VidaCaixa

2010

Annual report

Principal data for VidaCaixa Grupo in 2010

	2009	2010	%
Total assets	25,419	28,807	13%
Total managed funds (not including IFRS adjustment)	31,051	33,917	9%
Premiums and contributions direct and accepted	4,951	6,138	24%
Life and Pension schemes	4,619	4,925	6%
Non-life	332	1,213	280%
Net Consolidated Profit for VidaCaixa Grupo	208	249	19%
In figures			
Private customers	3,407,035	5,857,125	72%
Corporate customers	45,687	47,150	3%
Employees	911	2,634	189%
Market share			
Life Insurance (Managed savings)	13.4%	14.5%	1.1%
Private pension funds (consolidated rights)	15.6%	16.2%	0.6%
Health	0.6%	23.9%	23.3%

In millions of euros

2010

Annual report

Index

VidaCaixa

Ricardo Fornesa Ribó

Chairman of the Board of VidaCaixa Grupo

Letter from the Chairman of VidaCaixa Grupo

In 2010 VidaCaixa Grupo consolidated itself as the leader in complementary social welfare and, after the integration of Adeslas, also took over the leading position in healthcare, thereby becoming the second largest insurance group in Spain.

With premiums and contributions of 6,138 million euros and 34,000 millions in managed funds, VidaCaixa Grupo reached a net profit of 249 million euros, a growth of 19.5% over that in 2009. These excellent results, the largest in the Group's history, are a direct result of the good behaviour of all our business lines –life and pensions, healthcare, home, automobiles and accidents- in spite of the unfavourable economic situation and the sluggishness in growth the whole insurance sector underwent.

In the commercial area, our savings business experienced a rise of 6.9% with an outstanding growth in annuities and guaranteed pension plans. Our risk business soared by 126% where healthcare stood out by achieving a full 76% of the market growth in 2010.

The quality of VidaCaixa Grupo's products and services, together with the commitment and excellence of the 2,634 professionals that make up the Group led to almost 6 million customers placing their trust in us in 2010.

The attainment of those objectives would not have been possible without the alignment of the strategy and the organisation with the values of VidaCaixa Grupo -Trust, Quality, Dynamism and Proximity- and our commitment to our stakeholders.

Here it is worth pointing out that VidaCaixa Grupo continued making inroads in effecting their corporate responsibility. Among the principal acts undertaken, the following are noteworthy: the advancement in the United Nations Principles for Responsible Investment (PRI), the innovation of new insurance and social welfare products, the extension of the 9001 quality certification to dental clinics, the development of events that contribute to the improvement in the workplace of our professionals, the involvement of our employees in social and environmental acts and the implementation of measures to mitigate the impact on the environment.

The brilliant results obtained in this exercise are expected to continue over time through the implementation of the new 2010-2015 Strategic Plan, the great project of the Company. The lines to guarantee our future growth are: strengthening our main business, identifying and pinpointing new opportunities in the growth of high potential businesses in which VidaCaixa Grupo have still not reached a dominant position, and finally, optimising sales oriented synergies derived from the integration of Adeslas.

The enormous capacity of VidaCaixa Grupo to take on new challenges is clearly shown by the agreement with Mutua Madrileña. This will come into effect in the third quarter of 2011 and in it the Madrid-based company will acquire 50% of SegurCaixa Adeslas and will exclusively and indefinitely sell healthcare, home, automobile and the other non-life insurances through the more than 5,400 branches of "la Caixa" as well as the other channels of the Company. The agreement involves the handing over of Aresa, a Mutua Madrileña company selling health and death insurance with approximately 3% of the health insurance market.

VidaCaixa Grupo maintains its firm commitment to the non-life segment and the operation with Mutua Madrileña will intensify the development of the business enabling a greater and faster growth in this area.

Summing up, thanks to the implication, effort and commitment of all the professionals that form VidaCaixa Grupo, we were able to attain the excellent results we publish in this Annual Report, which I invite you to read. These results are sustained in our values, which have prevailed since our beginning and will continue to be the foundation to achieve our future successes.

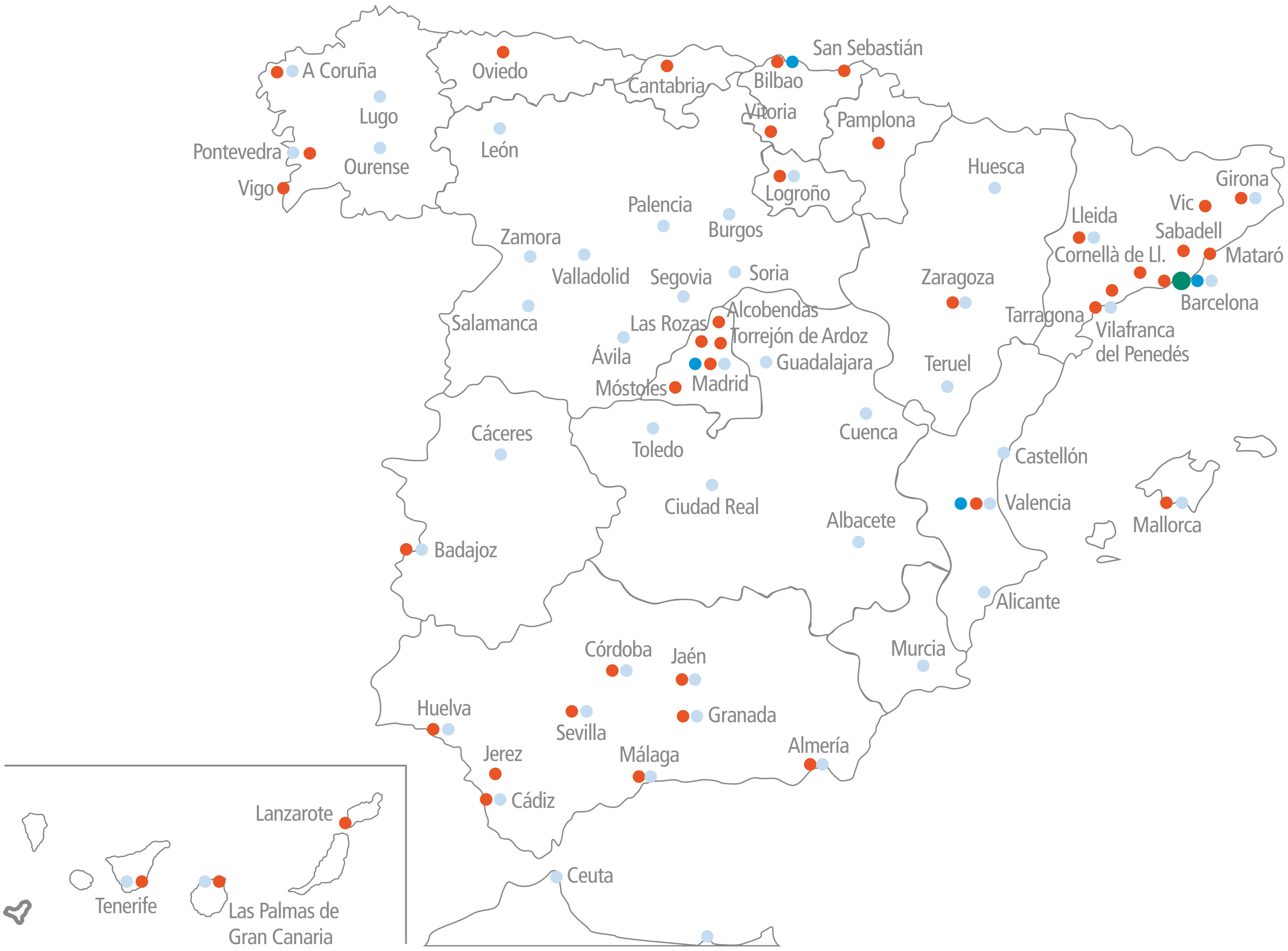
1

Introduction
to VidaCaixa Grupo

1.1 Companies that make up VidaCaixa Grupo

Holding Company	VIDACAIXA GRUPO, S.A.U. NIF A 60196946 Juan Gris, 20-26 08014 Barcelona Tel. 93 227 87 00 Fax 93 298 90 05 www.vidacaixa.com
Insurance Companies	VidaCaixa, S.A. de Seguros Generales y Reaseguros NIF A 58333261 www.vidacaixa.com VidaCaixa Adeslas, S.A. de Seguros y Reaseguros NIF A 28011864 www.vidacaixa.com
Branch organisation and other	AgenCaixa, S.A., Agencia de Seguros VidaCaixa Grupo NIF A 78662319 www.agencaixa.com
Shared Services	Grupo Asegurador de “la Caixa” Agrupación de Interés Económico NIF V 58263831
Headquarters	Juan Gris, 20-26 08014 Barcelona Tel. 93 227 87 00 Fax 93 298 90 05
Call Center and webpage	Customer Service Helpdesk: 902 10 15 15 “la Caixa” Branch Office Helpdesk: 902 20 11 11 Corporate Webpage: www.vidacaixa.com

1.2 Territorial Organisation



Headquarters VidaCaixa Grupo

AgenCaixa Delegation

VidaCaixa Previsión Social Delegation

VidaCaixa Adeslas Delegation

1.3 Milestones in the history of VidaCaixa Grupo

1992	Signature of the Joint Venture agreement between "la Caixa" and Fortis. CaiFor's foundation and celebration of SegurCaixa's 50th anniversary.
1993	Setting up SegurCaixa Hogar, the multi-risk insurance that today provides insurance cover to more than 670,000 Spanish households. VidaCaixa tops the Spanish life-insurance ranking based on its mathematical provisions.
1994	AgenCaixa, the advisor network of the CaiFor Grupo, initiates its now widely developed activity.
1995	VidaCaixa launches Seviam Abierto, the life-risk insurance linked to loans that today has more than a million policy holders.
1996	CaiFor sets up its insurance Call Center, a department that unified all the then existing telephone assistance platforms in VidaCaixa and SegurCaixa.
1998	SegurCaixa rolls outs its accident insurance, which today has more than 130,000 policyholders, with SegurCaixa Personal.
1999	CaiFor moves to its present ultra-modern headquarters in Plaza Cerdà, Barcelona.
2000	The Balanced Scorecard, the management tool of the Group, gets under way.
2001	CaiFor goes into the health insurance business with VidaCaixa Salud. At present there are 80,000 policyholders.
2002	VidaCaixa is a major player in the externalisation of the pension plan commitments of Spanish enterprises.
2003	VidaCaixa acquires Swiss Life (España) and launches VidaCaixa Previsión Social, its division specialising in company employee benefit plans.
2004	VidaCaixa acquires SCH Previsión and integrates all the group and company business.
2006	CaiFor awarded the prestigious "Balanced Hall of Fame" award for its excellent management model based on the Balanced Scorecard.
2007	In April, SegurCaixa launches SegurCaixa Auto, the Group's Automobile insurance product, which now has more than 170,000 policies.
2009	In February 2009, Caifor changed its name to SegurCaixaholding. In October the acquisition of Adeslas was agreed.
2010	Adeslas was integrated into VidaCaixa Grupo structure and developed a multi-channel, multi-branch and multi-segment model, giving rise to the creation of an insurance Group with 6 million customers.

Note: In January 2011 SegurCaixa Holding S.A., became VidaCaixa Grupo, S.A.

1.4 Shareholder structure of VidaCaixa Grupo

VidaCaixaGrupo –previously known as SegurCaixa Holding and before that as CaiFor– was set up in December 1992, following the signature of a Joint Venture agreement between "la Caixa", the savings bank Caja de Ahorros y Pensiones de Barcelona, and Fortis, the Belgian-Dutch bancassurance group.

On 11th July 2007, Criteria CaixaCorp, S.A., acquired the full stake that Fortis had in CaiFor, S.A., thus owning 100% of the shares. In February 2009, and in response to the new shareholder structure, CaiFor changed its name to SegurCaixa Holding.

On 7th June 2010, Criteria Caixa Corp, S.A. acquired, through SegurCaixa, 99.77% of the share capital of the Adeslas Insurance Company, the foremost insurance company in the Spanish insurance healthcare sector. This operation turned the Group into the undisputed reference in the Spanish life and health insurance sector.

At the end of December 2010, SegurCaixa Holding changed its name to VidaCaixa Grupo, S.A., and SegurCaixa did likewise to become VidaCaixa Adeslas, S.A. de Seguros Generales y Reaseguros. On June 30th 2011 the latter company changed its name to SegurCaixa Adeslas, S.A. de Seguros y Reaseguros.

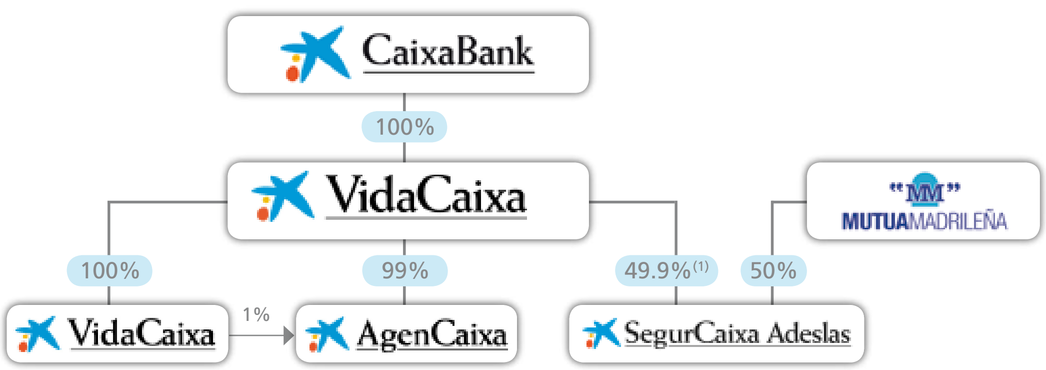
VidaCaixa is responsible for the design, marketing and management of life insurance and pension funds. The company offers its range of products to private individuals as well as corporate clients and currently manages some 34,000 million euros. It is the leader of complementary social welfare on the Spanish market.

SegurCaixa Adeslas deals with non-life insurance and is responsible for its design, marketing and management. It also undertakes the management of the most extensive assistance network on the market. With more than 6,137 million euros in premiums, the company is the market leader in healthcare insurance, which is offered to both private individuals and companies.

Lastly, AgenCaixa is made up of over 400 sales advisors who carry out their work from their own branch office network. They advise customers and sell all the products and services of the Group, especially among the self-employed, micro companies and SMEs.

On July 14th 2011 an agreement was signed between Mutua Madrileña and CaixaBank, by which the Mutua acquired a 50% stake in SegurCaixa Adeslas and handed over Aresa Seguros Generales.

The new company structure as of 14th July 2011



(1) There is an 0.08% of minority shareholders.

