VidaCaixa

2014 Consolidated Annual Accounts

Index

Independent Audit Report

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Translation of a report originally issued in Spain based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Sole Shareholder of VidaCaixa, S.A. de Seguros y Reaseguros, Sole-Shareholder Company:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of VidaCaixa, S.A. de Seguros y Reaseguros, Sole-Shareholder Company ("the Parent") and Subsidiaries, which comprise the consolidated balance sheet as at 31 December 2014, and the consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of total changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

Directors' Responsibility for the Consolidated Financial Statements

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the consolidated equity, consolidated financial position and consolidated results of VidaCaixa, S.A. de Seguros y Reaseguros, Sole-Shareholder Company and Subsidiaries in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain (identified in Note 2 to the accompanying consolidated financial statements) and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the audit regulations in force in Spain. Those regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

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

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of VidaCaixa, S.A. de Seguros y Reaseguros, Sole-Shareholder Company and Subsidiaries as at 31 December 2014, and their consolidated results and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

Report on Other Legal and Regulatory Requirements

The accompanying consolidated directors' report for 2014 contains the explanations which the Parent's directors consider appropriate about the situation of VidaCaixa, S.A. de Seguros y Reaseguros, Sole-Shareholder Company and Subsidiaries, the evolution of their 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 2014. 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 drawn from the accounting records of VidaCaixa, S.A. de Seguros y Reaseguros, Sole-Shareholder Company and Subsidiaries.

DELOITTE, S.L.

Inscrita en el R.O.A.C nº S0692

Jordi Montalbo

31 march 2015

COL·LEGI
DE CENSORS JURATS
DE COMPTES
DE CATALUNYA

Membre exercent:

DELOITTE, S.L.

Any 2015 Núm. 2015/03962

CÒPIA GRATUÏTA

Informe subjecte a la taxa establerta a l'article 44 del text refós de la Llei d'auditoria de comptes, aprovat per Reial decret legislatiu 1/2011, d'1 de juliol.

VidaCaixa, S.A. de Seguros y Reaseguros, Single-Shareholder Company and Subsidiaries

Consolidated balance sheets

(Figures in thousands of Euros)

ASSETS	Note in the Annual Report	31.12.2014	31.12.2013 (*)
1. Cash and other equivalent liquid assets	**Note 6**	**11,474,591**	**1,180,886**
2. Financial assets held for trading	**Note 6**	**1,339**	**3,836**
3. Other financial assets at fair value with changes registered in the profit and loss account	**Note 6**	**1,368,216**	**1,199,839**
a) Equity instruments		-	-
b) Debt securities		-	-
c) Hybrid instruments		-	-
d) Investment on behalf of life insurance policyholders who assume the risk of the investment		1,368,216	1,199,839
e) Other		-	-
4. Financial assets available for sale	**Note 6**	**42,536,579**	**35,418,100**
a) Equity instruments		476	24,260
b) Debt securities		42,536,103	35,393,840
c) Loans		-	-
d) Deposits in credit entities		-	-
e) Other		-	-
5. Loans and payments receivable	**Note 6**	**653,175**	**11,535,633**
a) Loans and deposits		276,979	10,881,121
b) Payments receivable		376,196	654,512
6. Investments held to maturity		**-**	**-**
7. Hedging derivatives		**-**	**-**
8. Share of reinsurance in technical reserves	**Note 15**	**451,668**	**518,074**

(Cont.)

(Figures in thousands of Euros)

ASSETS	Note in the Annual Report	31.12.2014		31.12.2013 (*)	
9. Tangible fixed assets and property investments	**Note 9**		**20,021**		**30,209**
a) Tangible fixed assets		19,413		21 ,825	
b) Property investments		608		8 ,384	
10. Intangible fixed assets	**Note 10**		**806,800**		**833,696**
a) Goodwill		583,577		579,948	
b) Policy portfolio acquisition expenses		-		-	
c) Other intangible assets		223,223		253,748	
11. Shareholdings in companies valued by the equity method	**Note 8**		**998,991**		**1,007,786**
12. Tax assets	**Note 12**		**304,134**		**156,570**
a) Assets through ordinary tax		-		-	
b) Deferred tax assets		304,134		156,570	
13. Other assets			**817,752**		**822,392**
14. Assets held for sale	**Note 2**		**5,114**		**-**
TOTAL ASSETS			**59,438,380**		**52,707,021**

(*) Presented solely and exclusively for purposes of comparison (see Note 2.e).
Notes 1 to 24 in the accompanying Report and in Annexes I to III form an integral part of the Consolidated Balance Sheet at 31 December 2014.

(Cont.)

(Figures in thousands of Euros)

NET ASSETS AND LIABILITIES	Note in the Annual Report	31.12.2014	31.12.2013 (*)
TOTAL LIABILITIES		**56,411,318**	**47,817,356**
1. Financial liabilities held for trading		**-**	**-**
2. Other financial liabilities at fair value with changes in the profit and loss account		**-**	**-**
3. Debits and payable items	**Note 12 & 13**	**12,340,226**	**12,078,851**
a) Subordinated liabilities		-	145,357
b) Other debts		12,340,226	11,933,494
4. Hedging derivatives		**-**	**-**
5. Technical reserves	**Note 15**	**43,685,535**	**34,900,426**
a) For unearned premiums		2,127	2,291
b) For unexpired risks		-	-
c) For life insurance		43,089,194	34,345,604
- Reserve for unearned premiums and unexpired risks		116,323	82,422
- Policy reserves		41,530,433	33,017,327
- Reserves for life insurance when the policyholder assumes the investment risk		1,442,438	1,245,855
d) Claims reserves		536,528	494,509
e) Share in profits and returns		57,686	58,022
f) Other technical reserves		-	-
6. Non-technical reserves	**Note 16**	**-**	**124**
7. Tax liabilities	**Note 12**	**346,490**	**811,760**
a) Liabilities through ordinary tax		-	-
b) Deferred tax liabilities		346,490	811,760
8. Other liabilities		**34,410**	**26,195**
9. Liabilities associated with assets held for sale		**4,657**	**-**

(Cont.)

(Figures in thousands of Euros)

NET ASSETS AND LIABILITIES	Note in the Annual Report	31.12.2014	31.12.2013 (*)
TOTAL NET ASSETS		**3,027,062**	**4,889,665**
Own funds		**3,025 ,833**	**4,853,819**
1. Capital	**Note 17**	1,347,462	1,347,462
a) Authorised capital		1,347,462	1,347,462
b) *Less:* Uncalled capital		-	-
2. Issue premium		-	1,181,210
3. Reserves	**Note 17**	1,536,755	1,998,052
4. *Less:* Shares and holdings in own assets		-	-
5. Earnings of previous financial years		-	-
6. Other shareholder contributions		-	-
7. Financial year result attributed to the Parent Company		871,616	420,095
a) Consolidated Losses and Profits		871,616	420,095
b) Losses and Profits attributable to external partners			
8. *Less:* Interim dividend	**Note 17**	(730,000)	(93,000)
9. Other net equity instruments		-	-
Adjustments for changes in value	**Note 6**	**142**	**34,759**
1. Financial assets available for sale		142	34,759
2. Hedging operations		-	-
3. Exchange differences		-	-
4. Corrections of accounting mismatches		-	-
5. Companies valued by the equity method		-	-
6. Other adjustments		-	-

(Cont.)

(Figures in thousands of Euros)

NET ASSETS AND LIABILITIES	Note in the Annual Report	31.12.2014	31.12.2013 (*)
Subsidies, donations and legacies received		-	-
NET ASSETS ATTRIBUTABLE TO THE PARENT COMPANY		**3,025,975**	**4,888,578**
MINORITY INTERESTS	**Note 18**	**1,087**	**1,087**
1. Adjustments for changes in value		-	-
2. Resto		1,087	1,087
TOTAL ASSETS AND LIABILITIES		**59,438,380**	**52,707,021**

(*) Presented solely and exclusively for purposes of comparison (see Note 2.e).
Notes 1 to 24 in the accompanying Report and in Annexes I to III form an integral part of the Consolidated Balance Sheet at 31 December 2014.

VidaCaixa, S.A. de Seguros y Reaseguros, Single-Shareholder Company and Subsidiaries

Consolidated Profit and Loss Account

(Figures in thousands of Euros)

	Note in the Annual Report	2014 Financial Year	2013 Financial Year(*)
1. Premiums applied to period, net of reinsurance		17,086	21,906
2. Tangible fixed asset and investment revenue		86,345	74,410
3. Other technical revenue		-	-
4. Losses incurred in the period, net of reinsurance		(11,727)	(12,988)
5. Change in other technical reserves, net of reinsurance		-	-
6. Profit-sharing and returns		(771)	(815)
7. Net operating expenses		(4,593)	(4,404)
8. Other technical expenses		(613)	(524)
9. Tangible fixed asset and investment expenses		(84)	(71)
A) NON-LIFE INSURANCE RESULT	**Note 19**	**85,643**	**77,514**
10. Premiums applied to period, net of reinsurance		5,252,910	4,988,298
11. Tangible fixed asset and investment revenue		2,324,950	1,781,709
12. Revenue for investments subject to insurance in which the policyholder assumes the investment risk		134,056	81,237
13. Other technical revenue		3,990	4,337
14. Losses incurred in the period, net of reinsurance		(5,163,158)	(3,457,108)
15. Change in other technical reserves, net of reinsurance		(1,578,594)	(2,703,003)
16. Profit-sharing and returns		(47,707)	(48,616)
17. Net operating expenses		(219,840)	(191,269)
18. Other technical expenses		(7,192)	(6,099)
19. Tangible fixed asset and investment expenses		(67,432)	(236,176)
20. Expenses of investments subject to insurance in which the policyholder assumes the investment risk		(55,391)	(16,551)

(Cont.)

(Figures in thousands of Euros)

	Note in the Annual Report	2014 Financial Year	2013 Financial Year(*)
B) LIFE INSURANCE RESULT	**Note 19**	576,592	196,759
21. Tangible fixed asset and investment revenue		143,738	220,144
22. Negative consolidation difference		-	-
23. Tangible fixed asset and investment expenses		(106,059)	(89,882)
24. Other income		181,321	161,199
25. Other expenses		(147,349)	(132,546)
C) RESULT FROM OTHER ACTIVITIES		71,651	158,915
E) PROFIT/LOSS BEFORE TAX		733,886	433,188
26.Corporate Income Tax	Note 12	137,730	(13,093)
F) RESULT OF FINANCIAL YEAR FROM CONTINUED OPERATIONS		871,616	420,095
27.Result of financial year from uninterrupted operations net of tax		-	-
G) CONSOLIDATED PROFIT/LOSS FOR THE YEAR		871,616	420,095
a) Profit attributed to the parent company		871,616	420,095
b) Profit attributed to minority interests	Note 18	-	-
PER SHARE PROFIT			
Basic and diluted per share profit		4	2

(*) Presented solely and exclusively for purposes of comparison (see Note 2.e).
Notes 1 to 24 and Annexes I to III form an integral part of the Consolidated Profit and Loss Account corresponding to the 2014 financial year.

VidaCaixa, S.A. de Seguros y Reaseguros, Single-Shareholder Company and Subsidiaries

Consolidated Balance Sheet by Segments at 31 December 2014

(Figures in thousands of Euros)

ASSETS	NON-LIFE INSURANCE SEGMENT	LIFE INSURANCE SEGMENT	OTHERS SEGMENT	TOTAL
1. Cash and other equivalent liquid assets	**24,195**	**11,450,212**	**184**	**11,474,591**
2. Financial assets held for trading	**-**	**1,339**	**-**	**1,339**
3. Other financial assets at fair value with changes registered in the profit and loss account	**-**	**1,368,216**	**-**	**1,368,216**
4. Financial assets available for sale	**-**	**42,536,579**	**-**	**42,536,579**
5. Loans and payments receivable	**77,348**	**575,189**	**638**	**653,175**
a) Loans and deposits	-	276,979	-	276,979
b) Payments receivable	77,348	298,210	638	376,196
6. Investments held to maturity	**-**	**-**	**-**	**-**
7. Hedging derivatives	**-**	**-**	**-**	**-**
8. Share of reinsurance in technical reserves	**-**	**451,668**	**-**	**451,668**
9. Tangible fixed assets and property investments	**-**	**20,021**	**-**	**20,021**
a) Tangible fixed assets	-	19,413	-	19,413
b) Property investments	-	608	-	608
10. Intangible fixed assets	**-**	**806,800**	**-**	**806,800**
a) Goodwill	-	583,577	-	583,577
b) Policy portfolio acquisition expenses	-	-	-	-
c) Other intangible assets	-	223,223	-	223,223
11. Shareholdings in companies valued by the equity method	**998,991**	**-**	**-**	**998,991**
12. Tax assets	**-**	**304,134**	**-**	**304,134**
a) Assets through ordinary tax	-	-	-	-
b) Deferred tax assets	-	304,134	-	304,134
13. Other assets	**-**	**817,736**	**16**	**817,752**
14. Assets held for sale	**-**	**-**	**5,114**	**5,114**
TOTAL ASSETS	**1,100,534**	**58,331,894**	**5,952**	**59,438,380**

(Cont.)

(Figures in thousands of Euros)

NET ASSETS AND LIABILITIES	NON-LIFE INSURANCE SEGMENT	LIFE INSURANCE SEGMENT	OTHERS SEGMENT	TOTAL
TOTAL LIABILITIES	**15,900**	**56,390,553**	**4,865**	**56,411,318**
1. Financial liabilities held for trading	-	-	-	-
2. Other financial liabilities at fair value with changes in the profit and loss account	-	-	-	-
3. Debits and payable items	-	12,340,067	159	12,340,226
4. Hedging derivatives	-	-	-	-
5. Technical reserves	15,900	43,669,635	-	43,685,535
6. Non-technical reserves	-	-	-	-
7. Tax liabilities	-	346,490	-	346,490
8. Other liabilities	-	34,361	49	34,410
9. Liabilities associated with assets held for sale	-	-	4,657	4,657
TOTAL NET ASSETS	**1,084,634**	**1,941,341**	**1,087**	**3,027,062**
Own funds	**1,084,634**	**1,941,199**	**-**	**3,025,833**
1. Capital	**-**	1,347,462	**-**	1,347,462
a) Authorised capital	-	1,347,462	-	1,347,462
b) *Less:* Uncalled capital	-	-	-	- -
2. Issue premium	-	-	-	-
3. Reserves	998,991	537,764	-	1,536,755
4. Less: Shares and holdings in own assets	-	-	-	-
5. Earnings of previous financial years	-	-	-	-
6. Other shareholder contributions	-	-	-	-
7. Financial year result attributed to the Parent Company	85,643	785,973	-	871,616
a) Consolidated Losses and Profits	85,643	785,973	-	871,616
b) Losses and Profits attributable to external partners	-	-	-	-
8. *Less:* Interim dividend	-	**(730,000)**	-	**(730,000)**
9. Other net equity instruments	**-**	-	-	-

(Cont.)

(Figures in thousands of Euros)

NET ASSETS AND LIABILITIES	NON-LIFE INSURANCE SEGMENT	LIFE INSURANCE SEGMENT	OTHERS SEGMENT	TOTAL
Adjustments for changes in value	**-**	**142**	**-**	**142**
1. Financial assets available for sale	-	142	-	142
2. Hedging operations	-	-	-	-
3. Exchange differences	-	-	-	-
4. Corrections of accounting mismatches	-	-	-	-
5. Companies valued by the equity method	-	-	-	-
6. Other adjustments	-	-	-	-
Subsidies, donations and legacies received	**-**	**-**	**-**	**-**
NET ASSETS ATTRIBUTABLE TO THE PARENT COMPANY	**1,084,634**	**1,941,341**	**-**	**3,025,975**
MINORITY INTERESTS	**-**	**-**	**1,087**	**1,087**
TOTAL NET ASSETS AND LIABILITIES	**1,100,534**	**58,331,894**	**5,952**	**59,438,380**

VidaCaixa, S.A. de Seguros y Reaseguros, Single-Shareholder Company and Subsidiaries

Consolidated Balance Sheet by Segments at 31 December 2013

(Figures in thousands of Euros)

ASSETS	NON-LIFE INSURANCE SEGMENT	LIFE INSURANCE SEGMENT	OTHERS SEGMENT	TOTAL
1. Cash and other equivalent liquid assets	**14,699**	**1,162,676**	**3,511**	**1,180,886**
2. Financial assets held for trading	**-**	**3.836**	**-**	**3,836**
3. Other financial assets at fair value with changes registered in the profit and loss account	**-**	**1,199,839**	**-**	**1,199,839**
4. Financial assets available for sale	**-**	**35,418,100**	**-**	**35,418,100**
5. Loans and payments receivable	**-**	**11,531,336**	**4,297**	**11,535,633**
a) Loans and deposits	-	10,881,121	-	10,881,121
b) Payments receivable	-	650,215	4,297	654,512
6. Investments held to maturity	**-**	**-**	**-**	**-**
7. Hedging derivatives	**-**	**-**	**-**	**-**
8. Share of reinsurance in technical reserves	**-**	**518,074**	**-**	**518,074**
9. Tangible fixed assets and property investments	**-**	**20,732**	**9,477**	**30,209**
a) Tangible fixed assets	-	12,348	9,477	21,825
b) Property investments	-	8,384	-	8,384
10. Intangible fixed assets	**-**	**833,245**	**451**	**833,696**
a) Goodwill	-	579,948	-	579,948
b) Policy portfolio acquisition expenses	-	-	-	-
c) Other intangible assets	-	253,297	451	253,748
11. Shareholdings in companies valued by the equity method	**1,007,786**	**-**	**-**	**1,007,786**
12. Tax assets	**-**	**156,570**	**-**	**156,570**
a) Assets through ordinary tax	-	-	-	-
b) Deferred tax assets	-	156,570	-	156,570
13. Other assets	**-**	**822,254**	**138**	**822,392**
14. Assets held for sale	**-**	**-**	-	-
TOTAL ASSETS	**1,022,485**	**51,666,662**	**17,874**	**52,707,021**

(Cont.)

(Figures in thousands of Euros)

NET ASSETS AND LIABILITIES	NON-LIFE INSURANCE SEGMENT	LIFE INSURANCE SEGMENT	OTHERS SEGMENT	TOTAL
TOTAL LIABILITIES	**14,698**	**47,798,225**	**4,433**	**47,817,356**
1. Financial liabilities held for trading	-	-	-	-
2. Other financial liabilities at fair value with changes in the profit and loss account	-	-	-	-
3. Debits and payable items	-	12,077,257	1,594	12,078,851
4. Hedging derivatives	-	-	-	-
5. Technical reserves	14,698	34,885,728	-	34,900,426
6. Non-technical reserves	-	124	-	124
7. Tax liabilities	-	809,398	2,362	811,760
8. Other liabilities	-	25,718	477	26,195
9. Liabilities associated with assets held for sale	-	-	-	-
TOTAL NET ASSETS	**1,085,300**	**3,803,278**	**1,087**	**4,889,665**
Own funds	**1,085,300**	**3,768,519**	**-**	**4,853,819**
1. Capital	-	1,347,462	-	1,347,462
a) Authorised capital	-	1,347,462	-	1,347,462
b) *Less:* Uncalled capital	-	-	-	- -
2. Issue premium	-	1,181,210	-	1,181,210
3. Reserves	1,007,786	990,266	-	1,998,052
4. *Less:* Shares and holdings in own assets	-	-	-	-
5. Earnings of previous financial years	-	-	-	-
6. Other shareholder contributions	-	-	-	-
7. Financial year result attributed to the Parent Company	77,514	342,581	-	420,095
a) Consolidated Losses and Profits	77,514	342,581	-	420,095
b) Losses and Profits attributable to external partners	-	-	-	-
8. *Less:* Interim dividend	-	(93,000)	-	(93,000)
9. Other net equity instruments	-	-	-	-

(Cont.)

(Figures in thousands of Euros)

NET ASSETS AND LIABILITIES	NON-LIFE INSURANCE SEGMENT	LIFE INSURANCE SEGMENT	OTHERS SEGMENT	TOTAL
Adjustments for changes in value	**-**	**34,759**	**-**	**34,759**
1. Financial assets available for sale	-	34,759	-	34,759
2. Hedging operations	-	-	-	-
3. Exchange differences	-	-	-	-
4. Corrections of accounting mismatches	-	-	-	-
5. Companies valued by the equity method	-	-	-	-
6. Other adjustments	-	-	-	-
Subsidies, donations and legacies received	**-**	**-**	**-**	**-**
NET ASSETS ATTRIBUTABLE TO THE PARENT COMPANY	**1,085,300**	**3,803,278**	**-**	**4,888,578**
MINORITY INTERESTS	**-**	**-**	**1,087**	**1,087**
TOTAL NET ASSETS AND LIABILITIES	**1,099,998**	**51,601,503**	**5,520**	**52,707,021**

VidaCaixa, S.A. de Seguros y Reaseguros, Single-Shareholder Company and Subsidiaries

Consolidated Statement of Changes in Equity

(Figures in thousands of Euros)

A) CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSES	2014 Financial Year	2013 Financial Year (*)
A) CONSOLIDATED PROFIT/LOSS FOR THE YEAR	**871,616**	**420,095**
B) OTHER RECOGNISED INCOME (EXPENSES)	**(34,617)**	**87,409**
Items that will be transferred to the profit and loss account in the next periods:	**(34,617)**	**87,409**
1. Financial assets available for sale:	**(49,453)**	**124,870**
a) Profit/(Loss) through valuation	30,281	140,918
b) Sums transferred to the profit and loss account	(79,734)	(16,048)
c) Other reclassifications	-	-
2. Cash-flow hedges:	**-**	**-**
a) Profit/(Loss) through valuation	-	-
b) Sums transferred to the profit and loss account	-	-
c) Sums transferred to the initial value of hedged items	-	-
d) Other reclassifications	-	-
3. Hedge of net investments in foreign operations:	**-**	**-**
a) Profit/(Loss) through valuation	-	-
b) Sums transferred to the profit and loss account	-	-
c) Other reclassifications	-	-
4. Exchange rate differences:	**-**	**-**
a) Profit/(Loss) through valuation	-	-
b) Sums transferred to the profit and loss account	-	-
c) Other reclassifications	-	-

(Cont.)

(Figures in thousands of Euros)

A) CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSES	2014 Financial Year	2013 Financial Year (*)
5. Correction of accounting mismatches:	**-**	**-**
a) Profit/(Loss) through valuation	-	-
b) Sums transferred to the profit and loss account	-	-
c) Other reclassifications	-	-
6. Assets held for sale:	**-**	**-**
a) Profit/(Loss) through valuation	-	-
b) Sums transferred to the profit and loss account	-	-
c) Other reclassifications	-	-
7. Actuarial Profits/(Loss) through long-term remuneration to personnel	**-**	**-**
8. Companies valued by the equity method:	**-**	**-**
a) Profit/(Loss) through valuation	-	-
b) Sums transferred to the profit and loss account	-	-
c) Other reclassifications	-	
9. Other recognised income and expenses	**-**	**-**
10. Corporate Income Tax	**14,836**	**(37,461)**
Items that will not be transferred to the profit and loss account in the next periods:	**-**	**-**
11. Ganancias/(Pérdidas) actuariales en planes de pensiones	**-**	**-**
a) Profit/(Loss) through valuation	-	-
b) Amounts transferred to reserves	-	-
TOTAL RECOGNISED INCOME/(EXPENSES) (A + B)	**836,999**	**507,504**
a) Attributed to the Parent Company	836,999	507,504
b) Attributed to minority interests	-	-

(*) Presented solely and exclusively for purposes of comparison (see Note 2.e).
Notes 1 to 24 in the attached Report and Annexes I to III form an integral part of the Consolidated Statement of Recognised Income and Expenses corresponding to the 2014 financial year.

VidaCaixa, S.A. de Seguros y Reaseguros, Single-Shareholder Company and Subsidiaries

Consolidated Statement of Changes in Equity

(Figures in thousands of Euros)

B) CONSOLIDATED STATEMENT OF NET CHANGES IN EQUITY

	Equity attributable to the Parent Company								Minority interests	Total Net Equity
	Own funds						Adjustments for changes in value	Subsidies, donations and legacies received		
	Capital or mutual fund	Issue premium and reserves	Shares and holdings in own assets	Financial year result attributed to the Parent Company	(Interim dividends)	Other net equity instruments				
Final balance at 31 December 2012 (*)	**930,729**	**2,858,293**	**-**	**789,541**	**(953,000)**	**-**	**(52,650)**	**-**	**1,087**	**3,574,000**
Adjustments through change of accounting principle	-	-	-	-	-	-	-	-	-	-
Adjustments for errors	-	-	-	-	-	-	-	-	-	-
Adjusted balance at 1 January 2013	**930,729**	**2,858,293**	**-**	**789,541**	**(953,000)**	**-**	**(52,650)**	**-**	**1.087**	**3,574,000**
I. Total Recognised Income/(Expenses) for 2012 financial year	**-**	**-**	**-**	**420,095**	**-**	**-**	**87,409**	**-**	**-**	**507,504**
II. Transactions with shareholders or owners:	**294,490**	**1,180,410**	**-**	**-**	**(93,000)**	**-**	**-**	**-**	**-**	**1,381,900**
1. Capital increases/(reductions)	294,490	1,180,410	-	-	-	-	-	-	-	1,474,900
2. Conversion of financial liabilities into shareholders' equity	-	-	-	-	-	-	-	-	-	-
3. Payment of dividends	-	-	-	-	(93,000)	-	-	-	-	(93,000)
4. Operations with shares or holdings in own assets (net)	-	-	-	-	-	-	-	-	-	-
5. Increases/(Reductions) through business combinations	-	-	-	-	-	-	-	-	-	-
6. Other transactions with shareholders or owners	-	-	-	-	-	-	-	-	-	-

(Cont.)

(Figures in thousands of Euros)

B) CONSOLIDATED STATEMENT OF NET CHANGES IN EQUITY

	Equity attributable to the Parent Company								Minority interests	Total Net Equity
	Own funds						Adjustments for changes in value	Subsidies, donations and legacies received		
	Capital or mutual fund	Issue premium and reserves	Shares and holdings in own assets	Financial year result attributed to the Parent Company	(Interim dividends)	Other net equity instruments				
III. Other changes in net equity	**122,243**	**(859,441)**	**-**	**(789,541)**	**953,000**	**-**	**-**	**-**	**-**	**(573,739)**
1. Payments based on equity instruments	-	-	-	-	-	-	-	-	-	-
2. Transfers between net equity items	122.243	(285,702)	-	(789,541)	953,000	-	-	-	-	-
3. Other variations	-	(573,739)	-	-	-	-	-	-	-	(573,739)
Final balance at 31 December 2013 (*)	**1,347,462**	**3,179,262**	**-**	**420,095**	**(93,000)**	**-**	**34,759**	**-**	**1,087**	**4,889,665**
Adjustments through change of accounting principle	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Adjustments for errors	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Adjusted balance at 1 January 2014	**1,347,462**	**3,179,262**	**-**	**420,095**	**(93,000)**	**-**	**34,759**	**-**	**1,087**	**4,889,665**
I. Total Recognised Income/(Expenses) for 2014 financial year	**-**	**-**	**-**	**871,616**	**-**	**-**	**(34,617)**	**-**	**-**	**836,999**
II. Transactions with shareholders or owners:	**-**	**(1,970,030)**	**-**	**-**	**(730,000)**	**-**	**-**	**-**	**-**	**(2,700,030)**
1. Capital increases/(reductions)	-	-	-	-	-	-	-	-	-	-
2. Conversion of financial liabilities into shareholders' equity	-	-	-	-	-	-	-	-	-	-
3. Payment of dividends	-	(137,000)	-	-	(730,000)	-	-	-	-	(867,000)
4. Operations with shares or holdings in own assets (net)	-	-	-	-	-	-	-	-	-	-
5. Increases/(Reductions) through business combinations	-	-	-	-	-	-	-	-	-	-
6. Other transactions with shareholders or owners	-	(1,833,030)	-	-	-	-	-	-	-	(1,833,030)

(Cont.)

(Figures in thousands of Euros)

B) CONSOLIDATED STATEMENT OF NET CHANGES IN EQUITY

	Equity attributable to the Parent Company								Minority interests	Total Net Equity
	Own funds						Adjustments for changes in value	Subsidies, donations and legacies received		
	Capital or mutual fund	Issue premium and reserves	Shares and holdings in own assets	Financial year result attributed to the Parent Company	(Interim dividends)	Other net equity instruments				
III. Other changes in net equity	**-**	**327,523**	**-**	**(420,095)**	**93,000**	**-**	**-**	**-**	**-**	**428**
1. Payments based on equity instruments	-	-	-	-	-	-	-	-	-	-
2. Transfers between net equity items	-	327,095	-	(420,095)	93,000	-	-	-	-	-
3. Other variations	-	428	-	-	-	-	-	-	-	428
Final balance at 31 December 2014	**1,347,462**	**1,536,755**	**-**	**871,616**	**(730,000)**	**-**	**142**	**-**	**1,087**	**3,027,062**

(*) Presented solely and exclusively for purposes of comparison (see Note 2.e).
Notes 1 to 24 in the accompanying Report and in Annexes I to III form an integral part of the Consolidated Statement of Changes in Equity at 31 December 2014.

VidaCaixa, S.A. de Seguros y Reaseguros, Single-Shareholder Company and Subsidiaries

Consolidated Cash Flow Statement (Direct Method)

(Figures in thousands of Euros)

	2014 Financial Year	2013 Financial Year (*)
A) CASH FLOW OF OPERATING ACTIVITIES (1+2+3)	**607,613**	**5,478,943**
1. Insured activity:	**(81,107)**	**5,667,297**
(+) Cash collections from insurance activity	5,412,629	12,110,422
(-) Cash payments from insurance activity	(5,493,736)	(6,443,125)
2. Other operating activities:	**698,554**	**(14,779)**
(+) Cash collections from other operating activities	845,903	201,662
(-) Cash payments from other operating activities	(147,349)	(216,441)
3. Receipts/(payments) for profit tax	**(9,834)**	**(173,575)**
B) CASH FLOW OF INVESTMENT ACTIVITIES (1 + 2)	**12,396,301**	**(6,197,951)**
1. Collections from investment activities:	**60,563,369**	**74,775,357**
(+) Tangible fixed assets	2,412	1,177
(+) Property investments	7,776	132
(+) Intangible fixed assets	26,896	-
(+) Financial instruments	58,027,717	72,603,148
(+) Holdings	351	-
(+) Subsidiaries and other business units	-	-
(+) Interest received	2,479,370	2,102,761
(+) Dividends received	1,417	353
(+) Other payments related to investment activities	17,430	67,786

(Cont.)

(Figures in thousands of Euros)

	2014 Financial Year	2013 Financial Year (*)
2. Payments from investment activities:	**(48,167,068)**	**(80,973,308)**
(-) Tangible fixed assets	-	-
(-) Property investments	(16,425)	-
(-) Intangible fixed assets	-	(744,097)
(-) Financial instruments	(48,150,643)	(78,271,750)
(-) Holdings	-	-
(-) Subsidiaries and other business units	-	-
(-) Other payments related to investment activities	-	(1,957,461)
C) CASH FLOWS OF FINANCING ACTIVITIES (1 + 2)	**(2,710,209)**	**324,379**
1. Collections from financing activities:	**59,723,984**	**49,469,284**
(+) Subordinated liabilities	4,346	4,370
(+) Collections through issue of asset and capital enlargement instruments	-	416,733
(+) Asset apportionment and contributions of shareholders or policyholders	-	-
(+) Transfer of own securities	-	-
(+) Other collections related to financing activities	59,719,638	49,048,181
2. Payments from financing activities:	**(62,434,193)**	**(49,144,905)**
(-) Dividends paid to the shareholders	(867,000)	(93,000)
(-) Interest paid	-	-
(-) Subordinated liabilities	(151,484)	(5,484)
(-) Payments through repayment of contributions to shareholders	(1,833,030)	-
(-) Liability assessments and repayment of contributions to shareholders or policyholders	-	-
(-) Acquisition of own securities	-	-
(-) Other payments related to financing activities	(59,582,679)	(49,046,421)

(Cont.)

(Figures in thousands of Euros)

	2014 Financial Year	2013 Financial Year (*)
D) EFFECT OF CHANGES IN EXCHANGE RATES	-	-
E) NET INCREASE/(DECREASE) OF CASH AND CASH EQUIVALENTS (A + B + C + D)	**10,293,705**	**(394,629)**
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	**1,180,886**	**1,575,515**
G) CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (E + F)	**11,474,591**	**1,180,886**

ELEMENTS OF CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	2014 Financial Year	2013 Financial Year (*)
(+) Cash and bank	215,010	217,166
(+) Cash and bank	11,259,581	963,720
(-) *Less:* Bank overdrafts payable on demand	-	-
TOTAL CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**11,474,591**	**1,180,886**

(*) Presented solely and exclusively for purposes of comparison in all applicable captions (see Note 2.e).
Notes 1 to 24 of the attached Report and Annexes I to III form an integral part of the Consolidated Cash Flow Statement corresponding to the 2014 financial year.

VidaCaixa, S.A. de Seguros y Reaseguros, Single-Shareholder Company and Subsidiaries (VidaCaixa Group)

Annual Consolidated Accounts Report Corresponding to the Financial Year Ending 31 December 2014

In accordance with the current standards on the content of annual consolidated accounts, this Report completes, extends and discusses the balance, the profit and loss account, the statement of changes in equity and the consolidated cash flow statement (hereinafter, "the consolidated financial statements"), and with them forms a unit, with the aim of showing the true image of the assets and of the financial situation of the consolidated VidaCaixa group at 31 December 2014 (hereinafter Vidacaixa Group), as well as the results of its operations, of the changes in equity and consolidated cash flows, which were produced in the financial year that ended on that date.

1. General Information on the Parent Company and its Activities

a) Corporate Purpose, Legal Framework and Branches of Operation

VidaCaixa, S.A. de Seguros y Reaseguros, Single-Shareholder Company (hereinafter, VidaCaixa, S.A. or Parent Company) was incorporated by public deed on 5 March 1987 in Spain pursuant to the Capital Companies Act. Until 15 December 2014, the registered address of the Parent Company was located in Carrer de Juan Gris 20-26, Barcelona. As of said date, the registered address changed to Carrer de Juan Gris 2-8, Barcelona. The Parent Company is registered in the Mercantile Register of Barcelona.

Its corporate purpose is to perform life insurance and reinsurance operations, as well as other operations subject to the administration of private insurance, especially insurance or capitalisation operations, non-life insurances, the management of collective retirement funds, pensions and any others approved by the Law on Administration and Supervision of Private Insurance, its Regulations and provisions that complement those to which the Group is subject, once the requirements set forth therein have been fulfilled. It operates, with the authorisation of the Directorate General of Insurance and Pension Funds (hereinafter, DGIPF), in the branches of life, accidents and illness. It also manages individual and collective pension funds that offer coverage for risks related to human life.

In the 2013 financial year, the Insurance Group was reorganised in order to simplify its organisational structure. Thus, on 5 March 2013, the Boards of Directors of the VidaCaixa Grupo, S.A.U. and VidaCaixa, S.A., approved the merger by absorption project by means of which the latter absorbed VidaCaixa Grupo, S.A.U. (See Note 5).

