

These issues are admitted for negotiation on the fixed income market AIAF, and are guaranteed by a mortgage on all those that at any time are registered in favour of the issuing entity and are not subject to the issue of mortgage bonds, in addition to the overall equity liability for these.

Interest yield from the date of issue of these bonds at 31 December 2014 amounted to €84,134 thousand (€83,546 thousand at 31 December 2013), and included in "Interest expense and similar charges" of the consolidated income statement (Note 32).

The average effective interest rate for these debt instruments at 31 December 2014 is 4.29% (3.42% at 31 December 2013).

16.4.3 Other non-convertible securities

Other non-convertible securities at 31 December 2014 and 2013 relates to the outstanding balance of the Group's bond and debenture issues.

Set out below is an analysis of outstanding bond and debenture issues at 31 December 2014 and 2013:

			Thousands of euros			**2014**
Issue	**ISIN code**	**Issue date**	**Nominal amount**	**Outstanding**	**Interest rate**	**Maturity date of issue**
Cédulas Territoriales Unicaja Banco 1st Issue	ES0480907007	27/03/2012	700 000	700 000	4.203%	27/03/2017
6th Simple bonds Issue Aval del Estado CEISS (*)	ES0314854094	18/03/2010	100 000	100 000	3.221%	18/03/2015
9th Simple bonds Issue Aval del Estado CEISS (*)	ES0314854128	04/05/2010	97 900	97 900	3.000%	04/05/2015
10th Simple bonds issue Aval del Estado CEISS (*)	ES0314854136	23/06/2010	14 250	14 250	3.782%	23/06/2015
			912 150	**912 150**		

(*) Although these issues were outstanding at 31 December 2013, are not included in the consolidated financial statements of Grupo Banco Unicaja to the takeover of Banco CEISS, dated accounting purposes established 28 March 2014 (Note 1.2).

			Thousands of euros			**2013**
Issue	**ISIN code**	**Issue date**	**Nominal amount**	**Outstanding**	**Interest rate**	**Maturity date of issue**
Territorial bonds Unicaja Banco 1st Issue	ES0480907007	27/03/2012	700 000	700 000	4.203%	27/03/2017
Guaranteed Unicaja Banco Bonds 1st Issue	ES0380907008	23/05/2012	300 000	300 000	6.250%	23/05/2017
Guaranteed Unicaja Banco Bonds 2nd Issue	ES0380907016	20/06/2012	300 000	300 000	6.900%	20/06/2017
Guaranteed Unicaja Banco Bonds 3rd Issue	ES0380907024	20/06/2012	150 000	150 000	6.150%	20/06/2015
			1 450 000	**1 450 000**		

During 2014 Unicaja Banco Group early-redeemed the following issues of other non-convertible securities previously repurchased:

- 2,268 securities for a total face value of €113,400 thousand pertaining to the issue called "Unicaja Banco Guaranteed Bonds 1st Issue" dated 17 January 2014.
- 5,204 securities for a total face value of €260,200 thousand pertaining to the issue called "Unicaja Banco Guaranteed Bonds 2nd Issue" dated 17 January 2014.
- 2,015 securities for a total face value of €100,750 thousand pertaining to the issue called "Unicaja Banco Guaranteed Bonds 3rd Issue" dated 17 January 2014.
- 3,732 securities for a total face value of €186,600 thousand pertaining to the issue called "Unicaja Banco Guaranteed Bonds 1st Issue" dated 14 April 2014.
- 796 securities for a total face value of €39,800 thousand pertaining to the issue called "Unicaja Banco Guaranteed Bonds 2nd Issue" dated 14 April 2014.
- 985 securities for a total face value of €49,250 thousand pertaining to the issue called "Unicaja Banco Guaranteed Bonds 3rd Issue" dated 14 April 2014.
- 42 securities for a total face value of €2,100 thousand pertaining to the issue called "Ninth issue of ordinary Caja Duero Bonds secured by the Treasury" dated 2 July 2014.
- 3,095 securities for a total face value of €154,750 thousand pertaining to the issue called "Tenth issue of ordinary Caja Duero Bonds secured by the Treasury" dated 2 July 2014.
- 2,653 securities for a total face value of €132,650 thousand pertaining to the issue called "First issue of ordinary secured Caja España de Inversiones Salamanca y Soria, S.A. bonds" dated 2 July 2014.

- 8,977 securities for a total face value of €448,850 thousand pertaining to the issue called "Second issue of ordinary secured Caja España de Inversiones Salamanca y Soria, CAMP bonds" dated 2 July 2014.

Interest accrued on the bonds during 2014 totaled €16,709 thousand (€5,021 thousand in 2013) and is included in the consolidated income statement item "Interest expenses and similar charges" (Note 32).

The average effective interest rate on the debt instruments classified in this heading at 31 December 2014 was 1.19% (0.35% at 31 December 2013).

All these financial instruments are denominated in euros.

16.5 Subordinated liabilities

Set out below is a breakdown of the balances and main features of subordinated liabilities in the consolidated balance sheet at 31 December 2014 and 2013, consisting of the Group's issue of subordinated debt:

		Euros	**Thousands of euros**			
Issue	**No. of securities**	**Nominal Amount per unit**	**Balance at 31/12/14**	**Balance at 31/12/13**	**Nominal interest rate**	**Maturity**
Thirteenth	-	300	-	29 058	(*) Interest Liab. CECA + 0,5%	01/07/2014
Fourteenth	-	300	-	18 757	(*) Interest Liab. CECA + 0,5%	01/07/2014
Fifteenth	85 568	300	25 670	31 849	Euribor 12 months + 0,15%	26/07/2015
Caja Jaén First Issue	-	600	-	1 861	Euribor 6 months + 0,25%	20/12/2014
Caja Jaén Second Issue	1 097	1 000	1 097	1 390	Euribor 6 months + 0,30%	15/12/2015
Singular case Jaen subordinated obligation	1	8 000 000	7 944	7 944	Euribor 3 months + 0.8575%	08/11/2016
Contingent convertible bonds BCEISS	6 040	100 000	604 000	(**)	8.75%	Perpetual
Valuation adjustments - Accrued interest			9 121	120		
			647 832	**90 979**		

(*) The reference index ceased to be published in September 2012 and therefore the provisions established in the respective prospectus for such a circumstance take effect and the replacement interest rate is applicable. In the case of the Thirteenth Issue by Unicaja, this interest rate is determined by the average weighted interest rate of Treasury Bonds maturing in one year published by the Statistical Bulletin of the Bank of Spain for the month of May prior to the start of the annual period in which it must be applied, less 0.50 points, but this interest rate cannot exceed the 12-month Euribor rate published in that same month of May in the Statistical Bulletin of the Bank of Spain. For the Fourteenth Issue by Unicaja the replacement interest rate is calculated in the same manner, but without applying the negative difference of 50 basis points.

(**) Although this issue had an active balance at 31 December 2013 it is not included in the consolidated financial statements for Unicaja Banco Group until control was taken of Banco CEISS, which for accounting purposes was 28 March 2014 (Note 1.2).

These issues are redeemed at par at maturity. All the issues are for retail investors, except for the issue called "Unique subordinated bond Caja Jaén", which is assigned to the fund AyT Deuda Subordinada I and is for qualified investors, and the issue "Contingent Convertible Bonds Banco CEISS". The latter issue is fully subscribed by the Fondo de Reestructuración Ordenada Bancaria (FROB), as a recapitalisation instrument in accordance with Article 29.1.b) of Law 9/2012, which serves to secure the normal performance of Banco CEISS' activities and financial obligations and to maintain its equity.

These are repaid at par at maturity. All emissions are targeted at retail investors, except for the issue called "singular case Jaen subordinated obligation", which is assigned to subordinated debt I AyT background and it is addressed to qualified investors. All subordinated debt issues are behind the Institution's common creditors in terms of creditor priority. Subordinated debts are classed as computable for the purposes of the Institution's minimum equity ratio; although amounts exceeding the percentages of tier-1 capital referred to in Article 23.2 of Royal Decree 1343/1992 (6 November) may not be included in the calculation of equity.

Interest on subordinated debt financing recognized in the consolidated income statement amounted to €40,073 thousand in 2014 (€2,671 thousand in 2013) (Note 32).

The average effective interest rate on the debt instruments classified in this caption at 31 December 2014 was 8.31% (1.66% at 31 December 2013).

Net payments recorded in financing activities of the cash flow statement Consolidated 2014 on subordinated liabilities recorded under this heading amounted to € 56,170 thousand (net payments of € 113,413 thousand in 2013).

16.6 Other financial liabilities

This balance in the balance sheets at 31 December 2014 and 2013 breaks down as follows:

	Thousands of euros	
	2014	**2013**
Amounts payable	182 202	97 987
Bails Received	200 691	73 924
Collection accounts	27 411	23 959
Special accounts	3 932	640
Financial guarantees	777 978	669 179
	1 192 214	**865 689**

The amount registered by the Entity as at 31 December 2014 and 2013 under the heading of guarantees received corresponds, principally, to guarantees in favour of the Entity deposited in other financial entities as a result of its operation in derivative coverage products.

The positive flow included in the statement of consolidated cash flows for the year 2014 on financial liabilities at amortized cost amounts to € 24,465,512 thousand (positive flow of € 665,056 thousand in 2013).

17. Provisions

Set out below are the changes in provisions in 2014 and 2013 and the purpose of the provisions recorded in the consolidated balance sheets at 31 December 2014 and 2013:

	Pensions and similar obligations	Contingent liabilities and commitments	Other provisions	Total
				Thousands of euros
Balance at 31 December 2012	**184 267**	**38 963**	**112 044**	**335 274**
Provision charged to income:				
Charge to provisions (*)	5 538	26 251	56 666	88 455
Interest costs (Note 32)	5 344	-	-	5 344
Recovery against income	-	(37 136)	(2 550)	(39 686)
Provisions used	(24 314)	-	(22 487)	(46 801)
Other movements	13 115	607	(11 127)	2 595
Balance at 31 December 2013	**183 950**	**28 685**	**132 546**	**345 181**
Provision charged to income:				
Charge to provisions (*)	72 527	3 857	153 532	229 916
Interest costs (Note 32)	5 498	-	-	5 498
Recovery against income	-	(8 779)	(73 041)	(81 820)
Provisions used	(46 884)	-	(132 983)	(179 867)
Other movements (**)	138 542	95 507	171 530	405 579
Balance at 31 December 2014	**353 633**	**119 270**	**251 584**	**724 487**

(*) See Note 2.12 related to charge to provisions for pension funds and similar obligations.
(**) The category "Other movements" in 2014 includes the effect of the business combination provided in Note 1.2.

The provisions recognized by the Group reflect best estimates of future obligations. The Bank's directors consider that there is no significant risk, taking into account the amount of these provisions, that such obligations could give rise to a material adjustment to the carrying amount of the Group's assets and liabilities in the following accounting period. The financial effect estimated in provision calculations and provisions recovered in 2014 and 2013 were immaterial.

The Bank quantifies provisions taking into account the best information available on the consequences of the event giving rise to the provisions, which are re-estimated at each accounting close and are used to cover the specific obligations for which they were originally recognized. Provisions are fully or partially reversed if such obligations decrease or are eliminated.

The Group periodically reassesses the risks to which its activities are exposed on the basis of economic circumstances. Following the initial measurement and recognition of provisions, they are reviewed at each balance sheet date and adjusted, if applicable, to reflect best estimates at that time.

Provisions recognized are used to cover the specific obligations for which they were originally recognized and are fully or partially cancelled when such obligations cease to exist or decrease.

Provisions for pensions and similar obligations

The breakdown of "Provisions for pensions and similar obligations" corresponds to the amount of commitments with employees of the Group described in Notes 2.12 and 40.

Provisions for contingent liabilities and commitments

This caption from the consolidated balance sheet includes the amount of the provisions registered to cover contingent risks, understood as those transactions where the Group secures third-party obligations resulting from the financial guarantees granted or other types of contracts and contingent commitments, understood as irrevocable commitments which may lead to the recognition of financial assets.

Set out below is a breakdown by nature of the balance in the item "Provisions for contingent exposures and commitments" at 31 December 2014 and 2013, and a breakdown of the related item "Other movements" during 2014 and 2013:

	Thousands of euros			
	Balance at end		Other movements	
	2014	2013	2014	2013
Provisions for contingent liabilities	119 270	28 685	95 507	607
Provisions for contingent liabilities	-	-	-	-
	119 270	**28 685**	**95 507**	**607**

"Other movements" basically include increases and decreases in the provisions recognized for contingent exposures due to reclassifications between amounts utilized and contingent exposures. In 2014 and 2013 the amount of "Other movements" records the increases and decreases in the provisions allocated for contingent risks due to the reclassification between amounts drawn down and contingent risks. In 2014 this item also records the effect of the business combination with Banco CEISS described in Note 1.2.

The item "Provisions for contingent exposures" includes provisions operations in which the Group secures third-party obligations under financial guarantees furnished or other types of agreements, while the item "Provisions for contingent commitments" includes provisions for irrevocable commitments that could give rise to the recognition of financial assets, there being a zero balance at 31 December 2014 and 2013.

Other provisions

Set out below is a breakdown by nature of the balance in the item "Other provisions" at 31 December 2014 and 2013, and a breakdown of the related item "Other movements" during 2014 and 2013:

	Thousands of euros			
	Balance at end		Other movements (*)	
	2014	2013	2014	2013
Coverage for legal contingencies	181 354	49 394	164 651	-
Coverage contingencies associated with investees	6 399	9 703	-	(23 865)
Coverage of other contingencies	63 831	73 449	6 879	12 738
	251 584	**132 546**	**171 530**	**(11 127)**

(*) The category "Other movements" in 2014 includes the effect of the business combination provided in Note 1.2.

The main items included in “Other provisions” are described below:

- “Coverage of legal contingencies”: This relates to provisions for legal proceedings in respect of which there is likely to be an outflow of funds affecting profits. It covers customer claims and lawsuits with public administrations, among other items. The definitive date of the outflow of funds depends varies; in some cases, obligations have no fixed settlement period and, in other cases, this depends on legal proceedings in progress. The amounts to be provisioned are calculated using best estimates of the sum necessary to settle the claim based, among other aspects, on an itemized analysis of the facts and on legal opinions of internal and external advisors.

  At 31 December 2014 Banco CEISS had created a fund totalling €93 million for legal contingencies to cover the possible costs deriving from the legal claims relating to the subscription or acquisition of preferred shares or subordinated obligations issued by the Savings Banks that transferred their financial activity to Banco CEISS. This provision was created based on the best estimates possible, taking into consideration available information regarding the legal claims that had been received and the judgments that had taken place up until that time. In general, the outcome of the judgments is determined by the specific circumstances of each customer with respect to the marketing of the products involved in the claim and their personal circumstances (knowledge and investing experience with this type of product).

  To establish the most likely court judgment in each case for those claims that have not yet been completed, or if the judgment is not yet final, the Directors of Banco CEISS have taken into account the judgments already received and the opinion of the Bank's legal advisers. The evaluation of this contingency has taken into account the Compensation Mechanism approved by the FROB within the framework of the bid to acquire Banco CEISS by Unicaja Banco (Note 1.2.1). In accordance with this mechanism, the negative effects that could arise from the claims from the holders of mandatory and contingent convertible bonds in Banco CEISS that do not accept the Offer would be assumed by the FROB at 71%, up to a maximum of €241 million, net of any compensation that the FROB may receive.

  In any case, it is not possible to know the final cost associated with the entire legal process since it will depend on the claims that are received, the nature of their resolution and the associated court costs and therefore it is not possible to objectively quantify the final impact that these situations could have on the Group's equity situation.

- “Coverage of contingencies relating to investees”: This includes contingencies related to the Group's equity investments that are not due to impairment of the fair value or recoverable amount of investments but to other types of contingencies that may arise from the holding of the shares. The timing of the outflow of funds depends on each particular contingency and is estimated by Group management using the best information available at the accounting close.

- “Coverage of other contingencies”: This includes various risks for which provisions have been made covering unresolved aspects that the Group expects will result in an outlay of funds, and probable outlays envisaged by the Group in the ordinary course of business. The amounts to be provisioned are calculated based on the best estimate of the funds that the Group will be required to pay to settle the contingencies identified, also taking into account the timing of the fund outflows expected to be caused by the obligation. At 31 December 2013, the balance in the item “Coverage of other contingencies” includes the potential payment to Aviva Europe, S.E. (AVIVA) in connection with the purchase and sale of the company Unicorp Vida, Compañía de Seguros y Reaseguros, S.A. On 24 February 2014, Unicaja Banco and AVIVA agreed the terms of the consideration payable by the Bank for the Definitive Adjustment of the Final Price under the Share Purchase Agreement, based on the amount determined by an actuarial expert.

18. Other liabilities

An analysis of the balance in this consolidated balance sheet caption at 31 December 2014 and 2013 is as follows:

	Thousands of euros	
	2014	**2013**
Accrued un-matured expenses	96 650	43 581
Operations in process	19 218	18 314
Other	111 922	37 061
	227 790	**98 956**

19. Assets and liabilities for insurance contracts

At 31 December 2014 and 2013 “Insurance contract” of the consolidated balance amounts €147,763 thousand and €132,097 thousand, respectively, (Note 40).

At 31 December 2014 and 2013 "Insurance policy liabilities" maintained by the Group total €29,528 thousand and €5,740 thousand, respectively.

20. Minority interests and income attributed to minority interests

A breakdown by consolidated company of the balances in the captions “Minority interests” and “Income attributed to minority interests” in the consolidated balance sheet and income statement for 2014 and 2013 is as follows:

	Thousands of euros			
	2014		**2013**	
	Minority interests	**Income attributed to minority interests**	**Minority interests**	**Income attributed to minority interests**
Banco de Caja España de Inversiones, Salamanca y Soria, S.A. (Banco CEISS)	325 478	(27 008)	-	-
Viajes Caja España, S.A.	(93)	(11)	-	-
Conexiones y Servicios Duero, S.A.	72	(18)	-	-
Escuela Superior de Estudios de Empresa, S.A.	217	48	202	(193)
Privándalus Inversiones I, SICAV, S.A.	-	-	3 666	336
Parque Industrial Humilladero, S.L.	688	(18)	706	(20)
Uniwindet Parque Eólico Las Lomillas, S.L.	-	-	(320)	38
Uniwindet Parque Eólico Loma de Ayala, S.L.	-	-	(664)	34
Uniwindet Parque Eólico Los Jarales, S.L.	-	-	(440)	42
Uniwindet Parque Eólico Tres Villas, S.L.	-	-	(1 420)	108
Uniwindet, S.L.	-	-	2 754	(36)
	326 362	**(27 007)**	**4 484**	**309**

21. Share capital, share premium and other equity instruments

The breakdown and movements recorded under the heading “Equity” in the consolidated balance sheet during the years ended the 31 December 2014 and 2013 are presented in the accompanying consolidated statements of total changes in equity, together with an explanation of all movements that took place in this account during those years.

21.1 Share capital and share premium

At 31 December 2013 the Bank's share capital totalled €800,000 thousand consisting of 800,000,000 ordinary shares with a par value of one euro each, fully subscribed and paid in by Fundación Bancaria Unicaja (formerly Monte de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga, Antequera y Jaén - Unicaja). This share premium totalled €1,649,044 thousand at 31 December 2013.

As a result of the share capital increase within the framework of the acquisition of Banco CEISS (Note 1.2), Unicaja Banco issued 81,287,822 ordinary shares with a par value of one euro each, all of the same class and series as those previously issued and with a total nominal value of €81,288 thousand and a share premium of €0.18827 per share, which represents a total share premium of €15,304 thousand.

Accordingly, the Bank's share capital at 31 December 2014 amounts to €881,288 thousand consisting of 881,287,822 fully subscribed and paid ordinary shares with a par value of one euro each. At 31 December 2014 90.78% of share capital was held by Fundación Bancaria Unicaja (formerly Monte de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga, Antequera y Jaén - Unicaja).

In addition to the €15,304 thousand increase in the share premium Shareholders at a General Meeting of Unicaja Banco adopted a resolution on 7 March 2014 to reduce the share premium by €531,491 thousand to offset the losses incurred in prior years. This means that the share premium at 31 December 2014 totalled €1,132,857 thousand.

21.2 Other equity instruments

The heading "Other equity instruments-Compound financial instruments" records the active balance for Mandatory and Contingent Convertible Bonds (NeCoCos) and Perpetual Contingent Convertible Bonds (PeCoCos) issued by Unicaja Banco at 31 December 2014. Details of these issues at 31 December 2014 and 2013 are as follows:

			Euros	Thousand of euros			
Issues	**ISIN Code**	**Number of securities issued**	**Nominal amount**	**Balance at 31/12/2014**	**Balance at 31/12/2013**	**Nominal rate**	**Expiration date**
Bonds Necessarily and Contingently Convertible (NeCoCos)	ES0380907032	49 340 987	49 340 987	49 341	-	20,8236%	30/06/2016
Perpetual Bonds Contingently Convertible (PeCoCos)	ES0280907009	49 340 987	49 340 987	49 341	-	13,8824%	Perpetuo
				98 682	**-**		

The NeCoCos and PeCoCos are bonds that are convertible into ordinary shares in Unicaja Banco with a par value of one euro each, respectively pertaining to a single class and series and represented by book entries. The conversion ratio for these bonds will be that resulting from the quotient of the unit face value of each of the bond issues and the value attributed to the ordinary shares in Unicaja Banco, which is established at €1.18827 per share, with the share premium considered to be the difference between the face value of the bonds being converted and the par value of the shares that are received in return. At 31 December 2014 these issues are not listed for trading on any type of secondary market.

Both types of bonds grant their holders the right to discretional, predetermined and noncumulative compensation upon conversion into ordinary shares in Unicaja Banco, subject to certain conversion situations and the voting rights that derive from pertaining to the respective bond syndicates. The shares that will be obtained upon the conversion of those bonds will grant their holders the same rights as the shares in Unicaja Banco that are currently outstanding.

The accrual of the discretional compensation is subject to the four following conditions being met simultaneously: (i) the existence of distributable profits after covering the items established by Law and the bylaws of Unicaja Banco; (ii) the absence of limitations imposed by Spanish or European legislation regarding current or future equity that may be applicable; (iii) the Board of Directors of Unicaja Banco, at its sole discretion and based on the solvency situation of Unicaja Banco or Unicaja Banco Group, does not decide to declare no interest payment with the estimation that it is necessary to not make any such payments for an unlimited period, and in any event unpaid interest will not be cumulative; and (iv) the Bank of Spain has not required the cancellation of such payments based on the financial situation and solvency of Unicaja Banco or Unicaja Banco Group, in accordance with applicable law. In the event that part of the conditions established in paragraphs (i) through (iv) above are applicable, Unicaja Banco may proceed, at its sole discretion, to make partial payment of interest or to declare that no interest will be paid. If for any reason the interest is not paid in full or in part to the Bondholders on a payment date, they will not be entitled to claim that interest.

21.3 Treasury shares

At 31 December 2014 the Bank did not hold any treasury shares. During 2014 no operations were carried out involving the Bank's treasury shares.

However, during 2014 Unicaja Banco acquired other treasury equity instruments for an aggregate amount of €14 thousand, of which €7 thousand relate to Mandatory and Contingent Convertible Bonds (NeCoCos) and €7 thousand to Perpetual Contingent Convertible Bonds (PeCoCos). All of these instruments were acquired during the first half of 2014 and there were no treasury securities at 31 December 2014.

22. Reserves

Appendix IV to these notes to the consolidated annual accounts presents, among other information, a reconciliation of the carrying amounts at year-end 2014 and 2013 recognized in the item “Equity - Shareholders’ equity - Reserves” in the consolidated balance sheet, showing all movements during 2014 and 2013.

During the first quarter of 2007, the Entity reclassified the balance included under “Equity - Accumulated Reserves - Reserve for the revaluation of fixed assets", amounting to €23,614 thousand, resulting from the application of Royal Decree-Law 7/1996, of 7 June 1996, to “Equity - Accumulated Reserves - Other reserves” that are freely available in nature and are carried under equity in the balance sheet.

22.1 Reserves in fully-consolidated entities

Set out below is a breakdown by consolidated entity of the balances recognized in "Equity - Reserves - Accumulated reserves" in the consolidated balance sheets at 31 December 2014 and 2013, relating to the part of that balance resulting from the consolidation process:

	Thousands of euros	
	2014	**2013**
Unicaja Banco, S.A.	820 982	124 163
Unicorp Corporación Financiera, S.L.	25 662	18 479
Alteria Corporación Unicaja, S.L.U.	31 305	30 019
Inmobiliaria Acinipo, S.L.U. (*)	(113 131)	(100 889)
Gestión de Actividades y Servicios Empresariales, S.A.U.	3 022	2 694
Corporación Uninser, S.A.U.	12 249	11 828
Banco Europeo de Finanzas, S.A.	-	8 386
Unimediterráneo de Inversiones, S.L.	4 406	9 227
Unicartera Gestión de Activos, S.L.U.	22 233	22 184
Andaluza de Tramitaciones y Gestiones, S.A.U.	6 596	6 594
Unicartera Internacional, S.L.U.	31 293	46 293
Unigest, S.G.I.I.C., S.A.U.	2 343	2 343
Unicartera Renta, S.L.U.	16 943	15 429
Mijas Sol Resort, S.L.U. (*)	(2 087)	(1 916)
Gestión de Inmuebles Adquiridos, S.L.U. (*)	(589 688)	(469 398)
Hidrocartera, S.L.	-	6 426
Pinares del Sur, S.L. (*)	-	(17 531)
Liquidámbar Inversiones Financieras, S.L. (*)	-	(8 138)
Unic-as Promociones Inmobiliarias, S.L. (*)	-	(8 816)
Innovación en Desarrollos Urbanos del Sur, S.A. (*)	-	(8 696)
Espacio Medina, S.L. (*)	-	(16 092)
Unimediación, S.L.U.	4 297	2 611
Renta Porfolio, S.L.U. (*)	(11 931)	(10 589)
Rest of entities (*)	22 115	(9 110)
	286 609	**(344 499)**

(*) Negative balances represent accumulated losses.

22.2 Reserves and exchange differences in entities measured using the equity method

Set out below is a breakdown by consolidated entity of the balances recognized in "Equity - Reserves - Reserves in entities measured using the equity method" in the consolidated balance sheets at 31 December 2014 and 2013, relating to the part of that balance resulting from the consolidation process:

	Thousands of euros	
	2014	2013
Autopista del Sol Concesionaria Española, S.A. (*)	(28 708)	(26 112)
Autopista del Guadalmedina, Concesionaria Española, S.A. (*)	(5 962)	(3 803)
Grupo Hoteles Playa, S.A. (*)	-	(8 755)
EBN Banco de Negocios, S.A. (*)	(9 483)	(8 387)
Unicorp Vida, Compañía de Seguros y Reaseguros, S.A. (*)	(21 553)	2 486
Sociedad Municipal de Aparcamientos y Servicios, S.A.	4 304	4 078
Banco Europeo de Finanzas, S.A.	8 496	-
Hidrocartera, S.L.	6 933	-
Ingeniería e Integración Avanzadas, S.A. (Ingenia)	902	2 025
Hidralia, Gestión Integral de Aguas de Andalucía, S.A. (*)	(4 421)	(3 941)
Pinares del Sur, S.L. (*)	(18 636)	-
A.I.E. Naviera Attila (*)	-	(2 425)
A.I.E. Naviera Electra (*)	(2 425)	(2 425)
Deoleo, S.A. (*)	(90 061)	(62 112)
Alestis Aerospace, S.L. (*)	(28 857)	(9 890)
Creación de Suelos e Infraestructuras, S.L. (*)	(3 406)	(2 829)
Rest of entities (*)	(7 270)	(5 069)
	(200 147)	**(127 159)**

(*) Negative balances represent accumulated losses.

22.3 Measurement adjustments to equity-consolidated entities

Set out below is a breakdown of the consolidated balance sheet item recording measurement adjustments to equity-consolidated entities at 31 December 2014 and 2013 and of net gains/(losses) on measurement included in the consolidated statements of recognized income and expenses for 2014 and 2013 due to the effect of equity-consolidated entities:

	Thousands of euros			
	Balance in consolidated statements		Valuation Gains (losses)	
	2014	2013	2014	2013
Autopista del Sol Concesionaria Española, S.A.	(6 590)	(4 924)	(2 379)	(839)
Autopista del Guadalmedina, Concesionaria Española, S.A.	(4 591)	(5 070)	684	1 974
EBN Banco de Negocios, S.A.	193	1 818	(2 322)	2 229
Unicorp Vida, Compañía de Seguros y Reaseguros, S.A.	35 308	10 547	35 373	33 967
Ingeniería e Integración Avanzadas, S.A. (Ingenia)	58	-	83	-
Sacyr Vallehermoso, S.A.	-	-	-	2 562
Hidralia, Gestión Integral de Aguas de Andalucía, S.A.	(732)		(1 046)	-
Deoleo, S.A.	(1 696)	(2 488)	1 132	279
Alestis Aerospace, S.L.	(1 218)	(829)	(555)	(1 202)
Cartera Perseidas, S.L.	(11 180)	-	(15 971)	-
Capredo Investments GMBH	(3 373)	-	(4 820)	-
Rest of entities	(6)	5	(16)	1
	6 173	**(941)**	**10 163**	**38 971**

23. Tax situation

23.1 Consolidated tax group

The Bank is part of the Tax Group number 660/10 which was created, parented by Fundación Bancaria Unicaja (previously Monte de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga, Antequera y Jaén- Unicaja), taxed for the purposes of income tax under the Tax Consolidation Regime special as regulated by Title VII, Chapter VIII of the Corporate Income Tax Act approved by Royal Decree Legislative 4/2004 (hereinafter the CITA) and the subsequent modifications.

