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Consolidated Annual Accounts and Management Report of the SegurCaixa Holding Group

SegurCaixa Holding
Insurance Group

AUDITOR'S REPORT

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Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain. In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
SegurCaixa Holding, S.A. (formerly Caifor, S.A.):

We have audited the consolidated financial statements of SegurCaixa Holding, S.A. (formerly Caifor, S.A.) and Subsidiaries (the Group) comprising the consolidated balance sheet at 31 December 2008 and the related consolidated income statement, consolidated cash flow statement, consolidated statement of changes in equity and notes to the consolidated financial statements for the year then ended. The preparation of these consolidated financial statements is the responsibility of the Parent's directors. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with generally accepted auditing standards in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of their presentation, of the accounting policies applied and of the estimates made.

The accompanying consolidated financial statements for 2008 were prepared by the Group in accordance with International Financial Reporting Standards as adopted by the European Union, which require, in general, that consolidated financial statements present comparative information. In this regard, as required by Spanish corporate and commercial law, for comparison purposes the directors of SegurCaixa Holding, S.A. present, in addition to the figures for 2008 for each item in the consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and notes to the consolidated financial statements, the figures for 2007. Our opinion refers only to the consolidated financial statements for 2008. On 4 April 2008, we issued our auditors' report on the 2007 consolidated financial statements, in which we expressed an unqualified opinion.

In our opinion, the accompanying consolidated financial statements for 2008 present fairly, in all material respects, the consolidated equity and consolidated financial position of SegurCaixa Holding, S.A. and Subsidiaries at 31 December 2008 and the consolidated results of their operations, the changes in the consolidated equity and their consolidated cash flows for the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with International Financial Reporting Standards as adopted by the European Union applied on a basis consistent with that of the preceding year.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, folio 188, sección 8, hoja, M-54414, inscripción 96, C.I.F.: B-79104469. Domicilio Social: Plaza Pablo Ruiz Picasso, 1 - Torre Picasso, 28020 Madrid.

Member of
Deloitte Touche Tohmatsu

The accompanying consolidated directors' report for 2008 contains the explanations which the Parent's directors consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2008. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of SegurCaixa Holding, S.A. and Subsidiaries.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Miguel Antonio Pérez

2 April 2009

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SEGURCAIXA HOLDING, S.A. AND SUBSIDIARIES
(SegurCaixa Holding Group)

Consolidated balance sheets

ASSETS (Thousands of euros)	**2008**	**2007 (*)**
CASH AND OTHER EQUIVALENT LIQUID ASSETS	**5,039,026**	**2,490,203**
FINANCIAL ASSETS HELD FOR TRADING	**25,585**	
FINANCIAL ASSETS AT REASONABLE VALUE WITH CHANGES REGISTERED IN THE PROFIT AND LOSS ACCOUNT	**169,523**	**253,619**
Debt securities		
Investment on behalf of life insurance policyholders who assume the risk of the investment	169,523	253,619
Loans		
Deposits in credit entities		
FINANCIAL ASSETS AVAILABLE FOR SALE	**17,206,983**	**16,664,670**
Equity instruments	44,449	77,823
Debt securities	17,162,534	16,586,847
Loans		–
Deposits in credit entities		
Others		
LOANS AND PAYMENTS RECEIVABLE	**344,915**	**369,831**
Loans	142,405	187,105
Receivable items	202,510	182,726
HELD-TO-MATURITY INVESTMENTS		
HEDGING DERIVATIVES		
SHARE OR REINSURANCE IN TECHNICAL RESERVES	**34,372**	**48,588**
TANGIBLE ASSETS AND PROPERTY INVESTMENTS	**13,631**	**13,703**
Tangible assets	11,514	11,583
Property investments	2,117	2,120
INTANGIBLE ASSETS	**109,701**	**95,359**
Goodwill	47,700	44,293
Portfolio acquisition expenses		
Other intangible fixed assets	62,001	51,066
HOLDINGS IN COMPANIES VALUED BY THE EQUITY METHOD		
TAX ASSETS	**72,344**	**51,474**
Current tax assets	23,201	1,461
Deferred tax assets	49,143	50,013
OTHER ASSETS	**20,155**	**14,472**
HELD FOR SALE ASSETS		**1,545**
TOTAL ASSETS	**23,036,234**	**20,003,464**

(*) Presented solely and exclusively for purposes of comparison. See Note 2-d) of the Report.
Notes 1 to 22 in the accompanying Report and Annex I form an integral part of the consolidated balance sheet at 31 December, 2008.

EQUITY AND LIABILITIES (Thousands of euros)	2008	2007 (*)
TOTAL LIABILITIES	**22,528,445**	**19,539,144**
FINANCIAL LIABILITIES HELD FOR TRADING		
OTHER FINANCIAL LIABILITIES AT REASONABLE VALUE WITH CHANGES IN THE PROFIT AND LOSS ACCOUNT		
DEBTS AND PAYABLE ITEMS	**5,325,634**	**2,498,739**
Subordinated liabilities	290,613	289,204
Sundry debts	5,035,021	2,209,535
HEDGING DERIVATIVES		
TECHNICAL RESERVES	**17,079,160**	**16,915,221**
For unearned premiums	126,292	108,787
For unconsumed premiums		–
For life insurance	16,602,650	16,465,418
Reserve for unconsumed and unearned premiums		
Mathematical reserve	16,418,740	16,193,571
Reserve for life insurance when the policyholder assumes the investment risk	183,910	271,847
For claims	287,594	294,863
For share in profits and returns	62,623	46,153
Other technical reserves		
NON-TECHNICAL RESERVES	**1,648**	**639**
TAX LIABILITIES	**71,034**	**87,626**
Current tax liabilities	22,929	50,873
Deferred tax liabilities	48,105	36,753
OTHER LIABILITIES	**50,970**	**36,919**
LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE		
TOTAL EQUITY	**507,789**	**464,320**
CAPITAL AND RESERVES		
CAPITAL	**256,267**	**256,267**
Subscribed share capital	256,267	256,267
Less: Uncalled share capital		–
ISSUE PREMIUM		–
RESERVES	**136,305**	**119,561**
***LESS*: SHARES AND HOLDINGS IN OWN EQUITY**		
RESULTS OF PREVIOUS FINANCIAL YEARS		
OTHER SHAREHOLDER CONTRIBUTIONS		
FINANCIAL YEAR RESULT ATTRIBUTABLE TO THE PARENT COMPANY	**159,176**	**128,568**
Consolidated Losses and Profits	191,923	160,418
Losses and Profits attributable to minority interests	(32,747)	(31,850)
***LESS*: INTERIM DIVIDEND**	**(121,000)**	**(113,000)**
OTHER SHAREHOLDER'S EQUITY INSTRUMENTS		
ADJUSTMENTS THROUGH CHANGES IN VALUE	**4,583**	**7,065**
FINANCIAL ASSETS AVAILABLE FOR SALE	**4,583**	**7,065**
HEDGING OPERATIONS		
EXCHANGE RATE DIFFERENCES		
CORRECTIONS OF ACCOUNTING MISMATCHES		
COMPANIES VALUED BY THE EQUITY METHOD		
OTHER ADJUSTMENTS		
CAPITAL AND RESERVES ATTRIBUTABLE TO THE PARENT COMPANY	**435,331**	**398,461**
MINORITY INTERESTS	**72,458**	**65,859**
ADJUSTMENTS THROUGH CHANGES IN VALUE		
OTHER	**72,458**	**65,859**
TOTAL EQUITY AND LIABILITIES	**23,036,234**	**20,003,464**

(*) Presented solely and exclusively for purposes of comparison. See Note 2-d) of the Report.
Notes 1 to 22 in the accompanying Report and Annex I form an integral part of the consolidated balance sheet at 31 December, 2008.

SEGURCAIXA HOLDING, S.A. AND SUBSIDIARIES
(SegurCaixa Holding Group)

Consolidated profit and loss account

(Thousands of euros)	Financial year 2008	Financial year 2007 (*)
Premiums applied to the financial year, net of reinsurance	270,855	224,903
Tangible fixed asset and investment revenue	8,540	9,985
Other technical revenue	–	–
Losses incurred in the period, net of reinsurance	(158,143)	(125,199)
Change in other technical reserves, net of reinsurance	–	–
Profit-sharing and returns	(14,571)	(10,311)
Net operating expenses	(45,974)	(37,910)
Other technical expenses	(5,100)	(3,811)
Tangible fixed asset and investment expenses	(2,522)	(2,622)
NON-LIFE INSURANCE EARNINGS	**53,085**	**55,035**
Premiums applied to financial year, net of reinsurance	1,721,181	1,383,428
Tangible fixed asset and investment revenue	1,850,279	1,679,603
Income from investments subject to insurance in which the policyholder assumes the risk of the investment	110,549	2,653
Other technical revenue	–	–
Losses incurred in the period, net of reinsurance	(2,209,088)	(2,200,809)
Change in other technical reserves, net of reinsurance	24,145	267,326
Profit-sharing and returns	(41,575)	(28,505)
Net operating expenses	(100,443)	(83,217)
Other technical expenses	(4,665)	(4,426)
Tangible fixed asset and investment expenses	(1,041,118)	(868,483)
Expenses of investments subject to insurance in which the policyholder assumes the risk of the investment	(139,977)	(6,705)
LIFE INSURANCE EARNINGS	**169,290**	**140,865**
EARNINGS FROM OTHER ACTIVITIES	**50,017**	**44,725**
Tangible fixed asset and investment revenue	117,371	35,100
Negative consolidation difference		
Tangible fixed asset and investment expenses	(97,814)	(16,347)
Other revenues	88,372	88,831
Other expenses	(57,912)	(62,859)
EARNINGS BEFORE TAX	**272,391**	**240,625**
Tax on profit	(80,468)	(80,207)
FINANCIAL YEAR EARNINGS FROM CONTINUED OPERATIONS	**191,923**	**160,418**
Financial year earnings from uninterrupted operations net of tax		
FINANCIAL YEAR CONSOLIDATED EARNINGS	**191,923**	**160,418**
Earnings attributable to the parent company	159,176	128,568
Earnings attributable to minority interests	32,747	31,850

(Amount in euros)	Financial year 2008	Financial year 2007 (*)
PER SHARE PROFIT		
Basic and diluted per share profit	4.11	3.76

(*) Presented solely and exclusively for purposes of comparison. See Note 2-d) of selected explanatory notes.
Notes 1 to 22 described in the accompanying report form an integral part of the consolidated Profit and Loss Account corresponding to 2008.

8. Consolidated Annual Accounts and Management Report of the SegurCaixa Holding Group

SEGURCAIXA HOLDING, S.A. AND SUBSIDIARIES
(SegurCaixa Holding Group)

Consolidated balance sheets by segments at 31 december, 2008

ASSETS (Thousands of euros)	Non-life Segment	Life Segment	Others Segment	Total
CASH AND EQUIVALENT LIQUID ASSETS	**18,050**	**5,018,105**	**2,870**	**5,039,026**
FINANCIAL ASSETS MAINTAINED FOR NEGOTIATION	**2,077**	**23,508**	–	**25,585**
FINANCIAL ASSETS AT THE REASONABLE VALUE WITH CHANGES REGISTERED IN THE PROFIT AND LOSS ACCOUNT	–	**169,523**	–	**169,523**
FINANCIAL ASSETS AVAILABLE FOR SALE	**259,940**	**16,946,763**	**280**	**17,206,983**
LOANS AND PAYMENTS RECEIVABLE	**41,067**	**294,407**	**9,441**	**344,915**
Loans	178	141,853	374	142,405
Payments receivable	40,889	152,554	9,067	202,510
INVESTMENTS HELD TO MATURITY	–	–	–	–
HEDGING DERIVATIVES	–	–	–	–
REINSURANCE HOLDING IN THE TECHNICAL RESERVES	**26,466**	**7,906**	–	**34,372**
TANGIBLE FIXED ASSETS AND PROPERTY INVESTMENTS	**360**	**12,704**	**566**	**13,631**
Tangible fixed assets	360	10,588	566	11,514
Property investments		2,117	–	2,117
INTANGIBLE FIXED ASSETS	**734**	**108,746**	**221**	**109,701**
Goodwill		47,700	–	47,700
Portfolio acquisition expenses	–	–	–	–
Other intangible fixed assets	734	61,046	221	62,001
HOLDINGS IN COMPANIES VALUED BY THE EQUITY METHOD	–	–	–	–
TAX ASSETS	–	**72,344**	–	**72,344**
Current tax assets	–	23,201	–	23,201
Assets through deferred tax	–	49,143	–	49,143
OTHER ASSETS	**15,455**	**4,700**	–	**20,155**
ASSETS HELD FOR SALE	–		–	–
TOTAL ASSETS	**364,149**	**22,658,707**	**13,379**	**23,036,234**

(*) Presented solely and exclusively for purposes of comparison. See Note 2-d) of the Report.

EQUITY AND LIABILITIES (Thousands of euros)	Non-life Segment	Life Segment	Others Segment	Total
TOTAL LIABILITIES	**300,440**	**22,224,000**	**4,005**	**22,528,445**
FINANCIAL LIABILITIES HELD FOR TRADING	–	–	–	–
OTHER FINANCIAL LIABILITIES AT REASONABLE VALUE WITH CHANGES IN THE PROFIT AND LOSS ACCOUNT	–	–	–	–
DEBTS AND PAYABLE ITEMS	38,073	5,283,839	3,722	5,325,634
HEDGING DERIVATIVES	–	–	–	–
TECHNICAL RESERVES	253,497	16,825,663	–	17,079,160
NON-TECHNICAL RESERVES	1,648	–	–	1,648
TAX LIABILITIES	–	71,034	–	71,034
OTHER LIABILITIES	7,223	43,464	283	50,970
LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE	–	–	–	–
TOTAL EQUITY	**63,708**	**434,707**	**9,374**	**507,789**
CAPITAL AND RESERVES				
CAPITAL	18,100	237,506	661	256,267
Subscribed share capital	18,100	237,506	661	256,267
Less: Uncalled share capital	–	–	–	–
ISSUE PREMIUM	–	–	–	–
RESERVES	31,610	99,374	5,321	136,305
LESS: SHARES AND HOLDINGS IN OWN EQUITY	–	–	–	–
EARNINGS IN PREVIOUS FINANCIAL YEARS	–	–	–	–
OTHER SHAREHOLDER CONTRIBUTIONS	–	–	–	–
FINANCIAL YEAR EARNINGS ATTRIBUTABLE TO THE PARENT COMPANY	37,159	87,005	35,012	159,176
Consolidated Losses and Profits	37,159	119,752	35,012	191,923
Losses and Profits attributable to minority interests	–	(32,747)	–	(32,747)
LESS: INTERIM DIVIDEND	(25,400)	(63,980)	(31,620)	(121,000)
OTHER EQUITY INSTRUMENTS	–	–		–
ADJUSTMENTS THROUGH CHANGES IN VALUE				
FINANCIAL ASSETS AVAILABLE FOR SALE	2,239	2,344	–	4,583
HEDGING OPERATIONS	–	–	–	–
EXCHANGE RATE DIFFERENCES	–	–	–	–
CORRECTIONS OF ACCOUNTING MISMATCHES	–	–	–	–
COMPANIES VALUED BY THE EQUITY METHOD	–	–	–	–
OTHER ADJUSTMENTS	–	–	–	–
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY	63,708	362,249	9,374	435,331
MINORITY INTERESTS		72,458	–	72,458
TOTAL EQUITY AND LIABILITIES	364,149	22,658,706	13,379	23,036,234

(*) Presented solely and exclusively for purposes of comparison. See Note 2-d) of the Report.

SEGURCAIXA HOLDING, S.A. AND SUBSIDIARIES
(SegurCaixa Holding Group)

Consolidated balance sheets by segments at 31 December, 2007

ASSETS (Thousands of euros)	Non-life Segment	Life Segment	Others Segment	Total
CASH AND EQUIVALENT LIQUID ASSETS	**16,947**	**2,469,384**	**3,872**	**2,490,203**
FINANCIAL ASSETS HELD FOR TRADING	–	–	–	–
FINANCIAL ASSETS AT THE REASONABLE VALUE WITH CHANGES REGISTERED IN THE PROFIT AND LOSS ACCOUNT	–	**253,619**	–	**253,619**
FINANCIAL ASSETS AVAILABLE FOR SALE	**225,122**	**16,436,183**	**3,365**	**16,664,670**
LOANS AND PAYMENTS RECEIVABLE	**34,699**	**330,206**	**6,387**	**371,292**
Loans	197	186,450	458	187,105
Payments receivable	34,502	143,756	5,929	184,187
INVESTMENTS HELD TO MATURITY	–	–	–	–
HEDGING DERIVATIVES	–	–	–	–
REINSURANCE HOLDING IN THE TECHNICAL RESERVES	**26,105**	**22,483**	–	**48,588**
TANGIBLE FIXED ASSETS AND PROPERTY INVESTMENTS	**2,016**	**11,148**	**539**	**13,703**
Tangible fixed assets	343	3,212	504	4,059
Property investments	1,673	7,936	35	9,644
INTANGIBLE FIXED ASSETS	**853**	**94,271**	**235**	**95,359**
Goodwill	–	63,052	–	63,052
Portfolio acquisition expenses	–	–	–	–
Other intangible fixed assets	853	31,219	235	32,307
HOLDINGS IN COMPANIES VALUED BY THE EQUITY METHOD	–	–	–	–
TAX ASSETS	–	**50,013**	–	**50,013**
Current tax assets	–	–	–	–
Deferred tax assets	–	50,013	–	50,013
OTHER ASSETS	**10,232**	**4,240**	–	**14,472**
ASSETS HELD FOR SALE	–	**1,545**	–	**1,545**
TOTAL ASSETS	**315,974**	**19,673,092**	**14,398**	**20,003,464**

(*) Presented solely and exclusively for purposes of comparison. See Note 2-d) of the Report.

EQUITY AND LIABILITIES (Thousands of euros)	Non-life Segment	Life Segment	Others Segment	Total
TOTAL LIABILITIES	**263,330**	**19,268,484**	**7,330**	**19,539,144**
FINANCIAL LIABILITIES HELD FOR NEGOTIATION	–	–	–	–
OTHER FINANCIAL LIABILITIES AT REASONABLE VALUE WITH CHANGES IN THE PROFIT AND LOSS ACCOUNT	–	–	–	–
DEBTS AND PAYABLE ITEMS	34,789	2,507,911	6,912	2,549,612
HEDGING DERIVATIVES	–	–	–	–
TECHNICAL RESERVES	222,308	16,692,913	–	16,915,221
NON-TECHNICAL RESERVES	624	15	–	639
TAX LIABILITIES	–	36,753	–	36,753
OTHER LIABILITIES	5,609	30,892	418	36,919
LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE	–	–	–	–
TOTAL EQUITY	**52,644**	**404,608**	**7,068**	**464,320**
CAPITAL AND RESERVES				
CAPITAL	18,100	237,506	661	256,267
Subscribed share capital	18,100	237,506	661	256,267
Less: Uncalled share capital	–	–	–	–
ISSUE PREMIUM	–	–	–	–
RESERVES	29,885	86,162	3,514	119,561
LESS: SHARES AND HOLDINGS IN OWN EQUITY	–	–	–	–
EARNINGS IN PREVIOUS FINANCIAL YEARS	–	–	–	–
OTHER SHAREHOLDER CONTRIBUTIONS	–	–	–	–
FINANCIAL YEAR EARNINGS ATTRIBUTABLE TO THE PARENT COMPANY	29,405	75,267	23,896	128,568
Consolidated Losses and Profits	36,690	93,912	29,816	160,418
Losses and Profits attributable to minority interests	(7,285)	(18,645)	(5,920)	(31,850)
LESS: INTERIM DIVIDEND	(25,845)	(66,152)	(21,003)	(113,000)
OTHER EQUITY INSTRUMENTS	–	–	–	–
ADJUSTMENTS THROUGH CHANGES IN VALUE				
FINANCIAL ASSETS AVAILABLE FOR SALE	1,099	5,966	–	7,065
HEDGING OPERATIONS	–	–	–	–
EXCHANGE RATE DIFFERENCES	–	–	–	–
CORRECTIONS OF ACCOUNTING MISMATCHES	–	–	–	–
COMPANIES VALUED BY THE EQUITY METHOD	–	–	–	–
OTHER ADJUSTMENTS	–	–		
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY	52,644	338,749	7,068	398,461
MINORITY INTERESTS	–	65,859	–	65,859
TOTAL EQUITY AND LIABILITIES	315,974	19,673,092	14,398	20,003,464

(*) Presented solely and exclusively for purposes of comparison. See Note 2-d) of the Report.

SEGURCAIXAHOLDING, S.A. AND SUBSIDIARIES
(SegurCaixa Holding Group)

Statement of changes in consolidated equity

(Thousands of euros)	Equity attributable to the controlling company		
	Capital and reserves		
	Capital or mutual fund	Issue premium and Reserves	Shares and holdings in own assets
Initial Balance at 1 January, 2007	**188,767**	**106,423**	
Adjustments for changes in accounting principles	–	–	–
Adjustments for errors	–	–	–
Adjusted Initial Balance	**188,767**	**106,423**	**–**
I. Total Income/(Expenses) recognised in financial year 2007	**–**	**–**	**–**
II. Operations with shareholders or owners	**67,500**	**–**	**–**
Capital Increases/(Reductions)	–	–	–
Conversion of financial liabilities into equity	–	–	–
Distribution of dividends	–	–	–
Operations with shares or holdings in own equity (net)	–	–	–
Increases/(Reductions) through business combinations	–	–	–
Other operations with shareholders or owners	67,500	–	–
III. Other equity variations	**–**	**13,138**	**–**
Payments based on equity instruments	–	–	–
Transfers between equity items	–	15,093	–
Other variations	–	(1,955)	–
Balance at 31 December 2007	**256,267**	**119,561**	**–**
Adjustments for changes in accounting principles	–	–	–
Adjustments for errors	–	–	–
Adjusted Initial Balance	–	–	–
I. Total Revenue/(Expenses) recognised in financial year 2008	**–**	**–**	**–**
II. Operations with shareholders or owners	–	–	–
Capital Increases/(Reductions)	–	–	–
Conversion of financial liabilities into equity	–	–	–
Distribution of dividends	–	–	–
Operations with shares or holdings in own equity (net)	–	–	–
Increases/(Reductions) through business combinations	–	–	–
Other operations with shareholders or owners	–	–	–
III. Other equity variations	**–**	**16,744**	**–**
Payments based on equity instruments	–	–	–
Transfers between equity items	–	13,600	–
Other variations	–	3,144	–
Balance at 31 December 2008	**256,267**	**136,305**	**–**

Notes 1 to 21 in the attached report and in Annexes I and II form an integral part of the Statement of Changes in the Net Assets at 31 December, 2008.