Prior to the merger, VidaCaixa Grupo transferred its 49.9% share in SegurCaixa Adeslas to VidaCaixa, S.A. by means of a non-monetary contribution. On 26 March 2013, as part of the Insurance Group's restructuring process, VidaCaixa, S.A. acquired from CaixaBank and Grupo Corporativo Empresarial de la Caja de Ahorros y Monte de Piedad de Navarra, S.A. ((Single-Shareholder Company) Banca civica's life insurance companies (See Note 5 and 10).

As a result of the whole process, VidaCaixa, S.A. became the Group's parent company and the one that holds the shares.

At 31 December 2014, 100% of the shares of VidaCaixa, S.A. belonged to CaixaBank, S.A., conferring its single shareholder status upon it.
CaixaBank is the bank through which the Caja de Ahorros y Pensiones de Barcelona (hereinafter,"la Caixa") indirectly exercised its activity as a credit entity pursuant to its bylaws. As part of the entry into effect of Law 26/2013 of 27 December on Savings Banks and Banking Foundations, the "la Caixa" Ordinary General Meeting agreed in its meeting held on 22 May 2014 to transform "la Caixa" into a Banking Foundation.

At 31 December 2014, the "la Caixa" Banking Foundation is a majority shareholder of CaixaBank with a share of 58.96%. At 31 December 2013, "la Caixa" has a share of 64.37% in the share capital of CaixaBank.

The Group directly carries out insurance activities, or associated activities that have the corresponding administrative authorisation. In this case it is the DGIPF which carries out the functions assigned under current provisions to the Ministry of Economy and Competitiveness concerning private insurance and reinsurance, insurance mediation, capitalisation and pension funds.

Until 31 December 2012, the VidaCaixa Group was voluntarily formulating consolidated annual accounts, being exempt from doing the same pursuant to the applicable regulations. As a consequence of the aforementioned reorganisation of the Insurance Group, VidaCaixa, S.A. is obliged to formulate Consolidate Annual Accounts, by virtue of article 43.bis of the Commercial Code, as it controls investee subsidiary companies and in turns presents issued securities admitted to trading on a regulated market of a European Union Member State. The Parent company, as head of the Group, has decided to continue voluntarily applying the legislation of the European Union using the adopted international standards on financial information for the purposes of consolidation.

The Group, via its Parent Company and the insurance companies in which it participates, operates in the following branches: Automobile, Accidents, Illness (including Healthcare), Life, Death, Legal Defence, Home, 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.

Given the activities of the Companies of the Group, it 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 issues.

At 31 December 2014, the Group managed 166 pension funds and 4 Voluntary Social Welfare Entities (EPSVs for their Spanish initials) with a volume of consolidated rights of 19,887,065 thousand Euros (16,682,188 thousand Euros at 31 December 2013). The gross income accrued through management fees of the various funds rose to 150,236 thousand Euros during the financial year 2014 (138,670 thousand Euros in the financial year 2013) and are recorded under the caption "Result from other activities — Other income". Also, the expenses associated with said management were 67,720 thousand Euros (29,467 thousand Euros in 2013), appearing under the caption "Result from other activities — Other expenses".

b) Internal Structure and Distribution Systems

VidaCaixa, S.A. directs and manages its share in the share 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 markets different life and non-life insurance products and pension plans.

With regard to its mediation channels, the Group markets its products principally through the distribution network of the credit entity CaixaBank, S.A., which has been established as an exclusive banking-insurance operator of the Parent Company VidaCaixa, S.A. de Seguros y Reaseguros, authorised to market the insurance policies of SegurCaixa Adeslas, S.A. Also, the Parent Company holds exclusive agency contracts with Finconsum, E.F.C., S.A. and AgenCaixa, S.A., Agencia de Seguros belonging to VidaCaixa, and an agency contract with freedom to provide services with BMW Bank GmbH Spain Branch.

Similarly, the Group, basically via VidaCaixa Mediación, S.A.U. also holds service contracts for distributing the insurance products of other insurance companies, under the responsibility of the latter, through its distribution network.

c) Consumer Ombudsman

As regulated in the Regulations for Protecting Customers of Grupo CaixaBank, S.A., the channels for claims established in the Group are the Customer Ombudsman and the Customer Care Service. No file was handed to the latter in 2014, since the Customer Care Service is competent if the Ombudsman is declared incompetent on the grounds set forth in the aforesaid Regulations.

63 claims were filed with the Consumer Ombudsman in 2014, of which 62 were accepted for processing.

The types of claims submitted were as follows:

Subjects of claims	Number
- Passive operations	-
- Active operations	-
- Collection and payment services	-
- Insurance policies and pension funds	70
Pending processing	**3**
Total accepted	**62**
Not accepted	**5**
Total 2014	**70**

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

Type of resolution	Number
- Upheld	9
- Rejected	40
- Not applicable	5
- Customer waiver	1
- Levelling by the entity	12
- Pending resolution	3
Total 2014	**70**

The decision-making 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 Parent Company, depending on the specific circumstances behind the claim.

2. Basis of Presentation and Consolidation Principles

a) Financial Reporting Standards Applicable to the Group

The present consolidated accounts were prepared by the Board of Directors in accordance with the financial reporting standards applicable to the Group, which are established in:

a) The Commercial Code and all other commercial legislation,

b) The International Financial Reporting Standards (hereinafter, IFRS) adopted by the European Union through Regulation 1606/2002 of the European Parliament and the Council, of 19 July 2002, in addition to subsequent amendments,

c) The mandatory regulations approved by the Accounting and Auditing Institute in the implementation of the General Accounting Plan and the complementary regulations thereof.

b) True and Fair View

The Group's consolidated annual accounts for 2014 were prepared according to the Commercial Code, the International Financial Reporting Standards adopted by the European Union through Regulation 1606/2002 of the European Parliament and the Council, of 19 July 2002, in addition to subsequent amendments and taking into consideration the mandatory regulations approved by the Accounting and Auditing Institute in the implementation of the General Accounting Plan and the complementary regulations thereof. During their preparation, Circular 1/2008 of the National Securities and Exchange Commission were also taken into account.

The consolidated annual accounts were prepared using the accounting records held by VidaCaixa, S.A. and by the other Group companies, and include certain adjustments and reclassifications in order to standardise the principles and criteria adopted by the subsidiaries with those of VidaCaixa, S.A.

As recommended by IAS 1, the assets and liabilities are generally classified in the balance sheet according to their liquidity, but without classifying assets and liabilities as current and non-current, which is more relevant in the case of insurance groups. Similarly to the other insurance company groups, certain expenses are classified in the losses account and are presented according to their application.

At 31 December 2014, 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 2014 financial year.

c) Responsibility for the Information

The information contained in these annual consolidated accounts is the responsibility of the Directors of the Parent Company, which has verified, with due diligence, that the different controls established to ensure the quality of the financial-accounts information, by both the Parent Company and the subsidiaries, have operated efficiently.

Drawing up annual accounts in accordance with IFRS requires that the Directors make judgements, estimates and assumptions that affect the application of accounting policies and the balances of assets, liabilities, income and expenses. Said estimates and assumptions are based on historic experience and on various other factors that are deemed reasonable according to the circumstances and whose results constitute a basis for making judgements on the book value of the assets and liabilities that are not easily available through other sources.

Respective estimates and assumptions are continually revised; the effects of the revisions of the accounting estimates are recognised in the period during which they are carried out, where these solely affect that period, or during the period of the revision and after, where the revision affects these. In any case, the final results derived from a situation which required estimates may differ from what is expected and, prospectively, reflect the final effects.

In addition to the process of systematic estimates and their periodic revision, the Directors of the Parent Company shall make certain value judgements on issues with a significant impact on the consolidated annual accounts. Included among the most significant are judgements and estimations made on the fair value of certain assets and liabilities, losses through impairment, the useful life of the tangible and intangible assets, the valuation of the consolidated goodwill, the register of deferred tax liabilities, 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 "fair value with changes in profit and loss" as the greater amount of the life insurance reserves.

d) New Accounting Principles and Policies Applied to the Group's Consolidated Annual Accounts

Standards and interpretations issued by the International Accounting Standards Board (IASB) that came into effect in the 2014 financial year

At the time of drafting these consolidated annual accounts, the principal standards and interpretations that had come into effect, either because their application was obligatory as of the financial year beginning 1 January 2014 or because an early application was opted for, and the adoption of which in the Group has had no significant impact on the accounts, are as follows:

- **IFRS 10 "Consolidated financial statements".**
  This standard is issued jointly with IFRS 11, IFRS 12 and the modification to IAS 27 and IAS 28 (all described below), to replace the regulations concerning the consolidation and accounting of subsidiary and associate companies and joint ventures, in addition to the itemisation of disclosures.
  The entry into force of this standard replaces the part relating to consolidation in the present IAS 27 "Consolidated and separate financial statements", and the interpretation of SIC 12 - Consolidation - Special Purpose Entities.
  The principal change that IFRS 10 proposes is the modification of the currently existing definition of control. The new definition of control includes three elements that must be fulfilled: the power over the investee company, the exposure or right to variable results of the investment and the ability to use such control in order to influence the amount of these returns.
  No significant changes have occurred to affect the entities that the Group controls as a result of adopting the new definition of control.

- **IFRS 11 "Joint arrangements"**
  The entry into force of this standard replaces the IAS 31 "Interests in Joint Ventures". The fundamental change proposed with regard to the current standard is the elimination of the option of proportional consolidation for jointly-controlled entities, which will be incorporated using the equity method. It also modifies in certain aspects the focus on the analysis of joint arrangements, focusing the analysis on whether or not the joint arrangement is structured via a separate vehicle. Furthermore, the standard defines two unique types of joint arrangement: joint operation or jointly-owned company.

The Group consolidates the TJV joint businesses using the equity method. Thus, no significant impact has occurred deriving from the application of this standard.

- **IFRS 12 "Disclosures of interests in other entities".**
Its issue makes it possible to group and extend in a single standard all the disclosure requirements relating to holdings in subsidiary and associate companies, joint ventures and other holdings, one of its innovations with regard to present disclosures being the introduction of the obligation to provide information on unconsolidated structured entities.
The application of this new standard will require the increase of breakdowns related to affiliated and multi-group companies, especially with regard to the reconciliations between the profits and losses contributed by the companies and those attributed.

- **Modification of IAS 27 "Separate financial statements".**
This modification reissues the standard, given that from its entry into force its content will only refer to individual financial statements.

- **Modification to IAS 28 "Investments in associates".**
This modification reissues the standard, which will now also contain the treatment of joint venture companies, given that they must now, without option, be consolidated as associates by applying the equity method.

- **Modification of IAS 32 "Financial instruments: Presentation".**
The modification of IAS 32 introduces a series of additional clarifications to the implementation guidelines on the requirements of the standard for offsetting and presenting financial assets and liabilities in their presentation on the balance sheet. IAS 32 already indicates that a financial asset and liability can only be offset when the entity currently holds the legally required right to offset the recognised amounts.
The modified implementation guide specifies, among other aspects, that in order to fulfil this condition, the right to offset must not depend on future events and must be legally required, both in the normal course of business and in the event of a breach, insolvency or bankruptcy of the company and all the counterparties.

- **Modification of IFRS 10, IFRS 11 and IFRS 12: "Consolidated financial statements, joint arrangements and disclosures of interests in other entities: Transition guidance".**
Via this modification, the IASB wanted to clarify some matters relating to the transition rules for these standards. It is clarified that the application start date is the start of the period in which IFRS 10 is applied for the first time. This would be the date when the investor conducts its analysis as to whether or not there have been any changes in the conclusions about shares that must be consolidated.
Furthermore, with regard to the comparative analyses, it is established that if there are no changes to the start date for applying them to the consolidation conclusions, no adjustment need be made to the comparative figures. If there were changes, a re-statement must be made, but only for the previous financial year.

- **Modification of IFRS 10, IFRS 12 and IAS 27: "Investment entities".**
These modifications introduce the definition of "Investment entity" and establish exceptions under which the controlled holdings that are defined as "Investment entities" will not be consolidated and must instead be registered at fair value with changes in the profits and loss account.
Also, breakdown requirements are introduced for entities defined as "Investment entities".

- **Modification of IAS 36: "Recoverable amount disclosures for non-financial assets".**
This modification proposes to restrict the current recoverable amount

breakdown of an asset or cash-generating unit to those periods when a impairment has been recognised or, on the other hand, a reverted impairment. Furthermore, it introduces new breakdowns when the recoverable value has been calculated as the recoverable value less the sale cost and a impairment or reversion has been registered. This modification will require the hierarchy level of IFRS 13, which was used to calculate the fair value and, if this is a level 2 or 3, the valuation techniques used must be described, as well as the principal hypotheses used, such as the current and previous discount rate.

- **Modification of IAS 39: "Novation of derivatives and continuation of hedge accounting".**
  This modification will allow hedge accounting to continue when a derivative, which has been designated as a hedge instrument, is novated under specific conditions to a central clearing house as a consequence of a legal framework coming into effect that encourages said novation.
  This aspect was introduced in response to the legislative changes made to incorporate the G20 commitments to improve the transparency and regulatory control of OTC derivatives.
  Given the nature of the modification, its entry into effect has entailed no impact whatsoever for the Group.

- **IFRIC 21: "Levels".**
  This interpretation will provide an explanatory guide as to when a liability must be recognised due to a tax or encumbrance that is recorded under the area of IAS 37 and that has a certain amount and date. In these cases, the event that triggers the payment of the same must be recognised.
  The application of IFRS 21 is applied retroactively pursuant to IAS 8.

Standards and interpretations issued by the IASB not in force

On the date of drafting these annual consolidated accounts, the following are 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 approved by the European Union.

The Group has decided not to exercise the option of early application, if possible. In most cases, the impact of its application has been deemed insignificant in assessments of the same. In other cases, such as IFRS 9, the analysis of impacts has still not been finished.

Standards and Interpretations	Title	Mandatory application for financial years beginning as of:
Approved for application in the EU		
Improvement of the IFRS Cycle 2011-2013	Minor modifications	1 July 2014
Not approved for application in the EU		
Modification of IAS 19	Employee contributions to defined benefit plans	1 July 2014
Improvement of the IFRS Cycle 2010-2012	Minor modifications	1 July 2014
Improvement of the IFRS Cycle 2012-2014	Minor modifications	1 January 2016
Modification of IAS 16 and 38	Acceptable depreciation and amortisation methods	1 January 2016
Modification of IFRS 11	Acquisition of shares in joint operations	1 January 2016
Modification of IFRS 10 and IAS 28	Sale or contribution of assets between an investor and their associate or joint venture	1 January 2016
Modification of IAS 27	Equity method in separate financial statements	1 January 2016
IFRS 14	Regulatory deferral accounts	1 January 2016
IFRS 15	Revenue from contracts with customers	1 January 2017
IFRS 9	Financial instruments: classification and measurement	1 January 2018

- **Improvement of the IFRS Cycle 2011-2013**

  The improvements of this cycle have been finalized, generating modifications to the following standards:

  IFRS 3 "Business combinations": It is clarified that said standard does not apply to the constitution of a joint agreement in the financial statements of the joint agreement itself.

  IFRS 13 "Fair value measurement": The scope of the exception will be modified to measure the reasonable value of groups of financial assets and liabilities with a net base to mitigate that all the contracts are included in the scope of IAS 39 or IFRS 39, even when they do not concern financial assets or liabilities pursuant to IAS 32.

  IAS 40 "Investment property": This modification explains that both IAS 40 and IFRS 3 are not exclusive and both standards may have to be applied and, therefore, in the acquisitions of investment properties, the Entity must determine whether said property fulfils the definition of investment property according to IAS 40 and whether the transaction may be considered a combination of businesses.

- **Modification of IAS 19: "Employee contributions to define benefit plans".**

  This modification is issued to facilitate the possibility of deducting employees' contributions to defined benefit plans from the cost of the service in the same period in which they are paid, if certain requirements are met, without having to make calculations to pay the reduction for each year of service. The contributions of employees or third parties established in the formal terms of a benefits plan will be recorded as follows:

- If the contribution is independent of the number of years of service, it may be recognised as a reduction of the cost of the service in the same period in which it is paid (it is an accounting option that must be applied consistently over time).
- If the contribution depends on a specific number of years of service it must be attributed to these periods of service.

- **Improvement of the IFRS Cycle 2010-2012**

The improvements of this cycle have been finalized, generating modifications to the following standards:

IFRS 2 "Share-based payment": The definitions of consolidation and market conditions are modified, also adding the definition between performance conditions and service conditions.

IFRS 3 "Business combinations": The contingent consideration classified as an asset or liability must be valued at its fair value in every closing of accounts, regardless of whether it is a financial instrument or a financial asset or liability, with its changes in results.

IFRS 8 "Operating segments": Said modification involves the need for a breakdown of the judgements made by Management concerning the application of the criterion for the aggregation of the operating segments. Also, the total assets of the segments must be reconciled with the total assets of the company.

IFRS 13 "Fair value measurement": The bases for conclusion of the standard have been modified to clarify that the issue of IFRS 13 does not mean that these short-term accounts receivable or payable that have no established interest rate cannot be valued without excluding whether said effect is intangible.

IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets": Said modification involves an explanation that when a tangible or intangible fixed asset is recorded using the revaluation method, the total gross amount of the asset is adjusted consistently with the revaluation of the book value, so that the accumulated amortisation will be the difference between the gross amount and the book value after the revaluation.

IAS 24 "Related party disclosures": A breakdown must be provided of the amounts paid or payable to companies that provide the entity with management and administration services, given that they are also related parties.

- **Improvement of the IFRS Cycle 2012-2014**

The improvements of this cycle have been finalized, generating modifications to the following standards:

IFRS 5 "Non-current assets held for sale and discontinued operations": This clarifies that when a company reclassifies an asset or disposal group from "held-for-sale" to "held for distribution to shareholders" (or vice versa), these changes will not be considered in a sales plan.

IFRS 7 "Financial Instruments. Disclosures": This clarifies that all the contracts are included in the scope of IAS 39 or IFRS 9 (even when they are not financial assets or liabilities pursuant to IAS 32) except when measuring the fair value of groups of financial assets and liabilities, with a net base, in administration service contracts. Also, concerning the applicability of the modifications to IFRS 7 about offsetting financial assets and liabilities to condensed interim financial statements, it is clarified that these breakdowns are not explicitly required in the IAS 34 interim financial statements.

IAS 19 "Employee benefits": With regards to the discount rate, it has been introduced definitively in the standard according to what was discussed in the IFRIC. The market of high-quality business assets, in order to define the discount rate, must be evaluated at the level of the currency.

IAS 34 "Interim financial reporting": This requires that if any information has been presented outside of the interim financial reports (in any other part of the interim report that is presented to the users at the same time), it must be incorporated via a cross-reference indicating clearly where it is.

- **Modification of IAS 16 and 38: "Acceptable methods of depreciation and amortisation".**
  Said modification, which will be applied prospectively, clarifies that revenue-based depreciation methods are not permitted, as they do not reflect the expected pattern of consumption of future economic benefits of an asset.

- **Modification of IFRS 11 "Acquisition of interests in joint operations".**
  Said modification, which will be applied prospectively, requires that when the joint operation is a business, the acquisition method of IFRS 3 "Business combinations" will be applied. It has not been specifically dealt with up to now.

- **Modification of IFRS 10 and IAS 28: "Sale or contribution of assets between an investor and its associate/joint venture".**
  The modification, which will be applied prospectively, entails that in the sale or contribution of assets to an associate or joint venture, or in the loss of control when the joint control or major influence is retained in a transaction that involves an associate or a joint venture, the extension of any recognised profit or loss will depend on whether the assets of the subsidiary constitute a business.
  Thus, when the assets or the subsidiary constitute a business, any profit or loss will be fully recognised. On the other hand, when the assets or the subsidiary do not constitute a business, the share that the entity has in the profit or loss will be eliminated.

- **Modification of IAS 27: "Equity method in separate financial statements".**
  The modification will allow the equity method to be used in the accounting record in the separate financial statements of the shares in joint ventures, subsidiary and associate companies.

- **IFRS 14 "Regulatory deferral accounts".**
  This standard specifies the financial reporting requirements for the balances of regulatory deferral accounts that arise when an entity provides goods or services to customers at a price or tariff subject to regulation.

- **IFRS 15 "Revenue from contracts with customers".**
  This standard will substitute the current IAS 11 "Construction contracts" and IAS 18 "Revenue" standards, as well as the current interpretations about revenue (IFRIC 13 "Customer loyalty programmes", IFRIC 15 "Agreements for the construction of real estate", IFRIC 18 "Transfers of assets from customers", and IAS 31 "Revenue – Barter Transactions Involving Advertising Services"). The new IFRS 15 standard is much more restrictive and based on rules, and therefore the application of the new requirements may give rise to changes in the revenue profile.

- **IFRS 9 "Financial Instruments: Classification and measurement".**
  In the future, IFRS 9 will replace the current section on the classification and measurement of financial instruments of IAS 39. Very significant differences exist compared to the current standard with regard to financial assets. These include, among other things, the approval of a new classification model based on two unique categories of amortised cost and fair value, the disappearance of the current classifications of "Held to maturity investments" and "Financial

assets available for sale", impairment analysis of assets measured at amortised cost and the non-bifurcation of derivatives embedded in financial asset contracts.

With regard to financial liabilities, the classification categories proposed by IFRS 9 are similar to those that currently already exist in IAS 39, so that no very significant differences should exist except for the requirement to record variations in the fair value that are related to credit risk itself as a component of equity, in the case of the financial liabilities of the fair value option.

The date when IFRS 9 comes into effect has yet to be established once the standard is complete. Thus, it is not expected that the obligatory date of application will precede the financial year starting 1 January 2018.

e) Comparison of Information and Correction of Errors

It is a requirement of the International Financial Reporting Standards that information presented between both periods should be homogeneous. The consolidated annual accounts of the 2014 financial year present, for comparative purposes, all the items of the balance sheet, of the profit and loss account, of the statement of changes in the equity, of the consolidated cash flow statement and of the report.

Until 31 December 2013, the Group classified the tax deductions accredited by the consolidated tax group CaixaBank, to which it belongs, in the "Loans and payments receivable" caption. As of 2014, the VidaCaixa Group, pursuant to the accounting principles and criteria applied in the Tax Group, reclassifies said credits under the "Tax assets" caption.

During the financial year 2014 there have been no significant variations in the consolidation perimeter.

f) Consolidation Principles

The Group's consolidation scope was defined according to the provisions of IFRS 10 "Consolidated Financial Statements", and IAS 28 "Investments in Associates" (See Annex I).

In addition to the data corresponding to the Parent Company, the consolidated annual accounts contain information corresponding to the subsidiary, multi-group and associated companies. The procedure for integrating the equity of such companies was implemented in accordance with the control or influence exercised over them, as described below:

Subsidiaries

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.

In Annex I to this 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 2014 financial year.

The annual accounts of subsidiary companies are consolidated with those of VidaCaixa 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 are 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.

None of the Companies indicated in Annex I is listed.

The Parent Company, as Single Shareholder of the subsidiary company, AgenCaixa, S.A., Agencia de Seguros, Single-Shareholder Company, has declared the firm intention to sell said share in the short term. As established in IFRS 5, "Non-current assets held for sale and discontinued operations", the Group has classified said share and the assets and liabilities linked to it, as "Assets held for sale", and "Liabilities associated with assets held for sale", respectively.

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 consolidated annual accounts and have been classified in the "Financial assets available for sale - Variable income" portfolio:

Name	Registered Address	Activity	% Holding	Mutual Fund	Earnings for		Other Equity	Total Equity	Dividends received	Book value		
			Direct		Operations	Net				Cost	Impairment of financial year	Accumulated impairment
GeroCaixa Pyme	Gran Vía López de Haro, 38. Bilbao	Voluntary Social Welfare Entity.	100.00%	30	882	882	21,420	22,332	-	23	-	-
GeroCaixa	Gran Vía López de Haro, 38. Bilbao	Voluntary Social Welfare Entity.	100.00%	6	48,092	48,092	579,039	627,137	-	6	-	-
GeroCaixa Privada Pensiones	Gran Vía López de Haro, 38. Bilbao	Voluntary Social Welfare Entity.	100.00%	6	55	55	1,008	1,069	-	6	-	-

(figures in thousands of Euros)

Said companies centre their activity around managing commercial provident funds with domicile in the Basque Country. All of them are Unlisted Companies. The Group only participates in the Mutual Fund, the rest of the Equity being in the hands of the participants.

Affiliated companies

Affiliated companies are defined as non-subsidiary companies over which the Group has a significant influence, in other words, the Group may intervene in decisions on the financial and operating policy of the affiliated company without exercising absolute or joint control over the same.

As a general rule, it is assumed that the Group exercises significant influence if it possesses, directly or indirectly, 20% or more of the voting rights in the associated company, unless it can be clearly demonstrated that such influence does not exist.

Annex I provides significant information on such companies.

In the consolidated annual accounts, associated companies are valued by the equity method, according to which the investment is initially recorded at cost, and subsequently adjusted according to the changes in the portion of net assets of the company that corresponds to the Group. The Group's year result includes the portion which corresponds to it in the results of the associated companies, less any possible own shares maintained in the treasury stock of each associated company, once the dividends and other equity eliminations have been considered.

The portion of permanently interrupted operations (interrupted activities) corresponding to the Group are disclosed in a separate consolidated profit and loss account, while the corresponding portion in the changes which associated companies have recognised directly in equity is also directly recognised in the Group's equity, including this, wherever applicable, in the statement of recognised income and expenses.

When applying the equity method, the most recent available financial statements of the associated company are used.

If any associated company applies accounting policies different to those adopted by the Group, the appropriate adjustments are made to the financial statements of the associated company in order to standardise the accounting policies.

If there is any evidence of impairment in the value of the investment in the associated company, the impairment in value is firstly deducted from any possible goodwill that exists in the investment.

Note 5 of the Report provides information on the most significant acquisitions during the 2014 and 2013 financial years, in addition to the period between 31 December 2014 and the date on which the annual accounts of said financial year were prepared, increases in the share capital of companies with affiliated company status at the beginning of the financial year, and information on the sale of shareholdings.

g) 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.

h) Grouping of Items

Certain items of the balance sheet, of the profit and loss account, of the statement of changes in equity and the statement of cash flows are presented in groups so they are easier to understand. Insofar as it is significant, the disaggregated information has been included in the corresponding notes of the report.

i) Financial Information by Segments

IFRS 8 "Operating 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 segments and sub-segments 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, Deaths and Miscellaneous.

The two main segments of Life Insurance and Non-life Insurance 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.a describes the different specific sectors in which the Group has administrative authorisation to operate.

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 assets of the segment include investments valued by the equity method according to the allocation made for such investments in the "Investments Book" of each subsidiary that exercises a significant influence. In this case, the gains and losses from such investments have been included in the ordinary result of the segment in question.

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 percentages 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 Insurance and Non-life Insurance 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 Insurance and Non-life Insurance 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 Insurance, Non-life Insurance or Other Activities include a holding in another subsidiary which is not an insurance company, its individual financial statements have 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 and 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 Insurance 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 Insurance and Non-life Insurance 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 captions "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 caption "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.

j) Cash Flow Statement

The following expressions are used in the cash flow statement:

- Cash flows: additions and disposals of cash and its equivalents. Cash equivalents correspond to those high-liquidity, short-term investments that are easily convertible into determined amounts of cash and are liable to an 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 its equivalents.
- Financing activities: activities that produce changes to the scale and composition of the net assets 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

The main valuation standards used in the preparation of the Group's Consolidated Annual Accounts for the 2014 financial year, in accordance with the International Financial Reporting Standards adopted by the European Union, were as follows:

a) Cash and Other Equivalent Liquid Assets

This caption 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 that are easily convertible into determined amounts of cash and are liable to an insignificant risk of changes in their value and expire within three months.

b) Financial Instruments

b.1) 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 fair value through profit or loss, as available-for-sale or as loans and receivables.

b.2) Classification of Financial Instruments

In Note 6 of the Report shows the balances of the financial assets at 31 December 2014 and 2013, together with their specific nature, classified according to the following criteria:

Financial assets at fair value with changes in the profit and loss account:

Within this category of financial assets, a distinction is made between two types:

- Financial assets held for trading:
  These are financial assets that are classified as held for trading, given that they have been acquired for sale in the short-term, being part of a portfolio of financial instruments identified and managed jointly in order to obtain short-term profit, or which are financial derivatives that are not financial guarantee contracts (for example, bank guarantees) and have not been designated as

hedge instruments either. This caption also includes embedded derivatives which have been recognised and valued separately from their initial contract.

- Other financial assets at fair value with changes in the profit and loss account for the year:
  This category includes financial instruments which, not being part of the financial assets and liabilities held for trading, are jointly managed with liabilities through insurance policies valued at fair value and the purpose of which is to eliminate or reduce to a significant degree inconsistencies in the recognition or valuation (also known as accounting mismatches), which would otherwise have arisen through recognition of the profits or losses of the same.

  The financial instruments in this category are permanently subject to a system of risk measurement, management and control, which makes it possible to check that risk is effectively reduced.

  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.

Loans and payments receivable:

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

In this caption, 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 co-insurance 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:

This caption of the balance sheet includes debt securities which are not considered for trading, nor held-to-maturity investment portfolios, nor loans and accounts receivable, in addition to equity instruments issued by non-associated companies, wherever said instruments have not been considered for trading, or other financial assets at fair value with changes in profit and loss.

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 the latter instruments, the Group has signed various interest rate financial swap contracts, and has generally received fixed and/or determinable amounts from the different counterparts. The principal aim of these operations is to cover the cash flows necessary to meet the payment of benefits 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.

For accounting purposes, the combined financial accrual of the flow resulting from the certificate plus the swap is also carried out. In accordance with its aforementioned purpose, the differences between this combined market value and the accounting cost are allocated to the technical reserves of the insurance contracts on each closure date. Separately valuing the fixed-income securities and the aforementioned interest rate swaps would have no significant effect on the Group's total assets or capital and reserves in the Group's consolidated balance sheet.

Investments in associated companies are presented under the specific sub-caption of the balance sheet, "Shareholdings in companies valued by the equity method".

b.3) Recognition and Measurement of Financial Instruments

The financial instruments are initially recorded in the consolidated balance sheet when the Group formalises the contract which gives rise to them, in accordance with the conditions thereof. The financial assets and liabilities are recorded from the effective date on which the legal right to collect or make payment arises.

A financial asset is totally or partially removed from the balance sheet once the contractual rights on the cash flow it generates have expired or when it is transferred. However, a financial liability is totally or partially derecognised from the balance sheet once the obligations, risks or other benefits it generates have terminated.

When initially recorded on the balance sheet, all financial instruments are recorded at fair value which, in the absence of evidence to the contrary, is the price of the transaction. Subsequently, on a specific date, the fair value of a financial instrument corresponds to the amount for which it could be delivered, in the case of an asset, or paid, in the case of a liability, in a transaction entered into by knowledgeable interested parties, acting under conditions of mutual independence. The most objective and common reference for the fair value of a financial instrument is the price that would be paid for it in an organised, transparent and strong market ("listed price" or "market price").

In order to estimate a specific financial instrument's fair value when no market price exists, the established price of recent transactions of similar instruments shall be taken as a reference; if such information is not available, valuation models sufficiently recognised by the international financial community will be used, taking into consideration the specific characteristics of the instrument being valued and, in particular, the different types of risk associated with the instrument. The majority of financial instruments, except Over the Counter derivatives (hereinafter, OTC), are valued according to the listings of active markets.

The fair value of negotiated financial derivatives in organised, transparent and strong markets included in the trading portfolio are compared with their daily listing and if, for exceptional reasons, it is not possible to determine their listed price on a specific date, methods similar to those used to value non-negotiated derivatives in organised markets will be used.

The fair value of non-negotiated derivatives in organised markets or negotiated derivatives in organised markets that are not very strong or transparent will be calculated using method recognised by the financial markets, for example the "net present value" (NPV) or the models used to calculate the prices of options (see note Risk Management Policies).

In the corresponding notes of the report, the financial instruments are valued at fair value according to the methodology employed in their valuation, in the following manner:

- Level 1: based on listed prices in active markets.

- Level 2: using valuation techniques in which the hypotheses considered correspond to directly or indirectly observable market data, or to listed prices in active markets for similar instruments.
- Level 3: using valuation techniques in which some of the principal hypotheses are not supported by data observable in the market.

The majority of financial instruments use the listed prices of active markets (Level 1) as an objective reference for determining their fair value and consequently use to determine their fair value the price that would be paid for them in an organised, transparent and strong market (the listed price or market price). In general terms, listed debt securities and listed equity instruments are included in this level.

In order to estimate the fair value of the instruments classified in Level 2, for which no market price exists, the established price of recent transactions of similar instruments shall be taken as a reference; if such information is not available, valuation models sufficiently recognised by the international financial community will be used, taking into consideration the specific characteristics of the instrument being valued and, in particular, the different types of risk associated with the instrument. Consequently, the fair value of OTC derivatives and of financial instruments traded on organised markets that are not very strong or transparent will be calculated using methods recognised by the financial markets, for example the "net present value" (NPV) or the models used to calculate the prices of options, based on parameters observable in the market. Fundamentally, this level includes unlisted debt securities.

To obtain the fair value classified in Level 3, for the valuation of which no directly observable data exist in the market, alternative techniques are used, including requesting the price from the vendor entity or the use of market parameters with a risk profile that can be easily applied to the instrument being valued. At 31 December 2014, the Group has no assets classified in this level.

Furthermore, for certain financial assets and liabilities, the recognition criteria on the balance sheet is the amortised cost. These criteria are mainly applied to financial assets included in the caption "Loans and accounts receivable", and with regard to financial liabilities, to those recorded as "Financial liabilities at amortised cost".

b.4) Impairment of the Value of Financial Instruments

On each date of the balance sheet, the Group evaluates whether there is objective evidence that a financial instrument has been impaired, considering those situations which individually or together with others manifest this evidence.

A financial asset is considered to be impaired when there is objective evidence of a negative impact on the future cash flows estimated at the moment the transaction is formalised or when their book value cannot be fully recouped.

As a general rule, the correction of the book value of financial instruments as a result of their impairment is charged to the consolidated Profit and Loss Account of the period in which said impairment occurs, and the recouping of losses caused by previously recorded impairment, wherever applicable, are recognised in the consolidated Profit and Loss Account of the period in which the impairment is eliminated or reduced, except in the case of equity instruments classified as available for sale, given that such impairment is considered impossible to recoup.

When it is considered that a registered sum is unlikely to be recouped, it is eliminated from the balance sheet, without prejudice to any actions which may be carried out by Group companies in an attempt to collect the amount, until all the rights pertaining to the same are finally extinguished as a result of statute-barring, cancellation or any other cause.

Below, we set out the main criteria adopted when examining the impairment of the Group's different financial assets:

Financial assets recorded at amortised cost:
The sum of losses through impairment experienced by these instruments coincides with the positive difference between their respective book values and the current value of their estimated future cash flows. A decrease in fair value below the acquisition cost does not in itself constitute proof of impairment.