This Tax Group includes, as investee companies, subsidiaries of Unicaja Banco, S.A., and which, together with Fundación Unicaja Bancaria, form part of the consolidated Tax Group in 2014:

Company Name
Fundación Bancaria Unicaja (previously, Monte Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga, Antequera y Jaén- Unicaja).
Unicorp Corporación Financiera, S.L.U.
Inmobiliaria Acinipo, S.L.U.
Unigest, S.G.I.I.C., S.A.U.
Corporación Uninser, S.A.U.
Gestión de Actividades y Servicios Empresariales, S.A.U.
Andaluza de Tramitaciones y Gestiones, S.A.U.
Alteria Corporación Unicaja, S.L.U.
Unimediterráneo de Inversiones, S.L.U.
Analistas Económicos de Andalucía, S.L.U.
Unicorp Patrimonio, Sociedad de Valores, S.A.U.
Mijas Sol Resort, S.L.U.
Unicartera Caja 2, S.L.U.
Inmobiliaria Uniex Sur, S.A.U.
Unicartera Gestión de Activos, S.L.U.
Unicartera Internacional, S.L.U.
Unimediación, S.L.U.
Unicartera Renta, S.L.U.
Gestión de Inmuebles Adquiridos, S.L.U.
Segurándalus Mediación, S.A.U., Correduría de Seguros
Renta Porfolio, S.L.U.
Parque Industrial Humilladero, S.L.
Unicaja Banco, S.A.
Promotora Guadalnervión, S.L.U.
Altos de Jontoya Residencial para Mayores, S.L.U.
Unicartera Gestión de Activos Inmobiliarios, S.A.U.
Cartera de Inversiones Agroalimentarias, S.L.
Uniwindet, S.L.
Baloncesto Málaga, S.A.D.
Unic-as Promociones Inmobiliarias, S.L.
Urbasur, Actuaciones Urbanísticas, S.L.

During fiscal year 2014, the companies Unic-as Promociones Inmobiliarias, S.L. and Urbasur, Actuaciones Urbanísticas, S.L. have been included in the tax consolidarion scope. The company Corporación Uninser, S.A. has sold its participation on the companies Tasaciones Andaluzas, S.L. and Consultora Técnica Tasa, S.L.

During 2013, the companies Cartera de Inversiones Agroalimentarias, S.L., Uniwindet, S.L. and Baloncesto Málaga, S.A.D. were included in the tax consolidation scope. The company Andaluza de Control y Dispositivos de Seguridad, S.A. was liquidated in 2013 and the company Unicorp Retail Properties, S.A.U. was merged into Unicorp Corporación Financiera, S.L.U.

In addition, it is important to note that Banco CEISS is the Parent Company of the consolidated tax group 11/12, which is established by the mentioned entity as a parent company and 16 subsidiary companies:

Company Name
Banco de Caja España de Inversiones, Salamanca y Soria, S.A.
Alqlunia Duero, S.L.
Bruesa Duero, S.L.
Caja Duero Capital, S.A.
Caja España de Inversiones, Sociedad de Participaciones Preferentes, S.A.
Caja España Fondos, S.A.
Caja España Mediación, S.A.
Campo Inversiones, S.A.
Diode España, S.A.
Finanduero, S.A.
Gestión de Inversiones en Alquileres, S.A.
Grupo de Negocios Duero, S.A.
Guendulain Suelo Urbano, S.L.
Inmocaja, S.A.
Invergestión Sociedad de Inversiones y Gestión, S.A.
Unión del Duero, Compañía de Seguros Generales, S.A.
Viproelco, S.A.

23.2 Financial years open to tax inspection

At the time of preparation of these consolidated financial statements, the Bank is subject to audit by tax authorities all tax obligations of state administration, since its inception in 2011.

As for the remaining taxes regional and local management, is subject to administrative review the fiscal years 2012, 2013 and 2014.

In relation to the other companies in the Group, these are pending a possible inspection by the tax authorities for the years 2010 to 2013 for Corporate Income Tax and for the last four years for the rest of their obligations, in line with article 66 of the General Tax Law.

In 2014 the inspection action regarding the former Montes de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga y Antequera, holding tax ID number G29498086, and its tax consolidation group was completed. This inspection covered the main national taxes for 2007 through 2010, as well as the Entity's withholding and interim payment obligations until 2010. This inspection had a €4,967 thousand impact on the consolidated income statement for 2014.

Due to the different possible interpretations of the tax regulations applicable to the business of financial institutions, tax liabilities that may not be objectively quantified at the present time may arise in the event of a tax inspection. The Group’s Directors and tax advisors consider, however, that the possibility of any significant liabilities, in addition to the amounts recorded in the accounts, is remote.

At the date these annual accounts were prepared the parent company of the Banco CEISS tax group was subject to the verification by the tax authorities of all of its tax obligations since its creation in 2011.

23.3 Reconciliation of the accounting and tax results

Set out below is the reconciliation between income tax expenses calculated at the general tax rate applicable in Spain and reported tax expense in 2014, as well as the comparative data for 2013:

	Thousands of euros	
	2014	2013
Profit before tax	474 424	44 849
Income tax (tax rate of 30%)	142 327	13 455
Due to eliminations in the consolidation process.	(73 630)	(11 523)
Positive permanent differences	6 456	16 407
Negative permanent differences	(1)	(4 775)
Revaluation Law 16/2012	-	(13 712)
Deductions and allowances		
Deduction for double taxation of dividends	(32 303)	(9 104)
Deduction for reinvestment of extraordinary gains	4 661	(319)
Income tax expense	**47 510**	**(9 571)**

The total amount for the main components of income tax expense/(income) in the consolidated income statement (which resulted in a total expense of €47,150 thousand in 2014 and an expense totalling €9,571 thousand in 2013), relates to the current expense/(income) for the year. No adjustments have been made for current or deferred taxes in this year or in prior years, or for any other circumstances established by tax legislation.

Set out below is a breakdown of income tax credits recognized in the consolidated income statements for 2014 and 2013:

	Thousands of euros	
	2014	2013
Income from temporary differences of birth	78 105	(2 133)
Income tax loss carry forwards to offset	(45 416)	1 985
Income and deductions unapplied credited	14 821	(9 423)
Total expense / (income) income tax	**47 510**	**(9 571)**

With respect to the income tax recognized in the statements of recognized income and expenses for 2014 and 2013, the Group charged to consolidated equity a negative amount of € 120,159 thousand and € 13,251 thousand, respectively, for the following items:

	Thousands of euros	
	2014	2013
Actuarial gains and losses on defined benefit plans	(1 670)	(156)
Valuation of financial assets available for sale	107 900	6 548
Valuation of derivatives hedging of cash flows	10 755	(5 041)
Valuation of the exchange differences	29	(10)
Valuation of non-current assets for sale	96	219
Valuation of entities using the equity method	3 049	11 691
Total expense / (income) income tax	**120 159**	**13 251**

A lower rate was not applied in any of these adjustments and there are no deductible timing differences, losses or tax credits in respect of which deferred tax assets have not been recognized in the balance sheet.

23.4 Deferred tax assets and liabilities

In accordance with current Spanish tax legislation, in previous fiscal years certain temporary differences arose that must be taken into account when calculating income tax expense.

In the consolidated balance sheets at 31 December 2014 and 2013, deferred tax assets amount to €2,658,257 thousand and €631,911 thousand, respectively, and deferred tax liabilities amount to €517,196 thousand and €83,099 thousand, respectively.

Set out below is a breakdown of current and deferred tax assets and liabilities recognized in the consolidated balance sheets at 31 December 2014 and 2013:

				Thousands of euros
		2014		**2013**
	Assets	**Liabilities**	**Assets**	**Liabilities**
Current taxes	**89 386**	**16 668**	**45 705**	**28 417**
Deferred taxes	**2 658 257**	**517 196**	**631 911**	**83 099**
Loss carryforwards	783 977	-	186 790	-
Unused tax credits	99 106	-	33 468	-
Temporary differences – insolvencies	1 376 947	-	198 380	-
Temporary differences – pensions	48 681	-	44 336	-
Temporary differences - foreclosed assets	44 841	-	15 237	-
Other ítems	304 705	4 754	153 700	25 310
Revaluations	-	486 239	-	63 848
Differences timing of recognition	-	26 203	-	(6 059)
	2 747 643	**533 864**	**677 616**	**111 516**

The Bank's directors consider that the tax assets recorded will be realized in the coming periods, as the tax group obtains taxable income, which is expected to be the case in the coming years. The directors consider that the Bank and its tax group will obtain taxable income in the coming years that will permit the recovery of the tax assets within the deadlines stipulated in tax legislation for the offsetting of tax losses and application of tax credits.

The effectiveness of Royal Decree-Law 14/2013 (29 November) on urgent measures to bring Spanish law into line with European Union regulations on the supervision and solvency of financial institutions basically entails that certain deferred tax assets recognized in the accompanying balance sheet may, subject to certain conditions, be converted into receivables payable by the Tax Administration.

Nonetheless, it should be noted that the Group of which the Bank forms part has made an initial estimate of the amount of deferred tax assets that could be converted into receivables from the Tax Administration and are thus guaranteed by the Spanish authorities, which total € 1,470,467 thousand.

23.5 Income included in the Tax Regime for Holding Entities of Foreign Securities.

In line with what is established in article 118.3 of the Revised Test of the Corporate Income Tax Law, it is stated that in the tax settlement of CIT corresponding to the tax period of 2014, exemption was declared from certain income obtained by Unicartera Internacional, S.L., applying the Tax Regime for Holding Entities of Foreign Securities, amounting to €332 thousand. In the year 2013, the corresponding amount was €766 thousand.

Unicartera Internacional, S.L. has paid taxes abroad amounting to €58 thousand in 2014 and €77 thousand in 2013.

23.6 Reporting obligations deriving from the segregation

a) Information regarding the Special Tax System for Segregation with respect to Corporate Income Tax

In 2011, the General Assembly of Monte de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga, Antequera y Jaén (Unicaja) which approved the indirect carrying out of its financial equity through Unicaja Banco S.A. - Sociedad and its incorporation to the segregation of part of its equity, adopted a resolution to apply the Special System for Mergers, Spin-off, Asset Contributions and Share Swaps to the transaction, as regulated by Title VII, Chapter VIII of the Corporate Income Tax Act.

The choice to apply the Special Tax System has been reported to the State Tax Agency in accordance with the provisions of Article 42 of the Corporate Income Tax Regulations.

b) Accounting obligations

Regarding the fulfillment of the obligations of accounting established by Article 93.1 the TRLIS, in relation to the application for segregation of the Special Tax Regime regulated in Chapter VIII of Title VII of the TRLIS, contained in the notes to the financial statements 2011.

23.7 Information on fixed asset restatement under Law 16/2012

The Board of Directors of Monte de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga, Antequera y Jaén (Unicaja), in its capacity as the Single Shareholder of Unicaja Banco, held a General Meeting on 21 June 2013 to approve the proposal by the Bank's Board of Directors to restate fixed assets under Article 9 of Law 16/2012 (27 December), whereby various tax measures were adopted to consolidate public finances and to encourage economic activities ("Law on Tax Measures").

As a result, and in accordance with the proposal, revaluation reserves recognized under Bank of Spain Circular 4/2004 relating to 516 own-use properties restated in the amount of € 54,850 thousand, already included in equity, acquired tax effects.

The fixed asset restatement was carried out applying the following criteria stipulated in the Law on Tax Measures for assets qualifying for the restatement:

- Assets forming part of property, plant and equipment were restated.
- The assets restated were included in the first balance sheet closed following the effective date of the Law on Tax Measures. Consequently, as Unicaja Banco's financial year coincides with the calendar year, the balance sheet closed at 31 December 2012 was used.
- Assets fully amortized at 31 December 2012 were not restated.
- The restatement was applied to 516 properties.
- The value of each asset restated does not exceed its market value at the restatement date.

The approach adopted by Unicaja Banco to update fixed assets was the subject matter of a reply to a request for a binding ruling from the Ministry of Finance and Public Administrations Directorate General for Taxation, issued on 19 June 2013.

23.8 Information on the procedure for the recovery of state aid declared by the European Commission in relation to the “tax lease system” for the financing of shipbuilding

On 30 October 2013, the Bank received formal notification from European Commission's Directorate General for Competition informing Unicaja Banco of the definitive Decision adopted on 17 July 2013 on the tax regime applicable to certain finance lease agreements, also known as the Spanish tax lease system, classifying the system as "state aid” and urging Spain to take steps to recover the aid from the beneficiaries, which include Unicaja Banco.

The Bank has filed an appeal against this Decision, together with Spain and other institutions affected, at the European Court of Justice, which is pending a ruling.

Although the Tax Administration State Agency has already initiated procedures for the recovery of this state aid, the lack of information on the specific criteria applicable in the calculation precludes any quantification of the potential effect, if any, on these consolidated annual accounts. Nonetheless, the Bank's directors and tax advisors consider that the possibility of significant liabilities arising from this procedure, in addition to the amounts already provisioned, is remote.

23.9 Change of legislation as a consecuence of the Law 27/2014 (27 November) on corporate income tax

On 28 November 2014 Law 27/2014 (27 November) on corporate income tax was published. The main amendments included in that Law will result in a reduction of the current general tax rate from 30% to 28% in 2015 and then to 25% in 2016. However, it maintains the 30% tax rate for financial institutions and members of their tax consolidation groups. The Law also stipulates that tax-loss carryforwards yet to be offset at 1 January 2015 may be offset in subsequent years without any time limitation. A limitation is also placed on the inclusion of deferred assets that may be monetised in the tax base and the offset of tax bases (25% in 2014 and 2015; 60% in 2016 and 70% in 2017 and subsequent years).

24. Liquidity risk

Individual balances of the Parent represent substantially all of the consolidated assets, being representative the information for liquidity risk of the financial instruments in individual terms for the Group.

The Asset and Liability and Budget Committee (ALCO), formed by senior executives, is responsible for managing liquidity risk affecting the business and the financial instruments to ensure that there is sufficient liquidity at all times to meet payments on its liabilities at the due dates without undermining Unicaja’s capacity to respond rapidly to strategic market opportunities.

Liquidity risk is centralized using integrated software tools to analyse liquidity risk based on cash flows estimated by the Group for assets and liabilities, and on collateral or other instruments available to guarantee additional sources of liquidity as needed (e.g. liquidity lines not used by the Bank). The Bank's liquidity risk position is determined by analysing a variety of scenarios. These analyses taken into account both ordinary market circumstances and extreme conditions that could arise and could affect the flow of collections and payments, due to market factors or internal factors within the Bank.

The following table shows contracted maturity dates related to balance sheet amounts of the main entities of the Group (Unicaja Banco and Banco CEISS) at 31 December 2014:

							Thousands of euros
Assets	**Up to 1 month**	**Between 1 and 3 months**	**Between 3 and 12 months**	**Between 1 and 5 years**	**More than 5 years**	**Demand and undetermined**	**Total**
Cash and balances at central banks	**-**	**-**	**-**	**-**	**-**	**609 825**	**609 825**
Financial assets held for trading	**-**	**-**	**748**	**29 863**	**145 814**	**-**	**176 425**
Debt securities	-	-	748	29 863	145 814	-	176 425
Other equity instruments	-	-	-	-	-	-	-
Available-for-sale financial assets	**231 317**	**362 099**	**3 009 455**	**2 782 048**	**5 317 738**	**586 212**	**12 288 869**
Debt securities	231 317	362 099	3 009 455	2 782 048	5 151 583	-	11 536 502
Other equity instruments	-	-	-	-	166 155	586 212	752 367
Loans and receivables	**2 991 698**	**719 711**	**2 575 060**	**8 257 294**	**21 580 712**	**2 925 023**	**39 049 497**
Loans and advances to credit institutions	570 022	225	2 568	16 531	10 243	184 610	784 199
Loans and advances to other debtors	2 421 675	715 068	2 467 233	7 452 187	20 692 885	2 740 413	36 489 461
Debt securities	-	4 418	105 259	788 576	877 584	-	1 775 837
Investment portfolio held to maturity	**619 618**	**2 533 990**	**1 525 010**	**2 236 404**	**2 724 521**	**-**	**9 639 543**
Debt securities	619 618	2 533 990	1 525 010	2 236 404	2 724 521	-	9 639 543
Investments	**-**	**-**	**-**	**-**	**-**	**1 468 507**	**1 468 507**
Insurance contracts linked to pensions	**-**	**-**	**-**	**-**	**-**	**147 763**	**147 763**
Property, plant and equipment	**-**	**-**	**-**	**-**	**-**	**1 165 046**	**1 165 046**
Other assets	**-**	**-**	**-**	**-**	**-**	**3 034 431**	**3 034 431**
Total assets	**3 842 632**	**3 615 800**	**7 110 273**	**13 305 609**	**29 768 785**	**9 936 807**	**67 579 906**

							Thousands of euros
Liabilities	**Up to 1 month**	**Between 1 and 3 months**	**Between 3 and 12 months**	**Between 1 and 5 years**	**More than 5 years**	**Demand and undetermined**	**Total**
Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial liabilities at amortized cost	**6 291 822**	**8 941 695**	**9 200 081**	**11 418 724**	**6 372 355**	**20 981 968**	**63 206 645**
Deposits from Central banks	1 576 344	6 000 000	-	1 061 510	-	83 861	8 721 715
Deposits from credit institution	552 641	35 256	363 156	175 636	51 236	122 712	1 300 637
Deposits from other creditors	4 162 816	2 806 385	7 928 316	9 551 141	5 457 119	19 653 675	49 559 452
Debt securities	-	100 000	876 887	622 493	260 000	28 895	1 888 275
Subordinated liabilities	21	54	31 722	7 944	604 000	9 049	652 790
Other financial liabilities	-	-	-	-	-	1 083 776	1 083 776
Hedging derivatives	**54 330**	**-**	**-**	**-**	**-**	**-**	**54 330**
Provisions	**-**	**-**	**-**	**-**	**-**	**849 151**	**849 151**
Other liabilities	**-**	**-**	**-**	**-**	**-**	**1 209 824**	**1 209 824**
Total liabilities	**6 346 152**	**8 941 695**	**9 200 081**	**11 418 724**	**6 372 355**	**23 040 943**	**65 319 950**
Difference	**(2 503 520)**	**(5 325 895)**	**(2 089 808)**	**1 886 885**	**23 396 430**	**(13 104 136)**	**2 259 956**

Memorandum accounts	Up to 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	More than 5 years	Demand and undetermined	Total
							Thousands of euros
Contingent risks	**-**	**-**	**-**	**-**	**-**	**1 354 058**	**1 354 058**
Drawable by third parties	**-**	**-**	**-**	**-**	**-**	**2 709 146**	**2 709 146**
Available immediately	-	-	-	-	-	2 061 157	2 061 157
With conditionally	-	-	-	-	-	647 989	647 989
Total contingent liabilities and commitments	**-**	**-**	**-**	**-**	**-**	**4 063 204**	**4 063 204**

The following table shows contracted maturity dates related to balance sheet amounts of the main entities of the Group (Unicaja Banco and Banco CEISS) at 31 December 2013:

Assets	Up to 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	More than 5 years	Demand and undetermined	Total
							Thousands of euros
Cash and balances at central banks	**-**	**-**	**-**	**-**	**-**	**1 913 155**	**1 913 155**
Financial assets held for trading	**998**	**-**	**-**	**261 907**	**13 372**	**-**	**276 277**
Debt securities	998	-	-	261 907	13 372	-	276 277
Other equity instruments	-	-	-	-	-	-	-
Available-for-sale financial assets	**1 852**	**2 496**	**6 502**	**1 680 207**	**224 267**	**531 225**	**2 446 549**
Debt securities	1 852	2 496	6 502	1 680 207	224 267	-	1 915 324
Other equity instruments	-	-	-	-	-	531 225	531 225
Loans and receivables	**4 656 612**	**3 690 681**	**3 578 523**	**5 616 606**	**11 041 349**	**1 255 490**	**29 839 261**
Loans and advances to credit institutions	2 985 292	1 078 362	1 691 428	101 921	28 569	108 850	5 994 422
Loans and advances to other debtors	1 671 320	2 611 799	1 863 790	4 974 846	10 513 400	1 146 640	22 781 795
Debt securities	-	520	23 305	539 839	499 380	-	1 063 044
Investment portfolio held to maturity	**106 622**	**89 641**	**836 596**	**3 192 960**	**13 848**	**-**	**4 239 667**
Debt securities	106 622	89 641	836 596	3 192 960	13 848	-	4 239 667
Investments	**-**	**-**	**-**	**-**	**-**	**715 734**	**715 734**
Insurance contracts linked to pensions	**-**	**-**	**-**	**-**	**-**	**132 097**	**132 097**
Property, plant and equipment	**-**	**-**	**-**	**-**	**-**	**530 376**	**530 376**
Other assets	**-**	**-**	**-**	**-**	**-**	**1 168 119**	**1 168 119**
Total assets	**4 766 084**	**3 782 818**	**4 421 621**	**10 751 680**	**11 292 836**	**6 246 196**	**41 261 235**

Liabilities	Up to 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	More than 5 years	Demand and undetermined	Total
							Thousands of euros
Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial liabilities at amortized cost	**7 264 449**	**915 289**	**5 691 034**	**11 713 564**	**3 360 872**	**9 742 227**	**38 687 435**
Deposits from Central banks	62 045	-	-	4 500 000	-	-	4 562 045
Deposits from credit institution	1 248 608	11 487	32 230	336 727	74 512	65 477	1 769 041
Deposits from other creditors	5 936 119	891 321	4 688 249	5 560 751	3 026 367	8 796 653	28 899 460
Debt securities	17 599	12 439	917 011	1 273 298	259 993	37 620	2 517 960
Subordinated liabilities	78	42	53 544	42 788	-	-	96 452
Other financial liabilities	-	-	-	-	-	842 477	842 477
Hedging derivatives	**4 580**	**-**	**-**	**-**	**-**	**-**	**4 580**
Provisions	**-**	**-**	**-**	**-**	**-**	**358 599**	**358 599**
Other liabilities	**-**	**-**	**-**	**-**	**-**	**526 751**	**526 751**
Total liabilities	**7 269 029**	**915 289**	**5 691 034**	**11 713 564**	**3 360 872**	**10 627 577**	**39 577 365**
Difference	**(2 502 945)**	**2 867 529**	**(1.269.413)**	**(961 884)**	**7 931 964**	**(4 381 381)**	**1 683 870**

Memorandum accounts	Up to 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	More than 5 years	Demand and undetermined	Total
							Thousands of euros
Contingent risks	**-**	**-**	**-**	**-**	**-**	**886 839**	**886 839**
Drawable by third parties	**-**	**-**	**-**	**-**	**-**	**1 789 299**	**1 789 299**
Available immediately	-	-	-	-	-	1 238 448	1 238 448
With conditionally	-	-	-	-	-	550 851	550 851
Total contingent liabilities and commitments	**-**	**-**	**-**	**-**	**-**	**2 676 138**	**2 676 138**

These maturity statements are based on the following criteria:

- The data presented are static; estimates do not include business growth scenarios, early repayments or loan renewals, considering only contractual flows from loans actually arranged and recognized in the Bank's balance sheet.

- Accounting data are presented, i.e. they do not systematically reflect cash flows from operations, unlike operations carried at fair value. All balances without maturity dates, or with maturities based on a counterparty decision, are included in the categories "held at call" or "undetermined".

- In the case of derivative financial instruments (the vast majority of which are subject to margin requirements), the Unicaja Banco Group reports the estimated next net margin settlement as a cash outflow.

- The cash outflows included in the above maturity table are the amounts stipulated in the relevant contracts, and are based on past experience and the Group's current situation, so that the probability of early cancellation of deposits or other liability positions is deemed very low.

- The Unicaja Banco Group provides information on contingent exposures (including financial guarantees) and amounts drawable by third parties in the above table. A significant part of the contingent exposures will reach maturity without generating any payment obligation, so that the total balance of these commitments cannot be regarded as an actual future need for financing or liquidity to be granted to third parties by the Group. The Unicaja Banco's liquidity management scenarios include the utilization by third parties of drawable amounts although, based on past experience, this does not significantly affect the Group's structural maturity profile.

- Finally, the above maturity table does not include forecast future cash flows because their presentation would require rate curve and liability structure scenarios and estimates. However, the Unicaja Banco Group does not consider this information to be essential for the analysis of its liquidity risk, since interest expense and similar charges are not significant in comparison with the balance sheet total and are well below the interest generated by its assets.

The Group manages liquidity risk to ensures that its payment commitments are honoured, by adequately controlling cash flows and the assets that are available to cover any liquidity mismatches. The Group thus considers that the maturity tables present the most relevant picture of its liquidity situation at a given date.

The Bank establishes product policies and objectives addressing both ordinary market circumstances and contingency plans for stress or crisis situations occurring internally or in the market. Three basic approaches are combined to meet these objectives:

- Asset management: analysis of maturities, possibility of sale, degree of liquidity, potential use as collateral, among other aspects.
- Liability management: analysis of maturities, diversification of business sources, maturities that differ from contractual maturities, behavior in the event of interest rate movements, etc.
- Market access: financing capacity in wholesale markets and time required to obtain such financing, among other aspects.

The Group ensures that its consolidated balance sheet assets include a significant volume of liquid assets, allowing liquidity risk to be easily managed, the main liquid assets being:

- Balances held at call with central banks and credit institutions.
- Assets acquired under short-term repo agreements.
- Fixed income securities discountable at the European Central Bank.
- Listed equity securities.

The Group also has the capacity to issue covered bonds and territorial bonds to obtain new funding if the need arises.

25. Fair value

25.1 Fair value of financial assets and liabilities not carried at fair value

The estimate of the fair value at 31 December 2014 and 2013 of the financial assets and liabilities carried in the consolidated balance sheet at amortized cost is performed as follows:

- For financial assets and liabilities referenced to a variable interest rate, the Group considers that their carrying amount does not differ significantly from their fair value, as the initial counterparty credit risk conditions have not varied significantly.

- In the case of un-hedged fixed-rate financial assets and liabilities, their fair value each year is obtained by discounting cash flows at the risk-free interest rate (the rate for Spanish government securities) for each period, adjusted to account for the credit spread on the instrument. In view of the maturity period and relative balance of these instruments, the difference between their amortized cost and fair value is not significant at 31 December 2014 and 2013.

- Under the heading of Credit Investments is estimated that there are no significant differences between their carrying value and their fair value since the Institution has quantified the level of the provision for credit risk for its credit risk portfolio in accordance with the accounting norm applicable and it considers this sufficient to cover this credit risk. Nevertheless, in an environment of economic and financial crisis and since there is not a market for these financial assets, the amount for which they could be exchanged between interested parties could differ for the net value registered.

However, in an environment of economic and financial crisis like the present, and since there is no market for such financial assets, the amount by which the assets could be exchanged between interested parties may differ to the carrying amount.

25.2 Listed instruments at amortized cost

At 31 December 2014 and 2013, the estimated fair value of financial assets and liabilities carried at amortized cost in the balance sheet while listed on markets does not differ significantly from the carrying amounts of the instruments.

Set out below is a breakdown at 31 December 2014 and 2013 of the carrying amount and fair value of the Unicaja Banco Group's financial instruments carried at amortized cost that are listed on markets:

		Thousands of euros			
			2014		2013
Section of the balance	**Type of instrument**	**Book value**	**Fair value**	**Book value**	**Fair value**
Credit investments	Securities representing debt	1 821 438	1 963 640	1 108 644	1 026 542
Held-to-maturity investments	Securities representing debt	9 639 629	10 052 053	4 242 658	4 382 525
Financial liabilities at amortized cost	Marketable debt securities	1 877 739	1 881 783	2 503 646	2 503 646

25.3 Financial instruments carried at cost because there is no active market.

The equity instruments in the portfolio of available-for-sale financial assets the fair value of which cannot be determined in a sufficiently reliable manner are carried in the Unicaja Banco Group's consolidated annual accounts at cost, net of any impairment losses calculated as described in Note 2.7.

The consolidated carrying amount of these equity instruments at 31 December 2014 and 2013 totals € 241,132 thousand and € 176,014 thousand, respectively. The following should be noted in connection with these instruments:

- No information is disclosed in the notes to the consolidated annual accounts on the fair value of the instruments since it cannot be reliably calculated.

- These equity instruments have no listed price on active markets or reasonable measurement of fair value (i.e. it is not possible to reliably apply a cash-flow discounting method, a comparable company multiple or an adjusted equity value that is sufficiently objective), and no market transactions or acquisition bids have recently been completed or made.

There is no sufficiently liquid active market for the instruments in this situation. However, the Group does not plan to hold them for trading or to sell or dispose of them by other means.

25.4 Fair value of the financial assets and liabilities registered at fair value

The following shows a breakdown of the fair values of the headings on the balance sheets as at 31 December 2014 and 2013, divided by classes of assets and liabilities and at the following levels:

- Level 1: Financial instruments the fair value of which is determined by taking the quoted prices on active markets or that correspond to recent transactions (latest twelve months) that have been updated to the current conditions.

- Level 2: Financial instruments the fair value of which is estimated on the basis of quoted prices in organised markets for similar instruments or applying valuation techniques in which all the significant inputs employed are based upon data that are directly or indirectly observable on the market.

- Level 3: Financial instruments the fair value of which is estimated on the basis of valuation techniques in which some inputs are not based on data observable on the market.