Equity attributable to the controlling company					
Capital and reserves					
Financial earnings attributed to the controlling company	(Interim dividends)	Other net asset instruments	Adjustments for changes in value	Minority interests	Total Equity
102,831	**(87,000)**		**10,323**	**71,902**	**393,246INI**
–	–	–	–	–	–
–	–	–	–	–	–
102,831	**(87,000)**	–	**10,323**	**71,902**	**393,246**
128,568	**–**	–	**(3,258)**	**30,880**	**156,190**
–	**(113,000)**	**–**	**–**	**(8,135)**	**(53,635)**
–	–	–	–	–	–
–	–	–	–	–	–
–	(113,000)	–	–	–	(113,000)
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	(8,135)	59,365
(102,831)	**87,000**	–	**–**	**(28,788)**	**(31,481)**
–	–	–	–	–	–
(102,831)	87,000	–	–	(28,733)	(29,471)
–	–	–	–	(55)	(2,010)
128,568	**(113,000)**	–	**7,065**	**65,859**	**464,320**
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
159,176	–	–	**(2,482)**	**31,722**	**188,416**
–	**(121,000)**	**–**	**–**	–	**(121,000)**
–	–	–	–	–	–
–	–	–	–	–	–
–	(121,000)	–	–	–	(121,000)
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
(128,568)	**113,000**	–	**–**	**(25,123)**	**(23,947)**
	–	–	–	–	–
(128,568)	113,000	–	–	(25,400)	(27,368)
	–	–	–	277	3,421
159,176	**(121,000)**	–	**4,583**	**72,458**	**507,789**

SEGURCAIXA HOLDING, S.A. AND SUBSIDIARIES
(SegurCaixa Holding Group)

Statement of recognised income and expenses

(Thousands of euros)	2008	2007 (*)
A) CONSOLIDATED RESULT OF THE FINANCIAL YEAR	**191,923**	**160,418**
B) OTHER RECOGNISED INCOME/(EXPENSES)	**(3,506)**	**(4,228)**
Financial assets available for sale:	**108,258**	**(757,624)**
Profit/(Loss) through valuation	108,258	(757,624)
Sums transferred to the profit and loss account	–	–
Other reclassifications	–	–
Cash-flow hedges:	–	–
Profit/(Loss) through valuation	–	–
Sums transferred to the profit and loss account	–	–
Sums transferred to initial value of items covered	–	–
Other reclassifications	–	–
Coverage of net investments in businesses overseas:	–	–
Profit/(Loss) through valuation	–	–
Sums transferred to the profit and loss account	–	–
Other reclassifications	–	–
Exchange rate differences:	–	–
Profit/(Loss) through valuation	–	–
Sums transferred to the profit and loss account	–	–
Other reclassifications	–	–
Corrections of accounting mismatches:	**(111,764)**	**753,396**
Profit/(Loss) through valuation	(111,764)	753,396
Sums transferred to the profit and loss account	–	–
Other reclassifications	–	–
Assets held for sale:	–	–
Profit/(Loss) through valuation	–	–
Sums transferred to the profit and loss account	–	–
Other reclassifications	–	–
Actuarial Profit/(Loss) through long-term remuneration to personnel	–	–
Companies valued by the equity method:	–	–
Profit/(Loss) through valuation	–	–
Sums transferred to the profit and loss account	–	–
Other reclassifications	–	–
Other recognised income and expenses	–	–
Profits tax	–	–
TOTAL RECOGNISED INCOME/(EXPENSES) (A+B)	**188,417**	**156,190**
a) Attributable to parent company	156,695	125,310
b) Attributable to minority interests	31,722	30,880

Notes 1 to 21 in the accompanying report and Annexes I and II form an integral part of the Statement of Recognised Income and Expenses for the 2008 financial year.

SEGURCAIXA HOLDING, S.A. AND SUBSIDIARIES
(SegurCaixa Holding Group)

Statement of consolidated cash flows (direct method)

(Thousands of euros)	Financial year 2008	Financial year 2007 (*)
A) CASH FLOWS OF OPERATING ACTIVITIES (1+2+3)	**(654,227)**	**(1,711,158)**
1. Insurance activity	(622,135)	(618,933)
(+) Cash collections from insurance activity	2,076,995	1,946,862
(–) Cash payments from insurance activity	(2,699,130)	(2,565,795)
2. Other operating activities:	48,376	(1,012,018)
(+) Cash collections from other operating activities	104,054	412,935
(–) Cash payments from other operating activities	(55,678)	(1,424,953)
3. Collections/(payments) for profits tax	(80,468)	(80,207)
B) CASH FLOWS FROM INVESTMENT ACTIVITIES (1+2)	**3,350,219**	**2,441,422**
1. Collections from investment activities:	14,436,556	3,335,078
(+) Tangible fixed assets	–	–
(+) Property investments	–	1,761
(+) Intangible fixed assets	–	–
(+) Financial instruments	14,434,637	3,331,506
(+) Holdings	–	–
(+) Subsidiary companies and other business units	–	–
(+) Interest collected	–	–
(+) Dividends collected	1,919	1,811
(+) Other collections related to investment activities	–	–
2. Payments from investment activities:	(11,086,337)	(893,656)
(–) Tangible fixed assets	–	–
(–) Property investments	–	–
(–) Intangible fixed assets	–	–
(–) Financial instruments	–	–
(–) Holdings	–	–
(–) Subsidiary companies and other business units	–	–
(–) Other payments related to investment activities	(11,086,337)	(893,656)
C) CASH FLOWS FROM FINANCING ACTIVITIES (1+2)	**(147,169)**	**(200,738)**
1. Collections from financing activities:	16,435	–
(+) Subordinated liabilities	16,435	–
(+) Collections through issues of equity instruments and capital increases	–	–
(+) Active assessments and contributions of shareholders or policyholders	–	–
(+) Transfer of own securities	–	–
(+) Other collections related to financing activities	–	–
2. Payments from financing activities:	(163,604)	(200,738)
(–) Dividends paid to the shareholders	(146,400)	(200,738)
(–) Interest paid	–	–
(–) Subordinated liabilities	(17,204)	–
(–) Payments through repayment of contributions to shareholders	–	–
(–) Active assessments and repayment of contributions to shareholders or policyholders	–	–
(–) Acquisition of own securities	–	–
(–) Other payments related to financing activities	–	–
D) EFFECT OF VARIATIONS IN THE EXCHANGE RATE	–	–
E) NET INCREASE/(DECREASE) OF CASH AND CASH EQUIVALENTS (A+B+C+D)	**2,548,823**	**529,526**
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	**2,490,203**	**1,960,677**
G) CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (E+F)	**5,039,026**	**2,490,203**

(*) Presented solely and exclusively for purposes of comparison in all applicable captions.
Notes 1 to 21 described in the accompanying report and Annex I form an integral part of the Statement of Consolidated Cash Flows of the financial year 2008.

SEGURCAIXA HOLDING, S.A. AND SUBSIDIARIES
(SegurCaixa Holding Group)

Statement of consolidated cash flows (direct method)

ELEMENTS OF CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	Financial year 2008	Financial year 2007(*)
(+) Cash and bank	746,504	443,349
(+) Other financial assets	4,292,522	2,046,854
(–) *Less: Bank overdrafts repayable on demand*		
TOTAL CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**5,039,026**	**2,490,203**

(*) Presented solely and exclusively for purposes of comparison in all applicable captions.
Notes 1 to 21 described in the accompanying report and Annex I form an integral part of the Statement of Consolidated Cash Flows of the financial year 2008.

SegurCaixa Holding, S.A. AND SUBSIDIARIES (SegurCaixa Holding Group)

ANNUAL CONSOLIDATED ACCOUNTS REPORT CORRESPONDING TO THE FINANCIAL YEAR ENDING 31 DECEMBER 2008

In accordance with the current standards on the content of annual consolidated accounts, this Report completes, extends and discusses the balance, the account of profits and losses, the statement of changes in equity and the statement of consolidated cash flows (hereinafter, "the consolidated financial statements"), and with them forms a unit, with the aim of showing the true image of the consolidated assets and of the consolidated financial situation of SegurCaixa Holding S.A. (previously known as "CaiFor", S.A.) at 31 December 2008, in addition to the results of its operations, changes to equity and cash flows occurring in this financial year.

1. General information on the parent company and its activities

a)) Incorporation, duration and registered offices

SegurCaixa Holding S.A. was incorporated for an indefinite duration in Spain on 11 December 1992 under the name of CaiFor, S.A. for the purpose of indirectly engaging in insurance business and other financial services through its shareholdings in companies that carry out these operations, in accordance with the legal requirements and standards. Its registered offices are at Juan Gris, 20-26, Barcelona (Spain).

On 2 February 2009, an Extraordinary General Shareholders Meeting approved the change of the previous name, CaiFor S.A, to the current SegurCaixa Holding, S.A, amending the Company Statutes as a consequence.

The shareholders of SegurCaixa Holding were the "la Caixa" Group and the Fortis Group, by means of the shares owned by Caixa Holding, S.A. and Fortis AG España Invest, S.L. respectively. On 11 July 2007, Criteria CaixaCorp (previously known as Caixa Holding, S.A.) and the Fortis Group signed a contract of sale for the company shares of Crisegen Inversiones, S.L. (previously known as Fortis AG España Invest, S.L.).

On 12 November 2007, the above sale was formalised by public deed, the various agreed conditions and obligations having been considered to be fulfilled. Since the main asset of Crisegen Inversiones, S.L. is its 50% share in SegurCaixa Holding, S.A., Criteria CaixaCorp became the sole shareholder of the Parent Company on 31 December 2007, terminating the framework shareholders' contract signed on 25 September 1992.

The shares of Criteria Caixa Corp, S.A. have been listed on the stock market since October 2007. The shareholding of "la Caixa" in Criteria Caixa Corp, S.A. was 79.45% at 31 December 2008.

b) Business object, legal framework and branches of operation

The Parent Company does not directly carry out insurance activities. These are carried out by the subsidiaries which have the corresponding Government authority. In this case, the Directorate General of Insurance and Pension Funds (hereinafter "DGIPF"), develops the functions which current provisions attribute to the Treasury Department with regard to private insurance and reinsurance, insurance mediation, capitalisation and pension funds.

The Parent Company directs and manages its share in the company capital of other companies by means of the corresponding organisation of personal and material means. When the holding in the capital of these companies allows, the Parent Company directs and controls them, by means of the ownership of its company management bodies or through providing management and administration services to these companies.

The Group, through the insurance companies it is comprised of (see Note 2.e), operates in the following branches: Accidents, Illness, Life, Medical Care, Death, Legal Defence, Fire and elements of nature, Transported Merchandise, Other damage to goods, Various pecuniary losses, General third-party liability, Terrestrial vehicle and non-railway terrestrial vehicle third-party liability.

On 28 April 2006, the SegurCaixa, S.A. Board of Directors of Insurance and Reinsurance agreed to extend its activities to all the branches grouped under the denomination "Automobile Insurance", included in Article 6.1.b) of RD 6-2004, as well as its associated risks indicated in Article 6.1.c) of the same legal text. The Group began marketing this new product in April 2007.

On 31 March 2008, Caja de Ahorros y Pensiones de Barcelona, as vendor, signed a share sale and purchase agreement with VidaCaixa, as purchaser, for the shares of "la Caixa" Gestión de Pensiones, E.G.F.P., S.A.U." (previously known as Morgan Stanley Gestión Pensiones, E.G.F.P, S.A.U), the efficiency of the transaction being subject to the compliance of a prior obligation and condition precedent. Once these had been complied with, on 25 June 2008, the parties converted the share sale and purchase agreement for the shares of "la Caixa" Gestión de Pensiones, E.G.F.P., S.A.U." into a public document.

On 25 June, the Boards of Directors of both companies signed a merger project, which resulted in "la Caixa" Gestión de Pensiones" being absorbed by VidaCaixa, with the consequent dissolution and termination without liquidation of the former and the transfer of all the assets of the absorbed company to VidaCaixa, by means of universal transfer. Said merger was approved by the General Shareholder Meetings of both companies on 30 June 2008.

In addition, the Group manages 130 pension funds with a volume of consolidated rights of 11,842,131 thousand euros at 31 December 2008 (11,307,165 thousand euros at 31 December 2007). The gross income accrued by management committees of the various funds totalled 101,206 thousand euros in the 2008 financial year (95,024 thousand euros in the 2007 financial year) and are recorded through the sum of net expenses in the profit and loss account, under the heading "Other activities – Other income".

On 10 October 2007, the Internal Protocol of the relationship signed between "la Caixa" and Criteria Caixa Corp, S.A. came into force. The Board of Directors of the Parent Company, at its meeting of 17 January 2008, made a note of its content and application and agreed to abide by the same. In this protocol, the parties established the criteria for reaching a balance in their operating relations which on one hand permit the appearance of conflicts of interest to be reduced and regulated, and on the other hand, to respond to the requirements of the different regulating bodies and the market. Among other questions, the parameters were defined which must govern the eventual business or service relationships which Criteria CaixaCorp, S.A. and its group has with "la Caixa" and the other companies of the "la Caixa" Group.

Given the activities of the Companies of the Group, the Group has no environmental responsibilities, expenses, assets or provisions and contingencies that might be significant with respect to their worth, financial situation and the results thereof. This report therefore contains no specific breakdowns of the annual accounts in relation to information on environmental questions.

In virtue of article 43.2 of the Spanish Commercial Code, SegurCaixa Holding is under no obligation to prepare separate consolidated accounts, since it is consolidated within Grupo Criteria CaixaCorp, S.A. and since it has control over the Company. Criteria CaixaCorp, S.A. is subject to European Legislation and its activity is based on managing the portfolio of subsidiary companies of the "la Caixa" Group. Its registered offices are in Barcelona, at Avda. Diagonal, 621. Notwithstanding the above, the Company has voluntarily drafted the consolidated annual accounts for the 2008 financial year, prepared by the Administrators at the meeting of its Board of Directors on 31 March 2009. The consolidated annual accounts for the 2007 financial year were approved by the General Shareholders Meeting of CaiFor S.A. (now SegurCaixa Holding, S.A.), held on 20 June 2008 and deposited at the Companies Registry of Barcelona.

c) Internal structure and distribution systems

The Group markets different life and non-life insurance products and pension plans.

With regard to its operating channels, the Group markets its products principally through the distribution network of the credit entity Caja de Ahorros y Pensiones de Barcelona (hereinafter, "la Caixa"), which it has established as an exclusive banking-insurance operator of the subsidiary VidaCaixa, S.A. de Seguros y Reaseguros ("VidaCaixa"), authorised to market the insurance policies of SegurCaixa, S.A. de Seguros y Reaseguros ("SegurCaixa"). VidaCaixa also maintains exclusive agency contracts with BMW Financial Services Ibérica, EFC, S.A, AgenCaixa, S.A. Insurance Agency of Grupo CaiFor, S.A. and Crosselling, S.A., whose contract was terminated during the 2008 financial year. All these agents are also authorised to market the insurance products of SegurCaixa.

Finally, the Group has also concluded contracts to provide services for distributing the insurance products of other insurance companies, under the responsibility of these companies, through their distribution network. Products are also marketed through the network of mediators.

d) Clients' Ombudsman

The most relevant points for the Annual Report presented by the head of the Service of the Board of Directors Meeting held on 31 March, 2009 are detailed below. The data has been obtained by aggregating the annual reports of VidaCaixa and SegurCaixa.

During 2008, 121 claims were made to the Customer Attention Service (101 in 2007), representing a 20% increase over 2007), and 119 were processed without prejudice to the grounds of inadmissibility in the Service Regulation (96 in 2007).

The type of claims submitted was as follows:

Type of Claim	Number
Passive operations	1
Collection and Payment Services	1
Investment Services	1
Insurance policies and Pension funds	116
Total admitted	**119**
Non-admission	2
TOTAL 2008	**121**

From the analysis made of the answers given to customers, we obtain the following classification:

Type of resolution	Number
Upheld	29
Rejected	48
Not applicable	22
Client waivers	4
Pending resolution	18
TOTAL 2008	**121**

The decision criteria used by the Service are taken basically from the sense of the resolutions given by the Directorate General of Insurance and Pension Funds in similar cases, and in cases where this reference does not exist, the reply is issued with the advice of the Legal Services of the Group "la Caixa" depending on the specific circumstances of the claim.

2. Presentation rules and consolidation principles

a) Accounting standards: International Financial Reporting Standards (IFRS)

The Group's annual consolidated accounts corresponding to the financial year ended on 31 December 2008, have been prepared and presented in accordance with in the provisions of the International Financial Reporting Standards adopted by the European Union through Community Directives, and offer a true and fair view of the consolidated assets and the financial situation of the Group at 31 December 2008, of the results of its operations and the changes to consolidated equity and cash flows occurring in the Group in this financial year.

The Group's consolidated annual accounts corresponding to the 2007 financial year were prepared by the Board of Directors on 6 March, 2008 and approved by the Ordinary General Shareholders Meeting of the Parent Company on 20 June 2008. The consolidated annual accounts of the Group and the annual accounts of the subsidiaries of the Group for the 2008 financial year are pending approval by the respective General Shareholders Meetings, and are expected to be approved without significant modifications.

The Group's consolidated financial statements were prepared from the registers of accounts maintained by the parent company and by the other subsidiaries of the Group and include certain adjustments and reclassifications in order to standardise the principles and criteria adopted by the subsidiaries with those of the SegurCaixa Holding, S.A.

At 31 December 2008, the currency in which the Group accounts were presented was the euro.

All amounts are expressed in thousands of euros, unless the use of a different monetary unit is explicitly stated. Certain financial information in these accounts has been rounded up, consequently the figures expressed as totals in this document may vary slightly from the exact arithmetical operation of the figures that precede them.

Note 3 provides a summary of the most significant accounting principles and valuation rules applied in the preparation of the consolidated annual accounts of the Group for the 2008 financial year.

As recommended by IAS 1, the assets and liabilities are generally classified in the balance sheet according to their liquidity. Similarly to the other insurance company groups, certain expenses are classified in the losses account and are presented according to their application.

b) Responsibility for the information

The information contained in these annual consolidated accounts is the responsibility of the Administrators of the Group, who verified, with the due diligence, that the different controls established to ensure the quality of the financial-accounts information, by both the parent company and the subsidiaries, operated efficiently.

In the preparation of the financial statements, on certain occasions judgements and estimations have been made by the Directors of the parent company and of the subsidiaries, and subsequently ratified by the Administrators, which refer, among others, to the reasonable value of certain assets and liabilities, losses through deterioration, the useful life of the tangible and intangible assets, the valuation of the consolidated goodwill, the hypotheses used in the calculation of the suitability test of liabilities and the hypotheses used to allocate part of the non-realised capital gains in the financial investment portfolios allocated as "available for sale" and at "reasonable value with changes in profits and losses" as the greater amount of the life insurance reserves, and the assets and results of the subsidiary companies through the participation method.

The estimations affect the amounts registered in the balance and the profits and losses account for the financial year, as well as the statement of recognised income and expenses. Despite the fact that these estimations were made based on the best available information, it is possible that future events force them to be modified (upwards or downwards) in the coming financial years. This would be done prospectively, recognising the effects of the estimation change in the consolidated financial statements.

c) New regulations, revised regulations and amendments adopted during the 2008 financial year

During the 2008 financial year, the IFRSIC 11 "Transactions with company and group shares" and the modification of IAC 39 and IFRS 7 "Reclassification of financial assets" came into effect. The adoption of these new interpretations and modifications has had no impact on the consolidated annual accounts of the Group.

The Group did not adopt in advance the rest of the regulations approved by the European Union, which permit an application in advance of 1 January 2008, among these standards IFRS 8 – Segments of operation. This standard was published on 22 November 2007 in the Official European Bulletin and replaced IAS 14 – Financial information by segments. IFRS 8 must be applied in the annual financial statements corresponding to financial years commencing from 1 January 2009.

At the time of drafting these consolidated financial accounts, the most significant standards and interpretations published by the IASB but which have yet to come into effect, either because their effective date is subsequent to the date of the consolidated annual accounts, or because they still have not been adopted by the European Union, are as follows:

– IAS 23 Revision – Borrowing costs.

– IAS 1 Revision – Presentation of financial statements.

– IAS 27 Modification – Consolidated and Separate financial statements.

– IAS 32 and IAS 1 Modification – Financial instruments with option to sell at a reasonable value and settlement obligations.

– IAS 39 Modification – Designation of covered items.

– IFRS 1 and IAS 27 Modifications – Cost of an investment in separate financial statements of an organisation.

– IFRS 2 Modifications – Conclusions of accruals and cancellations (applicable for financial years starting 1 January 2009).

– IFRSIC 12 – Service concession agreements.

– IFRSIC 13 Modifications – Customer loyalty schemes (applicable for financial years starting 1 January 2009).

– IFRSIC 14 and IAS 19 – Limits to defined benefit assets, minimum contribution requirements and interaction.

The Administrators have evaluated the potential impact of the future application of these standards and consider that their entry into force will not have a significant effect on the consolidated annual accounts.

No compulsory accounting principle of any significant effect was omitted in the preparation of the accompanying annual consolidated accounts.

d) Comparison of information

The 2008 consolidated financial statements are presented against those of the previous financial year, in accordance with the requirements established by IAS 1 – Presentation of Financial Statements.

Furthermore, the financial statements in this annual report have been adapted to the insurance company guidelines of the National Securities and Exchange Commission. Annexe I contains the balance and income statements for the 2007 financial year, in accordance with the presentation models used in the previous financial year.

For the purposes of comparison with the consolidated balance sheet at 31 December 2008, we have classified under the heading of financial assets available for sale, together with the sub-heading "Debt Securities", financial instruments which are of a similar nature: at 31 December 2007, these were classified under the same heading, under the sub-heading "Others" in the attached consolidated balance sheet. (See Note 6).

It is a requirement of the International Financial Reporting Standards that information presented in the consolidated annual accounts is homogenous. During the 2008 financial year, there were no significant modifications to the accounting standards which affect the comparability of the figures.

As indicated in the note Business Combinations and other acquisitions, and with regard to the acquisition of SegurCaixa S.A. de Seguros y Reaseguros, at the end of the 2008 financial year, the definitive allocation of the assets, liabilities and identifiable contingent liabilities at the date of said merger was completed and registered.

As a consequence of the definitive allocation, the provisional values presented in the annual accounts for 2007 have been modified in the 2008 annual accounts solely for comparative purposes, in the following manner:

Goodwill and other intangible fixed assets	Provisional	Definitive
Goodwill	44,293	44,293
Intangible assets	18,759	26,799
Deferred tax liabilities		(8,040)
	63,052	**63,052**

Given that the acquisition came into effect at the end of the 2007 financial year, the definitive allocation did not have a significant impact on the Consolidated Profit and Loss Account of the 2007 financial year.

e) Consolidation principles

The Group's consolidation scope was defined according to that established in Standards IAS 27 – Consolidated and separate financial statements and IAS 28 – Investments in associated companies (See Note 3. e-2).

Considered as subsidiaries are those companies in which, regardless of their legal form, the group has control over, i.e. the power to direct their financial and operating policies, in order to obtain benefits from their activities.

The Parent company considers as subsidiaries the investments with holding percentages greater than 20% and lower than 50%. At 31 December 2008, there is no associated company which forms part of the consolidation scope.

In section e.2 of Note 2 of the present Report, relevant information is provided on such companies and in Note 5 of the Report, information is provided on the most significant variations that occurred during the 2008 financial year and during the period between the financial year end and the date on which the accounts were prepared.