List of the distribution channels of VidaCaixa Grupo

VidaCaixa offices	Offices owned by VidaCaixa (former Adeslas offices). Local VidaCaixa offices (former franchised Adeslas offices) fully devoted to VidaCaixa products.
"la Caixa"	Bancassurance channel.
Insurance Agents	Agent *Monorramo*: A broker channel exclusively selling healthcare insurance. Present channel owned by Adeslas. Agent *Multirramo*: A broker network selling VidaCaixa's multi-line insurance products. Initially agents from Adeslas's own channel.
Brokers and local Multi-company offices	Independent sales professionals selling multi-brands through specific deals with several companies.
Industrial Operators	Agreements to sell Adeslas healthcare insurance through insurance companies and banks that do not have their own healthcare insurance products to offer to their customers.
AgenCaixa	AgenCaixa represents a strategic channel for the Group, as much for the volume of business the Insurance Managers bring in as for the information they transmit to the Company about the positioning of the offer and the catalogue of products.
Mediators	VidaCaixa Previsión Social works and collaborates with a significant number of mediators who report to specific business areas.
VidaCaixa Previsión Social	This is a group of professionals specialised in the marketing, management and administration of pension plans and insurance.

1.5 Governing Bodies

VidaCaixa Grupo

Chairman	Ricardo Fornesa Ribó**
Vice-Chairman	Jorge Mercader Miró
Chief Executive Officer	Tomás Muniesa Arantegui*
Board Members	Joan María Nin Génova* José Vilarasau Salat Manuel Raventós Negra*** Javier Godó Muntañola Miquel Valls Masseda**** Inmaculada Juan Franch (Joined 13/01/11) Guillaume Sarkozy de Nagy-Bocsa (Joined 13/01/11) Miquel Noguer Planas*** (Joined 13/01/11)
Secretary	Adolfo Feijóo Rey
Vice-Secretary	Raúl Ros Parellada
Management	Managing Director of VidaCaixa Grupo Mario Berenguer Albiac

* Member of the Executive Commission of the Board of VidaCaixa Grupo.
** Chairman of the Executive Commission of the Board of VidaCaixa Grupo.
*** Member of the Auditing Committee of VidaCaixa Grupo.
**** Chairman of the Auditing Committee of VidaCaixa Grupo.

1.6 Management of VidaCaixa Grupo

Management Committee

Chief Executive Officer	Tomás Muniesa	
Managing Director	Mario Berenguer	
Executive Assistant Managing Director	Javier Murillo	
Assistant Managing Directors	Jordi Arenillas	Economic-Financial
	Ernesto Moreno	Investments
	Eduardo de Quinto	Chief Corporate Officer
	Teótimo Sáez	General Secretariat
	Antonio Trueba	Commercial

Directors

Enrique Abad	Healthcare
Edward Condie	Automobiles
Miquel Donoso	Information Technology
Rafael Escalona	Economic-Financial
Jesús María García	Organisation and Human Resources
Rocío Gutiérrez	Business Intelligence and Brand
Carlos Hernández	Sales
José Antonio Iglesias	Marketing and Segment development
Carlos Lorenzo	Companies
Marta Marrón	Operations and Customer Care
Josep Montañés	Life, Pensions and Private Estates
José Luis Pardo	Hospitals
Marc Puig	Corporate Development and Quality

Area Directors

Luis Ballester	AgenCaixa Channel
Mª Victoria Castellot	Solvency II
Begoña Díaz-Meco	Services
Alejandro Fernández-Cid	Development Agency Channel
Francisco Fuentes	After-Sales Customer Service
Carlos García	Business Intelligence
Fernando Gismera	Sales Madrid Companies
Ramón Godínez	Human Resources
José Luis Guillén	Administration
Enrique Hurtado	Internal Audit
Eduardo Martínez de Aragón	Pension Fund Management
Rosa Mª Moliner	Control & Adm. Invest. & Pension Funds
Ana Mª Pérez	Management Automobile Claims
May Plana	Legal-Fiscal
José Mª Polo	Life and Pensions
Esther Pujol	Life and Pensions Services
Carlos Quero	Clients Madrid Companies
Javier Reverter	Integration Office
Ramón Roca	"la Caixa" Channel
Roberto Roig	Clients Barcelona Companies
Alicia Sánchez	Assistance Management
María Segovia	Organisation
Assumpta Sentías	Sales Barcelona Companies
Alfons Sesé	Non-Life Large Enterprises
Alberto Sisí	Insurance Systems

2

Developments in the environment and the sector

2.1 Introduction

The total funds managed in the life insurance sector rose by 1.9% in 2010

Throughout 2010 the international economic situation was characterised by a certain recovery to the levels prior to the deceleration experienced at the end of 2007, although this growth was different from country to country. This economic recovery was felt mostly in Japan, then in the USA and then in Europe. In spite of this, market tensions were kept bubbling due to the debt crisis in Greece, whose effects extended to Portugal and the rest of the peripheral European countries. Proof of this was the evolution of the differential of sovereign bonds of the peripheral countries against the German bond, which started in August. As far as interest rates are concerned, these remained low just like in 2009, mostly as a result of the uncertainties about the sustained recovery of the economy. The overall behaviour of the securities market moved towards recovery, although this was less than in 2009.

In Spain the economic evolution doggedly continued to behave worse than most OECD countries. The main figures, i.e. GDP, the number of unemployed and the fiscal deficit, deteriorated in comparison to the previous two years.

In this situation, total premiums for the Spanish insurance sector fell by 3.8%, which in fact comes to 57,587 million euros. Of these 45% affected life business and 55% non-life business. This behaviour entailed a downturn in the evolution of the sector because even in 2009 there was an increase of 1.2% despite the crisis.

In life business there was a drop of 8.4% with respect to the volume of managed funds in 2009: risk business grew by 2.8% and savings contracted by 10%. This is essentially due to several factors: the stagnation of the second pillar in our country, the aggressive competition among financial entities to attract deposits and lastly, the economic uncertainty linked to the high rate of unemployment. All of this brought about a change in tendency with respect to the last few years in which life business had growth rates of 15.3% in 2008 and 5.7% in 2009.

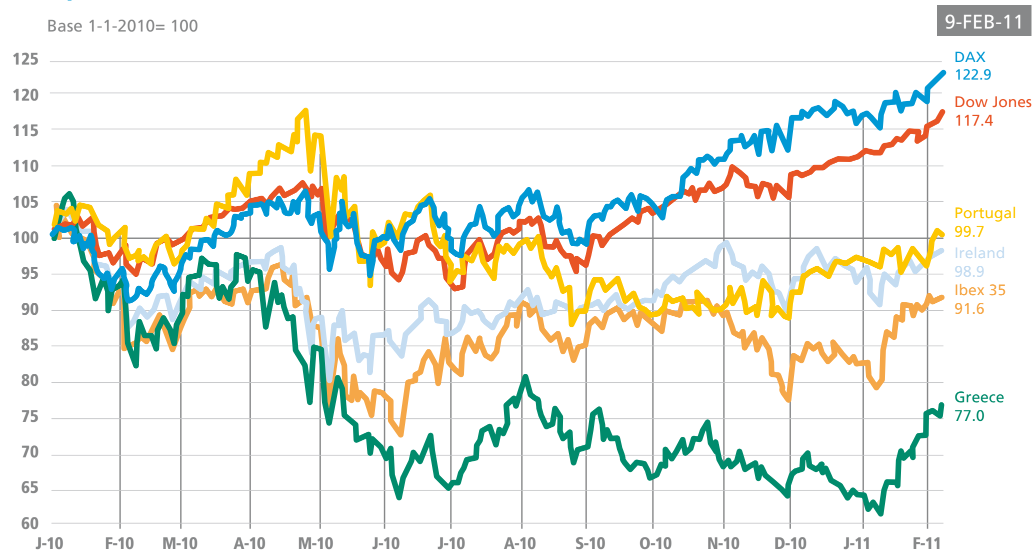
The total funds managed in the life insurance sector rose to 146,633 million euros, 1.9% more than in 2009, although they conducted themselves differently: The individual business grew by 3.4% and group business fell by 1.1%.

In the non-life area, the amount of managed funds was 31,819 million euros, in line with that of the previous year, although this was a downward trend as the 2009 non-life market contracted by 2.5%. As regards areas where growth did take place, health and multi-risk insurances achieved better results with increases of 4.2% and 3% respectively. The motor insurance area did well to moderate its fall and had a bearing on the general improvement in the non-life sector.

In pension plans, the volume of managed funds came to 84,757 million euros, similar to that of the previous year. This behaviour was mainly due to the revaluation of savings thanks to the favourable evolution of the financial markets and a 3% increase in pension plan contributions.

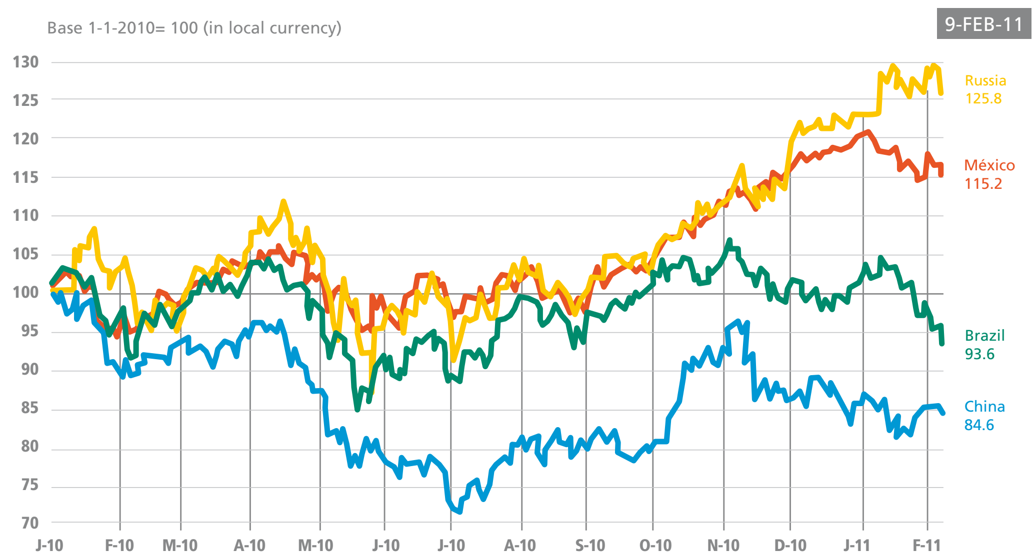
2.2 The economic situation and family savings

European stock markets & Dow Jones



Source: Study Services of "la Caixa"

Emerging stock markets



Source: Study Services of "la Caixa"

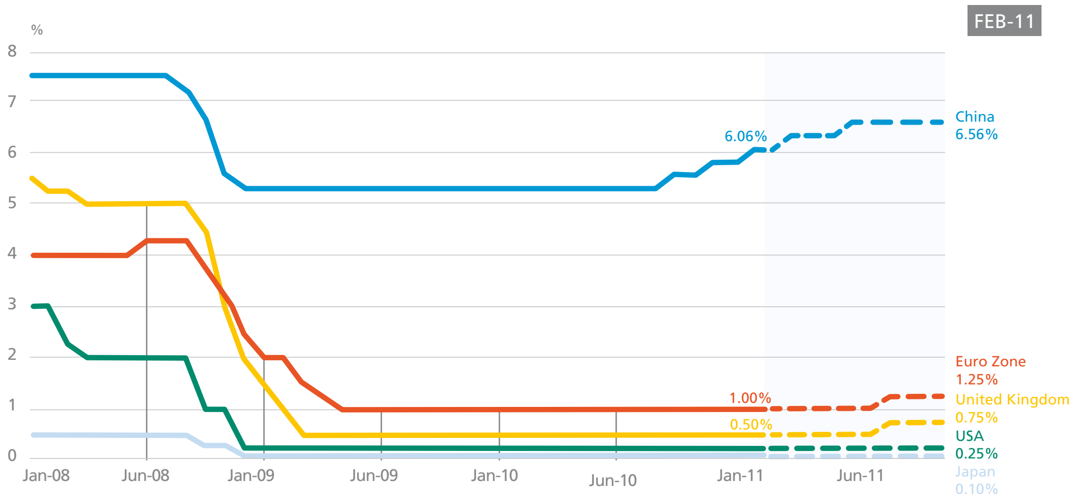
Stock markets

The evolution of the capital markets in 2010 was somewhat bumpy in different countries: the stock market indexes of countries like Germany, The United States, Russia, Mexico and Asian countries except Japan and China, recovered gradually, above all in the last quarter. However, the countries most affected by the crisis ended up with negative profitability. The unfavourable evolution of the stock markets, especially the Ibex-35, contributed to diminishing the value of savings managed in life-insurance and pension plans with stakes in variable income.

Interest rates

Throughout 2010, interest rates remained stable

Interest rates

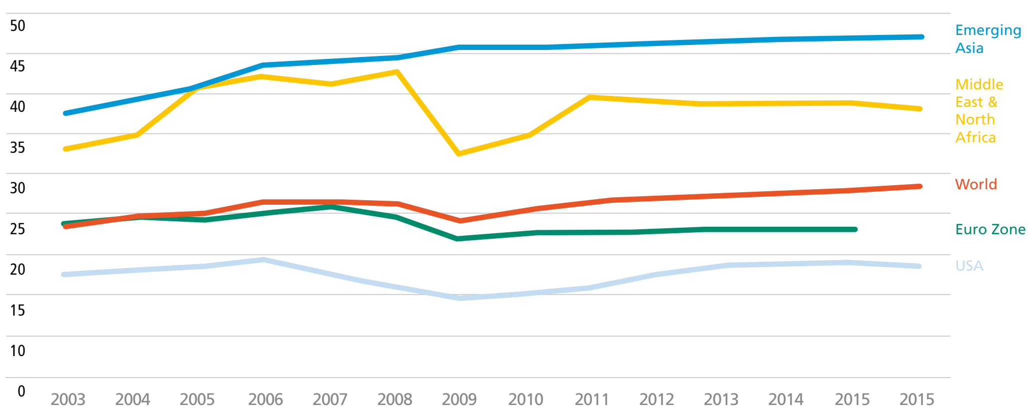


Source: Study Services of "la Caixa"

Maintaining interest rates was a constant task in 2010. The European Central Bank kept them at 1% and the Federal Reserve at 0.25% throughout 2010. The upward trend of long-term interest rates gave rise to opportunities to offer attractive profitability in long-term investment savings products such as annuities, guaranteed pension plans and pension plans, all of which invest long-term and enjoy better chances of remuneration for customers.

Family savings in Spain

Evolution of the savings rate



Throughout the first six months of 2010, the rate of family savings stood at similar levels to that in 2009, as a result of the drop in private consumption and investment in homes. This situation made it possible for the rate of family savings to reach historic highs as a knock-on effect of the crisis. On the other hand, the rate of family savings, understood as gross available income, fell to around 14% as a consequence of the bad employment figures and the fall in family income, as well as a slight rebound in consumption.