					Thousands of euros
					2014
					Fair value
	Book value	Total	Level 1	Level 2	Level 3
Asset					
Cash and balances with central banks	611 917	611 917	-	611 917	-
Working portfolio	228 871	228 871	96 918	130 564	1 389
Fixed income	176 425	176 425	96 431	79 994	-
Variable income	-	-	-	-	-
Derivatives	52 446	52 446	487	50 570	1 389
Financial assets available for sale	12 503 087	12 261 980	11 538 737	468 367	254 876
Fixed income	11 575 532	11 575 557	10 921 359	399 322	254 876
Variable income	927 555	686 423	617 378	69 045	-
Held-to-maturity investments	9 639 624	10 052 053	6 388 102	3 659 225	4 726
Debt securities	9 639 624	10 052 053	6 388 102	3 659 225	4 726
Coverage derivatives	921 921	921 921	-	917 246	4 675
Liability					
Working portfolio	64 582	64 582	42	64 365	175
Derivatives	64 582	64 582	42	64 365	175
Coverage derivatives	56 725	56 725	-	56 276	449

Thousands of euros

	2013				
		Fair value			
	Book value	Total	Level 1	Level 2	Level 3
Asset					
Cash and balances with central banks	1 913 257	1 913 257	-	1 913 257	-
Working portfolio	291 771	291 771	264 931	26 840	-
Fixed income	277 106	277 106	256 481	20 625	-
Variable income	8 428	8 428	8 428	-	-
Derivatives	6 237	6 237	22	6 215	-
Financial assets available for sale	2 390 023	2 390 023	1 937 780	132 858	319 385
Fixed income	1 951 956	1 951 956	1 819 098	132 858	-
Variable income	438 067	438 067	118 682	-	319 385
Held-to-maturity investments	4 242 658	4 382 525	4 313 857	64 224	4 444
Debt securities	4 242 658	4 382 525	4 313 857	64 224	4 444
Coverage derivatives	543 745	543 745	-	543 745	-
Liability					
Working portfolio	11 981	11 981	738	11 243	-
Derivatives	11 981	11 981	738	11 243	-
Coverage derivatives	44 088	44 088	-	44 088	-

Set out below are movements during 2014 and 2013 in the fair value of the different types of financial instruments classed in Level 3 under IFRS 13:

Thousands of euros

		Trading portfolio			Financial assets available for sale	Held-to-maturity investments
	Debt securities	Derivatives (active)	Derivatives (liabilities)	Debt securities	Equity instruments	Debt securities
Balance at 31/12/2013	**-**	**-**	**-**	**-**	**319 385**	**4 444**
Additions to instruments	-	2 960	90	235 918	-	-
Casualties of instruments	-	(941)	-	-	-	-
Change in value	-	(1 571)	(80)	17 446	46 926	282
Transfers level	-	941	165	1 512	(366 311)	-
Transfer to investment credit	-	-	-	-	-	-
Transfer to portfolio to-maturity investments	-	-	-	-	-	-
	-	-	-	-	-	-
Balance at 31/12/2014	**-**	**1 389**	**175**	**254 876**	**-**	**4 726**

	Trading portfolio			Financial assets available for sale		Held-to-maturity investments
	Debt securities	Derivatives (active)	Derivatives (liabilities)	Debt securities	Equity instruments	Debt securities
Balance at 31/12/2012	**6 177**	**12**	**14**	**177 043**	**60 962**	**337 339**
Additions to instruments	-	-	-	-	-	-
Casualties of instruments	(175)	-	-	(23 252)	(60 962)	-
Change in value	-	-	-	(23 833)	-	(45 110)
Transfers level	(6 002)	(12)	(14)	(129 958)	319 385	(76)
Transfer to investment Credit	-	-	-	-	-	(287 709)
Transfer to portfolio to-maturity investments	-	-	-	-	-	-
Balance at 31/12/2013	**-**	**-**	**-**	**-**	**319 385**	**4 444**

Thousands of euros

25.4 Valuation methods used

The following methods were used by the Unicaja Banco Group to calculate the fair value of the main financial instruments recognized in the balance sheet:

- **Debt securities**: The fair value of listed debt instruments is determined on the basis of their price in official markets (Bank of Spain's Book-Entry System), AIAF, AIAF panels (credit institutions), or by applying prices obtained from information service providers, mainly Bloomberg and Reuters, whose prices are built using the prices notified by contributors.

- **Equity instruments**: The fair value of listed equity instruments is determined based on their price in official markets. The fair value of unlisted equity instruments is determined taking into account independent expert valuations performed using the following methods, among others:

    - Discounted cash flows (free operating cash flows or dividends), applying a discount rate based on each investee's operational and financial exposure, calculated using a risk-free rate and including a risk premium.

    - Multiple of comparable listed companies (EV/EBITDA, PER, Price/Book value, Price/Premiums), less an illiquidity discount.

    - NAV (Adjusted Net Asset Value): Obtained by adding capital gains, calculated as the difference between the market value and carrying amount of assets, to reported shareholders' funds. For venture capital entities, NAV is calculated by the management companies and generally estimated applying European Venture Capital Association regulations and the provisions of CNMV Circular 5/2000 (19 September).

    - Price resulting from market transactions or acquisition bids made or received near to the valuation date.

- **Derivative instruments**: The fair value of interest rate derivatives is determined, for optional financial instruments (mainly swaps), by discounting future flows using implied money market curves and the swap curve; for optional interest-rate derivatives, generally accepted valuation methods based on the Black-Scholes model and implicit volatility matrices are used. In the case of derivatives on equity instruments or stock market indices contracted to hedge customers structured deposits containing an embedded derivative, and currency derivatives without optional components, the fair value is obtained by discounting cash flows estimated using forward curves for the relevant underlying instrument, listed on the market; for options, generally accepted methods based on the Black-Scholes model are used, allowing options on these underlying instruments to be valued applying a closed formula and using only market inputs. Where applicable, models and severities in line with the market are used to calculate CVA and DVA. In order to obtain Unicaja Banco's spread, generic spread vs. swap curves are calibrated on a recurring basis using ratings for different debt issues by Spanish financial institutions with differing priority levels, including senior debt.

25.5 Fair value of property, plant and equipment

On 1 January 2004, the Group availed itself of the provisions of IFRS 1 to restate the majority of its real estate assets, generating a gross gain of € 227,811 thousand. Subsequently, on 21 June 2013, revaluation reserves recognized under Bank of Spain Circular 4/2004 relating to 516 own-use properties restated in the amount of € 54,850 thousand, already included in equity, acquired tax effects (Note 23.7).

At December 31 of 2014 and 2013, the Group considers that there are no significant differences between the book value and the fair value of these assets.

26. Credit risk exposure

Credit risk refers to the losses that the Group would incur in the event that a customer or counterparty failed to comply with the contracted payment obligations. This risk is inherent in the financial system’s traditional banking products (loans, credit lines, financial guarantees provided) and in other types of financial assets.

Credit risk affects both financial assets carried at amortized cost in the financial statements and assets carried at fair value. Irrespective of the accounting method used to record the Group’s financial assets in these financial statements, the Parent Entity applies the same credit risk control policies and procedures.

The Group’s credit risk control policies, methods and procedures are approved by the Entity’s Board of Directors. The Entity’s Control Committee, Audit Committee and Internal Supervision and Risk Control Department are responsible, among other functions, for ensuring compliance with these policies, methods and procedures, as well as for monitoring their adequacy, effective implementation and regular review.

The Group’s credit risk control activities are carried out by the Risk Control Department, which reports to the Group’s Planning and Control Division. This unit is responsible for implementing the credit risk control policies, methods and procedures approved by the Group’s Board of Directors. It monitors counterparty risk by establishing, among others, the credit quality parameters to be assigned to the Group’s operations, and credit risk hedging requirements, in accordance with the Entity’s internal policies and applicable legislation. The Risk Control Unit is also responsible for applying the Entity’s risk concentration limits, approved by the Board of Directors.

The Group has policies and procedures to limit counterparty risk concentration for both individual counterparties and groups of companies. The Group establishes risk concentration limits taking into account factors such as the counterparty’s business activities, geographical location and other common features. The Group performs sensitivity analyses to estimate the effects of possible changes in non-performing loan ratios in each risk concentration group, imposing limits on concentration based on the findings.

The Group did not maintain concentrations of risk of a significant nature to 31 December 2014 and 2013. Total mortgage-backed risk remained with the private sector living in Spain amounted to €23,582,999 thousand and €12,782,848 thousand at 31 December 2014 and 2013, respectively.

Therefore, Unicaja Banco has a “Credit scoring” system which considers the multiple characteristics of the operations and the debtors, and, attending to the past experience and the best market practises, it provides a mechanism for the Bank to distinguish, attending to credit risk, those operations that may be formalized by the Bank from those that are not recommended to be formalized by the Bank. The criteria for distinguishing operations at the contracting date, using this system, are approved by the Bank’s executives and review mechanisms are in place to ensure that the system is continuously updated.

The maximum credit risk to which Unicaja Banco is exposed is measured at nominal value for financial assets carried at amortized cost. The measurement of the Bank’s maximum credit risk takes into account offset agreements concluded with certain counterparties.

Notes 8, 9 and 10 provide details of the Bank’s maximum credit risk exposure. As the Bank’s credit risk information provided in these notes does not take into account guarantees received, derivative financial instruments contracted to hedge credit risk and other similar hedges, these data differ from the Bank’s internal analyses of exposure to credit risk.

Internally, the Bank classifies financial assets subject to credit risk based on the characteristics of each operation, taking into account the specific counterparty and guarantees obtained, among other aspects.

Accrued uncollected financial income from financial assets deemed to be impaired as explained in Note 2.7, and recognized in individual financial statements of Unicaja Banco at 31 December 2014 and 2013, amounted to €150,688 thousand and €40,519 thousand, respectively.

Practices for the responsible granting of loans and credit facilities to consumers.

Order EHA/2899/2011 (28 October) on banking service customer transparency and protection enables the general principles established by Law 2/2011 on Sustainable Economy, with respect to the responsible granting of loans and credit facilities to consumers, such that the relevant obligations are introduced so that the Spanish financial system improves the levels of prudence applied to granting these types of transactions, to the benefit of customers and market stability.

Bank of Spain Circular 5/2012 (27 to June) defines the concept of "responsible lending", and establishes the responsible lending policies and procedures that are summarised below:

- When entities offer and grants loans or credit facilities to customers they must act with honesty, impartiality and professionalism, in accordance with the personal and financial situation of customers, together with their preferences and objectives.

- The entities that grant loans or credit facilities to the customers referred to by Rule Two of Circular 5/2012 must have specific policies, methods and procedures for studying and granting such loans or credit facilities to those customers, and they must be adequately documented and justified, approved by the Board of Directors or equivalent body, and include the general principles mentioned in Appendix 6 to that Circular. The aforementioned policies, methods and procedures, which must remain up-to-date, as well as the supporting documents regarding their approval by the entity's Board of Directors or equivalent body, must be available at all times to the Bank of Spain.

- The general principles referred to in the preceding section must be applied by entities and understood by its customers in a responsible way, such that the latter must provide the former with complete and accurate information regarding their financial situation and their desires and needs with respect to the purpose, amount and other conditions of a loan or credit facility, and the entities must appropriately inform its customers as to the characteristics of its products that adapt to their requests.

Unicaja Banco has detailed policies, methods and procedures to ensure that loans and credit facilities are granted responsibly to consumers. The principles that have been developed for this purpose are in line with the Bank's current situation, with the "Credit Risk Policy, Task and Procedures Manual" approved by the Bank's Board Directors on 25 March 2013, as well as with the regulatory requirements established by the Bank of Spain, and includes the following points:

- Criteria for the granting of credit associated with the borrower's payment capacity.
- A transaction repayment plan that meets the needs of the customer.
- Prudent relationship between the amount of the transaction and the value of any collateral.
- Transaction marketing policy.
- Collateral appraisal policy.
- Consideration of the variability of interest rates and exchange rates when granting loans denominated in a foreign currency.
- Hedging of interest rate risk
- Policy of exceptions to transaction conditions.
- Customer warnings regarding the failure to comply with payment obligations.
- Debt renegotiation policy (Note 10.1).
- Information regarding the cost of services associated with the granting of the credit transaction.
- The obligation to inform homebuyers when subrogating to a developer loan.
- Other aspects of the policies and procedures for granting responsible loans.

To ensure compliance with those principles and criteria the Bank has implemented diverse control procedures when managing risks, most importantly the existence of various approval areas that ensure adequate levels of examination of decisions in accordance with their complexity and the proper evaluation of the customer risk profile and payment capacity.

Financial assets recovery is considered remote

Set out below are movements during 2014 and 2013 in the Entity's impaired financial assets that are not carried in the balance sheet since the probability of recovery is deemed to be remote, even though the Entity has not discontinued actions to recover the amounts receivable:

	Thousands of euros	
	2014	**2013**
Balance of financial assets which recovery is considered to be remote at 1 January	**768 509**	**628 355**
Additions -	2 023 265	214 527
Balance considered for remote recovery during the year	520 069	214 527
Business combination (Note 1.2)	1 503 196	-
Recoveries -	(940 624)	(74 373)
Balances recovered during the year for operations' refinancing or restructuring	(72 847)	-
Cash collections without additional refinancing	(38 664)	(17 567)
Assets awarded through foreclosure	(5 849)	(16 363)
Bad sales	(484 868)	-
Other causes	(338 396)	(40 443)
Balance of financial assets which recovery is considered to be remote at 31 December	**1 851 150**	**768 509**

In 2014 and 2013, the recovery movement identified as “for other causes” relates mainly to loans that cease to be treated as remote recovery assets when the Bank rules out any possibility of recovery**.**

The net amount in the consolidated income statement for the years 2014 and 2013 as a result of movements in these assets amounts a negative amount of € 28,885 thousand and € 2,357 thousand income, respectively. These amounts are due mainly to:

- Loans that were classified during the period as “remote recovery assets” and had not been provisioned; they were therefore written off the consolidated balance sheet directly through the income statement, having a negative impact of € 55,369 thousand and € 19,924 thousand in 2014 and 2013, respectively.

- Loan classified as "remote recovery assets" in the previous period in respect of which amounts have been collected, having a positive effect of € 26,484 thousand and € 17,567 thousand in 2014 and 2013, respectively.

Exposure to sovereign risk

With respect to sovereign risk, the breakdown of credit risk exposures to central governments held by the Group at 31 December 2014 and 2013 is as follows:

				Thousands of euros
				2014
	Trading portfolio	**Financial assets available for sale**	**Maturity investment portfolio**	**Loans and advances**
Spain	126 639	8 103 882	5 347 159	-
Italy	37 680	535 841	-	-
Portugal	-	28 375	-	-
Ecuador	-	-	-	37
	164 319	**8 668 098**	**5 347 159**	**37**

				Thousands of euros
				2013
	Trading portfolio	**Financial assets available for sale**	**Maturity investment portfolio**	**Loans and advances**
Spain	237 220	1 023 782	2 750 070	-
Italy	-	321 779	-	-
Portugal	-	-	-	-
Ecuador	-	-	-	106
	237 220	**1 345 561**	**2 750 070**	**106**

Credit quality of debt securities

Set out below is the accounting classification by portfolio of the debt securities recognized in the Unicaja

Banco Group's consolidated annual accounts at 31 December 2014 and 2013:

	Thousands of euros	
	2014	**2013**
Trading portfolio	176 425	277 106
Financial assets available for sale	11 575 532	1 951 956
Credit investments	1 821 438	1 108 644
Held-to-maturity investments	9 639 624	4 242 658
	23 213 019	**7 580 364**

At 31 December 2014 and 2013, the balances included in the above table were not classed as doubtful, impairment adjustments having been recognized only for general coverage purposes in the amount of €76 thousand and € 67 thousand, respectively. Set out below is a breakdown of these securities by credit rating at 31 December 2014 and 2013:

	Thousands of euros	
	2014	**2013**
Rating Aaa	13 467	12 062
Rating Aa1-Aa3	606 171	135 106
Rating A1-A3	666 888	5 596 127
Rating Baa1-Baa3	18 144 611	1 678 843
Rating Ba1-Ba3	539 934	6 084
Rating B1-C (*)	26 966	20 345
No credit rating	3 214 982	131 797
	23 213 019	**7 580 364**

(*) At 31 December 2014, this quantity includes mainly bonds issued by Fondo de Reestructuración Ordenada Bancaria (FROB) and by Sociedad de Activos Procedentes de la Reestructuración Bancaria, S.A. (SAREB).

Quality of Loans and advances to customers

Pursuant to Bank of Spain Circular 4/2004, the Bank classifies its performing exposures as follows: no material risk (public sector and cash guarantee), low risk (secured by finished housing with LTV below 80% and companies rated A or higher), medium-low risk (other property guarantees), medium risk (personal guarantee barring consumption, cards and overdrafts), medium-high risk (consumption) and high risk (cards, overdrafts and over-limit balances). These exposures break down as follows at 31 December 2014 and 2013:

	Thousands of euros	
	2014	**2013**
No material risk	**26 613 742**	**17 792 449**
Of which: Non-resident Public Administrations	536 316	299 691
Of which: Advances on pensions and salaries	382 593	196 346
Of which: Personal guarantees	2 464 614	1 918 855
Of which: Guaranteed by deposits and securities	70 584	25 293
Low risk	**18 754 721**	**9 694 571**
Of which: Guaranteed by monetary policy operations	77 795	63 350
Of which: Other highly-rated companies	619 734	18 477
Of which: Secured by real property	17 977 792	9 612 744
Medium-low risk	**3 111 048**	**1 676 670**
Of which: Finance leases	65 466	6 944
Medium risk	**4 303 386**	**2 664 364**
Of which: Other operations entered in Register of Forward Sales of Moveable Property	-	-
Medium-high risk	**693 631**	**827 853**
Of which: Acquisitions of goods and services	197 974	113 764
of which: Financing of land for property development or of property construction	494 798	714 089
High risk	**315 203**	**225 720**
	53 791 731	**32 881 627**

Risk concentration by activity and geographic area

Set out below is the carrying amount of the Unicaja Banco Group's total financing granted to customers at 31 December 2014 and 2013, excluding exposures to public administrations, broken down by counterparty type, collateral type and LTV ratio.

Thousands of euros

				LTV Ratio of credit with real guarantee (f)				
Balance at 31/12/2014	**Total (a)**	**Of which: Mortage collateral (e)**	**Of which: Other collateral(e)**	**Not exceeding or equal 40%**	**Exceeding 40% but not exceeding or equal 60%**	**Exceeding 60% and less or equal to 80%**	**Exceeding 80% and less or equal to 100%**	**Exceeding 100%**
Financial institutions	3 249 015	26 777	2 055 001	3 856	3 926	-	18 995	2 055 001
Non-financial companies and sole traders	7 206 250	3 478 288	85 652	1 496 426	1 223 983	557 873	170 752	114 906
Property construction and development (b)	1 124 832	869 544	15 986	339 949	358 498	131 764	38 902	16 417
Civil engineering construction	442 840	24 387	2 724	6 593	9 441	3 097	2 334	5 646
Other purposes	5 638 578	2 584 357	66 942	1 149 884	856 044	423 012	129 516	92 843
Large companies (c)	984 430	134 860	1 221	47 674	61 340	18 273	7 036	1 758
SMEs and sole traders (c)	4 654 148	2 449 497	65 721	1 102 210	794 704	404 739	122 480	91 085
Other households and non-profit institutions serving households (ISFLSH)	22 606 804	20 596 400	38 995	4 806 084	6 954 319	7 701 384	1 068 041	105 567
Housing (d)	20 102 753	19 592 814	2 407	4 419 660	6 655 196	7 523 804	928 438	68 123
Consumption (d)	1 529 320	663 810	33 929	308 231	206 678	136 518	37 334	8 978
Other purposes (d)	974 731	339 776	2 659	78 193	92 445	41 062	102 269	28 466
	33 062 069	**24 101 465**	**2 179 648**	**6 306 366**	**8 182 228**	**8 259 257**	**1 257 788**	**2 275 474**

Thousands of euros

				LTV Ratio of credit with real guarantee (f)				
Balance at 31/12/2013	**Total (a)**	**Of which: Mortage collateral (e)**	**Of which: Other collateral(e)**	**Not exceeding or equal 40%**	**Exceeding 40% but not exceeding or equal 60%**	**Exceeding 60% and less or equal to 80%**	**Exceeding 80% and less or equal to 100%**	**Exceeding 100%**
Financial institutions	3 824 954	10 134	3 496 482	5 747	4 386	-	-	3 496 483
Non-financial companies and sole traders	5 484 693	2 347 911	75 578	967 450	950 027	326 186	176 123	3 703
Property construction and development (b)	1 354 894	1 035 835	15 579	242 880	470 052	197 157	141 253	72
Civil engineering construction	418 026	8 845	2 078	2 862	7 053	530	385	93
Other purposes	3 771 773	1 303 231	57 921	721 708	472 922	128 499	34 485	3 538
Large companies (c)	1 275 583	69 453	-	30 206	39 247	-	-	-
SMEs and sole traders (c)	2 436 190	1 233 778	57 921	691 502	433 675	128 499	34 485	3 538
Other households and non-profit institutions serving households (ISFLSH)	11 870 423	10 683 763	39 042	2 572 487	3 456 679	4 346 760	345 180	1 699
Housing (d)	10 348 746	10 009 448	2 517	2 190 921	3 258 154	4 243 882	318 664	344
Consumption (d)	1 133 264	363 173	32 227	221 723	105 218	54 771	12 503	1 185
Other purposes (d)	388 413	311 142	4 298	159 843	93 307	48 107	14 013	170
	21 180 070	**13 041 808**	**3 611 102**	**3 545 684**	**4 411 092**	**4 672 946**	**521 303**	**3 501 885**

(a) The definition of loans and advances to customers and the scope of the information included in this table are as used to prepare the balance sheet. The carrying amount of the loans is used, i.e. after value adjustments made to provision specific loans.

(b) This item includes all activities related to property construction and development, including the financing of land for property development.

(c) Non-financial companies are divided into “Large companies” and “SMEs”, in accordance with the definition applicable to SMEs when calculating shareholders' funds. Sole trader activities are performed by individuals in the course of their business activities.

(d) The activities of households and non-profit institutions serving households are classified based on their purpose, as stipulated in Rule 71.2.e) of Bank of Spain Circular 4/2004.

(e) Includes the carrying amount of all loans secured by real property and by other property guarantees, irrespective of the LTV ratio.

(f) Loan-to-value (LTV) is the ratio obtained by dividing the loan's carrying amount at the reporting date by the amount of the latest appraised value of the collateral.

There follows aggregate information at 31 December 2014 and 2013 on the Unicaja Banco Group's risk concentration by geographic area and business segment, excluding exposures to public administrations.

					Thousands of euros
Balance at 31/12/2014	**Total (a)**	**Spain**	**Rest of European Union**	**America**	**Rest of World**
Financial institutions	2 915 111	2 536 415	367 744	9 685	1 267
Non-financial companies and sole traders	11 310 302	10 598 738	687 446	20 135	3 983
Property construction and development (b)	8 853 141	8 766 101	84 136	930	1 974
Civil engineering construction	1 372 351	1 354 816	17 535	-	-
Other purposes	545 383	544 658	725	-	-
Large companies (c)	6 935 407	6 866 627	65 876	930	1 974
SMEs and sole traders (c)	1 703 182	1 684 916	18 266	-	-
Other households and non-profit institutions serving households (ISFLSH)	5 232 225	5 181 711	47 610	930	1 974
Housing (d)	22 847 302	22 596 563	210 479	20 760	19 500
Consumption (d)	20 105 301	19 896 189	177 308	13 077	18 727
Other purposes (d)	1 537 912	1 512 816	18 557	6 285	254
Financial institutions	1 204 089	1 187 558	14 614	1 398	519
	45 925 856	**44 497 817**	**1 349 805**	**51 510**	**26 724**

					Thousands of euros
Balance at 31/12/2013	**Total (a)**	**Spain**	**Rest of European Union**	**America**	**Rest of World**
Financial institutions	7 774 527	7 583 023	171 132	17 878	2 494
Non-financial companies and sole traders	5 965 119	5 848 757	87 368	24 849	4 145
Property construction and development (b)	6 936 840	6 925 013	10 015	-	1 812
Civil engineering construction	1 592 367	1 592 367	-	-	-
Other purposes	472 511	472 511	-	-	-
Large companies (c)	4 871 962	4 860 135	10 015	-	1 812
SMEs and sole traders (c)	1 671 117	1 660 711	9 547	-	859
Other households and non-profit institutions serving households (ISFLSH)	3 200 845	3 199 424	468	-	953
Housing (d)	11 892 072	11 805 853	49 460	17 930	18 829
Consumption (d)	10 354 316	10 288 270	44 472	3 101	18 473
Other purposes (d)	1 141 831	1 128 046	2 625	10 953	207
Financial institutions	395 925	389 537	2 363	3 876	149
	32 568 558	**32 162 646**	**317 975**	**60 657**	**27 280**

(a) The definition of risk for the purposes of this table includes the following balance sheet items: Loans and advances to credit institutions, Loans and advances to customers, Debt securities, Equity instruments, Trading derivatives, Hedging derivatives, Equity investments and Contingent exposures. The amounts of the assets reflect the carrying amounts of the loans, i.e. after value adjustments made to provision specific loans. Business is distributed by geographic area based on the country or autonomous region of residence of the lenders, securities issuers and counterparties of derivatives and contingent exposures.

(b) This item includes all activities related to property construction and development, including the financing of land for property development.

(c) Non-financial companies are classed as "Large companies" and "SMEs", in accordance with the definition of SMEs contained in Commission Recommendation 2003/361/EC (6 May 2003) on the definition of micro-enterprises, small companies and medium-sized companies. Loans to sole traders relate exclusively to loans to individuals to finance their business activities, whether performed directly as sole traders or through entities without legal personality.

(d) The activities of households and non-profit institutions serving households are classified based on their purpose, as stipulated in Rule 71.2.e) of Bank of Spain Circular 4/2004.

There follows a breakdown of the Unicaja Banco Group's loans and advances to customers at 31 December 2014 and 2013 by autonomous region and by business segment, excluding exposures to public administrations:

						Thousand of euros
Balance at 31/12/2014	**Total (a)**	**Andalucía**	**Madrid**	**Castilla (*)**	**Levante (*)**	**Rest of regions**
Financial institutions	2 536 415	191 902	1 052 944	10 146	735 569	545 854
Other Financial institutions	10 598 738	194 558	10 007 065	380 449	4 248	12 418
Non-financial companies and sole traders	8 766 101	3 308 173	2 234 560	1 814 002	369 799	1 039 567
Property construction and development (b)	1 354 816	861 330	285 769	139 545	13 390	54 782
Civil engineering construction	544 658	130 040	391 251	15 936	1 461	5 970
Other purposes	6 866 627	2 316 803	1 557 540	1 658 521	354 948	978 815
Large companies (c)	1 684 916	156 852	721 632	124 878	157 525	524 029
SMEs and sole traders (c)	5 181 711	2 159 951	835 908	1 533 643	197 423	454 786
Other households and non-profit institutions serving households (ISFLSH)	22 596 563	10 866 778	2 408 899	6 188 186	704 852	2 427 848
Housing (d)	19 896 189	9 552 624	2 181 633	5 295 780	656 010	2 210 142
Consumption (d)	1 512 816	977 530	104 801	308 047	21 746	100 692
Other purposes (d)	1 187 558	336 624	122 465	584 359	27 096	117 014
	44 497 817	**14 561 411**	**15 703 468**	**8 392 783**	**1 814 468**	**4 025 687**

						Thousand of euros
Balance at 31/12/2013	**Total (a)**	**Andalucía**	**Madrid**	**Castilla (*)**	**Levante (*)**	**Rest of regions**
Financial institutions	7 583 023	79 730	6 417 778	10 568	701 901	373 046
Other Financial institutions	5 848 757	190 286	5 635 178	-	12 269	11 024
Non-financial companies and sole traders	6 925 013	4 223 813	1 628 557	244 940	302 233	525 470
Property construction and development (b)	1 592 367	1 092 171	338 895	43 590	52 655	65 056
Civil engineering construction	472 511	154 855	295 674	442	75	21 465
Other purposes	4 860 135	2 976 787	993 988	200 908	249 503	438 949
Large companies (c)	1 660 711	641 742	521 232	9 935	158 714	329 088
SMEs and sole traders (c)	3 199 424	2 335 045	472 756	190 973	90 789	109 861
Other households and non-profit institutions serving households (ISFLSH)	11 805 853	10 449 385	489 577	539 048	92 722	235 121
Housing (d)	10 288 270	9 058 262	457 786	474 262	84 156	213 804
Consumption (d)	1 128 046	1 042 154	21 774	43 055	5 549	15 514
Other purposes (d)	389 537	348 969	10 017	21 731	3 017	5 803
	32 162 646	**14 943 214**	**14 171 090**	**794 556**	**1 109 125**	**1 144 661**

(*) The geographical area called “Castilla” includes Castilla-La Mancha and Castilla y León, and the geographical area called “Levante” includes Cataluña, Comunidad Valenciana and Murcia.

(a) The definition of risk for the purposes of this table includes the following balance sheet items: Loans and advances to credit institutions, Loans and advances to customers, Debt securities, Equity instruments, Trading derivatives, Hedging derivatives, Equity investments and Contingent exposures. The amounts of the assets reflect the carrying amounts of the loans, i.e. after value adjustments made to provision specific loans. Business is distributed by geographic area based on the country or autonomous region of residence of the lenders, securities issuers and counterparties of derivatives and contingent exposures.

(b) This item includes all activities related to property construction and development, including the financing of land for property development.

(c) Non-financial companies are classed as "Large companies" and "SMEs", in accordance with the definition of SMEs contained in Commission Recommendation 2003/361/EC (6 May 2003) on the definition of micro-enterprises, small companies and medium-sized companies. Loans to sole traders relate exclusively to loans to individuals to finance their business activities, whether performed directly as sole traders or through entities without legal personality.

(d) The activities of households and non-profit institutions serving households are classified based on their purpose, as stipulated in Rule 71.2.e) of Bank of Spain Circular 4/2004.

27. Interest rate risk exposure

Individual balances of the Parent represent substantially all of the consolidated assets, being representative the information of interest risk in individual terms for the Group.