The annual accounts of subsidiary companies are consolidated with those of the Group by applying the global integration method, which consists of adding the assets, liabilities and equity, revenue and expenditure, of a similar nature, that appears in their individual annual accounts, duly standardised in order to comply with the IFRS. The book value of shareholdings, direct and indirect, in the capital of subsidiary companies is eliminated applying the fraction of the equity of the subsidiary companies they represent. The remaining balances and significant transactions between the consolidated companies are eliminated in the consolidation process. Furthermore, the shareholdings of third parties in the assets of the Group and in the financial results is presented under the captions of "Minority Interests" in the consolidated balance sheet and "Profit/Loss attributed to minority interests" in the consolidated profit and loss account, respectively.

The individual financial statements of the parent company and the subsidiaries, used to prepare the consolidated financial statements, refer to the same date of presentation that corresponds to the annual financial close of each financial year.

The consolidation of the results generated by the companies acquired in a financial year is performed taking into consideration only those relative to the period between the acquisition date and the close of that financial year. In the case of subsidiaries which cease to be independent, the results are incorporated until the date they cease to be a subsidiary of the Group.

In those cases where an increase is produced in the voting rights of a subsidiary over which the Group already has control, a calculation is made of the difference between the cost of the new acquisition and the portion of the additional equity acquired according to the value to which they appear in the consolidated accounting statements. If it is positive, this difference appears as a greater amount in the goodwill.

Subsidiaries

The necessary information concerning the companies in Group which form part of the consolidation scope, as at 31 December 2008 (in thousands of euros), is detailed below:

Company		%Voting rights			Abridged financial information (*)							
Name	Address	Direct	Indirect	Total	Total asset IFRS	Company capital paid	Asset Reserves	Other reserves IFRS	Result or fin. year IFRS net of dividend or Reins.	Equity	Applied Premiums, net of Reinsurance	Other Revenues (**)
VidaCaixa, S.A. de Seguros y Reaseguros	Juan Gris, 20-26, Barcelona	80%	–	80%	22,652,225	252,971	104,583	153,383	31,478	542,415	1,803,303	–
SegurCaixa, S.A. de Seguros y Reaseguros	Juan Gris, 20-26, Barcelona	79.99%	20%	99.99%	317,543	9,100	31,839	3,541	6,275	50,755	188,732	–
AgenCaixa, S.A. de Seguros y Reaseguros	Juan Gris, 20-26, Barcelona	99%	0.80%	99.80%	12,534	601	4,629	–	3,329	8,559	–	22,921
SegurVida Consulting, S.A.	Juan Gris, 20-26, Barcelona	80%	–	80%	6,708	60	691	–	67	818	–	109
Grupo Asegurador de "la Caixa", A.I.E.	Juan Gris, 20-26, Barcelona	–	98.61%	98.61%	14,123	9,766	–	–	–	9,766	–	19,537
Invervida Consulting, S.L.	Juan Gris, 20-26, Barcelona	100%	–	100%	1,105	2,905	3,785	–	58	6,748	–	4,385

(*) The financial information of the above companies included in the consolidation scope (total IFRS assets, company capital spent, asset reserves, other IFRS reserves, IFRS financial year result net of dividend, net accrued premiums of reinsurance and other revenues) has been obtained from their corresponding individual audited annual accounts for the 2008 financial year, closed on 31 December of that year, and has been duly adapted by each company to the IFRS-EU regulations adopted by the Group.
(**) Informs on the "Other revenues" concept in the case of non-insurance companies.

– The business purpose of VidaCaixa, S.A. de Seguros y Reaseguros (VidaCaixa) is underwriting different forms of life insurance and reinsurance, including capitalization insurance, and all associated preparatory activities, and acting as a manager and/or promoter of individual or group funds when they are intended to grant their participants services related to human life, and particularly the pension funds regulated by Legislative Royal Decree 1-2002 of 29 November, which approves the revised text of the law regulating Pension Plans and Funds and the complementary provisions that implement or modify it.

– SegurCaixa S.A. de Seguros y Reaseguros (SegurCaixa) is authorised by the Directorate-General of Insurance and Pension Funds (hereafter DGIPF) to operate in non-life lines, focusing its business activity on insurance cover for the risks of accidents, theft, fire and multi-risk. On 28 April 2006, the Board of Directors of SegurCaixa agreed to extend their activity to all the group's sectors under the name of "Seguro de Automóvil", requesting authorisation from the Treasury to act in the sectors understood by said activity, which was granted on 31 October 2006. Insurance activity in this new sector commenced in 2007.

– AgenCaixa, S.A., Agencia de Seguros del Grupo CaiFor, S.A. (AgenCaixa) distributes private insurance, which involves presenting, proposing, preparing and arranging insurance policies, in the name of and on behalf of or solely on behalf of one or more insurance companies authorized to engage in the insurance business.

– SegurVida Consulting S.A. offers economic, tax, technical, stock exchange or any other type of advice. It also carries out advisory and promotion services concerning industrial, commercial, urban, agricultural initiatives and initiatives of any other type.

– Grupo Asegurador de "la Caixa", Agrupación de Interés Económico (hereinafter Agrupación) facilitates the activities of the member companies by providing auxiliary services, such as IT support, courier services, billing, building repairs, supplies and general management services, as well as holding real estate assets for the provision of these services to member companies.

At 31 December 2008, the Subsidiaries of the SegurCaixa Holding maintain the following holdings in the operating fund of Agrupación with the following percentages:

	% Holding
VidaCaixa	75.92%
SegurCaixa	22.23%
AgenCaixa	0.46%

– The purpose of InverVida Consulting, S.L. is to purchase, underwrite, own, administer, adapt and sell all types of fixed assets and holdings, national and foreign, on its own behalf and with no intermediary activity, with the purpose of directing, administering and managing these assets and holdings. At 31 December 2008, this company has a holding of 20% in the company capital of SegurCaixa.

None of the above companies is listed.

As an exception, in the case of the following companies, which meet the aforementioned requirements, they have not been included in the consolidation scope, due to their insignificant interest for the true image of the annual consolidated accounts and have been classified in the "Financial investments available for sale – Variable income" portfolio:

Name	% Voting rights	Year of constitution	Thousands of euros – Balances at 31 December 2008 – Consolidated balance of the Group			
			Cost of acquisition	Reasonable value	Subscribed capital	Dividends paid fin. year 2008
GeroCaixa Previsión Empresarial	100%	2000	66	66	30	–
Naviera Itaca I (*)	50%	2005	384	384	3	–
Naviera Itaca II (*)	50%	2005	387	387	3	–
Naviera Itaca III (*)	50%	2005	384	384	3	–
Naviera Itaca IV (*)	50%	2005	387	387	3	–
Naviera Ulises I (*)	50%	2006	1	1	3	–
Naviera Ulises II (*)	50%	2006	2	2	3	–

(*) The holdings the Group owns in these Agrupaciones de Interés Económico, structures for financing shipping, are realised with the guarantee of a certain, known and predetermined profitability, which originates from the tax savings which are attributable to them. In view of this purpose, the Group presents the initial contributions made to these Agrupaciones as the accrual of the certain profitability obtained under the sub-heading the "Available for sale portfolio".

– GeroCaixa Previsión Empresarial, which is engaged in the business of commercial provident funds, whose registered offices are at Juan Gris, 20-26, Barcelona. Non-listed company.

– Naviera Itaca I, II, III and IV, A.I.E. (Agrupación de Interés Económico), whose activity is the operation of merchant ships. All of these have their registered offices at Luis Morote, 6, Las Palmas de Gran Canaria. Non-listed companies.

– Naviera Ulises I and II, A.I.E. (Agrupación de Interés Económico), whose activity is the operation of tug boats. All of these have their registered offices at Luis Morote, 6, Las Palmas de Gran Canaria. Non-listed companies.

Notes 5 and 7 of the Report provide information on the most significant acquisitions during the 2008 financial year, in addition to the period between 31 December 2008 and the date on which the present annual accounts were prepared.

The Parent company and its subsidiaries have carried out the notifications referred to in Article 86 of the Rewritten Text of the Law on Joint Stock Companies relating to its subsidiaries, directly or indirectly, in over 10%, in addition to those referred to in article 53 of Law 24-1998 on the Stock Market.

f) Compensation of balances

Compensation is made only to the creditor and debtor balances which originate from transactions which, contractually or to comply with a legal regulation, consider the possibility of compensation (consequently they are presented in the consolidated balance sheet by their net amount) and the intention exists to liquidate them for their net amount or to realise the asset and pay the liability simultaneously.

g) Financial information by segments

IAS 14 – Financial information by segments – establishes the principles to be followed for preparing financial information by line of business or geographical area.

The information by segments is structured according to the control, monitoring and internal management of the insurance activity and the results of the Group. It is constructed according to various insurance areas and sub-areas operated by the Group, influenced by its structure and organisation.

The Group has defined the business segments of Life insurance, Non-life insurance and Other Activities as the principal segments. The segment defined as Life insurance includes all those insurance contracts which guarantee coverage of a risk which may affect the existence or physical well-being of the insured party. In contrast, the Non-life insurance segment groups together all the insurance contracts different to Life ones and may be broken down into the sub-segments of Accidents and Illness, Household Multi-risk, Other Damage, Automobiles and Miscellaneous.

The two main segments of Life and Non-life are subject to different types of risks and returns. The Other Activities segment is used to group together all the different operating activities that are additional to strictly insurance activities. This includes the activity of pension fund management.

Each insurance company which depends, either directly or indirectly, on the Group may operate in one or more sectors, associated to one or more main segments, according to the definition of sectors provided by the DGIPF. Note 1 describes the different specific sectors which the Group has administrative authorisation to operate in.

The accounting policies of the segments are the same as those adopted for preparing and presenting the financial statements of the consolidated Group, including all the accounting policies specifically related to the financial information of the segments.

Both the assets and liabilities of the segments and the income and expenses were determined before the elimination of the balances and the inter-group transactions carried out in the consolidation process, except where those balances or transactions had been carried out between companies in one same group. The latter case is the predominant one in the Group, with all inter-group transactions carried out at current market prices at any given moment.

The criteria for allocating assets and liabilities, expenses and revenues to the different main segments of the Group are the following:

Allocation of Assets and Liabilities to the main segments

The assets of each segment are those corresponding to the Group's insurance activity which the segment consumes so that it can provide its services, including those directly attributable to each segment and those which may be distributed to each one by applying reasonable bases of distribution.

The liabilities of each segment include the proportion of assets corresponding to the operation of the Group deriving from the activities of the segment and which are directly attributable to it or may be allocated to it by applying reasonable bases of distribution. If interest expenses have been included in the segment's result, the segment's liabilities include the debts that generated this interest.

The assets and liabilities of each segment include the part of the assets and liabilities of the Agrupación de Interés Económico which must be respectively accrued according to the percentage of the insurance and non-insurance companies of the Group.

Allocation of Revenues and Expenses to the main segments and sub-segments

The technical revenues and expenses deriving from carrying out insurance operations are directly allocated to the Life and Non-life segments respectively, and in the case of the latter, to its different sub-segments, depending on the type of operation from which they are derived.

The financial revenues and expenses are allocated to the Life and Non-life segments according to the allocation previously carried out for the assets generating these, which is shown in the "Investments Book" of each insurance company. A single financial instrument may be allocated to the different segments. In cases where the portfolios allocated to Life, Non-life or Other Activities include a holding in another subsidiary which is not an insurance company, its individual financial statements have been consolidated line by line, respecting the allocation made in the "Investments Book". The Group holding in the profit/loss of the associated companies, which is presented separately in the profit and loss account, inputs the different segments according to the percentage it represents in each investment portfolio, respectively. The revenues and expenses of the financial instruments in which the capital reserves are materialised, along with other financial instruments not directly related to the practice of insurance operations, are allocated to the Other Activities segment.

The previous financial revenues and expenses are allocated to the different Non-life sub-segments, basically according to the technical reserves constituted for each of the weighted branches.

The Other Activities segment includes the revenues and expenses which, although derived from the operations carried out in the Life and Non-life segments, must not be included in the above technical areas.

For the other non-technical-financial revenues and expenses that are directly or indirectly related to the different segments, they have been allocated to these according to the segment that originated them, or on a reasonable distribution base, with the segment in question. In the latter case, a method has been used based on attributing expenses by functional activities, identifying for this the activities and tasks undertaken in each of the business processes and allocating to each of these activities the resources consumed by them. Consequently, in the attached profit and loss account, some of the general expenses are presented under the concepts "Losses incurred in the period, net of reinsurance", "Other technical expenses" and "Tangible fixed asset and investment expenses". The rest of the general expenses appear under the concept "Net operating expenses".

Together with the Group's consolidated financial statements, the consolidated financial information by segments is attached, which details the various items that make up the ordinary income and expenses, as well as the segment's assets and liabilities and those which have been excluded or not allocated. All of this is done regardless of the obligations of the different Spanish insurance companies which make up the scope of the Group to provide statistical-accounts information, based on the local Spanish accounting principles, to the DGIPF.

h) Statement of cash flows

The following expressions are used in the cash flows statement:

– Cash flows: additions and disposals of cash and cash equivalents. Cash equivalents correspond to those high-liquidity, short-term investments which are easily convertible to determined cash amounts and are liable to insignificant risk of changes in their value and expire within three months.

– Operating activities: activities typical of insurance groups, as well as other activities which cannot be classified as investment or financing.

– Investment activities: those of acquisition, sale or disposal by other means of long-term assets and other investments not included in the cash and cash equivalents.

– Financing activities: activities that produce changes to the scale and composition of the equity and of the liabilities which do not form part of the operating activities. Operations with own shares, whenever they occur, are considered as financing activities. The payments of dividends made by the Parent company to its shareholders are also considered under this category.

3. Significant accounting principles and policies and valuation criteria applied

When preparing the consolidated financial statements, the following principles, accounting policies and valuation criteria relevant for the Group have been applied:

a) Cash and equivalent liquid assets

This heading of the balance sheet comprises the cash, including the cash on hand and the demand deposits held at banks, as well as the cash equivalents.

Cash equivalents correspond to those high-liquidity, short-term investments which are easily convertible to determined cash amounts and are liable to insignificant risk of changes in their value and expire within three months.

b) Financial assets

Recognition

Financial assets are generally recognised on their liquidation date.

In accordance with IAS 39 – Financial instruments: recognition and valuation, the Group designates the financial instruments at the time of their acquisition or generation as financial assets at the reasonable value with changes in results, as available for sale or as loans and accounts to be received.

Classification of financial assets

Note 6) of the Report shows the balances of the financial assets in force at 31 December 2008 and 2007, together with their specific nature, classified according to the following criteria:

– Financial assets at the reasonable value with changes registered in the profits and losses account (CRVP&L)

These are financial assets which are classified in this portfolio because inconsistencies in the recognition or valuation, also known as accounting imbalances, have been eliminated or reduced to a significant degree, which otherwise would have arisen in the valuation of assets and liabilities or through recognition of the profits or losses of the same with different criteria:

– They are classified as maintained for negotiation, since their aim is short-term sale;

– They are linked to certain insurance liabilities whose valuation base is the market value of these assets.

The Group allocates to this portfolio all those financial instruments associated to the Unit Linked business, in which the policyholders of the insurance assume the risk of the investment. These classifications remove the inconsistency in the valuation which would arise from using a different criterion to value the assets and liabilities assigned to this business.

– Financial assets maintained for negotiation (MFN)

These are acquired for short-term disposal or form part of a portfolio of identified and jointly managed financial instruments of which there is evidence of recent activities in order to obtain short-term profit. This category also includes financial derivatives which are not financial guarantee contracts (for example bank guarantees) and have not been designated as hedge instruments either. This caption also includes implied derivatives which have been recognised and valued separately from their initial contract.

– Loans and payments receivable ("L&PR" portfolio)

These are non-derived financial assets with fixed or determinable payments, which are not negotiated in an active market.

In this category, the Group classified most of the mortgage loans, non-mortgage loans, policy advance payments and financial assets without publication of prices, in addition to accounts receivable derived from deposits claimed in accepted reinsurance business.

In addition, there are other accounts receivable which are presented in the balance according to their different nature, as is the case with the credits for direct insurance, reinsurance and coinsurance operations and the tax, social security and other credits. Some of these items are excluded from the scope of IAS 39 and are specifically dealt with by other international regulations.

– Financial assets available for sale ("AFS" portfolio):

All financial assets not included in the other portfolios are included in this category.

In general terms, this category includes all variable-income financial assets, holdings in investment funds and indexed values, long-term deposits and fixed-income securities.

On these last instruments, the Group has closed various interest rate financial swap contracts, and has generally received fixed and/or determinable amounts from the different counterparts. The principle aim of these operations is to cover the cash flows necessary to meet the payment of loans derived from the commitments with its policyholders, including the commitments acquired by virtue of certain pension commitment exteriorisation policies.

For these fixed-income securities which incorporate interest rate swaps, the Group has the valuation separated from the certificate and swap, but given that their coupons are exchangeable, it values the operation in its entirety by updating the agreed flows and those associated to these financial activities, using a market interest curve. Separately valuing the fixed-income securities and these of interest rate swaps would have no significant effect on the Group's own funds.

During the 2008 financial year, and the one immediately before it, no financial instrument was allocated to the portfolio "Held-to-maturity investments".

Valuation of financial assets

On initially recognising a financial asset, the Group values it by its reasonable value, adjusted (in the case of a financial asset which does not enter in the accounts the reasonable value with changes in results) by the transaction costs that are directly attributable to the sale or its issue.

After the initial recognition, the Group values the financial assets, including those derivatives which are assets, by their reasonable values, without deducting the transition costs which may be incurred in the sale, with the exception of certain loans and items receivable which are valued at the amortised cost, using the effective interest rate method.

The reasonable value of a financial instrument on a given date is understood to be the amount for which it can be bought or sold between an interested and duly-informed buyer and a seller, in conditions of mutual independence. The most objective and common reference for the reasonable value of a financial instrument is the price obtained from the public listings in the active market. Wherever this reference exists, it is used to value the financial asset. Nonetheless, in certain cases the prices provided by the different counterparts who are prepared to exchange a certain financial asset are used.

If the market for a financial instrument is not active, the Group establishes the reasonable price using generally-accepted valuation techniques. In this case, valuation models are used which are sufficiently verified by the international financial community, taking into consideration the specific characteristics of the instrument to be valued and the different types of risk associated to it. These valuation models may be used by the Group or by the counterpart who acted as the selling party.

In the case of instruments valued at amortised cost, these are determined taking into consideration the effective interest rate method. Amortised cost is understood to be the amount to which the financial instrument was initially valued, less refunds of the capital, plus or minus, depending on the case, the accrual or gradual, accumulated depreciation, using the real interest rate method, of any difference existing between the initial amount and the repayment value on expiry, less any decrease due to deterioration of the value or being irrecoverable.

All financial assets, except those entered in the accounts at the reasonable value, are subject to review through deterioration of the value.

Deterioration of the value of financial assets

On each date of the balance, the Group evaluates whether there is objective evidence that a financial asset or a group of financial assets has deteriorated, considering those situations which individually or together with others manifest this evidence.

In general terms, the Group considers as evidence of a possible deterioration in the value to be the prolonged fall in the market value of the variable-income securities, individually considered, below 40% of their cost or amortised cost during a period of over 18 months. Evidence of deterioration is also considered to be cases where the latent losses relating to a certain security are irreversible.

For fixed-income and readily assimilated securities, the Group considers as an indication of loss a possible reduction or delay in the estimated future cash flows, which among other circumstances may be caused by the debtor's possible insolvency.

In cases where, following the above criteria, deterioration of value may exist, the Group analyses the situation in order to quantify in turn the loss to be entered, if such loss exists. To this effect, the Group applies the following criteria to determine the amount of any loss through deterioration of value:

– Financial assets recorded at amortised cost

The amount of the loss is valued as the difference between the book amount of the asset and the current value of the estimated future cash flows, discounting the original effective interest rate of the financial asset. The book amount of the asset is reduced using a value correcting account, recognising the amount of the loss in the profit and loss account.

If, in subsequent periods, the amount of the loss through deterioration of value is reduced, the previously-recognised loss through deterioration is subject to reversal in the profit and loss account.

This group of assets includes the balances receivable which the Group maintains with certain insured parties or policyholders for the receipts issued awaiting payment and the receipts pending issue. In this case, the loss of value is determined according to the historical experience of annulments in the last 3 years, attributing greater weight to the most recent years and taking into consideration the months that have passed since the theoretical payment date and that of each closure, as well as the specific insurance sector involved.

– Financial assets available for sale:

When a significant fall is produced in the value of a financial asset available for sale, the accumulated loss which has been previously recognised in the equity is removed from it and this is recognised in the profit and loss account for the financial year, even if the financial asset has not been cancelled in accounts.

Losses through deterioration of the value that are recognised in the financial year result, which correspond to the investment in an asset instrument classified as available for sale (variable income), are not reversed by means of the financial year result. However, the reversals associated with the instruments of debt are recognised in the profit and loss account. As a consequence of the analysis of the deterioration in the present financial year, the company has provided 61,662 thousand euros, which have been registered within "Tangible fixed asset and investment expenses" in the Life sub-account of the attached Consolidated Profit and Loss Account.

Register of the variations arising in the valuations of financial assets and liabilities

The loss or gain arising from the variation in the reasonable value of a financial asset, which does not form part of a coverage operation, is recognised as follows:

– The loss or gain in a financial asset at reasonable value with changes in results is recognised in the profit and loss account of the financial year under the caption "Unrealised gains and losses from the investments" or "Profits from investments" from the Life section.

– The loss or gain in an asset available for sale is directly recognised in equity in the line "Adjustments through valuation" until the financial asset is cancelled in the accounts registers, with exception of the losses through deterioration of the value of the losses or gains due to the exchange rate. At the time of cancellation, the loss or gain which has been previously recognised in equity is registered in the profit and loss account of the financial year.

However, the interest rates calculated according to the effective interest rate method are recognised in the financial year result (see Section 1 of this Note). The dividends of an asset instrument classified as available for sale are recognised in the profit and loss account of the financial year when the Group's right to receive the payment has been established.

When a financial asset registered at amortised cost is cancelled, has suffered a loss in value or the effective interest method is applied, the different derived revenues and expenses are registered through the profit and loss account.

Investment on behalf of life insurance policyholders who assume the risk of the investment

Investments on behalf of policyholders who assume the risk of the investment are valued at the acquisition price on subscription or purchase. This acquisition price is subsequently adjusted according to its realisation value. The revaluations and depreciations of these assets are entered as credits or debits in the profit and loss account of the Life segment, for their net amount, under the caption "Unrealised gains and losses from the investments".

The entirety of the instruments of variable income, fixed income and other types which have official listing, or in those where a market value can be reliably estimated, are designated and classified in the portfolio "at reasonable value with re-expression in results".

For presentation purposes, it must be considered that part of the balances affected by this business are presented in balance sheet captions different to that of "Investments on behalf of life insurance policyholders who assume the investment risk".

c) Tangible fixed assets

Under this caption, the Group registers the balance of all buildings for own use and those occupied by companies of the Group, all owned freehold.