Savings in Spanish families went from 195,000 million euros in 1985 to 1.73 billions in 2010, a figure that represents 164% of the GDP. In 2010, the net flow of savings was 24,000 million euros, almost half of the amount in 2009.

Spanish family savings: funds managed 2010

	1990		2010 (e)		AverageAnnual Growth 10/90	Growth 10/90
	Millions €	%	Millions €	%		
Deposits	217,891	61%	855,000	49%	7%	3%
Variable income	44,021	12%	320,000	19%	10%	-12%
Investment Funds	7,941	2%	128,500	8%	15%	-13%
Life insurance	7,095	2%	146,633	8%	16%	2%
Pension Plans	3,215	1%	84,757	5%	18%	0%
Fixed income	25,523	7%	57,000	3%	4%	13%
Others	50,062	15%	139,610	8%	5%	-1%
TOTAL	355,748	100%	1,731,500	100%	8%	-2%

Source: ICEA for Life Insurance and Inverco for the rest. In millions of euros.

In the first six months of 2010, the rate of family savings stayed at the same level as in 2009, in the second half of the year they fell

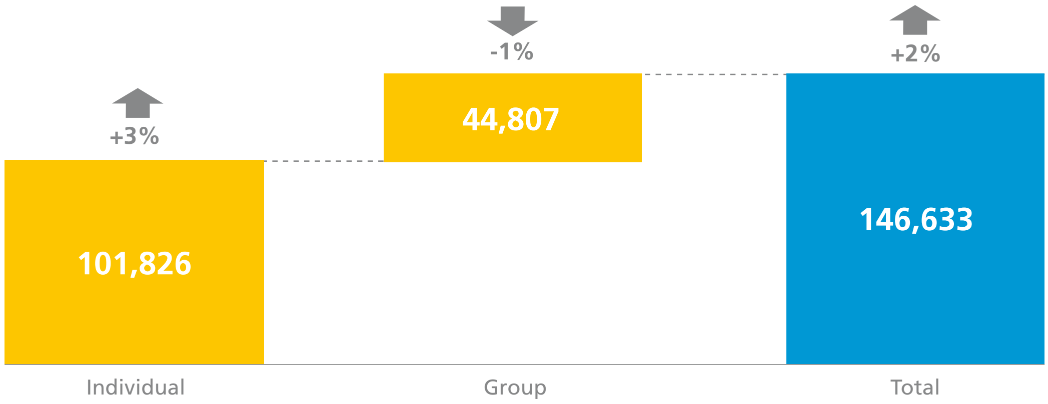
The behaviour of life insurance and pension plans was in line with that over the last few years. Both represent 13% of all family savings with year on year increments since 1990 of 16% for life insurance and 18% for pension plans. This means that along with investment funds, these are the products that accrued most growth in the long term.

In the other savings instruments, deposits head the table with 49% of family savings, which is in line with the trend over the last three years.

2.3 Evolution of the insurance and pension plan sector

Life insurance in 2010: Volume of funds managed

in millions of euros



Source: ICEA

Life insurance

In Spain, 32.8 million people are covered by life insurance. 71.1% of these have life-risk insurance and 28.8% have life-savings insurance

The amount of savings deposited in life insurance at the end of 2010 came to 146,633 million euros, which represented an increase of 1.9% over that in 2009. There was a certain sluggishness in the sector mainly due to the individual business, which only rose by 3.4% in 2010 as against 8.9% in 2009. The tendency to save in families in the second half of 2010 dropped slightly and there was some very strong competition from other savings instruments on the market.

For its part, group and company business continued its downward trend, just like in 2009, and ended up with an overall fall of 1.1%.

More than two thirds of all savings deposits, some 101,826 million euros, were directly related to individual insurance while the rest were deposits from group and company insurance.

In our country 32.8 million people were covered by life insurance of one sort or another, a figure similar to that in 2009. Of all the policyholders, 71.1% or 23.3 millions were covered by life-risk insurance and 28.8% or 9.4 millions had life savings insurance. Similarly, 24.5 million people were individual policyholders and 8.3 millions were group and company policyholders. The average savings managed per insured person stood at 15,013 euros, similar to the level in 2009. The group and company insured person had a higher average, some 25,847 euros, although this was a little below the figure for 2009. The average savings for individual insurance was 12,662 euros, slightly over that in 2009.

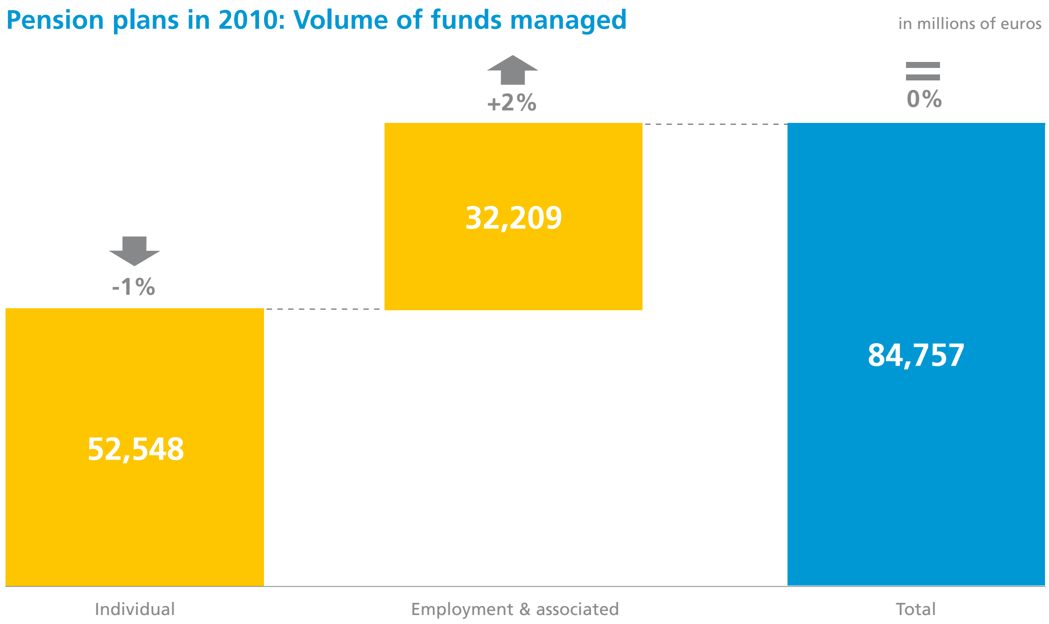
Likewise, the intrinsic activity of the life-savings insurance business, without taking into account the revaluation of reserves, threw up a negative result of 2,361 million euros. To this figure, which corresponds to the positive balance of the premiums, discounting surrenders and cost of services, we must add the revaluation attained by the mathematical reserves as a result of the evolution of the financial markets: 5.249 million euros. With this added on, the volume of savings in life insurance rose to 2,888 million euros, mostly due to the positive trend of the stock markets.

If we carry out a more precise analysis on a product by product level, we clearly see that the Guaranteed Pension Plans (or PPA as per the Spanish acronym) accumulated a total of 6,266 million euros, a noteworthy growth of 32.7% and reached a total of 621,700 insured people. This was the result of positive interest rate curves. The Individual Systematic Savings Pension Plans (or PIAS as per the Spanish acronym) also took off with the last fiscal reform and took in a total of 2,128 million euros in savings, a growth of 24.6% with respect to 2009, and had 546,170 policyholders. Lastly and worthy of note was the outstanding behaviour of annuities and temporary annuities that reached the figure of 2,836,681 policyholders, an increase of 2.4% with 73,130 million euros in mathematical reserves. This product offered excellent financial-fiscal conditions that, together with the favourable situation of long-term interest rates, turned it into the best supplement to the state retirement pension and a wonderful investment alternative.

In 2010 the life-risk insurance rose by 2.8% and took in premiums of 3,692 million euros. The individual segment grew to 2,673 million euros, 5.4% more than in 2009 and the group and company segment dropped to 1,019 million euros, 3.5% less than the previous year. Overall, the number of insured persons stayed around the 23.3 million mark. From a segment point of view, individuals represented 72% of the market, up just 0.4%, and group and company business dropped by 2.4%. One possible explanation for this behaviour lies in the sluggishness of the real estate market given the link between life-risk insurance and mortgages, as well as the fact that companies were less able to contract those products as a result of the persistent crisis. Also, services for claims came to 1,211 million euros in 2010, a fall of 4.2%. Of this figure, 59% came from individual contracts and 41% from group and company contracts.

Pension plans

Pension plans in 2010: Volume of funds managed



Source: INVERCO

2010 saw the volume of savings managed in pension plans reach 84,757 million euros, which was in line with the level in 2009. Of all the managed savings, 62% were deposited in individual pension plans and the other 38% were in employment and associated plans.

From the total amount of managed savings in pension plans, 62% are deposited in individual pension plans and the other 38% are employment and associated plans

Individual pension plans gave up almost 1% of managed savings in 2010 thereby inverting the trend in 2009 when they grew by 8%. Group and company pension plans increased by 1.7% due to the revaluation of managed funds, although growth was below the 7.8% attained in 2009.

The gross contributions to the individual and group and company pension plans were above those in the previous year. They rose by 2.7% to 5,755 million euros as against 5,606 million euros in 2009. In spite of this, the cost of services increased to 4,232 million euros, much higher than the 4,009 million euros in 2009. This left the net contribution at 1,523 million euros in 2010 when in 2009 it stood at 1,598 millions. The net flow continues its downward trend with respect to previous years.

The structure of the pension fund portfolio was practically constant in 2010 with just a slight increase in the percentage of fixed income from 59% to 61%. Variable income went down from 19% to 18% due mostly to the correction on the stock markets. As for the treasury, this stayed at 11%, the same level as in 2009.

Over the last 15 years, the portfolio underwent some deep changes. On the one hand, the percentage of variable income went up from 3.7% in 1995 to 18% in 2010. Fixed income fell from 73.8% in 1995 to 61% in 2010. Similarly, there was a rise in international investment assets that reached 15% in 2010 when they did not even exist in 1995, although this exposure was substantially reduced with respect to 2009 when it peaked at 17%.

In 2010 the number of participated accounts rose from 10.53 millions to 10.85 millions, a jump of 3%. Leaving out the participated accounts that have more than one pension plan, the total number of people at the close of 2010 was estimated at 8.5 million people; in other words 47% of the working population had a pension plan.

Although the number of participated accounts enjoyed an uninterrupted rise over the last 15 years, the situation in our country, with respect to that of other countries that are economically close to ours, still offers growth opportunities. Lastly, it is worth stating that the average age of those with participated accounts stood at 45. 29% were under 40, 30% were aged between 41 and 50, 29% were between 51 and 60 and 12% were over 61.

Non-life insurance

During 2010 health insurance rose by 4.4% over the 2009 figure

Non-life insurance

In millions of euros

	2008	2009	2010	% increase 10/09
Motor Insurance	12,318	11,642	11,526	-1%
Multi-risk Insurance	5,895	6,053	6,242	3%
Health Insurance	5,838	6,134	6,399	4%
Other Non-life Insurances	8,529	7,836	7,567	-3%
Total	**32,580**	**31,665**	**31,734**	0%

Source: ICEA

In 2010 the non-life area accumulated 31,819 million euros in premiums, which meant it maintained the amount collected in 2009, which halted the downward trend of 2.5% experienced that same year.

Motor insurance fell by 0.9% in 2010 as against the drop of 5.4% in 2009. This behaviour significantly affected the non-life area. The improvement in this line, in relation to the strong fall witnessed in 2009, undoubtedly explains why the total volume of premiums for all non-life products was not affected as motor insurance with 36.3% of all non-life products had the greatest number of premiums. Claims in this sector remained stable and were in line with those of the previous year.

The average cost of claims in motor insurance was hardly affected. The fire guarantee showed the greatest volatility, especially in second category vehicles where high rates raised their head with respect to 2009. The claims rate of 75.8% stood below that of the previous year with one's own damage guarantee presenting higher rates even beyond 100%.

Health insurance, which makes up 20.1% of all the premiums in the sector, managed a growth rate of 4.2% with premiums reaching 6,324 million euros. Healthcare rose by 4.4% over the 2009 figure to 5,353 million euros while the medical expenses reimbursement model grew a little more with a 4.9% hike to reach 703 million euros. Finally, the medical insurance providing subsidies and compensations fell by 1.5% to 267 million euros. Individual insurance took up 75.3% of all health premiums with a growth of 2.6%. Group and company medical insurance covered the other 24.7% of premiums and jumped 9.6% with respect to 2009.

Multi-risk insurance with 6,242 million euros in premiums, an increase of 3.2% over the 2009 figure, continued in third place by volume of premiums after motor and health insurance. Worth mentioning is the multi-risk home product, in which the banking channel holds major importance, and reached 35% of all insurance sold. The ratio of claims remained stable in comparison to previous years as it recovered from the freak atmospheric phenomena in 2009.

The other non-life areas fell by 3.4%.

2.4 Legislative news

New laws were approved in 2010 and some of them affected the insurance industry. The most important ones were the following: The State Budget Law for 2011, Law 39/2010, of 22nd December; The "Omnibus Law", Law 25/2009, of 22nd December, a modification of several laws to be adapted to the Law on free access to the activities of services and the exercise thereof; The Law 10/2010, of 28th April, on the prevention of Money laundering and the financing of terrorism; The Royal Decree-Law 10/2010, of 16th June, on urgent measures to reform the labour market; The Consumption Code of Catalonia, Law 22/2010, of 20th July, published on 23rd July in the DOGC (The official gazette of the Catalan Government where all laws are published) and lastly; Decretos Forales (Council Decrees) that approved new tables of withholding tax for any work done for the "Foral" regions of the Basque Country.

Regarding the modification set out by the State Budget Law for 2010, of note is the limitation of the 40% reduction on income from irregular work.

On the other hand, the aim of the "Omnibus Law" is to eliminate beurocratic "difficulties" at a working level of the Administration and to be used as a guide to fixing prices. In this sense it affects many aspects of a services activity.

In money laundering an obligation was introduced to apply a series of due dilligence measures (normal, simplified, strengthened) that will have to be taken into account in any insurance activity, as well as the possibility to delegate the application of normal due diligence measures to third parties who are also subject to the same law.

As far as the Labour Reform is concerned, its aim is to achieve a more stable and better quality employment. In this way, the internal flexibility instruments are reinforced thereby favouring the adaptability of working conditions and the mechanisms of labour intermedition are improved.

Finally, the Consumption Code of Catalonia tries to systemise and draw up into a single regulation the whole range of disperse regulations currently in use on this topic. On certain aspects it collides with and poses interference with the specific insurance, distance marketing legislation and it even contradicts European regulations. Therefore, there are serious doubts as to how it is going to be put into practice.