If, in subsequent periods, the amount of the loss through impairment of value is reduced, the previously-recognised loss through impairment 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.

Debt securities classified as available for sale:
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. Loss through impairment of debt securities included in the portfolio of assets available for sale is equal to the positive difference between the acquisition cost (net of any amortisation of the debt principal) and its fair value, after deducting any loss through impairment previously recognised in the consolidated profit and loss account. The market value of listed debt securities is considered a reasonable estimation of the current value of its future cash flows, in spite of the fact that the decrease in fair value below acquisition cost does not in itself constitute proof of impairment.

When objective evidence exists that the differences arising in the valuation of these assets originate from their impairment, they are no longer presented under the equity caption Adjustments to assets through valuation – Financial assets available for sale and are recorded in the consolidated profit and loss account for the sum deemed to be the accumulated impairment until that time.

If some or all of the losses through impairment are recovered at a later date, their amount is recognised in the profit and loss account of the period in which the recovery occurs.

Equity instruments classified as available for sale:
The indicators used to evaluate the impairment of these instruments, which are listed in secondary markets according to the methodology established by the Group, include the listed value at the close of the financial year, a significant or prolonged decrease of the market value below the acquisition cost, historical data on the dividends paid in previous financial years, the anticipated dividends and the expectations of the market in which the subsidiary company operates. These indicators are used to evaluate whether objective evidence of impairment exists. A decrease in fair value below the acquisition cost does not in itself constitute proof of impairment.

The loss through impairment of equity instruments is calculated on an individual basis and, once objective loss is evidenced as a consequence of an event or series of events with an impact on the estimated future cash flows, is equal to the difference between the acquisition cost and its fair value, after deducting any loss through impairment previously recognised in the consolidated profit and loss account.

The criteria for recording losses through impairment coincide with the ones applied to debt securities classified as available for sale, except for the fact that any recovery of the aforementioned losses is recognised under the equity caption Adjustments to assets through valuation – Financial assets available for sale.

b.5) Register of the Variations Arising in the Valuations of Financial Assets and Liabilities

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

- The loss or gain in a financial asset at fair value with changes in profit and loss is recognised in the profit and loss account of the financial year under the sub-caption "Losses from financial investments" or "Profits from financial investments" from the Life Insurance and Non-life Insurance segment.

- 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 impairment 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, interest calculated according to the effective interest method is recognised in the financial year results. 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.

b.6) 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 Insurance segment, for their net amount, under the sub-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 fair value with changes in profit and loss.

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", classifying the liabilities through such insurance policies under the caption "Technical reserves – for life insurance".

c) Tangible Fixed Assets

Under this caption, the Group registers the balance of all buildings for own use, including 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 impairment 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 fixed 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:

	2014	2013
Tangible fixed asset	Estimated useful life	Estimated useful life
Property (excluding land)	50 years	50 years
Furniture and fittings	3 to 13 years	3 to 13 years
Vehicles	5 years	5 years
Data-processing equipment	3 to 10 years	3 to 10 years
Other tangible fixed assets	5 to 10 years	5 to 10 years

In the case of buildings under construction, the Group starts to depreciate them once they are ready for use.

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 9.a.) of the Report were obtained from the rating reports prepared by independent experts, which have a maximum life of 2 years. 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, and updated by Law 16/2012, of 27 December, on the valuation rules for property and certain rights for certain financial aims.

d) Property investments

The property investments caption of the consolidated balance sheet contains the values of land, buildings and other constructions that are held either to use them for rental, or for obtaining a capital gain upon their sale as a consequence of the increases that will occur in the future in their respective market prices.

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 depreciation and subsequent accumulated losses through impairment, 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). In the case of real estate investments constructed by the Group itself, the acquisition cost is the cost at the date on which the construction or development is completed.

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

The market value of property investments, which is indicated in Note 9.b.) of the Report, has been obtained in accordance with the Order mentioned in the previous section with regard to own-use buildings.

e) Intangible Fixed 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.

This section also encompasses the intangible assets acquired in business combinations and goodwill arising in merger processes, at their fair value on the acquisition date. The goodwill represents the advance payment of future trading profits derived from the acquired assets that are not individual and separately identifiable and recognisable. The existence of internal or external signs of impairment is periodically analysed and under no circumstances is it amortised.

The Group values intangible assets by their cost of acquisition or production and maintains this cost model in subsequent valuations, minus the corresponding accumulated amortisation, if applicable, and the accumulated amount of the losses through impairment of value, where appropriate. To determine whether the value of the intangible assets has been impaired, the Group applies IAS 36 “Impairment of assets” and subsequent interpretations of this, as well 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.

e.1) Goodwill

The “Goodwill” caption includes the positive consolidation differences 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 fair net value of the assets, liabilities and identifiable contingent liabilities which are not allocated to assets or specific intangible assets.

In 2013, the Group restructured the company and acquired and merged the companies from Banca Cívica (See Note 5), by virtue of which a goodwill fund and some associated intangible assets have been declared. (See Notes 5 and 10).

With regard to the SegurCaixa Adeslas holding, this includes intangible assets embedded in the value and percentage of the holding of the same.

e.2) Other Intangible Fixed Assets

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

Intangible assets identified

As described in the Goodwill section, the intangible assets identified during the company operations and merger processes have been classified under this sub-caption.

Computer programs

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 item, 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 amortised systematically over their useful life, which fluctuates between three and a maximum of five years.

Other expenses of acquisition of pension plans and life insurance contracts

Since the 2004 financial year, the Group has marketed some new types of pension plans that have a cash premium associated with 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 amortises 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 Insurance and Non-life Insurance contracts is evaluated according to the requirements set out in IFRS 4 “Insurance Contracts”.

f) Transactions in Foreign Currencies

f.1) Functional 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”.

f.2) Conversion Criteria of Balances in Foreign Currencies
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.

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 fair value are converted into the operating currency by applying the exchange rate at the date on which said fair value 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.

f.3) Recording of Exchange Rate Differences
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 fair value is adjusted with counterpart in equity are recorded in equity under the item "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 fair value.

g) Corporation tax
The Corporation Tax expense or revenue for each financial year is calculated according to the accounting profit before taxes, determined according to the local Spanish accounting principles, increased or reduced accordingly by the permanent differences. These are understood to be those differences 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 27 November 2014, Law 27/2014 on Corporation Tax was approved, which applies to the Group.

Among other things, this standard introduces new considerations relating to exemptions for double taxation on dividends and income deriving from the transfer of securities representing the shareholders' equity of entities resident and non-resident in Spain. With regards to that, the Tax Consolidation Group to which the companies of the insurance subgroup belong and whose Parent Company is CaixaBank has given a repeat estimate of the following deferred assets and liabilities recognised by the Parent Company of the insurance subgroup:

Deferred tax liabilities for the amount of 432,160 thousand Euros, corresponding to the capital gains generated by sales of shares in Capital Companies between the financial years 1996 and 2011, made within the tax consolidation group to which the Parent Company belongs.

Deferred tax assets for the amount of 29,852 thousand Euros, corresponding to the capital losses generated by sales of shares in Capital Companies between the financial years 1996 and 2007, made within the tax consolidation group to which the Parent Company belongs.

Deferred tax assets for the amount of 72,190 thousand Euros, corresponding to deductions pending accreditation based on article 30.5 of Royal Legislative Decree 4/2004 of 5 March.

The Parent Company has registered the cancellation of said previously specified deferred assets and liabilities, generating a positive net result of 330,118 thousand Euros, classified under the "Corporate income tax" caption of the Profit and Loss account.

The Group recognises liabilities through deferred taxes for all the temporary taxable differences. The deferred tax assets 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.

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 current 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. Thus, the Group has calculated the Corporation Tax at 31 December 2014 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 parent company of the Tax Group to which the Group belongs was "la Caixa" from 1 January 2008 up to the 2012 financial year. With the entry into effect, on 30 December 2013, of Law 26/2013 on Savings Banks and Banking Foundations, and given that in 2013 the holding of "la Caixa" in CaixaBank dropped below 70%, CaixaBank was replaced in its capacity as parent company of the Tax Group, with effect on 1 January 2013. Thus, CaixaBank became the parent company of the Tax Group to which the Group belongs.

h) Financial Liabilities

Financial liabilities are the Group's debits and payable items that stemmed from the purchase of goods and services due to the company's trade operations, or those which, not having a commercial origin, cannot be considered derivative financial instruments.

Debits and payable items are initially valued at the fair value of the consideration received, adjusted for any directly attributable transaction costs. Subsequently, these liabilities are valued at their amortised cost.

This caption included subordinated debt issues. These issues are presented net of the expenses associated therewith, which are recorded in the profit and loss account as major financial expenses, with a time period of 10 years from each issue being considered.

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

i.1) Classification of the Contracts Portfolio

The Group evaluates and classifies 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 are classified as "insurance contracts".

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

i.2) Valuation of Assets and Liabilities Derived from Insurance and Reinsurance Contracts

In accordance with the criteria indicated in the IFRS, insurance entities must perform a sufficiency test, with regard to the contractual commitments assumed, for the liabilities derived from insurance contracts recorded in its balance sheet.

Specifically, in accordance with IFRS 4 "Insurance Contracts" the group performs a liabilities sufficiency test, in order to guarantee of the suitability of its 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. In order to determine the market value of these liabilities, the same interest rate as the one employed in the financial instruments is used. The valuations of the insurance contracts also include the related cash flows, such as those coming from the implicit options and guarantees.

At 31 December 2014, said liabilities sufficiency test was performed once more, confirming the sufficiency of the established reserves.

In order to avoid some of the accounting mismatches produced by using different valuation criteria for financial investments, mainly classified in the "Financial assets available for sale" caption, and the liabilities derived from insurance contracts, the Group registers as the greater amount of the caption Insurance contract reserves that part of the unrealised net capital gains, derived from the above investments, that it expects will be accrued in the future to the insurance companies as these materialise, or by applying a technical interest rate higher than the market interest rate. Said practice is known as "shadow accounting".

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

For unearned premiums and unexpired risks

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 fees and other acquisition costs.

The unexpired risks reserve is aimed at complementing the unearned 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, ROSSP, for its Spanish initials) 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 unearned premiums of insurance contracts with a period of coverage equal to or lower than the year and principally, for the other insurance contracts, the policy reserve. The policy 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 related to life insurance when investment risk is assumed by policyholders

For presentation purposes, the caption in the liabilities "Technical reserves – 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 6).

Claims

This account represents the total amount of pending liabilities arising from claims that occurred before 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

This account represents the total amount of pending liabilities arising from claims that occurred before year-end. The Group calculates this reserve as being the difference between the total estimated or certain cost of the claims pending 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 DGIPF authorises the Group's insurance companies 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 Insurance forms, with effect from 31 December 2006. Since then, said reserve has been calculated according to the generally-accepted statistical methods from various groups of methods, with the reserve amount constituting the greater of the results obtained.

For the above cases, the reserve has been calculated according to the best estimate provided by the internal actuarial calculations based on generally accepted calculation methods. The methodology and main hypotheses used in the calculation of said reserves at 31 December 2014 is described below:

- Chain Ladder and Cape Cod analysis (calculation methods) of payments and expenses incurred have been selected.
- To calculate the level of fixed security, no inflation effect or financial discounting over time was considered. Peak claims, defined as those whose estimated cost exceeds a certain amount according to each segment, are excluded from these methods.
- The calculated payments are considered net of recovery.

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 claims reserve 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 the provisions of 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 sub-caption "Technical reserves".

Other assets and rest of liabilities

The caption of the balance "Other assets" basically includes the fees 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 "Rest of liabilities" includes, among others, the amounts of the fees 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 fees 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 "Loans and payments receivable – Other credits" of the consolidated balance sheet.

Reinsurance

The reinsurance contracts signed between subsidiary insurance companies of the Group and other insurance companies aim, in all cases, to transfer part of the 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.

j.1) Reserves for Pensions and Similar Risks

Numerous Group companies 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.

For these companies, 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.

As a result of the agreements reached by the Parent Company on 29 December 2014, a new section of contributions is added to the Pension Plan. Therefore, the company will contribute 5% to each employee of the Parent Company who makes an annual contribution of 2% of their annual basic salary. Unless otherwise specified, all those people who are adhered to the Plan will be automatically changed to this new section that came into effect in the last quarter of 2014.

On the other hand, upkeep and maintenance costs are expensed during the period in which they occur in each Group company. In the 2014 financial year, the subsidiary companies contributed 361 thousand Euros to this Fund (321 thousand Euros in 2013).

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

j.2) 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) Leasing

Leases are classified as financial leases wherever it may be deduced from the conditions of these that the risks and benefits inherent in the ownership of the asset which is the object of the lease are substantially transferred to the lessee. All other leases are classified as operating leases.

Financial leases

Assets acquired through financial leases are classified in the caption "Tangible fixed assets" according to the nature of the asset which is the object of the contract, with a balancing entry of a liability for an identical amount, for the lesser amount between their fair value and the present value of the amount payable to the lessor, including the price of exercising the option to purchase. These assets are amortised applying criteria similar to those applied to the group of tangible assets of a similar nature.

The financial expenses associated with these contracts are charged to the consolidated profit and loss account, in accordance with the effective interest rate of such operations.

Operative Leases

Operating lease operations are considered to be those in which the inherent risks and benefits of the ownership of the asset are not transferred by the lessor.

The expenses of operating leases are systematically charged to the consolidated profit and loss in the financial year in which they are accrued.

l) Related Party Transactions

The Group carries out all its related party transactions at market values. Furthermore, the transfer prices are appropriately supported and for this reason the Directors of the Parent Company consider that no significant risks exist which may give rise to significant liabilities in the future.

m) Environmental Equity Items

Assets of an environmental nature include items which are used over long periods of time in the Group's activity, the main purpose of which is to minimise environmental impact and to protect and improve the environment, including the reduction or elimination of future pollution.

Given the Group's activity, it does not have a significant environmental impact.

n) Severance Pay

In accordance with current legislation, the Group is obliged to pay compensation to employees whose employment contracts have been terminated under certain circumstances. Consequently, severance payments subject to reasonable quantification are recorded as an expense in the year in which the decision to dismiss the employee was taken.

o) 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:

o.1) 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 Insurance 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 unearned premiums. The Life Insurance 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.

o.2) Income and Expenses Through Interest and Similar Items
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.

o.3) 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.

o.4) Fees
The income and expenses for fees 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 they occur.

4. Management of Risk and Capital

Management of capital

The Parent Company and the subsidiaries VidaCaixa Mediación and Agencaixa 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 relevant articles set forth in the ROSSP, modified by RD 297-2004, of 20 February, RD 239-2007, of 16 February and RD 1318-2008, of 24 July, Order ECC/335/2012, of 22 February, Order ECC/2150/2012, of 28 September, and Order ECC/243/2014, of 20 February. Consequently, all the Group's insurance companies participated in the last European impact study (Solvency II) by means of the "Stress Test", and are making progress in the quantification of the capital adapted to the Group's risk profile in accordance with the future standards, which are in the pre-application stage.

These assets basically consist of the share capital paid, the reserves, the undistributed profit, the subordinate financing and the capital gains of the investments not linked to reserves, less the expenses to be distributed. Following a conservative criterion, and pursuant to the regulator's criterion, the Parent Company deducts, from the margin resulting from the previous calculation, an estimate of the amount it will be obliged to pay if, due to remote or uncontrollable circumstances, it is necessary to annul the reinsurance contract from the life-risk portfolio entered into with Berkshire Hathaway in 2012.

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 1% or 4% of the technical reserves, depending on the product type, and an additional percentage over the insured capital in risk.

At 31 December 2014 and 2013, the breakdown of the solvency margin and the minimum quantity of the VidaCaixa Group with criteria of the Directorate General of Insurance and Pension Funds is as follows (in millions of Euros):

Compared to 31 December 2013, the uncommitted assets have dropped, mainly due to the distribution of the issue premium for 1,181,210 thousand Euros and the distribution of the voluntary reserves for 651,820 thousand Euros to the Sole Shareholder (see Note 17).

2014 Financial Year

Solvency Margin	VidaCaixa Group
Own uncommitted assets	2,224
Solvency margin minimum quantity	1,620
Solvency margin surplus	604
Percentage (%) of the required minimum that the assets represent	**137%**

2013 Financial Year

Solvency Margin	VidaCaixa Group
Own uncommitted assets	3,834
Solvency margin minimum quantity	1,548
Solvency margin surplus	2,286
Percentage (%) of the required minimum that the assets represent	**248%**

Management of risks

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 size of the Group, as well as the technical sophistication and extension of the managed products, a need has arisen 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, the Group 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 Group is based on two basic principles:

- Prudence: rating scales and periods have been defined.
- Diversification: high diversification in sectors and issuing entities, with maximum limits of risk per issuing entity.

The credit risk management of the Group is determined by internal compliance with the actions defined by the Management and approved by the Administrative Bodies.

In order to adapt to the changes experienced by the market, the Group has developed a universe of values that is consistent with the group. Said universe is adjusted to the Group's investment management structure and approach with regard to the long-term nature of the investment and the criticality of the liquidity.

• 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, the VidaCaixa Group has the treasury which displays its balance. In addition, ALM analysis performed in Life portfolios makes it possible to mitigate this risk.

Also, VidaCaixa S.A. has a collateral position - financial transactions framework agreement - with Caixabank (See note 6.a.4).

• 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, the Group 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 Scorecard 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 (ROSSP) 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 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.

Quantitative information on the Group's exposure to the different risks described is set out below:

Breakdown of credit rating at 31 December 2014 and 2013:

	Thousands of Euros			
	Nominal Value		Weighting	
Rating	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Between AA- and AAA	432,454	663,674	1%	1%
Between A- and A+	2,160,045	3,828,320	4%	8%
Between BBB- and BBB+	51,926,593	45,308,426	94%	89%
Between BB- and BB +	805,255	546,790	1%	1%
Between B- and B+	59,647	107,983	-	-
Below B-	100,451	-	-	-
Unrated	8,144	555,311	-	1%
TOTAL	**55,492,589**	**51,010,504**	**100%**	**100%**

As investment criteria, the different measures of diversification of the risks, by country or by sector, are also taken into account. The data at 31 December 2014 and 2013 are as follows:

Geographical diversification

2014 Financial Year

	Thousands of Euros				
Country	Debt securities	Equity instruments	Funds	Derivatives	Loans and deposits in credit entities
Germany	261,155	-	-	-	-
Australia	3,465	-	-	-	-
Austria	94,618	-	-	-	-
Belgium	107,869	-	-	-	-
Canada	11,050	-	-	-	-
Slovakia	1,182	-	-	-	-
Spain	38,601,631	476	-	1,339	229,339
United States	610,008	-	-	-	15,785
Finland	2,202	-	-	-	-
France	286,819	-	-	-	-
Guernsey	4,282	-	-	-	-
Netherlands	380,052	-	-	-	18,356
Ireland	45,781	-	-	-	-
Jersey	13,133	-	-	-	-
Cayman Islands	46,986	-	-	-	-
Italy	1,606,704	-	-	-	-
Japan	1,039	-	-	-	-
Luxembourg	126,605	-	-	-	-

(Cont.)

	Thousands of Euros				
Country	Debt securities	Equity instruments	Funds	Derivatives	Loans and deposits in credit entities
Mexico	5,653	-	-	-	-
Nigeria	5,623	-	-	-	-
Norway	21,002	-	-	-	-
Portugal	66,300	-	-	-	-
United Kingdom	203,682	-	-	-	-
Czech Republic	4,479	-	-	-	-
Sweden	23,653	-	-	-	-
Switzerland	1,130	-	-	-	-
Total	**42,536,103**	**476**	**-**	**1,339**	**263,480**

2013 Financial Year

	Thousands of Euros				
Country	Debt securities	Equity instruments	Funds	Derivatives	Loans and deposits in credit entities
Germany	316,258	-	-	-	-
Australia	5,824	-	-	-	-
Austria	127,632	-	-	-	-
Belgium	103,555	-	-	-	-
Canada	9,249	-	-	-	-
Slovakia	1,118	-	-	-	-
Spain	32,052,642	272	-	1,340	10,846,768

(Cont.)

	Thousands of Euros				
Country	Debt securities	Equity instruments	Funds	Derivatives	Loans and deposits in credit entities
United States	517,237	-	-	-	-
Finland	2,091	-	-	-	-
France	353,085	-	-	1,965	-
Guernsey	4,159	-	-	-	-
Netherlands	352,584	-	-	531	19,770
Ireland	42,285	-	-	-	-
Jersey	13,074	-	-	-	-
Cayman Islands	48,828	-	-	-	-
Italy	948,178	-	-	-	-
Japan	1,034	-	-	-	-
Luxembourg	96,622	-	23,988	-	-
Mexico	5,115	-	-	-	-
Nigeria	4,854	-	-	-	-
Norway	20,786	-	-	-	-
Portugal	66,375	-	-	-	-
United Kingdom	270,174	-	-	-	-
Czech Republic	4,042	-	-	-	-
Sweden	22,932	-	-	-	-
Switzerland	2,999	-	-	-	-
Venezuela	1,108	-	-	-	-
Total	**35,393,840**	**272**	**23,988**	**3,836**	**10,866,538**

Diversification by sector

2014 Financial Year

Sector	Debt securities	Equity instruments	Funds	Derivatives	Loans and deposits in credit entities
	Thousands of Euros				
Communications	301,238	301	-	-	-
Consumer goods. Non-Cyclical	101,177	-	-	-	-
Energy	67,772	-	-	-	-
Financial	4,158,837	175	-	1,339	259,220
Government	36,182,243	-	-	-	4,260
Industrial	1,084,368	-	-	-	-
Raw materials	14,561	-	-	-	-
Utilities	625,907	-	-	-	-
Total	**42,536,103**	**476**	**-**	**1,339**	**263,480**

2013 Financial Year

Sector	Debt securities	Equity instruments	Funds	Derivatives	Loans and deposits in credit entities
	Thousands of Euros				
Communications	345,058	67	-	-	-
Consumer goods. Non-Cyclical	64,770	-	-	-	-
Energy	69,475	-	-	-	-
Financial	8,014,194	205	23,988	3,836	10,842,162
Government	25,509,445	-	-	-	24,376
Industrial	834,194	-	-	-	-
Raw materials	14,601	-	-	-	-
Utilities	542,103	-	-	-	-
Total	**35,393,840**	**272**	**23,988**	**3,836**	**10,886,538**

5. Variations in Associated, Group and Multi-Group Companies

Transactions carried out during the 2014 financial year

5.a) Merger by Absorption of VidaCaixa Group
During the financial year 2014, the Group had no variations that affect its consolidation perimeter.

Transactions carried out during the 2013 financial year

Merger by absorption of VidaCaixa Group

On 5 March 2013, the Boards of Directors of VidaCaixa Grupo, S.A.U. and VidaCaixa, S.A., de Seguros y Reaseguros, Single-Shareholder Company, approved the Joint Merger Project of VidaCaixa Grupo (Absorbed Company) and VidaCaixa (Absorbing Company), ratified by the Sole Shareholder on 18 March 2013. Said merger by absorption operation was performed by the universal en bloc transfer of assets from the former to the latter, its dissolution without liquidation and the attribution of the shares issued from the Absorbing Company to CaixaBank. Having obtained the relevant authorisations from the Directorate General of Insurance and Pension Funds and within the framework of operations between group companies, 1 January 2013 is understood to be the date of the merger for accounting purposes.

The information required by commercial regulations relating to said operation is presented in the consolidated annual accounts of the 2013 financial year.

Merger by absorption of Banca Cívica Vida y Pensiones, CajaSol Vida y pensiones and CajaCanarias Vida y Pensiones

As part of the restructuring of the activity from Banca Cívica in CaixaBank, a purchase and sale agreement was signed with AEGON in 2012 to acquire 56.7% of the shares that said entity held in Banca Cívica Vida y Pensiones. With this operation, CaixaBank acquired control of said company, the remaining shares belonging to "Grupo Corporativo Empresarial de la Caja de Ahorros y Monte de Piedad de Navarra".

During the 2013 financial year, CaixaBank signed a purchase and sale agreement with CASER to acquire 50% of the shares that this company held in CajaSol Vida y Pensiones, CajaCanarias Aseguradora de Vida y Pensiones and CajaSol Seguros Generales, acquiring control of these companies, in which it previously held 50% of shares.

Within the insurance portfolio restructuring plan of the CaixaBank group, on 26 March 2013, the deeds of sale from VidaCaixa, S.A. to CaixaBank and to the "Grupo Corporativo Empresarial de la Caja de Ahorros y Monte de Piedad de Navarra" for the company Banca Cívica Vida y Pensiones, Sociedad Anónima de Seguros were registered in the Mercantile Register of Barcelona, as well as the deeds of sale from VidaCaixa, S.A. to CaixaBank of the companies CajaSol Vida y Pensiones de Seguros y Reaseguros, S.A. and CajaCanarias Aseguradora de Vida y Pensiones, de Seguros y Reaseguros, S.A. for an amount of 280,195, 113,500 and 93,900 thousand Euros respectively.

In June 2013, the Boards of Directors of VidaCaixa and Banca Cívica Vida y Pensiones entered into the corresponding Joint Merger Project of VidaCaixa (Absorbing Company) and Banca Cívica Vida y Pensiones (Absorbed Company), approved by the respective Single Shareholders on 11 June 2013. Also, in the same month of June, the Boards of Directors of VidaCaixa (Absorbing Company) and CajaSol Vida y Pensiones and CajaCanarias Aseguradora de Vida y Pensiones (Absorbed Companies) entered into the corresponding Joint Merger Project, approved by the respective Single Shareholders on 26 June 2013.

The deeds of merger of Banca Cívica Vida y Pensiones and CajaSol Vida y Pensiones and CajaCanarias Aseguradora de Vida y Pensiones were registered in the Mercantile Register on 20 November 2013, in the case of Banca Cívica Vida y Pensiones, and on 20 December 2013, in the case of the other two entities.

Within the framework of operations between group companies, the merger by absorption of Banca Cívica Vida y Pensiones was deemed to have taken place on 1 January 2013 for accounting purposes. The mergers of CajaSol Vida y Pensiones and CajaCanarias Aseguradora Vida y Pensiones were deemed to have taken place on 1 April 2013 for accounting purposes.

As a consequence of the recognition of the assets and liabilities of the merged companies, the intangible assets and goodwill described in Note 10 of this report were recognised.

The information required by commercial regulations relating to said operation is presented in the consolidated annual accounts of the 2013 financial year.

Purchase of holdings in SegurCaixa Adeslas from minority shareholders

On 18 October 2013, the Group purchased 4,158 shares in SegurCaixa Adeslas from its minority shareholders.

6. Financial Assets

The breakdown of the financial assets at 31 December 2014 is as follows (in thousands of Euros):

Investments classified by category of financial assets and type	Cash and other equivalent liquid assets (C&OELA)	Financial assets held for trading (HFT)	Other financial assets at fair value with changes in the profit and loss account (CFVP&L)	Financial assets available for sale (AFS)	Loans and payments receivable (L&PR)	Total at 31.12.2014
FINANCIAL INVESTMENTS:	**11,474,591**	**1,339**	**1,368,216**	**42,536,579**	**276,979**	**55,657,704**
Equity instruments	-	-	-	476	-	476
- Financial investments in capital	-	-	-	476	-	476
- Holdings in investment funds	-	-	-	-	-	-
Debt securities	-	-	-	42,536,103	-	42,536,103
Investment on behalf of life insurance policyholders who assume the risk of the investment	68,565	-	1,368,216	-	-	1,436,781
Loans	-	-	-	-	221,142	221,142
Other financial assets	-	1,339	-	-	-	1,339
Transactions with repurchase agreement	34,257	-	-	-	-	34,257
Deposits in credit entities	11,207,793	-	-	-	55,837	11,263,630
Deposits constituted for accepted reinsurance	-	-	-	-	-	-
Cash and cash equivalents	163,976	-	-	-	-	163,976
CREDITS:	-	-	-	-	**376,196**	**376,196**
Credits through direct insurance and co-insurance operations	-	-	-	-	111,247	111,247
Credits through reinsurance operations	-	-	-	-	3,535	3,535
Other credits	-	-	-	-	261,414	261,414
Impairment	-	-	-	-	-	-
Total	**11,474,591**	**1,339**	**1,368,216**	**42,536,579**	**653,175**	**56,033,900**

The same information for the close of December 2013 is as follows (in thousands of Euros):

Investments classified by category of financial assets and type	Cash and other equivalent liquid assets (C&OELA)	Financial assets held for trading (HFT)	Other financial assets at fair value with changes in the profit and loss account (CFVP&L)	Financial assets available for sale (AFS)	Loans and payments receivable (L&PR)	Total at 31.12.2013
FINANCIAL INVESTMENTS:	**1,180,886**	**3,836**	**1,199,839**	**35,418,100**	**10,881,121**	**48,683,782**
Equity instruments	-	-	-	24,260	-	24,260
- Financial investments in capital	-	-	-	272	-	272
- Holdings in investment funds	-	-	-	23,988	-	23,988
Debt securities	-	-	-	35,393,840	-	35,393,840
Investment on behalf of life insurance policyholders who assume the risk of the investment	46,621	-	1,199,839	-	-	1,246,460
Transactions with repurchase agreement	350,104	-	-	-	-	350,104
Loans	-	-	-	-	10,844,370	10,844,370
Other financial assets	-	3,836	-	-	-	3,836
Deposits in credit entities	613,616	-	-	-	36,751	650,367
Deposits constituted for accepted reinsurance	-	-	-	-	-	-
Cash and cash equivalents	170,545	-	-	-	-	170,545
CREDITS:	-	-	-	-	**654,512**	**654,512**
Credits through direct insurance and co-insurance operations	-	-	-	-	135,495	135,495
Credits through reinsurance operations	-	-	-	-	25,554	25,554
Other credits	-	-	-	-	493,463	493,463
Impairment	-	-	-	-	-	-
Total	**1,180,886**	**3,836**	**1,199,839**	**35,418,100**	**11,535,633**	**49,338,294**

The breakdown of the financial assets, according to the inputs used, at 31 December 2014 is as follows (in thousands of Euros):

	Level 1	Level 2	Level 3	Total at 31.12.2014
Financial assets held for trading				
Debt securities	-	-	-	**-**
Derivatives	300	1,039	-	**1,339**
Other financial assets at fair value with changes in the profit and loss account				
Debt securities	-	-	-	**-**
Equity instruments	-	-	-	**-**
Investments on behalf of life insurance policyholders who assume the risk of the investment	1,321,866	46,350	-	**1,368,216**
Hybrid instruments	-	-	-	**-**
Loans	-	-	-	**-**
Deposits in credit entities	-	-	-	**-**
Financial assets available for sale				
Financial investments in capital	-	476	-	**476**
Holdings in investment funds	-	-	-	**-**
Debt securities	41,870,242	665,861	-	**42,536,103**
Loans	-	-	-	**-**
Other financial assets without published prices	-	-	-	**-**
Deposits in credit entities	-	-	-	**-**
Investments held to maturity				
Debt securities	-	-	-	**-**
Total at 31 December 2014	**43,192,408**	**713,726**	**-**	**43,906,134**

The assets classified in Level 3 are subordinated issues issued by the Company for the Management of Assets proceeding from Restructuring of the Banking System (SAREB), that were disposed of during the 2014 financial year (see Note 6.a).

The breakdown of the financial assets, according to the inputs used, at 31 December 2013 is as follows (in thousands of Euros):

	Level 1	Level 2	Level 3	Total at 31.12.2013
Financial assets held for trading				
Debt securities	-	-	-	**-**
Derivatives	250	3,586	-	**3,836**
Other financial assets at fair value with changes in the profit and loss account				
Debt securities	-	-	-	**-**
Equity instruments	-	-	-	**-**
Investments on behalf of life insurance policyholders who assume the risk of the investment	1,190,704	9,136	-	**1,199,840**
Hybrid instruments	-	-	-	**-**
Loans	-	-	-	**-**
Deposits in credit entities	-	-	-	**-**
Financial assets available for sale				
Financial investments in capital	-	272	-	**272**
Holdings in investment funds	23,988	-	-	**23,988**
Debt securities	33,644,833	1,317,202	431,805	**35,393,840**
Loans	-	-	-	**-**
Other financial assets without published prices	-	-	-	**-**
Deposits in credit entities			-	**-**
Investments held to maturity				
Debt securities	-	-	-	**-**
Total at 31 December 2013	**33,859,775**	**1,330,196**	**431,805**	**36,621,776**

6.a) Financial Investments

Financial assets held for trading

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

	HFT
	Derivatives
Net book value at 1 January 2013	**3,535**
Purchases	302
Changes to consolidation method	-
Sales and amortisations	-
Additions to the consolidation scope	-
Reclassifications and transfers	-
Revaluations against reserves	-
Revaluations against results	(1)
Registered profit/loss	-
Net book value at 31 December 2013	**3,836**
Purchases	-
Changes to consolidation method	-
Sales and amortisations	(2,548)
Additions to the consolidation scope	-
Reclassifications and transfers	-
Revaluations against reserves	-
Revaluations against results	51
Registered profit/loss	-
Net book value at 31 December 2014	**1,339**

The investments held in derivatives at 31 December 2014 are mainly implied derivatives that the Parent Group has valued and recorded separately and correspond to a "Lookback" option on Eurostoxx 50 and a call option on Eurostoxx 50. The "Lookback" option will expire in 2020 and the call option will expire in 2018. The fair value of such investments has been calculated based on 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 valuation methods that are generally accepted in the financial sector.

Financial Assets at Fair Value with Changes in the Profit and Loss Account

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

	Investment on behalf of life insurance policyholders who assume the risk of the investment
Net book value at 1 January 2013	**223,589**
Purchases and accruals	543,384
Merger incorporations	830,108
Sales, accruals and depreciations	(428,112)
Revaluations against results	30,870
Net book value at 31 December 2013	**1,199,839**
Purchases and accruals	1,947,994
Sales, accruals and depreciations	(1,807,903)
Revaluations against results	28,286
Net book value at 31 December 2014	**1,368,216**

During the 2014 financial year, the income net of expenses of investments on behalf of policyholders who assume the risk of the investment amounted to 78,665 thousand Euros (64,686 thousand Euros in 2013). Said income corresponds to the results for investments, the changes in value of the assets, as well as interest recognised by applying the effective interest method.

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.

At 31 December 2014, the Group held no hybrid instruments.