Interest rate risks are controlled on an integrated basis by the Asset and Liability and Budget Committee (ALCO). This unit is responsible for implementing procedures to ensure that Group complies at all times with the interest rate risk control and management policies approved by the Board of Directors.

Sensitivity measurement and scenario analysis methods are used to analyse, measure and control the Group's significant interest rate risks.

The Group hedges interest rate exposure on an individual basis for all significant financial instruments that could generate equally significant risks.

The following tables contain a breakdown of maturity or interest rate review dates at 31 December 2014 and 2013. The carrying amounts of the financial assets and liabilities are grouped together by interest rate review date or by maturity, whichever is the earlier date, as follows:

31 December 2014 — Thousands of euros

Assets	Up to 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Over 5 years
Financial assets	9 314 022	10 024 286	23 153 151	2 728 078	435 814	1 558 214	1 671 232	7 778 089
After adjustments for coverage	8 914 022	12 736 098	23 528 151	2 728 078	685 814	1 558 214	635 134	5 877 374

31 December 2014 — Thousands of euros

Liabilities	Up to 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Over 5 years
Financial liabilities	16 426 164	4 438 238	9 187 558	6 407 403	1 654 210	9 402 501	669 757	5 229 808
After adjustments for coverage	14 426 464	7 759 995	12 160 964	5 259 629	1 299 210	8 818 202	555 732	3 135 444

31 December 2013 — Thousands of euros

Assets	Up to 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Over 5 years
Financial assets	9 304 606	6 651 732	13 148 256	5 367 705	1 129 303	332 165	465 182	805 501
After adjustments for coverage	8 904 606	6 651 732	13 148 256	5 517 705	1 129 303	582 165	465 182	805 501

31 December 2013 — Thousands of euros

Liabilities	Up to 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Over 5 years
Financial liabilities	13 777 936	1 936 945	5 843 221	3 259 608	1 583 830	457 875	460 059	2 549 799
After adjustments for coverage	12 077 936	3 157 502	8 541 812	4 639 758	421 606	107 875	43 801	878 984

The above tables reflect, for each period, the adjustments to fixed-rate assets and liabilities derived from the relevant derivative financial instruments contracted by Unicaja for hedging purposes, in order to present overall exposure to interest rate fluctuations.

At 31 December 2014 and 2013, the sensitivity of the entity's balance sheet to an unfavourable horizontal movement in the interest rate curve totalling 100 basis points and a scenario of maintaining the balance sheet is as follows:

	2014	2013
Financial income expected in 12 months	Less than 7%	Less than 7%
Economic value	Less than 8%	Less than 4%

28. Exposure to other market risks

Market risk relates to the losses that the Entity could incur in the event of changes in the value of its trading portfolio and available-for-sale financial assets as a result of unfavourable fluctuations in market prices or foreign exchange rates, or price volatility.

Such changes depend mainly on factors such as interest rates, in the case of fixed-income instruments. Options are subject to a number of risk factors, one of the most relevant being volatility.

The Group’s market risk control policies, methods and procedures are approved by the Board of Directors. The responsibilities of the Risk Control Department, through its Market Control Unit, include the supervision of compliance with the Group’s risk control policies, methods and procedures to ensure their adequacy, effective implementation and regular review.

The unit responsible for financial risk monitoring and control is the Market Control Unit, which is basically entrusted with ensuring that risks assumed are correctly identified, analysed, valued and reported, cooperating in the implementation of suitable risk management tools, improving position valuation models to bring them into line with the actual market context, and controlling compliance with the risk limits defined. This unit also systematically controls and monitors treasury and capital market transactions.

In order to ensure adequate market risk management, the Group uses a software application to define market risk calculations and authorized limits. For each group of portfolios managed, limits are defined for “Open positions”, “Stop losses” and “VaR” so as to avoid any significant adverse impact on solvency or on results, in view of the complexity of the risks assumed.

Exposure to market price fluctuations

Price risk is the risk that the fair value of equity securities may decline as a result of changes in market indices or stock prices. Price risk arises on positions in financial assets or liabilities held for trading and in available-for-sale financial assets.

Set out below is an analysis of price risk sensitivity derived from the Group's equity positions in financial markets at 31 December 2014 and 2013:

	Thousands of euros		
Decline in the market price (quotations)	**Impact on results**	**Impact on valuation adjustments**	**Total impact on equity**
Impact at 31 December 2014 of a 1% decrease in the market price	-	4 805	4 805
Impact at 31 December 2013 of a 1% decrease in the market price	59	3 066	3 125

One percent variance in the relevant equity price fluctuation risk variables was assumed because this “impact” is a standard measurement in both the financial sector and in the Unicaja Banco Group to ascertain the level of risk exposure.

In the current context of high market volatility, it is very difficult to determine what constitutes a “reasonably possible change” in risk variables. However, we consider it to be appropriate to report on sensitivity to a 1% "impact" so that public information users may rescale this effect based on their market expectations.

The above table does not include equity instruments recognized in the portfolio of available-for-sale financial assets for which there is no active market and that are carried in the consolidated annual accounts at cost, net of any impairment losses, since their fair value cannot be determined in a sufficiently objective manner. The consolidated carrying amount of these instruments at 31 December 2014 and 2013 totals € 241,132 thousand and € 176,014 thousand, respectively.

Exposure to foreign exchange risk

Structural foreign exchange risk arises basically from exposure to exchange rate fluctuations on securities investments in non-euro currencies.

The Unicaja Banco Group manages structural foreign exchange risk to minimise potential adverse impacts of foreign exchange fluctuations on capital adequacy ratios and on contributions to the results of foreign currency investments.

At 31 December 2014 and 2013, exposure to foreign exchange fluctuations in the Unicaja Banco Group is immaterial, since there are no significant assets or liabilities in the consolidated balance sheet that are denominated in non-euro currencies. The equivalent value in euros of the Group's total assets and liabilities denominated in foreign currencies at 31 December 2014 and 2013 is analysed below:

	Thousands of euros	
	2014	**2013**
Equivalent value of the assets in foreing currency	**99 602**	**38 000**
Of which:% in U.S. dollars	83%	75%
Of which:% in sterling	7%	14%
Of which:% quoted in other currencies in the Spanish market	10%	11%
Equivalent value of foreign currency liabilities	**67 243**	**14 617**
Of which:% in U.S. dollars	85%	80%
Of which:% in sterling	6%	17%
Of which:% quoted in other currencies in the Spanish market	9%	4%

The equivalent value in euros of assets denominated in foreign currencies accounts for 0.15% and 0.09% of total consolidated assets at 31 December 2014 and 2013, respectively, while the equivalent value in euros of liabilities denominated in foreign currencies represents 0.10% and 0.04% of total consolidated assets at the respective dates.

29. Director's duties of loyalty

In accordance with the provisions of Article 229 of Law 31/2014 (3) which amends the Spanish Companies Act 2010 to improve corporate governance and to reinforce the transparency of public limited liability companies, the Directors have informed the Entity that in 2014 they or persons associated with them, as defined by Article 231 of the Spanish Companies Act 2010:

a) Carried out transactions with the entity, excluding ordinary transactions carried out under standard customer conditions and of little relevance, with the understanding that the information for such transactions is not necessary to express a true and fair view of the equity, financial situation and the results of the entity.

b) They have not used the name of the Company or invoked their position as Director to unduly influence private transactions.

c) They have not made use of business assets, including the Company's confidential information, for private purposes.

d) Business opportunities with the entity have not been taken.

e) No advantages for compensation from third parties other than the Company and its group have not been obtained with respect to the performance of their duties, except when involving merely courtesy gifts.

f) No activities have been carried out on their own behalf or the behalf of a third party that represent effective competition, whether actual or potential, with the entity or which, in any other way, places them in permanent conflict with the entity's interests.

Without affecting the statements made in the preceding paragraphs, it should be noted that Mr. Manuel Atencia Robledo (Executive Vice Chair of the Bank), provided written notification to the Bank's Nomination and Compensation Committee on 13 November 2014 that he had subscribed to 120 shares representing 4% of the capital of GV&AR Newco Corporate & Investment Services, S.L., whose corporate purpose is "advisory services regarding capital structures, financial restructuring, industrial strategy and similar matters, as well as advisory and other services relating to the valuation of companies, mergers, spin-offs, sales, the acquisition of companies and obtaining financing, excluding legal and tax advisory services in these areas". The Company's bylaws expressly state that "under no circumstances does the corporate purpose include the activities reserved for credit institutions, which are expressly excluded".

The Bank's Executive Vice Chair also stated that he is not an administrator and has no responsibility whatsoever with respect to the company's management and his brothers, which own shares in that company, also do not hold management positions. He further stated that he understood that both his shareholding in the company and those held by persons associated with him do not constitute effective competition with Unicaja Banco that represents a permanent conflict of interest with the Entity's interests.

At the request of the Director, at a meeting held on 17 December 2014 the Nomination and Compensation Committee at Unicaja Banco adopted a resolution stating that there were no circumstances that impede the Director from holding the 120 shares representing 4% of the share capital of the company and that there were no circumstances, due to the sole reason of holding that interest, represent any incompatibility or limitation to the conditions necessary to being a Bank Director.

30. Other significant information

30.1 Contingent exposures

Set out below is a breakdown of contingent exposures assumed by the Group at 31 December 2014 and 2013:

	Thousands of euros	
	2014	**2013**
Financial guarantees	98 437	35 175
Technical guarantees	1 105 051	698 262
Credit derivatives sold	150 000	150 000
Irrevocable documentary credits	2 609	1 254
Other commitments	1 615	8 160
	1 357 712	**892 851**

A significant portion of these guarantees will expire without any payment obligation for the entities and, therefore, the aggregate balance of these commitments cannot be considered as an actual future need for financing or liquidity to be provided by the Institution to third parties.

Income from guarantee instruments is recognized under “Fee and commission income” and “Interest and similar income” (in the amount actualized of the value of the commissions) in the income statement for the years 2014 and 2013 and is calculated by the rate established in the related contract to the nominal amount of the guarantee.

Provisions registered to cover these guarantees provided, which have been calculated applying similar principals used for impairment losses on financial assets valued at amortized cost, are recognized under the heading “Provisions - provisions for contingent exposure and commitments” in the consolidated balance sheet (Note 17).

30.2 Assets assigned and accepted as collateral

At 31 December 2014 and 2013 assets owned by the Group guaranteed operations, liabilities and contingent liabilities assumed. The carrying value of the financial assets delivered as guarantee of these liabilities and contingent liabilities and similar at 31 December 2014 and 2013 was as follows:

	Thousands of euros	
	2014	**2013**
Pledge of securities	10 044 005	5 162 574
Pledge of non-mortgage loans	791 600	226 798
	10 835 605	**5 389 372**

At 31 December 2014 and 2013, these amounts relate mostly to pledged securities and non-mortgage loans, under a Bank of Spain policy, for the obtainment of long-term financing maturing in 2015.

As regards the pledge terms and conditions, the guarantees furnished by Unicaja Banco to the Bank of Spain will not be affected, and this is made extensive, by express, irrevocable agreement between the parties, to any automatic or express extensions, renewals or novations of any type that could affect the commitments secured, and will remain in force until the full cancellation of the commitments and of any commitments into which they may be novated or by which they may be replaced.

The Bank has not received any assets as collateral that it is authorized to sell or pledge, irrespective of whether or not there is any default on the part of the asset owner. Consequently, the breakdown required by IFRS 7, paragraph 15 is not applicable.

30.3 Drawable by third parties

At 31 December 2014 and 2013 the limits on financing contracts granted and the amounts utilized, for which the Group has assumed any credit commitment above the amount recognized in assets in the balance sheet at those dates, are set out below:

	Thousands of euros			
	2014		2013	
	Available amount	Limit granted	Available amount	Limit granted
With immediate availability -	2 033 283	3 865 850	1 232 590	1 888 558
Credit institutions	3 761	58 433	263	15 087
Public entities	109 272	317 372	29 427	59 123
Other sectors	1 920 250	3 490 045	1 202 900	1 814 348
Available subject to conditions -	567 252	2 736 507	458 949	3 279 898
Public entities	37 143	152 576	2 280	39 649
Other sectors	530 109	2 583 931	456 669	3 240 249
	2 600 535	**6 602 357**	**1 691 539**	**5 168 456**

30.4 Party funds under management by the Group and securities held in custody

The breakdown of the funds out of balance managed by the Group at 31 December 2014 and 2013 is as follows:

	Thousands of euros	
	2014	2013
Mutual funds	4 517 098	1 933 444
Investment funds	125 223	96 596
Other financial instruments	211 639	351 899
Assets under management	871 906	781 397
	5 725 866	**3 163 336**

Set out below is a breakdown of off-balance sheet customer funds marketed by the Group in 2014 and 2013:

	Thousands of euros	
	2014	**2013**
Mutual funds	4 605 841	1 967 158
Investment funds	125 223	96 596
Pension funds	2 132 607	761 984
Assets under management	871 906	781 397
Insurance products	3 202 578	1 469 089
	10 938 155	**5 076 224**

Additionally, following is a breakdown of the fair value of third-party funds held in custody of the Group at 31 December 2014 and 2013:

	Thousands of euros	
	2014	**2013**
Debt securities and equity instruments	10 263 531	4 791 704
Other financial instruments	356 484	78 350
	10 620 015	**4 870 054**

30.5. Financial instrument reclassifications

During 2014 and 2013 the Group has not performed reclassifications of debt securities.

30.6 Asset securitization

The outstanding balance for transfers of financial assets made by the Group at 31 December 2014 and 2013 is as follows:

	Thousands of euros	
	2014	**2013**
Written off the balance before 1 January 2004	-	-
Held entirely in balance sheet		
AyT Colaterales Global Hipotecario Caja España, I, F.T.A.	163 560	-
	163 560	**-**

Set out below is a breakdown by nature of securitized loans entirely recognized in the Unicaja Banco Group's consolidated balance sheet at 31 December 2014 and 2013:

	Thousands of euros	
	2014	**2013**
Securitized loans held entirely in the balance	**163 560**	**-**
Mortgage securitized assets	163 560	-
Other securitized assets	-	-
Loans to companies	-	-
Consumer loans	-	-
Liabilities associated with assets held in balance	**165 048**	**-**
Net position (difference between assets and liabilities)	**(1 488)**	**-**

The Bank is deemed to have retained substantially all the risks and rewards associated with the financial assets transferred, since it has acquired all the securitization bonds issued. For this reason, the financial assets transferred have not been written off the consolidated balance sheet and are carried on the same basis as prior to the transfer. In accordance with applicable legislation, both the assets recognized in the balance sheet and an associated financial liability in the same amount as the payment received, carried at amortized cost, are recognized in the accounts without any offset; the income from the financial assets transferred but not written off and the expense on the new financial liabilities are recognized in the consolidated income statement.

The main characteristics of each securitization in the year 2014 and 2013 are the following:

					Thousands of euros	
	Serial	**Nominal Amount**	**Amount 31/12/14**	**Amount 31/12/13**	**Return**	**Maturity**
FUND						
	A	437 500	102 548	-	Euribor 6m + 0.30%	24/05/2047
	B	45 000	45 000	-	Euribor 6m + 0.60%	24/05/2047
AyT Colaterales Global Hipotecario I, F.T.A.	C	11 000	11 000	-	Euribor 6m + 1.50%	24/05/2047
Caja España, F.T.A.	D	6 500	6 500	-	Euribor 6m + 2.50%	24/05/2047
		500 000	**165 048**	**-**		

(*) The carrying amount of the original assets transferred matches the amount of associated liabilities issued.

The fair value of the transferred assets that are maintained in the balance sheet and the associated liabilities that are supported by those assets do not significantly differ from their carrying value and therefore the net position between the fair value of both items does not significantly differ from the amount set out in the above tables.

In 2013, the securitized assets were repurchased by the Bank and the securitization funds were cashed. The financial assets transferred remained in the Bank's balance sheet, associated risks and rewards having been substantially retained, such that the repurchase did not increase the Bank's loan portfolio; the financial liabilities recognized were cancelled in the amount of the cash received, in accordance with applicable regulations.

- On 10 July 2013, the securitization fund named “Unicaja AyT Empresas I, F.T.A.” was liquidated in advance. On that same date, the assets securitized through the fund were repurchased for a price of € 110,453 thousand, equivalent to the outstanding balance pending collection on the assets repurchased, including related write-off assets, plus accrued unmatured interest.

- On 14 October 2013, Unicaja Banco acquired from the securitization fund “Unicaja TDA VPO, F.T.A.” the 3,000 mortgage bonds and 472 mortgage transfer certificates subscribed for by the fund, for a price of € 143,177 thousand, which was the value of these securities at 30 September 2013, including outstanding principal (matured and not paid, and not yet matured) and accrued unpaid interest. On 28 October 2013, a contract cancellation agreement was concluded between Unicaja Banco, S.A. and the asset securitization fund (represented by the management company) for the funds advance liquidation.

- On 14 October 2013, Unicaja Banco acquired from the securitization fund “Unicaja Andalucía FT Vivienda TDA 1, F.T.A.” the 2,009 mortgage bonds and 1,524 mortgage transfer certificates subscribed for by the fund, for a price of € 139,490 thousand, which was the value of these securities at 30 September 2013, including outstanding principal (matured and not paid, and not yet matured) and accrued unpaid interest. On 28 October 2013, a contract cancellation agreement was concluded between Unicaja Banco, S.A. and the asset securitization fund (represented by the management company) for the funds advance liquidation.

- On 23 October 2013, the securitization fund named “AyT Unicaja Financiación I, F.T.A.” was liquidated in advance. On 21 October 2013, the assets securitized through this fund were repurchased for a price of € 88,707 thousand, equivalent to the outstanding balance pending collection on the assets repurchased, including related write-off assets, plus accrued unmatured interest.

30.7 Netting arrangements and guarantees

In addition to the amounts that may be offset in the accounts under IAS 32, there are other netting agreements and guarantees which, though not netted in the accounts because the necessary requirements are not fulfilled, effectively reduce credit risk.

There follows a breakdown at 31 December 2014 and 2013 of derivative financial instruments (Notes 8 and 11) in the situation described, showing separately the effects of these agreements and collateral received and/or furnished by the Group:

				Thousands of euros
		2014		2013
Derivative financial instruments	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Gross exposure (book value)	**974 367**	**107 009**	**549 982**	**56 069**
Netting agreements and collaterals	**(741 640)**	**(104 210)**	**(537 020)**	**(26 580)**
Netting arrangements	-	-	-	-
Collateral received/furnished	(741 640)	(104 210)	(537 020)	(26 580)
Net exposure	**232 727**	**2 799**	**12 962**	**29 489**

The amounts of collateral in the form of cash and financial instruments reflect fair values. The netting rights depend on counterparty default and relate to collateral in the form of cash and financial instruments.

In connection with the Group's asset reverse repos and repos, there are other agreements entailing the receipt and/or submission of the following guarantees in addition to the guarantee built into these operations:

				Thousands of euros
		2014		2013
Guarantees associated with acquisitions and temporary assignment of assets	**Delivered**	**Received**	**Delivered**	**Received**
In cash	129 520	-	92 589	250
In stock	-	-	-	-
	129 520	**-**	**92 589**	**250**

31. Interest and similar income

Set out below is a breakdown of the origin of the most significant interest and similar income accrued by the Group in 2014 and 2013:

	Thousands of euros	
	2014	2013
Balances at central banks (Note 7)	472	926
Deposits with credit institutions (Note 10.1)	10 219	29 376
Money market operations through counterparties (Note 10.1)	6 179	12 295
Loans and advances to customers (Note 10.1)	912 484	671 798
Debt securities	519 130	379 063
Doubtful assets (Note 10.1)	17 742	9 814
Rectification of revenues arising from accounting hedges	3 333	(6 153)
Insurance contracts related to pensions and similar obligations	3 565	4 721
Other revenues	934	1 427
	1 474 058	**1 103 267**

Set out below is a breakdown of the amounts recognized in "Interest and similar income" in the consolidated income statements for 2014 and 2013, classified on the basis of the relevant financial instrument portfolio:

	Thousands of euros	
	2014	2013
Financial assets at fair value with change through profit and loss- Held for trading (Note 8.1)	3 647	3 376
Available-for-sale financial assets (Note 9.1)	181 418	100 770
Maturity investment portfolio (Note 9.4)	261 181	237 663
Loans and receivables	1 013 801	740 313
Money market operations through counterparties	6 179	12 295
Rectification of revenues resulting from accounting hedges	3 333	(6 153)
Other revenues	4 499	15 003
	1 474 058	**1 103 267**

32. Interest expense and similar charges

The breakdown of the balance of this caption in the consolidated income statements for 2014 and 2013 is as follows:

	Thousands of euros	
	2014	2013
Deposits from central banks (Note 16.1)	14 262	33 625
Deposits from credit institutions (Note 16.2)	19 289	18 667
Money market operations through counterparties (Note 16.3)	4 288	8 758
Deposits from other creditors (Note 16.3)	718 084	482 218
Debt securities issued (Note 16.4)	101 969	101 522
Subordinated liabilities (Note 16.5)	40 073	2 671
Rectification of costs arising from accounting hedges	(151 581)	(162 959)
Costs attributable to pension funds arranged (Note 17)	5 498	5 344
Other interests	3 502	1 355
	755 384	**491 201**

Set out below is a breakdown of the amounts recognized in "Interest expense and similar charges" in the consolidated income statements for 2014 and 2013, classified on the basis of the relevant financial instrument portfolio:

	Thousands of euros	
	2014	**2013**
Financial liabilities at amortized cost	897 965	647 461
Rectification of costs arising from accounting hedges	(151 581)	(162 959)
Other interests	9 000	6 699
	755 384	**491 201**

33. Return on equity instruments

The breakdown of the balance of this caption in the consolidated income statements for 2014 and 2013 by portfolio and nature of the financial instruments is as follows:

	Thousands of euros	
	2014	**2013**
Equity instruments classified as:		
Financial assets held for trading	-	33
Available-for-sale financial assets	36 273	24 856
	36 273	24 889
Equity instruments having the nature of:		
Shares	36 273	24 441
Investments in Institutions of Collective Investment	-	448
	36 273	**24 889**

34. Results of equity-consolidated entities

A breakdown by company of this consolidated income statement caption for 2014 and 2013 is as follows:

	Thousand of euros	
	2014	2013
Autopista del Sol Concesionaria Española, S.A.	(1 392)	(1 926)
EBN Banco de Negocios, S.A.	1 489	(1 099)
Unicorp Vida, Compañía de Seguros y Reaseguros, S.A.	20 416	19 876
Hidralia, Gestión Integral de Aguas de Andalucía, S.A.	3 658	3 374
Grupo Hoteles Playa, S.A.	-	(1 134)
Deoleo, S.A.	(2 422)	1 223
Sociedad Municipal de Aparcamientos y Servicios, S.A.	268	301
Ingeniería e Integración Avanzadas, S.A. (Ingenia)	(9)	(562)
Autopista del Guadalmedina, Concesionaria Española, S.A.	-	(2 163)
ADE Gestión Sodical, S.G.E.C.R., S.A.	3	-
Ahorro Gestión de Inmuebles, S.A.	(63)	-
Barrancarnes Transformación Artesanal, S.A.	(27)	-
Capredo Investments GMBH	616	-
Cartera Perseidas, S.L.	8	-
Centro de Tecnologías Informáticas, S.A.	9	-
Gestión e Investigación de Activos, S.A.	134	-
Investigación y Desarrollo de Energías Renovables, S.L.	525	-
Madrigal Participaciones, S.A.	(9 324)	-
Aciturri Aeronáutica, S.A.	1 835	-
Rest of entities	(4 575)	(2 263)
	11 149	**15 627**

35. Fee and commission income

Set out below is fee revenue accrued in 2014 and 2013, classified taking into account the main items involved, together with the consolidated income statements for those years in which such revenue has been recorded:

	Thousands of euros	
	2014	2013
Interest and similar revenues		
Origination fees	27 683	24 226
	27 683	**24 226**
Fees received		
Fees relating to contingent risks	10 054	6 837
Fees relating to contingent commitments	3 565	1 863
Fees relating to collection and payment services	125 612	86 502
Fees relating to investment and complementary activities	30 800	25 610
Fees relating to foreign currency and note exchange	391	329
Fees relating to marketing of non-bank financial products	65 464	31 998
Other	14 566	3 297
	250 452	**156 436**
Other operating income		
Compensatory fees of direct costs (Note 38)	2 785	1 503
	2 785	**1 503**

36. Fee and commission expense

Set out below is fee and commission expense accrued in 2014 and 2013, classified taking into account the main items involved, together with the consolidated income statements for those years in which such expense has been recorded:

	Thousands of euros	
	2014	**2013**
Fee and commission expense		
Commissions paid to intermediaries	2 498	824
Other commissions	279	152
	2 777	**976**
Fees Paid		
Debit and credit operations	487	459
Commissions ceded to other Banks and correspondent banks	16 371	13 796
Commission expense on securities transactions	1 259	1 103
Other Fees	5 100	4 139
	23 217	**19 497**

37. Gains or losses on financial assets and liabilities

The breakdown of the balance of this caption in the consolidated income statements for 2014 and 2013 by portfolio of the financial instruments involved is as follows:

	Thousands of euros	
	2014	**2013**
Trading portfolio	(8 941)	2 966
Available-for-sale financial assets (Note 9.3)	273 733	141 595
Equity instruments	*13 324*	*6 425*
Debt	*260 409*	*135 170*
Credit investments	22 136	283
Held-to-maturity investments (Note 9.4)	103 246	93 044
Financial liabilities at amortized cost	13	-
Hedging derivatives	(121)	3 518
	390 066	**241 406**

In the years 2014 and 2013, the amount collected under the heading "Results from financial operations - assets held for sale - Equity instruments" mainly comprises disposal operations described in Notes 9.1 and 9.3.

In 2014, profits recognized in relation to held-to-maturity securities, totalling € 103,246 thousand (€93,044 thousand in 2013), relate to the sale of a part of the debt securities included in the portfolio (Note 9.4). The transaction fulfils the requirements of paragraph GA22 of IAS 39 and therefore the remainder of the held-to-maturity debt securities need not be reclassified to the available-for-sale portfolio (Note 2.2.4).

38. Other operating income

The breakdown of the balance of this caption in the consolidated income statements for 2014 and 2013 is as follows:

	Thousands of euros	
	2014	**2013**
Income from property investments (Note 13.2)	13 550	6 610
Commissions offsetting direct costs (Note 35)	2 785	1 503
Sales and income from non-financial services	31 406	33 088
Insurance premium income	31 432	23 260
Other	15 247	4 244
	94 420	**68 705**

At 31 December 2014, the item “Other non-recurring income” basically includes incomes from insurance and re-insurance contracts. At 31 December 2013, this item includes the amount of € 23,250 thousand obtained from the assignment on 31 December 2013 of exclusive rights to distribute home insurance for a five-year period.

39. Other operating expense

This breakdown of this heading in the consolidated income statements for 2014 and 2013 is as follows:

	Thousands of euros	
	2014	**2013**
Operating expenses on Real State	2 187	299
Insurance and re-insurance contracts charges	57 668	-
Contribution to the Deposit Guarantee Fund (Note 1.9)	64 582	52 190
Other	9 764	29 962
	134 201	**82 451**

The heading “Other” includes the cost of the sales services that constitute the core activity of the non-financial subsidiaries consolidated with the Group.

40. Administrative expenses

40.1 Staff costs

The breakdown of “Staff costs” in the consolidated income statements for the years 2014 and 2013 is as follows:

	Thousands of euros	
	2014	**2013**
Wages and salaries	306 335	198 350
Social securities costs	87 333	54 257
Appropriations to defined benefit pension plans	283	311
Appropriations to defined contribution pension plans	9 908	9 320
Indenisations	1 321	64
Staff training expenses	1 120	890
Other staff costs	8 672	6 747
	414 972	**269 939**

The average number of Group's employees, by professional category, at 31 December 2014 and 2013 is as follows:

	Average number of Employees			
	2014		2013	
	Men	Women	Men	Women
Group 1	**2 566**	**1 784**	**2 614**	**1 805**
Level I	14	1	15	1
Level II	41	4	44	5
Level III	136	18	136	17
Level IV	325	70	317	67
Level V	708	267	676	241
Level VI	359	144	384	151
Level VII	367	299	401	308
Level VIII	301	327	290	313
Level IX	81	155	96	156
Level X	51	154	50	151
Level XI	163	308	168	347
Level XII	16	32	31	39
Level XIII	4	5	6	9
Group 2	**20**	**7**	**20**	**7**
Level I	3	-	3	-
Level II	12	5	12	5
Level III	2	2	-	2
Level IV	2	-	4	-
Level V	1	-	1	-
Cleaners	**-**	**12**	**-**	**13**
Total Parent	**2 586**	**1 803**	**2 634**	**1 825**
Other subsidiaries	**2 209**	**1 897**	**253**	**195**

The table below details a breakdown by concepts of the amounts recognized in the headings "Provisions - provisions for pensions and similar obligations" and "Insurance contracts linked to pensions" in the consolidated balance sheets at 31 December 2014 and 2013:

	Thousands of euros	
	2014	2013
Provisions - Provisions for pensions and similar obligations -	**353 633**	**183 950**
Post-employment benefits	190 288	141 453
Other long-term benefits	163 345	42 497
Insurance contracts linked to pensions	**147 763**	**132 097**
Post-employment benefits	147 763	132 097

Changes in the provisions recognized by the Group during the years ended 31 December 2014 and 2013 are detailed in Note 17.

40.1.1 Post-employment commitments

During 2002 the Group agreed with its employees to modify and transform the employee pension supplement system into a mixed model of defined contribution and defined benefit system externalized to Unifondo Pensiones V, Fondo de Pensiones. To finish this modification and transformation, the Entity surrendered the insurance policies that before covered the actuarial liabilities. Simultaneously, funds were appropriated to the internal pension fund, a part of which was subsequently externalized to Unifondo V, Fondo de Pensiones.