3

Developments in Group Companies

3.1 Group developments

In 2010 VidaCaixa Grupo consolidated its leadership position in the complementary social welfare market in Spain with a market share of 15.1%

VidaCaixa Grupo made a net profit of 249 million euros in 2010, which was an increase of 19.5% over 2009, despite the stunted growth of the economy in 2010.

This growth was consolidated by the volume of insurance premiums and pension plan contributions totalling 6,138 million euros. This figure represented an increase of 24% on the numbers for the previous financial reporting period, 2009 and an 8.8% comparative growth, if we consider the activity generated by Adeslas throughout 2009 as well as 2010.

The volume of funds managed by the company in life insurance and pension plans experienced a growth of 8.1% compared to 2009, reaching 33,297 million euros, which enabled VidaCaixa Grupo to consolidate its leadership position in the complementary social welfare market in Spain with a current market share of 15.1%.

VidaCaixa Grupo: Key Figures

In millions of euros

	2009	2010	% Var. 10/09
Premiums and Contributions			
Life-Risk and Accident	417.1	430.4	3%
Multi-Risk	166.1	203.2	22%
Health	37.1	839.0	2,161%
Automobile	88.0	129.5	47%
Risk Subtotal (Individual + Companies)	**708.3**	**1,602.1**	**126%**
Life-Savings Insurance	2,541.4	3,014.5	19%
Pension Plans	1,702.1	1,521.1	-11%
Savings Subtotal (Individual + Companies)	**4,243.5**	**4,535.6**	**7%**
Total Risk and Savings (Individual + Companies)	**4,951.8**	**6,137.7**	**24%**
Resources Generated			
Life Insurance	17,231.5	19,134.1	11%
Sundry Insurance	236.6	619.9	163%
Pension Plans and EPSV	13,584.1	14,163.2	4%
Total Cust. Res. Managed (Individual + Companies)	**31,051.2**	**33,917.3**	**9%**
Individual customers	**3,407,035**	**5,857,125**	**72%**
Net Consolidated profit for VidaCaixa Grupo	**208.5**	**249.2**	**19%**

In 2010 VidaCaixa Grupo practically reached six million customers, 2.45 millions more than in 2009

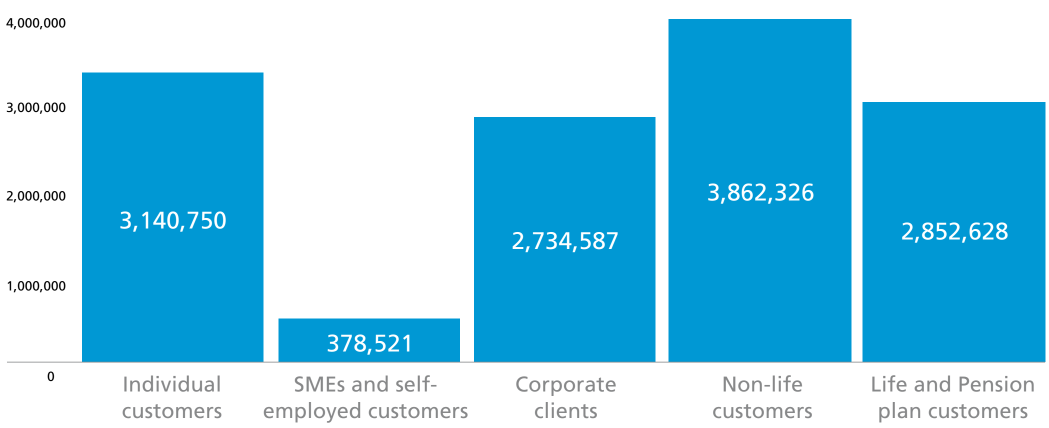
Developments in the different lines of business were positive in every segment of the savings and insurance areas.

With regard to savings, including pension plans, the volume of premiums and contributions showed an increase of 6.9% in comparison to 2009, with a total of 4,535.6 million euros and an overall volume of managed resources of 33,917 million euros, a figure that represents an increase of 9.2% on 2009. The growth is a result of the fact that a period of excellent financial-tax conditions for these products converged with favourable conditions for long-term interest rate curves and the wide range of products available from VidaCaixa Grupo.

This favourable development in every branch of business during the reporting period was also shown in the increase in customer numbers, which practically reached the six million mark, 2.45 million more than in 2009, and which represents a growth of 72% with regard to 2009, and a 9.5% increase in terms of homogenous growth.

In 2010, VidaCaixa Grupo took in 6,138 million euros in insurance premiums and pension plan contributions. This volume represented an increase of 24% in comparison to the figures for 2009 and depicts business generated by Adeslas since June 2010, the point at which the health insurance provider company was acquired and incorporated into the Group. If we look at the figure from an adjusted point of view, that is, considering the activity generated by Adeslas in 2009 as well as throughout 2010, then growth is in the region of 8.8%.

VidaCaixa Grupo Customers: Insured parties and Participants



Total customers 2010

Insured parties and participants	5,857,125
New customers	2,450,090 (+72%)

Net figures discounting duplicity

Tomás Muniesa, Chief Executive Officer of VidaCaixa Grupo at a Directors' meeting.

Keys to the growth of VidaCaixa Grupo in 2010

VidaCaixa consolidated its leadership position in complementary social welfare, resulting from solvent, responsible and prudent business management practices, which enabled the company to grow uniformly across every line of its business operations.

Moreover, VidaCaixa became leader in health insurance as a consequence of the integration of Adeslas, cornering 76% of overall market growth in 2010.

The following are the principal factors responsible for the Group's growth:

- Excellent performance ratios and excellent solvency.
- The adoption of a comprehensive multi-channel business model.
- Consolidation of the new AgenCaixa model.
- Development of new business areas such as industrial Multi-risk and personal banking.
- Strengthening professional development of the staff by way of introducing new opportunities for professional betterment in conjunction with a firm commitment to training.

Mario Berenguer, Tomás Muniesa and Javier Murillo at the press conference presenting the results of the Company.

3.2 VidaCaixa

VidaCaixa, market-leader in Spain in the specialised market sector of complementary social welfare, is the Group company that provides life insurance and pension plans for both individual customers as well as groups. In 2010 VidaCaixa managed more than 33,000 million euros.

In the area of individual pension plans, the company attracted 1,200 million euros, 44% of which is the result of the successful introduction and marketing of products with guaranteed returns.

For another year in succession, VidaCaixa held its leadership position in life-savings insurance, in terms of savings managed with a market share of 14.8%, which is a one percent increase on the market share figure for 2009, and the second place in pension plans with a 16.2% market share compared to 15.6% in 2009.

VidaCaixa customers by product type 2010	2009	2010	% Var. 09/10
Life-Risk Insurance	1,572,608	1,526,200	-3%
Accident and Sundry Insurance	381,299	535,157	40%
Pension Funds	1,176,773	1,222,300	4%
Health Insurance	143,363	2,568,302	216%
Automobile Insurance	151,516	221,228	46%
Home and Shop Insurance	684,593	740,722	8%
Life-Savings Insurance	693,912	704,388	2%

“VidaCaixa managed more than 33,000 million euros, and so became the leading company on the market specialising in complementary social welfare”

Life Insurance–Savings–Individual customers

In individual life-savings insurance, total premiums grew by 40% over the figure in 2009

The volume of life-savings Insurance premiums for individual customers grew by 40% over the amount for 2009, reaching 2,452 million euros. Several factors explain this development: firstly, the efforts by VidaCaixa sales and marketing combined with the quality of its products and services, and secondly, the seizing of opportunities derived from the favourable environment of interest rate curves in the long- and short-term.

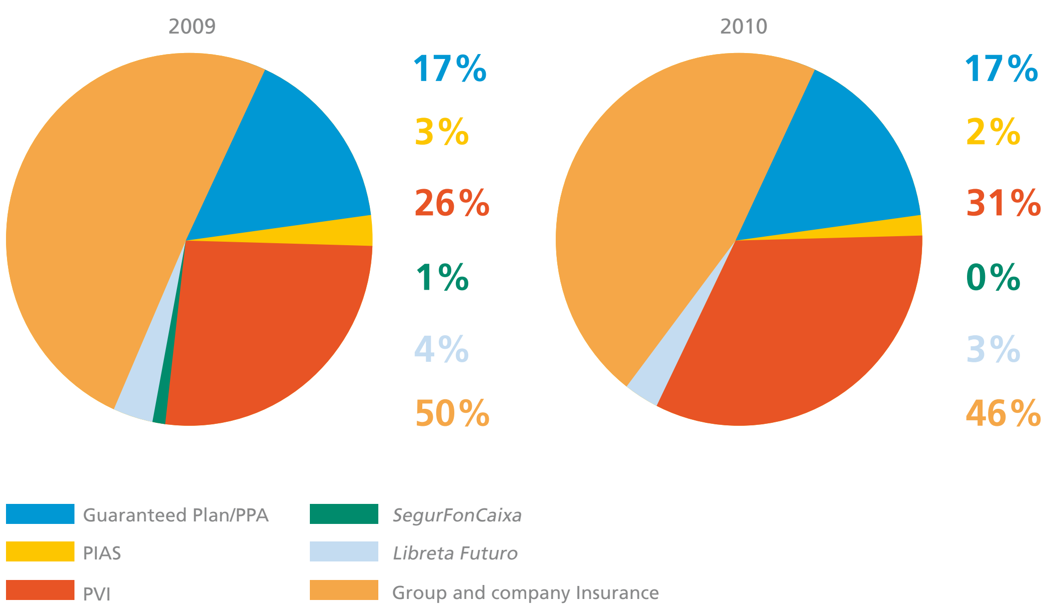
Another highlight of this business line is the excellent results obtained by *Renta Vitalicia (Annuities)*, previously marketed under the name *Pensión Vitalicia Inmediata (Immediate Annuities)*, due to the fact that this is an ideal product for individual customers wishing to supplement state retirement pensions and obtain optimal financial-tax conditions.

Also worthy of mention here is the development of the Guaranteed Pension Plans (*Planes de Previsión Asegurados or PPA*), a product with the same fiscal conditions as a pension plan from which the customer can obtain a guaranteed return, regardless of the term for the investment (between 1 and 30 years). In 2010, 48,896 customers subscribed to a PPA, 209% more than in 2009 and the volume of resources managed reached 573 million euros, 266% more than in 2009. The excellent growth was a result of the favourable environment of interest rate curves and the design of the product which made this an ideal supplement to the retirement pension.

Finally, we should mention Systematic Savings Plans or (PIAS as per the Spanish acronym), which managed a total of 92,310 customers and 202 million euros.

VidaCaixa: insurance mathematical provisions

in thousands of millions of euros



Individual pension plans

Individual pension plans increased 2.5% more than in 2009

Throughout 2010, individual pension plans experienced similar growth tendencies as the Guaranteed Pension Plans (PPA), managing to attract more than 1,202 million euros, 44% of which was a direct result of the successful issue of products with guaranteed returns. The market share reached by VidaCaixa individual pension plans was in the region of 15.8%, which represents an increase of 0.6% on 2009.

Individual pension plans managed a volume of resources of 8,134 million euros, an increase of 2.5% on 2009, with a total of 945,000 customers, an increase of 3% on the previous reporting period.

A combination of the facts listed above, together with an excellent array of products for all age and risk profile groups, maintaining the excellent transfer reception ratios of 177% and the sales and marketing campaigns developed in order to bring about a seasonal adjustment of contributions, have all contributed towards ensuring the consolidation of the company as the second most important provider in the sector.

VidaCaixa launches *PlanCaixa 4 Plus*, a guaranteed pension plan

Coinciding with the annual tax returns period, in April 2010, VidaCaixa launched *PlanCaixa 4 Plus*, an individual customer guaranteed pension plan.

The product guaranteed 100% of the capital contributed plus a 25% revaluation in 10 years, and offers interesting commercial incentives such as the option to constitute a deposit at 4% effective annual rate for a maximum term of up to 2 years.

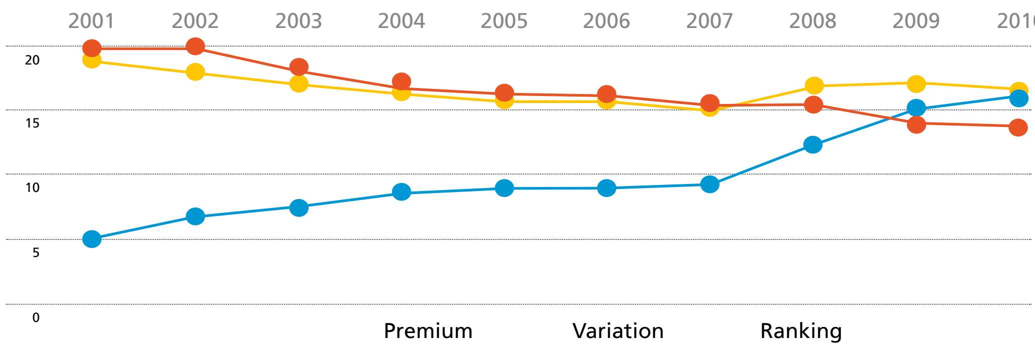
With three excellent options for achieving an even higher profitability, the new "*PlanCaixa 4 Plus*" enables further chances of increasing already attractive profitability given that customers who choose this product can choose between interesting promotional incentives:

- Option 1: obtain 4% effective annual rate for any contribution or external transfer made, calculated between the date of contribution made and that of 31.08.10 and directly deposited into your current account on 01.09.10.
- Option 2: make a fixed deposit for one year in the "*Depósito 4 Plus*" product from "la Caixa". This product offers customers an effective annual rate of 4%. The maximum amount allowed with this deposit is double that of contributions and/or external transfers made to the "*PlanCaixa 4 Plus*".
- Option 3: make a contribution or external transfer for a minimum amount of 10,000 euros to the product and thereby access the right to contract the "la Caixa" product "*Depósito 4 Plus*", at 4% effective annual rate, extending maturity to 24 months, whenever deposit funds are a minimum of 20,000 euros.