This caption also includes the elements of transport, buildings and facilities and data-processing equipment, among others.

These assets are recognised at their cost of acquisition or construction, less the accumulated depreciation and, where appropriate, the accumulated amount of the losses through deterioration in value, but in no case below the residual value. The costs of the extensions and improvements carried out on the buildings owned by the Group, subsequent to their initial recognition, are expedited as another tangible asset, providing they increase their capacity or surface area or increase either their return or useful life. On the other hand, upkeep and maintenance costs are expensed during the period in which they occur. The Group does not capitalise the financial expenses associated to these assets, wherever they exist.

If the payments relating to a property investment are postponed, its cost is the equivalent of the cash price. The difference between this amount and the total of payments is recognised as an interest expense during the period of postponement.

As a general rule, the Group uses the systematic method of linear depreciation on the acquisition cost, the residual value and the value of the land in the case of buildings being excluded throughout the following estimated useful lives:

Tangible fixed asset	Estimated useful life
Property (excluding land)	Between 25 and 50 years
Furniture and Fittings	Between 5 and 13 years
Vehicles	Between 3 and 6 years
Data-processing equipment	Between 3 and 5 years
Other tangible fixed assets	5 years

The residual values and lives of these assets are revised on every balance date and adjusted as necessary. The recognised accounting value for an asset is immediately reduced to its recoverable amount if the accounting value of the asset is greater than its estimated recoverable amount. The gains and losses per report are calculated comparing the quantities obtained with the recognised accounting values.

The reasonable values of both the property investments and own-use buildings indicated in Note 6.b.1) of the Report have been obtained from the rating reports prepared by independent experts, which have a maximum life of 3 years and were updated on 31 December 2008, in accordance with the forecast evolution of the real estate market. For property located in Spain, the aforementioned market value has been calculated in accordance with the provisions established in Order ECO-805-2003, of 27 March, partially amended by Order EHA 3011-2007, of 4 October, on the valuation rules for property and certain rights for certain financial aims.

d) Property investments

The property owned in order to obtain long-term capital gains or returns from renting it and which is not occupied by companies of the Group is classified as property investments.

Land owned for an undetermined future use and currently unoccupied buildings are also presented under this sub-caption.

Certain properties consist of a part which is for operational purposes and another part for own use. If these parts can be sold separately, the Group will also record them separately. If this is not the case, the property will only be classified as a property investment when an insignificant part of the same is used for own use.

Property investments include land and buildings possessed freehold. They are entered in the accounts at the acquisition or construction cost, less any subsequent accumulated amortisation and subsequent accumulated losses through deterioration, where appropriate, but in no case below their residual value. The acquisition cost includes the sale price along with any directly attributable payment (associated transaction costs).

The treatment of the costs of extension, modernisation or improvements, as well as the methods for calculating deterioration, the depreciation systems and the useful lives established for property investments are similar to those applied to own-use buildings (see Note 3.b).

The reasonable values of both the property investments and own-use buildings indicated in Note 6.b.2) of the Report have been obtained in accordance with the regulation described in the previous section in relation to own-use property.

e) Intangible assets

Identifiable monetary assets which have no physical appearance and which arise as a consequence of an acquisition from third parties or have been developed internally by a company in the Group are considered as intangible assets. For accounting purposes, the only intangible assets recognised are those in which, being identifiable, and where future financial benefits exist in addition to control over the intangible asset in question, the Group can reasonably estimate their cost and it is probable that the future financial benefits attributed to them flow to the Group itself.

The Group values intangible assets by their cost of acquisition or production and maintains this cost model in subsequent valuations, minus the corresponding accumulated depreciation, if one exists, and the accumulated amount of the losses through deterioration of value, where appropriate. To determine whether the value of the intangible assets has deteriorated, the Group applies IAS 36 – Deterioration of the value of assets – and subsequent interpretation of this, such as IFRS 4 – Insurance contracts – in cases where this is applicable.

The Group evaluates whether the useful life of the intangible assets is finite or undefined. If it is finite, it evaluates the duration of their useful life.

Consolidated Goodwill

The caption "Consolidated Goodwill" includes the positive difference of consolidation deriving from the acquisition of holdings in the capital of subsidiary companies, through the difference between the acquisition cost of the new holding and the acquired participation in the reasonable net value of the assets, liabilities and identifiable contingent liabilities which are not allocated to assets or specific intangible assets.

The Group had no goodwill prior to the first application of the IFRS-EU regulations.

The caption "Consolidated Goodwill" includes at 31 December 2008 the positive difference of consolidation deriving from the extension of the capital holding in the SegurCaixa subsidiary, which the Group already controlled, through the difference between the cost of the new holding and the percentage of the net additional assets acquired according to the value for which they appeared in the Group's consolidated accounting statements.

Said goodwill includes the valuation of certain intangible assets, such as the current value of the future cash flows related to certain insurance contracts, as a consequence of the fact that the Group does not revalue the assets and liabilities of these subsidiaries in which the control percentage has increased. The part of the goodwill attributable to these intangible assets is paid according to the time horizon considered in the estimations which support it, with a maximum of 15 years. Said intangible assets, once identified within the established period of one year, are reclassified and presented within the section Other Intangible Assets of the Intangible Fixed Assets caption in the assets of the balance sheet.

The surplus goodwill is not paid, but the potential deterioration in the value is analysed annually, or more often, if the events or changes in circumstances make this advisable, according to the requirements established in IAS 36 – Deterioration of the value of assets. In cases where a loss occurs owing to deterioration of the value of goodwill, this will be recorded in the profit and loss account of the financial year in which it is declared, and cannot be reverted either to the end of said financial year or to subsequent financial years. (See Note 9.a).

Merger Goodwill

The consolidated balance sheet at 31 December 2008 includes the amount corresponding to the goodwill originating from the purchase on 31 March 2008 and subsequent merger by absorption of the company "la Caixa" Gestión de Pensiones, E.G.F.P., S.A.U." (previously known as Morgan Stanley Gestión Pensiones, E.G.F.P, S.A.U) by VidaCaixa. Said merger was approved by the DGIPF on 30 November 2008, with retroactive effect from 30 June 2008.

As a consequence of the operation, in the process of allocating the cost of the acquisition, the Group identified an intangible asset together with goodwill, as established in applicable accounting regulations. Said intangible asset is classified under "Other intangible assets" in the "Intangible Fixed Assets" caption of the assets in the balance, and is depreciated according to its estimated useful life of 12 years. Similarly, the resulting Goodwill is classified under Goodwill in the Intangible Fixed Assets caption. In accordance with applicable accounting regulations, the Group will evaluate the existence of possible deteriorations in the goodwill on an annual basis. (See Note 8).

No deferred taxes were generated from registering this operation.

Other Intangible assets

The specific accounting policies applied to the other main intangible assets are described below:

Intangible Assets identified

As described in the Consolidated Goodwill and Merger Goodwill section, the intangible assets identified during the processes of acquisition and merger, respectively, have been classified under this caption.

Computer applications

This sub-caption basically includes redeemable expenses related to the development of computer systems and electronic channels.

The licences of the computer programs are valued by the amount paid for their ownership or right of use, together with the costs incurred in putting the specific program to use, provided that its use is foreseen for several years, and they are recorded as computer application acquired entirely from third parties. Under this same concept, the costs of third parties who collaborate in the development of computer applications for the Group are recorded.

In the case of those applications generated internally, the Group expedites the expenses directly associated with the production of identifiable and exclusive computer programmes controlled by the Group, in other words, the labour costs of the development teams of these applications and the part corresponding to the associated indirect expenses. The remaining costs associated with the development or maintenance of internal projects are recorded as an expense in the financial year in which they are accrued.

The subsequent costs are only capitalised when the future profits of the intangible asset to which they relate increase. Recurring expenses arising from the modification or revaluation of computer applications or systems, expenses arising from global revisions of systems and maintenance costs are recorded in the profit and loss account in the period in which they are incurred.

All computer applications are depreciated systematically over their useful life, which fluctuates between three and a maximum of five years.

Pension-fund marketing expenses

These include commissions paid in advance by a Group company to Crosselling, S.A. concerning pension plan operations that the Group decided to activate in 2002, according to a criterion of greater correlation of income and expenses. These expenses will be depreciated over a maximum period of three years, also taking into account any falls in the portfolio.

Marketing expenses associated with Non-life insurance contracts

This corresponds to the financial revaluation of premiums for policies in the portfolio of the SegurCrédit product, characteried by a single payment and being linked to mortgage loans covering the duration for a maximum of ten years renewable.

Other expenses of acquisition of pension plans and life insurance contracts

Since the financial year 2004, the Group has marketed some new types of pension plans that have a cash premium associated to their sale. In the 2006 financial year, marketing of insurance products which also have the same type of premium associated to them commenced. The Group activates the cost of said rewards and depreciates them over a maximum term of 5 years, taking into account movements and falls in the portfolio.

The possible loss of value in the expedited acquisition expenses referring to Life and Non-life insurance contracts is evaluated according to the requirements set out in IFRS 4 – Insurance contracts. (See Note 9.a).

f) Transactions in foreign currencies

Operating currency

The operating currency of the Parent company and its subsidiary companies with registered offices in the European Union is the euro.

The consolidated annual accounts are presented in euros, the currency in which the Group presents its accounts. Consequently, all balances and transactions named in currencies other than the euro are considered to be in "foreign currency".

The conversion of balances in foreign currencies to euros is performed in two consecutive stages:

– Conversion from the foreign currency into the operating currency (the currency of the principal economic area in which the subsidiary operates or the euro in the case of companies domiciled in the European Monetary Union), and

– Conversion to euros of the balances maintained in the operating currencies of subsidiaries whose operating currency is not the euro.

Conversion criteria of balances in foreign currencies

Transactions in foreign currencies which are carried out by consolidated companies not located in EMU countries are initially recorded at an equivalent value in the operational currency by applying the exchange rate at the date on which the operation was performed. Subsequently, the monetary balances in foreign currencies are converted into their respective operating currencies by applying the exchange rate at the financial year close. Furthermore:

– Non-monetary entries valued at their historic cost are converted into the operating currency by applying the exchange rate at the date of their acquisition.

– Non-monetary entries valued at their reasonable cost are converted into the operating currency by applying the exchange rate at the date on which said reasonable cost was calculated.

– Revenue and expenses are converted by applying the average exchange rates of the period for all operations that belong to the same.

– Futures trading operations of currencies against currencies and currencies against euros not aimed at covering asset positions are converted at the exchange rates established on the date of the financial year close by the currency futures market for the corresponding accrual date.

The Group applies the same principles for the conversion to euros of entries and transactions carried out in "foreign currency" by its subsidiary companies domiciled in the EMU.

Recording of exchange rates

The exchange rate differences produced when the balances in foreign currency are converted to the euro are generally recorded as net amounts in the profit and loss account. However:

– The exchange rate differences arising in the non-monetary items whose reasonable value is adjusted with counterpart in equity are recorded in equity under the concept "Adjustments to assets through valuation – Portfolios available for sale".

– The exchange rate differences arising in the non-monetary items whose gains or losses are recorded in the financial year result, are also recognised in the financial year result, without differentiating them from the other variations that may occur to their reasonable value.

g) Company tax

The Corporation Tax expense for each financial year is calculated according to the reported result before taxes, determined according to the local Spanish accounting principles, increased or reduced accordingly by the permanent differences. These are understood to be those produced between the taxable income and the reported result before taxes, which are not going to be reversed in following periods, as well as those derived from the application of the IFRS and for which a reversal will neither be produced. When the value differences are registered in equity, the corresponding corporate income tax is also registered against equity.

The temporary differences originating from the differences between the book value and the taxable income of an asset item such as, in the case of activation, tax credits and abatements and by negative taxable income, give rise to the corresponding deferred taxes, whether assets or liabilities, which are quantified by applying the temporary difference or credit corresponding to the tax obligation to which it is expected to recover them or liquidate them.

On 29 November 2006, the Law 35-2006 concerning Income Tax for Physical Persons and the partial modification to the laws concerning taxes on Companies, Non-Residents and Equity was published. This law, which came in to force on 1 January 2007, has modified, amongst other issues, the Corporate Tax rate, being 32.5% for tax periods starting from that date and 30% for those starting 1 January 2008.

The Group recognises liabilities through deferred taxes for all the temporary taxable differences. The assets through deferred taxes are only recognised in the case where it is considered highly probable that the consolidated companies are going to have sufficient tax gains in the future against which these assets can be applied.

The assets and liabilities through deferred taxes which are presented in the consolidated balance of the Group at 31 December 2008 have been estimated according to the new rates envisaged.

In the case of temporary taxable differences derived from investments in Group and associate companies (which are not consolidated fiscally), a liability for deferred taxes is recognised except where the Group can control the reversion of the temporary differences and it is probable that these will not be reverted in the foreseeable future.

The assets and liabilities through ordinary tax are valued at the sums expected to be paid to or recovered from the Treasury, in accordance with the current legislation or approved legislation pending publication on the date of the financial year end. In this regard, the Group has calculated the Company Tax at 31 December 2008 by applying the current tax regulations and Royal Decree Law 2-2008, of 21 April, on measures to promote economic activity in all companies domiciled for tax purposes in Spain.

The Group has been in the fiscal consolidation regime within the "la Caixa" Group since the 2008 financial year, therefore the balances payable for said concepts are recorded under Debts with Group Companies in the caption "Debts and payable items" of the attached balance sheet.

h) Financial liabilities

Financial liabilities are those contractual obligations of the Group to provide cash or other financial assets to another company, or to exchange financial assets or financial liabilities with another company, in conditions that are potentially unfavourable for the Group.

The main financial liabilities the Group maintains refer to issues of subordinated debt. These issues are presented net of the expenses associated to them, which are imputed to the profit and loss account as greater financial expenses, a time period of 10 years from each issue being considered.

Following the initial recognition, the Group generally values all its financial liabilities at the amortised cost, using the effective interest rate method.

When a financial liability registered at amortised cost is cancelled, has suffered a loss in value or the effective interest method is applied, the different revenues and expenses derived are recorded through the profit and loss account.

At 31 December 2008, neither the Parent company nor any other Group company had guaranteed other debt securities issued by associate companies or by third parties outside the Group.

i) Assets and liabilities derived from insurance and reinsurance contracts

The Group applies the requirements established in IFRS 4 – *Insurance contracts* –to all the assets and liabilities in its consolidated financial statements which derive from insurance contracts, in accordance with the definition set out in the regulation itself.

Classification of the contracts portfolio

The Group evaluated and classified its life and non-life insurance contracts of the direct business (including accepted reinsurance) and of the ceded business, taking into consideration the Implementation Guides which accompany IFRS 4, as well as the non-regulatory guidelines published by the DGIPF on 22 December 2004, by means of the Framework Document on Accounting Procedure of the Insurance Companies relating to IFRS 4. All the contracts were classified as "insurance contracts".

The Group does not separate any deposit component associated with insurance contracts, such disassociation being voluntary for this. Meanwhile, it is estimated that the surrender options issued in favour of insurance contract holders have a nil reasonable value or otherwise, their valuation forms part of the value of the liability of the insurance.

Valuation of assets and liabilities derived from insurance and reinsurance contracts

IFRS 4 restricts the changes in accounting policies followed in insurance contracts. In line with this regulation, the Group maintains the valuation regulations established for assets and liabilities derived from insurance contracts under the accounting principles and valuation regulations established in Spain for such contracts, except for carrying out the following adjustments, which are obligatory for all insurance companies:

– It carries out the liabilities suitability test set out in IFRS 4, in order to guarantee the sufficiency of the contractual liabilities. To this effect, the Group compares the difference between the book value of the technical reserves, net of any deferred acquisition cost or any intangible asset related to the insurance contracts subject to evaluation, with the amount resulting from considering the current estimations, applying market interest rates, of all the cash flows derived from the insurance contracts, with the difference that derives between the market value of the financial instruments affecting the previous contracts and their acquisition cost. The valuations of the insurance contracts also include the related cash flows, such as those coming from the implicit options and guarantees.

In order to avoid some of the imbalances produced by using different valuation criteria for financial investments, mainly classified in the "available for sale" portfolio, and the liabilities derived from insurance contracts, the Group reassigns, by reducing the adjustments owing to changes in the value of equity through the "Mathematical provision" caption, that part of the non-realised net capital gains derived from the above investments, which are expected to be accrued in the future to the insurance companies as these materialise or by means of applying a technical interest rate higher than the rate authorised by the DGIPF. Furthermore, the remaining gains are maintained within Equity.

The policy accounting principles applied by the Group with regard to the technical reserves are summarised below:

For unconsumed and unearned premiums

The reserve for unearned premiums constitutes the proportion of premiums accrued during the financial year which must be input to the period from the close of each financial year and the termination of the policy. The Group's insurance companies have calculated this reserve for each type or area using the "policy by policy" method, taking as a base for calculation the tariff premiums, deducting, wherever applicable, the security surcharge, in other words, without deducting the commissions and other acquisition costs.

The unearned premium reserve is aimed at complementing the unconsumed premium reserve when its amount is insufficient to reflect the valuation of all the risks and expenses to be covered for the period of cover remaining at the end of the year. This reserve is calculated and is in turn made, according to the calculation established by Article 31 of the Regulations on Administration and Supervision of Private Insurance (hereinafter, RASPI) modified by Royal Decree 239-2007, of 16 February, considering the technical result by year of occurrence together with same year of closure and the previous one or of the four previous years, depending on the area in question.

Life insurance

This reserve includes the reserve for unconsumed premiums of insurance contracts with a period of coverage equal to or lower than the year and principally, for the other insurance contracts, the mathematical reserve. The mathematical reserves, which represent the excess of the current actuarial value of the future obligations of the subsidiary insurance companies over that of the premiums which the policyholder must satisfy, are calculated policy by policy using a system of individual capitalisation, taking as its calculation base the inventory premium accrued in the year, in accordance with the Technical Notes of each type, updated in turn with the mortality tables accepted by current Spanish legislation.

Reserves relative to life insurance when investment risk is assumed by policyholder

For presentation purposes, the caption in the liabilities "Technical provisions – life insurance" includes the technical reserves corresponding to insurance in which the policyholder assumes the investment risk. The corresponding technical reserves are determined on the basis of indices or assets used as a reference to determine the economic value of the rights of the policyholders. (See Note 13 of the Report).

Claims

This account represents the total amount of pending liabilities arising from claims that occurred before the year-end. The Group calculates this reserve as the difference between the total estimated or certain cost of the claims pending declaration, settlement or payment and the set of amounts already paid for these claims.

Claims pending settlement or payment and claims pending declaration

This account represents the total amount of pending liabilities arising from claims that occurred before the year end. The Group calculates this reserve as the difference between the total estimated or certain cost of the claims pending declaration, settlement or payment and the set of amounts already paid for these claims. The reserve is calculated individually for claims pending settlement or payment and includes external and internal management expenses and processing of claims, whatever their origin, produced or to be produced, until the final settlement and payment of the claim.

Claims pending declaration

The Group's insurance companies are authorised by the DGIPF to use global statistical methods to calculate the reserve for claims pending declaration in the Individual Life, Group Life and Group Accident and Non-life forms, with effect from 31 December 2006. Since then, said reserve has been calculated in accordance with generally accepted statistical methods of groups of different methods, establishing as the reserve amount the greater of the results obtained.

Every year, the Group checks the goodness of fit of the calculations performed, in accordance with the requirements established in the Regulation. Furthermore, each claim is subject to an individual valuation, independently of the statistical methods used.

For the purposes of the tax deductibility of the provision of claims calculated using statistical methods, calculations have been made for consideration of the minimum amount of the reserve, in accordance with the requirements established by Additional Provision Three of Royal Decree 239-2007, of 16 February, which amends the ROSSP. The differences between the provisions made and those considered as a tax deductible expense during the financial year have taken time differences into account.

Internal expenses of claims settlements

The claims reserve includes an estimate for internal management expenses and the administration of proceedings in order to meet the internal expenses of the Company necessary for the full completion of claims that have to be included in the claims reserve, for both direct insurance and accepted reinsurance. This estimation is produced in accordance with that established in Article 42 of Royal Decree 239-2007, of 16 February, which modifies the ROSSP, irrespective of the calculation method used and in compliance with the current regulation.

Reserves for share in profits and returns

This reserve includes the amount of the gains accrued in favour of the policyholders or beneficiaries still not allocated at the closure date. It does not include the effect of allocating part of the unrealised capital gains of the investments portfolio in favour of the policyholders, which is included in the caption "Technical provisions".

Commissions and accrued acquisition expenses

The caption of the balance "Other assets" basically includes the commissions and other acquisition expenses corresponding to the premiums accrued which are applicable to the period between the closure date and the termination of the coverage of the contracts, with the imputed expenses corresponding to results actually supported in the period with the limit established in the technical bases.

In parallel, the caption "Other liabilities" includes, among others, the amounts of the commissions and other acquisition expenses of the ceded reinsurance which must be accrued to following financial years in accordance with the period of coverage of the ceded policies.

The commissions and acquisition expenses directly related to the newly-produced sale are not activated under any circumstances, being entered in the profit and loss account of the year during which they are incurred.

Claims recovery

In general terms, the recovery credits for claims are only entered in the accounts when there is sufficient guarantee that they will be realised.

The sum of the recovery credits net of the reinsurance participation is registered in the caption "Items receivable – Other credits" of the consolidated balance sheet.

Agreements between insurance companies

The subsidiary SegurCaixa participates in the CICOS system for settling certain claims in the automobile area (application of the CIDE-ASCIDE agreements). The credits against insurance companies originating by virtue of the claims settlement agreements are recorded in the active balance of the Group under the concept "Debtors through agreements between insurance companies", along with the other balances in the caption "Other credits" in the "Loans and payments receivable"portfolio.

In addition, the quantities pending payment to insurance policyholders, to effect the claims settlement agreements are included under the concept "Debts through agreements with insurance companies", which is shown alongside the other reserves in the caption "Non-technical reserves" of the attached consolidated balance sheet. In all cases, the aforementioned reserve for claims includes the amounts pending payment to other insurance companies to effect these agreements, when the insurance companies have the person responsible for the damage insured.

Reinsurance

The reinsurance contracts signed between subsidiary insurance companies of the Group and other insurance companies transmit, in all cases, a significant insurance risk to the reinsurance companies with whom they have signed the contract.

j) Non-technical reserves

The consolidated financial statements of the Group include all the significant reserves with regard to which it is estimated that the probability of having to meet the obligation is greater than the opposite case. The contingent liabilities are not included in the financial statements.

The reserves are quantified taking into consideration the best available information on the consequences of the event for which they are intended and are re-estimated in every closing of accounts. They are used to confront the specific risks for which they were originally recognised and are totally or partially reversed when these risks disappear or are reduced.

Reserves for pensions and similar risks

The principal companies of the Group have agreements for post-employment pensions, which are outsourced through various contributory pension plans associated to the "PENSIONS CAIXA, 21, FONDO DE PENSIONES" Pension Fund.

The Group makes contributions of a predetermined nature to said plans, according to the percentages applied to the basic salary of each employee, without any legal or effective obligation to make additional contributions if the separated entity is unable to attend to the remuneration of the employees related to the services rendered in the current financial year and in previous ones.