Financial assets available for sale

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

	AFS		Total
	Equity instruments	Debt securities	
Net book value at 1 January 2013	**20,163**	**29,496,570**	**29,516,733**
Purchases	-	19,208,649	19,208,649
Implicit interest accrued	-	(168,592)	(168,592)
Sales and amortisations	(67)	(16,743,021)	(16,743,088)
Merger incorporations	2	805,724	805,726
Reclassifications and transfers	-	(36,751)	(36,751)
Revaluations against reserves	4,162	2,802,263	2,806,425
Changes in the losses through impairment of value	-	-	-
Registered profit/loss	-	28,998	28,998
Net book value at 31 December 2013	**24,260**	**35,393,840**	**35,418,100**
Purchases	-	22,772,385	22,772,385
Implicit interest accrued	-	(150,690)	(150,690)
Sales and amortisations	(24,353)	(23,287,089)	(23,311,442)
Reclassifications and transfers	-	(21,611)	(21,611)
Revaluations against reserves	1,248	7,145,837	7,147,085
Changes in the losses through impairment of value	-	-	-
Registered profit/loss	(679)	683,431	682,752
Net book value at 31 December 2014	**476**	**42,536,103**	**42,536,579**

In 2014, the Group recorded a result of 682,752 thousand Euros for disposal of financial investments classified in the caption "Financial assets available for sale". Said result was generated mainly by the following operations performed by the Parent Company in 2014:

- Disposal of financial investments to cover the repayment of the issue premium to the Sole Shareholder for 1,000,000 thousand Euros. As a result of this transaction, the Parent Group recorded profits of 72,310 thousand Euros and losses of 5,837 thousand Euros, which are mostly recorded under the captions "Tangible fixed asset and investment revenue - Profits from tangible fixed assets and investments" and "Tangible fixed asset and investment expenses - Losses from tangible fixed assets and investments", respectively, in the technical-life insurance profit and loss account.

- Sale of debt representative securities issued by CaixaBank for an amount of 3,558,834 thousand Euros. Said securities have been repurchased in full by the issuer. As a result of this transaction, the Group has recorded profits of 283,602 thousand Euros, which are recorded under the caption "Tangible fixed asset and investment revenue - Profits from tangible fixed assets and investments" of the technical-life insurance profit and loss account.

- In 2012 and 2013, the Parent Group purchased the subordinated fixed income issued by the Company for the Management of Assets proceeding from Restructuring of the Banking System (hereinafter, SAREB), whose legal system was defined in RDL 24/2012, currently Law 9/2012. The acquired nominal amounted to 431,900 thousand Euros with an associated coupon of 8% per year, redeemable prior to expiry on 27 November 2027.

- On 9 April 2014, and based on the provisions in the revised text of the terms and conditions of the 2012 Issue of Subordinated Convertible Obligations, the SAREB Bondholders' Meeting agreed to the conversion of said issue, the subordinated obligations of which have become part of the 2013 Issue of Subordinated Convertible Obligations.

- On 23 December 2014, the Group disposed of all the subordinated obligations it held of SAREB to the sole shareholder of the Parent Company, CaixaBank.

- Disposals of financial investments in order to adapt the terms of the financial investments to the terms of the commitments with insurance policyholders, as well as disposals of financial assets available for sale through standard portfolio management transactions. As a result of these transactions, the Group has recorded profits of 425,846 thousand Euros and losses of 49,932 thousand Euros, which are recorded, mostly, under the caption "Tangible fixed asset and investment revenue.

- Profits from tangible fixed assets and investments" and "Tangible fixed asset and investment expenses - Losses from tangible fixed assets and investments" respectively, in the technical-life insurance profit and loss account.

  At 31 December 2014, the Group has contracts for interest rate swaps formalised with various financial institutions, principally "CaixaBank", in order to adapt the flows derived from the investment portfolio to the liquidity requirements of the various affected policies, receiving from the various counterparties, in general terms, fixed and/or determinable sums. Their maturity dates are between 2015 and 2063. Although the Group disposes of the valuations of said swaps and their associated bonds, it values them jointly as indicated in Note 3.b.

The unpaid explicit interest in favour of the Group at 31 December 2014 totals 790,393 thousand Euros (804,924 thousand Euros at the close of 2013) and is recorded in the "Other assets" sub-caption of the accompanying balance sheet.

This caption also includes the unpaid interest accrued through the current accounts that the Group maintains with "CaixaBank" and other entities for the sum of 11 thousand Euros.

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 imputed 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.

Loans and payments receivable

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

	Non-mortgage loans and advance payments on policies	Deposits in credit entities	Total
Net book value at 1 January 2013	**10,128,622**	**-**	**10,128,622**
Purchases	18,364,647	-	18,364,647
Implicit interest accrued	(1,205)	-	(1,205)
Changes to consolidation method	-	-	-
Sales and amortisations	(17,647,694)	-	(17,647,694)
Additions to the consolidation scope	-	-	-
Reclassifications and transfers	-	36,751	36,751
Revaluations against reserves	-	-	-
Changes in the losses through impairment of value	-	-	-
Net book value at 31 December 2013	**10,844,370**	**36,751**	**10,881,121**
Purchases	19,043,621	-	19,043,621
Implicit interest accrued	(14,503)	(2,508)	(17,011)
Changes to consolidation method	-	-	-
Sales and amortisations	(29,652,346)	(17)	(29,652,363)
Additions to the consolidation scope	-	-	-
Reclassifications and transfers	-	21,611	21,611
Revaluations against reserves	-	-	-
Changes in the losses through impairment of value	-	-	-
Net book value at 31 December 2014	**221,142**	**55,837**	**276,979**

Investments held to maturity

In 2014 and 2013, the Group assigned no financial assets to said portfolio.

6.a.1) Financial Investments in Capital and Holdings in Investment Funds

The following is the breakdown of the balances in this sub-caption at 31 December 2014 and 2013:

	Thousands of Euros	
	AFS Portfolio	
	31.12.2014	31.12.2013
Shares in Spanish listed companies	-	-
Shares in Spanish unlisted companies	476	272
Spanish investment funds	-	-
Listed foreign investment funds	-	23,988
Total	**476**	**24,260**

At 31 December 2014, the Group holds shares in the company called "Tecnologías de la información y redes para las entidades aseguradoras, S.A." (301 thousand Euros), in the company GestiCaixa (140 thousand Euros), and in the mutual fund of various Voluntary Social Welfare Entities (35 thousand Euros).

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

6.a.2) Fixed Income Values

The following is the breakdown of the balances in this sub-caption at 31 December 2014 and 2013:

	Thousands of Euros	
	31.12.2014	31.12.2013
	AFS Portfolio (1)	AFS Portfolio (1)
Public debt and Government obligations and bonds	32,344,656	22,082,211
Other Public Administration	3,406,074	2,299,958
Issued by financial companies	1,496,876	6,528,564
Foreign public debt	1,779,327	1,127,275
Issued by foreign financial companies	1,276,889	1,485,628
Other fixed income values	2,232,281	1,870,204
Total	**42,536,103**	**35,393,840**

(1) Portfolio of Assets Available for Sale

The maturity dates of the securities included in this sub-caption, according to their allocation portfolio at 31 December 2014 and 2013, and taking into consideration their fair value, are as follows:

	Thousands of Euros	
	31.12.2014	31.12.2013
Maturity	AFS Portfolio	AFS Portfolio
Less than 1 year	1,436,213	1,741,890
1 to 3 years	4,169,868	3,708,622
3 to 5 years	2,370,431	3,958,173
5 to 10 years	6,879,331	4,540,878
10 to 15 years	10,257,822	7,598,031
15 to 20 years	5,770,414	6,330,761
20 to 25 years	3,173,020	2,193,662
More than 25 years	8,479,004	5,321,823
Total	**42,536,103**	**35,393,840**

6.a.3) Investments of Insurance Policyholders who Assume the Investment Risk

The following is the breakdown by investment type at 31 December 2014 and 2013:

Investment on behalf of life insurance policyholders who assume the risk of the investment	Thousands of Euros			
	31.12.2014		31.12.2013	
	CFVP&L	Other assets	CFVP&L	Other assets
Financial investments in capital	120,115	-	61,437	-
Holdings in investment funds	268,535	-	191,118	-
Fixed-income securities	549,019	-	212,127	-
Deposits in credit entities	430,547	-	735,157	-
Cash and other equivalent assets	-	68,565	-	46,622
Loans and payments receivable	-	618	-	403
Accruals	-	7,347	-	7,360
Total	**1,368,216**	**76,530**	**1,199,839**	**54,385**

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

	Thousands of Euros	
	31.12.2014	31.12.2013
Maturity	CFVP&L	CFVP&L
Less than 1 year	116,809	700,294
1 to 3 years	404,976	96,103
3 to 5 years	247,880	150,888
5 to 10 years	56,010	-
More than 10 years	153,891	-
	979,566	**947,285**

The variation during the 2014 financial year of the gains net of the losses of these assets amounted to 28,283 thousand Euros of gains (gains valued at 31,192 thousand Euros in 2013). They are recorded in the "Revenue and expenses for investments subject to insurance in which the policyholder assumes the risk of the investment" caption in the profit and loss account of the Life Insurance segment.

6.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 2014 and 2013:

	Thousands of Euros	
	31.12.2014	31.12.2013
Non-mortgage loans and advance payments on policies:		
- Unlisted loans	207,643	10,829,787
- Advance payments on policies	13,499	14,583
Mortgage loans:	-	-
Deposits in credit entities:	55,837	36,751
Deposits constituted for accepted reinsurance:	-	-
Total	**276,979**	**10,881,121**

The balance of the "Loans and payments receivable" caption mainly includes the deposits and acquisitions with a buy-back clause whose duration from the acquisition date is more than 3 months contracted with "CaixaBank".

At 31 December 2014, the Parent Company held 25 deposits contracted with "CaixaBank" for an amount of 113,054 thousand Euros that present a weighted average IRR of 1.98% with maturity dates between the years 2015 and 2019 inclusive and 3 deposits for a total amount of 90,150 thousand Euros maturing in 2019 that present a weighted average IRR of 8.37%.

Also, this captain contains 2 acquisitions with a buy-back clause for an amount of 4,259 thousand Euros maturing in 2017 with a weighted average IRR of 2.47%.

Said deposits and acquisitions with a buy-back clause have generated revenue of 46,233 thousand Euros and are recorded under "Tangible fixed asset and investment revenue" in the Life Insurance profit and loss account.

Under the caption "Deposits in credit entities" the Group registers 50 deposits contracted mainly with Santander, BBVA and Royal Bank of Scotland for a total amount of 55,837 thousand Euros. The maturity dates of said deposits vary between the years 2016 and 2044 and their weighted average IRR amounts to 6.04%.

On 27 April 2012, the Group renewed a framework contract for financial transactions with "CaixaBank", undertaking to leave under guarantee the sum of 1,300,000 thousand Euros in an account deposited in said institution. At 31 December 2014, this guarantee was constituted in one of the deposits contracted with "CaixaBank" with a maturity in 2015, for an amount of 1,300,677 thousand Euros and a weighted average IRR of 0.24%, and is registered in the "Cash and other equivalent liquid assets" caption of the balance sheet.

b) Credits

The following is the breakdown of the credits derived from insurance, reinsurance and co-insurance contracts at 31 December 2014 and 2013:

	Thousands of Euros	
	L&PR	
	31.12.2014	31.12.2013
Credits through direct insurance and co-insurance operations:		
- Insurance policyholders – receipts pending:		
Direct and co-insurance business	95,540	116,414
Premiums accrued and not issued	4,561	3,265
(Reserve for premiums pending payment)	(3,001)	(4,017)
- Brokers:		
Pending balances with brokers	2,635	4,211
(Reserve for impairment of balance with brokers)	-	-
- Accounts receivable for co-insurance operations:		
Pending balances with co-insurers	11,512	15,623
(Reserve for impairment of balance with co-insurers)	-	-
Credits through reinsurance operations:		
Pending balance with reinsurance companies	3,535	25,554
(Reserve for impairment of balance with reinsurance)	-	-
Other credits:		
Rest of credits	261,414	493,462
(Reserve for impairment of other credits)	-	-
Total	**376,196**	**654,512**

Recorded in the "Other Credits - Rest of Credits" caption of the attached balance sheet are some assets for the various emphyteutic censuses of the Parent Company with the Generalitat de Catalunya, which at 31 December 2014 and 2013 represent amounts of 19,007 and 38,490 thousand Euros. Said censuses generated income for a value of 3,955 and 3,311 thousand Euros in the financial years 2014 and 2013 respectively. The maturity dates of the loans vary between the years 2017 and 2018 and their implicit interest rates between 6% and 8%.

On 29 November 2012, the Company signed two reinsurance operations with Berkshire Hathaway Life Insurance Company of Nebraska (hereinafter, the "reinsurer").

The first was a proportional quota-share reinsurance contract for the transfer of 100% of the portfolio for Family Life and Seviam products effective until 31 December 2012. The duration of the reinsurance contract is indefinite or, failing that, up to the expiry of the portfolio of said insurance contracts, covering the risk of death. The second transaction is an annuity reinsurance contract in effect until 1 October 2012, with the aim of covering the longevity risk assigned to said portfolio. The agreed expiry date will be 30 September 2022 or the date that coincides with the end of the covered obligations.

As a consequence of said operations, at 31 December 2014, the Parent Company has an amount of 20,651 thousand Euros under the "Debits and payable items - Debts through reinsurance operations" caption of the attached balance sheet, respectively, as receipts and payments pending with the reinsurer (See Note 13.b).

The movement and detail of the losses of value recorded during 2014 and 2013 are set out in the following table, the different variations having been recorded in the "Net reinsurance premiums imputed" and "Net operating expenses" captions in the profit and loss account applicable to each segment.

	Reserve for pending premiums	Reserve for impairment of balance with reinsurance	Reserve for impairment of balance with broker
Balances at 31 December 2012	**(4,694)**	**-**	**(78)**
Merger incorporations	(53)	-	-
Allocations charged to profit and loss account	4,406	-	-
Applications with payment to profit and loss account	(5,136)	-	78
Balances at 31 December 2013	**(4,017)**	-	-
Allocations charged to profit and loss account	(3,001)	-	-
Applications with payment to profit and loss account	4,017	-	-
Balances at 31 December 2014	**(3,001)**	**-**	**-**

The breakdown of other credits in the consolidated balance sheet at 31 December 2014 and 2013 is as follows:

	Thousands of Euros	
Rest of Credits:	**31.12.2014**	**31.12.2013**
Administration fees and other fees to be received	56,011	54,205
Other debtors	156,764	425,424
Creditors for securities	48,639	13,833
Total	**261,414**	**493,462**

7. Joint ventures

At the close of the financial year 2014, the Group held a direct and indirect share of 74.96% in a Temporary Joint Venture (TJV).

On 5 December 2011, the Group, via its parent company VidaCaixa, incorporated a TJV at 50% with SegurCaixa Adeslas, S.A. de Seguros y Reaseguros, pursuant to Law 18/1982 of 26 May, called “UTE SEGURCAIXA ADESLAS, S.A. Y VIDACAIXA, S.A., Unión Temporal de Empresas Ley 18/1982, de 26 de mayo (temporary joint venture Law 18/1982, of 26 May)” with the purpose of contracting corporate and personal life and accident policies to the executives and other personnel of Bilbao City Council.

The term of the TJV is 6 years, beginning its operations on 1 January 2012, and its address for tax purposes is in Barcelona, Carrer de Juan Gris 20-26, Torre Norte del Complejo “Torres Cerdá”, piso 3º. Its members specify that the financing of the common activities is charged to the common operating fund that they have set up with an initial contribution of 123 thousand Euros, of which both parties paid half. Also, the member companies participate in equal share in the distribution of results and in the income and expenses of the TJV, having joint and unlimited responsibility before third parties for the acts and operations that the TJV performs for joint benefit.

The assets of the TJV’s balance sheet and profit and loss account had a balance below one thousand Euros at 31 December 2014.

8. Holdings in Companies Valued by the Equity Method

The breakdown of the companies valued by the equity method is included in the accompanying Annex I.

The movement of these shareholdings in the capital of unlisted companies in which the Group exercises a significant influence during 2014 is as follows:

Company	Thousands of Euros				
	Balances at 31.12.2013	Consolidation scope additions and withdrawals	Increases through year result	Other variations through valuation	Balances at 31.12.2014
Grupo SegurCaixa Adeslas, S.A. de Seguros y Reaseguros	1,007,786	-	8,963	(17,758)	998,991
Gross total	**1,007,786**	-	**8,963**	**(17,758)**	**998,991**
Losses through impairment	-	-	-	-	-
Net total	**1,007,786**	-	**8,963**	**(17,758)**	**998,991**

9. Tangible Fixed Assets and Property Investments

9.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 2014 (in thousands of Euros):

	Buildings for own use	Furniture and fittings	Data processing equipment	Other tangible fixed assets	Total
Cost at 31 December 2013	**18,965**	**10,999**	**8,441**	**22**	**38,427**
Accumulated depreciation at 1 January 2014	**(2,225)**	**(6,202)**	**(7,638)**	**(22)**	**(16,087)**
Losses through impairment	**(515)**	**-**	**-**	**-**	**(515)**
Net Book Value at 1 January 2014	**16,225**	**4,797**	**803**	**-**	**21,825**
Investments or additions	-	2,805	1,165	-	3,970
Merger incorporation	-	-	-	-	-
Changes to consolidation method	-	-	-	-	-
Advance payments in progress	-	-	-	-	-
Reclassifications and transfers	9,400	(234)	(1,329)	-	7,837
Sales and disposals	(10,526)	(7,718)	(2,623)	-	(20,867)
Depreciation of financial year	(365)	(613)	(575)	-	(1,553)
Merger incorporation	-	-	-	-	-
Changes to consolidation method	-	-	-	-	-
Reclassifications and transfers of the depreciation	(507)	106	976	-	575
Disposals of the depreciation	1,880	5,583	2,616	-	10,079
Losses through impairment	(2,453)	-	-	-	(2,453)
Net book value at 31 December 2014	**13,654**	**4,726**	**1,033**	**-**	**19,413**

The composition of the net book value at 31 December 2014 in thousands of Euros is set out below:

	Buildings for own use	Furniture and fittings	Data processing equipment	Other tangible fixed assets	Total
Cost at 31 December 2014	**17,839**	**5,852**	**5,654**	**-**	**29,345**
Accumulated depreciation at 31 December 2014	**(1,217)**	**(1,126)**	**(4,621)**	**-**	**(6,964)**
Losses through impairment	**(2,968)**	**-**	**-**	**-**	**(2,968)**
Net book value at 31 December 2014	**13,654**	**4,726**	**1,033**	**-**	**19,413**

The following is the movement and breakdown corresponding to the 2013 financial year (in thousands of Euros):

	Buildings for own use	Furniture and fittings	Data processing equipment	Other tangible fixed assets	Total
Cost at 31 December 2012	**18,965**	**12,617**	**7,924**	**22**	**39,528**
Accumulated depreciation at 1 January 2013	**(1,953)**	**(6,980)**	**(7,056)**	**(22)**	**(16,011)**
Losses through impairment	**(515)**	**-**	**-**	**-**	**(515)**
Net book value at 1 January 2013	**16,497**	**5,637**	**868**	**-**	**23,002**
Investments or additions	-	-	428	-	428
Merger incorporation	-	206	90	-	296
Changes to consolidation method	-	-	-	-	-
Advance payments in progress	-	-	-	-	-
Reclassifications and transfers	-	-	-	-	-
Sales and disposals	-	(1,824)	(1)	-	(1,825)
Depreciation of financial year	(272)	(986)	(494)	-	(1,752)
Merger incorporation	-	(53)	(89)	-	(142)
Changes to consolidation method	-	-	-	-	-
Reclassifications and transfers of the depreciation	-	-	-	-	-
Disposals of the depreciation	-	1,817	1	-	1,818
Losses through impairment	-	-	-	-	-
Net book value at 31 December 2013	**16,225**	**4,797**	**803**	**-**	**21,825**

Breakdown of Net Book Value at 31 December 2013:

	Buildings for own use	Furniture and fittings	Data processing equipment	Other tangible fixed assets	Total
Cost at 31 December 2013	**18.965**	**10.999**	**8.441**	**22**	**38.427**
Accumulated depreciation at 31 December 2013	**(2.225)**	**(6.202)**	**(7.638)**	**(22)**	**(16.087)**
Losses through impairment	**(515)**	**-**	**-**	**-**	**(515)**
Net book value at 31 December 2013	**16.225**	**4.797**	**803**	**-**	**21.825**

At 31 December 2014 and 2013, the Group has full rights of ownership over these properties, none of them being liable as any type of guarantee. Furthermore, the Group has no commitment to acquire new properties. At the close of the 2014 and 2013 financial years, all tangible fixed assets of the Group are used directly for operational purposes.

On 30 September 2014, the Parent Company, jointly with the invested company Grupo Asegurador de "la Caixa", Agrupación de Interés Económico, owners of the building located in Carrer de Juan Gris 20-26, Barcelona, formalized the sale of the corresponding ownership of said building to its subsidiary company SegurCaixa Adeslas. The total amount received in said operation amounted to 14,507 thousand Euros. The transaction was performed at the market value, generating a gross gain at the level of the group of 3,620 thousand Euros.

The market value at 31 December 2014 of the properties used by the Group and of the investments is summarised below (in thousands of Euros):

	Market value at 31.12.2014			
	Non-life Insurance segment	Life Insurance Segment	Other Activities Segment	Total
Buildings for own use	-	13,723	-	13,723

At the close of the previous financial year, the market value of the buildings used by the Group allocated to the Life and Other Activities segments was 18,145 and 10,161 thousand Euros, respectively.

In 2014, as a consequence of the property valuation analysis, the Group registered an amount of 2,453 thousand Euros for impairment of tangible fixed assets and property investments in the consolidated profit and loss account. In 2013, the Group did not record impairment for any items.

9.b) Property Investments

The breakdown and movement of this consolidated balance sheet caption is as follows (in thousands of Euros):

	Property investments third-party use
Cost at 31 December 2013	9,563
Accumulated depreciation at 31 December 2013	(508)
Losses through impairment	(671)
Net book value at 31 December 2013	8,384
Investments or additions	-
Changes to consolidation method	-
Reclassifications and transfers	(8,761)
Sales and disposals	-
Depreciation of financial year	(3)
Changes to consolidation method	-
Reclassifications and transfers of the depreciation	485
Disposals of the depreciation	-
Reclassification of losses through impairment	503
Net book value at 31 December 2014	**608**

Breakdown of net book value at 31 December 2014

	Property investments third-party use
Cost at 31 December 2014	**802**
Accumulated depreciation at 31 December 2014	(26)
Losses through impairment	(168)
Net book value at 31 December 2014	**608**

	Property investments third-party use
Cost at 31 December 2012	**9,563**
Accumulated depreciation at 31 December 2012	**(375)**
Losses through impairment	**(672)**
Net book value at 31 December 2012	**8,517**
Investments or additions	-
Changes to consolidation method	-
Reclassifications and transfers	-
Sales and disposals	-
Depreciation of financial year	(133)
Changes to consolidation method	-
Reclassifications and transfers of the depreciation	-
Disposals of the depreciation	-
Losses through impairment	-
Net book value at 31 December 2013	**8,384**

Breakdown of Net Book Value at 31 December 2013

	Property investments third-party use
Cost at 31 December 2013	**9,563**
Accumulated depreciation at 31 December 2013	(508)
Losses through impairment	(671)
Net book value at 31 December 2013	**8,384**

The Group has full rights of ownership over the same and no additional commitments to the acquisition of new tangible assets.

At the close of 2014 and 2013, there were no restrictions for making new property investments or for receiving income from the same, or concerning income obtained from a possible transfer.

The market value at 31 December 2014 of the Group's property investments is summarised below (in thousands of Euros):

	Market value at 31-12-2014			
	Non-life Insurance segment	Life Insurance Segment	Other activities segment	Total
Property investments third-party use	-	1,644	-	1,644

At the close of the financial year no additional compensation was shown that revealed the market value of property investments.

10. Intangible Fixed Assets

The movements that occurred in this caption in 2014 and 2013 are set out in the accompanying Annexes II and III, respectively.

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

The breakdown of Goodwill and Intangible Assets is as follows, according to the nature and type of the companies of origin:

	Thousand of Euros	
Goodwill	**31.12.2014**	**31.12.2013**
la Caixa Gestión de Pensiones, E.G.F.P., S.A.U.	3.407	3.407
Fortis holding value	330.930	330.930
Insurance companies of Banca Cívica	249.240	245.611
Total	**583.577**	**579.948**

At 31 December 2014, the Group's goodwill amounted to 583,577 thousand Euros (579,948 thousand Euros at 31 December 2013) and was generated by the following operations:

- Merger by absorption of "la Caixa Gestión de Pensiones, E.G.F.P., S.A.U." (previously called Morgan Stanley Gestión Pensiones, E.G.F.P, S.A.U), carried out by VidaCaixa, S.A. in the 2008 financial year. The record of assets and liabilities stemming from said merger showed a goodwill of 3,407 thousand Euros.

- Merger by absorption of VidaCaixa Grupo in 2013. The record of assets and liabilities stemming from said merger shows a goodwill of 330,930 thousand Euros associated with the holding in VidaCaixa, S.A. Said goodwill originates from the purchase by CaixaBank (previously Criteria CaixaCorp, S.A.) from Fortis of the latter's holding in VidaCaixa, S.A.

- Acquisition and subsequent merger during 2013 of the companies Banca Cívica Vida y Pensiones, CajaSol Vida y Pensiones and CajaCanarias Vida y Pensiones, which generated goodwill of 245,611 thousand Euros (see note 5). Pursuant to the regulations, the Group has had 12 months since the date of acquisition of said Companies to adjust the fair value of the combination of businesses. In 2014, the Group readjusted the value of the goodwill registered at 31 December 2014 for an amount of 249,240 thousand Euros.

The goodwill that arose in these operations was assigned to the cash-generating unit (hereinafter CGU) of the Parent Company's Life and Pensions Insurance Business and reflects the way in which the Senior Management monitors the entity's business in a single CGU.

At least once a year, the Parent Company performs an impairment test of the overall CGU. The valuation of the CGU performed by the Parent Company is based on the Dividend Discount Model (DDM) considering the minimum regulatory capital. Said model, widely accepted by the financial community, is based on the projection of dividends that the Parent Company expects for the coming financial years. For this, some 5-year projections were made, based on the operational plans of the Parent Company, and the flows until maturity have been taken into account for the savings business. To determine the residual value from the projections, a growth rate of 2% has been taken, based on estimates of the most relevant macroeconomic variables applied to the Parent Company's activity. Also, a discount rate of 9.77% applied in the projections is considered, calculated on the interest rate of the 10-year sovereign German bond, plus an associated country risk premium. The fall rates of the projected portfolio are based on internal studies of the actual experience of the Parent Company.

In addition to the central scenario, possible variations in the model's principal hypotheses have been calculated and a sensitivity analysis of the most significant variables has been conducted (increasing and decreasing the growth rate and the discount rate by 100 basic points). The result of said valuations, including adverse hypotheses in the sensitivity analyses, have not revealed the need to make allocations during the financial year.

	Thousands of Euros	
Intangible Assets	31.12.2014	31.12.2013
Computer applications and other intangible assets	16,260	15,828
la Caixa Gestión de Pensiones, E.G.F.P., S.A.U	3,194	3,766
Fortis holding value	54,571	72,761
Banca Cívica Vida y Pensiones	57,549	64,975
CajaSol Vida y Pensiones	11,477	13,760
CajaCanarias Vida y Pensiones	7,070	8,717
Caixa Girona E.G.F.P	-	593
Agrupació Bankpyme Pensiones	45	148
Caja Guadalajara	816	-
Banco Valencia Funds	1,498	-
Acquisition costs	70,743	73,200
Total	**223,223**	**253,748**

The intangible assets recorded as a consequence of business combinations are, basically, as follows:

• Intangible assets associated with the acquisition in 2013 of Banca Cívica Vida y Pensiones, CajaSol Vida y Pensiones and CajaCanarias Vida y Pensiones for an initial amount of 72,401, 14,876 and 9,424 thousand Euros respectively and calculated based on the best estimate of expected cash flows, assuming a constant growth rate of 2% and discounted at a rate of 8.62%, calculated on the interest rate of the 10-year Spanish bond, plus a risk premium associated with the insurance business. Pursuant to standard IFRS 3, the Parent Company has had 12 months since the date of acquisition of said companies to adjust the fair value of the business combination. In 2014, the Parent Company readjusted the initial value of the intangible assets, fixing them at 72,401, 13,911 and 8,570 thousand Euros, respectively. The net value of the same at 31 December 2014 was 57,549, 11,477 and 7,070 thousand Euros respectively. In the annual valuation of said intangibles, the Parent Company projected its expected cash flows until expiry. To complement the hypotheses used in the valuation model, the Parent Company conducted a sensitivity analysis on the most significant variables, without any significant deviations having arisen from the same that would reveal the need to make allocations in the financial year. The amortisation associated with said intangible assets in 2014 amounted to 9,537 thousand Euros at 31 December 2014. The remaining useful life of said intangibles is 8 years.

• Intangible assets associated with the merger by absorption in 2013 of the VidaCaixa Group, whose assets and liabilities stemming from said merger have been registered, showing the values in consolidated books of the "la Caixa" Group, revealing an initial net intangible asset of 90,951 thousand Euros associated with the consolidated book value of the holding of VidaCaixa, S.A. that was held by VidaCaixa Group. The amortisation of said intangible asset in 2014 amounts to 18,190 thousand Euros, recorded under the "Other expenses" caption of the Non-Technical Account. The useful life of said intangible asset is 10 years. On the date of said merger by absorption, the pending useful life was 5 years. The remaining useful life of said intangible asset at 31 December 2014 is 3 years.

• Intangible asset derived from the agreement to mobilise the pension plan from Agrupació Bankpyme Pensiones and for the transfer of portfolio management in the role of broker originating from Agrupació Mútua for a value of 180 and 200 thousand Euros respectively, during 2011. The amortisation of the asset in 2014 amounted to 103 thousand Euros, registered under the caption "Other expenses" of the Non-Technical Account. The useful life of said intangible asset is 4 years.

• Intangible asset as a consequence of the fair value book entry of the assets and liabilities stemming from the transfer of the Caixa Girona Pensions business to VidaCaixa prior to the absorption of Caixa d'Estalvis Girona by "la Caixa". As a result of the former, an intangible asset was identified in 2010 for a value of 2,696 thousand Euros, corresponding to the current value of the commercial management rights of the Pension Funds. The amortisation of the asset in 2014 amounted to 593 thousand Euros registered under the "Other expenses" caption of the Non-Technical Account. At 31 December 2014, said asset is totally amortised.

• Intangible asset associated with the merger by absorption of "la Caixa Gestión de Pensiones, E.G.F.P., S.A.U." (previously called Morgan Stanley Gestión Pensiones, E.G.F.P, S.A.U), carried out by VidaCaixa, S.A. in the 2008 financial year. Deriving from this, an intangible asset was identified for a value of 6,953 thousand Euros. The amortisation of the asset in 2014 amounted to 572 thousand Euros, registered under the caption "Other expenses" of the Non-Technical Account. The useful life of said intangible asset is 10 years.

• On 29 January 2014, the Parent Company had registered the partial transfer of the portfolio through which the entity Caja de Seguros Reunidos Compañía de Seguros y Reaseguros, S.A. (CASER) had transferred to VidaCaixa, S.A. (as universal successor of CajaSol Vida y Pensiones de Seguros y Reaseguros, S.A.) all of the life risk insurances existing on the date of the portfolio transfer, with the exception of the collective insurances comprising pension commitments, taken out by the assignor and brokered by the banking-insurance operator, Caja Guadalajara. As a result of this, the Parent Company has registered the amount arising from said agreement for 894 thousand Euros as intangible fixed assets. The amortisation of the asset in 2014 amounted to 78 thousand Euros. The useful life of said intangible asset is 10 years.

• In February 2014 VidaCaixa, S.A. integrated the pension plans contained in the "Agreement to mobilize Pension Plans between Bankia Mediación, Operador de Bancaseguros Vinculado S.A.U.; CaixaBank, S.A.; VidaCaixa, S.A. de Seguros y Reaseguros and Aseguradora Valenciana de Seguros y Reaseguros, S.A.". As a result of this, the Parent Company has registered the amount arising from said agreement for 1,635 thousand Euros as intangible fixed assets. The amortisation of the asset in 2014 amounted to 137 thousand Euros. The useful life of said intangible asset is 10 years.

As a government concession, deriving from the operation to purchase Edificio Torre Sur, located in Carrer de Juan Gris 20-26, Barcelona, 1,221 thousand Euros were collected that were expedited in 2010. The Parent Company amortises said asset in the 50-year period since the start of the concession. In 2012, the Parent Company registered an impairment for an amount of 89 thousand Euros. In 2014, an impairment of 112 thousand Euros was registered.

IT applications are also included under this caption, where the Group registers in this account the costs incurred in the acquisition and development of computer programmes, provided that it is planned to use them over several financial years. The maintenance costs for IT applications are registered in the profit and loss account of the financial year in which they are incurred. The amortisation of the IT applications is calculated by applying the straight line method for a maximum period of 4 years.

At the close of 2014 and 2013, the Group had fully amortised intangible fixed assets that continued in use, pursuant to the following list (in thousands of Euros):

Description	Book value 2014 (Gross)	Book value 2013 (Gross)
Computer programs	13,908	16,135
Total	**13,908**	**16,135**

11. Leasing

11.1 The Group Acting as a Lessor

During 2014, the Group acted as lessor in the following contracts:

- Office contract leased to Caixabank, as well as,
- Rental contract for several floors of Torre Sur to Nissan and SegurCaixa Adeslas.

For said items, the Group received 45 thousand Euros and 973 thousand Euros respectively (63 thousand Euros and 1,327 thousand Euros in 2013). Said contracts were terminated on 3 and 1 September 2014 respectively.

11.2 The Group Acting as Lessee

At 31 December 2014, the Group has contracted the following minimum lease rents with the lessors, pursuant to the current valid contracts, not taking into account the repercussion of shared costs, future increases in the CPI, or future updates of contractually agreed rents (in thousands of Euros):

	Thousands of Euros	
Operative Leases - Minimum payments	**2014**	**2013**
Less than 1 year	57	-
Between 1 and 5 years	537	1,360
More than 5 years	-	-
Total	**594**	**1,360**

The amount of the operating lease and sub-lease rents recognised, respectively, as expenditure and income during the 2014 and 2013 financial years is as follows:

	Thousands of Euros	
	2014	**2013**
Lease payments	1,794	1,360
(Subletting rents)	-	-
Total	**1,794**	**1,360**

12. Tax 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) Tax Consolidation Regime

The Companies of the Group and its subsidiaries are in the tax consolidation regime within the CaixaBank Tax Group, and therefore the balances payable for said items are recorded under Debts with Group Companies in the "Debits and payable items" caption of the attached balance sheet.

From 1 January 2008 up to the 2012 financial year, with the prior authorisation of the Tax Administration, the consolidated companies paid Corporation Tax under the Fiscal Consolidation Regime jointly with "la Caixa" and with the rest of the companies which, in accordance with the applicable regulations of each financial year, make up the tax consolidation group. From 2013, the Parent Company of the tax group changed to CaixaBank, S.A. The profits determined in compliance with the tax legislation for this consolidated tax group are subject to a rate of tax of 30% on the tax base in 2014 (see Note 3.g).

b) Assets and Liabilities through Current Tax

The assets and liabilities through current tax consist of fiscal credits and debts which are expected to be offset at the moment of settlement of corporation tax with the Tax Administration. Given that the Company paid taxes under the tax consolidation regime, at 31 December 2014 and 2013, no assets and liabilities through current tax were shown.

c) Assets and Liabilities through Deferred Tax

At 31 December 2014, the Group has assets and liabilities for deferred taxes for the amount of 304,134 and 346,490 thousand Euros respectively, 156,570 and 811,760 at 31 December 2013, recorded under the "Deferred tax assets" and "Deferred tax liabilities" sub-captions.