Individual pension plans	2010
Funds Managed	14,163 million euros (+ 4%)
Customers	1.2 millions (+ 4%)
Market share	15.8% (+0.6%)
Position in ranking	2nd (=)

Individual pension plans

in %



	Premium	Variation	Ranking
Competitor 1	16.1%	-0.4%	1º
VidaCaixa	15.8%	+0.6%	2º
Competitor 2	14.2%	-0.4%	3º

Source: INVERCO

Individual pension plans available from VidaCaixa

Monetary	*PC Dinero*	Very conservative
	PC 10 Dinero	Very conservative
	PC PV Monetario PP	Very conservative
Fixed Yield Medium to Long-Term	*PC Ahorro*	Very conservative
	PC 10 Ahorro	Very conservative
	PC PV Patrimonio PP	Conservative
	PC Ambición	Conservative
Mixed Fixed Income	*PC 10 RF Mixto*	Not very aggressive
	PC RF Mixto	Not very aggressive
	PC 10 Seguridad	Not very aggressive
	PC PV Activo Crecimiento PP	Not very aggressive
	PC PV Activo Estable PP	Not very aggressive
Mixed Variable Income	*PC RV Mixto*	Moderate risk
	PC 10 RV Mixto	Moderate risk
	PC Activo Oportunidad PP	Moderate risk
	PC Objetivo	Conservative
Variable Income	*PC Bolsa Euro*	High risk
	PC Bolsa Nacional	High risk
	PC Bolsa Internacional	Very aggressive – Intl. markets
	PC Selección	High risk
	PC Activo Variable PP	High risk
	PC Activo Variable Europeo PP	High risk
	PC Bolsa Emergente PP	High risk
Guaranteed	*PC Creciente*	Conservative

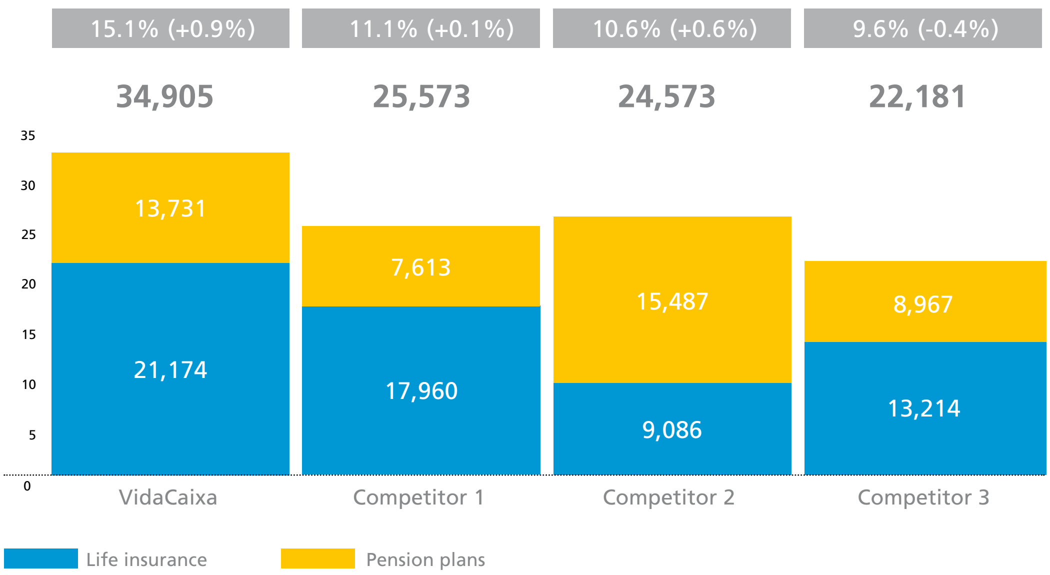
Keys to the commercial success of pension plans in 2010

- Excellent management of both fixed and mixed income plans by the VidaCaixa team who gained recognition for their work.
- Tailoring the product to suit each individual customer in accordance with their age and risk profiles and providing them with an extensive product portfolio ranging from monetary pension plans to variable income plans.
- Consistent sales and marketing action implemented throughout the year through the more than 5,400 branches of "la Caixa" that has enabled the company to continue the seasonal adjustments of contributions to these kinds of products.
- The combination of an excellent product together with an array of attractive promotional activities which added value to the range of products on offer from VidaCaixa.

VidaCaixa: Leaders in Complementary Social Welfare in Spain

Market share (2010)

in millions of euros



ICEA and INVERCO and in-company preparation. The figures do not include EPSV, or benefits from other insurance or contributions but do include CaixaVida.

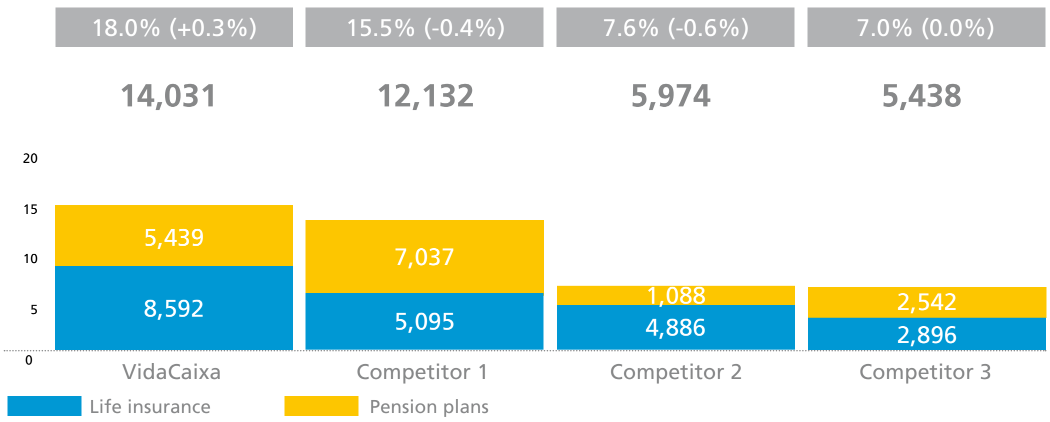
VidaCaixa Previsión Social

VidaCaixa carries out its group and company business activities through its specialist division VidaCaixa Previsión Social, which for yet another year in succession, consolidated its leadership position in complementary social welfare, with more than 14,000 million euros and a market share of 18.0%, this being an increase of 0.3% on 2009. The VidaCaixa Previsión Social portfolio is very extensive and grows year-on-year.

In 2010, a total of 29 listed companies from the Spanish Stock Market, the IBEX 35, 812 multinational companies and 919 public bodies placed their trust in our company.

VidaCaixa Previsión Social: Leaders in Complementary Social Welfare in Spain

Market share (2010) in millions of euros



Source: ICEA and INVERCO and in-company preparation. The figures do not include EPSV nor provisions from other insurances or services.

VidaCaixa Previsión Social's business is channelled through different distribution channels that allow access to large companies and corporations. In this regard, the multi-channel function was revamped by adjusting the organisational structure to the purchasing habits of corporate clients while making the relationship with the participants in the negotiating process more flexible. Organisation of the activity was carried out by five different business units and the products were marketed through an extensive network of consultants and mediators drawn from prestigious and experienced companies, the experienced professional team at VidaCaixa Previsión Social, the AgenCaixa Advisor Network and the more than 5,400 branches of "la Caixa".

In 2010, the comprehensive care model was implemented by way of introducing common customer management policies together with the other segments of "la Caixa", *Banca Privada* (Private Banking), *Banca Corporativa* (Corporate Banking) and *Banca de Empresas* (Company Banking).

VidaCaixa Previsión Social: Key figures of Employer pension plans

In millions of euros

	2008	2009	2010	% Var. 09/10
Risk premiums	179	204	483	137%
Premiums and Savings contributions	720	1,142	1,020	-11%
Total premiums and savings	**899**	**1,346**	**1,503**	**12%**
Group and company life insurance	8,604	8,650	8,751	1%
Employment and associated Pension Plans	4,608	5,649	6,030	7%
Total managed funds	**13,212**	**14,299**	**14,781**	**3%**

In 2010, the group and company life-savings and life-risk markets suffered setbacks as was the case in 2009. Within this context, VidaCaixa sold premiums and contributions for the amount of 1,188 million euros, a fall of 9.7% on the previous year.

The volume for life-risk insurance premiums was 168 million euros, which was a drop of 3.6% or 315 million euros in health premiums. In life-savings insurance the amount of premiums reached 562 million euros, which was a decrease of 8.1% on 2009, and the volume of contributions to pension plans was 458 million euros or 13.6% lower than the previous reporting period.

The volume of resources managed in life insurance amounted to 8,751 million euros, an increase of 1.2% on 2009.

With regard to pension plans and EPSV employment and associated pension plans, the increase was 6.7%, reaching a total of 6,030 million euros. Finally, in 2010 significant energy and resources were channelled into designing and developing a new product of flexible retribution for corporate clients.

SMEs and the self-employed workers: a strategic segment for VidaCaixa Grupo

The funds managed in life insurance increased 1.2% more than in 2009

Over the past few years, VidaCaixa Grupo has stood firm by its commitment to intensify market penetration within the SME and self-employed segment. In 2010, the Group reached a milestone of 176,000 contracts and provided cover for more than 378,000 policyholders. It is important to point out here that there has been a definite shift in developments at VidaCaixa toward a more comprehensive and global range of products and services tailored to meet the needs of the segment which includes self-employed workers, micro-enterprises and SMEs, in which the Group provides insurance cover for more than 1 million customers. The results were positive for the different products that make up the range of products on offer to this segment. In Jointly Promoted Pension Plans there was a 22% increase in consolidated rights compared to 2009, reaching 1,980 promoters and 16,776 participants.

Jointly promoted Pension Plans

Number of participants

	2010
VidaCaixa Previsión Profesional (IT insurance)	37,257
VidaCaixa Salud Pymes (SMEs)	96,771
Adeslas Pymes (SMEs)	79,171
Life, Accident and SME Agreements (SMEs):	182,677
Life	16,871
Accident	78,497
Agreements	87,259
SegurCaixa Negocio (Business)	33,161
SegurCaixa Auto Negocio (Commercial vehicles)	15,829

Life-Risk Insurance – Individual customers

In the life-risk segment, VidaCaixa Grupo markets life-risk insurance for its individual customers, which may or may not be linked to a personal loan. For this segment, VidaCaixa Grupo provides customers with the following two products: Seviam, an insurance product linked to personal loans or mortgages with 872,356 policyholders and Vida Familiar, with 463,414 policyholders. Between the two they amount to a volume of premiums in excess of 220 million euros and with a 2.7% growth over that in 2009, a particularly significant fact bearing in mind the current situation of the Spanish property market.

3.3 VidaCaixa Adeslas

VidaCaixa obtained substantial gains in all areas of risk insurance

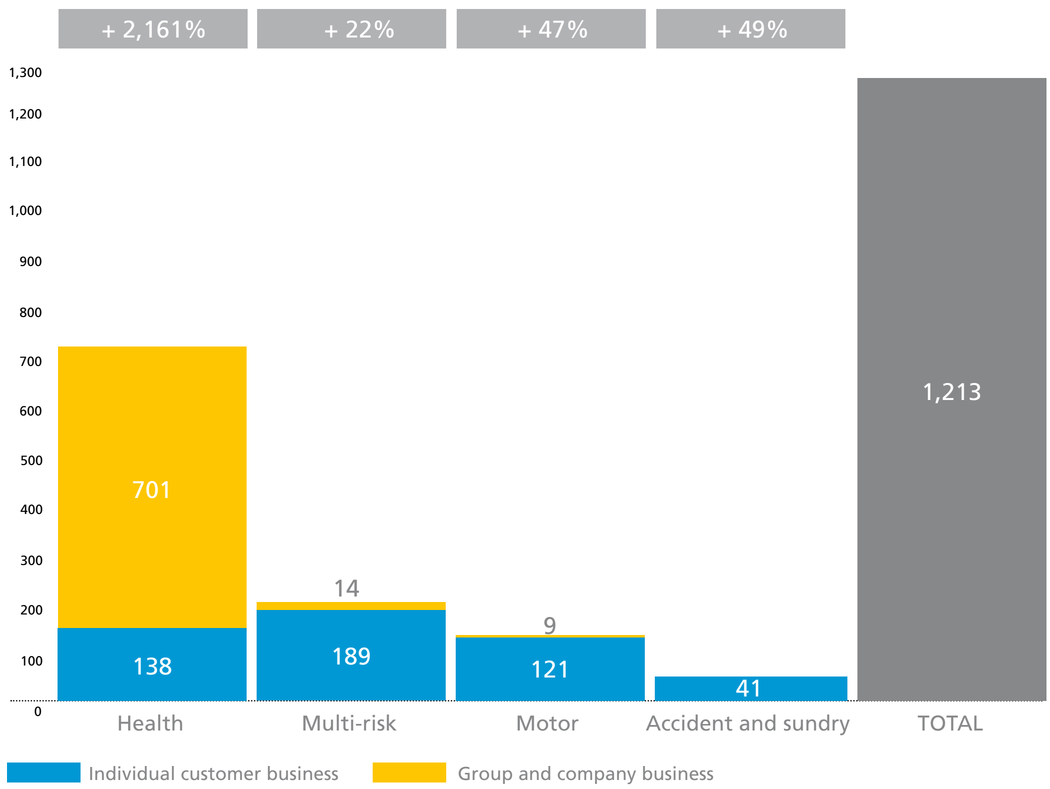
In 2010, despite the economic downturn, VidaCaixa maintained significant growth in all branches of the risk-insurance business, reaching a premiums in excess of 1,200 million euros for non-life products which represents an increase of more than 280% in comparison to the figure for 2009. This increase includes the effect of having incorporated six months of Adeslas business into the Group.

These developments were made possible by the excellent commercial capacity of VidaCaixa Grupo, firmly grounded in the network of "la Caixa" branches, the Group's own business centres and the team of mediators and agents, including the team of professional staff at AgenCaixa.

VidaCaixa Adeslas: Premiums and contributions. By business line and channel 2010 (non-life)

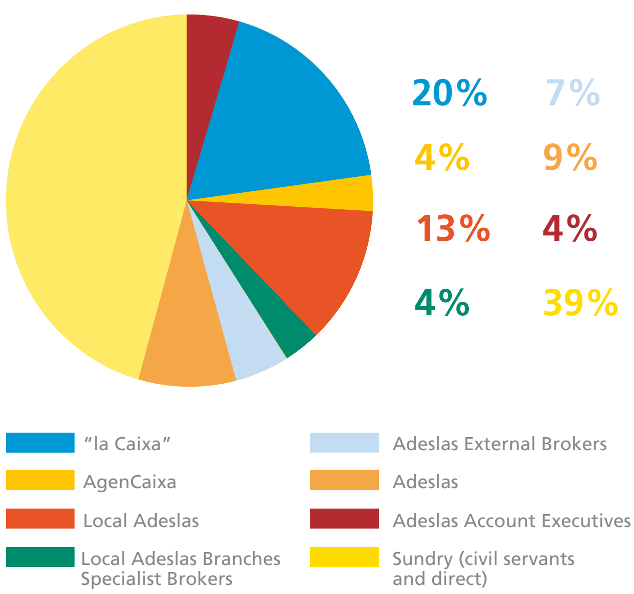
in millions of euros

Line of Business



Note: includes figures for Adeslas as of June 2010.