On the other hand, upkeep and maintenance costs are expensed during the period in which they occur in each Group company. In the 2008 financial year, the subsidiary companies contributed 337 thousand euros to this Fund (326 thousand euros in 2007).

The non-externalised part, which is insignificant, corresponds to the Subsidiaries' commitments to non-working personnel.

Other non-technical reserves

The remaining non-technical reserves basically include the payments for debts assumed by the Group with regard to the agreements established with insurance companies and the amounts estimated for confronting probable or certain responsibilities, such as current litigation, compensation, regularisations pending payment to staff and other obligations.

k) Income and expenses

The Group enters the income and expenses in the accounts according to the accrual principle, i.e. according to the real flow of goods and services these represent, regardless of the time when the monetary or financial flow derived from them is produced.

The most significant criteria used by the Group to recognise its revenues and expenses are summarised below:

Income through issued premiums

The premiums issued during the financial year are entered in the accounts as a deposit, net of the annulments and returns, corrected by the variation in the accrued, non-issued premiums, which derive from contracts perfected or extended in the year, in relation to which the policyholder's right to realise them arises during this period.

The premiums of the Non-life segment and of the renewable annual Life contracts are included as a deposit throughout the contracts' period of validity, depending on the time passed. These premiums are accrued using the constitution of the reserve for unconsumed premiums. The Life segment premiums which are long-term, whether they are single or periodic premiums, are included when the contract issuer's right to realise them arises.

The premiums corresponding to the ceded reinsurance are registered according to the underwritten reinsurance contracts and under the same criteria used for direct insurance.

Income and expenses through interest and similar concepts

For accounting purposes, these are generally recognised by applying the effective interest method, regardless of the monetary or financial flow derived from the financial assets. The perceived dividends of other companies are recognised as income at the moment when the subsidiaries' right to receive them originates.

Claims paid and variation in reserves

The loss is composed of the claims paid during the year and the variation experienced in the technical reserves relating to the claims and the imputable part of the general expenses which must be allocated to this.

Commissions

The income and expenses for commissions are registered in the profit and loss account during the period when the associated service is provided, except those which respond to a particular or single act, which are accrued at the moment these are produced.

4. Management of risk and capital

Management of capital

The subsidiaries VidaCaixa and SegurCaixa are under the supervision of the DGIPF and are regulated by the legislation applicable to insurance companies. Said legislation establishes that insurance companies must at all times have, as a solvency margin, their own uncommitted assets, sufficient for their combined activities.

The solvency margin is calculated in accordance with the corresponding articles established in the ROSSP, modified by RD 297-2004, of 20 February, RD 239-2007, of 16 February, RD 1318-2008, of 24 July. These assets will basically consist of the company capital paid, the reserves, the undistributed profit, the subordinate financing, the capital gains of the investments linked to reserves and the expenses to be distributed will be deducted.

In turn, the minimum quantity of the solvency margin is determined in the Non-life insurance branch by a percentage over the accrued premiums or the claims, the greater of these two, corrected by the impact of the accepted, ceded reinsurance. For life insurance, the minimum is fixed according to 4% of the technical reserves and an additional percentage over the insured capital in risk.

Management of risks

Through its subsidiaries, the Group carries out its insurance and social security activities in a regulated market where there are frequent updates of regulations, specific both to insurance and pension funds and other matters applicable to these, such as tax, labour or financial.

Due to the considerable growth of the SegurCaixa Holding Group, as well as the technical sophistication and extension of the managed products, a need is generated to operate using an integrated system of highly-mechanised processes and procedures which are constantly updated. Also, to guarantee fulfilment of all the objectives approved by the Board of Directors, and to inform the market on a periodic basis, a thorough internal control system has been defined and developed throughout the structure.

– Credit Risk

In general SegurCaixa Holding maintains its cash and equivalent liquid assets in financial entities with a high credit rating.

For the balances receivable maintained with insurance policyholders, there is no significant concentration of credit risk with third parties.

As far as the credit risk associated with financial instruments is concerned, the policy established by the Company is based on two basic principles:

– Prudence: rating scales and periods have been established.

– Diversification: high diversification in sectors and issuing entities, with maximum limits of risk per issuing entity.

The credit risk management of SegurCaixa Holding is determined by internal compliance with the actions defined by the Managment and approved by the Administrative Bodies. It defines the category of assets liable to be incorporated within the investments portfolio, using definition parameters such as the main rating scales and periods.

– Liquidity Risk

The liquidity risk refers to the possibility of being unable to disinvest in a financial instrument quickly enough and without incurring significant additional costs or to the risk associated with the fact of not having liquidity at the moment when payment obligations must be met.

The liquidity risk associated to the possibility of realising the financial investments in cash is insignificant, since these are generally listed in markets, the aim of the insurance company’s activities being to maintain them in its portfolio while the agreement derived from the insurance contracts continues to exist.

In order to ensure liquidity and be able to attend to all the payment commitments derived from its activity, SegurCaixa Holding has a treasury which displays its balance. In addition, ALM analysis performed in Life portfolios makes it possible to mitigate this risk.

– Market risk (includes interest rates, exchange rates and other price risks)

This refers to the risk that the value of a financial instrument may vary due to changes in the price of the shares, interest rates or exchange rate. The consequence of these risks is the possibility of incurring in decreases to equity or in losses due to movements of the market prices.

The Group periodically performs different types of sensitivity analysis on its portfolios to market risk, principally derived from the evolution of the interest rates. Along these lines, it performs monthly checks on the modified durations of fixed-income portfolios associated to the Life branch.

The Group's financial derivatives management policy also covers the use of counterparts which, as financial institutions subject to the supervision of the governing authorities of the member states of the European Union, have sufficient solvency. Contractually, these positions have an explicit guarantee allowing them to be left without effect at any time during the operation, either through their liquidation or through being ceded to third parties. This liquidation is guaranteed by a commitment on the part of the counterparts to publish the execution prices on a daily basis, together with a clear specification of the method of valuation used.

With regard to **exchange rate** risk, SegurCaixa Holding does not own assets with a significant and direct exposure in currencies other than the euro and, wherever necessary, the necessary coverage is provided.

– Technical or underwriting risk

The associated risks of the insurance business in the existing branches and types are managed by producing and monitoring a Balanced Scoreboard, aimed at keeping the synthetic vision of the products' technical evolution up-to-date. This Balanced Scoreboard defines the policies of:

- Underwriting. Based on the acceptance of risks based on the actuarial variable principles (age, capital insured and duration of guarantee).
- Pricing. In accordance with the current DGIPF regulations, the price rates for the life insurance area are established using the mortality tables permitted by current legislation. The interest rates used for pricing are applied in accordance with the maximum rate determined by the Regulations on Administration and Supervision of Private Insurance (RASPI) approved by Royal Decree 2486/1998 of 20 November.
- Definition and supervision of Reinsurance Policy: Establishing appropriate diversification of the risk among various reinsurance companies with sufficient capacity to absorb unforeseen losses. From this, stability in the claims results is obtained.

The definitions and monitoring of the above policies in turn permit them to be modified in order to adapt the risks to the Group's overall strategy.

The treatment of claims and the sufficiency of the reserves are basic principles of insurance management. The technical reserves are estimated using specific procedures and systems.

– Sensitivity to the insurance risk (IFRS 4):

For the life insurance business, the Embedded Value is a tool for providing supplementary information and breakdowns to companies, analysts and investors. Specifically, it is defined as the adjusted company assets plus the current value of the business net of the retained capital cost.

The value of the business is calculated by projecting the future cash flows of the current policies and discounting the after-tax profits at an established discount rate.

For this calculation, the hypotheses must be established over the risk premium to be used in the discount rate, the variables which the projections, such as rate of decrease of the portfolio, of mortality and of reinvestment return. Other key points when determining the embedded value are the fixing of capital required and the valuation of the cost of the options and guarantees the insurance products offer.

5. Acquisitions and disposals of holdings in the capital of subsidiary and associate companies

On 31 March 2008, Caja de Ahorros y Pensiones de Barcelona, as vendor, signed a share sale and purchase agreement with VidaCaixa, as purchaser, for the shares of "la Caixa" Gestión de Pensiones, E.G.F.P., S.A.U." (previously known as Morgan Stanley Gestión Pensiones, E.G.F.P, S.A.U.), the efficiency of the transaction being subject to the compliance of a prior obligation and condition precedent. Once these had been complied with, on 25 June 2008, the parties converted the share sale and purchase agreement for the shares of "la Caixa Gestión de Pensiones, E.G.F.P., S.A.U." into a public document.

On 25 June, the Boards of Directors of both companies signed a merger project, which resulted in "la Caixa" Gestión de Pensiones" being absorbed by VidaCaixa, with the consequent dissolution and termination without liquidation of the former and the transfer of all the assets of the absorbed company to VidaCaixa, by means of universal transfer. Said merger was approved by the General Shareholder Meetings of the two companies on 30 June 2008 and approved by the DGIPF on 30 November 2008, with retroactive effect from 30 June 2008.

In accordance with the audited annual accounts of VidaCaixa for the 2008 financial year and the adjustments to be made in order to comply with standard IFRS 3 – Business Combinations –, the reasonable value of the identifiable assets and liabilities at 31 December 2008, together with the calculation of goodwill, are as follows (in Thousands of euros):

Concept	Balance at 30-06-2008	Purchase adjustments at opening balance	Balance at 30-06-2008
Assets			
Intangible assets	30	6,954	6,984
Credits, tax and other assets	707	–	707
Cash and cash equivalents	12,039	–	12,039
Other assets	6	–	6
Total assets	**12,782**	–	**19,736**
Liabilities		–	
Other reserves	–	–	
Debts, tax debts and other liabilities	1,624	–	1,624
Total liabilities	**1,624**	–	**1,624**
Reasonable value of equity	11,156	6,954	18,110
Goodwill	–	–	3,407
TOTAL COST			**21,517**

In this operation there is an intangible asset valued at 6,954 thousand euros and a goodwill which the Company has valued at 3,407 thousand euros. These amounts are recorded in the "Intangible Fixed Assets" caption of the attached balance sheet. The aforementioned identified intangible asset is depreciated in accordance with its estimated useful life, which, at the time of the balance sheet, is established at 12 years (see Note 3-e.2).

6. Financial assets

The detail of the financial assets at 31 December 2008, without considering the holdings in other companies valued by the participation method (equity method), is as follows (in thousands of euros):

Investments classified by category of financial assets and type	Financial assets held for trading (MFN)	Other financial assets at the reasonable value with changes registered in the profits and losses account (CRVP&L)	Financial assets available for sale (AFS)	Loans and payments receivable ('L&PR')	Total at 31-12-2008
Financial investments					
Asset instruments					
Financial investments in capital	–	–	44,449	–	44,449
Holdings in investment funds	–	–	–	–	–
Debt securities	–	–	17,224,196	–	17,224,196
Investments on behalf policyholders who assume the risk of the investment	–	169,523	–	–	169,523
Loans	–	–	–	142,405	142,405
Other financial assets	25,585	–	–	–	25,585
Deposits in credit entities	–	–	–	–	–
Deposits constituted for accepted reinsurance	–	–	–	–	–
Credits					
Credits through direct insurance and coinsurance operations	–	–	–	110,222	110,222
Credits through reinsurance operations	–	–	–	4,598	4,598
Other credits	–	–	–	87,690	87,690
Deterioration in value	–	–	(61,662)	–	(61,662)
TOTAL	**25,585**	**169,523**	**17,206,983**	**344,915**	**17,747,005**

The same information at 31 December 2007 is as follows (in thousands of euros):

Investments classified by category of financial assets and type	Other financial assets at reasonable value with changes in the profits and losses account (CRVP&L)	Financial assets available for sale (AFS)	Loans and payments receivable ('L&PR')	Total at 31-12-2007
Financial investments				
Asset instruments				
Financial investments in capital	–	77,823	–	77,823
Holdings in investment funds	–	30,134	–	30,134
Debt securities	–	16,556,713	–	16,556,713
Investments on behalf policyholders who assume the risk of the investment	253,619	–	–	253,619
Loans	–	–	187,105	187,105
Other financial assets	–	–	–	–
Deposits in credit entities	–	–	–	–
Deposits constituted for accepted reinsurance	–	–	–	–
Credits				
Credits through direct insurance and coinsurance operations	–	–	107,023	107,023
Credits through reinsurance operations	–	–	937	937
Other credits	–	–	74,766	74,766
Deterioration in value	–	–	–	–
TOTAL	**253,619**	**16,664,670**	**369,831**	**17,288,120**

a) Financial Investments

Financial assets maintained for negotiation

The movement in this caption, broken down into portfolios, is detailed below (in thousands of euros):

	MFN
	Derivatives
Net Book Value at 1 January 2007	**–**
Purchases	–
Sales and amortisations	–
Reclassifications and transfers	–
Net Book Value at 1 December 2007	**–**
Purchases	–
Sales and amortisations	–
Reclassifications and transfers	25,585
Revaluations against reserves	–
Revaluations against results	–
Changes in the losses through deterioration of value	–
Net Book Value at 31 December 2008	**25,585**

The investments held in derivatives at 31 December 2008 correspond to implied derivatives which the Group has valued and recorded separately and which, in their entirety, correspond to options on stock indices and weighted baskets of shares. The accrual dates of such derivatives is between 2019 and 2021. The reasonable value of such investments has been calculated from the final listing, in the case of securities listed in organised markets, and in the case of non-listed securities or securities without a representative listing, the market value has been calculated by applying general accepted valuation methods.

Financial assets at the reasonable value with changes registered in the profits and losses account

The movement in this caption is detailed below (in thousands of euros):

Investment on behalf of policyholders who assume the risk of the investment	
Net Book Value at 1 January 2007	**330,504**
Purchases and accruals	113,081
Sales, accruals and depreciations	(185,914)
Revaluations against results	(4,052)
Changes in the losses through deterioration of value	–
Net Book Value at 31 December 2007	**253,619**
Purchases and accruals	108,798
Sales, accruals and depreciations	(85,822)
Revaluations against results	(107,072)
Changes in the losses through deterioration of value	
Net Book Value at 31 December 2008	**169,523**

At 31 December 2008, the income from investments on behalf of policyholders who assume the risk of the investment totalled 110,549 thousand euros, while the expenses of the same totalled 139,977 thousand euros. Both sums are recorded in the attached Consolidated Profit and Loss Account.

The majority of the recognised revaluations credited to the profit and loss account originated from financial instruments listed in organised markets or for those which, being non-listed, the Group has a sufficiently reliable market valuation.

Financial assets available for sale

The movement in this caption is detailed below (in thousands of euros):

	AFS		
	Financial investments in capital	**Debt securities**	**Total**
Net Book Value at 1 January 2007	**83,766**	**17,484,891**	**17,568,657**
Purchases	–	3,120,435	3,120,435
Sales and amortisations	(21,661)	(3,244,002)	(3,265,663)
Reclassifications and transfers	–	–	–
Revaluations against reserves	15,718	(774,477)	(758,759)
Changes in the losses through deterioration of value	–	–	–
Net Book Value at 31 December 2007	**77,823**	**16,586,847**	**16,664,670**
Purchases	36	4,029,041	4,029,077
Sales and amortisations	(5,028)	(3,574,553)	(3,579,581)
Reclassifications and transfers	2,778	(25,585)	(22,807)
Revaluations against reserves	(31,160)	208,446	177,286
Changes in the losses through deterioration of value	–	(61,662)	(61,662)
Net Book Value at 31 December 2008	**44,449**	**17,162,534**	**17,206,983**

The majority of the recognised revaluations credited to the reserves, net of the corresponding tax effect and of the imputation to external partners, originated from financial instruments listed in organised markets or for those which, being non-listed, the Group as a sufficiently reliable market valuation. These revaluations are principally inputted to policyholders of life insurance. As a consequence of this, equity of the Group, as well as the deferred taxes and the subsidiaries' holdings in these are not affected, since the counterpart of the variations in these capital gains net of losses are the life insurance reserves.

The unrealised capital gains of the financial instruments associated to the portfolio which remunerates the Group's own funds is 4,583 thousand euros (7,065 thousand euros in the 2007 financial year), registered as a credit and/or debit in the reserves owing to net valuation adjustments of the corresponding tax effect and the imputation to external partners.

During the course of the 2008 financial year, 57,841 thousand euros were written off corresponding to unrealised gains net of losses in the "Available for sale" portfolio, these amounts being recognised in the consolidated profit and loss account for the period after they were transferred. In the 2007 financial year, net gains of 5,659 thousand euros were recognised respectively for said concept in the profit and loss account.

Loans and payments receivable

The movement in this caption is detailed below (in thousands of euros):

	L&PR				
	Non-mortgage loans and advance payments on policies	Mortgage loans	Other financial assets without published prices	Deposits constituted for accepted reinsurance	Total
Net Book Value at 1 January 2007	**229,260**	**1,377**	**8,643**	**1**	**239,281**
Purchases	56,201	–	1,230	–	57,431
Sales and amortisations	(109,436)	(170)	–	–	(109,606)
Reclassifications and transfers	–	–	–	–	–
Revaluations against reserves	–	–	–	–	–
Changes in the losses through deterioration of value	–	–	–	–	–
Net Book Value at 31 December 2007	**176,025**	**1,207**	**9,873**	**1**	**187,106**
Purchases	64,119	–	–	–	64,119
Sales and amortisations	(108,603)	(136)	(81)	–	(108,820)
Reclassifications and transfers	–	–	–	–	–
Revaluations against reserves	–	–	–	–	–
Changes in the losses through deterioration of value	–	–	–	–	–
Net Book Value at 31 December 2008	**131,541**	**1,071**	**9,792**	**1**	**142,405**

a.1) Financial investments in capital

The following is the breakdown of the balances in this sub-caption at 31 December 2008 and 2007:

	Thousands of euros	
	AFS Portfolio	
	31-12-2008	31-12-2007
Shares in Spanish listed companies	42,603	70,974
Shares in unlisted Spanish companies	1,846	57
Shares in listed foreign companies	–	6,792
TOTAL	**44,449**	**77,823**

At 31 December 2008, the Group owns 0.5044% of the company capital of Abertis Infraestructuras, S.A. (ABERTIS). The business purpose of the company is the construction, maintenance and operation of motorways in Spain and abroad; the construction of road infrastructures; activities complementary to the construction, maintenance and operation of motorways, such as service stations, integrated logistics and/or transport centres and/or car parks, as well as any activity related to transport and communication and/or telecommunication infrastructures in the service of the movement and transport of people, goods and information, with authorisation, where necessary. It has its registered office in Barcelona at Avenida del Parc Logístic, 12-20, and at 31 December 2008 had a total share capital of 2,010,987 thousand euros, reserve assets of 889,932 thousand euros and a net income in the current period of 518,065 thousand euros, before deducting a dividend amounting to 201,099 thousand euros, according to public data according to IFRS-EU. In 2008, the Group received 1,916 thousand euros in dividends on these shares. The market value of these shares at December 31, 2008, taking into consideration their valuation at 30 December 2008, 12.60 euros a share, was higher than the book value by 27,320 thousand euros.

The Group also has a stake in the company "Tecnologías de la información y redes para las entidades aseguradoras, S.A.", valued at 90 thousand euros.

For the shares in unlisted companies, their reasonable value has been calculated by employing generally accepted valuation techniques within the financial sector.

a.2) Fixed-income securities

The following is the breakdown of the balances included in this sub-caption:

	Thousands of euros	
	AFS Portfolio	
	31-12-2008	31-12-2007
Public Debt and Government obligations and bonds	2,055,296	2,588,768
Other Public Administration	714,171	254,370
Issued by financial companies	1,514,461	842,816
Foreign Public Debt	2,579,779	2,727,368
Issued by foreign financial companies	1,316,275	1,117,826
Other fixed income values	8,982,552	9,055,699
TOTAL	**17,162,534**	**16,586,847**

The average internal rate of return of the portfolio at 31 December 2008 is 4.89% (4.70% at 31 December 2007), with an estimated average duration of approximately 11 years.

The returns accrued by these fixed income securities, different to the variation in their reasonable value, due basically to interest rates and net accrual of the positive and negative premiums, are recorded in the caption "Net income from investments" of the profit and loss account, being a total of 809,161 thousand euros in the 2008 financial year (813,870 thousand euros in 2007).

The maturity dates of the securities included in this sub-caption, according to their allocation portfolio at 31 December 2008 and 2007, and taking into consideration their reasonable value, are as follows:

Maturity	Thousands of euros	
	AFS Portfolio	
	31-12-2008	31-12-2007
Less than 1 year	1,657,049	1,185,319
1 to 3 years	2,037,018	2,558,632
3 to 5 years	1,239,702	1,182,900
5 to 10 years	2,063,578	2,111,438
10 to 15 years	1,617,138	782,904
15 to 20 years	862,309	849,541
20 to 25 years	1,950,223	2,239,444
More than 25 years	5,735,517	5,676,669
TOTAL	**17,162,534**	**16,586,847**

a.3) Investments of insurance policyholders who assume the investment risk

The following is the breakdown of the balances in this sub-caption at 31 December 2008 and 2007:

Investment on behalf of life insurance policy holders who assume the risk of the investment	Other financial assets at the reasonable value with changes registered in the profits and losses account (CRVP&L)	
	31-12-2008	31-12-2007
Variable Income	13,659	35,087
Holdings in investment funds	67,011	135,831
Fixed income and other investments	88,853	82,701
TOTAL	**169,523**	**253,619**

The following is an annual breakdown of maturity dates of previous fixed-income securities and other financial assets:

Maturity	Thousands of euros	
	CRVP&L	
	31-12-2008	31-12-2007
Less than 1 year	34,539	25,125
1 to 3 years	6,175	33,670
3 to 5 years	6,057	3,700
5 to 10 years	27,311	18,951
More than 10 years	14,771	1,255
TOTAL	**88,853**	**82,701**

The variation during the financial year 2008 of the gains net of losses of these assets totalled (107,072) thousand euros (4,055) thousand euros respectively in 2007). They are recorded in the caption "Unrealised gains and losses from investments" in the profit and loss account of the Life segment.

a.4) Loans and other financial assets without published prices

The following is the detail of the balances that make up this sub-caption at 31 December 2008 and 2007:

	Thousands of euros	
	L&PR	
	31-12-2008	31-12-2007
Non-mortgage loans and advance payments on policies:		
Loans to policyholders – financed premiums	131,542	177,030
Advance payments on policies	9,792	8,868
Mortgage loans	1,071	1,207
TOTAL	**142,405**	**187,105**

The maturity dates of the non-mortgage loans the Group maintains at their amortised cost are between 2008 and 2012 and refer to loans the company VidaCaixa conceded to various companies in the framework of the process of outsourcing commitments for pensions.

The interest rate for the remaining mortgage loans is fixed during the first year and variable after the second year. The reference index applied is the one year inter-bank rate (EURIBOR) or the average mortgage rate for more than three years.

Short-term deposits and investments in treasury bills and repo debt is recorded in the consolidated balance sheet under the caption "Cash and equivalent liquid assets".

a.5) Losses through deterioration of value

During the 2008 financial year, losses through deterioration of value were recognised for fixed-income securities contained in the available for sale portfolio to the value of 61,662 thousand euros.