The deferred taxes that are credited or charged directly to the statement of recognised revenue and expenses (basically, the valuation adjustments derived from the classified financial instruments in the "available for sale" portfolio) have been recorded through said account with having any effect on the consolidated profit and loss account for the 2014 financial year.

d) Taxes Charged on Equity and Deferred Taxes

The following is the breakdown of the taxes:

	Thousands of Euros	
Deferred tax assets	**31.12.2014**	**31.12.2013**
Sales for variable income	-	32,491
Deductions pending application	239,921	51,597
Losses of financial assets available for sale	-	8,222
Levelling of technical reserves	19,267	21,165
Other	44,946	43,095
Total	**304,134**	**156,570**

Stemming from the approval of Law 27/2014 on Corporation Law during this financial year, which applies to the different companies of the Tax Consolidation Group to which the same belong and whose Parent Company is CaixaBank, a repeat estimate has been given of the following deferred assets and liabilities recognised by the Parent Company:

- Deferred tax assets for the amount of 29,852 thousand Euros, corresponding to the capital losses generated by sales of shares in Capital Companies between the financial years 1996 and 2007, made within the tax consolidation group to which the Company belongs.

- Deferred tax assets for the amount of 72,190 thousand Euros, corresponding to deductions pending accreditation based on article 30.5 of Royal Legislative Decree 4/2004 of 5 March.

The Group has registered the cancellation of the aforesaid deferred tax assets, and they are classified under the "Corporate Income Tax" caption of the Non-technical account.

The deferred tax assets indicated above were recorded in the balance sheet since the Administrators of the Parent Company consider that, in accordance with the best estimate regarding its future results, including certain tax planning measures, it is likely that these assets will be recovered.

	Thousands of Euros	
Deferred tax liabilities	31.12.2014	31.12.2013
Liabilities amortisation intangible assets	36,793	43,023
Levelling of technical reserves	277,678	277,678
Sales of variable income securities	-	433,098
Gains of financial assets available for sale	61	22,905
Other	31,958	35,056
	346,490	**811,760**

The deferred tax associated with the levellings of technical reserves is linked, in the 2014 financial year, to the value levelling adjustments arising from the results of the Liabilities Sufficiency Test in the Technical reserves.

Stemming from the approval of Law 27/2014 on Corporation Law, which applies to the different companies of the Tax Consolidation Group to which the same belong and whose Parent Company is CaixaBank, a repeat estimate has been given of the following deferred tax liabilities recognised by the Parent Company:

- Deferred tax liabilities for the amount of 432,160 thousand Euros, corresponding to the capital gains generated by sales of shares in Capital Companies between the financial years 1996 and 2011, made within the tax consolidation group to which the Parent Company belongs.

The Group has registered the cancellation of the aforesaid deferred tax liabilities, and they are classified under the "Corporate Income Tax" caption of the Non-technical account.

e) Reconciliation of the book results and corporation tax expenses

The following is the breakdown of the corporation tax expense of companies reflected in the attached consolidated profit and loss account for the financial years 2014 and 2013:

	Thousands of Euros	
	2014	2013
	CaixaBank Tax Group	"CaixaBank" Tax Group
Locally based taxable income before taxes	**742,725**	**388,359**
Impact of permanent differences	(1,662)	(1,078)
Taxable income of Group	**741,063**	**387,281**
Payable value (30%)	**222,319**	**116,184**
Deductions	(30,669)	(15,283)
Other	590	(870)
Net tax payable	**192,240**	**100,031**
Consolidation and application of IFRS adjustments	148	4,634
Reversal of deferred taxes	-	(91,572)
Impact of fiscal reform	(330,118)	-
Total expense for taxation recognised in the consolidated profit and loss account	**(137,730)**	**13,093**

On 27 November 2014, Law 27/2014 on Corporation Law was approved, which applies to the Group companies.

Among other things, this standard introduces new considerations relating to exemptions for double taxation on dividends and income deriving from the transfer of securities representing the shareholders' equity of entities resident and non-resident in Spain. Thus, the Tax Consolidation Group to which the Parent Company belongs, and whose Parent Company is CaixaBank, has given a repeat estimate of the deferred assets and liabilities recognised by the Parent Company. The Parent Company has registered the cancellation of said previously specified deferred assets and liabilities, generating a net result of 330,118 thousand Euros, classified under the caption "Corporate Income Tax" of the Non-Technical account.

In the 2014 and 2013 financial years, the deductions are basically the dividends receivable of the consolidation group companies.

f) Financial Years Subject to Tax Inspection

According to current legislation, tax liquidations may not be considered final until the presented declarations have been inspected by the tax authorities or the statute barred period of four years has passed. Therefore, the Group's last four financial years are open to inspection for all applicable taxes.

On 16 May 2011, given that the Group forms part of the consolidated tax group, in the Corporation Tax, where the parent company is CaixaBank, S.A. (up to the 2012 financial year it was Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"), a verification was initiated as part of the activities carried out by the Tax Administration in relation to the "la Caixa" tax group, in order to verify compliance with the tax obligations of VidaCaixa during the tax years 2008 to 2009. The Corporation Tax settlements were checked, finalising the actions with a Report, which was incorporated into the Group's records that have been contested and are awaiting a decision by the Central Economic Administrative Court (TEAC) with an insignificant impact.

Also, on 16 January 2013 the Group received a communication to initiate inspection actions for the 2008 to 2011 period for the partial verification and investigation of withholdings and payments on account for financial assets arising from capitalisation operations and life or disability insurance contracts. A certificate of compliance was signed in 2013 and the amount agreed in the same, of 641 thousand Euros, was shown in the Group's profit and loss account on 31 December 2013, the same amount having been paid in January 2014. Due to the partial nature of the inspection, the Group continues to have the last four financial years open to inspection.

According to current legislation, tax liquidations may not be considered final until the presented declarations have been inspected by the tax authorities or the statute barred period of four years has passed. Therefore, the Group's last four financial years are open to inspection for all applicable taxes.

13. Debits and payable items

According to their nature, the following is the breakdown of the items that make up the financial liabilities of the consolidated balance sheet at 31 December 2014 and 2013 (in thousands of Euros):

Debits and payable items	Portfolio of debits and payable items	
	Miles de euros	
	31.12.2014	31.12.2013
Subordinated liabilities	-	145,357
Deposits received for ceded reinsurance	1,149	1,891
Debts through insurance and co-insurance operations	112,947	121,881
Debts through reinsurance operations	23,644	48,601
Debts with credit institutions	2,425	2,948
Debts through Temporary Assignment of Assets	11,902,471	11,511,900
Other debts	297,590	246,273
Total	**12,340,226**	**12,078,851**

a) Subordinated liabilities

On 1 December 2004, VidaCaixa, S.A. proceeded with the second issue of Subordinated Debt for an amount of 146,000 thousand Euros, which is recorded in the "Subordinated liabilities" caption of the consolidated balance sheet. The issue comprised 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 linked to the Euribor index. The Nominal Interest Rate will vary throughout the life of the issue, although from 1 December 2004 to 30 December 2014, the minimum rate of the coupon to which the Subordinated Perpetual Obligations give entitlement will be at least 3.455% (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 period. However, according to the provisions of articles 58 and 59 of the Regulations on 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.

In 2014, 5,046 thousand Euros were recorded as a financial expense derived from such issues (5,046 in 2013), having settled the quarterly coupons applying an average interest rate of 3.455%. This is recorded in the "Tangible fixed asset and investment expenses" sub-caption of the consolidated profit and loss account.

On 7 March 2012, the Board of Directors of VidaCaixa, S.A. agreed the total amortisation of the 2nd issue, in as short a time as possible from 30 December 2014, pursuant to the minimum date specified in the information brochure for said issue.

On 24 July 2014, the Parent Company's Board of Directors agreed to start the process of requesting the early amortisation of said issue, approved by the Directorate General of Insurance and Pension Funds on 10 September 2014. The Parent Company proceeded with its total amortisation on 30 December 2014.

b) Debts

The following is the breakdown of the debts derived from insurance, reinsurance and co-insurance contracts, together with other debts, at 31 December 2014 and 2013:

	Thousands of Euros	
	31.12.2014	31.12.2013
Debts through direct insurance and co-insurance operations:		
- With policyholders	79,335	80,773
- With co-insurers	4,303	4,503
- With brokers	25,937	32,806
- Preparatory debts of insurance contracts	593	733
- Conditioned debts	2,779	3,066
Total	**112,947**	**121,881**
Debts through reinsurance operations	**23,644**	**48,601**
Other debts	**297,590**	**246,273**

At 31 December 2014 and 2013, most of the balance of "Debts through reinsurance operations" concerns the balance pending payment of Berkshire Hathaway Life Insurance Company of Nebraska as a consequence of the reinsurance contracts described in Note 6.b).

The "Other Debts" sub-caption includes the following items at 31 December 2014 and 2013:

	Thousands of Euros	
	31.12.2014	31.12.2013
Group and associated companies		
- With "la Caixa" through IS	236,757	176,439
- Rest of Group company debts	19,017	8,747
Debts with Public Administrations	19,612	21,266
Sundry creditors	22,204	39,821
Total	**297,590**	**246,273**

Information on Payment Deferrals made to Suppliers

The information required by Additional Provision Three of Law 15/2010, of 5 July, is set out below (figures in thousands of Euros):

	Payments made and pending payment at the close of the financial year			
	2014		2013	
	Amount	%	Amount	%
Made within the legal deadline	266,746	100%	119,716	100%
Other	-	-	-	-
Total payments during the financial year	**266,746**	**100%**	**119,716**	**100%**
Weighted average days past due	n.a.	-	n.a.	-
Delays which exceed the legal deadline at the close date	-	-	-	-

The information provided in the above table on payments to suppliers refers to those which, given their nature, are trade creditors for debts with suppliers of goods and services, and therefore include data relating to the "Trade creditors and other accounts payable" caption of the liabilities section of the attached balance sheet.

The average payment period for payments made beyond the maximum legal payment deadline was calculated as the coefficient formed where the numerator is the sum of the products of each of the payments made to suppliers throughout the financial year with a delay exceeding the legal payment deadline and the number of days of delay; and the denominator is the total amount of payments made throughout the financial year with a delay exceeding the legal payment deadline.

The weighted average days past due for payments has been calculated as the difference in days between the average payment period of the payments made that exceeded said deadline and the maximum legal deadline.

The maximum legal payment deadline applicable to the Group during the 2014 financial year, according to Law 3/2004, of 29 December, and its subsequent modification, referring to article 33 of Law 11/2013, which establishes the measures for dealing with bad debts in commercial operations, is 30 days from the date of receipt or verification of the goods and services (60 days in the 2013 financial year), unless another agreement exists between the parties, without, under any circumstances, it being possible to agree a deadline that exceeds 60 calendar days.

All the payments made by the Group in 2014 were made within the maximum legal deadline and at 31 December 2014 there was no amount pending payment to its providers for commercial operations that exceeded the legal payment deadline.

c) Debts with Credit Institutions: Debts through Temporary Assignment of Assets

Within the context of treasury management, throughout the 2014 financial year the Group has carried out operations involving the acquisition and assignment of financial assets with a repurchase agreement. At 31 December 2014, 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 11,902,471 thousand Euros (11,511,900 thousand Euros in 2013). 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 Group 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.

In 2014, the short- and long-term assets that offset the assignments made have generated an income of 51,787 thousand Euros. The expenses associated with such assignments totalled 46,210 thousand Euros.

The deposits and repos through assignments still in effect at 31 December 2014 totalled 11,220,631 thousand Euros and are recorded under the "Cash and other equivalent liquid assets" caption.

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

14. 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 2014 and 2013 is detailed below:

The average cash exchange rates used at the financial year close coincide with the ones published by the European Central Bank.

Assets at 31 December 2014	Equivalent value in thousands of Euros			
	Pounds sterling	US dollars	Japanese yen	Total
Financial instruments (*)	5,052	74,717	567	80,336
Cash and cash equivalents	6	1,180	2	1,188
Total	**5,058**	**75,897**	**569**	**81,524**

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

Assets at 31 December 2013	Equivalent value in thousands of Euros			
	Pounds sterling	US dollars	Japanese yen	Total
Financial instruments (*)	9,223	61,289	2,363	72,875
Cash and cash equivalents	6	542	2	550
Total	**9,229**	**61,831**	**2,365**	**73,425**

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

15. Technical Reserves

The detail of the reserves established at 31 December 2014 and their movement with regard to the financial year ended 31 December 2013 is set out below, together with the reinsurance participation in the same:

Reserve	Thousands of Euros			
	Balances at 31 December 2013	Endowments charged to results	Applications with payment to results	Balances at 31 December 2014
Technical reserves:				
Unearned premiums and unexpired risks	2,291	2,127	(2,291)	2,127
Life Insurance:				
- Related to life insurance (*)	33,099,749	41,646,756	(33,099,749)	41,646,756
- Related to life insurance when the risk is assumed by the policyholders	1,245,855	1,442,438	(1,245,855)	1,442,438
Claims	494,509	536,528	(494,509)	536,528
Profit-sharing and returns	58,022	57,686	(58,022)	57,686
Total	**34,900,426**	**43,685,535**	**(34,900,426)**	**43,685,535**
Share of reinsurance in technical reserves (ceded):				
Unearned premium reserves	(730)	(711)	730	(711)
Life Insurance reserve	(510,532)	(444,947)	510,532	(444,947)
Claim reserves	(6,812)	(6,010)	6,812	(6,010)
Other technical reserves	-	-	-	-
Total	**(518,074)**	**(451,668)**	**518,074**	**(451,668)**

(*) At 31 December 2014 it includes 116,323 thousand Euros corresponding to unearned premium reserves for the products with coverages shorter than the year.

The movement of these reserves during the financial year 2013 was as follows:

Reserve	Thousands of Euros				
	Balances at 31 December 2012	Merger incorporation	Endowments charged to results	Applications with payment to results	Balances at 31 December 2013
Technical reserves:					
Unearned premiums and unexpired risks	1,746	-	2,291	(1,746)	2,291
Life Insurance:					
- Related to life insurance (*)	27,195,800	659,731	32,440,018	(27,195,800)	33,099,749
- Related to life insurance when the risk is assumed by the policyholders	245,235	841,895	403,960	(245,235)	1,245,855
Claims	404,410	28,996	465,513	(404,410)	494,509
Profit-sharing and returns	46,091	916	57,106	(46,091)	58,022
Total	**27,893,282**	**1,531,538**	**33,368,888**	**(27,893,282)**	**34,900,426**
Share of reinsurance in technical reserves (ceded):					
Unearned premium reserves	(104)	-	(730)	104	(730)
Life Insurance reserve	(576,245)	(728)	(509,804)	576,245	(510,532)
Claim reserves	(5,059)	(2,028)	(4,784)	5,059	(6,812)
Other technical reserves	-	-	-	-	-
Total	**(581,408)**	**(2,756)**	**(515,318)**	**581,408**	**(518,074)**

(*) At 31 December 2013 it includes 82,442 thousand Euros corresponding to unearned premium reserves for the products with coverages shorter than the year.

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 new 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). Also, for the portfolio of policies in force at that date, use of the PERM/F-2000C tables was enabled. The Group has assessed the impact of adapting the calculation of the life insurance reserves of its products to the PERM/F-2000C tables. The result of said evaluation amounted to 436,932 thousand Euros. At 31 December 2014 and 2013, the Group had allocated all of said reserve.

Also, since 21 December 2012, the Parent Company has applied the PASEM 2010 tables for calculating the premiums to cover the contingencies for death.

Furthermore, the Group calculates certain policy reserves at the maximum rate established by the DGIPF (the criteria established in article 33.1 of the Regulation on Administration and Supervision of Private Insurance, hereinafter ROSSP, which for the 2014 financial year was 2.37%, see decision of 2 January 2014). At 31 December 2014, the Group held an additional reserve for interest rates of 42,441 thousand Euros for the purposes of said calculation.

The Group performs a liabilities sufficiency test every year in order to identify any deficit in the reserves and make the corresponding allocation. Otherwise, if the result of the suitability test of liabilities reveals a sufficiency or excess of reserves, the Group, as established in IFRS 4, will adopt a criteria of prudence.

The liabilities sufficiency test consists of evaluating the liabilities for insurance contracts, based on the most recent estimates of future cash flows deriving from their contracts in relation to the assets assigned to its coverage. For this, future estimated cash flows that derive from insurance contracts and from financial assets assigned to a curve of interest rates of assets with a high credit rating will be deducted. To estimate future estimated cash flows derived from insurance contracts, the surrenders in the portfolio will be observed, pursuant to the average of the last 3 years.

A sensitivity analysis of the discount curve used will also be carried out. This sensitivity curve consists of introducing a drop in the interest rate of 100, 150 and 200 basis points of the discount curve used, as well as an increase of 80, 100 and 200 basis points.

Below is the detail of the technical reserves of the direct business at 31 December 2014 according to the different businesses included in the Life and Non-life Insurance segments:

Reserve at 31 December 2014	Thousands of Euros		
	Non-life	Life	Total
	Accidents and illness		
Technical reserves:			
Unearned premiums and unexpired risks	2,127	116,323	118,450
Policy reserves	-	41,530,433	41,530,433
Reserve for life insurance when the policyholder assumes the investment risk	-	1,442,438	1,442,438
Claims	13,105	523,423	536,528
Profit-sharing and returns	668	57,018	57,686
Total	**15,900**	**43,669,635**	**43,685,535**

The breakdown of the technical reserves of the direct business for the 2013 financial year is as follows:

Reserve at 31 December 2013	Thousands of Euros		
	Non-life Accidents and illness	Life	Total
Technical reserves:			
Unearned premiums and unexpired risks	2,291	82,422	84,713
Policy reserves	-	33,017,327	33,017,327
Reserve for life insurance when policyholder assumes investment risk	-	1,245,855	1,245,855
Claims	11,565	482,944	494,509
Profit-sharing and returns	842	57,180	58,022
Total	**14,698**	**34,885,728**	**34,900,426**

The unrealised gains of financial assets classified in the Available For Sale portfolio, and that are associated with the insurance contracts using financial immunisation techniques, are presented increasing the "Technical Reserves" caption:

	Thousands of Euros
Balance at 1 January 2014	**2,404,771**
Net movement through allocation of net unearned capital gains charged to equity	7,196,621
Balance at 31 December 2014	**9,601,392**

The movement experienced in the previous 2013 financial year is as follows:

	Thousands of Euros
Balance at 1 January 2013	**(276,699)**
Net movement through allocation of net unearned capital gains charged to equity	2,681,470
Balance at 31 December 2013	**2,404,771**

The effect of the reinsurance on the profit and loss account for the financial years 2014 and 2013 was as follows:

	Thousands of Euros	
	2014 Financial Year	2013 Financial Year
Premiums imputed to the ceded reinsurance		
- Ceded premiums	(236,856)	(257,057)
- Change in unearned premium reserves	(19)	626
Fees (*)	2,867	2,933
Cost of the cession	**(234,008)**	**(253,498)**
Reinsurance loss (*)	126,298	131,607
Total cost of reinsurance	**(107,710)**	**(121,891)**

(*) The fees 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.

The reinsurance loss includes settlements for the annuity reinsurance contract made during the 2014 financial year.

16. Non-technical Reserves

The non-technical reserves are intended to cover current obligations derived from past events, the cancellation of which could give rise to an outflow of resources, but are indefinite in terms of their amount and/or time of cancellation.

The non-technical reserves are valued by taking the current value of the best possible estimate of the amount necessary to cancel or transfer the obligation, taking into account the information available about the event and its consequences, and recording the adjustments that arise due to the update of said reserves as a financial expense as they accrue.

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 thereof.

17. Assets Attributed to Shareholders of the Parent Company

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

- The financial year result derived from the profit and loss account;
- Each party that, according to IFRS, recognises direct variations 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 equity 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 2014, the Group's Parent Company made no significant change to its accounting policies, and nor was it necessary to correct errors from previous financial years either.

a) Capital and share premium

The share capital of the Parent Company at 31 December 2014 stands at 1,347,462 thousand Euros, represented by 224,203,300 shares, each with a par value of 6.01 Euros, fully subscribed and paid up. All these shares have identical political and economic rights.

At 31 December 2014, the shareholders of the parent company with a holding equal to or greater than 10% of the subscribed capital were as follows:

	Percentage Holding
CaixaBank, S.A. (direct holding)	**100%**

On 21 March 2014, the Sole Shareholder of the Parent Company agreed to distribute an amount of 1,000,000 thousand Euros, charged to the issue premium section. On 26 June 2014, said amount was distributed to the Sole Shareholder, the issue premium amount being 181,210 thousand Euros.

Also, on 4 December 2014, the Sole Shareholder of the Parent Company agreed to distribute an amount of 833,030 thousand Euros, with 181,210 thousand Euros charged to the issue premium section and 651,820 thousand Euros charged to voluntary reserves. Said amounts were distributed to the Sole Shareholder on 23 December 2014. At 31 December 2014, the issue premium had been fully distributed, with no balance recorded for this item.

On 7 February 2013, the Board of Directors of VidaCaixa, S.A. approved two share capital increases, ratified by the Sole Shareholder on 15 March 2013.

The first increase consisted of the non-monetary contribution by VidaCaixa Grupo, S.A.U., of its holding in SegurCaixa Adeslas (49.9%), valued by an independent third-party expert at 993,300 thousand Euros. As a result of said operation, the Share Capital of VidaCaixa, S.A. was increased by 198,330 thousand Euros comprising 33,000,000 new shares, numbered sequentially from 175,203,301 to 208,203,300, both inclusive, of 6.01 Euros each, plus an issue premium of 794,970 thousand Euros, amounting to a premium of 24.09 Euros for each new share issued.

The second increase consisted of the monetary contribution by VidaCaixa Grupo, S.A.U. to VidaCaixa, S.A., of 96,160 thousand Euros, comprising 16,000,000 new shares, numbered sequentially from 208,203,301 to 224,203,300, both inclusive, of 6.01 Euros each, plus an issue premium of 385,440 thousand Euros, amounting to a premium of 24.09 Euros for each new share issued, fully subscribed and paid up. The aim of said increase originated from the acquisition of the life insurance companies from Banca Cívica, Caja Sol and Caja Canarias. Both increases were registered in the Mercantile Register on 20 March 2013.

On 5 March 2013, the Boards of Directors of the VidaCaixa Grupo, S.A.U. and VidaCaixa, S.A., approved the merger by absorption project by means of which VidaCaixa, S.A. absorbed VidaCaixa Grupo, S.A.U. Said decision was ratified by the Group's Sole Shareholder on 18 March 2013.

b) Reservas

The statement of changes in equity attached to these annual accounts details the balances of the reserves through accumulated profits at 31 December 2014 and at 31 December 2013, as well as the movements produced during the financial year.

The breakdown of each type of reserve at 31 December 2014 and 2013 is detailed below:

	Thousands of Euros	
	31.12.2014	31.12.2013
Legal Reserve	269,492	210,594
Voluntary reserves of the Parent Company	1,254,206	1,784,453
Reserves in fully consolidated companies	1,372	3,004
Reserves in companies consolidated by the equity method	11,685	-
Total reserves	**1,536,755**	**1,998,051**

b.1) Legal Reserve

According to the Law on Capital Companies, a sum equivalent to 10% of the financial year profits must be passed over to the legal reserve 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.

In the movement of this caption for the 2014 financial year, it included the share in the distribution of the 2013 results of the Parent Company for an amount of 38,068 thousand Euros.

On 29 April 2014, the Sole Shareholder, CaixaBank, agreed to reclassify 20,830 thousand Euros from the Voluntary Reserve section to the Legal Reserve section, leaving the latter fully constituted for an amount of 269,492 thousand Euros.

b.2) Voluntary Reserves of the Parent Company

At 31 December 2014, the breakdown of the voluntary reserves of the Group's Parent Company (VidaCaixa) on said date is as follows (in thousands of Euros):

	31.12.2014
VidaCaixa Goodwill Reserve	579,948
CaixaVida IAS reserve	647,916
IAS reserves	8,564
Dividend adjustment	17,778
Total	**1,254,206**

The movement of "VidaCaixa Voluntary Reserves" for the 2014 financial year included the distribution of the Parent Company's 2013 results assigned to "Goodwill Reserve" for an amount of 28,997 thousand Euros and the results assigned to "Voluntary Reserves" for an amount of 83,617 thousand Euros.

During April 2014, the Parent Company's Sole Shareholder agreed to reclassify a total of 20,830 and 547,544 thousand Euros from Voluntary Reserve to Legal Reserve and Restricted Reserve to Goodwill respectively.

Also, in December 2014, the Sole Shareholder of the Parent Company agreed to distribute an amount of 833,030 thousand Euros, with the amount of 181,210 thousand Euros charged to the issue premium section and 651,820 thousand Euros charged to voluntary reserves. Said amounts were distributed to the Sole Shareholder on 23 December 2014.

At 31 December 2013, the breakdown of the voluntary reserves of the Group's Parent Company on said date is as follows (in thousands of Euros):

	31.12.2013
VidaCaixa Goodwill Reserve	1,139,984
CaixaVida IAS reserve	647,916
IAS reserves	(3,010)
Dividend adjustment	(437)
Total	**1,784,453**

The balances of these reserves are freely available, except for the special goodwill reserve that amounted to 579,948 and 3,407 thousand Euros at 31 December 2014 and 2013.

b.3) Reserves in Consolidated Companies

The breakdown of balances by companies in the attached consolidated balance sheet at 31 December 2014 and 2013, having considered the effect of the consolidation adjustments, is shown below (thousands of Euros):

Reserves of fully consolidated companies	AgenCaixa	Mediació	AIE	Total
Balances at 31.12.2013	**3,326**	**(1,406)**	**1,084**	**3,004**
Distribution of 2013 financial year result	(2,386)	319	-	(2,067)
Interim dividends paid out of 2013 income	-	-	-	-
Reclassification to Parent Company	-	-	-	-
Consolidation adjustments	434	-	-	434
Other	-	-	-	-
Balances at 31.12.2014	**1,374**	**(1,087)**	**1,084**	**1,371**

Reserves in companies consolidated by the equity method	SegurCaixa Adeslas
Balances at 31.12.2013	**-**
Distribution of 2013 financial year result	74,392
Interim dividends paid out of 2013 income	(62,708)
Variation of holdings	-
Reserves consolidated by means of the equity method	-
Balances at 31.12.2014	**11,684**

c) Distribution of results

The proposed distribution of the earnings for the financial year, drawn up by the Administrators of the Parent Company and submitted for the approval to the Sole Shareholder, is as follows:

	Financial Year 2014 (thousands of Euros)
To Other Reserves:	
- Legal Reserve	-
- Goodwill Reserve	3,629
- Voluntary Reserves	148,852
To dividends	730,000
Total	**882,481**

On 17 June 2014, the Board of Directors of the Parent Company agreed to distribute an interim dividend of the 2014 results for an amount of 170,000 thousand Euros. This amount is registered in the "Own Funds-Interim Dividend" caption of the attached consolidated balance sheet at 31 December 2014.

In accordance with the provisions established in article 277 of the Capital Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July, the Board of Directors prepared the following accounting statement of sufficient liquidity for its distribution.

VIDACAIXA

STATEMENT OF LIQUIDITY AT 10 JUNE 2014

Interim dividend proposal:	In thousands of Euros
Profit for the period 1.1.2014 to 31.05.2014 (net of tax)	189,619
Proposed interim dividend to pay out of 2014 income	170,000
Available in current accounts and other equivalent assets at 10.06.2014	**1,851,377**
Distribution of Issue Premium	-1,000,000
Supplementary dividend 2013	-137,000
Interim dividend 2014	-170,000
Surplus liquidity	**544,377**
1 year cash flow forecast:	
Surplus liquidity at 10 June 2014	544,377
(+) Receipts	132,303,658
(-) Payments	-132,640,649
Surplus liquidity at 10 June 2014	**207,386**

On 26 June 2014, VidaCaixa paid the interim dividend for an amount of 170,000 thousand Euros and the supplementary dividend of the 2013 financial year for an amount of 137,000 thousand Euros together with the distribution of an issue premium for an amount of 1,000,000 thousand Euros to the Sole Shareholder, CaixaBank.

On 3 December 2014, the Board of Directors of the Parent Company agreed to distribute an interim dividend of the 2014 results for an amount of 230,000 thousand Euros. This amount is registered in the "Own Funds-Interim Dividend" caption of the attached balance sheet of 31 December 2014.

In accordance with the provisions established in article 277 of the Capital Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July, the Board of Directors prepared the following accounting statement of sufficient liquidity for its distribution:

VIDACAIXA

STATEMENT OF LIQUIDITY AT 24 NOVEMBER 2014

Interim dividend proposal:	In thousands of Euros
Profit for the period 1.1.2014 to 31.10.2014 (net of tax)	463,404
1st Interim dividend	-170,000
Distributable profit	**293,404**
Proposed interim dividend to pay out of 2014 income	**230,000**
Available in current accounts and other equivalent assets at 24.11.2014	**11,408,515**
Surplus liquidity	**11,408,515**
1 year cash flow forecast:	
Surplus liquidity at 24 November 2014	11,408,515
(+) Receipts	138,724,488
(-) Payments	-147,955,831
Surplus liquidity at 24 November 2014	**2,177,172**

On 23 December 2014, the Board of Directors of the Parent Company agreed to distribute a third interim dividend of the 2014 results for an amount of 330,000 thousand Euros. Said amount is recorded in the “Own Funds-Interim Dividend” caption of the attached balance sheet at 31 December 2014.

In accordance with the provisions established in article 277 of the Capital Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July, the Board of Directors prepared the following accounting statement of sufficient liquidity for its distribution:

VIDACAIXA

STATEMENT OF LIQUIDITY AT 10 DECEMBER 2014

Interim dividend proposal:	In thousands of Euros
Profit for the period 1.1.2014 to 30.11.2014 (net of tax)	809,621
1st Dividend	-170,000
2nd Dividend (approved in the Board of 3 December 2014)	-230,000
Distributable profit	**409,821**
Proposed interim dividend to pay out of 2014 income	**330,000**
Available in current accounts and other equivalent assets at 10.12.2014	**11,524,387**
Distribution of Issue Premium and Voluntary Reserves	- 833,030
2nd Interim dividend 2014	-230,000
Surplus liquidity	**10,461,356**
1 year cash flow forecast:	
Surplus liquidity at 10 December 2014	10,461,356
(+) Receipts	138,724,488
(-) Payments	-147,955,831
Surplus liquidity at 10 December 2014	**1,230,013**

On 23 December 2014, VidaCaixa paid the second interim dividend for an amount of 230,000 thousand Euros and the third interim dividend for 330,000 thousand Euros, together with the distribution of an issue premium and voluntary reserves for an amount of 181,210 and 651,820 thousand Euros, respectively, to the Sole Shareholder, CaixaBank.

The distribution of the net profit for the 2013 financial year, which was approved by the General Meeting of 29 April 2014, was as follows:

	Financial Year 2013 (thousands of Euros)
To Other Reserves:	
- Legal Reserve	38,068
- Goodwill Reserve	28,997
- Voluntary Reserves	83,617
To dividends	230,000
Total	**380,682**

Said distribution includes the distribution of a supplementary dividend charged to the 2013 results of 137,000 thousand Euros.

d) 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 the reversion of the gains and losses of assets subject to the insurance contracts (See note 15).

Adjustments for changes in value (Assets available for sale)

This item principally includes the net amount of those variations in the fair value of the financial assets classified as available for sale which, according to Note 3.b, 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 3,017,866 thousand Euros, the Group considers that they should be allocated to policyholders, and for this reason they were allocated at 31 December 2014, increasing the amount of policy reserves.

Corrections of accounting mismatches

This item includes the variations of unearned gains derived from financial assets classified in the available for sale and at fair value with changes in profit and loss portfolios which are imputable to life insurance policyholders.

With regard to the remainder of these changes in value, which total 6,583,526 thousand Euros, the Group considers that they should be allocated to policyholders, and for this reason they were allocated at 31 December 2014, increasing the amount of policy reserves.

18. 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 2014 and 2013 is as follows:

	Thousands of Euros			
	31.12.2014		31.12.2013	
	Minority interests	Losses and gains attributable to external partners	Minority interests	Losses and gains attributable to external partners
Grupo Asegurador de la Caixa, A.I.E.	1,087	-	1,087	-
Total	**1,087**	**-**	**1,087**	**-**

The movement which occurred in the caption "Minority interests" during the 2014 and 2013 financial years is included in the consolidated statement of changes in equity.

19. Information on Insurance Contracts According to Segments

The total volume of the premiums accrued for direct insurance and accepted reinsurance during the 2014 and 2013 financial years totalled 5,539,388 and 5,286,612 thousand Euros, respectively.

The breakdown of the imputed premiums of the 2014 financial year and the remaining income and expense items in accordance with the main segments and sub-segments defined is as follows:

(Thousands of Euros)	Non-life Insurance	Life Insurance Segment	Total
	Accidents and illness		
Premiums imputed to direct reinsurance business Accepted (I)	**24,888**	**5,481,991**	**5,506,879**
Accrued direct insurance premiums	24,715	5,514,673	5,539,388
Variation in reserve for premiums pending payment	9	1,007	1,016
Change in the reserve for direct insurance unearned premiums and unexpired risks	164	(33,689)	(33,525)
Premiums imputed to reinsurance (II)	**(7,802)**	**(229,081)**	**(236,883)**
Total premiums imputed net of reinsurance (I-II)	**17,806**	**5,252,910**	**5,269,996**
Other technical income net of expenses (III)	**(613)**	**(3,202)**	**(3,815)**
Other technical revenue	-	3,990	3,990
Other technical expenses	(613)	(7,192)	(7,805)
Losses incurred in the period, net of reinsurance (IV)	**(11,727)**	**(5,163,158)**	**(5,174,885)**
Direct and accepted insurance claims paid	(10,512)	(5,240,815)	(5,251,327)
Ceded reinsurance claims paid	-	127,100	127,100
Change in the direct insurance claims reserve	(1,270)	(39,391)	(40,661)
Change in the ceded reinsurance claims reserve	384	(2,535)	(2,151)
Expenses imputed to claims	(329)	(7,517)	(7,846)
Variation of other technical reserves (V)	**(771)**	**(1,626,301)**	**(1,627,072)**
Change in reserve for share in profits and returns	(945)	(47,707)	(48,652)
Variation of other technical reserves (policy reserves)	174	(1,578,594)	(1,578,420)

(Cont.)