During 2014 Unicaja Banco Group acquired 60.70% in the share capital of Banco de Caja España de Inversiones, Salamanca y Soria, S.A. (Banco CEISS) which, in accordance with its current employment agreements, must pay a supplement for Social Security benefits relating to its employees, or their heirs, in the case of retirement, widowhood, orphan hood, permanent disability or serious disability. Banco CEISS' post-employment commitments are included in the consolidated financial statements for Unicaja Banco starting on the date control was acquired (on 28 March 2014, as is stated in Note 1.2).

At 31 December 2014 and 2013, the balance of Unifondo Pensiones V, Fondo de Pensiones amounted to €308,745 thousand and €291,156 thousand, respectively. This amount covers needs of defined contribution and defined benefits commitments calculated in Note 2.12.

40.1.1.1 General information on post-employment commitments

Set out below are different commitments of post-employment, such as defined contribution and defined benefit commitments assumed by the Group:

Defined benefit plans

The contributions made by the Group to the fund of external pension funds in 2014 amounted to €10,117 thousand (€9,320 thousand in 2013) and are recognized in "Staff costs" in the income statement.

Defined contribution plans

The present value of the commitments has been defined by qualified actuaries as follows:

- Calculation method: "projected credit unit method", whereby each year of service an additional unit of right to benefits is generates and valued separately.

- Actuarial assumptions used: consistent and compatible assumptions. The specific actuarial assumptions employed are stated in Note 2.12.

- Estimated retirement age of employees: calculated for each employee using the best information available at the reporting date.

The fair value of non-plan assets covering pension commitments includes the fair value of the insurance policy taken out by the Group with the insurer Unicorp Vida, Compañía de Seguros y Reaseguros, S.A. to cover commitments with employees who are guaranteed a supplementary benefit on retirement, as explained previously. As this insurance policy is contacted with a company related to the Bank (Note 12), it is recognized at fair value in the item "Insurance contracts linked to pensions" in assets, as it is not deemed to be a "plan asset". The policy's fair value has been calculated using actuarial methods, discounting payments flows stipulated in the policy at the discount rate applicable according to the IBOXX AA Corporate curve, based on the financial term of the commitments.

At 31 December 2014 and 2013 the fair value of the assets allocated to cover post-employment remuneration is as follows:

	Thousands of euros	
	2014	2013
Nature of assets allocated to cover commitments		
Assets of the plan covered by insurance policy with Unicorp Vida, S.A.	112 733	35 061
Assets of the plan covered by pension plans in other independent entities	-	-
Insurance policies contracted by the plan with Unicorp Vida, S.A. and allocated to cover defined benefit commitments	147 762	132 097
Uninsured defined contribution pension plan	5 846	-
External defined contribution pension plan	478 911	212 072
	745 252	**379 230**

40.1.1.2 Information on defined-contribution post-employment commitments

Pension commitments arranged under defined contribution plans are settled by means of annual payments made by the Group to beneficiaries, who are almost exclusively serving employees. The contributions are charged to the consolidated income statement for the period (Note 2.12.1) and do not therefore entail the recognition of a liability in the accompanying consolidated balance sheet.

The amounts recognized in the accompanying consolidated income statement in respect of contributions made to these plans in 2014 and 2013 totaled € 10,117 thousand and € 9,320 thousand, respectively (Note 40.1.1.1).

40.1.1.3 Information on defined-benefit post-employment commitments

Actuarial losses and gains on defined benefit plans recognized in the 2014 consolidated statement of recognized income and expenses as items of other recognized income and expenses that will not be taken to the income statement total a gross loss of € 5,567 thousand (€519 thousand in 2013), entailing a net loss of € 3,897 thousand (€363 thousand in 2013) after the tax effect.

Set out below is the reconciliation between the opening and closing balances of the present value of Unicaja Banco's defined benefit commitments for 2014 and 2013:

	Thousand of euros				
2014	**Plan 1 Unicaja**	**Plan 2 Unicaja**	**Plan 1 BCEISS**	**Plan 2 BCEISS**	**Total**
Present value of obligations at 1 January 2014	**105 074**	**36 378**	**-**	**-**	**141 452**
(i) Cost of current services	255	28	28	21	332
(ii) Borrowing costs	2 853	1 064	192	3 065	7 174
(iii) Contributions made by plan participants	-	-	-	-	-
(vi) Actuarial losses and gains	14 018	5 355	1 128	15 104	35 605
iv.1. Due to changes in demographic assumptions	916	123	(159)	(427)	453
iv.2. Due to changes in financial assumptions	13 102	5 232	1 287	15 531	35 152
iv.3. Adjustments due to experience	-	-	-	-	-
(v) Exchange rate changes	-	-	-	-	-
(vi) Benefits paid	(8 085)	(1 479)	(613)	(6 640)	(16 817)
(vii) Cost of past services	-	-	-	-	-
(viii) Business combinations	-	-	7 075	98 132	105 207
(ix) Reductions	-	-	(372)	(1 318)	(1 690)
(x) Plan settlements	(32)	-	-	-	(32)
Present value of obligations at 31 December 2014	**114 083**	**41 346**	**7 438**	**108 364**	**271 231**

2013	Plan 1 Unicaja	Plan 2 Unicaja	Plan 1 BCEISS	Plan 2 BCEISS	Total
					Thousand of euros
Present value of obligations at 1 January 2013	**93 016**	**37 708**	**-**	**-**	**130 724**
(i) Cost of current services	273	38	-	-	311
(ii) Borrowing costs	4 009	959	-	-	4 968
(iii) Contributions made by plan participants	-	-	-	-	-
(vi) Actuarial losses and gains	16 910	(795)	-	-	16 115
iv.1. Due to changes in demographic assumptions	-	-	-	-	-
iv.2. Due to changes in financial assumptions	15 185	(228)	-	-	14 957
iv.3. Adjustments due to experience	1 725	(567)	-	-	1 158
(v) Exchange rate changes	-	-	-	-	-
(vi) Benefits paid	(9 134)	(1 532)	-	-	(10 666)
(vii) Cost of past services	-	-	-	-	-
(viii) Business combinations	-	-	-	-	-
(ix) Reductions	-	-	-	-	-
(x) Plan settlements	-	-	-	-	-
Present value of obligations at 31 December 2013	**105 074**	**36 378**	**-**	**-**	**141 452**

Set out below is the reconciliation between the opening and closing balances of the fair value of the plan assets and the opening and closing balances of any reimbursement rights capitalized by Unicaja Banco in 2014 and 2013:

2014	Plan 1 Unicaja	Plan 2 Unicaja	Plan 1 BCEISS	Plan 2 BCEISS	Total
					Thousand of euros
Present value of obligations at 1 January 2014	**104 078**	**28 019**	**-**	**-**	**132 097**
(i) Cost of current services	276	77	13	(2 954)	(2 588)
(ii) Borrowing costs	2 740	800	282	2 228	6 050
(iii) Contributions made by plan participants	-	-	-	-	-
(vi) Actuarial losses and gains	13 921	3 907	-	12 185	30 013
iv.1. Due to changes in demographic assumptions	(841)	(37)	9	(310)	(1 179)
iv.2. Due to changes in financial assumptions	14 762	3 944	(9)	12 495	31 192
iv.3. Adjustments due to experience	-	-	-	-	-
(v) Exchange rate changes	-	-	-	-	-
(vi) Benefits paid	(8 085)	(1 479)	(613)	(4 912)	(15 089)
(vii) Cost of past services	-	-	-	-	-
(viii) Business combinations	-	-	7 300	73 881	81 181
(ix) Reductions	-	-	(425)	(1 306)	(1 731)
(x) Plan settlements	(8)	-	-	-	(8)
Present value of obligations at 31 December 2014	**112 922**	**31 324**	**6 557**	**79 122**	**229 925**

2013	Plan 1 Unicaja	Plan 2 Unicaja	Plan 1 BCEISS	Plan 2 BCEISS	Total
					Thousand of euros
Present value of obligations at 1 January 2013	**91 764**	**27 594**	**-**	**-**	**119 358**
(i) Cost of current services	2 360	729	-	-	3 089
(ii) Borrowing costs	4 011	710	-	-	4 721
(iii) Contributions made by plan participants	-	-	-	-	-
(vi) Actuarial losses and gains	15 077	518	-	-	15 595
iv.1. Due to changes in demographic assumptions	-	-	-	-	-
iv.2. Due to changes in financial assumptions	14 438	655	-	-	15 093
iv.3. Adjustments due to experience	639	(137)	-	-	502
(v) Exchange rate changes	-	-	-	-	-
(vi) Benefits paid	(9 134)	(1 532)	-	-	(10 666)
(vii) Cost of past services	-	-	-	-	-
(viii) Business combinations	-	-	-	-	-
(ix) Reductions	-	-	-	-	-
(x) Plan settlements	-	-	-	-	-
Present value of obligations at 31 December 2013	**104 078**	**28 019**	**-**	**-**	**132 097**

Set out below is the reconciliation of the present value of the defined-benefit post-employment commitments and the fair value of the plan assets (excluding insurance contracts linked to pensions), against the assets and liabilities recognized in Unicaja Banco's balance sheet at 31 December 2014 and 2013:

					Thousand of euros
2014	**Plan 1 Unicaja**	**Plan 2 Unicaja**	**Plan 1 BCEISS**	**Plan 2 BCEISS**	**Total**
Present value of obligations at 31 December 2014	**114 083**	**41 346**	**7 438**	**108 364**	**271 231**
(i) Cost of past services not recognized in the balance sheet	-	-	-	-	-
(ii) Any amount not capitalized	-	-	-	1 220	1 220
(iii) Fair value of any reimbursement right Capitalized	-	-	-	-	-
(iv) Other amounts recognized in the balance sheet	(1 980)	(41 346)	(1 592)	(33 267)	(78 185)
Fair value of assets at 31 December 2014	**112 103**	**-**	**5 846**	**76 317**	**194 266**

					Thousand of euros
2013	**Plan 1 Unicaja**	**Plan 2 Unicaja**	**Plan 1 BCEISS**	**Plan 2 BCEISS**	**Total**
Present value of obligations at 31 December 2013	**105 074**	**36 378**	**-**	**-**	**141 452**
(i) Cost of past services not recognized in the balance sheet	-	-	-	-	-
(ii) Any amount not capitalized	-	-	-	-	-
(iii) Fair value of any reimbursement right Capitalized	-	-	-	-	-
(iv) Other amounts recognized in the balance sheet	(1 818)	(36 378)	-	-	(38 196)
Fair value of assets at 31 December 2013	**103 256**	**-**	**-**	**-**	**103 256**

Set out below is a breakdown of the total expense recognized in the consolidated income statements for 2014 and 2013:

Definition	**According to IAS 19**
a) Cost of current services	Staff costs
b) Borrowing costs	Interest expense and similar charges
c) Expected return on assets	Interest and similar income
d) Cost of past services recognized during the period	Charge to provisions (net)

					Thousand of euros
2014	**Plan 1 Unicaja**	**Plan 2 Unicaja**	**Plan 1 BCEISS**	**Plan 2 BCEISS**	**Total**
a) Cost of current services	255	28	28	21	332
b) Borrowing costs	134	1 064	28	982	2 208
c) Expected return on assets	(21)	(800)	(36)	(113)	(970)
d) Cost of past services recognized during the period	-	-	-	-	-
e) Past service costs recognized in the year	(25)	-	53	(106)	(78)

					Thousand of euros
2014	**Plan 1 Unicaja**	**Plan 2 Unicaja**	**Plan 1 BCEISS**	**Plan 2 BCEISS**	**Total**
a) Cost of current services	273	38	-	-	311
b) Borrowing costs	4 009	959	-	-	4 968
c) Expected return on assets	(4 011)	(710)	-	-	(4 721)
d) Cost of past services recognized during the period	-	-	-	-	-
e) Past service costs recognized in the year	-	-	-	-	-

Set out below are the main actuarial assumptions used by Unicaja Banco at 31 December 2014:

Plan 1 Actuarial Assumptions of Unicaja Banco:

- Updated tables: PERMF 2000-P
- Discount rates:
    - Market rate as per the financial term of commitment flows and applying the IBOXX AA Corporate curve at 31 December 2014 for highly-rated Eurozone corporate bonds.
    - Each commitment has a term of between 17.73 and 8.93 for the commitments and between 11.47 and 4.43 for the assets.
    - The rates applied to each commitment fluctuate between 3.08% and 2.78% for the commitments and 2.92% and 1.91% for the assets.
- Salary growth rate: 2%
- Social Security pension growth rate: 0
- Contribution base growth rate:
    - Contribution bases increase until they reach the actual salaries, up to the limits of the maximum contribution base for each rate group.
    - Maximum contribution base growth rate: 1%
- Pension increase rate: 1%
- Expected yield on plan assets:
    - For assets covering commitments insured under the Group II policy (Defined Benefit. Collective Bargaining Agreement for Savings Banks. Former Unicaja), a rate of 2.15% is applied.
    - For assets covering commitments insured under the Group III policy (Defined Benefit. Employees from Banco Urquijo), a rate of 2.14% is applied.
    - For assets covering commitments insured under the Group VI policy (Plan beneficiaries) with cash-flow matching, a rate of 4.87% is applied.
    - For assets covering commitments insured under the policy for Beneficiaries from Groups I (Mixed. General System), II and III that receive actuarial income, a rate of 2.88% is applied.
    - For assets covering commitments insured under the policy for benefits not financed by the Plan due to contribution limits, a rate of 2.15% is applied.
- Rate of yield on any reimbursement right recognized: 0
- Estimated retirement age: 65, except for participants in respect of whom the retirement age is brought forward.
- Rotation: No

Plan 2 Actuarial Assumptions of Unicaja Banco:

- Updated tables: PERMF 2000-P
- Discount rates:
    - Market rate as per the financial term of commitment flows and applying the IBOXX AA Corporate curve at 31 December 2014 for highly-rated Eurozone corporate bonds.
    - Each commitment has a term of between 17.49 and 9.78 for the commitments and between 14.36 and 1.09 for the assets.
    - The rates applied to each commitment fluctuate between 3.07% and 2.83% for the commitments and 3.02% and 0.86% for the assets.
- Salary growth rate: 5%
- Social Security pension growth rate: 0

- o Contribution base growth rate:
  - Contribution bases increase until they reach the actual salaries, up to the limits of the maximum contribution base for each rate group.
  - Maximum contribution base growth rate: 3%
- o Pension increase rate: 3%
- o Expected yield on plan assets:
  - For assets covering commitments insured under the policy for commitments arising from the Collective Bargaining Agreements for Savings Banks and Banks, a rate of 2.13% is applied.
  - For assets covering commitments insured under the policy for early-retired employees with cash-flow matching, a rate of 2.59% is applied.
  - For assets covering commitments insured under the policy for two groups of liabilities, rates of 2.39% and 3.02% are applied.
- o Rate of yield on any reimbursement right recognized: 0
- o Estimated retirement age: 65.
- o Rotation: No

On the other hand, the main actuarial assumptions used by Banco CEISS related to 31 December 2014 are the below:

Plan 1 of Banco CEISS Actuarial Assumptions:

- o Updated tables: PERMF 2000P
- o Discount rates:
  - Market rate as per the financial term of commitment flows and applying the IBOXX AA Corporate curve at 31 December 2014 for highly-rated bonds (AA).
  - Each commitment has a duration of 7.12 for the benefit pensions and 15.41 for the asset pensions.
  - The rates applied to each commitment are 1.24% for the benefit pensions and 1.54% for the asset pensions.
- o Salary growth rate: 3.5%
- o Social Security pension growth rate: 0
- o Contribution base growth rate: 2.5%
- o Pension increase rate: 2.5%
- o Expected yield of plan assets:
  - For assets and liabilities: 4%.
  - For excess policy: 3.5388%.
- o Estimated retirement age: 65

Plan 2 of Banco CEISS Actuarial Assumptions:

Commitment resulting from Caja Duero:

- o Updated tables: PERMF 2000P
- o Discount rates:
  - Market rate as per the financial term of commitment flows and applying the IBOXX AA Corporate curve at 31 December 2014 for highly-rated bonds (AA).
  - Each commitment has a term of between 22.87 and 8.01 for the commitments and between 12.03 and 0.59 for the assets.
  - The rates applied to each commitment fluctuate between 1.637% and 1.3042% for the commitments and 1.48% and 0.35% for the assets.
- o Salary growth rate: 3.5%
- o Social Security pension growth rate: 0
- o Contribution base growth rate: 2.5%
- o Pension increase rate: 2.5%

- o Expected yield of plan assets:
    - For assets nos included in the plan: 3.7640%.
    - For insurance policy 02/02: 2.9752%
    - For assets policy 07/2: 0.7508%
- o Rate of yield on any reimbursement right recognized: 0
- o Estimated retirement age: 65.
- o Rotation: No

Commitment resulting from Caja España:

- o Updated tables: PERMF 2000P
- o Tipo de descuento:
    - Market rate as per the financial term of commitment flows and applying the IBOXX AA Corporate curve at 31 December 2014 for highly-rated bonds (AA), according to the financial duration of the commitment ratio.
    - Interest rate and financial duration of each group:
        - o Benefit Pensions policy 8.118: 1.4464% (financial duration of 10.87 years).
        - o Benefit Pensions policy PCP-1.001: 1.32% (financial duration of 8.30 years).
- o Salary growth rate: 3.5%
- o Social Security pension growth rate: 0
- o Contribution base growth rate: 2.5%
- o Pension increase rate: 2.5%
- o Appreciation rate for pensions:
    - o Policy 8.118: 2%
    - o Policy PCP-1.001: 2.91%
- o Expected yield of plan assets:
    - For assets related to policy 8.118: a cash flow matching of 3.3081%
    - For assets related to policy PCP-1.001: a cash flow matching of 2.9701%.
- o Rate of yield on any reimbursement right recognized: 0
- o Estimated retirement age: 65.
- o Rotation: No

Set out below are the amounts for 2014 and for the preceding four annual periods representing the present value of defined benefit commitments, the fair value of plan assets and experience adjustments under paragraph 120A, letter (f) of IAS 19 arising from plan assets and liabilities.

					Thousands of euros
	Present value of liabilities				
	Plan 1 Unicaja	Plan 2 Unicaja	Plan 1 BCEISS	Plan 2 BCEISS	Total
Year 2010					
Experience adjustments	(246)	219	-	-	(27)
Value at 31 December 2010	97 953	36 458	-	-	134 411
Year 2011					
Experience adjustments	(2 685)	(1 398)	-	-	(4 083)
Value at 31 December 2011	95 815	37 504	-	-	133 319
Year 2012					
Experience adjustments	(1 185)	(612)	-	-	(1 797)
Value at 31 December 2012	93 016	37 708	-	-	130 724
Year 2013					
Experience adjustments	(1 725)	567	-	-	(1 158)
Value at 31 December 2013	105 074	36 378	-	-	141 452
Year 2014					
Experience adjustments	-	-	-	-	-
Value at 31 December 2014	114 083	41 346	7 438	108 364	271 231

	Plan 1 Unicaja	Plan 2 Unicaja	Plan 1 BCEISS	Plan 2 BCEISS	Total
					Thousands of euros
	Fair value of the assets				
Year 2010					
Experience adjustments	(109)	(91)	-	-	(200)
Value at 31 December 2010	96 764	27 342	-	-	124 106
Year 2011					
Experience adjustments	(260)	316	-	-	56
Value at 31 December 2011	94 608	27 451	-	-	122 059
Year 2012					
Experience adjustments	(199)	(679)	-	-	(878)
Value at 31 December 2012	91 764	27 594	-	-	119 358
Year 2013					
Experience adjustments	639	(137)	-	-	502
Value at 31 December 2013	104 078	28 019	-	-	132 097
Year 2014					
Experience adjustments	-	-	-	-	-
Value at 31 December 2014	112 922	31 324	6 557	79 122	229 925

Set out below are sensitivity data for the present value of the commitments at 31 December 2014 and 2013 in relation to interest rate and salary growth fluctuations:

Year 2014	**Percentage changes**	
	Increase	**Decrease**
Change in present value of commitments in the event of a 0.5% fluctuation in salaries	0,19%	(0,18%)
Change in present value of commitments in the event of a 50 bp interest rate fluctuation	(5,45%)	5,99%

Year 2013	**Percentage changes**	
	Increase	**Decrease**
Change in present value of commitments in the event of a 0.5% fluctuation in salaries	0,29%	(0,27%)
Change in present value of commitments in the event of a 50 bp interest rate fluctuation	(5,28%)	5,79%

On the basis of the mortality tables employed, residual life expectancy for a person retiring at year-end 2014 is 26.43 years and 21.94 years for women and men, respectively. Furthermore, life expectancy from the retirement for a person retiring 20 years after year-end 2014 is 28.64 years and 24.29 years for women and men, respectively.

The main categories of assets for plans financed externally as a percentage of total plan assets are as follows:

				Thousands of euros
	2014	**%**	**2013**	**%**
Equity instruments	81 892	19,08	13 180	7,41
Debt Instruments	281 065	65,48	124 023	69,72
Investment funds	39 442	9,19	40 606	22,83
Financial derivatives	(17 947)	(4,18)	(9 647)	(5,42)
Other assets	44 759	10,43	9 712	5,46
	429 211	**100,00**	**177 874**	**100,00**

In all cases, the instrument contracted is an insurance policy.

The fair value of plan assets includes the following financial instruments issued by the Unicaja Banco group:

	Thousands of euros	
	2014	2013
Equity instruments	-	-
Debt Instruments	-	-
Deposits and current accounts	9 922	8 119
	9 922	**8 119**

Estimated payments of post-employment commitment benefits in the coming 10 years are as follows:

	Thousands of euros					
	2015	2016	2017	2018	2019	2020-2024
Post-employment benefit	15 866	15 703	15 578	15 404	15 184	64 768
Other long-term benefit	43 517	39 274	32 699	21 903	12 828	13 792
Total benefits	**59 383**	**54 977**	**48 277**	**37 307**	**28 012**	**78 560**

As regards benefits estimated for the following year:

- For the defined retirement benefit, the amount of contributions will be equal to the ordinary cost and supplementary cost, if applicable, identified in the latest actuarial valuation performed by the plan actuary at the previous year end.

- For the disability, widowhood and orphanhood defined benefits of defined benefit groups, contributions will be equal to the annual premium necessary for coverage purposes, under a group life insurance policy, the amount of which is budgeted based on the amounts paid in the previous year.

- For the disability, widowhood and orphanhood defined benefits of defined contribution groups, contributions will be equal to the cost of the insurance premium for these benefits stipulated by the insurer, in the amount necessary to reach the amount of the benefits, net of capitalization funds formed. In general, they are estimated based on the amounts paid in the previous year.

40.1.2 Death and disability

The amount accrued by defined contribution insurance policies to cover employee death and disability of employees amounted to €1,674 thousand in 2014 (€1,565 thousand in 2013) and is recognized in “Staff costs” in the income statement (Note 2.12.3).

40.1.3 Age awards

The amounts recognized for commitments with employees that reach 20 and 35 years of service at the Group amounted to approximately €4,939 thousand and €4,329 thousand, respectively at 31 December 2014 and 2013 and are recognized in “Provisions - Provisions for pensions and similar liabilities” in the balance sheets.

40.1.4 Other benefits

The amount of these commitments and assets included in the table above was calculated by qualified actuaries as follows:

- Actuarial assumptions used: for the calculation of commitments to employees resulting from that agreement, the Bank applied the curve IBOXX AA Corporate depending on the duration of the commitments, having been estimated other assumptions applied in accordance with the conditions market and the characteristics of the covered group.
- The duration for each commitment varies between 6.91 and 1.24.
- The rates applied for each commitment ranging from 2.53% to 0.88%.
- The estimated retirement age of each employee are as specified.

40.2 Other general administrative expenses

The breakdown of this consolidated income statement line for 2014 and 2013 is as follows:

	Thousands of euros	
	2014	**2013**
Buildings and facilities	25 107	15 051
Rent	9 324	3 856
Information technologies	31 168	18 980
Communications	19 906	12 451
Advertising	7 259	4 998
Legal costs	4 740	655
Technical reports	15 319	7 025
Security services	8 120	5 188
Insurance premiums	1 360	966
Governing bodies	1 920	1 363
Representation costs	3 085	2 706
Association charges	3 018	2 520
Outsourcing	3 237	-
Taxes	28 989	9 468
Other items	6 695	3 860
	169 247	**89 087**

The balance of “Other general administrative expenses" includes the fees paid by the Group to PricewaterhouseCoopers Auditores, S.L. for the audit of the annual accounts, amounting to € 429 thousand in 2014 (€ 330 thousand in 2013). On the other hand, in 2014, costs of services provided by companies using the PricewaterhouseCoopers brand for other accounting verification and regulatory work totaling € 1,211 thousand (€ 1,260 thousand in 2013), and to other services amounting to € 36 thousand (€ 48 thousand in 2013).

In addition, with respect to the rest of audit firms of Unicaja Banco Group, the fees paid by the Group to Deloitte (with its extensions) in 2014 amounting to €278 thousand for audit services, €68 thousand for the verification and regulatory work, and €939 thousand for others services. The fees paid by the Group to KPMG (with its extensions) in 2014 amounting to €161 thousand for audit services and €829 thousand for others services.

41. Impairment losses on the rest of assets (net)

The breakdown of the heading “Impairment losses on the rest of assets (net)” in the consolidated profit and loss account for the years 2014 and 2013 is as follows:

	Thousands of euros	
	2014	2013
Impairment losses		
Goodwill and other intangible assets (Notes 4)	1 907	1 907
Investments (Note 12)	17 219	7 937
Other assets	60 872	52 008
	79 998	**61 852**

There follows an itemized breakdown of the consolidated balance sheet caption “Other asset impairment losses” for 2014 and 2013:

	Thousands of euros	
	2014	2013
Impairment of tangible assets for own use (net)	256	(69)
Impairment losses on investment property (net)	2 686	8 009
Impairment losses on inventories (net) (Note 15)	57 930	44 068
	60 872	**52 008**

The balance of “Other assets” includes the amounts provided by the Group under the concept of impairment of assets in participated companies, fundamentally of those with activities related to the real estate business.

42. Gains and losses on disposal of assets not classified as non-current assets held for sale

The breakdown of this heading in the consolidated income statements for the years 2014 and 2013 is as follows:

	Thousands of euros			
	2014		2013	
	Gains	Losses	Gains	Losses
On disposal of tangible assets	1 088	(4 924)	776	(568)
On disposal of investments	2 201	-	33	(12)
Other items	255	(18)	-	(24)
	3 544	**(4 942)**	**809**	**(604)**

43. Gains and losses on disposal of non-current assets held for sale not classified as discounted operations

The breakdown of this heading in the consolidated income statements for the years 2014 and 2013 is as follows:

	Thousands of euros			
	2014		2013	
	Gains	**Losses**	**Gains**	**Losses**
On disposal of tangible assets	12 754	(17 417)	7 137	(10 031)
Provision to impairment loses on non-current assets held for sale (Note 15)	-	(17 727)	-	-
Other items	40 335	(48 853)	-	(10 401)
	53 089	**(83 997)**	**7 137**	**(20 432)**

At 31 December 2014 and 2013, "Other" relates mainly to impairment losses on non-current assets for sale.

44. Related parties

In addition to the information presented in Note 6 relative to the balances and transactions with the members of the Controlling Company's Board of Directors and key management personnel, set out below is the detail of the accounts registered in the consolidated balance sheets and income statements for the years 2014 and 2013 arising from transactions with related parties:

	Thousands of euros					
	2014			2013		
	Equity entities	**Members of the board of directors and general managers**	**Other related parties**	**Equity entities**	**Members of the board of directors and general managers**	**Other related parties**
ASSETS:						
Loans and advances	194 582	1 149	51 435	265 279	1 291	39 539
Securities portfolio	424 115	-	-	279 759	-	-
Other assets	261 409	5	6	8 118	-	13
Insurance contracts linked to pensions	147 763	-	-	132 097	-	-
LIABILITIES:						
Deposits	748 439	2 885	9 358	851 688	4 492	6 598
Subordinated liabilities	7	-	2	252	-	-
Other liabilities	9	-	-	27	-	-
Provisions for pensions and similar obligations	663	-	-	680	-	-
Debt certificates including bonds	10 536	-	-	-	78	-
INCOME STATEMENT:						
Expense-						
Interest expense and similar charges	9 228	54	101	13 512	68	68
Commissions and impairment losses	3 399	-	74	9 274	-	34
Income-						
Interest and similar income	8 413	19	1 331	7 662	24	1 417
Commissions	3 532	20	51	2 931	22	78
OTHER:						
Contingent risks and commitments	68 299	657	24 174	58 062	162	28 194

Aggregate information is presented in the above table since in all cases the transactions with related parties have no significant impact on the understanding of the financial information provided, in view of the amount or relevance.

The related party transactions were made on normal market conditions.

45. Mortgage market information

On 30 November 2010, the Bank of Spain issued Circular 7/2010 developing certain aspects of the mortgage market as a result of the approval of Law 41/2009 (7 December), which broadly amended Law 2/1981 (25 March) on the mortgage market, and of Royal Decree 716/2009 (24 April), which developed the latter Law (taking into consideration the consequent changes it has been taking place related to the regulations).

The Board of Directors declares that the Entity has specific policies and procedures encompassing all the activities performed in the context of the mortgage market issues carried out, guaranteeing rigorous compliance with the mortgage market regulations applicable to these activities.

The policies and procedures include the following criteria:

- Relationship between the amount of the loan and the appraised value of the mortgaged building, including the effect of other collateral and selection of valuation companies.
- Relationship between the debt and the borrower's income, as well as the verification of the information furnished by the borrower and the borrower's solvency.
- Avoidance of imbalance between the flows from the underlying portfolio and the payment flows on the securities issued.