During the 2007 financial year, no losses through deterioration of value were recognised for any type of financial assets.

b) Credits

The following is the detail of the credits derived from insurance, reinsurance and coinsurance contracts at 31 December 2008 and 2007:

	Thousands of euros	
	L&PR	
	31-12-2008	31-12-2007
Credits through direct insurance and co-insurance operations		
Insurance policyholders – receipts pending		
Direct and reinsurance business	33,042	18,993
Premiums accrued and not issued	34,521	28,704
(Reserve for premiums pending payment)	(8,009)	(5,141)
Mediators		
Pending balances with mediators	32,254	46,150
(Reserve for deterioration of balance with mediators)	(243)	(375)
Accounts receivable for coinsurance operations	18,658	18,692
Credits through reinsurance operations		
Pending balance with reinsurance companies	4,598	937
Other credits		
Other credits	87,689	74,765
TOTAL	**202,510**	**182,725**

The movement and detail of the losses of value recorded during the financial years 2008 and 2007 are set out in the following table, the different variations having been recorded in the captions "Net reinsurance premiums imputed" and "Net operating expenses" in the profit and loss account applicable to each segment.

	Reserve for pending premiums	Reserve for deterioration of balance with mediators
Balance at 1 January 2007	**(6,507)**	**(558)**
Endowments charged to results		
Applications with payment to results	1,366	183
Balances at 31 December 2007	**(5,141)**	**(375)**
Endowments charged to results	(2,868)	–
Applications with payment to results	–	132
Balances at 31 December 2008	**(8,009)**	**(243)**

The breakdown of other credits in the consolidated balance sheet at 31 December 2008 and 2007 are detailed below:

Other Credits	Thousands of euros	
	31-12-2008	**31-12-2007**
Administration commissions and other commissions to be received	68,927	66,349
Other debtors	13,393	8,301
Creditors for securities	5,369	115
TOTAL	**87,689**	**74,765**

7. Tangible fixed assets and property investments

a) Tangible fixed assets

According to their nature, the following is the breakdown of the items making up the balance of this caption and sub-caption of the consolidated balance sheet at 31 December 2008 (in thousands of euros):

	Buildings for own use	Furniture and Fittings	Vehicles	Data processing equipment	Total
Cost at 1 January 2008	**8,472**	**7,563**	**30**	**6,116**	**22,181**
Accumulated Amortisation at 1 January 2008	**(948)**	**(4,738)**	**(27)**	**(4,885)**	**(10,598)**
Losses through deterioration	**–**	**–**	**–**	**–**	**–**
Net Book Value at 1 January 2008	**7,524**	**2,825**	**3**	**1,231**	**11,583**
Investments or Additions	–	129	–	943	1,072
Advance payments in progress	–	–	–	–	–
Reclassifications and transfers	–	–	–	–	–
Sales and Disposals	–	–	(30)	(2)	(32)
Amortisation of financial year	(108)	(573)	(3)	(455)	(1,151)
Reclassifications and transfers of the amortisation	–	–	–	–	–
Disposals of the amortisation	–	–	30	–	30
Losses through deterioration	–	–	–	–	–
Net Book Value at 31 December 2008	**7,416**	**2,381**	**0**	**1,717**	**11,514**

Detail of Net Book Value at 31 December 2008

	Buildings for own use	Furniture and Fittings	Vehicles	Data processing equipment	Total
Cost at 31 December 2008	**8,472**	**7,692**	**–**	**7,057**	**23,221**
Accumulated Amortisation at 31 December 2008	**(1,056)**	**(5,323)**	**–**	**(5,340)**	**(11,719)**
Losses through deterioration	**–**	**–**	**–**	**–**	**–**

The following is the movement and breakdown corresponding to the 2007 financial year (in thousands of euros):

	Buildings for own use	Furniture and Fittings	Vehicles	Data processing equipment	Total
Cost at 1 January 2007	**8,472**	**7,051**	**30**	**5,147**	**20,700**
Accumulated Amortisation at 1 January 2007	**(840)**	**(4,177)**	**(22)**	**(4,592)**	**(9,631)**
Losses through deterioration	–	–	–	–	–
Net Book Value at 1 January 2007	**7,632**	**2,874**	**8**	**555**	**11,069**
Investments or Additions	–	512	–	969	1,481
Advance payments in progress	–	–	–	–	–
Reclassifications and transfers	–	–	–	–	–
Sales and Disposals	–	–	–	–	–
Amortisation of financial year	(108)	(561)	(5)	(293)	(967)
Reclassifications and transfers of the amortisation	–	–	–	–	–
Disposals of the amortisation	–	–	–	–	–
Losses through deterioration	–	–	–	–	–
Net Book Value at 31 December 2007	**7,524**	**2,825**	**3**	**1,231**	**11,583**

At 31 December 2008 and 2007, the Group has full rights of ownership over these properties, none of them being liable as any type of guarantee. Further, the Group has no commitment to acquire new properties. At the 2008 financial year close, all tangible assets of the Group are used directly for operational purposes.

No significant losses through deterioration of tangible assets occurred during the financial year.

The market value at 31 December 2008 of the properties used by the Group and of the investments is summarised below (in thousands of euros):

	Market value at 31 December 2008			
	Non-life Segment	Life Segment	Other activities Segment	Total
Buildings for own use	**5,038**	**17,519**	**104**	**22,661**

At the close of the previous financial year, the market value of the investments allocated to the Non-life, Life and Other activities segments was 4,206, 14,626 and 87 thousand euros, respectively.

b) Property investments

According to their nature, the following is the breakdown of the items making up the balance of this caption and sub-caption of the consolidated balance sheet at 31 December 2008 (in thousands of euros):

	Property investments third-party use
Cost at 1 January 2008	**2,271**
Accumulated Amortisation at 1 January 2008	**(152)**
Losses through deterioration	**–**
Net Book Value at 1 January 2008	**2,120**
Investments or Additions	–
Reclassifications and transfers	–
Sales and Disposals	–
Amortisation of financial year	(3)
Reclassifications and transfers of the amortisation	–
Disposals of the amortisation	–
Losses through deterioration	–
Net Book Value at 31 December 2008	**2,117**

Detail of Net Book Value at 31 December 2008	Property investments third-party use
Cost at 31 December 2008	**2,272**
Accumulated Amortisation at 31 December 2008	**(155)**
Net Book Value at 31 December 2008	**2,117**

The following is the movement and breakdown corresponding to the 2007 financial year (in thousands of euros):

	Property investments third-party use
Cost at 1 January 2007	**2,389**
Accumulated Amortisation at 1 January 2007	**(204)**
Losses through deterioration	**–**
Net Book Value at 1st January 2007	**2,185**
Investments or Additions	–
Reclassifications and transfers	–
Sales and Disposals	(117)
Amortisation of financial year	(14)
Disposals of the amortisation	66
Reclassifications and transfers of the amortisation	–
Losses through deterioration	–
Net Book Value at 31 December 2007	**2,120**

During the course of the 2008 financial year, the Group recorded no losses of value chargeable to the profit and loss account and has full rights of ownership over them. The group in turn has no additional commitments for the acquisition of new tangible assets.

At the close of the 2008 financial year, there were no restrictions for making new property investments or for receiving income from the same, or with regard to income obtained from a possible transfer.

The market value at 31 December 2008 of the Group's property investments is summarised below (in thousands of euros):

	Market value at 31 December 2008			
	Non-life Segment	Life Segment	Other activities Segment	Total
Property investments third-party use	–	7,949	–	7,949

At the close of the previous financial year, the market value was 7,671 thousand euros, being fully allocated to the life segment.

8. Intangible assets

The movements produced in this caption during the financial years 2008 and 2007 are as follows:

	Thousands of euros								
						Other Intangible assets			
	Consolidated Goodwill	Consolidated Intangible assets	Merger Goodwill	Merger Intangible assets	Computer applications	Pension fund expenses	Marketing expenses of other Non-life insurance policies	Other expenses of acquisition of pension plans and life insurance contracts	Total Intangible assets
Cost at 1 January 2007	**–**	**–**	**–**	**–**	**18,789**	**6,372**	**1,195**	**19,018**	**45,374**
Accumulated Amortisation at 1 January 2007	**–**	**–**	**–**	**–**	**(17,676)**	**(2,717)**	**(297)**	**(3,588)**	**(24,278)**
Net Book Value at 1 January 2007	**–**	**–**	**–**	**–**	**1,113**	**3,655**	**898**	**15,430**	**21,096**
Additions	44,293	26,799	–	–	657	2,043	149	9,814	83,755
Disposals	–	–	–	–	–	–	–	–	–
Reclassifications and transfers	–	–	–	–	–	–	–	–	–
Amortisation of financial year	–	–	–	–	(502)	(2,598)	(279)	(6,113)	(9,492)
Disposals in the amortisation	–	–	–	–	–	–	–	–	–
Losses through deterioration	–	–	–	–	–	–	–	–	–
Cost at 31 December 2007	**44,293**	**26,799**	**–**	**–**	**19,446**	**8,415**	**1,344**	**28,832**	**129,129**
Accumulated Amortisation at 31 December 2007	**–**	**–**	**–**	**–**	**(18,178)**	**(5,315)**	**(576)**	**(9,701)**	**(33,770)**
Net Book Value at 31 December 2007	**44,293**	**26,799**	**–**	**–**	**1,268**	**3,100**	**768**	**19,131**	**95,359**
Additions	–	–	3,407	6,953	690	964	80	18,022	30,116
Disposals	–	–	–	–	–	–	–	–	–
Reclassifications and transfers	–	–	–	–	–	–	–	–	–
Amortisation of financial year	–	(1,787)		(290)	(495)	(2,737)	(243)	(10,222)	(15,774)
Disposals in the amortisation	–	–	–	–	–	–	–	–	–
Losses through deterioration	–	–	–	–	–	–	–	–	–
Cost at 31 December 2008	**44,293**	**26,799**	**3,407**	**6,953**	**1,958**	**4,064**	**848**	**37,153**	**125,475**
Accumulated Amortisation at 31 December 2008	**–**	**(1,787)**	**–**	**(290)**	**(495)**	**(2,737)**	**(243)**	**(10,222)**	**(15,774)**
Net Book Value at 31 December 2008	**44,293**	**25,012**	**3,407**	**6,663**	**1,463**	**1,327**	**605**	**26,931**	**109,701**

The most significant information relating to these intangible assets is detailed below:

a) Consolidated Goodwill and Consolidated Intangible Assets

On 11 July 2007, the Parent company reached an agreement for the acquisition, for the sum of 74,398 thousand euros, of the shares which the Fortis Group indirectly owned in SegurCaixa (20%). The Group thus obtained a 100% holding in SegurCaixa.

The SegurCaixa intangible assets includes the current value of the future cash flows relating to insurance contracts of the Household Multirisk area, which were already in force on the date of increasing the holding percentage, for the total initial sum of 26,799 thousand euros. In order to determine this current value, a discount rate of 9.5% has been used and a time horizon of 15 years, the period in which the Group will amortise it.

During the 2008 financial year, for the surplus goodwill associated with the SegurCaixa subsidiary, an analysis has been made of the eventual loss of value. This current value has been discounted by applying a discount rate which includes a risk premium according to the opportunity cost established by the principal shareholder of the SegurCaixa Holding.

As a result of this analysis, it was determined that there is no need to register losses through deterioration of value which affect the consolidated goodwill. According to the estimations and projections of the Administrators and Managers of the Parent company, the forecast income and cash flow attributable to the Group of these companies support the net value of the goodwill recorded.

b) Merger Goodwill and Intangible Assets

This caption includes the Merger Goodwill and Intangible Assets from the acquisition of "la Caixa" Gestión de Pensiones, E.G.F.P., S.A.U." described in Note 5 *Acquisitions and disposals of holdings in the capital of subsidiary and associate companies*.

c) Computer applications and other intangible assets not generated internally

These intangible assets have a defined useful life, according to their nature, and their amortisation criteria is described in the valuation rules. See Note 3.a.2) of the Report.

In the last two financial years, the Group has not recorded any loss through deterioration for this type of intangible asset, and has full rights of ownership over them. The Group has no additional commitments to those recorded in its consolidated financial statements for the acquisition of intangible assets. At the 2008 financial year close, all tangible assets of the Group are used directly for operational purposes.

9. Fiscal situation

Corporate income tax is based on each Company's reported profits calculated by application of generally accepted accounting principles, which do not necessarily agree with the fiscal results, this being understood as the tax base of the tax.

a) Fiscal consolidation regime

Since 1 January 2008, with the prior authorisation of the Tax Administration, all the consolidated companies pay Company Tax under the Fiscal Consolidation Regime jointly with the Caja de Ahorros y Pensiones de Barcelona (hereinafter "la Caixa") and with the remainder of the companies which, in accordance with the applicable regulations of each financial year, make up the fiscal consolidation group. The profits determined according to tax legislation for this consolidated Group are liable to a tax obligation of 30% on the tax base in the 2008 financial year. See Note 2.h) of the Report.

b) Assets and liabilities through ordinary tax

These assets and liabilities sub-captions include the following concepts at 31 December 2008 and 2007.

	Thousands of euros	
	31-12-2008	31-12-2007
Assets through ordinary tax		
Income Tax receivable for		
Other debtor balances of other fiscal groups or individual companies	23,201	1,461
Total assets through ordinary tax	**23,201**	**1,461**
Liabilities through ordinary tax		
Income Tax payable for		
Parent company consolidated Group tax liquidation amount owing	–	27,410
Other debtor balances of other fiscal groups or individual companies	22,929	23,463
Total liabilities through ordinary tax	**22,929**	**50,873**

The assets and liabilities through ordinary tax consist of fiscal credits and debts which are expected to be offset at the moment of settlement of company tax with the Tax Administration.

c) Assets and liabilities through deferred tax

At 31 December 2008, the Group additionally has anticipated and deferred taxes for the amount of 49,143 and 48,105 thousand euros respectively, recorded under the captions "Assets through deferred taxes" and "Liabilities through deferred taxes".

At 31 December 2007 said prepaid and deferred taxes totalled 50,013 and 36,753 thousand euros respectively.

The prepaid and deferred taxes which are credited or charged under IFRS directly to recognised revenue and expenses accounts (basically, the valuation adjustments derived from the classified financial instruments in the "available for sale" portfolio and exchange rate differences) have been recorded through said account without having any effect on the consolidated profit and loss account for the 2008 financial year.

d) Taxes charged on equity and deferred taxes

Independently of the taxes on profits charged to the consolidated profit and loss accounts, the Group charged 2,215 thousand euros to its consolidated equity in the 2008 financial year. This sum has increased the liabilities through deferred taxes which the Group presented at 31 December 2008 and is principally due to the evolution of the valuation adjustments associated with the investments maintained in the "available for sale" portfolio.

The origins of the deferred debtor and creditor taxes owned by the Group at 31 December 2008 and 2007 are the following:

	Thousands of euros	
Deferred Debtor Taxes with Origin in:	**31-12-2008**	**31-12-2007**
Anticipated taxes recorded under local regulations	–	12,068
Adaptation of the life insurance provision tables	22,712	21,677
Sales of fixed income securities	26,351	16,216
Others	80	52
TOTAL	**49,143**	**50,013**

Deferred Creditor Taxes with Origin in:	Thousands of euros 31-12-2008	31-12-2007
Adjustments through valuations of financial investments	1,990	3,452
Stabilisation reserve	–	159
Sales of fixed income securities	38,611	25,102
Adjustment of consolidated intangible assets	7,504	8,040
TOTAL	**48,105**	**36,753**

e) Conciliation of the book and tax results

The following is the detail of the Tax expense of companies reflected in the attached consolidated profit and loss account for the financial years 2008 and 2007:

	Thousands of euros 2008	2007
Locally based taxable income before taxes	**450,768**	**360,599**
Elimination intra-group dividends	(183,748)	(114,914)
Adjustment recovery intra-group commissions	1,523	836
Taxable income of Group	**268,543**	**246,521**
Payable value (30%)	**80,563**	**80,119**
Deductions	**(1,785)**	**(598)**
Liquid value of Group	**78,778**	**79,521**

	Thousands of euros 2008	2007
Tax of SegurCaixa Holding, S.A. and Subsidiaries	**78,778**	**79,521**
Corporation Tax of other companies not belonging to the consolidated tax group	–	12
Consolidation and application of IFRS adjustments	1,690	674
Tax of SegurCaixa Holding, S.A. and Subsidiaries	**80,468**	**80,207**

f) Financial years subject to tax inspection

According to the current legal dispositions, tax liquidations may not be considered final until they have been inspected by the tax authorities and the prescribed legal periods have passed.

The Parent company has made available for inspection the 2004 financial year for Company Tax and the financial years 2005 to 2008 for all other applicable taxes. The remaining consolidated companies are generally available for inspection by the tax authorities for the financial years determined in the tax regulations which apply to the main taxes they are liable for.

10. Financial liabilities

According to their nature, the following is the breakdown of the items making up the balance of this caption and sub-caption of the consolidated balance sheet at 31 December 2008 (in thousands of euros):

Portfolio of debts and payable items		
	Thousands of euros	
Financial liabilities	**31-12-2008**	**31-12-2007**
Subordinated liabilities	**290,613**	**289,204**
Deposits received for ceded reinsurance	3,312	4,066
Debts through insurance and co-insurance operations	72,529	60,054
Debts through reinsurance operations	3,965	9,014
Other debts	120,471	71,959
Debts through temporary assignment of assets	4,834,744	2,064,442
TOTAL	**5,325,634**	**2,498,739**

a) Subordinated liabilities

On 29 December 2000, VidaCaixa proceeded to issue Subordinated Debt for an amount of 150,000 thousand euros, which is recorded in the caption "Subordinated Liabilities" of the consolidated balance sheet. The issue comprises one hundred and fifty thousand (150,000) Subordinated Perpetual Obligations with a par value of 1,000 euros each.

The issued was called "1st Issue of Subordinated Perpetual Obligations of VidaCaixa, S.A. de Seguros y Reaseguros (December 2000)". The nature of the securities is that of simple obligations representative of a subordinated, perpetual loan with a quarterly interest accrual at a rate referred to the Euribor index. The Nominal Interest Rate will vary through the life of the issue, although from 29 December 2000 until 30 December 2010, the minimum rate of the coupon to which the Subordinated Perpetual Obligations give entitlement will be at least 4.43% (4.50% APR), with a maximum 6.82% (7% APR) on the nominal.

On 1 December 2004, VidaCaixa proceeded to issue Subordinated Debt for an amount of 146,000 thousand euros, which is recorded in the caption "Subordinated Liabilities" of the consolidated balance sheet. The issue comprises 146,000 Subordinated Perpetual Obligations with a par value of 1,000 euros each.

The issue was called "2nd Issue of Subordinated Perpetual Obligations by VidaCaixa, S.A. de Seguros y Reaseguros". The nature of the securities is that of simple obligations representative of a subordinated, perpetual loan with a quarterly interest accrual at a rate referred to the Euribor index. The Nominal Interest Rate will vary throughout the life of the issue, although from 1 December 2004 until 30 December 2014, the minimum rate of the coupon to which the Subordinated Perpetual Obligations give entitlement will be at least 3.445% (3.5% APR), with a maximum 5.869% (6% APR) on the nominal value of the same.

The obligations are perpetual and are therefore issued for an indefinite time period. However, according to the provisions of articles 58 and 59 of the Regulations on the Administration and Supervision of Private Insurance, they may be totally or partially amortised at the will of the issuer with the previous authorisation of the Directorate-General for Insurance and Pension Funds. If applicable, the obligations will be amortised to 100% of their par value.

At 31 December 2008, the amount pending amortisation of the expenses associated to the issues was 5,387 thousand euros (6,796 thousand euros at the close of the previous financial year) and are subtracted from value of the subordinate liabilities. The value of the subordinate liabilities was also corrected by the amount pending amortisation corresponding to the net premium charged through the "collar" which insures the minimum and maximum interest rates during the first 10 years of the issues, which was 155 thousand euros at the close of the 2008 financial year.

In the 2008 financial year, 14,498 thousand euros were recorded as a financial expense derived from such issues (12,837 in 2007), having settled the quarterly coupons applying an interest rate of 4.90% for the first issue (4.52% in 2007) and 4.90% for the second issue (4.15%). This is recorded in the caption "Tangible assets and investment expenses" of the other activities segment profit and loss account.

b) Debts

The following is the detail of the debts derived from insurance, reinsurance and coinsurance contracts, together with other debts, at 31 December 2008 and 2007:

	Thousands of euros	
	31-12-2008	**31-12-2007**
Debts through direct insurance and co-insurance operations		
With policyholders	8,233	3,686
With co-insurers	8,158	4,255
With mediators	45,901	42,308
Preparatory debts of insurance contracts	6,053	4,483
Conditioned debts	4,184	5,322
Total	**72,529**	**60,054**
Debts through reinsurance operations	**3,965**	**9,014**
Other debts	**120,471**	**71,959**

The “Other Debts” sub-caption includes the following concepts at 31 December 2008 and 2007:

	Thousands of euros	
Other debts	**31-12-2008**	**31-12-2007**
Group and associated companies		
For commissions pending liquidation	5,347	6,979
With ”la Caixa” through IS	109,363	–
Creditors for securities	–	49,153
Other pending commissions	42	5,427
Accrued wages and salaries	2,110	3,620
Suppliers	58	1,616
Corporate Tax ITACA and ULISES (*)	–	730
Diverse creditors	3,551	4,434
TOTAL	**120,471**	**71,959**

(*) See Note 2. e).

c) Debts with credit institutions: Debts through temporary assignment of assets

Within the framework of treasury management, throughout the 2008 financial year the Group has carried out operations involving the acquisition and assignment of financial assets with a repurchase agreement. At 31 December 2008 the Group had assigned financial assets (debt representative securities classified in the available for sale portfolio, in addition to deposits contained in cash and cash equivalents) with a book value of 4,834,744 thousand euros. It also has debts through operations involving the temporary assignment of assets for the same amount, which are valued at the nominal value of the agreed debt, since the maturity of the same is short-term.

The repurchase agreement stipulated by the Group in all its transactions is non-optional in nature, calculating the sale of the rights associated with the assigned securities until the amortisation date at a price which is established at the moment of contracting. The Company simultaneously agrees with the purchaser the repurchase of the rights of the financial assets for the same nominal value at an intermediate date between the sale and the nearest amortisation, at a price stipulated at the moment of contracting.

During the 2008 financial year, the short-term deposits which have offset the assignments made have generated an income of 119,857 thousand euros. The expenses associated with such assignments totalled 97,110 thousand euros. The deposits through assignments still in effect at 31 December 2008 totalled 3,827,380 thousand euros and are recorded in the caption “Cash” and equivalent liquid assets.

These operations do not represent any additional risk for the Company (which is the assignor), since its exposure to the credit risk remains unaltered.

11. Balances in foreign currencies

The balances the Group maintains in foreign currencies basically refer to current accounts, both own accounts and accounts linked to policyholders assuming the investment risk. Currently, the Group has investments in fixed income securities in currencies whose exchange risk is covered with financial swap operations into euros.