(Thousands of Euros)	Non-life Insurance Accidents and illness	Life Insurance Segment	Total
Net operating expenses (VI)	**(4,593)**	**(219,840)**	**(224,433)**
Acquisition expenses (fees and other expenses)	(3,485)	(107,294)	(110,779)
Administration expenses	(1,108)	(115,413)	(116,521)
Fees and holdings in ceded reinsurance	-	2,867	2,867
Net investment income (VII)	**86,261**	**2,336,183**	**2,422,444**
Income from financial investments	86,345	2,324,950	2,411,295
Management expenses of financial investments and assets	(84)	(67,432)	(67,516)
Financial results of Investments on behalf of life insurance policyholders who assume the risk of the Investment	-	78,665	78,665
TECHNICAL-FINANCIAL RESULT (I-II+III-IV+V-VI+VII+VIII)	**85,643**	**576,592**	**662,235**

The breakdown of the imputed premiums of the 2013 financial year and the remaining income and expense items in accordance with the main segments and sub-segments defined is as follows:

(Thousands of Euros)	Non-life Insurance Accidents and illness	Life Insurance Segment	Total
Premiums imputed to direct reinsurance business Accepted (I)	**27,806**	**5,238,829**	**5,666,635**
Accrued direct insurance premiums	28,347	5,258,265	5,286,612
Variation in reserve for premiums pending payment	4	774	778
Change in reserve for direct insurance unearned premiums and unexpired risks	(545)	(20,210)	(20,755)
Premiums imputed to reinsurance (II)	**(5,900)**	**(250,531)**	**(256,431)**
Total premiums imputed net of reinsurance (I-II)	**21,906**	**4,988,298**	**5,010,204**

(Cont.)

(Thousands of Euros)	Non-life Insurance Accidents and illness	Life Insurance Segment	Total
Other technical income net of expenses (III)	**(524)**	**(1,762)**	**(2,286)**
Other technical revenue	-	4,337	4,337
Other technical expenses	(524)	(6,099)	(6,623)
Losses incurred in the period, net of reinsurance (IV)	**(12,988)**	**(3,457,108)**	**(3,470,096)**
Direct and accepted insurance claims paid	(11,844)	(3,528,961)	(3,540,805)
Ceded reinsurance claims paid	-	131,882	131,882
Change in the direct insurance claims reserve	(987)	(52,389)	(52,376)
Change in the ceded reinsurance claims reserve	254	(530)	(276)
Expenses imputed to claims	(411)	(7,110)	(7,521)
Variation of other technical reserves (V)	**(815)**	**(2,751,619)**	**(2,752,434)**
Change in reserve for share in profits and returns	(495)	(48,616)	(49,111)
Variation of other technical reserves (policy reserves)	(320)	(2,703,003)	(2,703,323)
Net operating expenses (VI)	**(4,404)**	**(191,269)**	**(195,673)**
Acquisition expenses (fees and other expenses)	(3,005)	(122,466)	(125,471)
Administration expenses	(1,399)	(71,736)	(73,135)
Fees and holdings in ceded reinsurance	-	2,933	2,933
Net investment income (VII)	**74,339**	**1,610,219**	**1,684,558**
IIncome from financial investments	74,410	1,781,709	1,856,119
Management expenses of financial investments and assets	(71)	(236,176)	(236,247)
Financial results of Investments on behalf of life insurance policyholders who assume the risk of the Investment	-	64,686	64,686
TECHNICAL-FINANCIAL RESULT (I-II+III-IV+V-VI+VII+VIII)	**77,514**	**196,759**	**274,273**

In the profit and loss account, the caption "Results from other activities" corresponding to the 2014 financial year, "Other income" and "Other expenses", includes the following items:

Operating income – 2014 financial year	Thousands of Euros Other activities segment
Pension fund administration income	150,236
Income from healthcare activity	-
Other income	31,085
Rest of other income	**181,321**
Pension-fund marketing expenses	(67,101)
Other expenses	(80,248)
Rest of other expenses	**(147,349)**
Total	**33,972**

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

Operating income – 2013 financial year	Thousands of Euros Other activities segment
Pension fund administration income	138,670
Income from healthcare activity	-
Other income	22,529
Rest of other income	**161,199**
Pension-fund marketing expenses	(28,848)
Other expenses	(103,699)
Rest of other expenses	**(132,546)**
Total	**28,653**

a) Composition of Life Business by Volume of Premiums

The composition of the life business (direct insurance), by volume of premiums for the 2014 and 2013 financial years, is as follows:

Life Insurance (direct)	Thousands of Euros	
	2014	2013
Premiums on individual policies	4,494,610	4,109,820
Premiums on group policies	1,018,063	1,146,425
	5,512,673	**5,256,245**
Regular premiums	850,266	766,327
Single premiums	4,662,407	4,489,918
	5,512,673	**5,256,245**
Premiums on policies without profit sharing	4,388,704	4,747,268
Premiums on policies with profit sharing	290,804	286,092
Premiums in which the investment risk is attributed to the policyholder	833,165	222,885
	5,512,673	**5,256,245**

Said premiums are registered under the caption “Premiums applied to period, net of reinsurance” in the Life Insurance segment of the Consolidated Profit and Loss Account.

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:

2014 Financial Year

Format and type of coverage	Technical interest	Biometric table	Profit sharing		Thousands of Euros		
			Applies? Yes/No	Form of distribution	Premiums	Policy reserves (*)	Amount distributed in profit sharing
PVI	3.89%	(1)	No	-	1,910,820	11,211,788	-
Pension 2000	6.90%	(2)	Sí	Policy reserves	62,794	4,642,210	2,330
PAA/PIAS	1.07%	(5)	No	-	509,006	855,064	-
Group Insurance	Variable	(3)	Sí	Claims	985,108	9,106,319	53,350
PPA	3.35%	(4)	No	-	708,207	4,169,174	-

(*) The biometric tables specified in the Technical Notes are indicated, along with the policy reserve derived from applying these tables.

(1) Depending on the format, tables GR-80, GR-80 less two years, GR-95 and GK-95 are used. From 21/12/2012, depending on the format, PASEM 2010 Unisex (mix sector) or GR-95 Unisex (mix company, savings portfolio) tables are used.

(2) Depending on the format, GR-70, GR-80, GK-80, GR-95 and GK-95 tables are used. From 21/12/2012 tables GR-95 Unisex (mix company, savings portfolio) are used.

(3) Depending on the format, GR-80, GR-80 less two, GR-70, GR-95 and PER2000P tables are used. From 21/12/2012, depending on the format, PER2000P or PER2000P Unisex tables are used.

(4) For policies taken out before 01/01/2009, the GKM-80/GKF-80 tables are used. For policies taken out between 01/01/2009 and 20/12/2012 the INE 2004-2005 tables are used. Policies taken out after 21/12/2012 use the GR10EU tables.

(5) Depending on the format, GR-80 less two years, GR-95 and GK-95 tables are used. From 21/12/2012, the PASEM 2010 Unisex (mix sector) tables are used for new production.

2013 Financial Year

Format and type of coverage	Technical interest	Biometric table	Profit sharing		Thousands of Euros		
			Applies? Yes/No	Form of distribution	Premiums	Policy reserves (*)	Amount distributed in profit sharing
PVI	4.23%	(1)	No	-	1,881,398	9,901,729	-
Pension 2000	6.90%	(2)	Sí	Policy reserves	68,418	4,582,524	1
PAA/PIAS	1.81%	(5)	No	-	369,927	583,534	-
Group Insurance	Variable	(3)	Sí	Claims	919,530	8,853,166	38,407
PPA	3.56%	(4)	No	-	1,304,190	4,531,297	-

(*) The biometric tables specified in the Technical Notes are indicated, along with the policy reserve derived from applying these tables.

(1) According to the different formats, tables GR-80, GR-80 less two years and GR-95 are used. Until 20/12/2012, tables GR-95 or GK-95 will be used for new production. From 21/12/2012, the PASEM 2010 Unisex (mix sector) tables will be used.

(2) Basically, GR-80, GR-80 less two years, GR-70 and GR-95 tables are used for certain formats. From 21/12/2012 tables GR-95 Unisex (mix company, savings portfolio) are used.

(3) Depending on the format, GR-80, GR-80 less two years and GR-70, GR-95 or PER2000P tables are used.

(4) For policies taken out before 01/01/2009, the GKM-80/GKF-80 tables are used. For policies taken out between 01/01/2009 and 20/12/2012 the INE 2004-2005 tables are used. Policies taken out after 21/12/2012 use the GR10EU tables.

(5) Depending on the format, GR-80 less two years, GR-95 and GK-95 tables are used. From 21/12/2012, the PASEM 2010 Unisex (mix sector) tables are used for new production.

For certain types of individual Life and various group Life policy, profit sharing is distributed as an increase in the life insurance reserve, 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".

Following the guidelines of the Internal Inspection Instructions 9/2009 published by the Directorate General of Insurance and Pension Funds, on interpreting the concept of real yield for the purposes of article 33 and the Second Transitional Reserve of the Regulation on Administration and Supervision of Private Insurance, approved by Royal Decree 2486/1998, of 20 November, the financial duration of the Group's assets (excluding property) and liabilities at 31 December 2014 and 2013 are listed below:

31 December 2014

Assets	Book value (thousands of Euros)	Real Yield	Financial Duration	Percentage Excluded (*)
Portfolio before 1 January 1999. (Second transitional reserve of the Regulation on Administration and Supervision of Private Insurance).	7,547,557	6.01%	12.70	0.00%
Immunized portfolio. (Art. 33.2 Regulation on Administration and Supervision of Private Insurance).	23,024,096	4.91%	9.39	0.00%
Portfolio after 1 January 1999. (Art. 33.1 a). 1st Regulation on Administration and Supervision of Private Insurance).	2,197,630	3.79%	4.11	0.00%

(*) Percentage of the assets portfolio value for which the financial duration calculation cannot be performed (investments in equity instruments)

Liabilities	Policy Reserve (thousands of Euros)	Average Interest of the Policy Reserve	Financial Duration
Portfolio before 1 January 1999. (Second transitional reserve of the Regulation on Administration and Supervision of Private Insurance).	7,470,591	5.40%	12.68
Immunized portfolio. (Art. 33.2 Regulation on Administration and Supervision of Private Insurance).	22,924,352	3.87%	9.91
Portfolio after 1 January 1999. (Art. 33.1 a). 1st Regulation on Administration and Supervision of Private Insurance).	2,395,468	2.13%	3.33

31 December 2013

Assets	Book value (thousands of Euros)	Real Yield	Financial Duration	Percentage Excluded (*)
Portfolio before 1 January 1999. (Second transitional reserve of the Regulation on Administration and Supervision of Private Insurance).	7,436,394	5.69%	13.30	0.00%
Immunized portfolio. (Art. 33.2 Regulation on Administration and Supervision of Private Insurance).	20,791,317	5.36%	9.19	0.00%
Portfolio after 1 January 1999. (Art. 33.1 a). 1st Regulation on Administration and Supervision of Private Insurance).	3,048,048	4.26%	4.67	0.00%

(*) Percentage of the assets portfolio value for which the financial duration calculation cannot be performed (investments in equity instruments)

Liabilities	Policy Reserve (thousands of Euros)	Average Interest of the Policy Reserve	Financial Duration
Portfolio before 1 January 1999. (Second transitional reserve of the Regulation on Administration and Supervision of Private Insurance).	7,417,027	5,49%	12,53
Immunized portfolio. (Art. 33.2 Regulation on Administration and Supervision of Private Insurance).	20,750,292	4,20%	9,86
Portfolio after 1 January 1999. (Art. 33.1 a). 1st Regulation on Administration and Supervision of Private Insurance).	3,300,283	2,56%	5,06

c) Change in the Claims Reserve

The change in the claims reserve of the direct Non-life Insurance, for the main branches of the Parent Company, incorporated at 31 December 2013 and 2012 for an amount of 11,565 and 10,568 thousand Euros respectively, presents no significant deviations.

d) Other Expenses by Segments

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

The composition of the personnel expenses of the financial years 2014 and 2013, and their allocation in the profit and loss account by segments and sub-segments, is as follows:

	Thousands of Euros	
	2014 Financial Year	2013 Financial Year
Wages and Salaries	33,862	32,106
Social Security	7,201	6,427
Contributions to external pension funds and life insurance premiums	1,089	992
Compensations and awards	544	582
Other personnel expenses	4,715	3,335
Total	**47,411**	**43,442**

Allocation of personnel expenses – 2014 financial year	Non-life Insurance segment	Life Insurance Segment	Others segment	Total
Losses incurred in the period, net of reinsurance	133	3,259	-	3,392
Tangible fixed asset and investment expenses	36	1,957	-	1,993
Other technical expenses	400	5,052	-	5,452
Net operating expenses	896	14,491	21,187	36,574
Net total	**1,465**	**24,759**	**21,187**	**47,411**

20. Breakdown of Associate Company Transactions

Transactions between group and affiliated companies

The details of the main transactions carried out in the financial year 2014 are as follows:

Item	Thousands of Euros	
	Income	Expenses
Income from sales	310,412	-
Expenses for sales	-	(79,078)
Income from leasing	45	-
Financial income	441,774	-
Credited interests	361	-
Insurance operations	278,297	-
Fees for marketing of premiums	-	(195,374)
Fees between AgenCaixa and SegurCaixa Adeslas	11,125	-
Income from fees	22	-

The same information for the 2013 financial year is as follows:

Item	Thousands of Euros	
	Income	Expenses
Credited interests	198	-
Fees for marketing of premiums	-	160,328
Insurance operations	242,675	-
Other income	1,482	246,352

21. Other Information (including Remuneration and Other Benefits to the Board of Directors and the Senior Management, and Remuneration of the Auditors)

a) Employees

In accordance with the provisions established in the Law on Capital Companies, the average number of employees of the Parent Company and the subsidiary companies during the 2014 and 2013 financial years, distributed according to professional category and gender, is as follows:

Professional Category	Number of employees - 2014 Financial Year		
	Men	Women	Total
Address	21	7	28
Technical personnel and middle management	96	112	208
Administrative personnel	45	115	160
Sales personnel	76	157	233
Total	**238**	**391**	**629**

Professional Category	Number of employees - 2013 Financial Year		
	Men	Women	Total
Directors	20	5	25
Departmental Managers	28	25	53
Graduates and technical staff	46	69	115
Administrative employees	62	117	179
Sales Network	73	179	252
Total	**229**	**395**	**624**

At 31 December 2014, the Board of Directors of the Parent Company was made up of 13 directors, all physical persons, including 11 men and 2 women.

b) Remuneration and Other Benefits to the Board of Directors and the Senior Management

The remuneration received during the 2014 and 2013 financial years by the members of the Board of Directors and the Senior Management of VidaCaixa, S.A. de Seguros y Reaseguros, Single-Shareholder Company, classified by items, was as follows (in thousands of Euros):

2014 Financial Year

	Wages	Allowances	Other items	Pension Plans	Insurance premiums	Severance arrangements	Payments based on equity instruments
Board of Directors	-	2,408	-	-	-	-	-
Senior Management	2,070	-	-	-	228	-	-

2013 Financial Year

	Wages	Allowances	Other items	Pension Plans	Insurance premiums	Severance arrangements	Payments based on equity instruments
Board of Directors	-	2,251	-	-	-	-	-
Senior Management	3,731	-	-	-	185	1,791	-

At the close of 2014, neither the members of the Board of Directors of the VidaCaixa de Seguros y Reaseguros Group, nor the people connected to them as defined in article 229.3, recently modified by Law 31/2014 of 3 December amending the Capital Companies Act for the improvement of corporate governance, had informed the members of the Board of Directors of any situation of conflict, either direct or indirect, that they might have had with the interests of the Group.

Also, none of the Directors that held this position at any time during the financial year informed the Group of any situation of conflict of interest, either direct or indirect, that they or any of the people connected to them might have had with the interests of the Group, in fulfilment of the good governance practices and for the purpose of enhancing the transparency of the Group.

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 emoluments received, during the financial year no associated operations have occurred with directors or managers, or similar operations to such effect, except for those which correspond to the ordinary business activity of the company, were performed under normal market conditions and are of little significance.

d) Remuneration to Auditors

During the 2014 and 2013 financial years, the fees corresponding to the auditing of the accounts and other services rendered to the various companies that make up the Group by the company auditors Deloitte, S.L., were as follows (including VAT):

2014 Financial Year

Categories	Thousands of Euros			
	Auditing of Accounts	Other Verification Services	Tax Consultancy	Other Services
Deloitte, S.L.	393	44	-	111
Total	**393**	**44**	**-**	**111**

2013 Financial Year

Categories	Thousands of Euros			
	Auditing of Accounts	Other Verification Services	Tax Consultancy	Other Services
Deloitte, S.L.	448	22	-	-
Total	**448**	**22**	**-**	**-**

e) Communications with the Regulatory Body

On 14 March 2013, the Directorate General of Insurance and Pension Funds issued an inspection order to perform the necessary checks on the activity of the Parent Company as the Pension Fund management entity.

On 23 December 2013 it drew up a report on the same, presenting the Parent Company with allegations on 24 January 2014. On 27 March 2014, the Regulatory Body issued a decision in which it requested the implementation of a series of measures. On the date of the formulation of these annual accounts, the Parent Company has informed the Regulatory Body of the implementation of the measures requested in the decision, without said measures having generated significant impacts on the equity of the Parent Company.

Also, on 17 February 2014, the Directorate General of Insurance and Pension Funds issued an inspection order to perform the necessary checks on the Parent Company's equity activity and position, the prevention of money laundering and any other matters deemed appropriate to examine during the visit. On 8 April, the Regulatory Body rectified the inspection order, restricting it to the prevention of money laundering.

On 15 December 2014, the conclusions and recommendations of the Regulatory Body were received by the Parent Company. On 15 February 2015, the Parent Company sent the action plan to the Regulatory Body, indicating that all the recommendations had been incorporated, and therefore no significant effects on the equity are expected for the Parent Company.

22. Statement of Technical Reserves Hedging

The template of the consolidated technical reserves hedging statement is reproduced below, pursuant to the format specified in the consolidated statistical-accounting documentation referring to 31 December 2014:

At 31 December 2014:	Thousands of Euros		
	Direct Insurance	Accepted reinsurance	Total
Life Insurance:			
Insurance contracts with a coverage period equal to or less than one year:	**116,323**	**-**	**116,323**
- Reserve for unearned premiums at the close of the financial year	116,323	-	116,323
- Reserve for unearned premiums on premiums pending receipt	-	-	-
- Fees pending application to income	-	-	-
- Reserve for accrued premiums not issued net of fees	-	-	-
Reserve for unexpired risks	-	-	-
Rest of Life Insurance	**33,370,360**	**493**	**33,370,853**
Policy reserve at year-end	32,790,412	-	32,790,412
- Policy reserve on premiums pending receipt at the close of the financial year, issued in the same financial year	-	-	-
- Advance payments on policies	-	-	-
- Interest pending reimbursement on advance payments	-	-	-
- Fees technically pending amortisation	-	-	-
- Reserve for accrued premiums not issued	-	-	-
Reserves for share in profits and returns	56,525	493	57,018
Claim reserves:			
- Claim reserves, pending settlement or payment	458,616	-	458,616
- Claim reserves, pending declaration	63,487	-	63,487
- Claim reserves, internal expenses of claims settlements	1,320	-	1,320
Reserves for deviations of capitalization policies by lottery	-	-	-

(Cont.)

At 31 December 2014:	Thousands of Euros		
	Direct Insurance	Accepted reinsurance	Total
Life Insurance, when the policyholder assumes the investment risk	**1,442,438**	**-**	**1,442,438**
Preparatory or complementary operations	**593**	**-**	**593**
Non-life Insurance:	**15,900**	**-**	**15,900**
Unearned premium reserves	2,127	-	2,127
- Reserve for unearned premiums on premiums pending receipt	-	-	-
- Fees pending application to income	-	-	-
- Reserve for accrued premiums not issued net of fees	-	-	-
Reserve for unexpired risks	-	-	-
Reserves for share in profits and returns	668	-	668
Claim reserves:			
- Claim reserves, pending settlement and payment	1,732	-	1,732
- Claim reserves, pending declaration	11,373	-	11,373
- Claim reserves, internal expenses of claims settlements	-	-	-
Death insurance reserve	-	-	-
Illness insurance reserve	-	-	-
Total reserves to be covered	**34,945,614**	**493**	**34,946,107**

At 31 December 2014:	Thousands of Euros		
	Direct Insurance	Accepted reinsurance	Total
Assets covered by technical Life Insurance reserves:	**33,795,650**	**493**	**33,796,143**
Cash and other equivalent liquid assets	11,347,953	493	11,348,446
Financial assets held for trading	1,339	-	1,339
Other financial assets at fair value with changes registered in the profit and loss account	-	-	-
Financial assets available for sale	22,136,740	-	22,136,740
Loans and payments receivable	309,618	-	309,618
Investments held to maturity	-	-	-
Hedging derivatives	-	-	-
Assets covered by technical Life Insurance reserves when the policyholder assumes the investment risk (see Note 11) (*)	**1,444,126**	**-**	**1,444,126**
Assets hedged by funds deriving from preparatory or complementary financing operations (see Note 11)	**593**	**-**	**593**
Assets covered by technical Non-life Insurance reserves:	**15,900**	**-**	**15,900**
Cash and other equivalent liquid assets	15,900	-	15,900
Financial assets held for trading	-	-	-
Other financial assets at fair value with changes registered in the profit and loss account	-	-	-
Financial assets available for sale	-	-	-
Loans and payments receivable	-	-	-
Investments held to maturity	-	-	-
Hedging derivatives	-	-	-
Total assets subject to hedging	**35,256,269**	**493**	**35,256,762**
DIFFERENCE Surplus / (Deficit)	**310,655**	**-**	**310,655**

(*) Includes the corresponding balances of cash and explicit accrued interest.

According to the provisions of article 5 of Order ECC/2150/2012, of 28 September, amending article 19 of Order EHA/339/2007, in the case of assets in public debt, the valuation for the purposes of article 52.1.a) of the Regulation on Administration and Supervision of Private Insurance will be done according to the amortised cost as defined in the General Accounting Plan for Insurance Companies for the purposes of the hedging statements of technical reserves and solvency margin. Said assets must be assigned to operations other than those provided for in article 33.2 of said Regulation and must have, at the time of acquisition, a credit rating not less than the credit rating group of the Spanish public debt instruments and not less than the Group 5 limit provided for in article 17. Consequently, for the purposes of own uncommitted assets provided for in article 59 of the Regulation on Administration and Supervision of Private Insurance, the unrealised gains and losses, recorded or not, deriving from said assets, will not be counted with a positive sign or deducted with a negative sign.

Also, according to article 5 of Royal-Decree Law 2/2013 of 1 February, on urgent measures in the Electronic System and in the Financial Sector, the transferable securities or rights issued by the Company for the Management of Assets proceeding from Restructuring of the Banking System will be valued by their cost or amortised cost as defined in the Accounting Plan for Insurance Companies, with regard to the technical reserves and solvency margin hedging system. Said assets are deemed suitable for the technical reserves hedging, not exceeding the limit calculated as 3% of the technical reserves to be hedged. For the purposes of the solvency margin, the unrealised gains and losses, recorded or not, deriving from said assets will not be counted.

As indicated in Note 6.a), in December 2014 the Parent Company sold the securities that said Entity held, and therefore at the close of the 2014 financial year said Entity had no securities covered by technical reserves.

23. Statement of Margin of Solvency and Consolidated Assurance Fund

Below the template of the consolidated assurance fund and solvency margin statement is reproduced, pursuant to the format specified in the consolidated statistical-accounting documentation referring to 31 December 2014.

Consolidated Solvency Margin 2014	Thousands of Euros		
	Amount recorded	Non computable amount	Computable amount
Paid-up share capital or mutual fund	1,347,462	16,948	1,330,514
50% subscribed share capital pending disbursement	-	-	-
Issue premium	-	-	-
Asset reserves	891,420	178,794	712,626
Surplus	-	-	-
Credit balance of profit and loss to be used to increase own funds (deducting the debit balance of the "Interim equalisation reserve")	871,616	730,000	141,616
Subordinated financing	-	-	-
Capital corresponding to non-voting shares	-	-	-
Indefinite term financing	-	-	-
Positive adjustments for changes in value	-	-	-
Unrecognised gains resulting from the understatement of asset items (net of tax effect)	-	-	46,168
Net fees technically pending amortisations	-	-	-
Debit balance of profit and loss	-	-	-
Negative results from previous years	-	-	-
Negative adjustments for changes in value	-	-	-
Unrecognised losses resulting from the overstatement of asset items or understatement of liabilities	-	-	(6,641)
- Holdings of more or less than 20% of capital in other insurance companies, in credit entities, investment service companies, as well as subordinated financing issued by these companies owned by the Company.	-	-	-
50% Future earnings	-	-	-
Solvency Margin	**3,110,498**	**925,742**	**2,224,283**
Solvency margin minimum quantity	**-**	**-**	**1,619,893**
Result of solvency margin	**-**	**-**	**604,390**

24. Subsequent Events

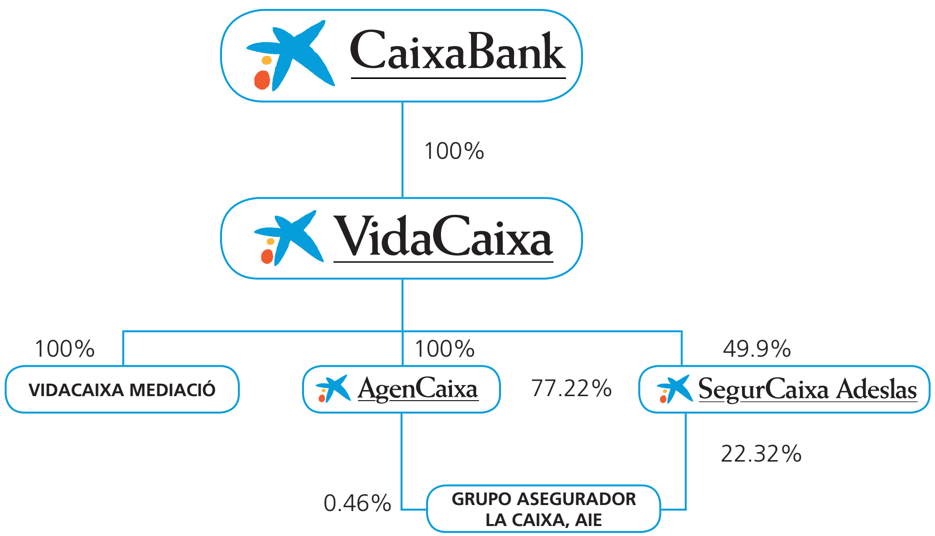
In the period from 31 December 2014 until the preparation of the present annual accounts, there were no other events with a significant impact on the Group that require specific mention nor that have had a significant effect on the consolidated annual accounts.

VIDACAIXA S.A. de Seguros y Reaseguros, Single-Shareholder Company and Subsidiaries

MANAGEMENT REPORT FOR THE 2014 FINANCIAL YEAR

VidaCaixa, company belonging to the "CaixaBank" Insurance Group is the company that channels the life insurance business and manages pension funds for individual customers, Small and Medium-Sized Businesses and large companies and groups.

At 31 December 2014, stemming from the various company operations performed mainly during the 2013 financial year and that are described in the notes of the report, the Group was structured as follows:



On 3 December 2014, the Board of Directors of the Parent Company expressly declared the desire to transfer its investee company, AgenCaixa, S.A., Agencia de Seguros, Single-Shareholder Company.

In 2014, the VidaCaixa Group obtained a consolidated profit of 871.6 million Euros, due to the excellent progress of all the businesses in which it operates and thanks also to the profits generated by the various extraordinary operations, and the cancellation of fiscal assets and liabilities registered in previous financial years due to the restructuring operations of the "la Caixa" Group.

In total, the volume of the Group's premiums and contributions increased by 10.4% compared to the previous year, selling 7,340.6 million Euros of life insurance and pension plans.

	In millions of Euros	2013	2014	%
Premiums and contributions	Life-Risk and Accident	532,8	593,4	11.4%
	Subtotal Risk (Individual + Companies)	532,8	593,4	11.4%
	Life-Savings Insurance	4,753,8	4,946,0	4.0%
	Pension Plans	1,362,1	1,801,2	32.2%
	Subtotal Savings (Individual + Companies)	6,116,0	6,747,2	10.3%
	Total Risk and Savings (Individual + Companies)	6,648,8	7,340,6	10.4%
MAN. RES.	Life Insurance	33,350,7	34,945,5	4.8%
	Pension Plans and Voluntary Pension Schemes (EPSV)	16,678,5	19,910,9	19.4%
	Total Client Managed Resources (Indiv. + Co.)	50,029,2	54,856,4	9.6%
	Clients	3,587	3,825	6.6%
	Consolidated Net Result VidaCaixa	420,1	871,6	107.5%

In 2014, the VidaCaixa Group managed a volume of resources of 54,856.4 million Euros, representing a growth of 9.6% on the previous year. Of this figure, 19,910.9 million Euros related to pension plans and Voluntary Social Welfare Entities (EPSV for the Spanish initials) with an increase of 19.4% compared to the 7.6% rise in the market according to data from Inverco.

The rest, 34,945.5 million Euros, relates to life insurance, with an increase of 4.8% on the previous year, while the sector grew by 1.6% (data from ICEA).

The market share of VidaCaixa (Parent Company of the Group) in all the life insurance premiums rose from 20.7% in December 2013 to 22.2% in 2014. This value reflects the strengthening of the Group's leadership in the sector.

The Group's solvency margin was 2,224.2 million Euros, representing a solvency ratio of 1.4, above the legally required level.

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 Directors 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, VidaCaixa undertakes various projects in the field of reducing waste generation and in energy consumption savings.

In addition, the evolution of the economy is still one of the uncertainties facing the Group in 2014. The evolution of the property market and consumption will depend in good measure on the contracting of risk insurance, while the evolution of the level of family savings and the situation with regard to interest rate curves, as well as the recovery of the economy among other factors, will influence the contracting of pension plans and life-savings insurance.

With regard to management of the Group's investments, VidaCaixa, as the Parent Company, principally manages a fixed-income portfolio, and has very 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. Said framework of action is included within the scope of global application and consistent at the level of the "la Caixa" Group. It defines the category of assets liable to be incorporated within the investments portfolio, using parameters such as solvency, liquidity and geographical exposure. 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.

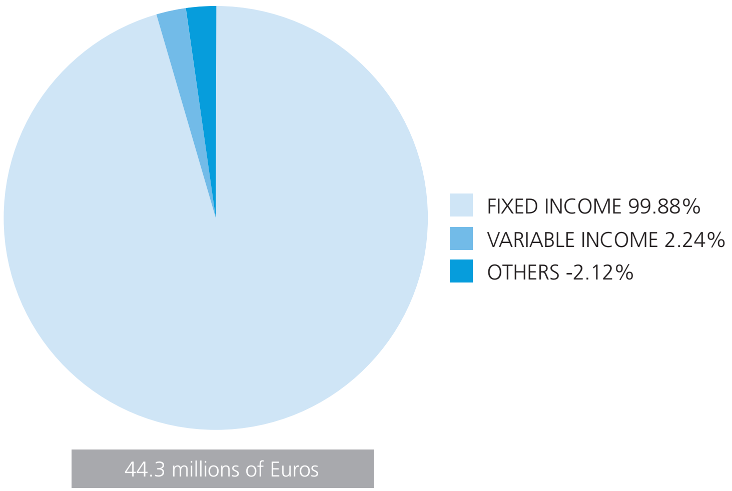
The Group's financial derivatives management policy also covers the use of counterparts which, as financial institutions subject to the supervision of the governing authorities of the member states of the European Union, have sufficient solvency. Contractually, these positions have an explicit guarantee 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.

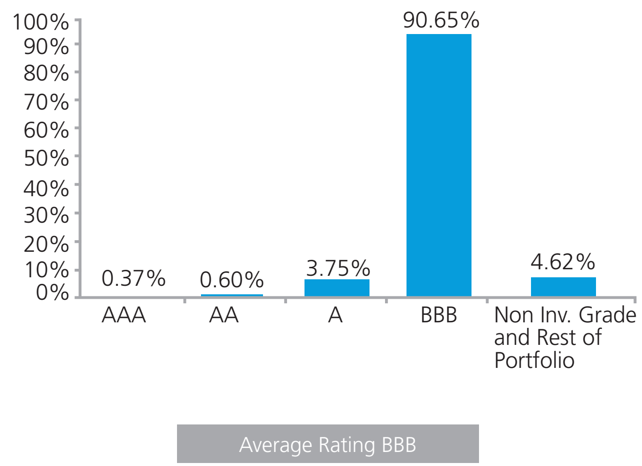
The Group's risk control strategy is based on the implementation by the investment managers of the directives and strategies established by the governing bodies of the Group, and is supplemented by a clear segregation of the functions of administration, control and management of investments. In addition, 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 asset type and issuer rating at 31 December 2014 is as follows:

Portfolio by type of asset



Portfolio by rating



Ratings according to Standard & Poor's. The average rating of our portfolio is BBB

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

In the future, the Group plans to maintain its current strategy of providing cover for the security and savings needs of Spanish families, using life-risk, life-savings and pension plans, encompassed in the range of VidaCaixa Group products, as well as developing the range in the area of savings for retirement. Furthermore, the Group will continue its policy of continually improving the quality of the service it has provided since it was founded and hopes to increase its level of commercial activity by entering new client segments through the different distribution channels of the Group.

On 27 March 2014, the Board of Directors of the Parent Company proposed and unanimously agreed to appoint Juan María Nin Génova as President of VidaCaixa. In the same meeting, the dedication and professionalism of Ricardo Fornesa, who was President of the "la Caixa" Insurance Group from 2003, was unanimously acknowledged. His excellent leadership, along with his strong commitment, contributed decisively to the development and expansion of VidaCaixa as a leading entity.

Also, during 2014, Juan María Nin Génova, Javier Godó Muntañola and Francesc Homs Ferret left the Board of Directors while Gonzalo Gortázar Rotaeche (new Board Chair), Eva Aurín Pardo, Josep Delfí Guàrdia Canela, Javier Ibarz Alegría, María Dolors Llobet María and Miguel Vives Corona joined.