Article 3 of Law 41/2007 (7 December) stipulates that valuation companies providing services to credit entities of the same group of entities must have adequate mechanisms in place to favour the independence of the valuation activity and avoid conflicts of interest, provided that any of the group's credit entities have issued and outstanding mortgage-backed securities.

On 29 July 2014, it has been sold 100% shares of Unicaja Banco Group in Tasaciones Andaluzas, S.A.U. (TASA).

As an issuer of mortgage covered bonds and ordinary mortgage bonds, there follows certain relevant information related to Unicaja Banco Group pursuant to the provisions of mortgage market regulations:

A) Active operations

At 31 December 2014 and 2013 the breakdown of the nominal value of mortgage loans and credit supporting the issue of mortgage bonds or which have been included in mortgage shares or mortgage transfer certificate, is as follows:

	Thousands of euros	
	2014	**2013**
Loans held in the asset transferred	**165 048**	**-**
Mortgage participations	-	-
Mortgage transfer certificates	165 048	-
Affects mortgage loans as collateral for loans received	**-**	**-**
Loans backing the issuance of bonds and mortgage bonds	**27 167 914**	**15 507 376**
Loans ineligible	5 942 218	3 601 511
Meet the eligibility requirements, except for the limit Article 5.1 of Royal Decree 716/2009	2 778 756	1 280 508
Rest	3 163 462	2 321 003
Eligible loans	21 225 696	11 905 865
Amounts not eligible	123 359	165 309
Amounts eligible	21 102 337	11 740 556
Loans covering mortgage bond		-
Loans eligible for coverage of mortgage bonds	*21 102 337*	*11 740 556*
	27 332 962	**15 507 376**

At 31 December 2014 and 2013, the nominal value of outstanding loans and mortgage loans backing the issue of mortgage bonds totals to an amount of €21,167,914 thousand and €15,507,376 thousand, respectively, and the value outstanding principal of loans and mortgages that meet the characteristics of being eligible under the issuance of such support mortgage amounts to an amount of €21,225,696 thousand and €11,905,865 thousand, respectively. On the other hand, in 2014 and 2013, the Entity has not issued ordinary mortgage bonds.

At 31 December 2014, loans or mortgage loans which, while remaining in the balance, are subject to mortagage bonds or mortgage transfer certificates amounting to €165,734 thousand. At 31 December 2013, there are no loans or mortgage loans which, while remaining in the portfolio, are subject to mortgage bonds or mortgage transfer certificates.

The nominal value of all ineligible mortgage loans and credit that do not meet the limits established by Article 5.1 of Royal Decree 716/2009 which, however, comply with the rest of the requirements for eligible items, as indicated in Article 4 of that Law, totals €2,778,756 thousand at 31 December 2014 (€1,280,508 thousand at 31 December 2013).

The breakdown of loans that support the issue of mortgage bonds classified in accordance with diverse criteria at 31 December 2014 and 2013 is as follows:

	Loans backing the issuance of bonds and mortgage bonds	Of which: Eligible loans
	Thousands of euros	
		2014
Nominal value of the total outstanding mortgage loans and credits	**27 167 914**	**21 225 696**
By origin:	27 167 914	21 225 696
- Entity	24 071 997	18 384 998
- Surrogate for other entities	2 713 366	2 481 888
- Rest	382 551	358 810
By currency:	27 167 914	21 225 696
- In euros	27 165 578	21 223 701
- Other currency	2 336	1 995
According the payment situation:	27 167 914	21 225 696
- Normality	24 562 126	19 825 756
- Other situations	2 605 788	1 399 940
According to the average maturity:	27 167 914	21 225 696
- To 10 years	8 486 119	5 135 683
- More than 10 years and to 20 years	9 194 913	8 157 155
- More than 20 years and to 30 years	7 532 772	6 478 926
- More than 30 years	1 954 110	1 453 932
According to the interest manner:	27 167 914	21 225 696
- Fixed	275 505	137 218
- Variable	26 506 375	20 862 235
- Mixed	386 034	226 243
Holders:	27 167 914	21 225 696
- Legal entities and individuals	5 794 451	2 766 518
Of which: property development	*1 379 176*	*464 187*
- Households	21 373 463	18 459 178
Depending on the warranty:	27 167 914	21 225 696
- Assets/ buildings completed	24 912 550	20 212 780
- Residential	22 301 482	18 699 525
Of which: official protection	*1 367 231*	*1 290 254*
- Commercial	1 197 254	703 757
- Rest	1 413 814	809 498
- Assets/ buildings under construction	671 791	376 316
- Residential	375 687	240 157
Of which: official protection	*17 995*	*11 716*
- Commercial	47 451	23 783
- Rest	248 653	112 376
- Lands	1 583 573	636 600
- Urbanized	1 082 912	314 154
- Rest	500 661	322 446

	Thousands of euros	
	2013	
	Loans backing the issuance of bonds and mortgage bonds	Of which: Loans eligible
Nominal value of the total outstanding mortgage loans and credits	**15 507 376**	**11 905 865**
By origin:	15 507 376	11 905 865
- Group	15 151 036	11 600 213
- Surrogate for other entities	356 340	305 652
- Rest	-	-
By currency:	15 507 376	11 905 865
- In euros	15 507 360	11 905 849
- Other currency	16	16
According the payment situation:	15 507 376	11 905 865
- Normality	15 223 925	11 905 865
- Other situations	283 451	-
According to the average maturity:	15 507 376	11 905 865
- To 10 years	6 614 456	4 015 277
- More than 10 years and to 20 years	4 888 721	4 421 698
- More than 20 years and to 30 years	3 394 985	2 922 706
- More than 30 years	609 214	546 184
According to the interest manner:	15 507 376	11 905 865
- Fixed	182 068	110 199
- Variable	15 325 308	11 795 666
- Mixed	-	-
Holders:	15 507 376	11 905 865
- Legal entities and individuals	4 120 322	2 156 238
Of which: property development	*1 067 079*	*570 384*
- Households	11 387 054	9 749 627
Depending on the warranty:	15 507 376	11 905 865
- Assets/ buildings completed	13 572 493	10 957 731
- Residential	12 366 840	10 165 449
Of which: official protection	*671 224*	*635 355*
- Commercial	609 275	405 223
- Rest	596 378	387 059
- Assets/ buildings under construction	450 056	333 700
- Residential	413 190	312 846
Of which: official protection	*11 552*	*10 161*
- Commercial	31 349	20 292
- Rest	5 517	562
- Lands	1 484 827	614 434
- Urbanized	928 392	250 387
- Rest	556 435	364 047

At 31 December 2014 and 2013 the breakdown of the nominal value of all eligible mortgage loans, based on the ratio between the amount of the transactions and the appraised values in accordance with the latest available appraisal of respective mortgage assets, is as follows:

	Less or equal to 40%	Greater than 40% and less or equal to 60%	Greater than 60%	Greater than 60% and less or equal to 80%	Greater al 80%	Total
						Thousands of euros
						2014
Loans eligible						
- On housing	4 740 283	6 807 021	7 638 016	-	-	19 185 320
- On other goods	1 187 461	828 050	24 865	-	-	2 040 376
	5 927 744	**7 635 071**	**7 662 881**	**-**	**-**	**21 225 696**

	Inferior o igual al 40%	Superior al 40% e inferior o igual al 60%	Superior al 60%	Superior al 60% e inferior o igual al 80%	Superior al 80%	Total
						Thousands of euros
						2013
Loans eligible						
- On housing	2 363 929	3 519 765	-	4 594 601	-	10 478 295
- On other goods	805 357	594 111	28 102	-	-	1 427 570
	3 169 286	**4 113 876**	**28 102**	**4 594 601**	**-**	**11 905 865**

Information relating to the nominal value of mortgage loans and credit that have been eliminated or added to the portfolio in 2014 and 2013 is set out below:

				Thousands of euros
		2014		2013
	Loans eligible	Loans not eligible	Loans eligible	Loans not eligible
Beginning balance	**11 905 865**	**3 601 511**	**12 423 284**	**3 629 698**
Disposals	**(1 421 501)**	**(198 112)**	**(1 502 521)**	**(792 193)**
Cancellations due maturity	(15 327)	(29 412)	(12 350)	(8 120)
Advanced cancellations	(168 842)	(48 308)	(150 099)	(176 567)
Subrogation of other entities	(404)	-	(1 736)	-
Rest	(1 236 928)	(120 392)	(1 338 336)	(607 506)
Additions	**10 741 332**	**2 538 819**	**985 102**	**764 006**
Originated by Group	71 478	22 760	369 000	133 450
Subrogation of other entities	2 772	1 890	8 453	2 520
Rest	10 667 082	2 514 169	607 649	628 036
Final balance	**21 225 696**	**5 942 218**	**11 905 865**	**3 601 511**

The movements included in the item “Other”, when associated with “Disposals for the year”, relate basically to the following flows that generate changes in the nominal balance of eligible and non-eligible loans and are applicable to movements in both 2014 and 2013:

- Transfers between the eligible and non-eligible portfolios, representing additions to the item "eligible loans" and disposals from the "non-eligible loans" portfolio or vice versa. This change is common to movements associated with “Additions for the year” (with the opposite sign). Transfers are due to changes in the fulfilment of eligibility requirements in accordance with applicable regulations (mainly the change in the LTV ratio for the utilization/repayment of loans or the review/update of appraisals).

- Repayment of loans that remain outstanding with respect to the total loans declared in the previous period and are not therefore treated as repayments at maturity or early repayments.

The movements included in the item “Other”, when associated with “Additions for the year”, relate basically to the following flows that generate changes in the nominal balance of eligible and non-eligible loans and are applicable to movements in both 2014 and 2013:

- Transfers between the eligible and non-eligible portfolios, representing additions to the item "eligible loans" and disposals from the "non-eligible loans" portfolio or vice versa. This change is common to movements associated with “Disposals for the year” (with the opposite sign). Transfers are due to changes in the fulfilment of eligibility requirements in accordance with applicable regulations (mainly the change in the LTV ratio for the utilization/repayment of loans or the review/update of appraisals).

- Effect of the liquidation of securitization funds described in Note 30.6.

- Business combination with Caja España de Inversiones, Salamanca y Soria, S.A. (Banco CEISS) impact, included in Note 1.2.

The available balance of mortgage loans that support the issue of mortgage bonds at 31 December 2014 and 2013 is as follows:

	Thousands of euros	
	2014	**2013**
Potentially eligible	210 993	270 280
Ineligible	211 385	145 985
	422 378	**416 265**

The nominal value of the available amounts (committed amounts not drawn down) relating to all mortgage loans and credit potentially eligible at 31 December 2014 and 2013 totals €210,993 thousand €270,280 thousand, respectively, and the amount that is not potentially eligible totals €145,985 thousand €156,186 thousand, respectively.

At 31 December 2014 and 2013 the Group does not have any replacement assets associated to issues of mortgage bonds or debentures.

B) Liability transactions

The breakdown at 31 December 2014 and 2013 of the nominal aggregate value of mortgage bonds in force issued by the Bank and the mortgage funds and mortgage transfer certificates that are active at that date, based on their residual terms, is as follows:

	Thousands of euros	
	2014	2013
Mortgage bonds	**-**	**-**
Mortgage bonds issued	**11 607 402**	**8 569 184**
Issued for public offering	2 472 452	2 250 000
- Residual maturity to 1 year	972 452	1 000 000
- Residual maturity more than 1 year and to 2 years	500 000	750 000
- Residual maturity more than 2 years and to 3 years	500 000	500 000
- Residual maturity more than 3 years and to 5 years	500 000	-
- Residual maturity more than 5 years and to 10 years	-	-
- Residual maturity more than 10 years	-	-
Rest of issues	400 000	400 000
- Residual maturity to 1 year	-	-
- Residual maturity more than 1 year and to 2 years	-	-
- Residual maturity more than 2 years and to 3 years	70 000	-
- Residual maturity more than 3 years and to 5 years	70 000	140 000
- Residual maturity more than 5 years and to 10 years	260 000	260 000
- Residual maturity more than 10 years	-	-
Deposits	8 734 950	5 919 184
- Residual maturity to 1 year	1 142 949	468 292
- Residual maturity more than 1 year and to 2 years	1 024 074	314 744
- Residual maturity more than 2 years and to 3 years	1 300 000	914 074
- Residual maturity more than 3 years and to 5 years	1 487 024	1 451 258
- Residual maturity more than 5 years and to 10 years	1 436 852	1 331 893
- Residual maturity more than 10 years	2 344 051	1 438 923
Shares issues mortgage	**-**	**-**
Issued by public offering	-	-
Other issues	-	-
Mortgage transfer certificates issued	**165 048**	**-**
Issued by public offering	-	-
Other issues	165 048	-
	11 772 450	**8 569 184**

46. Information transparency in connection with financing for construction, property development, home buying and assets acquired in payment of debts

46.1 Qualitative information

The following should be noted in relation to the minimum information that must be disclosed by consolidated groups of financial institutions and by individual financial institutions that do not form part of a group:

- With respect to the financing of construction and property development, financial institutions are asked to disclose their policies and strategies implemented in connection with problematic assets in this industry, with a view to the short, medium and long term. These exposures must also be evaluated in terms of the resistance tests published before the summer, if the entity participated in them.

- Financing needs in the markets and in the short, medium and long-term strategies implemented must also be evaluated (without prejudice to the fact that the Bank of Spain may send at a later date details relating to minimum information on financing and liquidity needs).

Unicaja Banco, as part of its risk policy, particularly in connection with construction and property development, has a number of specific policies and strategies in place to favour the fulfilment of borrower obligations and mitigate the Group's exposure. Alternatives are sought to permit the completion and sale of property developments, analysing the renegotiation of exposures if this improves the Group's credit position and basically to allow the borrower to continue to do business.

This takes into account prior experience with the borrower, compliance record, declared intention to pay, capacity to generate cash flows and new collateral furnished before existing guarantees are exceeded.

Firstly, provided there is a certain payment capacity and after exhausting all possibilities of collecting the past due debt, the Group studies the grant of principal grace periods to allow development of the land financed, completion of property under development and sale of finished units. The analysis performed prioritises project feasibility so as to avoid an increase in the investment in properties for which future sales are clearly possible.

If support measures are not possible or sufficient, other alternatives are sought, such as dation in payment or asset purchase, the final option being a court claim and the subsequent repossession of the properties through the enforcement of the mortgage guarantees. All irregular assets included in the Group's consolidated balance sheet are managed ultimately for the purposes of divestment or leasing.

To this end, the Unicaja Banco Group has special-purpose companies specialized in the management of property development projects, selling of properties and leasing of investment properties (Note 1.1.3). The Group also has specific units responsible for developing these strategies and coordinating the actions of the special-purpose subsidiaries, office network and other agents involved. Finally, the Group has the website *www.unicajainmuebles.com*, one of the main tools employed to present these assets to the general public.

46.2 Quantitative information

Set out below is a breakdown of financing for construction and property development (1), and of assets backing such financing (1), at 31 December 2014 and 2013:

Chart 1						Thousands of euros
			2014			**2013**
	Gross	**Excess over de value of the collateral**	**Specific coverage**	**Gross**	**Excess over de value of the collateral**	**Specific coverage**
Registered credit (business in Spain)	1 961 940	342 270	756 989	2 014 717	119 971	633 906
Which doubtful	1 028 807	303 348	657 455	714 627	119 971	440 638
Of which substandard	345 798	28 675	99 534	560 143	-	193 268
Memorandum item						
Total general allowance (total business) (3)	-	-	14 628	-	-	15 280
Bad assets (4)	762 998	-	-	257 287	-	-

Memorandum item (5)		**Book value**
	2014	**2013**
Total lending to costumers excluding Government (business in Spain)	30 810 566	17 427 546
Total consolidated assets (total business)	67 950 415	41 258 111

(1) This entails, for example, that if the debtor is: (a) a property company that uses the financing granted for a purpose other than construction or property development, it will not be included in this table; and (b) a company whose core business is not construction or property development, but the credit is employed to finance buildings for use in property development, it will be included in this table.

(2) This is the amount of the excess of the gross amount of each loan over the value of the real property rights received as collateral, if applicable, calculated as stipulated in Exhibit IX of Circular 4/2004. [Consequently, the value of the real property rights is the lower of the cost of the assets and their appraised value in their current condition, weighted using percentages that range from 70% to 50%, depending on the nature of the assets mortgaged].

(3) This is the total amount of the general provision recognized for any item by the consolidated group (total business).

(4) Gross amount of the loan used to finance construction and property development recognized by the group's credit entities (business in Spain) and written off the balance sheet due to being classified as a "write-off assets".

(5) The carrying amount is the amount at which these assets are recognized in the balance sheet after deducting any provisions.

Set out below is a breakdown of Financing for construction and property development, operations recognized by credit entities (business in Spain) at 31 December 2014 and 2013:

Chart 2	Thousands of euros	
	Gross amount (6)	
	2014	2013
Without mortgage guarantee	695 075	496 812
Whit mortgage (7)	1 266 865	1 517 905
Buildings completed (8)	838 485	922 767
Housing	592 921	775 766
Rest	245 564	147 001
Buildings under construction (8)	62 517	187 374
Housing	56 649	183 946
Rest	5 868	3 428
Land	365 863	407 764
Developed land	258 510	348 688
Other land	107 353	59 076
Total	**1 961 940**	**2 014 717**

6) The gross amount in the Table 1 line "Credit recognized by the group's credit entities (business in Spain)" is equal to the amount in the Table 2 line "Total".

(7) Including all mortgage operations, irrespective of the percentage of outstanding risk with respect to the latest-available appraised value.

(8) If a building is used for both residential (housing) and commercial (offices and/or premises) purposes, the financing will be included in the category that predominates.

Set out below is a breakdown at 31 December 2014 and 2013 of Home-buyer loans, operations recognized by credit entities (business in Spain):

Chart 3	Thousands of euros			
	2014		2013	
	Gross	Doubtful	Gross	Doubtful
Credit for house purchase	19 310 724	1 234 780	10 033 346	570 647
Without mortgage guarantee	250 489	2 856	11 457	787
With mortgage guarantee (7)	19 060 235	1 231 924	10 021 889	569 860

Set out below is a breakdown of Home-buyer mortgage credit showing total risk as a percentage of the latest-available appraised value (LTV), operations recognized by credit entities (business in Spain) at 31 December 2014 and 2013:

Chart 4	Levels of LTV (10)				
	31 December 2014				
	LTV≤60%	60%<LTV≤80%	80%<LTV≤100%	LTV>100%	Total
Gross	10 071 622	7 709 162	1 075 679	203 772	19 060 235
Doubtful (9)	295 086	603 449	204 182	129 207	1 231 924

Chart 4					Levels of LTV (10) 31 December 2013
	LTV≤60%	60%<LTV≤80%	80%<LTV≤100%	LTV>100%	Total
Gross	5 067 502	4 431 615	450 325	72 447	10 021 889
Doubtful (9)	136 415	311 206	82 095	40 144	569 860

(9) The sum of the gross amounts and doubtful loans in each range of this table matches the amounts shown on the Chart 3 line for mortgage credit.

(10) LTV is the ratio obtained by dividing risk outstanding at the reporting date by the latest-available appraised value.

Set out below is a breakdown of assets awarded to the consolidated group entities (business in Spain) (11) at 31 December 2014 and 2013:

Cuadro 5				Thousands of euros
		2014		2013
	Book value	Coverage	Book value	Coverage
Real Estate assets from fund intended to	1 840 971	1 098 692	1 552 023	853 161
Buildings completed	535 661	248 152	415 234	155 185
Housing	380 751	170 197	343 834	126 421
Others	154 910	77 955	71 400	28 764
Buildings under construction	160 306	85 750	119 692	64 741
Housing	159 569	85 324	116 821	63 256
Other	737	426	2 871	1 485
Land	1 145 004	764 790	1 017 097	633 235
Developed land	650 881	407 010	540 387	332 513
Other	494 123	357 780	476 710	300 722
Real Estate mortgage financing from	636 718	306 797	325 620	144 038
Other Real Estate assets (12)	89 383	47 371	102 699	43 274
Equity instruments, shares in and financing granted to entities holding real estate assets (13)	-	-	363	321
	2 567 072	**1 452 860**	**1 980 705**	**1 040 794**

(11) This will include assets awarded, acquired, purchased or exchange for debt deriving from financing granted by the group companies during business in Spain, and shares in and financing granted to non-consolidated entities holding such assets.

(12) This will include real estate assets that do not derive from loans to construction and property development companies, or home-buyer loans.

(13) All assets of this kind will be recognized, including equity instruments, shares in and financing granted to entities holding real estate assets, mentioned in lines 1 to 3 of this table, and equity instruments and shares in construction or property development companies received in payment of debts.

47. Information on the deferral of payments to suppliers. Additional Provision Three - Duty of information - Law 15/2010 (5 July)

In accordance with Law 15/2010 (5 July), which amended Law 3/2004 (29 December) on measures to combat late payment in commercial transactions, as further developed by the Ruling of 29 December from the Institute of Accounting and Auditing (ICAC) on information to be included in the notes to annual accounts in connection with the deferral of payments to suppliers in commercial transactions, the following should be noted:

- In view of the Entity's core activities, the information on the deferral of debt relates basically to payments to supplier for services and sundry supplies received, other than payments to deposit holders and holders of securities issued by the Entity, which have been made, in any event, in strict compliance with contractual and legal deadlines in each case, whether debts payable on demand or on a deferred basis.

- Payments made by Unicaja Banco Group to suppliers solely for the provision of sundry services during 2014 totaled € 323,388 thousand (€ 101,120 thousand in 2013); the services were provided within the legal deadlines and as contractually stipulated. At 31 December 2014 and 2013, the balance pending payment to suppliers is immaterial and complies with the payment period requirements of Law 15/2010 (5 July).

48. Customer service

In compliance with Article 17.2 of Order ECO/734/2004, of 11 March, on customer departments and services and protection of financial institutions, a brief summary is provided of the contents of the report of the Group Customer Service Department: 89.6% of the complaints and claims received in 2014 were resolved (89.9% at 31 December 2013); the remaining percentage pending at 31 December 2014 are expected to be resolved during the first two months of the following year at maximum, in accordance with the Order and Unicaja's regulations governing the protection of customers.

Appendix I
Subsidiaries at 31 December 2014

Company Name	Registered domicile	Activity	% Share owned by the Group		
			% Share		% Share
			Direct	Indirect	
Alqlunia Duero, S.L.	C/ Marqués de Villamagna 6-8 , Madrid	Real estate	0.00%	60.70%	60.70%
Alteria Corporación Unicaja, S.L.U.	C/ Bolsa nº 4, planta 5ª, Málaga	Investment on assets, real estate and financial societies	100.00%	0.00%	100.00%
Altos de Jontoya Residencia para Mayores, S.L.U.	Plaza Jaén por la Paz, nº 2 Jaén	Geriatric care	0.00%	100.00%	100.00%
Analistas Económicos de Andalucía, S.L.U.	C/ Granada nº 13, Entreplanta	Studies and analysis	100.00%	0.00%	100.00%
Andaluza de Tramitaciones y Gestiones, S.A.	C/ Angosta del Carmen, 2, Málaga	Management of documents and deeds	0.00%	100.00%	100.00%
Banco de Caja España de Inversiones, Salamanca y Soria, S.A.	C/ Marqués de Villamagna, 6-8, Madrid	Financial Institution	60.66%	0.04%	60.70%
Bruesa Duero, S.L.	C/ Bilbao 2 - 1º E, Zaragoza	Real estate	0.00%	50.18%	50.18%
Caja Duero Capital, S.A.U.	C/ Marqués de Villamagna 6-8, Madrid	Assets, securities and financial companies Investment	0.00%	60.70%	60.70%
Caja España de Inversiones Sociedad de Participaciones Preferentes, S.A.U.	Av. Madrid 120, León	Issue of shares	0.00%	60.70%	60.70%
Caja España Fondos, S.A., S.G.I.I.C.	C/ Titán 8, Madrid	Investment fund management Company	0.00%	60.70%	60.70%
Caja España Mediación Operador Banca-Seguros Vinculado, S.A.	Plaza de los Bandos 15-17, Salamanca	Insurance bróker	0.00%	60.70%	60.70%
Campo Inversiones, S.A.U	Av. Madrid 120, León	Agrarian and Livestock Services	0.00%	60.70%	60.70%
Cartera de Inversiones Agroalimentarias, S.L.	Plaza Jaén por la Paz nº 2 Jaén	Food industry	82.5%	0.00%	82.50%
Conexiones y Servicios del Duero, S.A.	Carretera Salamanca 3, Tordesillas (Valladolid)	Auxiliary Services	0.00%	31.56%	31.56%
Corporación Uninser, S.A.U.	C/ Ancla, 2, 3º -1ª, Málaga	Financial services	0.00%	100.00%	100.00%
Diode España, S.A.U.	C/ Salvatierra 3, Madrid	Distribution of Computer Components	0.00%	60.70%	60.70%
Escuela Superior de Estudios de Empresa, S.A.	C/ Calvo s/n Edificio Mena, Málaga	Studies and analysis	0.00%	50.00%	50.00%
Finanduero Sociedad de Valores, S.A.U.	C/ Titán 8 - 2º 28045 - Madrid	Assets, securities and financial companies Investment	0.00%	60.70%	60.70%
Gestión de Actividades y Servicios Empresariales, S.A.U.	C/ Federico Orellana Toledano, 4, Málaga	Electronic recording and data-processing	0.00%	100.00%	100.00%
Gestión de Inmuebles Adquiridos, S.L.U.	C/ Mauricio Moro Pareto nº 6, 6ª planta, Edf. Eurocom, Málaga	Real estate	0.00%	100.00%	100.00%
Gestión de Inversiones en Alquileres, S.A.	Av. Madrid 120, León	Offices Rent	0.00%	60.70%	60.70%
Grupo de Negocios Duero, S.A.U	C/ Marqués de Villamagna 6-8, Madrid	Financial Management	0.00%	60.70%	60.70%
Guendulain Suelo Urbano, S.L.U.	Av. Sancho El Fuerte 18 - Bajo, Pamplona	Real estate	0.00%	60.70%	60.70%
Inmobiliaria Acinipo, S.L.U.	C/ Mauricio Moro Pareto nº 6, 6ª planta, Edf. Eurocom, Málaga	Real estate	100.00%	0.00%	100.00%
Inmobiliaria Uniex Sur, S.L.U.	C/ Mauricio Moro Pareto nº 6, 6ª planta, Edf. Eurocom, Málaga	Real estate	0.00%	100.00%	100.00%
Inmocaja, S.A.U	Av. Madrid 120, León	Real Property holding Company	0.00%	60.70%	60.70%

Appendix I
Subsidiaries at 31 December 2014

Company Name	Registered domicile	Activity	% Share owned by the Group		
			% Share		% Share
			Direct	Indirect	
Invergestión Sociedad de Inversiones y Gestión, S.A.U.	Av. Madrid 120, León	Assets, securities and financial companies Investment	0.00%	60.70%	60.70%
Mijas Sol Resort, S.L.U.	C/ Mauricio Moro Pareto, nº 6, Planta 6ª, Edificio Eurocom, Málaga	Real estate	0.00%	100.00%	100.00%
Parque Industrial Humilladero, S. L.	C/ Miguel Hernández nº 1, Málaga	Industrial land development	0.00%	82.75%	82.75%
Renta Porfolio, S.L.U.	C/ Mauricio Moro Pareto nº 6, 6ª planta, Edf. Eurocom, Málaga	Rental property	0.00%	100.00%	100.00%
Segurándalus Mediación, Correduría de Seguros, S.A.U.	C/ Cuarteles, nº 51, Entreplanta, Málaga	Insurance brokerage	0.00%	100.00%	100.00%
Tubos de Castilla y León, S.A.U.	Crta. Mayorga Km 1, Valencia de Don Juan (León)	Water-Pipe manufacturing	0.00%	60.70%	60.70%
Unicaja Gestión de Activos Inmobiliarios, S.A.U.	Avda. Andalucía, 10-12, Málaga	Real Property holding Company	100.00%	0.00%	100.00%
Unicartera Caja 2, S.L.U.	C/ Mauricio Moro Pareto nº 6, 6ª planta, Edf. Eurocom, Málaga	Promotion or Financing of I+D in the medical field	100.00%	0.00%	100.00%
Unicartera Gestión de Activos, S.L.U.	C/ San Agustín, 2, 1ª planta, Madrid	Recovery activity and Disputes Managements	0.00%	100.00%	100.00%
Unicartera Internacional, S.L.U.	Avda. Andalucía, 10-12, Málaga	Assets, securities and financial companies Investment	100.00%	0.00%	100.00%
Unicartera Renta, S.L.U.	Avda. Andalucía, 10-12, Málaga	Assets, securities and financial companies Investment	100.00%	0.00%	100.00%
Unicorp Corporación Financiera, S.L.U.	C/ Bolsa, nº 4, 5ª planta, Málaga	Provision of services	0.00%	100.00%	100.00%
Unicorp Patrimonio, Sociedad de Valores, S.A.U.	C/ Bolsa, nº 4, 5ª planta, Málaga	Property Management	0.00%	100.00%	100.00%
Unigest, S.G.I.I.C., S.A.U.	C/ Bolsa, nº 4, 5ª planta, Málaga	Management Company of Collective Investment Institutions	0.00%	100.00%	100.00%
Unimediación, S.L.U.	C/ Bolsa, nº 4, planta 2, Málaga	Insurance Broker	0.00%	100.00%	100.00%
Unimediterráneo de Inversiones, S.L.U.	C/ Mauricio Moro Pareto nº 6, 6ª planta, Edf. Eurocom, Málaga	Assets, securities and financial companies Investment	100.00%	0.00%	100.00%
Unión del Duero, Compañía de Seguros Generales, S.A.	C/ Marqués de Villamagna 6-8, Madrid	Insurances	0.00%	60.70%	60.70%
Uniwindet Parque Eólico Las Lomillas, S.L.	C/ Melilla, 2, Ed. VYE, Churriana de la Vega, Granada	Renewable Energies	10.00%	90.00%	100.00%
Uniwindet Parque Eólico Loma de Ayala, S.L.	C/ Melilla, 2, Ed. VYE, Churriana de la Vega, Granada	Renewable Energies	10.00%	90.00%	100.00%
Uniwindet Parque Eólico Los Jarales, S.L.	C/ Melilla, 2, Ed. VYE, Churriana de la Vega, Granada	Renewable Energies	10.00%	90.00%	100.00%
Uniwindet Parque Eólico Tres Villas, S.L.	C/ Melilla, 2, Ed. VYE, Churriana de la Vega, Granada	Renewable Energies	10.00%	90.00%	100.00%
Uniwindet, S.L.	C/ Melilla, 2, Ed. VYE, Churriana de la Vega, Granada	Renewable Energies	20.62%	79.38%	100.00%
Viajes Caja España, S.A.	C/ Santa Nonia, 4 - 7ª Planta, León	Travel Agency	0.00%	30.35%	30.35%
Viproelco, S.A.	Av. Madrid 120, León	Real state Development	0.00%	60.7%	60.70%