The equivalent value in euros of the main balances held by the Group in foreign currencies at 31 December 2008 is detailed below:

	Equivalent value in thousands of euros			
Assets at 31 December 2008	**Pounds sterling**	**US dollars**	**Japanese yen**	**Total**
Financial instruments (*)	49,180	259,079	4,904	313,163
Cash and cash equivalents	2	1,540	8	1,550
TOTAL	**49,182**	**260,619**	**4,912**	**314,713**

(*) These are positions in passive currencies associated to flows of financial swap operations.

The average cash exchange rates most frequently used to convert these balances into euros at the financial year close coincided with the ones published by the European Central Bank.

12. Technical reserves

The detail of the reserves established at 31 December 2008 and their movement with regard to the financial year ended 31 December 2007 is set out below, together with the reinsurance participation in the same:

2008	**Thousands of euros**			
Reserves	**Balance at 1 January 2008**	**Endowments charged to results**	**Applications with payment to results**	**Balances at 31 December 2008**
Technical reserves				
Unconsumed and unearned premiums	108,787	126,292	(108,787)	126,292
Life insurance				
Related to life insurance (*)	16,193,571	16,418,740	(16,193,571)	16,418,740
Related to life insurance when the risk is assumed by the policyholder	271,847	183,910	(271,847)	183,910
Claims	294,863	287,594	(294,863)	287,594
Profit-sharing and returns	46,153	62,623	(46,153)	62,623
TOTAL	**16,915,221**	**17,079,160**	**(16,915,221)**	**17,069,160**
Share of reinsurance in technical reserves (ceded)				
Unconsumed premium reserves	(7,060)	(5,610)	7,060	(5,610)
Life insurance reserve	(449)	(994)	449	(994)
Claim reserves	(40,758)	(27,768)	40,758	(27,768)
Others	(321)	–	321	–
TOTAL	**(48,588)**	**(34,372)**	**48,588**	**(34,372)**

(*) At 31 December 2008 this includes 37,532 thousand euros corresponding to unconsumed premium reserves for the products with coverages shorter than the year.

The movement of these reserves during the financial year 2007 was as follows:

2007	Thousands of euros			
Reserves	**Balance at 1 January 2007**	**Endowments charged to results**	**Applications with payment to results**	**Balances at 31 December 2007**
Technical reserves				
Unconsumed and unearned premiums	91,063	108,787	(91,063)	108,787
Life insurance				
Related to life insurance	17,177,451	16,193,571	(17,177,451)	16,193,571
Related to life insurance when the risk is assumed by the policyholder	343,739	271,847	(343,739)	271,847
Claims	230,444	294,863	(230,444)	294,863
Profit-sharing and returns	41,597	46,153	(41,597)	46,153
TOTAL	**17,884,294**	**16,915,221**	**(17,884,294)**	**16,915,221**
Share of reinsurance in technical reserves (ceded)				
Unconsumed premium reserves	(6,730)	(7,060)	6,730	(7,060)
Life insurance reserve	(2,112)	(449)	2,112	(449)
Claim reserves	(27,679)	(40,758)	27,679	(40,758)
Others	(384)	(321)	384	(321)
TOTAL	**(36,905)**	**(48,588)**	**36,905**	**(48,588)**

In relation to the mathematical reserve for the commitments assumed previous to the Regulation of Ordinance and Supervision of Private Insurance, it was not necessary to create a supplementary reserve for insufficiency since the return on investments in 2008 was above the insured return. At 31 December 2008, the Group had a complementary reserve of 20,000 thousand euros, after charging 33,584 thousand euros to the results account of the life segment during the 2008 financial year. Said reserve basically covers the effect of calculating certain mathematical provisions at the maximum rate established by the DGIPF (the criteria established in article 33.1 of the Regulation of Ordinance and Supervision of Private Insurance, hereinafter ROSSP, which for the 2008 financial year was 2.60%).

On 3 October 2000 a Resolution of the Directorate-General of Insurance and Pension Funds was published, relating to the mortality and survival tables to be used by insurance entities, and the PERM/F-2000P tables were published, which went on to be applied for the new production to be effected from the coming into force of the Resolution (15 October 2000). In accordance with the provisions of said resolution, the Company has 14 years from the effective date to adjust said table deficit. At 31 December 2008, the Company had 125,970 thousand euros registered for this concept.

Below is the detail of the technical reserves of the direct business at 31 December 2008 according to the different businesses included in the Life and Non-life segments:

Reserve at 31 December 2008	Thousands of euros						
	Non-life					Life	Total
	Multi-risk	Automobiles	Accidents and illness	Others	Various		
Technical reserves							
Unconsumed and unearned premiums	87,109	29,635	4,663	1,864	3,022	37,532	163,825
Mathematical reserves	–	–	–	–	–	16,381,208	16,381,208
Reserves for life insurance when the policyholder assumes the investment risk	–	–	–	–	–	183,910	183,910
Claims	47,840	13,220	22,429	2,136	2,327	199,642	287,594
Profit-sharing and returns	–	368	13,967	35	105	48,148	62,623
TOTAL	**134,949**	**43,223**	**41,059**	**4,035**	**5,454**	**16,850,440**	**17,079,160**

The breakdown of the technical reserves of the direct business for the 2007 financial year is as follows:

Reserve at 31 December 2007	Thousands of euros						
	Non-life					Life	Total
	Multi-risk	Automobiles	Accidents and illness	Others	Various		
Technical reserves							
Unconsumed and unearned premiums	83,835	12,004	3,820	8,394	734	36,361	145,148
Mathematical reserves	–	–	–	–	–	16,157,210	16,157,210
Reserves for life insurance when the policyholder assumes the investment risk	–	–	–	–	–	271,847	271,847
Claims	64,375	3,879	30,213	2,025	1,303	193,068	294,863
Profit-sharing and returns			11,620		106	34,427	46,153
TOTAL	**148,210**	**15,883**	**45,653**	**10,419**	**2,143**	**16,692,913**	**16,915,221**

The sum corresponding to unearned gains derived from financial assets classified in the available for sale portfolio which are imputable to policyholders at the close of the financial year are totalled in the caption "Mathematical Reserves". These deferred capital gains are 535,860 thousand euros at 31 December 2008 (376,197 thousand euros at 31 December 2007), the movement during the 2008 financial year being as follows:

	Thousands of euros
Balance at 1 January 2008	**376,197**
Net movement through de-allocation of net unearned capital gains charged to equity	159,662
Balance at 31 December 2008	**535,860**

The movement experienced in the previous 2007 financial year is as follows:

	Thousands of euros
Balance at 1 January 2007	**1,129,593**
Net movement through de-allocation of net unearned capital gains charged to equity	(753,396)
Balance at 31 December 2007	**376,197**

The effect of the reinsurance on the profit and loss account for the financial years 2007 and 2008 was the following:

	Thousands of euros	
	2008 financial year	2007 financial year
Premiums imputed to the ceded reinsurance		
Ceded premiums	(20,990)	(22,419)
Change in unconsumed premium reserves	(1,450)	330
Commissions (*)	2,946	1,595
Cost of the cession	**(22,486)**	**(23,684)**
Reinsurance loss (*)	25,800	27,136
Total cost of reinsurance	**3,314**	**3,452**

(*) The commissions and loss of the reinsurance are represented in the profit and loss account netting the sub-captions "Net operating expenses" and "Net reinsurance loss in the financial year" respectively.

13. Non-technical reserves

The balance at 31 December 2008 basically corresponds to quantities pending payment to the policyholders on implementing the accident liquidation agreements, which total 1,648 thousand euros (639 thousand euros in 2007).

The Group has no significant claims, lawsuits or litigation, other than those which correspond to the insurance business (and which, in this case are duly valued and included, wherever applicable, in the reserves for claims) which may damage or affect the consolidated financial statements, or the contingent liabilities, and which might involve the Group in litigation or result in fines or penalties with a significant effect on the assets of the same.

14. Assets attributed to shareholders of the Parent company

As part of the consolidated financial statements, the Group presents a statement of changes in the consolidated equity which shows, among others:

– The financial year result derived from the profit and loss account;

– Each of the income and expense items of the financial year which, according to the IFRS, have been directly recognised in equity;

– The total of revenues and expenses for the financial year (sum of the two above sections), separately showing the total amount attributed to the shareholders of the Parent company and to minority interests;

– The effects of the changes in the accounting policies and of the correction of errors in each of the components of equity, where these have occurred;

– The amounts of the transactions that the holders of net asset instruments have carried out in their condition as such, for example the capital contributions, the repurchases of own shares maintained in their own portfolios and the distribution of dividends, showing these last distributions separately;

– The balance of the reserves through accumulated profits at the beginning of the financial year and on the date of the balance, as well as its movements during the financial year.

In addition, the Group separately details all the income and expenses recognised during the financial year, whether through the profit and loss account or directly in the assets. This statement is called the "Statement of recognised income and expenses" and supplements the information provided in the statement of changes in equity.

In the 2008 financial year, the Parent company of the Group made no significant change in its accounting policies, and it was not necessary to correct errors from previous financial years either.

a) Share capital

The share capital of the Parent company at 31 December 2008, at 256,267 thousand euros, fully subscribed and paid-in, divided into 42,640,122 shares, fully subscribed and paid-in, each with a par value of 6.01 euros. All shares confer equal rights and the Parent company can issue shares without voting rights.

At December 31, 2008, the shareholders of the Group with a holding equal to or greater than 10% of the subscribed capital were as follows:

	Percentage Holding
Criteria CaixaCorp, S.A. (direct holding)	50.00%
Criteria CaixaCorp, S.A. (indirect holding) through Crisegen Inversiones	50.00%

The holding percentage of the above shareholders has not changed with regard to that of 31 December 2007.

b) Reserves

The Statement of changes in equity attached to these annual accounts details the balances of the reserves through accumulated profits at the beginning and end of the 2008 financial year, as well as the movements produced during the financial year.

The breakdown of each type of reserve at 31 December 2008 and 2007 is detailed below:

	Thousands of euros	
	Balances at 31-12-2008	**Balances at 31-12-2007**
Legal reserve	51,253	50,508
Voluntary reserves of the Parent company	1,496	861
Reserves in fully integrated companies	108,107	95,356
Stabilisation reserve	–	–
Other reserves through changes in accounting principles	(24,551)	(27,164)
Restricted reserve		
Total Reserves	**136,305**	**119,561**
Adjustments to assets through valuation and exchange differences	**4,583**	**7,065**

b.1) Legal reserve

According to the rewritten text of the Law on Joint Stock Companies, a figure must be passed over to the legal reserve equivalent to 10% of profits until the reserve reaches at least 20% of the share capital. The legal reserve may be used to increase the capital in the part that exceeds the 10% already increased. Otherwise, as long as the reserve does not exceed 20% of the share capital, it may only be used to compensate losses and provided there are no other sufficient reserves available for this purpose.

b.2) Voluntary reserves of the Parent company

The same information at 31 December 2008 and 2007 is as follows (in thousands of euros):

	31-12-2008	31-12-2007
Voluntary reserves	1,496	861
Merger reserve	–	–
Other reserves	–	–
TOTAL	**1,496**	**861**

The balances of these reserves are freely available.

b.3) Reserves in Consolidated Companies

The breakdown of balances by companies in the attached consolidated balance sheet at 31 December 2008 and 2007, having considered the effect of the consolidation adjustments, is shown below:

	Thousands of euros	
	31-12-2008	31-12-2007
Consolidated through global integration		
VidaCaixa	77,679	69,309
SegurCaixa	25,292	22,690
AgenCaixa	4,584	2,849
SegurVida Consulting	552	508
TOTAL	**108,107**	**95,356**

The following are the movements experienced in the 2008 financial year:

Reserves of fully consolidated companies	VidaCaixa	SegurCaixa	AgenCaixa	SegurVida Consulting	InverVida Consulting	Total
Balances at 31-12-2007	**69,309**	**22,690**	**2,849**	**508**	**–**	**95,356**
Distribution of 2007 financial year result	104,922	20,596	1,735	44	–	127,303
Supplementary dividends of the result of the 2006 financial year (paid in 2007)	(12,922)	(1,200)	–	–	–	(14,122)
Dividends and account of 2008 financial year result	(84,000)	(16,800)	–	–	–	(100,800)
Consolidation and other adjustments	370	6	–	–	–	376
TOTALS	**77,679**	**25,292**	**4,584**	**552**	–	**108,107**

c) Distribution of results

The following is the proposal for distributing the net profit of the 2008 financial year of the SegurCaixa Holding, Sociedad Anónima, which its Board of Directors will submit to the Shareholders' General Assembly for approval:

	Thousands of euros
Distribution	**2008 financial year**
To voluntary reserves	661
To dividends	121,000
Net profit of financial year	**121,661**

The distribution of the net profit of the 2007 financial year approved by the Shareholders' General Assembly of the Parent company held on 20 June 2008, consisted of assigning 113,000 thousand euros of the result of 114,380 thousand euros to dividends, 745 thousand euros to increasing the legal reserves and 635 thousand euros to increasing the voluntary reserves.

Previously, the Board of Directors of the Parent company, in its meetings of 28 August 2007 and 12 December 2007, agreed to distribute, on account of the year result, the previous quantity of 58,000 thousand euros, effected through various payments in August and December 2007.

The distribution of the consolidated net profit for the 2007 financial year is set out in the statement of changes.

d) Interim dividends

The different amounts paid to the shareholders during the 2008 financial year for interim dividends of the financial year result are detailed below:

Governing Body	Date of agreement	Dividend type	Per share in Euros	Total in thousands of Euros
Board of Directors	20-11-2008	Interim dividend 2008 result	2.8377095	121,000

The following is the balance sheet of the Parent company at 19 November 2008, which presented the following statements of liquidity (in thousands of euros):

NON-CURRENT ASSETS	19 November 2008 (Thousands of euros)
Intangible assets	**1**
Financial investments in associate companies	**285,541**
Long-term holdings in associate companies	357,541
Long-term holdings in Group companies	357,541
Disbursements pending on long-term holdings in associate companies	(72,000)
Disbursements pending on long-term holdings in Group companies	(72,000)
Long-term deposits and bonds	**12**
Long-term bonds	12
Assets through deferred tax	**98**
CURRENT ASSETS	
Loans and accounts to be received	**48**
Short-term financial investments	**2**
Debt securities	2
Cash and equivalent liquid assets	**144,484**
Cash	123,433
Cash and equivalent liquid assets	21,051
TOTAL ASSETS	**430,186**

EQUITY	19 November 2008 (Thousands of euros)
COMPANY CAPITAL	
Capital	**256,267**
Registered capital	256,267
Reserves	52,519
Legal	51,253
Other reserves	1,266
Profit	121,183
CURRENT LIABILITIES	
Loans and accounts to be received	217
TOTAL LIABILITIES	**430,186**

f) Recognised Income and Expenses

The main item registered in the recognised income and expenses outside the profit and loss account refers to adjustments through changes in value of the reserves for valuation adjustments to assets classified in the "available for sale" portfolio, including corrections of accounting imbalances generated through the allocation to policyholders of unearned net gains from investments.

Reserves through adjustments of valuation (Assets available for sale)

This concept principally includes the net amount of those variations in the reasonable value of the financial assets as available for sale which according to Note 3.c.2 must be classified as an integral part of the Group's consolidated assets. These variations are recorded in the consolidated profit and loss account when the sale of the assets in which they originate takes place.

With regard to the remainder of these changes in value, which total 535,860 thousand euros, the Company considers that they should be allocated to policyholders, and for this reason they were allocated on 31 December 2008, increasing the amount of mathematical provisions.

Corrections of accounting mismatches

This concept includes the variations of unearned gains derived from financial assets classified in the available for sale and at reasonable value with changes in profits and losses portfolios which are imputable to life insurance policyholders.

15. Minority interests

The breakdown, by consolidated companies, of the balance of the caption "Minority interests" and the sub-caption "Losses and Gains attributable to external partners" at 31 December 2008 and 2007 is as follows:

	Thousands of euros	
Company	**31-12-2008**	**31-12-2007**
VidaCaixa	71,931	65,522
SegurCaixa	–	–
AgenCaixa	81	52
Agrupación AIE	211	135
SegurVida Consulting	235	150
TOTAL	**72,458**	**65,859**

The movement which occurred in the caption "Minority interests" during the 2008 and 2007 financial years is included in the statement of changes in the consolidated equity.

16. Information on insurance contracts according to segments

The total volume of the premiums accrued for direct and accepted reinsurance during the 2008 and 2007 financial years totalled 2,036,021 thousand euros and 1,613,388 thousand euros respectively.

The breakdown of the imputed premiums of the 2008 financial year and the remaining income and expense concepts in accordance with the main segments and sub-segments defined is as follows:

2008	Thousands of euros						
	Non-life Segment					Life Segment	Total
	Home multi-risk	Automobiles	Accidents and illness	Others	Various		
Premiums imputed to direct reinsurance business Accepted (I)	**145,355**	**30,644**	**81,174**	**5,174**	**23,517**	**1,728,694**	**2,014,558**
Accrued direct insurance premiums	147,184	48,392	81,792	3,133	23,332	1,732,267	2,036,100
Variation in reserve for premiums pending payment	(311)	(117)	(10)		(26)	(2,403)	(2,867)
Change in the reserve for unconsumed and unearned direct insurance premiums	(1,518)	(17,631)	(608)	2,041	211	(1,170)	(18,675)
Premiums imputed to reinsurance (II)	**(2,784)**	**(3,155)**	**(2,566)**	**(3,039)**	**(3,466)**	**(7,513)**	**(22,523)**
Total premiums imputed net of reinsurance (I-II)	**142,571**	**27,489**	**78,608**	**2,135**	**20,051**	**1,721,181**	**1,992,035**
Other technical income net of expenses (III)	**(1,139)**	**(2,871)**	**(651)**	**(39)**	**(402)**	**(34,092)**	**(39,194)**
Other technical revenue	–	–	–	–	–	110,549	110,549
Other technical expenses	(1,139)	(2,871)	(651)	(39)	(402)	(144,641)	(149,743)
Losses incurred in the period, net of reinsurance (IV)	**(78,606)**	**(29,009)**	**(34,914)**	**(1,447)**	**(14,203)**	**(2,209,068)**	**(2,367,247)**
Direct and accepted insurance claims paid	(77,552)	(17,699)	(36,568)	(2,122)	(11,885)	(2,235,238)	(2,381,064)
Ceded reinsurance claims paid	3	–	806	828	1,103	23,058	25,798
Change in the direct insurance claims reserve	576	(9,341)	556	(110)	(2,459)	18,047	7,269
Change in the ceded reinsurance claims reserve	–	–	594	8	(836)	(12,756)	(12,990)
Expenses imputed to claims	(1,633)	(1,969)	(302)	(51)	(126)	(2,179)	(6,260)
Variation of other technical reserves (V)	–	**(35)**	**(14,494)**	**(43)**	**1**	**(10,183)**	**(24,754)**
Change in reserve for share in profits and returns	–	(35)	(14,494)	–	1	(41,575)	(56,103)
Variation of other technical reserves (reserves for deaths, mathematical provisions)	–	–	–	(43)	–	31,392	31,349
Net operating expenses (VI)	**(27,421)**	**(11,271)**	**(7,903)**	**1,035**	**(3,661)**	**(104,467)**	**(153,688)**
Acquisition expenses (commissions and other expenses)	(26,470)	(9,900)	(7,467)	(628)	(4,282)	(84,039)	(132,786)
Administration expenses	(1,187)	(1,430)	(490)	(37)	(264)	(19,694)	(23,102)
Commissions and holdings in ceded reinsurance	236	59	54	1,700	885	(734)	2,200
Net investment income (VII)	**3,742**	**1,269**	**3,102**	**268**	**923**	**805,919**	**815,223**
Income from financial investments	5,358	1,711	3,723	362	1,163	1,925,741	1,938,058
Management expenses of financial investments and assets	(1,616)	(442)	(621)	(94)	(240)	(1,119,822)	(1,122,835)
Unrealised gains and losses (VIII)	–	–	–	–	–	–	–
TECHNICAL-FINANCIAL RESULT	**39,147**	**(14,428)**	**23,748**	**1,909**	**2,709**	**169,290**	**222,375**

The breakdown of the imputed premiums of the 2007 financial year and the remaining income and expense concepts in accordance with the main segments and sub-segments defined is as follows:

2007	Thousands of euros						
	Non-life Segment					Life Segment	Total
	Home multi-risk	Automobiles	Accidents and illness	Others	Various		
Premiums imputed to direct reinsurance business Accepted (I)	**135,582**	**6,301**	**86,477**	**5,302**	**3,718**	**1,393,041**	**1,630,421**
Accrued direct insurance premiums	140,222	18,756	86,860	5,435	4,215	1,357,900	1,613,389
Variation in reserve for premiums pending payment	86	(450)	(17)	(1)	(2)	1,752	1,367
Change in the reserve for unconsumed and unearned direct insurance premiums	(4,726)	(12,005)	(366)	(132)	(495)	33,389	15,665
Premiums imputed to reinsurance (II)	**(3,464)**	**(763)**	**(2,486)**	**(2,867)**	**(2,896)**	**(9,613)**	**(22,089)**
Total premiums imputed net of reinsurance (I-II)	**132,118**	**5,538**	**83,991**	**2,435**	**1,822**	**1,383,428**	**1,608,332**
Other technical income net of expenses (III)	**(1,029)**	**(1,749)**	**(896)**	**(27)**	**(110)**	**(4,426)**	**(8,237)**
Other technical revenue	–	–	–	–	–	–	–
Other technical expenses	(1,029)	(1,749)	(896)	(27)	(110)	(4,426)	(8,237)
Losses incurred in the period, net of reinsurance (IV)	**(71,209)**	**(7,742)**	**(47,313)**	**(1,335)**	**(1,038)**	**(2,231,569)**	**(2,360,206)**
Direct and accepted insurance claims paid	(69,686)	(2,477)	(46,023)	(1,664)	(1,260)	(2,192,495)	(2,313,605)
Ceded reinsurance claims paid	10	–	946	717	1,035	7,279	9,986
Change in the direct insurance claims reserve	(280)	(3,879)	(2,202)	(164)	(545)	(57,349)	(64,419)
Change in the ceded reinsurance claims reserve	32	–	284	(183)	(149)	13,095	13,079
Expenses imputed to claims	(1,285)	(1,386)	(318)	(41)	(119)	(2,099)	(5,247)
Variation of other technical reserves (V)	**–**	**–**	**(7,700)**	**–**	**826**	**269,581**	**262,707**
Change in reserve for share in profits and returns	–	–	(7,700)	–	826	2,255	(4,619)
Variation of other technical reserves (reserves for deaths, mathematical provisions)	–	–	–	–	–	267,326	267,326
Net operating expenses (VI)	**(24,690)**	**(5,667)**	**(6,637)**	**108**	**(1,024)**	**(83,217)**	**(121,128)**
Acquisition expenses (commissions and other expenses)	(23,959)	(4,663)	(6,706)	(759)	(1,661)	(64,635)	(102,353)
Administration expenses	(959)	(1,034)	(495)	(31)	(86)	(20,177)	(22,782)
Commissions and holdings in ceded reinsurance	228	–	564	898	723	1,595	4,008
Net investment income (VII)	**3,228**	**418**	**3,328**	**328**	**61**	**807,068**	**814,431**
Income from financial investments	4,946	593	3,853	465	99	1,679,603	1,689,559
Management expenses of financial investments and assets	(1,718)	(175)	(525)	(137)	(38)	(868,483)	(871,076)
Unrealised gains and losses from the investments (VIII)	–	–	–	–	–	(4,052)	(4,052)
TECHNICAL-FINANCIAL RESULT	**38,418**	**(9,202)**	**24,773**	**1,509**	**(463)**	**140,865**	**195,900**

The profit and loss account of the sub-segment "Other activities" corresponding to the 2008 financial year, under the concept "Operating income", includes the following concepts:

Operating income – 2008 financial year	**Thousands of euros**
	Other activities Segment
Pension fund administration income	101,206
Amortisation of pension-fund marketing expenses	(12,834)
TOTAL	**88,372**

The breakdown of the operating income in the segment "Other come activities" for the previous financial year is as follows:

Operating income – 2007 financial year	**Thousands of euros**
	Other activities Segment
Pension fund administration income	95,024
Amortisation of pension-fund marketing expenses	(4,785)
Other, non-general expenses	(1,408)
TOTAL	**88,831**

a) Composition of life business by volume of premiums

The composition of the life business (direct insurance), by volume of premiums for the 2008 and 2007 financial years, is as follows:

Life (Direct) Insurance Premiums	**Thousands of euros**	
	2008 financial year	**2007 financial year**
Premiums on individual policies	1,159,854	899,396
Premiums on group policies	572,413	458,504
TOTAL	**1,732,267**	**1,357,900**
Regular premiums	652,572	793,930
Single premiums	1,079,695	563,970
TOTAL	**1,732,267**	**1,357,900**
Premiums on policies without profit sharing	1,069,224	830,011
Premiums on policies with profit sharing	644,364	510,070
Premiums on policies where risk is assumed by policyholder	18,679	17,819
TOTAL	**1,732,267**	**1,357,900**

b) Technical conditions of the main types of life insurance

The technical conditions of the main types of life insurance, which represent more than 5% of the premiums or reserves of the life business, are as follows:

Format and type of coverage	Technical interest	Biometric table	Profit sharing		Thousands of euros		
			Applies? Yes/No	Form of distribution	Premiums	Mathematical reserve (*)	Amount distributed in profit sharing
PVI	3.95%	(2)	No	–	259,318	3,261,659	–
Savings Plan insured	2.96%	(3)	No	–	277,471	461,553	–
Group Insurance	4.30%	(1)	Yes	To reserve	633,485	8,323,376	602,229
Contingency Plan insured	3.56%	(4)	No	–	192,309	193,443	–

(*) The specified biometric tables indicated in the Technical Notes are indicated, along with the mathematical reserve derived from applying these tables.
(1) According to different types, GR-80, GR-80 less two years, GR-70, GR-95 and PER2000P mortality tables are used.
(2) According on different types, GR-80, GR-80 less two years and GR-95 mortality tables are used. For new production, GR-95 or GK-95 tables are used, according to type.
(3) According on different types, GR-80 less two years and GR-95 are used. For new production, GK-95 tables are used.
(4) GK-80 tables are used.