Channel



Health

VidaCaixa Adeslas increased its portfolio by 202 million euros in premiums, getting 76% of all market growth

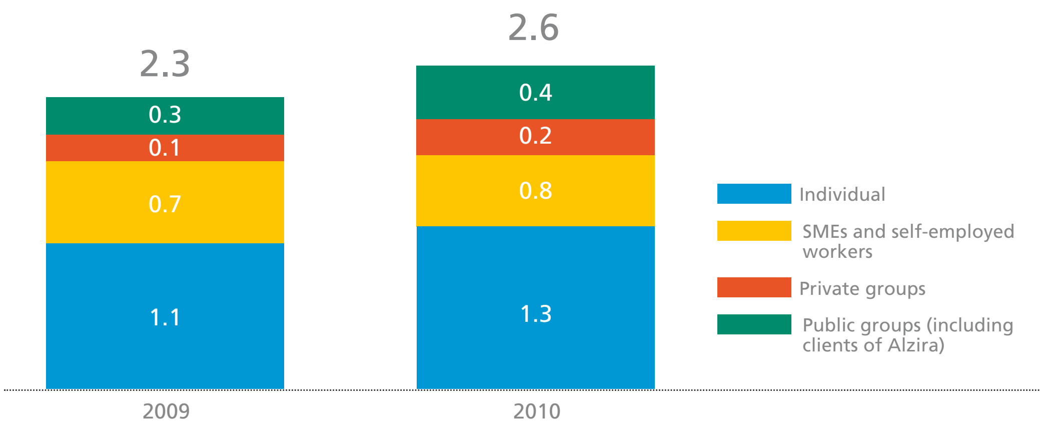
The medical cover and health insurance area experienced the greatest growth in 2010, after the integration of Adeslas into the Group, bringing the number of policyholders to 2.6 millions and consolidated premiums of 839 million euros, compared to the figure of 37 million euros in 2009. On an adjusted basis, growth would have been somewhere in the region of 15.2%, which is far greater than the 4.3% average figure for the sector.

A special mention should be made here of the fact that in 2010, VidaCaixa Adeslas increased its portfolio by 202 million euros in premiums, drawing 76% of overall market growth which amounted to a total of 265 million euros. This growth was the result of the excellent commercial activities undertaken at VidaCaixa Adeslas, thanks to which the company was able to attract a volume of policyholders greater than the market average.

Therefore, in 2010, of 150,000 public policyholders, 50% of those who changed insurance provider in January chose VidaCaixa Adeslas. Moreover, 26 large enterprises contracted health insurance for their workers, contributing an additional 30,000 policyholders, which meant that in terms of market share per volume of premiums, VidaCaixa Adeslas had 23.9%.

Health	2010
Premiums	839 million euros (+2.161%)
Customers	2.6 millions (+1.692%)
Market share	23.9% (+23.3%)
Position in ranking	1st (+22)

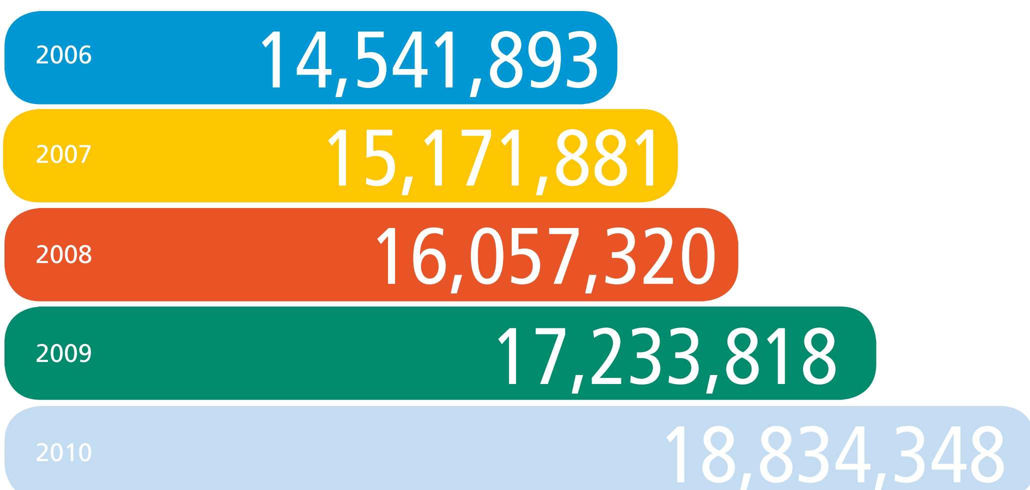
Evolution of the number of policyholders by segment



The integration of Adeslas represented an extremely important asset to VidaCaixa Grupo on two separate fronts; firstly, in terms of the general medical team at Adeslas and secondly, its excellent care assistance capacity, demonstrated by its vast network of dental clinics and medical centres.

In 2010, through its own entire medical team, as well as its associates, Adeslas attended to almost 19 million customers, an increase of 9% on 2009. Over 6 million diagnostic tests were performed, which was an increase of 14% on the previous year, and a total of 244,655 customers were admitted to hospital, 13% more than in 2009.

Number of consultations



Diagnostic tests

2006	4,070,405
2007	4,529,926
2008	4,898,402
2009	5,282,577
2010	6,045,796

Healthcare

In healthcare, VidaCaixa Adeslas operates two different kinds of cover for its policyholders thereby enabling them to freely choose the associated medical team, which includes the top experts in each area of medical specialisation, the principal medical centres and the best private hospitals.

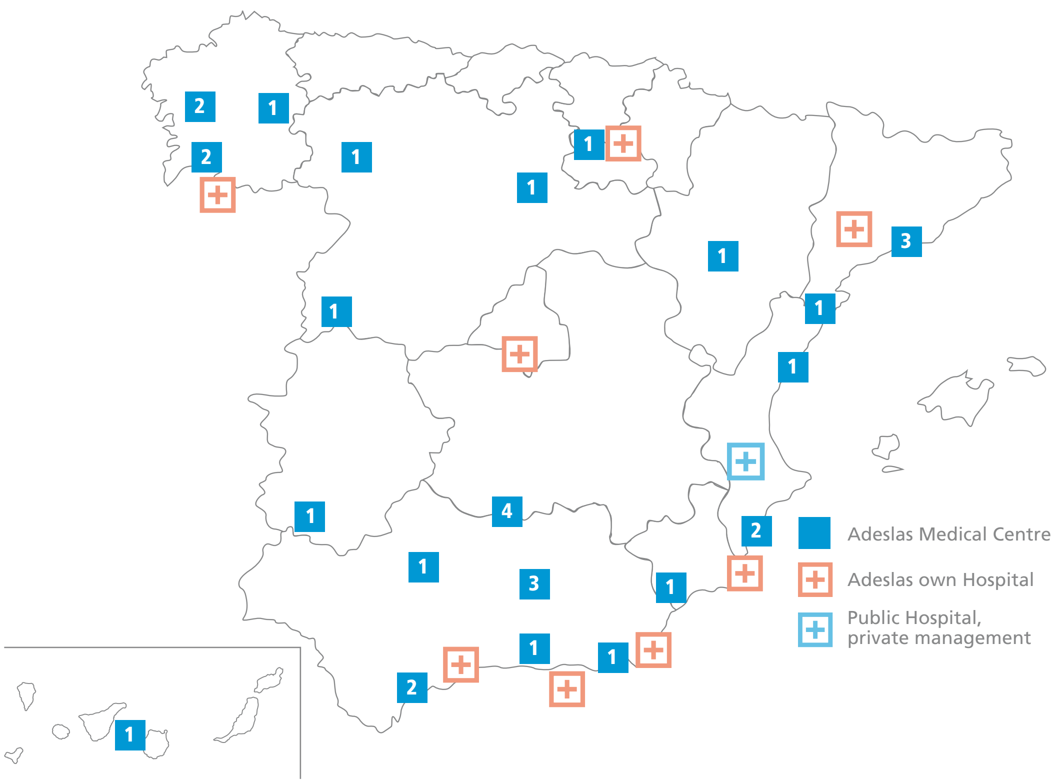
The first option is that of outpatient medical insurance, ideal for those who are looking to supplement public healthcare with a private policy. *Adeslas Primera* provides its policyholders with direct access to primary medical outpatient facilities, specialists and diagnosticians by way of a balanced premium with very reasonable supplementary payments for consultations.

The second option is that of Comprehensive Cover which is provided by the products *Adeslas Completa*, *Adeslas Vital* and *Adeslas Familia*.

Adeslas Completa is a healthcare insurance product for those who wish to have access at all times to the range of advantages provided by private healthcare with adjusted premium and lower supplementary co-payments when using the cover. *Adeslas Vital* provides healthcare insurance cover with a reduced premium and co-payments when access to medical care is required. Finally, *Adeslas Familia* with an equal premium for every member of the family under the age of 45, offers a wide range of cover in primary medical care, specialists and diagnosticians as well as emergency services and hospitalisation.

VidaCaixa Adeslas provides policyholders with a wide range of reimbursement insurance products, which enable policyholders to choose the healthcare centres, specialists and private medical care facilities at will in whatsoever part of the world with reimbursement of expenses. These products are: *Adeslas Extra*, with limits of 150,000 euros, 210,000 euros and 250,000 euros; *Adeslas Salud Libre*, which offers customers complete reimbursement of their expenses with the assurance of a fixed cost per consultation by a wide range of exclusive and select medical professionals and

Adeslas own healthcare facilities



Alicante Hospital Perpetuo Socorro
Almería Hospital Vírgen del Mar
Granada Hospital Nuestra Señora de la Salud
Las Palmas Hospital Santa Catalina
Lleida Hospital Montserrat
Madrid Hospital Nuestra Señora de América
Málaga Hospital Parque San Antonio
Tenerife Hospital Santa Cruz
Vigo Hospital Nuestra Señora de Fátima
Vitoria Hospital San José
Alzira Hospital Universitario de La Ribera

VidaCaixa Adeslas, through *Servicio Empresas (Company Services)*, studied each company individually putting forward solutions adapted to the needs of that company

Adeslas Premier, a combined insurance product of medical team and reimbursement with an upward limit of 1 million euros granting access to the most exclusive private healthcare facilities and with the broadest possible cover.

In addition, VidaCaixa Adeslas offers customers the following supplementary products: *Plus Ginecología and Pediatría*: these provide policyholders with cover for access to any gynaecological and/or paediatrics service in the world through the reimbursement of expenses and with broad cover. *Plus Clínica Universitaria de Navarra*: includes access to hospitalisation in the centre mentioned plus a hospitalisation subsidy and, optionally, compensation in the event of requiring surgery. *Plus Accidentes*: this product allows policyholders to receive compensation in the event of permanent or temporary disability and/or accidental death.

One of the new features in 2010 worth highlighting here is *Adeslas Visión* that provides supplementary and comprehensive ophthalmologic cover combined with the services and optical products stemming from an exclusive agreement entered into between us and the company Visionlab. This product is only available in the Community of Madrid and provides access to cataract or refractive surgery at the most competitive prices on the market.

In the SME sector, VidaCaixa Adeslas offers the following products: *Adeslas Pyme Completa*, which includes the broadest cover in primary medical care, specialist care, diagnosticians, emergency services and hospital admission. *Adeslas Pyme Primera* provides for health and dental cover including primary medical care, specialist care and diagnosticians. Finally with *Adeslas Pyme Extra*, policyholders are covered and enjoy access to an extensive medical team without requiring reimbursement of any kind or the option to choose doctor or medical centre at will anywhere in the world with reimbursement of up to 90% and an annual limit of 150,000 and 200,000 euros.

These insurance products targeting SMEs may also be supplemented with the product providing economic assistance in the event of temporary disability (*Plus Prestación Económica por Incapacidad Temporal*), *Plus Accidentes*, *Plus Ginecología* and *Pediatría*, and *Plus Clínica Universitaria de Navarra*.

Through its *Servicio Empresas* service, VidaCaixa Adeslas studies the case of each large corporate client individually in order to implement tailored solutions to fit its specific needs.

In keeping with its desire to constantly improve processes and procedures, Adeslas became the first company to obtain the Quality Management System Certification Standard ISO 9001 for commercialising healthcare services to large enterprises, contracting individual and group policies and providing a customer care service.

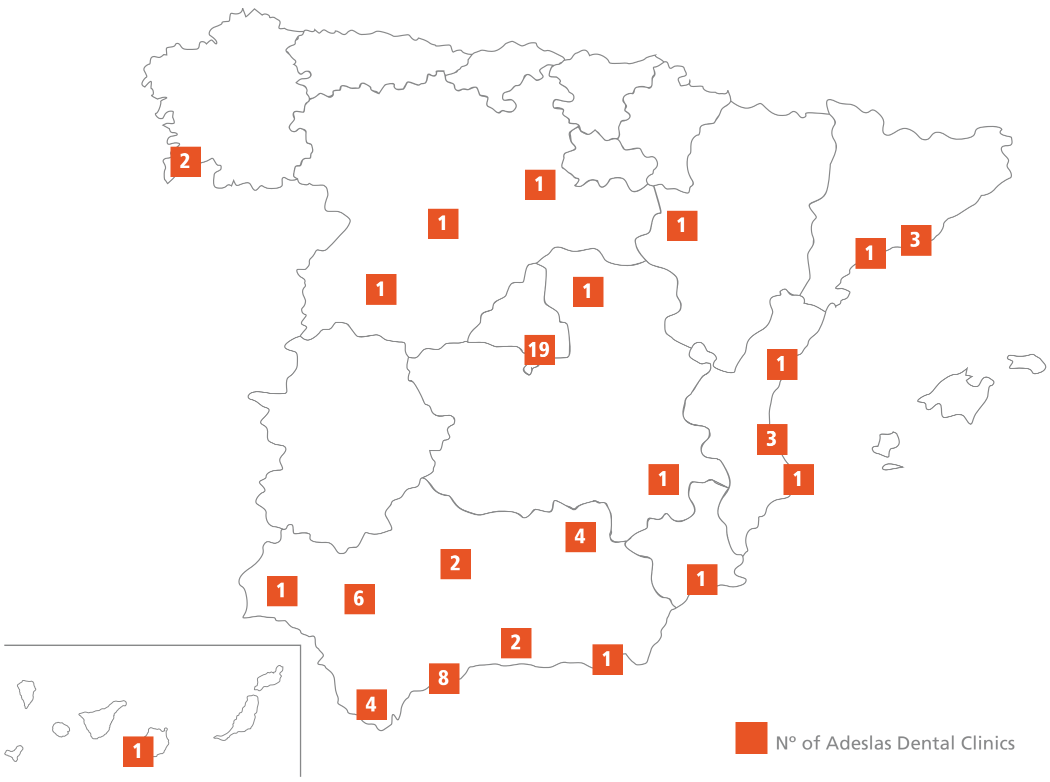
Dental Care

VidaCaixa Adeslas consolidated its leadership in the dental business with a total of 55 dental clinics plus another 100 associated or subsidised dental clinics

VidaCaixa Adeslas consolidated its market leadership position in the dental care segment in 2010 through the incorporation of 90,000 new policyholders and the opening of 3 new dental clinics in La Coruña, Ferrol and Linares. These centres are in addition to the largest dental clinic networks on the market with a total of 55 dental clinics, to which we can also add a further 100 associated and subsidised centres.