Appendix II
Joint ventures at 31 December 2014

Thousands of euros

Company Name	Registered domicile	Activity	% Share owned by the Group			Individual net profit/ loss for the year	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total Revenue	Total expenditure
			% Share		Individual net profit/ loss for the year							
			Direct	Indirect								
Banco Europeo de Finanzas, S.A.	C/ Severo Ochoa, nº 5, Málaga	Credit institution	1.20%	39.52%	40.72%	(1 498)	2 783	93 569	962	473	2 413	(3 911)
Capredo Investments GMBH [2]	Schaffhauser Srt. 101, 8152 Glattbrugg (Suiza)	Investment in assets, securities and financial companies	0.00%	30.35%	30.35%	1 140	48 435	1	-	2 537	1 189	(49)
Cartera Perseidas, S.L.	Paseo de Recoletos,29, Madrid	Investment in assets, securities and financial companies	2.36%	26.05%	28.41%	18	171 252	530	27 463	7	54	(36)
Cerro del Baile, S.A.	Av. Bruselas, 15 - 4º , Arroyo de la Vega (Alcobendas)	Real estate	0.00%	48.56%	48.56%	(5 657)	-	26 201	2 391	47 353	1 991	(7 648)
Dolun Viviendas Sociales, S.L. [1]	C/ Muñoz Olivé, 1, Portal 2, 1º C, Sevilla	Real estate	0.00%	40.00%	40.00%	-	-	-	-	-	-	-
Espacio Medina, S.L.	Paseo de la Castellana, 91, Piso 9, Madrid	Real estate	0.00%	30.00%	30.00%	(993)	29	44 436	2 950	20 065	-	(993)
Fonteduero, S.A. [3]	C/ Antonio Maura 14, Madrid	Hotels and similar accommodation	0.00%	24.96%	24.96%	(720)	32 634	1 053	28 709	1 588	1 764	(2 484)
Global Duero, S.A. [4]	C/ Alfonso XI nº 7 - 2º Dcha, Madrid	Investment in assets, securities and financial companies	0.00%	30.35%	30.35%	(1 304)	-	-	-	23 039	-	(1 304)
Hidrocartera, S.L.	Avda. Andalucía, 10-12, Málaga	All-embracing water cycle	70.00%	0.00%	70.00%	4 334	69 437	6 280	-	11	4 338	(4)
Lares Val de Ebro, S.L. [5]	Avda. Talgo 155, Madrid	Real estate	0.00%	20.23%	20.23%	(652)	-	18 436	-	18 801	-	(652)
Madrigal Participaciones, S.A. [2]	C/ Santiago 7 - 1º E, Valladolid	Investment in assets, securities and financial companies	0.00%	39.87%	39.87%	(13 992)	38 157	44 024	-	3	1 468	(15 460)
Muelle Uno - Puerto de Málaga, S.A. [3]	Avda. de Andalucía 21, Entreplanta, Málaga	Real estate	0.00%	39.74%	39.74%	(1 784)	56 486	7 670	5 824	44 815	6 456	(8 240)

Appendix II
Joint ventures at 31 December 2014

Thousands of euros

Company Name	Registered domicile	Activity	% Share owned by the Group			Individual net profit/ loss for the year	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total Revenue	Total expenditure
			% Share		Individual net profit/ loss for the year							
			Direct	Indirect								
Pagos Minería U.T.E. (6)	Avda. de Burgos 109, Madrid	Services	0.00%	12.14%	12.14%	(20)	-	106		122	501	(521)
Pinares del Sur, S.L. (2)	C/Vega, nº1, Chiclana de la Frontera, Cádiz	Real estate	0.00%	50.00%	50.00%	1 281	1 742	33 259	28 710	2 587	214	(1 495)
Rochduero, S.L. (2)	C/ Armas 10 - A , Jerez de la Frontera (Cádiz)	Real estate	0.00%	32.83%	32.83%	(9)	1	36 314	420	36 449	-	9
San Marcos Cipsa, S.L.	Pº Gracia 103 - 4º, Barcelona	Real estate	0.00%	30.35%	30.35%	(1 330)	1	34 759	-	41 894	1	1 331
Sociedad de Gestión San Carlos, S.A.	C/ Almirante Faustino Ruíz, 2, A-1, Cádiz	Real estate	0.00%	50.32%	50.32%	(375)	-	14 283	90	8 082	-	(375)
Soria Futuro, S.A. (6)	P.I. Las Casas - C/ C - Parcela 3, Soria	Investment in assets, securities and financial companies	0.00%	27.62%	27.62%	520	1 588	1 463	-	5	-	520

(1) Company in liquidation.
(2) Financials at 30 November 2014.
(3) Financials at 31 August 2014.
(4) Financials at 31 December 2013.
(5) Financials at 30 September 2013.
(6) Financials at 30 November 2014.

Appendix III
Associates at 31 December 2014

Thousands of euros

Company Name	Registered domicile	Activity	% Share owned by the Group			Financial Statements at year end				
			% Share		Total	Total assets at end	Equity	Current liabilities	Profit from operations	Profit for the year
			Direct	Indirect						
A.I.E. Naviera Área Brava [1]	C/ San Francisco, nº 29, Edif. Alejandro, Tenerife	Financial services and company services	35.00%	0.00%	35.00%	26	10	16	-	-
A.I.E. Naviera Cabo Udra [2]	C/ San Francisco, nº 29, Edif. Alejandro, Tenerife	Financial services and company services	26.00%	0.00%	26.00%	94	22	72	-	-
A.I.E. Naviera Electra [3]	C/ Luis Morote, nº 6, Las Palmas de Gran Canaria	Financial services and company services	21.00%	0.00%	21.00%	89	29	60	(31)	(57)
A.I.E. Naviera Malpica	C/ San Francisco, nº 29, Edif. Alejandro, Tenerife	Financial services and company services	26.00%	0.00%	26.00%	184	24	160	211	(226)
A.I.E. Naviera Olimpia	C/ San Francisco, nº 29, Edif. Alejandro, Tenerife	Financial services and company services	26.00%	0.00%	26.00%	158	43	115	356	(356)
A.I.E. Naviera San Simón	C/ San Francisco, nº 29, Edif. Alejandro, Tenerife	Financial services and company services	26.00%	0.00%	26.00%	159	19	140	36	(94)
Aciturri Aeronáutica, S.L. [4]	Calle Orón, Parcela 4, P.I. Bayas, Miranda de Ebro (Burgos)	Aerospace industry	0.00%	16.75%	16.75%	342 409	120 000	222 409	15 587	9 872
ADE Capital Sodical S.C.R., S.A. [4]	C/ Jacinto Benavente, 2 - Piso 3º, Arroyo de la Encomienda (Valladolid)	Inversiones colectivas	0.00%	16.59%	16.59%	52 355	52 336	19	(548)	365
ADE Gestión Sodical S.G.E.C.R., S.A. [5]	C/ Jacinto Benavente, 2 - Piso 3º, Arroyo de la Encomienda (Valladolid)	Collective Investments	0.00%	12.77%	12.77%	503	443	59	8	16
Ahorro Gestión Inmuebles, S.A. [6]	C/ Ramón y Cajal, 23 (P.I.), Leganés (Madrid)	Property Administration	0.00%	17.51%	17.51%	14 930	10 483	(4 447)	(70)	(219)
Ala Ingeniería y Obras, S.L. [6]	C/ Ferrocarril, 35, Meco (Madrid)	Manufacturing metal structures	0.00%	13.95%	13.95%	8 889	(5 005)	13 894	(1 275)	(1 178)
Alestis Aerospace, S.L. [4]	C/ Hermanos d'Eluyar, s/n, Isla de la Cartuja, Sevilla	Aerospace industry	15.98%	2.50%	18.48%	425 540	33 159	392 381	(45 469)	(57 871)
Andalucía Económica, S.A.	C/ Diego de Riano, 11, Sevilla	Publications, graphic arts and television	23.80%	0.00%	23.80%	750	582	168	(16)	(11)

Appendix III
Associates at 31 December 2014

Thousands of euros

Company Name	Registered domicile	Activity	% Share owned by the Group			Financial Statements at year end				
			% Share		Total	Total assets at end	Equity	Current liabilities	Profit from operations	Profit for the year
			Direct	Indirect						
Aretne, S.L. (7)	C/ Compositor Lehmberg, nº 4, Málaga	New technologies	40.00%	0.00%	40.00%	24	(2)	26	-	(86)
Autopista del Guadalmedina, Concesionaria Española, S.A.	C/ Los Peñoncillos nº 14, Málaga	Highways	30.00%	0.00%	30.00%	360 140	69 808	290 532	1 138	(6 446)
Autopista del Sol, Concesionaria Española, S.A. (20)	Plaza Manuel Gómez-Moreno, nº 2, Madrid	Highways	20.00%	0.00%	20.00%	76 863	494	676 863	24 266	(6 960)
Ayco Grupo Inmobiliario, S.A.	Av. Pío XII, 57-A Madrid	Real estate	0.00%	12.14%	12.14%	74 148	(38 988)	113 136	(3 601)	(6 103)
B.I.C. Euronova, S.A.	Avda. Juan López Peñalver, s/n, Málaga	Investment and Promotion Services	20.00%	0.00%	20.00%	1 873	1 112	761	(28)	(5)
Barrancarnes Transformación Artesanal, S.A. (7)	Eiras Altas-Barrancos, Barrancos (Portugal)	Food	0.00%	24.28%	24.28%	21 743	11 360	10 384	(67)	789
Caja España Vida, Compañía de Seguros y Reaseguros, S.A.	C/ Santa Nonia, 4 - 3ª Planta, León	Insurances and re-insurances	0.00%	30.35%	30.35%	1 422 839	146 174	1 276 665	27 736	22 930
Camping El Brao, S.A. (8)	C/ Uría, 56 - 2 C , Oviedo (Asturias)	Real estate	0.00%	15.18%	15.18%	584	576	8	-	-
Cementerio Parque de Martos, S.A. (6)	C/ Torredonjimeno S/N, Jaén	Community Services	20.00%	0.00%	20.00%	2 100	118	1 982	50	-
Centro de Tecnologías Informáticas, S.A. (6)	Av. Condesa Sagasta, 6 - 1º, León	Computer Services	0.00%	12.14%	12.14%	596	459	137	58	47
Compañía de Servicios de Castilla y León, S.A. (COSECAL)	C/ Pico del Urbión, 4, Valladolid	Administrative Work	0.00%	17.04%	17.04%	141	(801)	942	(659)	(667)
Corporación Hotelera Dominicana, S.A. (4)	República Dominicana	Hotel in Dominican Republic	0.00%	15.18%	15.18%	20 242	5 299	14 943	98	98
Corporación Hotelera Oriental, S.A. (9)	República Dominicana	Hotel in Dominican Republic	0.00%	15.18%	15.18%	20 918	12 977	7 941	(45)	(45)
Creación de Suelo e Infraestructuras, S.L.	C/ Ibiza, nº 35, Piso 5º C, Madrid	Real estate	0.00%	24.98%	24.98%	11 297	(1 637)	12 934	-	-
Cuatro Estaciones INM Siglo XXI, S.L. (10)	Plaza del Mío Cid 6 - 3º, Burgos	Real estate	0.00%	12.14%	12.14%	1 787	(632)	2 419	(10)	(10)

Appendix III
Associates at 31 December 2014

Thousands of euros

Company Name	Registered domicile	Activity	% Share owned by the Group			Financial Statements at year end				
			% Share		Total	Total assets at end	Equity	Current liabilities	Profit from operations	Profit for the year
			Direct	Indirect						
Deoleo, S.A.	C/ Marie Curie, nº 7, Edificio Beta, Madrid	Agri-food Industry	9.99%	0.06%	10.05%	1 268 855	432 777	836 078	12 687	(92 362)
Desarrollo Urbanísticos Cerro de Medianoche, S.L. (6)	Plaza Jaén por la Paz, nº 2, Jaén	Real estate	0.00%	24.72%	24.72%	3 578	3 578	-	(13)	(13)
Desarrollos Urbanísticos Veneciola, S.A. (11)	C/ Alfonso XI, nº 7 - 2º Dcha, Madrid	Real estate	0.00%	12.14%	12.14%	2	(84 760)	84 762	(1)	(1)
Dibaq Diproteg, S.A. (7)	C/ La Cruz, 3, Fuentepelayo (Segovia)	Animal Feed	0.00%	20.06%	20.06%	69 013	8 871	60 142	(2 332)	(3 167)
Duero Pensiones, E.G.F.P. (7)	Pº de la Castellana, nº 167, Madrid	Pension Funds Management	0.00%	30.35%	30.35%	9 763	8 651	1 112	1 370	1 175
EBN Banco de Negocios, S.A.	Paseo de Recoletos, nº 29, Madrid	Financial Institution	21.09%	12.80%	33.89%	1 010 536	58 454	952 082	9 433	7 426
Edigrup Producciones TV, S.A. (7)	C/ Manuel Canesi Acevedo (Parquesol Sur), 1, Valladolid	Audiovisual broadcasting	0.00%	13.40%	13.40%	17 829	15 964	1 865	1 895	1 840
Gestión e Investigación de Activos, S.A.	C/ Zurbano, 76, Madrid	Real estate	0.00%	37.54%	37.54%	21 400	9 759	11 641	835	448
Grupo Tecopy Cartera Empresarial, S.L. (12)	C/ Antracita, 7 - Planta 4ª - Ofic. 17, Madrid	Various Services	0.00%	12.14%	12.14%	15 275	5 463	9812	205	(65)
Hemera Catering, S.L. (7)	C/ Manuel España Lobo, nº º, Entreplanta, Málaga	Catering Services	0.00%	31.82%	31.82%	1 717	724	993	(893)	(677)
Hidralia, Gestión Integral de Aguas de Andalucía, S.A. (7)	C/ Alisos, Edificio Ocaso, nº 1, Sevilla	Integral water cycle market	0.00%	35.00%	35.00%	296 563	110 936	185 627	(11 850)	(10 453)
Infodesa, S.A. (12)	Plaza Pablo Ruiz Picasso, 1 (Torre Picasso), Madrid	No activity	0.00%	15.18%	15.18%	1 649	1 205	444	8	12
Ingeniería de Suelos y Explotación de Recursos, S.A. (4)	Avda. Paseo del Coso, s/n, Huelva	Mining Industry	30.00%	0.00%	30.00%	38 909	15 596	23 313	4 422	4 429
Ingeniería e Integración Avanzadas, S.A. (13)	C/ Severo Ochoa, nº 43, Málaga	New technologies	40.00%	0.00%	40.00%	15 087	4 422	10 665	398	(22)

Appendix III
Associates at 31 December 2014

Thousands of euros

Company Name	Registered domicile	Activity	% Share owned by the Group			Financial Statements at year end				
			% Share		Total	Total assets at end	Equity	Current liabilities	Profit from operations	Profit for the year
			Direct	Indirect						
Iniciativas y Desarrollos Industriales de Jaén, S.A. (13)	Plaza de la Constitución, 10, 6ª Planta, Jaén	Industrial Development	0.00%	30.00%	30.00%	143	143	-	(4)	(4)
Inmobiliaria CHDOM, S.A. (7)	República Dominicana	Real estate	0.00%	15.18%	15.18%	7 971	7 474	497	(28)	(28)
Inmobiliaria CHDOR, S.A. (14)	República Dominicana	Real estate	0.00%	15.18%	15.18%	8 620	8 016	604	(31)	(31)
InOut TV Worldwide, S.A. (7)	C/ de La Llacuna, 161 - 4º A, Barcelona	Equity investments	0.00%	12.14%	12.14%	n/d	n/d	n/d	n/d	n/d
Inversiones Alaris, S.L. (9)	Av. Carlos III El Noble, 8, Pamplona/Iruña (Navarra)	Equity investments	0.00%	20.23%	20.23%	n/d	921	n/d	n/d	2 334
Investigación y Desarrollo de Energías Renovables, S.L. (IDER) (7)	C/ Serrano Galvache, 56 - P.E. Parque Norte - Ed. Encina - 3ª Pl., Madrid	Wind energy Electricity	0.00%	12.39%	12.39%	143 277	25 410	117 867	6 992	2 089
La Reserva de Selwo Golf, S.L. (7)	C/ Principal nº 45, planta 2, Málaga	Real estate	0.00%	35.00%	35.00%	720	(3 966)	4 686	498	498
Losán Hoteles, S.L. (12)	C/ Serrano, 30 - 2º Dcha, Madrid	Renting of property	0.00%	16.19%	16.19%	8 381	7 006	1 375	(17)	266
Malagaport S.L. (15)	Edif.Instituto de Estudios Portuarios, Muelle de Cánovas, S/N. Málaga	Community Services	26.07%	1.04%	27.11%	251	190	61	(41)	(41)
Marcos Sotoserrano, S.L. (7)	Crta. de Coria nº 4, Sotoserrano (Salamanca)	Ham Processing plant	0.00%	19.90%	19.90%	18 127	8 515	9 612	(487)	(773)
M-Capital, S.A.	Plaza de Toros Vieja, nº 2, Málaga	Investment and Promotion Services	22.01%	0.00%	22.01%	11 388	2 169	9 219	(559)	(633)
Mejor Campo Abonos y Cereales, S.A. (7)	Callejón de San Francisco, 1 - Bajo Medina del Campo (Valladolid)	Fertilizer and animal food Commercial	0.00%	16.39%	16.39%	3	(58)	61	-	-
Metales Extruidos, S.L. (13)	C/ Marismas, nº 20, Valladolid	Aluminum Profiles Manufacturing	0.00%	13.47%	13.47%	75 544	(13 557)	89 101	(6 236)	(6 818)
Numzaan, S.L. (4)	C/ Doctor Casas, nº 20, Zaragoza	Real estate	0.00%	13.03%	13.03%	38 760	(27 187)	65 947	(2)	(372)
Obenque, S.A. (7)	C/ Zurbano, nº 76, Madrid	Real estate	0.00%	21.25%	21.25%	38 053	16 250	21 803	993	319

Appendix III
Associates at 31 December 2014

Thousands of euros

Company Name	Registered domicile	Activity	% Share owned by the Group			Financial Statements at year end				
			% Share		Total	Total assets at end	Equity	Current liabilities	Profit from operations	Profit for the year
			Direct	Indirect						
Oleomedia, S.L. (7)	Plaza de la Constitución, 12, 1º D, Jaén	New technologies	40.00%	0.00%	40.00%	265	265	-	-	-
Parque Científico-Tecnológico de Almería, S.A. (7)	Avenida de la Innovación, nº 15, Almería	Real estate	0.00%	30.15%	30.15%	53 647	20 030	33 618	(772)	(1 741)
Patrimonio Inmobiliario Empresarial, S.A. (16)	C/ Santa Engracia, nº 69, Madrid	Real estate	0.00%	17.66%	17.66%	26 857	(21 423)	48 280	-	-
Privándalus Inversiones I SICAV, S.A. (7)	C/ Bolsa Nª 4, 1ª Planta, Málaga	Variable Capital Investment Society	32.31%	0.00%	32.31%	19 409	19 351	58	-	541
Prodesur Mediterráneo, S.L. (13)	Pz. Trabajadores del Calzado, nº 10, Elda (Alicante)	Real estate	0.00%	15.18%	15.18%	2 582	(2 954)	5 537	(88)	(484)
Proinsur Mediterráneo, S.L. (7)	Pz. Trabajadores del Calzado, nº 10, Elda (Alicante)	Real estate	0.00%	15.18%	15.18%	17 907	(15 626)	33 533	(100)	(3 768)
Promotora Vallisoletana Mercados, S.A. (17)	Crta. Ronda Norte (Mercaolid), s/n - Sector 15, Valladolid	Markets Management	0.00%	17.41%	17.41%	2 360	2 359	1	224	224
Qualia Lácteos, S.A. (15)	Crta. de Puertollano s/n, Almodóvar del Campo (Ciudad Real)	Dairy Industry	0.00%	17.83%	17.83%	16 621	(6 770)	23 391	(821)	(854)
Residencial El Beato, S.L. (18)	Pz. Trabajadores del Calzado, 10 Elda (Alicante)	Real estate	0.00%	15.18%	15.18%	7 084	(12 567)	19 651	(162)	(1 248)
Sociedad de Investigación y Explotación Minera de Castilla y León, S.A. (7)	Av. Rodrigo Zamorano, 6 -P.T. de Boecillo- Boecillo (Valladolid)	Mining Investigation Promotion	0.00%	29.74%	29.74%	3 748	3 546	(285)	(278)	202
Servicios Funerarios Indálicos, S.A. (7)	CR Níjar, nº 129, Edif. Muebles Magoptl 3-2-1, El Alquian, Almería	Community Services	20.00%	0.00%	20.00%	599	373	226	-	-
Sociedad Municipal de Aparcamientos y Servicios, S.A. (7)	Plaza La Alcazaba, s/n, Málaga	Parking	24.50%	0.00%	24.50%	70 423	33 994	36 429	4 436	1 094
Titulización de Activos, Sociedad Gestora de Fondos de Titulización, S.A. (13)	C/ Orense, nº 69, Madrid	Funds Management Society	0.00%	38.57%	38.57%	14 225	9 279	4 946	4 550	3 214

Appendix III
Associates at 31 December 2014

Thousands of euros

Company Name	Registered domicile	Activity	% Share owned by the Group			% Share owned by the Group				
			% Share		Total	Total assets at end	Equity	Current liabilities	Profit from operations	Profit for the year
			Direct	Indirect						
Uncro, S.L. [7]	C/ Ibiza, nº 35, 5º C, Madrid	Real estate	0.00%	25.00%	25.00%	6 150	(4 149)	10 299	(31)	(31)
Unema Promotores Inmobiliarios, S.A. [7]	C/ Strachan, nº 1, Planta 1, Málaga	Real estate	0.00%	40.00%	40.00%	72	(1 635)	1 707	(1 729)	(1 729))
Unicorp Vida, Compañía de Seguros y Reaseguros, S.A. [19]	C/ La Bolsa, 4, 3ª planta, Málaga	Insurance	42.40%	7.60%	50.00%	2 467 048	178 757	2 288 291	54 280	40 831
Unión del Duero Compañía Seguros de Vida, S.A. [7]	Pº de la Castellana, nº 167, Madrid	Life Insurance	0.00%	30.35%	30.35%	783 854	77 360	706 494	21 636	15 151

(1) Financials at 30 September 2013. Company in liquidation.
(2) Company in liquidation.
(3) Financials at 30 April 2014. The result of line accrual society in the consolidated investment.
(4) Financials at 31 December 2013.
(5) Financials at 31 July 2014.
(6) Forecast the company to close 31 December 2013. Estimated Financials at 31 December 2014.
(7) Financials at 30 November 2014.
(8) Financials at 31 December 2014.
(9) Financials at 31 August 2013.
(10) Financials at 30 September 2003. Company in liquidation.
(11) Financials at 31 December 2011.
(12) Financials at 31 October 2014.
(13) Financials at 30 September 2014
(14) Financials at 30 November 2013.
(15) Financials at 28 February 2014.
(16) Financials at 31 August 2014.
(17) Financials at 30 November 2013.
(18) Financials at 31 March 2014.
(19) Financials not available.
(20) Estimated Financials at 31 December 2014.

UNICAJA BANCO, S.A. AND ITS SUBSIDIARIES
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APPENDIX IV
BANK ANNUAL REPORT FOR THE YEAR 2014

Information for compliance with Article 89 of European Parliament Directive 2013/36/EU and its transposition into Spanish Legislation through Law 10/2014

In accordance with the provisions of Article 9 of European Parliament and Council Directive 2013/36/EU (26 June 2013), relating to accessing credit institution activities and the prudent supervision of credit institutions and investment companies, and in accordance with the provisions of Article 7 of Law 10/2014 (26 June) on the organisation, supervision and solvency of credit institutions, which transposes this legislation into Spanish Law, the information relating to the annual bank report prepared by Unicaja Banco for the year ended 31 December 2014 is set out below.

	Business Volume (*) (thousand of euros)	Number of employees (**)	Gross income before taxes (thousand of euros)	Profit tax (thousand of euros)
Spain	1 345 689	8 480	471 631	47 496
Rest of European Union	591	15	2 793	14
Rest of world	-	-	-	-
Total	**1 346 280**	**8 495**	**474 424**	**47 510**

(*) It has been considered the gross consolidated income as business volume.
(**) Number of full-time equivalent employees, obtained from Company’s workforce of the Unicaja Bank Group, with activity in each judicature.

At 31 December 2014 the performance of the assets held by Unicaja Banco Group, calculated as the quotient of "consolidated profits for the year" in the consolidated income statement and "Total assets" in the consolidated balance sheet, is 0.7%.

Detailed information regarding the companies within the scope of consolidation of Unicaja Banco Group that operate in each jurisdiction, including their name, geographic location and the nature of their activity, is available in Appendices I-II-III of these notes to the annual accounts.

As may be observed in those appendices, practically all of the activity carried out by the Group takes place in Spain and in the financial sector, notably the retail banking activity carried out by the credit institutions Unicaja Banco, S.A. (Unicaja Banco) and Banco de Caja España de Inversiones, Salamanca y Soria, S.A. (Banco CEISS).

Unicaja Banco has not received any subsidies or public assistance. As is noted in Note 1.2 of the notes to the consolidated annual accounts, in 2014, Unicaja Banco Group acquired a 60.70% stake in the capital of Banco CEISS which, before becoming part of Unicaja Banco Group, issued Contingent Convertible Bonds that were fully subscribed by Fondo de Reestructuración Ordenada Bancaria (FROB) as a recapitalisation instrument (Note 16.5 of the notes to the consolidated annual accounts).