For certain types of individual Life and various group Life policy, profit sharing is distributed as an increase in the life insurance provision, in accordance with the periods envisaged in the different policies. The amount of the benefits accrued in favour of policyholders and beneficiaries that has still not been allocated is recorded in the sub-caption "Technical reserves – Reserves for share in profit and returns".

In accordance with the Regulations on Administration and Supervision of Private Insurance, the technical interest rate applied to calculating the life insurance reserve was as follows:

a) For commitments assumed since 1 January 1999, the subsidiary companies have used, in the types which have allocated investments (matchings), the technical note interest rate (derived from the internal rate of return of said investments). For non-matchings, the interest rate used was the one established by the DGIPF for the financial years 2008 and 2007 (2.60% and 2.42% respectively), or, wherever applicable, the interest rate established by said governing body referred to the financial year of the effective date of the policy, provided that the financial duration estimated at the market interest rate of the payments specifically assigned to the contracts is equal to or greater than the financial duration of the payments derived from the same, paying attention to their probable flows and is estimated at the market interest rate.

b) For commitments assumed prior to 1 January 1999, for the calculation of the mathematical provisions, the same technical interest rate has been used as for the calculation of the premium, with the limit of the actual obtained or anticipated profitability of the investments affecting the coverage of said provisions. Given that the profitability of the aforementioned affected investments in the financial years 2008 and 2007 was greater than the established technical interest rate, no complementary provision for insufficient profitability was necessary.

c) Change in the claims reserve

Below we set out the evolution of the technical reserve for claims established at the various dates for the direct business, taking into account the occurrence of claims, in accordance with the claims paid and the reserves for the same prior to the closes:

	Home multi-risk			Automobiles	Accidents and illness		
	Claims during the 2005 financial year	Claims during the 2006 financial year	Claims during the 2007 financial year	Claims during the 2007 financial year	Claims during the 2005 financial year	Claims during the 2006 financial year	Claims during the 2007 financial year
Reserve for claims originally estimated (*)	38,372	48,139	48,417	3,878	7,931	7,026	7,594
Estimated value of the claims							
One year later	22,606	27,615	28,686	1,085	4,069	4,563	2,323
Two years later	–	–	–	–	–	–	–
Three years later	–	–	–	–	–	–	–
Four years later	–	–	–	–	–	–	–
Five years later	–	–	–	–	–	–	–
Accumulated sums paid	10,072	9,794	12,534	2,851	2,581	1,178	3,254
Accumulated (Deficit)-Gain	5,694	10,730	7,197	(58)	1,281	1,285	2,017
In percentage terms	14.84%	22.29%	14.86%	(1.50)%	16.15%	18.29%	26.56%

(*) Does not include the technical reserve for claims settlement expenses.

	Others			Various		
	Claims during the 2005 financial year	Claims during the 2006 financial year	Claims during the 2007 financial year	Claims during the 2005 financial year	Claims during the 2006 financial year	Claims during the 2007 financial year
Reserve for claims originally estimated (*)	1,166	1,941	2,026	1,440	1,746	1,452
Estimated value of the claims						
One year later	628	817	922	1,099	905	1,357
Two years later	–	–	–	–	–	–
Three years later	–	–	–	–	–	–
Four years later	–	–	–	–	–	–
Five years later	–	–	–	–	–	–
Accumulated sums paid	449	424	720	637	783	1,252
Accumulated (Deficit)-Gain	89	700	384	(296)	58	(1,157)
In percentage terms	7.63%	36.06%	18.95%	(20.56)%	3.32%	(79.68)%

(*) Does not include the technical reserve for claims settlement expenses.

The breakdown of the allocations made by segments and sub-segments as provisions for depreciation of the intangible assets, property investments and tangible assets is set out in Notes 3.a) and 3.b) of the Report.

The composition of the personnel expenses of the financial years 2008 and 2007, and their allocation in the profit and loss account by segments and sub-segments, is as follows:

	Thousands of euros	
	2008 financial year	2007 financial year
Wages and Salaries	30,864	30,808
Social Security	6,544	6,246
Contributions to external pension funds and life insurance premiums	338	326
Compensations and awards	414	451
Other personnel expenses	3,582	3,956
TOTAL	**41,742**	**41,787**

Allocation of personnel expenses – 2008 financial year	Non-life Segment	Life Segment	Others segment	Total
Losses incurred in the period, net of reinsurance	1,138	565	–	1,703
Tangible fixed asset and investment expenses	665	789	–	1,454
Other technical expenses	3,760	3,401	–	7,161
Net operating expenses	861	1,234	29,329	31,424
NET TOTAL	**6,424**	**5,989**	**29,329**	**41,742**

18. Breakdown of associate company transactions

Operations in consolidated Group companies

The details of the main transactions carried out in the financial year 2008 are as follows:

	Thousands of euros	
Concept	Income	Expenses
Interests credited	12,409	–
Commissions for marketing of premiums	–	118,540
Insurance operations	177,316	–
Other Revenues	11,894	–

The same information for the 2007 financial year is as follows:

	Thousands of euros	
Concept	Income	Expenses
Services received and provided	–	–
Commissions	–	105,632
Insurance operations	132,090	–
Other Revenues	1,138	–

19. Other information (including remuneration and other benefits to the Board of Directors and Top Management, and remuneration of the Auditors)

a) Employees

In accordance with the provisions established in article 200 Rewritten Text of the Law on Joint Stock Companies, amended by additional provision twenty-six of Organic Law 3-2007, of 22 March, the average number of employees of the Parent company and of the subsidiary companies during the financial years 2008 and 2007, distributed according to professional category and gender, is as follows:

Professional Category	Number of employees			
	2007 financial year	2008 financial year		
		Men	Women	Total
Directors	20	15	5	20
Departmental Managers	23	16	9	25
Graduates and technical staff	163	85	113	198
Administrative employees	265	64	164	228
Sales Network	299	129	288	417
	770	**319**	**579**	**888**

The Board of Directors of the Company is made up of ten physical persons, all male.

b) Remuneration and other benefits to the Board of Directors and Top Management

During the financial years 2008 and 2007, the members of the Board of Directors have received from the subsidiary companies the following sums for the concepts specified below:

Remuneration to Members of the Board of Directors

During the 2008 financial year, the Board of the Directors of the Parent company as remuneration a total sum of 1,848 thousand euros, recorded under the concept of “Personnel Expenses”, the breakdown for which is shown above (1,000 thousand euros in 2007).

Other benefits to Members of the Board of Directors

At 31 December 2008 and 2007, there were no advance payments nor had any loans been issued by the Parent company to members of the Board of Directors, nor had any guaranteed obligations been assumed on their behalf.

In compliance with article 127 of the Law on Joint Stock Companies, introduced by Law 26-2003, of 17 July, which modifies Law 24-1988, of 28 July, on the Stock Market and the Rewritten Text of the Law of Joint Stock Companies, there follows a list of the significant shareholdings (greater than 0.25% of the company capital) held directly or indirectly and/or posts and functions held by the Company administrators in companies with the same, similar or complementary forms of activity to that which is the company object of SegurCaixa Holding, S.A.:

Administrator	Company where they participate and/or develop a function	Post or function	No. shares	% Holding
Ricardo Fornesa Ribó	Sociedad General de Aguas de Barcelona, S.A. (engaged indirectly in the insurance business through its subsidiary Adeslas, S.A.)	Honorary Chairman	144,773 (until 18-01-2008)	–
	Hisusa, Holding de Infraestructuras y Servicios Urbanos, S.A.	Chairman (since 16-12-08). Vice-Chairman (Physical representative of CaixaCorp, S.A. (until 30-05-08)	–	–
	Criteria CaixaCorp, S.A.	Executive Chairman	633,095	0.024%
	VidaCaixa, S.A. de Seguros y Reaseguros	Board Member and Chairman	–	–
Manuel Raventós Negra	Criteria CaixaCorp, S.A.	Board member	17,330	0.001%
	Sociedad General de Aguas de Barcelona, S.A. (engaged indirectly in the insurance business through its subsidiary Adeslas, S.A.)	2nd Vice-Chairman	–	–
Juan Antonio Samaranch	Sociedad General de Aguas de Barcelona, S.A. (engaged indirectly in the insurance business through its subsidiary Adeslas, S.A.)	Board member (until 15-02-08)	–	–
Tomás Muniesa Arantegui	RentCaixa, S.A. de Seguros y Reaseguros	Board Member and Chairman	–	–
	SegurCaixa, S.A. de Seguros y Reaseguros	Chairman (since 22-05-08). Chairman (Physical representative of Criteria CaixaCorp, S.A. until 22-05-08)	–	–
	Adeslas, S.A.	Physical representative of CaixaCorp, S.A. (from 02-01-08)	–	–
	Consorcio de Compensación de Seguros	Board member	–	–
	VidaCaixa, S.A. de Seguros y Reaseguros	Board member and Chairman (until 26-11-08)	–	–
José Vilarasau Salat	–	–	–	–
Isidro Fainé Casas (until 22-05-2008)	Criteria CaixaCorp, S.A.	Vice-Chairman	270,005	0.008%
Jorge Mercader Miró	Sociedad General de Aguas de Barcelona, S.A. (engaged indirectly in the insurance business through its subsidiary Adeslas, S.A.)	Managing Director and Chairman	–	–
	Criteria CaixaCorp, S.A.	Board member	1,496	–
Miquel Valls Maseda	–	–	–	–
Javier Godó Muntañola	Grupo Catalana Occidente, S.A.	–	31,460	–
	Criteria CaixaCorp, S.A.	Board member	1,230,000 (indirect holding through Privat Media S.L.)	0.037% (indirect holding)
	INOC, S.A.	–	4,087	–
Joan Maria Nin Génova	Criteria CaixaCorp, S.A.	Board member	234,491	0.07%
Francisco Reynés Massanet	VidaCaixa, S.A. de Seguros y Reaseguros	Board member	–	–
	SegurCaixa, S.A. de Seguros y Reaseguros	Board member	–	–
	Sociedad General de Aguas de Barcelona, S.A. (engaged indirectly in the insurance business through its subsidiary Adeslas, S.A.)	Board member (since 15-02-08)	–	–
	Adeslas, S.A.	Physical representative of Criteria CaixaCorp, S.A.	–	–

Remuneration to Top Management, excluding members of the Board of Directors

During the 2008 financial year, Top Management of the Group received as remuneration a total sum of 3,804 thousand euros, recorded under the concept of "Personnel Expenses", the breakdown for which is shown above.

At 31 December 2008 and 2007, there were no advance payments nor had any loans been issued by the Parent company to members of the Top Management, nor had any guaranteed obligations been assumed on their behalf.

c) Associated operations

In accordance with the provisions established in Order EHA-3050-2004, of 15 September, it is stated for the record that, apart from the dividends received, during the financial year no associated operations have occurred with administrators or directors, or similar operations to such effect, except for those which correspond to the ordinary business activity of the company, under normal market conditions and of little significance.

d) Remuneration to auditors

During the 2008 financial year, the fees corresponding to the auditing of the accounts and other services rendered to the various companies that make up the SegurCaixa Holding Group by the Company auditors Deloitte, S.L., were as follows:

	Thousands of euros			
Categories	**Auditing of Accounts**	**Other Verification Services**	**Tax Consultancy**	**Other Services**
Deloitte, S.L.	318	99	–	–
TOTAL	**318**	**99**	**–**	**–**

During the 2008 financial year, neither the main auditors or any associated companies of the same have invoiced other services to the companies that make up the Group. The total fees paid to the main auditors repesent a percentage below 1% of its turnover.

21. Subsequent events

Subsequent to the financial year close and until the date on which the present annual accounts were prepared, there were no events with a significant impact on the Parent company and its consolidated companies.

22. Explanation added for traslation to English

These annual accounts are presented on the basis of accounting principles generally accepted in Spain. Certain accounting practices applied by the Group that conform with generally accepted accounting principles in Spain may not conform with generally accounting principles in other countries. In the event of a discrepancy, the Spanish-language version prevails.

SegurCaixa Holding, S.A. AND SUBSIDIARIES

MANAGEMENT REPORT FOR THE 2008 FINANCIAL YEAR

In the 2008 financial year, SegurCaixa Holding, the "la Caixa" Insurance Group, previously known as CaiFor, and part of the Criteria CaixaCorp holding, made a net consolidated profit of 191.92 million euros, 19.64% more than in the previous year. The number of individual customers exceeded 3.2 million, 5% more than in 2007, while the number of client companies rose to 37,000, an increase of 42%. The solvency ratio was 1.3 and the efficiency ratio was 20.8%.

SegurCaixa Holding (In thousands of euros)	2008	2007	% var.
Savings Premiums	1,263,385	1,057,643	19.45%
Life risk Premiums	318,112	300,257	5.95%
Non-life premiums	303,753	255,488	18.89%
Total Premiums	1,885,250	1,613,388	16.85%
Total Contributions to pension plans	1,317,874	1,171,566	12.49%
Total Premiums and Contributions	3,203,124	2,784,954	15.02%
Total Life and Non-life insurance reserves	17,076,160	16,915,220	0.95%
Total Consolidated pension plan rights	11,842,131	11,307,165	4.73%
Total Managed resources	28,918,291	28,222,385	2.47%
Net result	191,923	160,418	19.64%
Number of clients	3,257,653	3,093,030	5.32%
Efficiency ratio	20.8%	21.6%	–3.53%
Solvency ratio	1.3	1.2	10.43%
Number of employees	888	742	19.68%

The total volume of premiums and contributions of SegurCaixa Holding at the close of the financial year was 3,200 million euros, which represents a 15% increase on the previous year and demonstrates the healthy state of the Group's commercial activity, in terms of both individual business and group and company business, channelled through VidaCaixa Previsión Social.

The risk business, made up of non-life and life-risk insurance, which contributed 622 million euros, grew by 12%, driven by strong growth in health insurance and vehicle insurance. The growth in automobile insurance places this branch of the business in line with the evolution forecast when SegurCaixa launched the new SegurCaixa Auto in April 2007. Specifically, at the close of the 2008 financial year, SegurCaixa had a portfolio of registered vehicles, including automobiles and motorcycles, which exceeded 95,000.

With regard to the savings business, the accumulated volume of premiums and contributions at the close of the financial year exceeded 2,580 million euros, representing an increase of 16%. The good performance of savings is evidenced both in life-savings insurance and in pension plans, areas in which the product range and the effectiveness of the sales network have helped continue to increase turnover. Specifically, with regard to pension plans, of the top 5 fund managers in the market, VidaCaixa was the only one to experience growth during 2008, a major development which has resulted in it exceeding 11,800 million euros in managed resources and increasing its market share in total individual, employment and associated systems by 1.95%.

The total volume of managed savings reached 28,900 million euros, representing an increase of 2.47% compared to 2007. Specifically, insurance fell slightly by 0.95%, while pension plans grew by 4.73%.

The Group has complied with the Ministry of Justice Order of 8 October 2001 relating to environmental information, carrying out a declaration on the part of the administrators confirming that there is no issue that need be included in the document with regard to environmental information. In parallel, as part of its Corporate Social Responsibility strategy, SegurCaixa Holding undertakes various projects in the field of reducing the generation of waste and in energy consumption savings.

Furthermore, the economic slowdown is one of the uncertainties facing SegurCaixa Holding in 2009, since a major reduction in the consumption of Spanish society may have a negative impact on the contracting of insurance, principally automobile, health, life-risk or household insurance. On the other hand, it is possible that family savings will increase in the coming year, which will have a positive effect on pension plans and life-savings insurance.

With regard to management of the Company's investments, SegurCaixa Holding principally manages a fixed-income portfolio, and has limited exposure to variable income securities. The Group's investment management is based on principles of consistency, profitability, security, liquidity and dispersal. The main financial risks of assets are also considered:

- Market Risk: Understood as the risk of losses being incurred through holding positions on markets as a result of adverse movements in financial variables such as interest rates, exchange rates, share prices, commodities, etc.
- Credit Risk: This is the risk of incurring losses through a failure on the part of debtors to meet their contractual obligations, or the expansion of the risk premium tied to their financial solvency.
- Liquidity Risk: Assumed on the positioning of the various assets, this being the possibility of selling or mobilising the asset positions at any time.

When implementing the investments policy, consideration is also given to all the Group's liquidity needs, this being a fundamental parameter for management purposes. This analysis is supplemented and optimised by the centralisation of the liquidity balances of the different areas of the Group.

Management of the Group's credit is determined by strict internal compliance with an operational framework. This operational framework is approved by the Board of Directors. It defines the category of assets liable to be incorporated within the investments portfolio, using definition parameters such as the main rating scales and periods.

The management of investments is structured mainly through cash investments in the various classes of assets on financial markets. Nonetheless, the Group can use various categories of financial derivatives to the following ends:

- To guarantee adequate cover for the risks assumed in whole or in part by the asset portfolio held by the Group.
- As an investment in order to manage the portfolio appropriately.
- Within the framework of an administration policy intended to obtain a certain return.

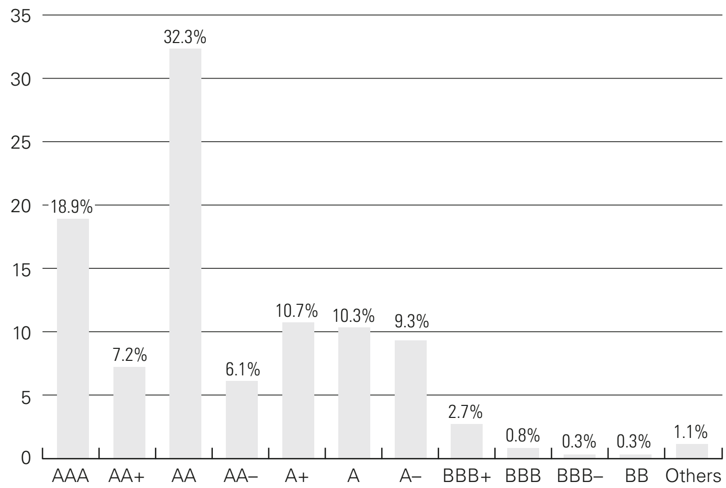
The Group's financial derivatives management policy also covers the use of counterparts which, as financial institutions subject to the supervision of the governing authorities of the member states of the European Union, have sufficient solvency. Contractually, these positions have an explicit guarantee allowing them to be left without effect at any time during the operation, either through their liquidation or through being ceded to third parties. This liquidation is guaranteed by a commitment on the part of the counterparts to publish the execution prices on a daily basis, together with a clear specification of the method of valuation used.

Financial derivatives are mainly used in financial swaps in order to adapt the flows of the investment portfolio to the needs derived from agreements with policyholders contained in the insurance contracts.

The Group's risk control strategy is based on the implementation by the investment managers of the directives and strategies established by the governing bodies of the Group, and is supplemented by a clear segregation of the functions of administration, control and management of investments. In addition, the internal audit unit is responsible for reviewing and guaranteeing compliance with control systems and procedures.

The summary of the Group's financial investment portfolio by issuer rating at 31 December 2008 is as follows:

Portfolio composition by issuer rating



Finally, within the sphere of the risks the Group confronts, there is also Operational Risk. All of these are controlled and managed using the Internal Control systems of SegurCaixa Holding.

In the future, the Group plans to maintain its current strategy of providing cover for the security and savings needs of Spanish families and companies, using life-risk, endowment, health, accident, household and car insurance products, along with pension plans. SegurCaixa Holding will also maintain its spirit of continuous improvement in the level of quality of service provided which has typified it since it was founded. At the same time, it expects to maintain the current business activity levels in the sphere of products for companies and groups, especially in the SME and freelance professional sector, as well as in that of new residents.

Subsequent to the close of the 2008 financial year, no significant effects having an impact on the annual accounts for the year occurred, although on 2 February 2009 CaiFor changed its Company Name to SegurCaixa Holding. Also the Group has not maintained own shares during the year. With regard to Research and Development, due to the Group's characteristics, no projects have been carried out, although it is true that it is developing an Innovation Plan which involves all the departments.