In 2010, VidaCaixa Adeslas maintained its firm commitment to quality of service by way of its renewing the Certification Standard ISO 9001, to include an additional 12 new clinics to join forces with the 19 that had already received the certification in 2009.

Adeslas own Dental Healthcare Clinics



Collaboration with public healthcare authorities

VidaCaixa Adeslas has always undertaken to take a balanced approach between the public and the private sectors as the following events demonstrate: the company collaborates with the State Mutual Socities and the administration of Department 11 from the Valencian Regional Government (Generalitat Valenciana) Regional Health Authority, (better known as Modelo Alzira). In both of these examples the primary objective is to improve system efficiency and to achieve quality excellence in services and the corresponding customer satisfaction.

In collaboration with State Mutual Societies

For over 40 years, VidaCaixa Adeslas has worked in collaboration with the State civil servants' mutual societies, the *Mutualidad General de Funcionarios Civiles del Estado (MUFACE)*, the *Instituto Social de las Fuerzas Armadas* (Armed Forces Institute) (ISFAS) and the Judiciary Mutual Society (*Mutualidad General Judicial or MUGEJU*). The combined membership of these organisations is in the region of 2.3 million individuals who each year, according to the legislation in force, may opt for public healthcare cover or that provided by one of the insurance organisations associated with the policyholders' mutual society, with over 85% taking the latter option. VidaCaixa Adeslas was on-hand to sign agreements with these mutual societies from the very start and became the entity with the greatest quota of policyholders in each of them.

In 2010, several new agreements entered into force which gave rise to the fact that some operators, who would have traditionally provided assistance to these groups, decided not to continue doing so. Thanks to the quality of its service catalogue and the fact that it is a benchmark in terms of nationwide cover, VidaCaixa Adeslas was the most popular choice for members who changed provider, which means that today, almost 1 million members choose VidaCaixa Adeslas to look after their healthcare cover.

Department 11 – Regional Health Authority - La Ribera

Adeslas has always made a firm commitment to collaboration between private enterprise and public administrations as an excellent alternative to facing the challenges ahead for public healthcare. The Alzira model involves private management by way of a government franchise of a health department and a formula with tried and tested success rates. For the past decade, Adeslas has been the flagship company in a Temporary Joint Venture which, through Department 11 of the Community of Valencia Regional Government, administers the region's primary healthcare and specialist assistance as well as runs the Hospital Universitario de La Ribera.

This centre has become a paradigm for this and other autonomous communities, and even for other countries, of a model of collaboration between the private and public sectors, which improves the care provided for its users as well as management efficiency.

Therefore, the La Ribera Health Department maintains a high level of activity while preserving the quality and efficiency parameters its users have come to expect. In this regard, in 2010, the Department's Primary Healthcare Centres attended to more than 1,283,000 general practitioner consultations and more than 247,000 paediatrics consultations, while the Hospital Universitario de La Ribera performed more than 21,000 operations and assisted in almost 2,400 births, while carrying out 4.95 million lab tests, 26,100 radiotherapy sessions and 22,500 CAT scans.

Recognition for the efforts was forthcoming in 2010 for the Hospital Universitario de La Ribera, which was awarded the *Premio Sanitaria 2000* for Hospital Administration Excellence and also the *Premio Llum a la Prevención de Riesgos Laborales* in recognition of Health and Safety Excellence. This award was bestowed on the hospital by the Business Confederation of Valencia. In addition, the hospital was awarded Best in Class Award for its Nephrology Service as well as receiving a Distinction for Best in Class for its Traumatology Service, thereby becoming the hospital in Spain to receive most services nominated with a further 8 other services being nominated as finalists.

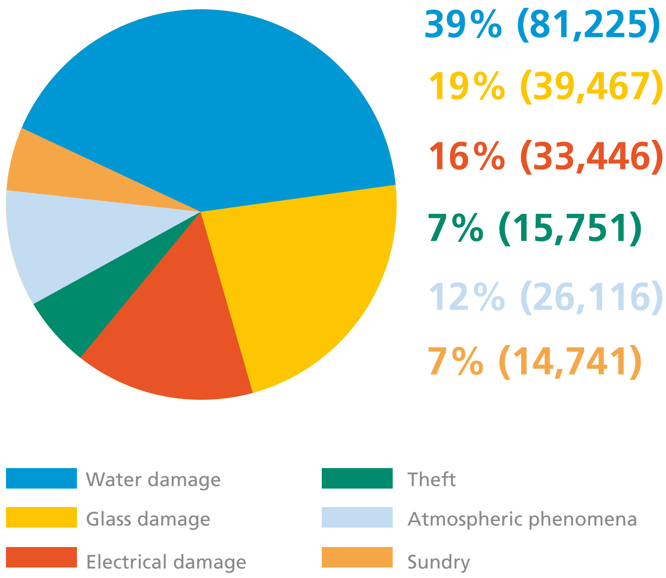
In terms of certification, the Department of La Ribera achieved the quality management certification from the *Instituto para la Acreditación y Evaluación de las Prácticas Sanitarias* (Institute for Certification and Evaluation of Healthcare Practises) INACEPS, as per the Spanish acronym, for its centres at Almussafes, Benifaió and Carlet.

Home Insurance

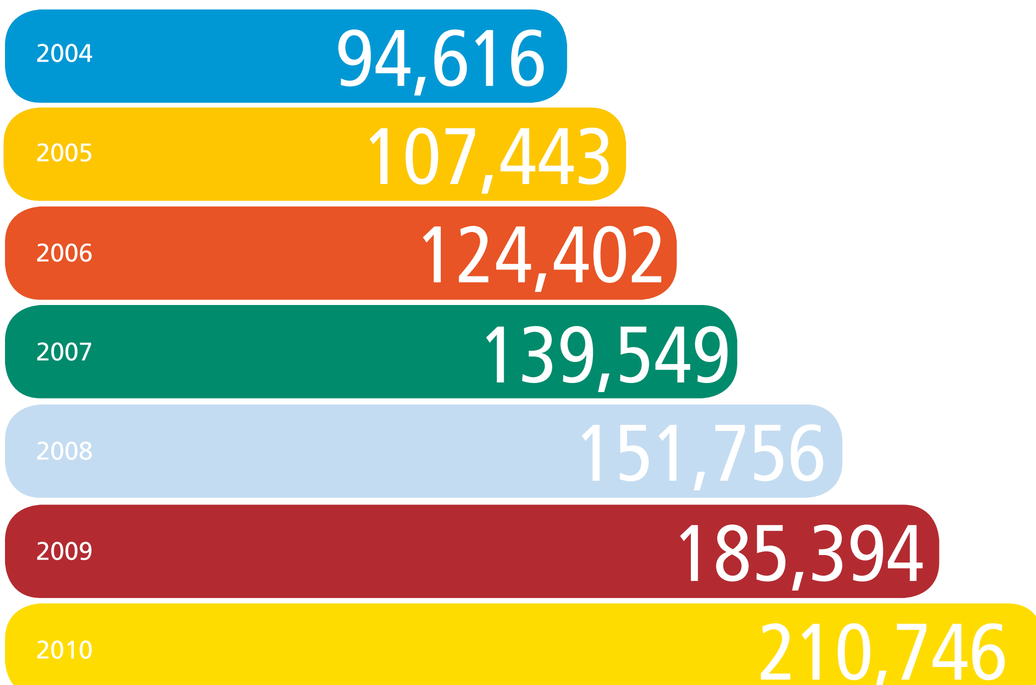
In 2010, 713,522 homes, through *SegurCaixa Hogar*, placed their trust in VidaCaixa Grupo

The range of insurance products available from VidaCaixa Grupo in the area of multi-risk insurance is broad and varied. The principal product marketed by the Group in this segment is the *SegurCaixa Hogar*, designed to target insurance cover for damage in the home, both to cover the content and the premises. *SegurCaixa Hogar* offers service excellence and associated guarantees. This level of quality is the reason why over 713,522 home owners place their trust in VidaCaixa Grupo.

SegurCaixa Hogar: main reasons for home insurance claims 2010



SegurCaixa Hogar: Claims processed



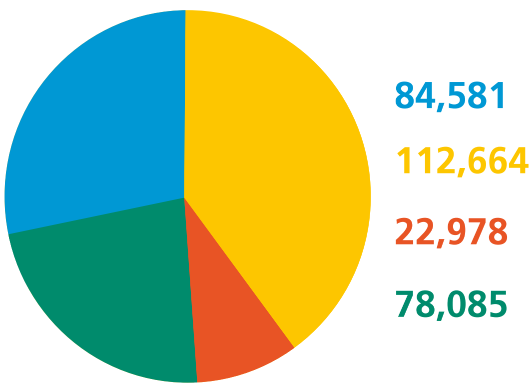
Accident insurance

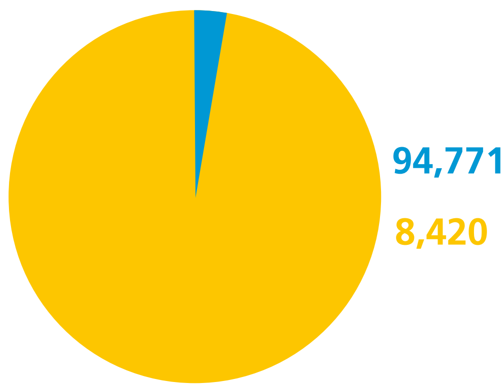
In the area of accidents, premiums rose by 49% with respect to the figure in 2009

The branch of accident and other insurance products maintained excellent levels of performance during the 2010 reporting period, with a volume of subscribed premiums of 41 million euros, 49% more than in 2009. The number of customers grew by 40% and stood at more than half a million with market share at 3.3%. This was an increase of 0.16% on the previous year.

Accident insurance	2010
Premiums	41 million euros (+49%)
Customers	0.5 million (+40%)
Market share	3.3% (+0.1)
Position in ranking	7th (+2)

Customer distribution by type of product: individual customers





SegurCaixa Personal y Protección
SegurCaixa Accidentes
SegurIngreso
SegurCaixa Repatriación

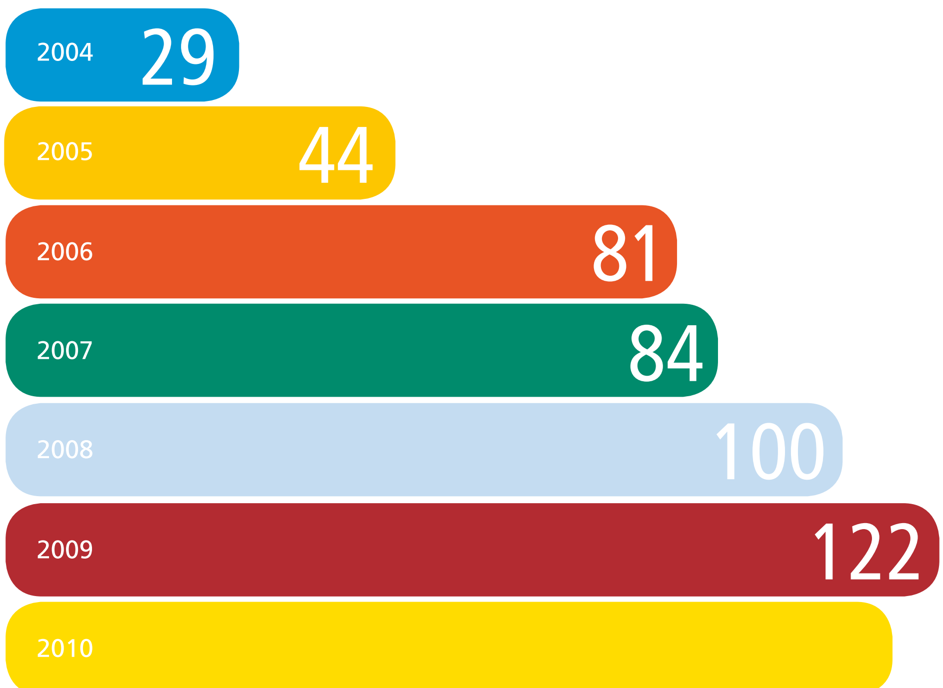
Accidentes PYME (SMEs)
Convenios PYME (SMEs)

SegurCaixa Protección is an accident insurance and its attraction lies in the fact that it is not necessary to undergo a prior medical examination in order to subscribe to the policy and it provides a principal in the event of the insured party's death or permanent and absolute disability due to an accident. Its accessibility and service features earned the trust of some 84,581 customers in 2010, an increase of 42% on the previous year.

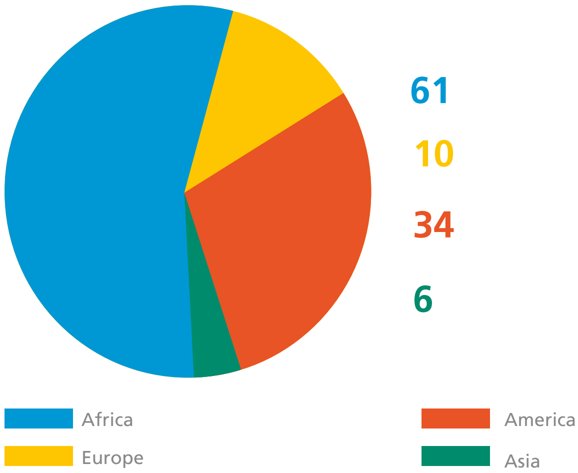
The possibility of subscribing to this product via telephone has meant that it was received very well among customers.

SegurCaixa Repatriación and *SegurIngreso* are two insurance products designed to meet the needs of new residents in Spain. The first product provides cover for expenses associated with repatriation to the individual's country of origin in the event of death while in residence overseas. The second product is accident insurance offering a principal plus a monthly income for a period of five years in the event of accidental death. *SegurCaixa Repatriación* is subscribed to by 78,085 customers and SegurIngreso by 22,978.

SegurCaixa Repatriación: number of repatriations carried out



Main destinations – Repatriation destinations



Business insurance

SegurCaixa Negocio is a product designed to cover the most typical accidents that occur in businesses whose principal activity involves the purchase or sale of goods and services either for their own use or for resale.