After the introduction of the new members, the composition of the Board of Directors is as follows:

Chair:	Gonzalo Gortázar Rotaeche
Executive Vice-Chair Chief Executive Officer:	Tomás Muniesa Arantegui
Vice-Chair:	Jorge Mercader Miró
Members:	Eva Aurín Pardo Jaime Gil Aluja Josep Delfí Guàrdia Canela Javier Ibarz Alegría María Dolors Llobet María Miquel Noguer Planas José Antonio Sarría Terrón Miquel Valls Maseda José Vilarasau Salat Miguel Vives Corona
Managing Director (non-Board Member):	Antonio Trueba de Sinéty
Secretary (non-Board Member):	Adolfo Feijóo Rey
Vice-Secretary (non-Board Member):	Blanca Zamora García

VidaCaixa, S.A. de Seguros y Reaseguros, Single-Shareholder Company and Subsidiaries (VidaCaixa Group)

ANNEX I: LIST OF SUBSIDIARY AND ASSOCIATED COMPANIES AT 31.12.2014

Name of the Company	Registered Address	Activity	% Voting rights		Abridged financial information			
			Direct	Indirect	Share capital paid	Asset reserves	Financial year result net of dividend	Book value
ASSETS HELD FOR SALE:								
AGENCAIXA, S.A., AGENCIA DE SEGUROS	Juan Gris, 20-26. Barcelona	Distribution of insurance and other	100.00%	-	601	2,284	(1,989)	659
GROUP COMPANIES:								
VIDACAIXA MEDIACION, SOCIEDAD DE AGENCIA DE SEGUROS VINCULADOS, S.A.U	Juan Gris, 20-26. Barcelona	Private insurance agent and linked insurance agency company.	100.00%	-	60	2,130	111	3,277
GRUPO ASEGURADOR DE LA CAIXA, AIE	Juan Gris, 20-26. Barcelona	Economic Interest Group.	77.22%	11.60%	9,729	-	-	7,513
GEROCAIXA PYME	Gran Vía López de Haro, 38. Bilbao	Voluntary Social Welfare Entity.	100.00%	-	30	22,309	882	23
GEROCAIXA	Gran Vía López de Haro, 38. Bilbao	Voluntary Social Welfare Entity.	100.00%	-	6	627,131	48,092	6
GEROCAIXA PRIVADA PENSIONES	Gran Vía López de Haro, 38. Bilbao	Voluntary Social Welfare Entity.	100.00%	-	6	1,061	55	6
GESTICAIXA	Pere i Pons, 9-11. Barcelona	Securitisation Funds Management Company.	9.00%	-	1,503	301	89	140
ASSOCIATED COMPANIES:								
SEGURCAIXA ADESLAS, S.A. DE SEGUROS Y REASEGUROS	Juan Gris, 20-26. Barcelona	Insurance Company	49.92%	-	469,670	834,045	8,160	978,344
SOCIEDAD INMOBILIARIA DEL IGUALATORIO MEDICO QUIRURGICO	Máximo Aguirre, 18 bis, 7º . 48011 Bilbao	Property Agency	-	9.97%	20,000	2,718	(287)	-
IGUALATORIO MEDICO QUIRURGICO DENTAL	Máximo Aguirre, 18 bis, 7º . 48011 Bilbao	Dental	-	22.34%	200	(117)	(8)	-
IGUALATORIO MEDICO QUIRURGICO DENTAL VIZKAIA	Máximo Aguirre, 18 bis, 7º . 48011 Bilbao	Dental	-	22.34%	203	(43)	8	-
IGUALATORIO MÉDICO QUIRÚRGICO S.A. DE SEGUROS Y REASEGUROS	Máximo Aguirre, 18 bis, 7º . 48011 Bilbao	Insurance Company	-	22.46%	16,175	83,470	3,369	-

VidaCaixa, S.A. de Seguros y Reaseguros, Single-Shareholder Company and Subsidiaries (VidaCaixa Group)

ANNEX I: LIST OF SUBSIDIARY AND ASSOCIATED COMPANIES AT 31.12.2014

Name of the Company	Registered Address	Activity	% Voting rights		Abridged financial information			
			Direct	Indirect	Share capital paid	Asset reserves	Financial year result net of dividend	Book value
IGURCO GESTION, S.L.	Máximo Aguirre, 18 bis, 7º . 48011 Bilbao	Geriatric Services	-	15.79%	8,679	5,564	405	-
IGURCO RESIDENCIAS SOCIOSANITARIAS	José María Olabarrí, 6-Depto 26 . 48001 Bilbao	Geriatric Services	-	15.79%	61	183	72	-
IGURCO CENTROS GERONTOLOGICOS, S.L.	José María Olabarrí, 6-Depto 26 . 48001 Bilbao	Geriatric Services	-	15.79%	1,703	1,615	641	-
ORUE XXI, S.L.	Barrio de San Miguel, s/n. EUBA. 48340 Amorabieta	Geriatric Services	-	10.84%	3,265	2,261	268	-
CENTRO DE REHABILITACION Y MEDICINA DEPORTIVA BILBAO, S.L.	Rafaela Ybarra, 25. 48014 Bilbao	Rehabilitation	-	21.19%	106	(209)	7	-
SOCIEDAD DE PROMOCION DEL IGUALATORIO MEDICO QUIRURGICO, S.A.	Máximo Aguirre, 18 bis, 7º . 48011 Bilbao	Business Development	-	22.46%	39,005	1,509	596	-
IGUALATORIO DE BILBAO AGENCIA DE SEGUROS	Máximo Aguirre, 18 Bis-Bajo Izda. 48011 Bilbao	Insurance agency	-	22.46%	150	115	4	-
RESIDENCIA ORUE, S.L.	Barrio de San Miguel, s/n. EUBA. 48340 Amorabieta	Geriatric Services	-	10.84%	200	224	94	-
MODELOS E ATENCION GESTIONADA, S.L.	Bruc, 35, 5º. 08010 Barcelona	Consultancy	-	11.46%	3	115	5	-
SANATORIO MEDICO-QUIRURGICO CRISTO REY, S.A.	Paseo de la Estación, 40. 23008 Jaén	Clinic	-	19.70%	121	3,813	90	-
GRUPO IQUIMESA, S.L.	Plaza Amárica, 4. 01005 Vitoria	Administrator	-	49.92%	7,552	65,557	5,275	-
ADESLAS DENTAL	Joaquín Costa, 35. 28002 Madrid	Dental	-	49.92%	6,000	14,257	421	-
INFRAESTRUCTURAS Y SERVICIOS DE ALZIRA, S.A.	Ctra. Corbera, Km. 1. 46600 Alzira (Valencia)	Car Park	-	25.46%	1,250	1,734	222	-
GENERAL DE INVERSIONES ALAVESAS	Plaza Amárica, 4. 01005 Vitoria	Property Agency	-	49.92%	1,200	85	9	-
ADESLAS SALUD, S.A.	Príncipe de Vergara 110. 28002 Madrid	Consultancy	-	49.92%	313	393	309	-

VidaCaixa, S.A. de Seguros y Reaseguros, Single-Shareholder Company and Subsidiaries (VidaCaixa Group)

ANNEX II: MOVEMENT OF INTANGIBLE FIXED ASSETS DURING THE 2014 FINANCIAL YEAR

	Thousands of Euros												
	Goodwill		Financial rights derived from the policy portfolio acquired from brokers	Other intangible assets									
	Consolidated goodwill	Merger goodwill		Consolidated intangible assets	Merger intangible assets	Trademark	Client portfolio	Concessions	Computer programs	Pension fund expenses	Marketing expenses of other Non-life Insurance policies	Other expenses of acquisition of pension funds and life insurance contracts	Total intangible assets
Cost at 31 December 2013	**-**	**579,948**	**-**	**-**	**197,681**	**-**	**-**	**1,372**	**38,429**	**-**	**8,019**	**187,800**	**1,013,249**
Accumulated Amortisation at 31 December 2013	**-**	**-**	**-**	**-**	**(32,961)**	**-**	**-**	**(166)**	**(23,807)**	**-**	**(3,510)**	**(119,109)**	**(179,553)**
Net Book Value at 31 December 2013	-	**579,948**	-	-	**164,720**	-	-	**1,206**	**14,622**	-	**4,509**	**68,691**	**833,696**
Additions	-	-	-	-	2,528	-	-	-	6,243	-	-	21,906	30,677
Changes to consolidation method (cost)	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(4,516)	-	-	(240)	(3,146)	-	(8,019)	-	(15,921)
Reclassifications and transfers	-	3,629	-	-	-	-	-	-	(651)	-	-	-	2,978
Amortisation of financial year	-	-	-	-	(29,209)	-	-	(28)	(5,300)	-	-	(19,854)	(54,391)
Changes to consolidation method (amortisation)	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals in the amortisation	-	-	-	-	2,697	-	-	85	3,000	-	3,510		9,292
Reclassifications									582				582
Losses through impairment	-	-	-	-	-	-	-	(113)	-	-	-	-	(113)
Cost at 31 December 2014	**-**	**583,577**	**-**	**-**	**195,693**	**-**	**-**	**1,019**	**40,875**	**-**	**-**	**209,706**	**821,164**
Accumulated Amortisation at 31 December 2014	**-**	**-**	**-**	**-**	**(59,473)**	**-**	**-**	**(109)**	**(25,525)**	**-**	**-**	**(138,963)**	**(224,070)**
Net Book Value at 31 December 2014	**-**	**583,577**	**-**	**-**	**136,220**	**-**	**-**	**910**	**15,350**	**-**	**-**	**70,743**	**806,800**

VidaCaixa, S.A. de Seguros y Reaseguros, Single-Shareholder Company and Subsidiaries (VidaCaixa Group)

ANNEX III: MOVEMENT OF INTANGIBLE FIXED ASSETS DURING THE 2013 FINANCIAL YEAR

	Thousands of Euros												
	Goodwill		Financial rights derived from the policy portfolio acquired from brokers	Other intangible assets									
	Consolidated goodwill	Merger goodwill		Consolidated intangible assets	Merger intangible assets	Trademark	Client portfolio	Concessions	Computer programs	Pension fund expenses	Marketing expenses of other Non-life Insurance policies	Other expenses of acquisition of pension funds and life insurance contracts	Total intangible assets
Cost at 31 December 2012	**-**	**3,407**	**-**	**-**	**10,029**	**-**	**-**	**1,372**	**28,965**	**-**	**7,144**	**157,888**	**208,805**
Accumulated Amortisation at 31 December 2012	**-**	**-**	**-**	**-**	**(4,175)**	**-**	**-**	**(135)**	**(19,987)**	**-**	**(1,471)**	**(93,438)**	**(119,206)**
Net Book Value at 31 December 2012	-	**3,407**	-	-	**5,854**	-	-	**1,237**	**8,978**	-	**5,673**	**64,450**	**89,599**
Additions	-	576,541	-	-	187,652	-	-	-	9,464	-	875	29,912	804,444
Changes to consolidation method (cost)	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	(2,018)	-	(2,018)
Reclassifications and transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortisation of financial year	-	-	-	-	(28,786)	-	-	(31)	(3,820)	-	(21)	(25,671)	(58,329)
Changes to consolidation method (amortisation)	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals in the amortisation	-		-	-	-	-	-			-	-	-	-
Losses through impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost at 31 December 2013	**-**	**579,948**	**-**	**-**	**197,681**	**-**	**-**	**1,372**	**38,429**	**-**	**8,019**	**187,800**	**1,013,249**
Accumulated Amortisation at 31 December 2013	**-**	**-**	**-**	**-**	**(32,961)**	**-**	**-**	**(166)**	**(23,807)**	**-**	**(3,510)**	**(119,109)**	**(179,553)**
Net Book Value at 31 December 2013	**-**	**579,948**	**-**	**-**	**164,720**	**-**	**-**	**1,206**	**14,622**	**-**	**4,509**	**68,691**	**833,696**

VidaCaixa, S.A. de Seguros y Reaseguros, Single-Shareholder Company and Subsidiaries (VidaCaixa Group)

ANNEX IV. ANNUAL REPORT ON CORPORATE GOVERNANCE OF OTHER INSTITUTIONS –OTHER THAN SAVINGS BANKS- THAT ISSUE SECURITIES TRADED ON OFFICIAL MARKETS

YEAR AND REFERENCE

YEAR END REFERENCE	31/12/2014
C.I.F. (Fiscal ID)	A-58333261
COMPANY NAME	VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS
REGISTERED OFFICE	JUAN GRIS 2-8 BARCELONA

A) PROPERTY STRUCTURE

A.1 A.1 List of the most significant shareholders or participants in your company at year end:

Name or Company name of shareholder or participant	% over equity
CAIXABANK, S.A.	100.00%

A.2 Indicate, where applicable, any relationships of a family, commercial, contractual or corporate nature between significant shareholdings, to the extent that they are known by the company, unless they are insignificant or derive from ordinary commercial traffic:

A.3 Indicate, where applicable, any commercial, contractual or corporate relationships that exist between significant shareholdings, and the company, unless they are insignificant or derive from ordinary commercial traffic:

A.4 Indicate, where applicable, any restrictions on exercising voting rights and any restrictions on the acquisition or transfer of share capital:

YES ☐ NO ☒

B) ANNUAL GENERAL MEETING OR EQUIVALENT BODY

B.1 List the quorums for the Annual General Meeting or equivalent body set out in the statutes. Describe how they differ from the minimum provisions of the Corporations Act (LSC as per Spanish acronym), or the rules applied to it.

Article 17 of the Statutes states: "The General, ordinary or extraordinary Shareholders Meeting is quorate on first call when the shareholders present or represented hold at least one quarter of the capital with voting rights. The General Shareholders Meeting is quorate on second call regardless of the capital attending the same". This article reproduces Article 193 of the revised text of the Capital Companies Act. Article 18 of the Statutes states "notwithstanding the provisions of the previous article, to enable the Board to validly agree to the issue of bonds, increase or decrease in capital, transform, merge or divide the company or any other statutory amendment, there must be in attendance on first call fifty percent (50%) of the members and the capital with the right to vote. On second call, the attendance of quarter of the capital with voting rights will suffice. The resolutions referred to in this article may only be adopted by the affirmative vote of two thirds of the capital present or represented at the Shareholders Meeting".

B.2 Explain the system for adopting corporate resolutions. Describe how it differs from the system provided by the Corporations Act (LSC as per Spanish acronym), or in the rules that may be applied to it.

Article 24 and 18 of the Statutes reproduce the system established in the revised text of the Capital Companies Act.

B.3 Briefly describe the resolutions adopted at General Shareholders Meetings or equivalent bodies held during the year to which this report refers and the percentage of votes with which the resolutions have been adopted.

RESOLUTIONS ADOPTED BY THE SOLE SHAREHOLDER: 10/01/2014 a) Modification of statutes. Approval of a new revised text; b) Reelection of Member of the Board of Directors. 21/03/2014: a) Determining the number of Members of the Board of Directors; b) Distribution of share premium. 07/04/2014. a) Approval of annual accounts of pension funds. 29/04/2014: a) Examination and approval of the annual accounts of the company for 2013; b) Approval, where applicable, of the management of the Board of Directors of the company; c) Appointment or reappointment of the auditor of the company; d) Examination and approval of the consolidated Company accounts for the 2013 financial year; e) Reclassification of voluntary reserves to legal reserves; f) Reclassification of voluntary reserves to restricted reserve for goodwill. 10.7.2014: a) Modification of Article 26 in Statutes; b) Determining the number of Members of the Board of Directors; c) Removal and appointment of Board Members; d) Appointment of the Chairman of the Board of Directors; e) Determining the remuneration of the Chairman of the Board. 04/12/2014: a) Distribution of share premium; b) Distribution of voluntary reserves.

B.4 Indicate the address and how to access the information on Corporate Governance on the website of the institution.

The information on VidaCaixa's Corporate Governance is available on the corporate website of the Company, in the section "Corporate Information", subsection "Corporate Governance", under "Corporate Governance Report Access to website: http://www.vidacaixa.es/es/informacion-corporativa

B.5 State whether, if any, any meetings of the different unions of the holders of securities issued by the entity were held, the purpose of the meetings held during the year that this report refers to and the main agreements adopted.

In 2014, there were no meetings of the Assembly of Bondholders of the Second Issue of Subordinated Perpetual Bonds of VidaCaixa, S.A. de Seguros y Reaseguros (December 2004)

C) GOVERNING STRUCTURE OF THE ENTERPRISE

C.1 Board of Directors or Governing Body

C.1.1 List the maximum and minimum number of Board Members or Members of the Governing Body, foreseen in the statutes:

Maximum number of Board Members or Governing Body	15
Minimum number of Board Members or Governing Body	3

C.1.2 Complete the following chart on the Members of the Board or Governing Body and their condition:

MEMBERS OF THE BOARD or GOVERNING BODY

Name or Company name of Board Member/ Member of Governing Body	Representative	Last date of appointment
Don José Antonio Sarría Terrón		15/07/2013
Don Miquel Valls Maseda		15/07/2013
Don José Vilarasau Salat		15/07/2013
Don Tomás Muniesa Arantegui		15/07/2013
Don Jaime Gil Aluja		15/07/2013
Don Jorge Mercader Miró		15/07/2013
Don Miquel Noguer Planas		15/07/2013
Don Gonzalo Gortázar Rotaeche		10/07/2014
Doña Eva Aurín Pardo		10/07/2014
Don Josep-Delfí Guàrdia Canela		10/07/2014
Don Javier Ibarz Alegría		10/07/2014
Doña María Dolors Llobet Maria		10/07/2014
Don Miguel Vives Corona		10/07/2014

C.1.3 Identify, where appropriate, Members of the Board or Governing Body who hold office as directors or executives in other companies that form part of the group of the entity:

C.1.4 Complete the following table with information regarding the number of female Members that make up the Board of Directors and its committees, and their evolution over the last four years:

Number of female Board Members

	Ejercicio 2014		Ejercicio 2013		Ejercicio 2012		Ejercicio 2011	
	Number	%	Number	%	Number	%	Number	%
Board of Directors	2	15.00%	1	20.00%	1	20.00%	1	20.00%
Audit Committee	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Appointments Committee	0	0.00%	0	0.00%	0	0.00%	0	0.00%

C.1.5 Complete the following table regarding the aggregate remuneration of Board Members or Members of the Governing Body earned during the year:

Remuneration	Thousands of euros	
	Individual	Group
Fixed remuneration	0	0
Variable remuneration	0	0
Expenses	2,408	0
Other remunerations	0	0
Total	**2,408**	**0**

C.1.6 Identify the members of senior management who are not at the same time Members of the Board or Executive Governing Body and indicate the total remuneration earned by them over in this fiscal year:

Name or Company Name	Position
Mr. Ernesto Moreno Caballero	Assist. General Manager Investments
Mr. Jesús María García Martínez	Manager Organisation and HR.
Mr. Miquel Donoso López	Manager Information Technology (till 31/8)
Ms. María Purificación Plana Bernal	Manager Internal Audit
Mr. Jordi Arenillas Claver	Assist. General Manager Economic-Financial
Mr. Josep Montañes Navarro	Manager Offers And Operations (till 30/04)
Mr. José Antonio Iglesias Martínez	Manager of Marketing and Business Development
Mr. Carlos Lorenzo Romero	Sales Manager
Mr. Antonio Trueba De Sinety	Managing Director
Mr. Jorge Nicolau Molina	Assist. General Manager Resources (till 01/09)

Total remuneration of senior management (thousands of euros)	2,298

C.1.7 Indicate whether the statutes of the Board of Directors establish a limit on the mandate of the Members of the Board or Governing Body:

SI ☐ NO ☒

C.1.8 Indicate whether the individual and consolidated annual accounts that are presented for approval to the Board of Directors or Governing Body are previously certified:

SI ☐ NO ☒

Identify, where applicable, the person/s who has/have certified the individual and consolidated financial accounts of the entity for approval by the Board of Directors or Governing Body:

C.1.9 Explain, if they exist, the mechanisms established by the Members of the Board of Governing Body to prevent the individual and consolidated financial accounts drawn up by them from being submitted to the Annual General Meeting or equivalent Body with the exception of the audit report.

To avoid this situation there is an Audit Committee that oversees the process of drawing up the accounts to the effect that there are no exceptions.

C.1.10 C.1.10 Does the Secretary to the Board or Governing Body have the condition of Board Member?

SI ☐ NO ☒

C.1.11 Indicate, if they exist, the mechanisms established to preserve the independence of the external auditor, financial analysts, investment banks and rating agencies.

1.- Auditor: The rule of temporary rotation of the audit team is respected.

2.- Financial analysts: We work with the most important companies from around the world. In most cases we work with several at the same time.

3.- Investment Banks: We work with companies from around the world. In most cases we work with several at the same time.

C.2 Committees of the Board of Directors or Governing Bodies

C.2.1 List the Governing Bodies:

Name of the Body	Nº of members	Functions
Audit Committee	3	See section C.2.3.
Appointments Committee	3	See section C.2.3.

C.2.2 List all the commissions of the Board of Directors or Governing Body and their members:

AUDIT COMMITTEE

Name	Position
Mr. Miquel Valls Maseda	Chairman
Mr. Jaime Gil Aluja	Member
Mr. Miquel Noguer Planas	Member

APPOINTMENTS COMMITTEE

Name	Position
Mr. Tomás Muniesa Arantegui	Chairman
Mr. Javier Ibarz Alegría	Member
Mr. José Antonio Sarría Terrón	Member

C.2.3 Provide a description of the organisational and operational rules as well as the responsibilities attributed to each of the Committees of the Board of Directors or Members of the Governing Body. Where appropriate, the powers of the CEO should be described.

AUDIT COMMITTEE. Functions: 1. Inform the Annual Shareholders Meeting on issues raised by shareholders on matters of their competence. 2. Monitor the effectiveness of the internal control of the company, the internal audit, where applicable, and the risk management systems. 3. Supervise the preparation and presentation of the regulated financial information. 4. Propose the appointment of the auditors, in accordance with the regulations applicable to the company, to the Board of Directors for its submission to the Annual General Meeting of Shareholders. 5. Set up timely relations with the auditors to receive information on any issues that could jeopardise their independence, to be submitted for consideration by the committee, and in any event, any other thing related to the development of the audit. Each year it must receive written confirmation from the auditors on their independence from the entity or entities related to it directly and indirectly, as well as information on additional services of any kind provided by the auditors for these entities. 6. Annually issue a report, prior to the issuance of the audit report, in which an opinion is expressed on the independence of the auditors. In any case, this report must declare any supply of additional services to which the previous paragraph refers.

APPOINTMENTS COMMITTEE. Functions: 1. Submit to the Board of Directors the nominations for appointment of Board Members so that it can appoint them or adopt the proposals as its own for submission to the decision of the Annual General Meeting of Shareholders and report on the appointment of Board Members. 2. Report the appointments and resignations of senior executives. 3. Consider any suggestions put to it by the Chairman, Board Members, Executives or shareholders of the company.

CHIEF EXECUTIVE OFFICER. Functions: The Chief Executive Officer has all the powers delegated from the Board except for those that cannot be so delegated.

C.2.4 Indicate the number of meetings held by the audit committee during the year:

Number of meetings	4

C.2.5 In the event that there is an Appointments Committee, indicate whether all its members are Members of the Board or external Members of Governing Body.

SI ☐ NO ☒

D) LINKED OPERATIONS AND INTERGROUP OPERATIONS

D.1 List the operations undertaken between the Company or Companies of the Group and shareholders, cooperative shareholders, Board Member rights or any other similar nature of the entity.

	Thousands of euros
Income from sales	310,412
Sales expenses	(79,078)
Income from rents	45
Financial income	441,774
Interest paid	361
Income from insurance operations	278,297
Expenses for commissions on sale of premiums	(195,374)
Income for commissions between AgenCaixa and SegurCaixa Adeslas	11,125
Income from commission	22

D.2 List the operations carried out between the Company or Companies of the Group and the Board or Governing Members or managers of the institution.

In accordance with the provisions of Order EHA-3050-2004, of 15th September, it is hereby stated that, apart from the remunerations received, there have not been any operations with Board or Governing Members or managers, or equivalent made to these effects during this fiscal year, except those that pertaining to the ordinary business of the company, have been carried out under normal market conditions and are of little relevance.

D.3 List of intragroup operations.

VidaCaixa operations with the other companies (including SegurCaixa Adeslas):	Thousands of euros
Income from rents	413
Expenses for rents	(785)
Dividend and other benefits	77,534
Other Expenses	(4,212)
Other income	4,711

D.4 List the mechanisms set up to detect, determine and solve possible conflicts of interest between the Company or its Group and its Board or Governance Members or managers.

There is no conflict of interest situation.

E) CONTROL SYSTEMS AND RISK MANAGEMENT

E.1 Explain the scope of the Company's Risk Management System.

The Risk Management System works integrally and continuously by consolidating this management by area or business unit or activity, subsidiaries, geographical areas and support areas on a corporate level (such as human resources, marketing or management control).

Regardless of the requirement to have risk controls, to which the insurance management is submitted, which lead to the establishment of sufficient technical provisions, the legislation applicable to insurance companies, in particular the reform of the Regulations of Management of Private Insurance in 2007, requires insurance companies to establish, document and maintain risk management systems and internal control mechanisms appropriate for their organisation:

- *allows them to identify and regularly evaluate, the risks they are exposed to;*
- *having the Board of Directors ultimately responsible for their implementation;*
- *including, in any event, the development of an adequate internal audit function.*

In keeping with the above, the systems of measurement and risk management of the Company are based on:

- *some teams with sufficient knowledge and experience;*
- *an organisational structure that ensures the adequate segregation of duties, functions and responsibilities;*
- *a high integration and automation of systems and processes;*
- *the compliance with all requirements and limits set by current regulations.*

Based on these premises, the risk management developed by the company is based on the corner-stone of prudence, the right balance of growth policy of the activity and financial and asset solidness.

E.2 Identify the organs of the Company responsible for the development and implementation of the Risk Management System.

Board of Directors

The ultimate responsibility for risk management and internal control of the entity lies with the Board of Directors. It sets out the lines to follow in the policy of Internal Controls and the parameters to be followed in risk management.
It meets at least 4 times a year.

Audit Committee

The Board of Directors appointed the Audit Committee from among its Members. This acts as a delegated commission, whose duties are laid down in the statutes. Among other functions, it is responsible for overseeing the effectiveness of the Internal Control of the Company, the Internal Audit and the Risk Management systems. Furthermore, the Audit Committee is responsible for overseeing compliance with the Regulations concerning the Internal Control System of Financial Information.
It meets at least twice per year.

Monitoring Body of the ICC

Additionally, the Board of Directors appointed a Monitoring Body of the Internal Code of Conduct in Securities Markets (ICC), which oversees the correct application of the ICC by verifying, among other things, compliance with the rules of separation between the managing entity and the depositary.

Global Risk Committee

The Global Risk Committee is the body responsible for risk management and internal control. Thus, it is responsible for approving and proposing general risk policies, reviewing the evolution of the risks assumed, tracking the evolution of regulatory and economic capital and capital planning and carrying out the evaluation of the principal projects of convergence towards solvency regulations, among other functions.
It meets at least 4 times a year.

Management Committee

The Management Committee is the body responsible for the overall management of the organisation and for compliance of the business objectives set by the Board

of Directors. In this sense, it is responsible for the design and implementation of the risk management and internal control systems.
It meets fortnightly.

Investment Committee

The Management Committee appointed an Investment Committee from among its Members. It is responsible for the overall management of investments and responsible for carrying out the monitoring and control of the evolution of the investments of the Company and its associated risks.
It meets monthly.

Commercial Committee

The Commercial Committee is the body responsible for setting the commercial strategy and implementing commercial policies and actions arising from it. In this sense it is responsible for monitoring and controlling the commercial evolution.
It meets fortnightly.

Communications and CSR Committee

The Communications and CSR Committee is the body responsible for establishing the communications strategy and Corporate Social Responsibility and implementing and following the policies and actions arising from these areas.
It meets at least twice a year.

E.3 Indicate the main risks that may affect the achievement of the business objectives.

The main risks that may affect the achievement of the objectives are as follows:

1. Credit Risk

It refers to the risk that counterparties do not meet their payment obligations, and possible losses in value due to changes in their credit quality.

In general, the company holds its cash and liquid assets in financial institutions with high credit ratings, in accordance with the requirements and limitations set out in Regulation and Supervision of Private Insurance (ROSSP as per Spanish acronym).

For the balances receivable from policyholders, there is no significant concentration of credit risk with third parties. In life insurance if the policyholder does not pay the premiums, in the eyes of the law, the payment obligations of the policy with the decrease in the mathematical provisions for the insured are reduced, so that it mitigates credit risk.

Regarding the credit risk associated with financial instruments, the policy established by the company is based on two basic principles:

- *Prudence: We defined scales of rating and periods. In this regard, credit ratings are always given by independent rating agencies, in particular, where possible by: 1) Standard & Poor's, and 2) Moody's. Derivative financial management of the organisation contemplates the use of counterparts that, being subject to supervision by the Supervisory Body of the Member States of the European Economic Union, have sufficient solvency.*

- *Diversification: High diversification in sectors and issuers, with maximum risk limits per issuer. In this regard, Article 50 of ROSSP lists assets apt for investment and specifying the limits of diversification and spread of such assets in Article 53.*

With the aim of adapting to the changes in the market, the company developed a universe of securities that is consistent with the CaixaBank Group. That universe is aligned with the structure and approach to the investment management of the entity in relation to long-term nature of the investment and the critical state of liquidity.

This universe of securities is made up based on the following criteria:

- *Geographic: The entities that generate the underlying credit risk must be domiciled in a country belonging to the OECD.*

- *Solvency: The underlying credit risk of the securities must be regarded as investment grade.*

- *Liquidity: The underlying credit risk of the securities must have a minimum volume of issue and subscription.*

  The requirements and limits set by the universe of securities are classified within those established by ROSSP

In relation to the risk associated with credit reinsurance, the company maintains an updated list of approved reinsurers, so that for each approved reinsurer the appropriate level of exposure is specified. For this, the skill and ability of the reinsurer to meet its contractual obligations is evaluated.

Additionally, to enhance the solvency of the total reinsurance cover, the company diversifies the risk across different reinsurers. When this is not possible, the lower the number of reinsurers, the more importance will be given to the solvency of the same.

Finally, with regard to credit risk associated with insurance brokers, the company uses this channel, mainly in operations linked to complementary social security of retirement benefits and the risk cover of groups of employees of large companies, whose subscription process is channelled through large brokers with adequate levels of solvency.

Other information of interest continues in section G

E.4 Identify whether the entity has a level of risk tolerance.

The level of tolerance to each risk is established through the risk management policies established by the company, which are mainly: systems integration and information technology, internal control, investment management, financial margin, ALM, pricing, underwriting and reinsurance.

According to the methodology established on a CaixaBank Group level, the entity identifies the inherent risks and classifies them into seven broad categories: Credit, Market, Operational, Compliance, Reputational, Strategic and Other Risks of the insurance business.

Risk identification is carried out on three levels. The first level contains the main categories of risk mentioned above. Level 1 generic risk is split into two levels of detail. Level 3 gives a degree of detail on very high risk. It is at this level that the inherent risk is appraised. Risk assessment for higher levels is obtained by aggregation.

According to the methodology established on a CaixaBank Group level, the Company assesses the risks based on the probability of occurrence and the impact on the organisation if they materialise.

Therefore, Assessment of inherent risk = Probability x Impact.

Probability can be assessed as high, medium and low, depending on how the frequency of occurrence is assessed.

Impact can be assessed as high, medium or low, depending on how the six different types of impact are assessed, and taking the greatest.

Every year the company makes a complete update of the process tree, the map of inherent risks and the inventory of internal controls implemented in the company, *so as to validate and update information on possible changes in the organisational structure, product offerings, regulatory environment, etc.*

This update process is carried out by the Department of Risk Control in collaboration with the operational managers of each risk, using forms and the GDR application as a repository tool, in which all processes, risks and identified controls are documented and accessible.

A key element of the methodology of internal control of the company is the quarterly self-assessment of the effectiveness of key controls, which are performed directly by those responsible for them. The company not only considers the application of the control, but also that this application covers the established risk limit or tolerance.

E.5 Indicate which risks took place during the year

In 2014, in relation to risk control of tangible fixed assets and property investments and according to the proper functioning of the control systems in place, following a principle of prudence, VidaCaixa proceeded to assign an amount of 2,062 thousand euros under the heading "value adjustments of tangible fixed assets and investments - Impairment of tangible assets and property investments " of the non-technical account. This deterioration is registered as a result of the loss of market value of one of the buildings owned by VidaCaixa, due to the evolution of the property market.

E.6 Explain the plans for response to and monitoring of the main risks of the Company.

VidaCaixa established control and review mechanisms on three levels:

- *A first level is made up by the very departments that manage the processes.*
- *A second level consists of the risk control function that guarantees the uniformity of the internal control model of the entity.*
- *A third level is made up by Internal Audit that plans annual reviews and reports its opinion on the implemented controls.*

More specifically, for the principal risks of the Company, the response plans and supervision are as follows:

1. Credit risk

As regards the treasury and equivalent liquid assets held by the Company, they are generally with financial institutions with high credit ratings, and especially with "CaixaBank". As regards balances that are maintained receivable from policyholders, there is no significant concentration of credit risk with third parties.

Also, with regard to credit risk associated with financial instruments, the policy established by the Company is based on two basic principles:

- *Prudence: rating scales and investment terms are defined.*
- *Diversification: high diversification in sectors and issuers, with maximum risk limits per issuer.*

2. Liquidity risk

In order to ensure liquidity and meet all payment commitments arising from its activity, the company has an adequacy analysis between the cash flows of investments and obligations arising from insurance contracts that mitigate this risk, and adequate levels of cash. In addition, the ALM analysis performed in Life portfolios and the forecast of liability flows until maturity mitigate this risk.

Following the requirements set up by the DGSFP (as per Spanish acronym), in the case of individual savings products, which do not have the surrender value referenced in the policy to the market value of the assets assigned, we have implemented the appropriate systems and mechanisms of asset valuation and risk control that are technically rigorous, reliable and stable over time and this is tested periodically.

These processes and mechanisms of asset valuation and risk control implemented by the company, allow one to check that the market value of the assigned assets exceeds the guaranteed surrender value in the policy or homogeneous group of policies included in the same protection, with these assets being sufficiently detailed in the investment book.

The prospective analyses implemented consider conservative assumptions that reflect the behaviour of the markets, and comply with the principle of uniformity to be maintained over time. The hypotheses considered and valuations obtained are explicitly found in the investment book with indications of the representative amounts of the guaranteed surrender value and the market value of the assets.

Similarly, sensitivity analyses for protection portfolios are developed for durations that show the necessary variations in the hypotheses considered that give rise to the manifestation of the risk.

"Other information of interest" continues in section G

F) INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT IN RELATION TO THE PROCESS OF ISSUING FINANCIAL INFORMATION (SCIIF as per Spanish acronym)

Describe the mechanisms that make up the control systems and risk management in relation to the financial reporting process (ICFR) in your company

F.1 Control environment of the company

Report, pointing out its main characteristics of, at least:

F.1.1. What bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective ICFR; (ii) its implementation; y (iii) its supervision.

According to the reference framework, the body responsible for the existence and maintenance of an adequate and effective Internal Control System is the Board of Directors, as set out in the Internal Control Policy of the Company, approved by the Board of Directors itself.

The responsibility for the implementation lies with the Management Committee, according to the aforementioned Internal Control policy and particularly in the ICFR, the Assistant General Manager for Economics-Finance.

With regard to supervision, the Board of Directors appointed an Audit Committee, whose functions are set out in the Statutes of the company. Regarding the ICFR, Article 27.2 of the Statutes establishes the following functions:

- *Monitor the effectiveness of internal control in the company, the internal audit, if applicable, and the risk management systems, as well as discuss with the auditors or audit firms any significant weaknesses in the internal control system detected during the audit.*
- *Supervise the process of preparation and presentation of regulated financial information.*

This allocation of duties is consistent with the provisions of the internal Rules on ICFR of the "CaixaBank" Group developed for Internal Control *of the Financial Reporting of CaixaBank and approved by its Board of Directors, which includes, among other aspects, coordination and control activities implemented to ensure that the ICFR is an adequate and effective control on a Group level.*

F.1.2. If the following exist, especially with regard to the process of preparing financial information:

- *Departments and/or mechanisms responsible for: (i) the design and review of the organisational structure; (ii) clearly defining lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) having sufficient procedures for proper dissemination in the company.*

  The Management of Technology, Organisation and Projects of the Company carries out the processes of design, review and updating of the organisational structure. This area, based on the guidelines set by the Management Committee, which oversees the process, undertakes an analysis of the existing organisational structure and proposes changes, which are studied by the said committee. The result of this process is documented by drawing up a detailed organisational chart where the entire organisational structure is reflected.