UNICAJA BANCO, S.A. AND ITS SUBSIDIARIES
(UNICAJA BANCO GROUP)

APPENDIX V

EFFECT OF CHANGE IN ACCOUNTING CRITERIA IN THE CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2013 AND 2012 AND FOR THE ACCOUNT OF CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

Consolidated Balance Sheet at 31 December 2013

			Thousand of euros
	2013 before the re-expression	**Effect change of the accounting method**	**2013 reexpressed**
Cash and Due from Central Banks	1 913 257	-	1 913 257
Trading Portfolio	291 771	-	291 771
Availabl-for-sale Financial Assets	2 566 037	-	2 566 037
Lending Investments	28 886 959	-	28 886 959
Held-to-maturity Investment Portfolio	4 242 658	-	4 242 658
Hedging Derivates	543 745	-	543 745
Non-current Assets held for sale	263 918	-	263 918
Shares	279 759	-	279 759
Insurance Contracts related to Pensions	132 097	-	132 097
Tangible Assets	753 691	-	753 691
Intangible Assets	3 689	-	3 689
Tax Assets	662 426	15 190	677 616
Rest of Assets	702 914	-	702 914
Total Assets	**41 242 921**	**15 190**	**41 258 111**
Trading Portfolio	11 981	-	11 981
Financial Liabilities at depreciated cost	38 542 300	50 634	38 592 934
Hedging Derivates	44 088	-	44 088
Insurance Contracts Liabilities	5 740	-	5 740
Provisions	345 181	-	345 181
Tax Liabilities	111 516	-	111 516
Rest of Liabilities	98 956	-	98 956
Total of Liabilities	**39 159 762**	**50 634**	**39 210 396**
Own Funds:	2 066 941	(35 444)	2 031 497
Capital or endowment fund	800 000	-	800 000
Share Premium	1 649 044	-	1 649 044
Reserves	(453 513)	(18 145)	(471 658)
Profits/Losses for the period	71 410	(17 299)	54 111
Valuation Adjustments	11 734	-	11 734
Minority Interestes	4 484	-	4 484
Total Equity	**2 083 159**	**(35 444)**	**2 047 715**
Total Liabilities and Equity	**41 242 921**	**15 190**	**41 258 111**
Contingent Risks	892 851	-	892 851
Contingent Commitments	3 450 329	-	3 450 329
Total off-balance-sheet	**4 343 180**	**-**	**4 343 180**

UNICAJA BANCO, S.A. AND ITS SUBSIDIARIES
(UNICAJA BANCO GROUP)

APPENDIX V

EFFECT OF CHANGE IN ACCOUNTING CRITERIA IN THE CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2013 AND 2012 AND FOR THE ACCOUNT OF CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

Profit and Loss Consolidated Account for Year 2013

	Thousand of euros		
	2013 before the re-expression	**Effect change of the accounting method**	**2013 reexpressed**
Interest received and similar income	1 103 267	-	1 103 267
Interest and similar charges	(491 201)	-	(491 201)
Interest Margin	**612 066**	**-**	**612 066**
Return on Equity Instruments	24 889	-	24 889
Share of Results of entities accounted for using the Equity Method	15 627	-	15 627
Commissions received	156 436	-	156 436
Commissions paid	(19 497)	-	(19 497)
Gains/Losses on Financial Assets and Liabilities (net)	241 406	-	241 406
Exchange differences (net)	(237)	-	(237)
Other Operating Income	68 705	-	68 705
Other Operating Charges	(57 738)	(24 713)	(82 451)
Gross Margin	**1 041 657**	**(24 713)**	**1 016 944**
Administration costs	(359 026)	-	(359 026)
Amortization	(34 792)	-	(34 792)
Contributions to Provisions (net)	(48 769)	-	(48 769)
Impairment Losses of Financial Assets (net)	(454 566)	-	(454 566)
Net Operating Income	**144 504**	**(24 713)**	**119 791**
Impairment Losses of the rest of Assets (net)	(61 852)	-	(61 852)
Gains (Losses) on disposal of Assets not classified as non-current Assets held for sale	205	-	205
Negative Goodwill on Business Combinations	-	-	-
Gains (Losses) on non-current Assets held for sale not classified as discontinued operations	(13 295)	-	(13 295)
Earning before taxes	**69 562**	**(24 713)**	**44 849**
Profit tax	2 157	7 414	9 571
Result for the year from ongoing operations	**71 719**	**(17 299)**	**54 420**
Result for the year from interrupted operations (net)	**-**	**-**	**-**
Profit or Loss for the period	**71 719**	**(17 299)**	**54 420**
Profit attributable to Parent Company	71 410	(17 299)	54 111
Profit attibutable to minority interests	309	-	309

UNICAJA BANCO, S.A. AND ITS SUBSIDIARIES
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APPENDIX V

EFFECT OF CHANGE IN ACCOUNTING CRITERIA IN THE CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2013 AND 2012 AND FOR THE ACCOUNT OF CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

Consolidated Balance Sheet at 31 December 2012

	Thousand of euros		
	2012 before the re-expression	**Effect change of the accounting method**	**2012 reexpressed**
Cash and Due from Central Banks	518 482	-	518 482
Trading Portfolio	124 633	-	124 633
Availabl-for-sale Financial Assets	2 745 958	-	2 745 958
Lending Investments	27 383 523	-	27 383 523
Held-to-maturity Investment Portfolio	6 325 981	-	6 325 981
Hedging Derivates	745 061	-	745 061
Non-current Assets held for sale	293 554	-	293 554
Shares	333 586	-	333 586
Insurance Contracts related to Pensions	119 358	-	119 358
Tangible Assets	778 020	-	778 020
Intangible Assets	3 105	-	3 105
Tax Assets	627 624	7 776	635 400
Rest of Assets	715 379	-	715 379
Total Assets	**40 714 264**	**7 776**	**40 722 040**
Trading Portfolio	7 580	-	7 580
Financial Liabilities at depreciated cost	37 927 878	25 921	37 953 799
Hedging Derivates	164 496	-	164 496
Insurance Contracts Liabilities	6 514	-	6 514
Provisions	335 274	-	335 274
Tax Liabilities	117 707	-	117 707
Rest of Liabilities	123 711	-	123 711
		-	
Total of Liabilities	**38 683 160**	**25 921**	**38 709 081**
Own Funds:	2 047 596	(18 145)	2 029 451
Capital or endowment fund	800 000	-	800 000
Share Premium	1 649 044	-	1 649 044
Reserves	175 805	(18 145)	157 660
Profits/Losses for the period	(577 253)	-	(577 253)
Valuation Adjustments	(19 188)	-	(19 188)
Minority Interestes	2 696	-	2 696
Total Equity	**2 031 104**	**(18 145)**	**2 012 959**
Total Liabilities and Equity	**40 714 264**	**7 776**	**40 722 040**
Contingent Risks	1 103 814	-	1 103 814
Contingent Commitments	3 333 850	-	3 333 850
Total off-balance-sheet	**4 437 664**	**-**	**4 437 664**

UNICAJA BANCO, S.A. AND ITS SUBSIDIARIES
(UNICAJA BANCO GROUP)

CONSOLIDATED DIRECTOR´S REPORT FOR THE YEAR 2014

On 28 March 2014 the acquisition of Banco CEISS by Unicaja Banco took affect and as from that time it entered into the Unicaja Banco Group scope of consolidation.

With the acquisition of Banco CEISS, Unicaja Banco Group closed its accounts in December 2014 with a balance sheet figure of €67,950 million, which makes it the seventh largest banking group in Spain. The Group has a total of 1,420 offices (4.5% of bank offices in Spain), and is an entity of reference in the national financial system with a leadership goal in Andalusia and Castilla y Leon, where it has 667 and 499 branch offices, respectively.

The acquisition of Banco CEISS took place under the condition of preserving the solvency and financial strength that has presided the management of Unicaja throughout its history and, in particular, over the past few years. Unicaja Banco Group remains one of the Spanish financial institutions with the highest capitalisation. At the end of 2014 total eligible equity exceeds €3,348 million, with a total capital ratio of 11%. Most capital and reserves fall into the top category, as reflected by the fact that the CET1 ratio, or the top tier capital ratio (11%), is practically equal to the total capital ratio. Capital and reserves therefore include surpluses totalling €923 million over the minimum legal total capital requirement (8.0%) and €1,970 million over CET1 (minimum requirement of 4.5%). The CET1 ratio (Fully Loaded) and the Capital ratio (Fully Loaded) are 10.3% and 10.7%, respectively, confirming the Group's good position with respect to solvency.

Unicaja Banco Group Equity	**Millions of euros**
CET1 (Common Equity Tier 1)	3 334
Percentage of RWAs	*11.0%*
Additional Level 1 Capital (including reductions)	14
Level 2 Capital (including reductions)	-
Total Computable Equity	**3 348**
Percentage of RWAs	*11.0%*
CET1 Ratio (Fully Loaded) (*)	*10.3%*
Capital Ratio (Fully Loaded) (*)	*10.7%*
Risk Weighted Assets (RWAs)	30 308

(*) Including contingent convertible Bonds issued by Banco CEISS and subscribed by FROB.

Unicaja Banco Group easily passed, even after computing the acquisition of Banco CEISS and without taking into consideration the synergies arising on the project, the comprehensive asset quality review (AQR) and the stress tests carried out during the second half of 2014 by the European Central Bank (ECB) in collaboration with the European Banking Authority (EBA), which again reveals the quality of its assets and solvency level and it remains one of the most solvent entities in the Spanish and European financial system.

The volume of resources under management by the Group at 31 December 2014 amounted to €61,484 million (with no measurement adjustments). This figure is a €25,791 million (72.3%) increase after the Group's new configuration, compared with that recognised at the end of 2013.

Administrated funds by Unicaja Bank Group (value adjustments not included)	December 2014	Compos.	December 2013	Abs. Variation	Relat. Variacion
					Millions of euros
Total Balance Resources	**50 546**	**82.2%**	**30 616**	**19 929**	**65.1%**
Deposits from customers	**48 084**	**78.2%**	**28 094**	**19 990**	**71.2%**
Government	**1 689**	**2.7%**	**1 108**	**581**	**52.5%**
Private Sector	**46 395**	**75.5%**	**26 986**	**19 409**	**71.9%**
Demand Deposits	17 220	28.0%	7 429	9 790	131.8%
Term Deposits	25 444	41.4%	13 753	11 691	85.0%
Temporary assignments of assets	3 731	6.1%	5 804	(2 073)	(35.7%)
Emissions	**2 462**	**4.0%**	**2 522**	**(61)**	**(2.4%)**
Notes	-	-	89	(89)	(100.0%)
Mortgage Securities	1 611	2.6%	2 342	(731)	(31.2%)
Other Values	212	0.3%	-	212	n.s.
Subordinate liabilities	639	1.0%	91	548	603.0%
Off-balance sheet	**10 938**	**17.8%**	**5 076**	**5 862**	**115.5%**
Total managed Resources	**61 484**	**100.0%**	**35 692**	**25 791**	**72.3%**
Of which:					
Customer funds (retailers)	48 732	79.3%	22 911	25 821	112.7%
Markets	12 752	20.7%	12 781	(29)	(0.2%)

Most of the resources under management consist of customer deposits (€48,084 million), of which €17,220 million are on-demand customer deposits in the private sector, €25,444 million are term deposits (including €8,735 million in unique mortgage bonds) and €3,731 million relate to assets sold under repurchase agreements. The resources managed through off-balance sheet instruments total €10,938 million, mainly consisting of customer resources captured through investment funds (€4,731 million), pension funds (€2,133 million) and savings insurance (€3,203 million). The balance of issues included in the aggregate of resources under management is only €2,462 million, basically consisting of issues of mortgage bonds held by third parties (€1,611 million) and convertible bonds in Banco CEISS subscribed by the FROB (€604 million).

Based on the source of the resources, 79.3% (€48,732 million) originates from the retail banking business while the remaining 20.7% (€12,752 million) originates from the funds captured in wholesale markets through issues or assets sold under repurchase agreements. Both Unicaja Banco and Banco CEISS recorded a net increase in customer resources during the year (€1,186 million and €295 million, respectively). In the case of Unicaja Banco, the recognised change is a confirmation of the growth trend that translates into a year-on-year variation of 5.1% at the end of December 2014. The increase arose through both the capture of private-sector deposits (4.3% year-on-year) and the increase in resources managed through off-balance sheet instruments (10.9% year-on-year). We note that there has been a change in the trend for Banco CEISS that has been observed over the past three quarters, during which customer resources increased by €596 million (+2.5%), which allowed it to exceed the balance with which it ended 2013.

Customer loans (with no measurement adjustments) total €38,157 million at the end of December 2014, and after the new corporate configuration this figure represents an increase totalling €14,980 million compared with the figure recognised by Unicaja Banco Group at the end of last year. The greatest weight within the credit portfolio consists of private sector loans secured by real guarantees, and with the €9,979 increase it represents 58.9% of total credit.

Customer Credit Unicaja Banco Group	December 2014	Compos.	December 2013	Abs. Variation	Relat. Variation
					Millions of euros
Public Administration	**2 032**	**5.3%**	**597**	**1 435**	**240.3%**
Private Sector	**36 125**	**94.7%**	**22 580**	**13 545**	**60.0%**
Commercial loans	193	0.5%	173	19	11.1%
Secured loans	22 480	58.9%	12 501	9 979	79.8%
Temporary purchase of assets	2 993	7.8%	3 616	(623)	(17.2%)
Other term debtors	4 329	11.3%	3 563	766	21.5%
Borrowers in sight and other	6 130	16.1%	2 727	3 403	124.8%
Total loans to customers excluding valuation adjustments	**38 157**	**100.0%**	**23 177**	**14 980**	**64.6%**
Impairment losses and other valuation adjustments	(3 074)		(1 410)	(1 664)	118.0%
Total loans to customers	**35 086**		**21 766**	**13 317**	**61.2%**

Compared with December 2013 there has been a notable reduction in the weight of real estate development loans, which fell from 11% of the total to 6%. Conversely, the weight of loans to individuals increased from 64% to 70% and, specifically, loans for the acquisition of homes (from 55% to 63%). The entry of Banco CEISS into the scope of consolidation contributes to this improvement of the composition of the credit risk, which took place once part of its real estate risks were transferred to the SAREB in February 2013.

Credit to the private sector as credit risk classification Unicaja Banco Group (*)	December 2014	Compos.	December 2013	Abs. Variation	Relat. Variation
					Millions of euros
Companies	**9 652**	**29.5%**	**6 856**	**2 797**	**40,8%**
Development and construction	1 919	5.9%	2 015	(96)	(4.8%)
Other companies	7 733	23.6%	4 841	2 893	59.8%
SMEs and the self	5 939	18.2%	3 073	2 866	93.3%
Corporations	1 238	3.8%	1 307	(69)	(5.2%)
Civil Works	556	1.7%	461	95	20.7%
Individuals	**23 060**	**70.5%**	**12 065**	**10 995**	**91.1%**
Dwelling	20 513	62.7%	10 488	10 025	95.6%
Rest	2 547	7.8%	1 577	970	61.5%
Credit to private sector	**32 712**	**100.0%**	**18 921**	**13 792**	**72.9%**

(*) Not including asset reverse repos arranged through counterparty entities, or other financial assets. Also excluding measurement adjustments.

In 2014 there has been a certain moderation in the total volume of credit that has characterised the Spanish economy over the past few years as a result of the deleveraging of companies and families. Although new production continues to be insufficient to offset the amortisation of existing credit, both Unicaja Banco and Banco CEISS observed an increase in the volume of new transactions compared with last year, and this increase foreshadows a future improvement in the total evolution of credit.

The entry of Banco CEISS into the scope of consolidation and the application of Unicaja Banco standards to the classification of its credit risks gave rise to an increase in the Group's non-performing loan level, and the aggregate non-performing ratio of Unicaja Banco and Banco CEISS is 12.2% at the end of December 2014, which may be considered to be in line with the sector. Unicaja Banco Group maintains a level of non-performing risk coverage totalling 63%, which is higher than the rest of the Spanish deposit-taking entities (56%).

In 2014 there has been further improvement in the risk profile in a normal situation. The balances classified as "without appreciable risk" and "low risk" (public sector, monetary and collateral loans secured by homes ended with an LTV ratio of less than 80%), which means that at the end of the year this figure was 84.3% of the total, 0.7% more than at the end of 2013.

Millions of euros

Classification of credit risk in normal situation	**2014**		**2013**			**Variation**
	Balance	**Struc. %**	**Balance**	**Struc. %**	**Balance**	**Struc. %**
Negligible risk (1)	26 520	49.4%	17 792	54.1%	8 728	(4.7%)
Low risk (2)	18 755	34.9%	9 695	29.5%	9 060	5.4%
Medium-low risk (3)	3 111	5.8%	1 677	5.1%	1 434	0.7%
Medium risk (4)	4 303	8.0%	2 664	8.1%	1 639	(0.1%)
Medium-high risk (5)	694	1.3%	917	2.5%	(134)	(1.2%)
High risk (6)	315	0.6%	226	0.7%	89	(0.1%)
Total risk in normal situation	**53 698**		**32 882**		**20 816**	

(1) Public sector and cash guarantee.
(2) Secured by finished housing with LTV below 80%.
(3) Other property guarantees.
(4) Personal guarantee, barring consumption, cards, overdrafts and over-limit balances.
(5) Consumer financing.
(6) Cards, overdrafts and over-limit balances.

The trend of strong growth in retail deposits and contraction of customer credit, together with the entry of Banco CEISS into the scope of consolidation (with a higher contribution of deposits than credit), reaffirms the reduction of the structural need for financing in markets by Unicaja Group. This reduction is reflected in the evolution of the LTD ("Loan to Deposit") ratio which was 83% at the end of December 2014.

Ratio evolution LTD of Unicaja Banco Group (*)	**Ratio %**
31 December 2012	122%
31 December 2013	101%
31 December 2014	83%

(*) LTD ratio: ratio of loans to deposits. Loans including measurement adjustments. Neither loans nor deposits include money market transactions through counterparty entities, or wholesale issues. Deposits include provisions for indirect subsidised financing.

At the same time, at the end of December 2014 Unicaja Banco Group records liquid assets that may be discounted at the European Central Bank (ECB), net of utilised assets, totalling €13,734 million, which is more than 20% of the total balance sheet figure. This important volume of liquid assets allows the coming maturity of issues on markets to be easily managed (€1,971 million in 2015), as well as the end of the long-term liquidity transactions with the European Central Bank (LTROs) in the coming months. Since the start of those transactions, Unicaja Banco and Banco CEISS have repaid more than €6,400 million, €4,840 million over the past twelve months.

	Millions of euros	
Unicaja Banco's discountable liquid assets	**2014**	**2013**
Liquid assets:		
Treasury surplus (*)	9	1 584
Discountable assets acquired under repo agreements	3 456	9 263
Fixed income portfolio and other assets discountable at European Central Bank	23 575	8 559
Total liquid assets (discount value at European Central Bank)	**27 040**	**19 406**
Liquid assets utilized:		
At European Central Bank	8 722	4 500
Assets sold under repurchase agreements	4 583	7 341
Total liquid assets utilized	**13 305**	**11 841**
Drawable discountable liquid assets	**13 734**	**7 565**
Percentage of total assets	**20.3%**	**18.2%**

(*) Includes interbank deposits and surplus balance in central banks.

		Millions of euros	
Matured markets for funding in 2015-2016	**Emissions**	**LTROs**	**Total**
Prospects for 2015	1 971	7 660	9 631
Prospects for 2016	2 096	-	2 096
Total	**4 067**	**7 660**	**11 727**

In 2014 Unicaja Banco Group recorded consolidated profits totalling €447.5 million, of which €372.5 million relate to "badwill" or the negative difference on consolidation that arose at the time Banco CEISS was acquired. Without including this item, profits after taxes would have been €75 million (€101.9 million before taxes), compared to the €54.4 million (€44.8 million before taxes) recognised in 2013 (*).

(*) Restated 2013 information for the purposes of comparison, resulting from the change in the accounting policy regarding the treatment of contributions to the Deposit Guarantee Fund (Note 1.5 of the notes to the consolidated accounts).

Cuenta de Resultados del Grupo Unicaja Banco (*)	December 2014	December 2013	Annual rate of change
			Millions of euros
Net Interest	**718,7**	**612,1**	**17.4%**
Net fees and commissions	227,2	136,9	65.9%
Dividends and other shares results	47,4	40,5	17.0%
Result from financial transactions and exchange differences	392,7	241,2	62.8%
Other products operating income / expenses	(39,8)	(13,7)	189.4%
Gross Margin	**1 346,3**	**1 016,9**	**32.4%**
Operating expenses	(628,1)	(393,8)	59.5%
Net operating income before loss provisions	**718,2**	**623,1**	**15.3%**
Provisions and other results	(616,2)	(578,3)	6.6%
Profit before tax without "badwill"	**102,0**	**44,8**	**127.3%**
Negative goodwill in business combinations	372,5	-	n.s.
Profit before tax	**474,4**	**44,8**	**957.8%**
Income tax	(47,5)	9,6	n.s.
Discontinued operations profit/loss	20,6	-	n.s.
Consolidated profit	**447,5**	**54,4**	**722.3%**

(*) The results at December 2014 include information for Banco CEISS since 28 March 2014. The information relating to 2013 has been reinstated for the purposes of comparison, resulting from the change in the accounting policy regarding the treatment of contributions to the Deposit Guarantee Fund (Note 1.5 of the notes to the consolidated accounts).

The growth in profits has rested on obtaining interest and fee income totalling €946 million, €197 million more than in 2013 and on obtaining €390 million in profits on financial transactions, resulting from the materialisation of part of the capital gains generated on the fixed-income portfolio over the past few months. The significant reduction in the average cost of financing and the policy of diversifying products and services that generate fee income contributed to the growth of income from customer business.

Quarterly Evolution of the average spread of the business with customers Unicaja Bank Group	Combination Pro-Forma Unicaja Banco and Banco CEISS				Unicaja Bank Group		
	2T 2013	**3T 2013**	**4T 2013**	**1T 2013**	**2T 2014**	**3T 2014**	**4T 2014**
Average yield credits to consumers	3.32%	3.27%	3.33%	3.28%	3.25%	3.24%	3.15%
Average cost of retail deposits	1.62%	1.53%	1.49%	1.41%	1.32%	1.24%	1.13%
Difference	**1.70%**	**1.74%**	**1.84%**	**1.87%**	**1.93%**	**1.99%**	**2.02%**

The aforementioned income figures, together with the results obtained on investments in shares (€48 million) and the net amount from other products/operating charges (€-40 million), gave rise to a gross margin of €1,346 million (32.4% more than that obtained by Unicaja Banco Group in 2013). In turn, operating expenses totalled €628 million with a year-on-year reduction of 8% applied to the aggregate for Unicaja Banco Group and Banco CEISS up to 2013, which makes the efficiency ratio (operating expenses as a percentage of gross margin) 46.7%. Within this reduction of operating expenses, the effort made by Banco CEISS in its restructuring process is notable and it achieved an 18.8% decline.

As a result of the aforementioned evolution, profits before write-downs total €718 million (15.3% higher than the figure obtained in December 2013).

The effort to write down risks that was made in preceding years (in addition to the fair value recognition of Banco CEISS' credit investments during the acquisition, which increased the impairment value corrections by €350 million), together with the rigidity that is taking place in the evolution of defaults, meant that in 2014 there has been a reduction in the figures applied to impairment losses which totals €435.8 million in 2014, €80.6 million less than in 2013 (15.6%). The effort regarding all write-downs was higher than in the preceding year due to the growth in allocations to provisions, which were affected by the early retirement plan applied by Banco Unicaja.

			Millions of euros
Detail of Regularizations and Other Results	**December 2014**	**December 2013**	**Variation**
Contributions to Provisions (net)	148.1	48.8	99.3
Impairment Losses (net)	435.8	516.4	(80.6)
Impairment losses of financial assets (net)	*355.8*	*454.6*	*(98.7)*
Impairment losses of non-financial assets (net)	*80.0*	*61.9*	*18.1*
Gains (Losses) on disposal of assets non classified as non-current assets held for sale	1.4	(0.2)	1.6
Gains (Losses) on disposal of assets non classified as discontinued operations	30.9	13.3	17.6
Total of Regularizations and Other Results	**616.2**	**578.3**	**37.9**

In 2014, the Unicaja Banco Group adopted several measures which consolidated and adapted best practices on internal and corporate governance in order to bring them into line with the new regulatory and supervisory framework.

In 2015 the Unicaja Banco Group expects customer deposits to sustain their significant growth rate upon completion of the majority of its deleveraging, as well as a slowdown in the number of rejected loans, increasing retail business revenue and, in short, earning capacity.

As a result of the restructuring work of recent years, which has made it possible to extend risk coverage to include estimated mortgage losses in adverse scenarios, and the estimated ongoing recovery in the Spanish economy, reflected by the marked change in the trend in foreclosed assets, a significant reduction in the need to restructure debt is predicted over the next few years.

A consolidated recovery in Spain provides the backdrop for the above scenario. The main analytical institutions have reached a consensus that estimates growth of over 2% in 2015, supported mainly by demand in Spain, an unemployment rate of around 23% by the end of 2015 and a moderate price increase in line with estimates for Europe.

Risk exposure framework

On 30 January 2015, the Board of Unicaja Banco approved the Unicaja Banco Group’s Risk Exposure Framework (“Risk Appetite Framework” or “RAF”). The Group will carry on its business within this framework.

The Risk Exposure Framework is a basic instrument which is used to implement the Bank's risk policy. It includes policies, processes, controls and systems to establish, report and monitor each form of risk exposure. The framework is the Group's general risk policy; it is the Bank's basic management tool used to formalise and update the integral framework that defines the risk which the Group is prepared to accept. It establishes several different metrics to quantify, control and monitor risk exposure. The metrics also make it possible to react in the face of certain levels or scenarios.

The approval and subsequent implementation of the Group's Risk Exposure Framework make it possible to:

- Explain the Group's risk objectives in line with corporate strategy, acting as a benchmark reference for the lines of business.
- Integrate all of the risk management processes in a common framework.
- Promote an internal culture of risk management.

The Unicaja Banco Group's business is focused mainly on business, retail and corporate banking, applying solid risk control and management standards. It finances lending mainly by using deposits banked by customers and issuing long-term deposits on wholesale markets. The main risks managed by the Group are credit risk and liquidity risk.

For the purpose of its strategic plan the Unicaja Banco Group's Risk Exposure Framework sets the level and type of risk exposure that it is prepared to accept, envisaging no significant changes at all even during stress testing. Unicaja Banco Group risk management aims to achieve a moderate risk profile through prudent management, a bespoke retail banking business model based on location, asset type, portfolio and client and sustainable growth over time.

The Risk Exposure Model of the Unicaja Banco Group is considered the result of the work of all of its subsidiaries and Banco CEISS in particular, due to the relevance and importance of the model in terms of the Group's solvency, by setting specific limits on solvency and references on which to base independent management. Historically, Unicaja has been characterised by the implementation and effective assumption of a prudential risk management culture. With respect to the consolidation of Banco CEISS, Unicaja Banco Group will continue to make its culture of prudence a priority across the Group as a whole.

Global risk control

The Group applies rigorous measures to maintain a permanent, prudent and balanced risk profile so as to preserve its solvency, profitability and liquidity. The Group's integrated risk management model allows service quality to be assured during the application of the lending policy and in all investment lines.

25 April 2014 the Risk Committee was created with the authority to advise the Bank's Board Directors regarding the current and future overall risk scenario at the Entity and its strategy in this area, to assist the Board in monitoring the application of that strategy by Senior Management and to examine whether the prices of assets and liabilities offered to customers fully take into account the business and risk strategy model at the Entity. The amendment of the bylaws of Unicaja Banco that was approved by shareholders at a General Meeting on 30 September 2014 brought the Risk Committee into the highest level of management.
The Group continues to improve and upgrade the systems used in the management of general credit or counterparty risk, market risk, operational risk, interest rate risk and liquidity risk.

Unicaja Banco Group implements individual actions and participates in sector Global Risk Control projects led by the Spanish Confederation of Savings Banks in order to enhance the procedures, systems and methodologies necessary to manage the different types of risks to which the Entity is exposed on an integrated and effective basis.

Having regard to credit risk, the Group has implemented scoring systems for certain products (private individuals, consumption, mortgages and credit cards), allowing the automatic approval of loans up to certain amounts for the retail segment and providing support for decision-taking by the risk analyst.
With respect to market risk, i.e. the risk of a change in value of financial assets or liabilities held for trading due to adverse movements in market prices or price volatility, Unicaja Banco Group uses tools to measure and control market risk, as well as permanent and systematic controls over transactions that are particularly complex from an operational and accounting viewpoint.

Unicaja Banco Group has integrated operational risk management, i.e. the risk of loss resulting from the inadequacy of or failure in processes, personnel or internal systems, or from external events, in its risk control policy and has rolled out the relevant procedures across all areas of the organisation.

Global interest risk arises from the temporary mismatch of asset and liability maturities and interest rate reviews. It may be measured in terms of the impact that a certain change in market rates would have on the entity's net interest income in a given period. Structural interest rate risk is actively managed and permanently controlled by the Assets, Liabilities and Budgeting Committee (ALCO).

Unicaja Banco Group also assesses and manages liquidity risk from both a current or short-term viewpoint (controlling daily liquidity needs to cover deposit maturities and customer credit demands) and from a structural viewpoint, entailing the evaluation of the possible need for capital market financing in the medium and long term in order to maintain the planned rate of business growth.

Subsequent events

On 30 January 2015 the Boards of Directors of Unicaja Banco, S.A. and Banco de Caja España de Inversiones, Salamanca y Soria, S.A. (Banco CEISS) approved an agreement under which Unicaja Banco acquired from Banco CEISS a line of business consisting of 30 operating offices and bank branches located outside the primary territory of Banco CEISS, specifically in Andalucía, Castilla-La Mancha, Badajoz and Ceuta, which is the primary geographic area in which Unicaja Banco operates.

The effectiveness of the transfer is subject to a condition subsequent consisting of obtaining approval from the competent regulatory and supervisory authorities.

The price of the transaction is the market value of the line of business at the time the transaction was concluded and it will finally be determined after obtaining the relevant authorisation.

At the date this Consolidated Directors' Report was prepared the required approval from the regulatory and supervisory authorities had not yet been obtained.

On 26 February 2015 Bench One of the Supreme Court announced the publication of a judgment relating to the interest rate floor clauses for mortgage loans. The Court did not question the validity of those clauses but stated that they were incorrectly marketed in the cases it analysed and declared those clauses to be null and void due to a lack of transparency. It also concluded that the reimbursement of amounts to customers was necessary starting on the date on which the judgment was published but it did not apply retroactive policies.

During the period between the end of the year on 31 December 2014 and the date these director's report were prepared, no event of special relevance has taken place that has not been mentioned in the notes to the annual accounts.

Research & Development

The Entity did not engage in significant research and development activities during 2014 and 2013.

Environmental impact

The Group's overall transactions are governed by the Laws on environmental protection (Environmental Laws). The Parent Entity believes that it substantially complies with such legislation and it implements procedures to ensure and promote compliance.

The Parent Entity has adopted the relevant measures to protect and improve the environment and to minimize its environmental impact and complies with relevant legislation. The Group did not make significant environmental investments in 2014 and 2013, nor did it consider it necessary to record any provision for environmental risks and charges, and does not consider that there are significant contingencies relating to environmental protection and enhancement.

Deferral of payments to suppliers

The payments made by Unicaja Banco Group to suppliers only rendering services and sundry services in 2014 totalled €323,388 thousand (€101,120 thousand in 2013), which were made within the deadlines established by law and by contract. The amount pending payment to suppliers at 31 December 2014 and 2013 is not significant and have been outstanding for a period less than that established by Law 15/2010.

The deferral of payments to Group suppliers are within the legal limits established by legislation and therefore including the measures established in Article 262.1 of the Spanish Companies Act 2010 in the Directors' Report is not necessary.

Treasury shares

At 31 December 2014 the Bank did not hold any treasury shares. During 2014 no operations were carried out involving treasury shares.

However, during 2014 Unicaja Banco acquired other treasury equity instruments for an aggregate amount of €14 thousand, of which €7 thousand relate to Mandatory and Contingent Convertible Bonds (NeCoCos) and €7 thousand to Perpetual Contingent Convertible Bonds (PeCoCos). All of these instruments were acquired during the first half of 2014 and there were no treasury securities at 31 December 2014.

Annual Corporate Governance Report

Below is attached the Annual Corporate Governance Report of Unicaja Banco, S.A. for the year ended 31 December 2014, as an integral part of this consolidated management report.