  Substantial changes to the organisational structure are formally announced to the entire workforce through a statement released by the Managing Director or the Assistant General Manager for Resources.

  The Management of Technology, Organisation and Projects, under the supervision of the Management Committee, is also responsible for defining the lines of responsibility and authority, with an appropriate distribution of tasks and functions. These lines of responsibility and authority are documented through the Organisational chart of the Company and in which the hierarchical units of the whole organisation are listed.

  Also, thanks to the organisational chart, which can be consulted by all employees through the corporate Intranet, one can always know the hierarchical relationship of each employee in the company, as well as his/her position within the organisation, ensuring the separation of duties and responsibilities.

  It is the Management of Technology, Organisation and Projects who is responsible for maintaining the organisational charts up-to-date and available through the corporate Intranet for the whole company.

  Additionally, the lines of authority and responsibility are reflected in the application of risk management in the Company, which documents and identifies the responsibilities of the various organisational units, the organisational structure of the Company and the position of employees within said structure.

  Finally, coinciding with the closing of the year, the Assistant General Manager for Finance prepares a planning process to prepare the financial information, determining the tasks assigned to each manager and the key dates. Such planning is documented and distributed to the managers who are involved in the process, after having submitted it to the Management Committee and received their approval.

- *Code of conduct, approving body, degree of dissemination and instruction, principles and values included (indicating whether there are specific mentions to the operations registry and the preparation of the financial information), the body responsible for analysing breaches and proposing corrective or disciplinary action.*

  VidaCaixa has drawn up and published a Code of Ethics, which applies to all employees who form part of the insurance Company, and was approved by the Board of Directors. All employees are required to know *it and act according to the guidelines contained therein, applying them in the performance of their duties.*

The Code of Ethics was updated in July 2014, with the approval of the Board of Directors, who must also approve successive changes that occur in the said code.

The Code of Ethics is available to all employees through the corporate Intranet which does not require a written subscription. Moreover, it is also accessible at all times via the website of the Company for all customers, shareholders and the market in general.

The Code of Ethics contains patterns of conduct and principles, including the recording of operations and the preparation of the financial information. The most prominent are compliance, integrity, honesty, respect, excellence, social responsibility and relations with stakeholders based on transparency, ethics and confidentiality

In 2014 specific training was given on sensitive issues included in the code, such as money laundering and the Data Protection Act. Expanding training on other important aspects is not ruled out in the future. Also, Human Resources provide all new employees with the Ethical Code and they undergo a training course in which they are informed of the main values contained in the Code and its mandatory compliance.

Additionally, there are other rules governing the conduct of employees on specific issues. These are:

- *Internal Code of Conduct in the Securities Market environment (ICC)*

  The Company has two Internal Codes of Conduct, one as an issuer of securities and another as a pension fund manager, which are applicable to all persons related to the Company who undertake activities related to the Securities Market. Both Codes were adopted by the Board of Directors.

  The people subject to the abovementioned Internal Codes of Conduct must formally subscribe to them.

  Their aim is to ensure that members of the Company comply with the regulations regarding conduct in the Securities Markets.

  Both Codes cover such aspects as operations carried out by people on their own behalf who are subject to them, the possession of inside information and conflicts of interest.

  The Board of Directors appointed a Monitoring Body to oversee the application of these Internal Codes of Conduct, namely the involvement of staff, analysing and prioritising infringements and proposing sanctions, informing the Board of Directors and the Audit Committee to any situation or relevant change.

- *Telematic Code of Conduct*

  Since June 2014 VidaCaixa has a Telematic Code of Conduct mandatory for employees who develop conduct and best practices related to the access to data and information systems of the Company. All employees must know and accept the Code of Conduct, and are obliged to communicate via email to Human Resources that they have read them.

- *Action policy in Anti-Corruption matters*

  In July 2014 the Board of Directors of VidaCaixa issued its action policy regarding anti-corruption. This policy applies to all employees, directors and members of the Governing Bodies of the company. It *aims at preventing both the Company and other persons from falling within its scope, engage in conduct that would be contrary to statutory provisions or the basic principles mentioned in this Policy*

- *A reporting channel that allows communication to the Audit Committee on irregularities of a financial or accounting nature, as well as breaches of the code of conduct and irregular activities in the organisation, reporting, where necessary, if this is of a confidential nature.*

  In July 2014 VidaCaixa issued an Internal Code to regulate a Consultation and Complaints communication channel regarding possible breaches that may occur with respect to what is set out in VidaCaixa's Code of Ethics, the internal policies mentioned in said document or about financial irregularities and accounting. This Regulation replaces the previous procedure for reporting breaches of the Code of Ethics.

  This Code refers to the channels designed for use by employees and by people subject to the Code of Ethics. Customer complaints are channelled through specific customer channels created for that purpose

  All reports must be made by filling in a form which should be taken to the Channel Management Area and handed in or by signed certified mail. This area is responsible for receiving reports, direct them if necessary to the person responsible for the code or policy to which the complaint relates and track the response process. The Channel Management Area consists of the head of the Department of Quality and BSC and the Head of the Analytics Department.

  As stated in the internal Rules, the communication channel ensures confidentiality of reports, guaranteeing the reservation of the identity of the person who makes the report, as his/her identity is never revealed, in any case, to the reported person. The name of the person who makes the report will only be provided to those Areas for which this information is indispensable to carry out the investigation, and always with the person's consent.

  No reports were received by the Channel Management Area in 2014.

  Finally, the Company established an Ethics Committee, which assumes the functions of supervising the Management of the Channel, takes decisions regarding inquiries and reports raised and informs the Governing Bodies and Management (General Manager and Board of Directors).

- *Periodic training and refresher courses for personnel involved in the preparation and review of the financial information, as well as in the evaluation of the ICFR, which cover at least accounting standards, audit, internal control and risk management.*

  VidaCaixa's plan envisages continuous training of personnel involved in the preparation and review of the financial information in the fields that are necessary for the performance of their duties.

  In 2014 the training plan covered the following areas of knowledge highly related to ICFR, including other areas with lesser relationship:

  - *Accounting*
  - *Risk Management and Internal Control*
  - *Solvency II*
  - *Legal and Fiscal*
  - *Internal Audit*

  This training, totalling 1,520 hours, was mainly given externally to a *total of 330 employees from different functional areas but mostly to personnel from the Economic-Finance, Legal and Internal Audit areas as well as the Technical-Actuarial and Senior Management Areas.*

Additionally, the Economic-Financial area is subscribed to a number of publications and Newsletters that describe developments in legal matters and rules in the accounting, financial and actuarial fields, which allow personnel to keep abreast of developments that may affect the financial information.

Lastly, VidaCaixa offers a platform for e-Learning, Aulaforum, which enables the distribution of the training plan through online courses where employees can be trained in the areas they consider useful and interesting.

F.2 Evaluation of risk of the financial information

Reports on at least:

F.2.1. What are the main characteristics of the risk identification process, including those of error or fraud in relation to:

- *Whether a process exists and is documented.*

  The company has an identification and risk management process that falls within the framework set up at a CaixaBank Group level.

  This process is carried out on a continuous basis, at least once a year and when faced with relevant changes: The Company carries out an identification and evaluation of risks inherent in each process. Once the importance of the risk is established, the degree and frequency of a more appropriate control to manage them is determined, taking into consideration the critical level of the affected process.

  All the processes, risks and controls identified are documented and are safely and efficiently accessible based on a computer application of ad hoc Risk Management that supports the risk management and internal control system.

- *Whether the process covers all the financial reporting objectives, (existence and occurrence; integrity: assessment; presentation, breakdown and comparability; and rights and obligations), and whether it is updated and how often*

  The risk identification process covers all financial reporting objectives by identifying risks that may affect the reliability of the financial information. The process also includes the risk of internal and external fraud.

  The identification of these risks falls within the normal process of risk identification of the Company as mentioned above.

- *The existence of a process of identification of the scope of consolidation, taking into account, among other things, the possible existence of complex corporate structures, instrumental or special purpose companies.*

  The Company periodically analyses its corporate structure and when there are changes to it. Currently it does not have complex structures, instrumental or special purpose companies.

- *Whether the process takes into account the effects of other types of risks (operational, technological, financial, legal, reputational, environmental, etc.) insofar as they affect the financial statements.*

  In addition to the risks related to ICFR, other types of risk are detected: credit risk, actuarial risk, operational risk, technological risk, market risk, compliance risk, strategic risk and reputational risk, among others.

- *Which governance body of the Company oversees the process?*

  The process is overseen by the Audit Committee, which is informed of the tasks to be undertaken with regard to the risk map

F.3 Control activities

Report, pointing out its main characteristics, if it has at least:

F.3.1. Procedures for reviewing and authorising the financial information and the description of ICFR to be published in the securities markets, stating who is responsible, as well as documentation describing the flows of activities and controls (including those addressing the risk of fraud) of the different types of transactions that may materially affect the different financial statements, including account closing procedure and the specific review of judgments, estimates, assessments and relevant projections.

- *The professional profile of the people involved in the process of reviewing and authorising the financial information is adequate, with extensive knowledge and experience in accounting, auditing and risk management, for which it has sufficient and appropriate technical and computer resources.*

  The procedures for reviewing and authorising the most relevant financial information carried out by Senior Management focus on tasks of reviewing the periodic closing of accounts, analysis of deviations, analysis of special operations, monitoring the work carried out by the external auditor, monitoring and validating the process of preparing the annual accounts and the information contained therein and other regulated reports.

With regard to the monitoring procedures conducted by the Audit Committee, the most important are the revision of the operation of the controls implemented on financial reporting, the monitoring of the process of preparing and presenting the regulated financial information, the monitoring of the work carried out by the auditor during the review of the financial accounts and the review of the work performed by the Internal Audit of the Company.

Finally, the procedures performed by the Board of Directors focus on the revision and preparation of the annual accounts, the review and approval of the Annual Report on Corporate Governance and the review and approval of the Annual Report on the Effectiveness of the Internal Control.

Additionally, the Company established control, revision and authorising mechanisms of the financial information:

- *The first level comprises the same departments that manage the products and transactions that give rise to the financial information, which by operating in a highly integrated and mechanised system ensure the correct allocation of the balances generated in accounts.*

- *The second level of control is composed of the Accounts Department that is responsible for verifying the correct operation of applications and accounting outputs in accordance with established financial circuits and current accounting regulations.*

- *The third level is the risk control function, which guarantees the uniformity of the internal control model of the Company and assesses that the practices and processes developed in the Company to prepare the financial information guarantee the reliability and conformity of the financial information with the applicable regulations.*

- *ICFR monitoring: The Audit Committee is the body responsible for overseeing the ICFR. Its activity consists of ensuring its effectiveness, obtaining sufficient evidence of its proper design and operation, which requires assessment of the process of identification of the risks that may affect the reliability of financial information, verification that controls are in place to mitigate risks and check that they work effectively.*

"Other information of interest" continues in Section G

F.3.2. Policies and procedures of internal control over information systems (among others, over access security, control of changes, operation thereof, operational continuity and segregation of duties) that support the relevant processes of the Company in relation to the development and publication of the financial information.

The main policies and internal control procedures for information systems supporting relevant processes of the Company in relation to the preparation and publication of the financial information are:

- *Access control and segregation of duties: Policy and procedures for controlling access to information systems (high and low formalisation of users, identification and authentication of users, password policy, access profiles).*

- *Set ups and modifications of applications: Methodology of the life cycle of software development, project management procedures and process for managing incidents and breakdowns.*

- *Backup: Backup Policy, performing backups, checking copies, data recovery: Getting information from backup copies, deleting and disposing of Information and backup storage.*

- *Operational Continuity: Contingency Plan, requirements and recovery strategies. General Continuity Plan.*

- *Incident management: Incident and breakdowns management policy, prioritisation of incidents, escalation and notification of incidents.*

VidaCaixa also has a "Regulation on information security and the Data Protection Act" that is available to all employees through the corporate Intranet, which is a formal statement of the rules to be met by people authorised to access information technology assets of the company.

Also, as mentioned above, VidaCaixa has had a Telematic Code of Conduct since June 2014 and that is mandatory for employees. This develops behaviours and best practices related to the access to the data and information systems of the Company.

Finally, it is worth mentioning that in addition to technological Contingency Plan, the Company has had a General Business Continuity Plan since 2014.

F.3.3. Policies and internal control procedures focussed on overseeing the management of outsourced activities to third parties, as well as the appraisal, calculation or valuation services commissioned from independent experts, which may materially affect the financial statements.

The Company has an internal standard, which was issued in September 2013, on management of suppliers and procurement and management of budgets, among other things. This sets out the internal control procedures applied by those responsible for managing proposals and supplier invoices.

All relevant subcontracting must first be approved by the Management Committee, where content and conditions are analysed and authorisation or rejection is given to such subcontracting.

Once the contract is drawn up, and prior to signature, the Legal Department reviews that contract. In order to sign the contract there is a system of approval required at different levels depending on the amount in question.

In the contract there are also SLAs (service level agreements) to enable the Company to carry out an appropriate risk level of the outsourced company through the design and monitoring of periodic checks. Management carries out continuous monitoring of these controls to ensure compliance of these SLAs as well as the competence and training of the supplier.

These internal control procedures and the regulations on supplier and procurement management and budgetary management, mentioned above, are applicable for outsourced activities and tasks performed by independent experts that could materially affect the financial statements.

In 2014 the activities commissioned to third parties related to valuations and calculations of independent experts relate mainly to:

- *Certain processes related to the Information Systems*
- *Certain processes related to Human Resources*
- *Certain services of Fiscal and Legal advice*
- *Certain processes related to the investment area*

F.4 Information and communication

Report, pointing out its main features, if there are at least:

F.4.1. A specific function in charge of defining, keeping accounting policies up-to-date (accounting area or department policies) and solving questions or disputes over their interpretation, maintaining a regular communication with those responsible for operations in the organisation, as well as an updated manual of accounting policies and communicated to the units through which the company operates.

The responsibility for defining the accounting criteria of the Company lies with the Accounting Department that is attached to the office of the Assistant General Manager for Economy and Finances.

The accounting criteria are defined through the financial circuits, with the Accounting Department and the areas involved in the product or operation in question collaborating in its production while taking into account the accounting rules. These financial circuits explain the route the information follows from the moment it is created to the point it is registered in the accounts and contains information on the administrative operations, the tax regulations and accounting criteria and rules applicable.

As an improvement in the ICFR in the Accounting Area in 2013, the department of Analysis and Accounting Policies was created. It assumed the functions of solving accounting issues not covered in the circuits or showed doubts about its interpretation.

The accounting criteria are continuously updated with any new type of contract or operation or any regulatory change. The process is characterised by the analysis of all new events that may have financial impacts. The revision is done jointly by the different areas involved in the new events. The findings of the revisions undertaken are transferred and implemented in different financial circuits and, if necessary, in the various documents that make up the set of accounting documents.

F.4.2. Mechanisms for collecting and preparing the financial information in standard formats, for application and use by all the units within the Company or Group, which support the main financial statements and notes as well as detailed information concerning ICFR.

For accounting the Company uses a centralised application, which collects and consolidates accounting information generated by the different units and applications of the Company. The application processes this information and prepares the financial statements and detailed accounting information with all necessary breakdowns from which the annual financial statements are made. The application is adapted to the accounts plan set up by the General Accounting Plan for Insurance Companies.

The dumping of information between applications is done through accounting interfaces, ensuring the correct dumping of information through technological controls established for this purpose.

It should be pointed out that in 2014 the integration of the Banca Cívica life insurance companies into VidaCaixa was completed. The integration was progressive within the company's own processes and the information was integrated into the different applications.

F.5 Monitoring the working of the system

Report, pointing out its main features, at least:

F.5.1. The monitoring activities of the ICFR undertaken by the Audit Committee and whether the company has an internal audit function whose competencies include supporting the committee in its task of supervising the internal control system, including ICFR. Similarly there will be a report on the scope of the ICFR evaluation made during the fiscal year and the procedure by which the person in charge of performing the assessment reports his results, whether the company has an action plan detailing possible future corrective measures, and whether its impact on the financial information was considered.

Conducting ICFR monitoring activities by the Audit Committee is based on overseeing the follow-up of the operation controls of ICFR and, as its own statute indicates, the "monitoring of the effectiveness of the internal audit" in the tasks affecting ICFR.

The Company has an Internal Audit Department, which supports the Audit Committee in its overseeing of the internal control system operation.

The operation of the Internal Audit of the Company reports directly to the Managing Director.

All the activities of planning, execution of duties and monitoring of recommendations are made in coordination with the Corporate Audit Department of CaixaBank. This way ensures that the Company is in line with the methodologies and applicable uniform criteria to all the CaixaBank Group

The main activities of Internal Audit are to develop and maintain an audit plan based on the risk map of the Company, make an action plan for each audit where recommendations are formulated based on the work carried out in implementing the plan and verify compliance of the recommendations made.

The said audit plan is approved by the Audit Committee and its content provides cover for the supervision of ICFR.

According to the audit plan, in 2014 Internal Audit reviewed the control environment on financial information as well as the actions taken to implement and improve ICFR to ensure the transparency and reliability of financial information published on the markets.

These audits review the operational processes regarding regulations and documented manuals as well as the suitability and application of the *controls that manage the identified risks. In particular, these audits include the evaluation of identified risks in the departments, the practices on the control environment, the effectiveness of the design and the operation of the controls.*

With the results of the audits, a closing meeting is held where the head of internal audit informs the audited areas of the recommendations made. Then the corresponding audit report is issued and its findings are reported to the Management and the VidaCaixa Audit Committee. The audit report includes the action plans proposed by the audited areas as responses to the recommendations made. Subsequently, from Internal Audit a follow-up of the developed action plans is carried out.

F.5.2. If there is a discussion procedure whereby the accounts auditor (in accordance with the provisions of the Technical Auditing Standards), the internal audit function and other experts can communicate to senior management and to the Audit Committee or the administrators of the Company the significant internal control weaknesses identified during the review process of the annual accounts or others that have been entrusted to them. It will also report on whether there is an action plan to correct or mitigate the weaknesses found.

The statute of VidaCaixa (Article 27) states that one of the functions of the Audit Committee is to, "Monitor the effectiveness of the internal control of the company, the internal audit, if any, and the systems of risk management as well as discuss with the auditors or audit firms any significant weaknesses in the internal control system detected during the audit." During the sessions of the Audit Committee this function is fulfilled, thanks to the presence of the heads of the mentioned areas.

Senior management holds regular meetings with the auditor during the performance of the audit in which the weaknesses in control detected are reported and discussed.

Internal Audit, together with the audit report, analyses the action plan established by the areas audited in relation to the recommendations made, with the aim of determining the appropriateness of the actions taken to correct any identified deficiencies. Regular monitoring of these action plans is carried out by updating their status and reporting to the Audit Committee on the status of the proposed recommendations.

F.6 Other relevant information

The present ICFR information was audited by Deloitte S.L., who issued the corresponding report.

F.7 External audit report

It states:

F.7.1. If the ICFR information sent to the markets was submitted for review by the external auditor, in which case the Company should include the corresponding report as an Addendum. Otherwise, it should explain its reasons.

The present ICFR information was audited by Deloitte S.L., who issued the corresponding report.

G) OTHER INFORMATION OF INTEREST

If there are relevant aspects of corporate governance in the Company or in the Companies of the Group that have not been covered in the other sections of this Report, but are necessary to include to cover more comprehensive and reasoned information on the structure and governance practices in the Company or its Group, describe them briefly.

Any other information, clarification or details related to previous sections of the report may also be included in this section to the extent that they are relevant and not repetitive.

Specifically, it must indicate whether the entity is subject to legislation in corporate governance other than Spain's and, where applicable, include the information that must be provided and that is different from that required in this report.

The Company may also indicate whether it voluntarily adhered to other ethical principles or codes of good practice, whether international, sectorial or any other. Where appropriate, the entity must identify the specific code and the date of adhesion

A2 The company has a sole shareholder therefore there is no need to complete this section.

C.1.2. The information on Board Members refers to the year end. On July 10th 2014 the following Board Members resigned: Mr. Francesc Homs Ferret, Javier Godo Muntanyola and Juan María Nin, the latter as the Chairman of the Board. On the same date Mr. Gonzalo Gortázar Rotaeche was appointed Chairman of the Board of Directors.

C1.3. There are no Board Members who are administrators or occupy management positions in other companies that form part of the Group.

C.1.4. This section shows that in 2014 the number of female Board Members was 2. They were appointed on 10th July 2014.

C.1.6. This section applied the same criteria as in the paragraph on definitions to consider for section F regarding ICFR. The Managing Director is considered the chief executive of the company.

C.2.2. The information referred to in this section refers to the Audit Committee and the Nomination Committee. The company does not have a Remunerations Committee.

E3. Continuation of the section:

2. Liquidity Risk

Liquidity risk refers to the possibility that it may not be possible to disinvest from a financial instrument quickly enough without incurring significant additional costs or the risk associated with not having liquidity at a certain time to meet payment obligations.

The liquidity risk associated with the possibility of converting the financial investments of the Company into cash is not significant since the investments are generally traded on liquid markets, with the objective of maintaining such investments in portfolio until the maturity of the acquired commitment that is derived from insurance contracts.

3. Market Risk

This refers to the risk that the value of a financial instrument may vary due to changes in interest rates, exchange rates or price. The consequence of this risk is the possibility of incurring in unrealised latent capital losses in net equity or losses in the Profit and Loss account.

Regarding the interest rate, the Company establishes controls to verify that the established criteria are met.

Regarding the exchange rate risk, the Company has no assets with significant exposure in currencies other than the euro, different from those listed in this Report.

With regard to price risk, the Company is exposed to market risk primarily for its fixed income portfolio, and to a much lesser extent for the shares held in the capital of listed companies.

4. Actuarial Risk

The risks associated with the insurance business within the existing branches and models are managed through the development and monitoring of the technical evolution of the products.

That monitoring is determined and it defines the following established policies:

- *Subscription: This is based on the acceptance of risk depending on the principal actuarial variables (age, insured capital and duration of guarantee). In life insurance individual risk accumulation is measured and medical tests and financial questionnaires are requested according to the level of risk accumulation.*

- *Pricing: In accordance with the rules of the General Directorate for Insurance and Pension Funds, the rates for the life business are determined using the mortality tables allowed under applicable legislation. Similarly, interest rates used for pricing are applied in accordance with legal regulations in force.*

- *Definition and monitoring of the Reinsurance Policy: This sets up an adequate diversification of risk among several reinsurance companies with sufficient capacity to absorb unexpected losses. This brings stability to the results of claims.*

It is known that insurance companies assume risk from policyholders and mitigate these risks by acquiring insurance with reinsurers. Through the use of reinsurance, an insurer can reduce risk, stabilise solvency, use available capital more efficiently and expand underwriting capacity. However, regardless of the reinsurance obtained, the insurance company remains contractually responsible for payment of all claims to policyholders.

The company documents, by way of the reinsurance programme, clear procedures to implement the established reinsurance policy, which includes:

- *The specification of the types of reinsurance to subscribe to, the conditions and terms, and the aggregate exposure by type of business.*

- *The setting of limits on the amount and type of insurance that will be automatically covered by reinsurance, for example, obligatory reinsurance contracts.*

- *The establishment of criteria for acquiring optional reinsurance cover*

In this regard the Company sets limits on net risk retained by business line, for risk or for event (or a combination of both). These limits are justified on an assessment of the risk profile and the cost of reinsurance.

The internal control systems ensure that all the subscription is carried out in accordance with the reinsurance policy and the planned reinsurance coverage is correct, and that they are able to identify and report at any time if subscribers infringe the authorised limits, fail to comply with instructions or take risks that exceed the capacity of the capital of the Company and the reinsurance cover.

In short, the treatment of benefits, as well as the adequacy of provisions, are basic principles of insurance management. The definitions and monitoring of the above policies enables them to be modified, if necessary, in order to adapt risks to the global strategy of the Company.

E6. Continuation of the section:

3. Market Risk

With regard to market risk, which refers to the risk that the value of a financial instrument may vary due to changes in stock prices, interest rates or the exchange rate, the result of this risk is the possibility of incurring in decreases in net equity or in losses due to movements in market prices.

The Company periodically carries out several sensitivity analyses of their portfolios to market risk arising mainly from changes in interest rates. In this respect, a monthly check of the modified durations of fixed income portfolios associated with life business is undertaken.

The Company sets up a monthly check to verify that the criteria established by the Regulation and Supervision of Private Insurance and the Ministerial Order of 23/12/1998 (as amended) are met.

It must be verified that the guaranteed interest rate in each of the policies does not exceed what is established by law at all times, and the provisions of the General Directorate for Insurance and Pension Funds (DGSFP as per Spanish acronym), and if that were the case, it would proceed to financially protect them according to the methods established for that purpose by the DGSFP.

The derivatives management policy focuses basically on the management of interest rates. In this respect, the Company uses interest rate swaps to adjust the flow of investments to commitments arising from insurance contracts.

4. Actuarial Risk

In addition to monitoring the technical evolution of the products mentioned in the previous paragraph, it should be noted that the technical provisions are estimated using specific procedures and systems and that the quantification of technical provisions and the assessment of their sufficiency are made individually on a policy by policy basis.

F.3.1 Continuation of the section:

Internal Audit plans ICFR annual reviews in order to support the monitoring activity of financial information made by the Audit Committee of VidaCaixa and reports its opinion on controls implemented for the preparation and presentation of financial information.

With regard to activities and controls related to the different types of transactions that may materially affect the financial statements, it must be said that they are documented in the application of risk management of the Company, where the process is identified that squares the transaction, the risks that this affects and the controls in place that mitigate these risks. The updating of this information is ensured by an annually executed process and whenever there are relevant changes, which include the revision of the Company's processes, the identification and assessment of the risks inherent in these processes and, finally, the identification and assessment of the controls that mitigate the risks.

This information covers different types of relevant transactions that may materially affect the financial statements and cover the proper registration, valuation, presentation and breakdown of transactions in financial reporting.

VidaCaixa has an internal quarterly certification of key controls pertaining to ICFR, made by those responsible for these controls through the GDR Risk Management application, whose aim is to guarantee the reliability of the quarterly financial information coinciding with its publication on the market.

For this, each person responsible for the identified key controls must certify, for the set period, the effective implementation of the controls as well as the monitoring of judgements and applied estimates, in accordance with the CaixaBank Group internal standard on ICFR.

Following this process, the person in VIdaCaixa responsible for ICFR and the Assistant General Manager for Economy and Finances certify the effective *implementation of these controls. Finally, that certification is taken to the Management Committee and the Governing Bodies of the Company and is sent to CaixaBank. The CaixaBank Group ICFR incorporates the financial information of the companies in which it has stakes.*

In 2014 the process of internal certification of key ICFR controls was carried out and reported to CaixaBank in quarterly certifications without showing any significant incidents that could affect the reliability of financial information

Internal Audit carried out monitoring functions as described in paragraphs 5.1 and 5.2

As a regulated business, both the valuation of assets and liabilities are subject to regulatory limits, so the scope for making judgments, estimations and projections that may have a significant impact on the financial information is very limited. In 2014 there were no modifications in the criteria used for making judgments and estimations that significantly affect the financial statements.

However, there may occasionally be some discussions at Senior Management and the Management Committee level on certain projections, estimations and judgments used and, where appropriate, with third party reports.

The procedure followed in the Company regarding judgments and estimations is formalised in the "Revision and approval policy of Judgments and Estimations" that form part of the CaixaBank Group Internal Standard on ICFR.

In 2014 the principal judgements and estimations discussed were:

- *The valuation of certain financial instruments*
- *The valuation of accounting imbalances*
- *The valuation of goodwill and tangible assets*
- *The valuation of life insurance provisions*
- *The determination of tax on profits to be paid out and deferred taxes*

This Annual Report on Corporate Governance was approved by the Board of Directors or Governing Body of the Company at its meeting held on 26.03.2015.

Indicate the Board or Governing Body Members who voted against or abstained in connection with the approval of this report.

This Annual Report was unanimously approved.

ANNUAL REPORT ON EFFECTIVENESS OF THE INTERNAL CONTROL PROCEDURES OF THE CONSOLIDATED GROUP MADE UP OF VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS AND SUBSIDIARIES

2014 Financial Year

Scope

Pursuant to the current legal framework, a study and assessment was carried out of the internal control system of the consolidated group made up of VidaCaixa, S.A. de Seguros y Reaseguros, with Tax ID Code no. A-58.333.261 and its subsidiaries (hereinafter VidaCaixa, the Entity or Group), for the purpose of assessing the effectiveness of the implemented internal control procedures applicable to the consolidated group.

The entity declares in this report, given the provisions in article 110 of the Regulation on Administration and Supervision of Private Insurance (hereinafter ROSSP, for its Spanish initials), has an impact on the significant weaknesses detected and the implications of these, and proposes, where appropriate, the measures deemed suitable for correcting them.

Consequently, this report does not concentrate on the positive aspects of the procedures and controls that effectively operate in the Entity, nor on those modifications in the internal control system that may have been established after this report was issued.

The report must be considered in its entirety and conclusions must not be drawn through the partial use of or isolated parts of the same, the separate elements of which may lead to misinterpretations.

Introduction

At 31 December 2014, “la Caixa” is a shareholder of 56% of CaixaBank via Criteria CaixaHolding, and CaixaBank holds 100% of the shares of VidaCaixa.

The corporate purpose of VidaCaixa, Parent Company of the insurance group, is to perform life insurance and reinsurance operations, as well as other operations subject to the planning of private insurance, especially insurance or capitalisation operations, the management of collective retirement funds, pensions and any others approved by the Law on Administration and Supervision of Private Insurance, its Regulations and provisions that complement those to which the Company is subject, once the requirements set forth therein have been fulfilled.

VidaCaixa acts as the parent company of the consolidated group, which consists of VidaCaixa itself, 100% of AgenCaixa S.A. Agencia de seguros, 100% of VidaCaixa Mediación, Sociedad de Agencia de Seguros Vinculados, S.A.U and 77.68% of Grupo Asegurador de la Caixa, A.I.E. Also, it holds 49.92% of shares in SegurCaixa Adeslas, S.A. de Seguros Generales y Reaseguros, an entity that operates in the non-life insurance branches.

Management of risks

The group continuously identifies and assesses the inherent risks, establishes the importance of each of them, and determines the priority and frequency of control most suitable for their management.

Internal control system

The Group has always maintained a rigorous internal control system that is based on the applicable regulations and is applied throughout its entire structure.

Thus, VidaCaixa has adhered to UNESPA's Guidelines on Good Practices for Internal Control since its publication and remains aligned with the policies and methodology established at the level of the CaixaBank group.

Art. 27 of the Company's By-laws define the Audit Committee. Its competences include supervising the effectiveness of the company's internal control and the internal audit and risk management systems, as well as discussing with the account auditors or audit companies the significant weaknesses of the internal control system detected when carrying out the audit, and supervising the process of preparing and presenting the regulated financial information.

VidaCaixa has control and review mechanisms established at three levels:

- A first level comprising its own process management departments.

- A second level comprising the risk control function which guarantees the uniformity of the Entity's internal control model.

- A third level comprising Internal Audit, which plans annual reviews and reports its opinion on implemented controls.

On 24 July 2007, by virtue of the provisions in articles 110 and 110 bis of the ROSSP, and its subsequent update by means of RD 1821/2009, of 27 November, the Board of Directors of VidaCaixa, as the Entity's foremost decision-making body, established the general lines that govern the internal control procedures. Also, on 30 April 2009 they were updated and expanded with greater detail.

In particular, the group has the following specific control procedures applicable to the consolidated group:

- Presentation of consolidated annual accounts: in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, all companies governed by the Law of a member state of the European Union and whose certificates and obligations are the only values admitted for listing in a regulated market of any member state, must present their consolidated accounts for the financial year, in accordance with the International Financial Reporting Standards (IFRS), which have been ratified by the European Union. The entity follows these standards when drafting its consolidated annual accounts.

- Control procedures for the statements of cover of technical reserves and the consolidated solvency margin: the group prepares an annual budget of its main financial results and continuously monitors their progress.

Risk control

The entity has a Risk Control Department that periodically presents a description of the operation and results of the risk management and internal control system to the Audit Committee, and in particular, of the Internal Financial Information Control System.

Since 2009, the Entity has been regularly monitoring the effectiveness of the controls implemented in follow up to the Risk Control Department managers' monitoring of the key internal controls in the self-assessment system.

Internal audit

The group has an internal audit department that reviews the internal control procedures and issues reports on the fulfilment, effectiveness and detected deviations, at a frequency adapted to its own annual timetable and to the provisions of the Audit Committee.

All the detected incidents and formulated recommendations are reported to the Audit Committee and to Senior Management.

All the planning activities, the execution of jobs and monitoring of recommendations are performed in a coordinated manner by the different internal audit teams of the CaixaBank Group.

EXECUTIVE SUMMARY

By means of this executive summary, the entity's Board of Directors makes a record of the fulfilment of the current legal framework on internal control and, in particular, of the provisions in article 110 of the ROSSP, with the specific characteristics and precisions that are outlined below and safe from the previously specified restrictions.

Effectiveness and efficiency of the internal control system

On 31 December 2014, there was no specific control applicable to the consolidated group that presented significant shortcomings in its execution.

Reliability and integrity of the information

The Risk Control Department presents a description of the operation and results of the risk management and internal control system to the Audit Committee, and in particular, of the Internal Financial Information Control System.

The group's internal audit department reviews the internal control procedures and issues reports on the fulfilment, effectiveness and detected deviations.

The Audit Committee issues its approval and agrees its opinion on the individual and consolidated annual accounts to be formulated by the Board of Directors. Also, the Audit Committee is duly informed about the principal results and financial statements at the close of the financial year, as well as the audit work performed by the external account auditors and the information of the Entity's internal financial information control systems (SCIIF for their Spanish initials).

Risk analysis and management

The procedures implemented by the group allow for risks to be identified, evaluated, processed and supervised at the group level.

Compliance with regulations

The group's internal control system includes controls suitable for covering the main regulation compliance risks identified. The risk control department monitors the effectiveness of said controls in the framework of the system of periodic self-assessments by its managers.

The regulation compliance area of the CaixaBank Group supports and reinforces the work performed by VidaCaixa.

Also, there is a Legal Department that oversees compliance with the applicable regulations as part of its duty as legal advisor.

DEVELOPMENT OF DETECTED SIGNIFICANT INCIDENTS

At 31 December 2014, no specific control had been identified applicable to the consolidated group that presented significant shortcomings in its execution.

OTHER INFORMATION

In the 2015 financial year, the Group plans to continue improving the risk management and internal control systems, in order to extend the culture and environment of control to the whole organisation, maintaining the coordination and alignment at the level of the CaixaBank group at all times, as well as finalise preparations for the coming into effect of the Solvency II regulation in 2016.