Motor Insurance

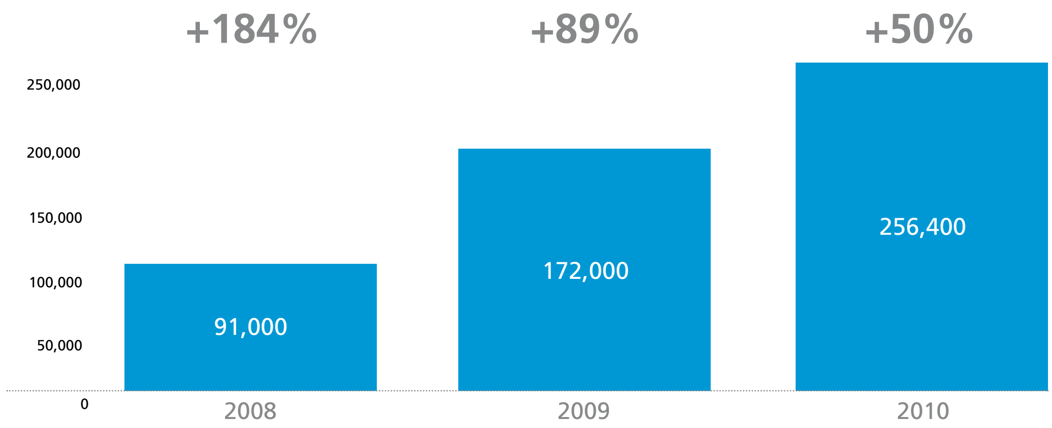
VidaCaixa Grupo is the leading bancassurance entity within the Spanish market in terms of marketing the company's own motor insurance product for automobiles, motorcycles and vans, by way of three different products: *SegurCaixa Auto*, *SegurCaixa Moto* and *SegurCaixa Auto Negocio*.

There was significant growth in this line of business in 2010, with a premiums of 130 million euros, 47% more than 2009; there were 221,000 policy-holding customers, which represented an increase of 5% over 2009, and a market share of 1.1%, an increase of 0.4% on the previous reporting period.

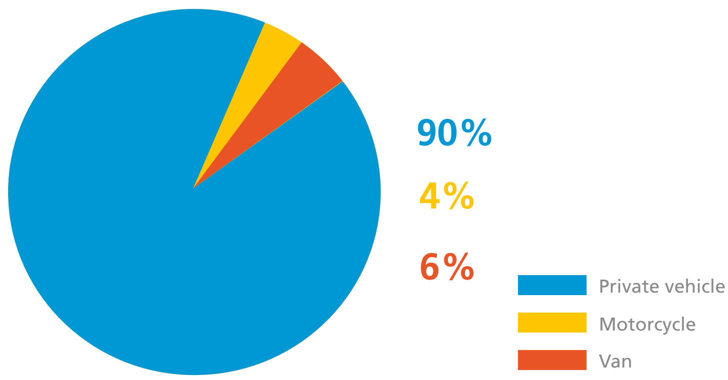
Motor insurance	2010
Premiums	130 million euros (+47%)
Customers	0.2 million (+5%)
Market share	1.1% (+0.4)
Position in ranking	14th (+4)

"VidaCaixa Grupo was the first company to sell its own car, motorcycle and van insurance "

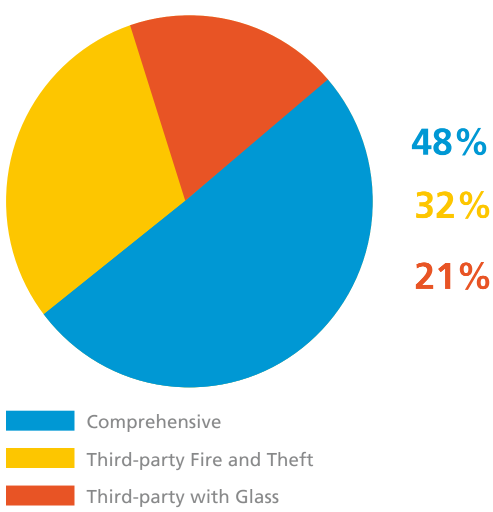
Number of motor insurance policies subscribed



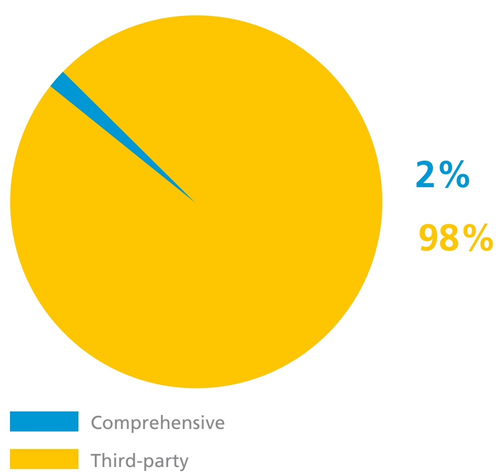
Distribution of policy by type



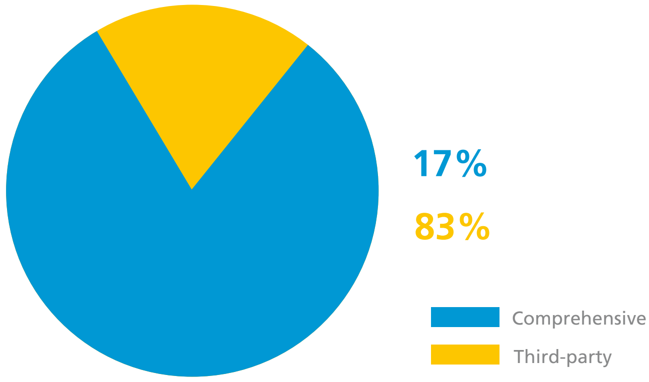
SegurCaixa Auto: Type of risk covered



SegurCaixa Moto: Type of risk covered



SegurCaixa Auto Negocio: Type of risk covered



In 2007, VidaCaixa Grupo launched this line of business and since then business increased at an exponential rate year-on-year and far outperformed the established forecasts. With differential cover compared to its competitors – repair and/or replacement of optional accessories included by the manufacturer, the easy monthly-payment option on the policy, the diversity of access channels and our unfaltering undertaking to provide service excellence, the automobile insurance business contributed to positioning VidaCaixa Grupo as a benchmark institution for comprehensive cover in every single area of family insurance. In 2010, comprehensive cover accounted for 47.5%, third-party fire and theft 31.9% and third-party with glass 20.6%.

Since 2008, VidaCaixa Grupo has also marketed an insurance product for motorcycle owners in addition to other motor insurance products.

There are three types of contract available for this insurance product: third party, third party including fire and theft and comprehensive with excess (of which the last two are exclusively available for new motorcycles). In 2010, comprehensive cover was 1.5%, while third-party made up the remaining 98.5%. The number of policies subscribed was 10,655, a 77% increase over the figure in 2009.

In 2009, VidaCaixa Grupo began offering *SegurCaixa Auto Negocio*, providing insurance cover to SMEs and self-employed workers for vans of up to 3,500 kg, for private as well as commercial use. The product offers customers several interesting features, such as 100% evaluation for vehicles older than two years, in the case of a total write-off and 100% current market value for vehicles of more than two years. The product allows the holder to choose the mechanics at will, including manufacturers own garages and also includes series-specific and optional accessories for up to 1,500 euros, as well as a breakdown service and an administrative service for traffic fines.

In 2010, the company handled 14,468 policies, 386% more than the previous year. Of these, 17.1% had comprehensive cover and 82.9% had third-party cover.

3.4 Commitment to a multi-channel approach

The integration of Adeslas into VidaCaixa Grupo strengthened the multi-channel model and turned the Group into a reference in the sector

In the context of Strategic Plan designed by VidaCaixa, the Group takes its leadership role and applies to it a strategy of multi-channel sales for every business area it operates in.

The integration of Adeslas into VidaCaixa Grupo strengthens the existing multi-channel business model and transforms the Group into a benchmark organisation within its sector with the amalgamation of its commercial potential and extensive product portfolio with its traditional customer-focused and service excellence approach.

During a period of economic instability such as the present, the solvency of a large Group becomes one of its principal assets when it comes to a customer deciding on whom to trust. As a result, VidaCaixa Grupo has access to the entire Spanish market with an offer that stands out for its quality.

In line with the multi-channel approach adopted by the company, it focused efforts on additional channels to supplement the agency and branch channels and throughout the reporting period, further investments were made in channels such as the Internet, where the Group currently provides service to more than 6.6 million customers of "la Caixa" and the telephone channel through which many thousands of customers discovered new ways of contacting the organisation and thereby improving services in areas such as self-service, consultations regarding contracts, etc.

The telephone also consolidated its position as an important channel for marketing the innovative new *SegurCaixa Accidentes* product, innovative in its simplicity when it comes to customers subscribing to the product.

The majority of products featured in our product portfolio are directly available from the "la Caixa" corporate website *Línea Abierta Web*.

Products available directly from the "la Caixa" website
Línea Abierta Web

- Pension plans and voluntary welfare schemes
- Savings insurance and children's savings products
- Dental insurance
- Agreements insurance (designed for SMEs)
- Automobile insurance
- Motorcycle insurance
- Home insurance
- Life insurance
- Instant repayment loan-linked insurance is available from *Línea Abierta* and ATMs
- Accident insurance (new feature in 2010)
- Health insurance (the product can be subscribed via Internet and the contract may be terminated by telephone).

All product information is available from the *Línea Abierta* website and the following administrative tasks can be carried out from there: requesting copies of documents, consultations, requests for external transfers in pension plans, making additional payments into the product, making an insurance claim, booking check-ups, etc.

Several new features were introduced in 2010, among which were the following: the option to make payments into pension plans via the Internet website for mobile phone access, *Línea Abierta Móvil*, the option to subscribe to the *SegurCaixa Accidentes* product, registering a home insurance claim via Internet, the option to create a new specific pension plans tab within the Línea Abierta domain and providing customers with a new pension plan search engine.

The Adeslas agency network

The network agency, owned by Adeslas, is comprised of a total of 660 agents who in 2010 were devoted exclusively to handling healthcare insurance products. Through a combination of an intensive training programme and the latest commercial hardware, the Adeslas agency network can now extend its product portfolio to include automobile insurance, home insurance, accident insurance and pension plans.

3.5 AgenCaixa

315 AgenCaixa insurance advisors make up a network of professionals who provide quality advice to all their customers

In 2010, the business model applied by the AgenCaixa Insurance Brokers underwent a complete overhaul to adapt its focus, management and business consultancy to self-employed workers and SMEs, one of the most important markets in the Spanish economy and in the insurance sector and one in which VidaCaixa tapped into excellent potential for growth.

In order to meet the challenges of this growth opportunity, VidaCaixa Grupo designed a series of elements among which the most important are; a broad range of products tailored to the customers' line of business and specific needs, service excellence, the confidence generated by a solvent brand and the network of Insurance Brokers.

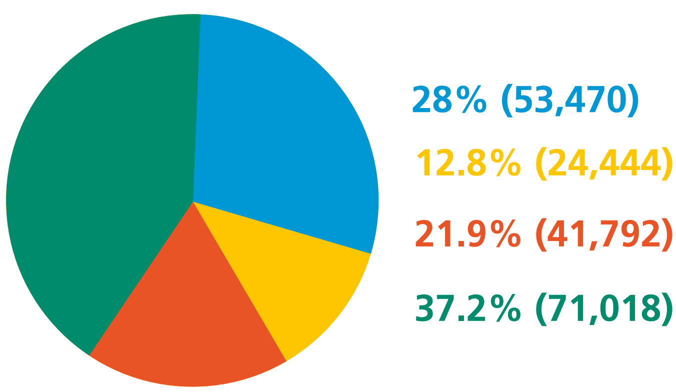
The 315 AgenCaixa Insurance Brokers make up a team of first-rate professional staff who provide sound consultancy to customers focusing on self-employed workers and SMEs, as well as handle the individual business of directors and employees of these companies.

Several new AgenCaixa Delegations and Branches were opened in 2010. Centres and Insurance Brokers were provided with the best available resources and hardware so that the network could conduct its business correctly: a centralized support system to provide back-office and product development, the launch of new products and the implementation of an ongoing training programme tailored to suit the needs of the sector and the potential it represents.

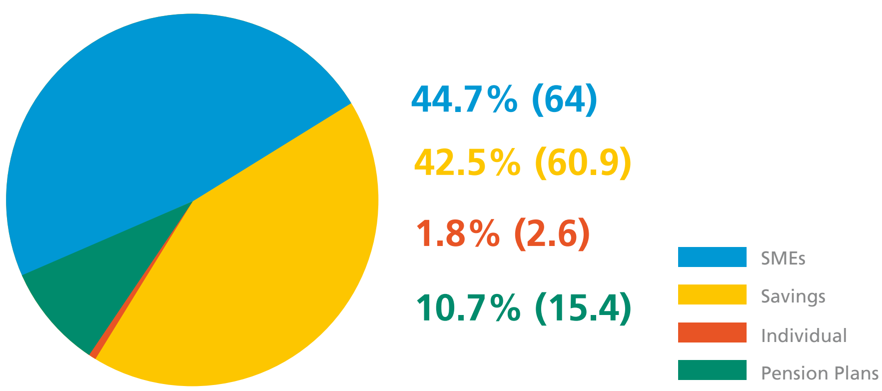
AgenCaixa is a strategic channel for the Group due primarily to the volume of business contributed by Insurance Brokers but also because of the information they transmit to the organisation regarding product position and catalogue, information that is of the utmost importance to continue progressing in search of new cover needs and to adapt existing products and services to meet customer expectations and preferences.

Average accumulated productivity per manager in 2010

Premiums



Transactions



4

Key issues and projects in 2010

4.1 The integration process

The integration of Adeslas into VidaCaixa Grupo was the main event of 2010

The key event in 2010 was the acquisition of Adeslas by Criteria CaixaCorp in June and its later integration into VidaCaixa Grupo.

In order to implement the integration process between the former SegurCaixa Holding (VidaCaixa Grupo today) and Adeslas, a Monitoring Committee was set up, which consisted of the Management Committee from which came the Project Office that was directly responsible for the execution of the decisions and the follow-up of the planning. An Integration Office was also set up. This managed the different processes linked to the support functions, the implementation of the new Strategic Plan and the development of transversal initiatives that would affect the new organisation and would ensure a uniform management, and lastly, the integration of the support functions.

The following actions were carried out to guarantee the proper performance and operation of the new Group during the integration process: the definition of the organisational chart of VidaCaixa Grupo, the shaping and later approval of the plans and objectives of each Management area, the integration of teams and the assignment of new responsibilities, the design of the integration plans for each of the Management teams involved. Quality and excellence were priorities and a constant during the development of the integration plan. Consequently, customer satisfaction was the main goal behind all the effort made in the unification of teams and processes.

The integration process was carried out on schedule without affecting the day to day activity of VidaCaixa Grupo. Similarly, the mercantile merger was completed on time, thereby ensuring the operational side of VidaCaixa Grupo from a legal point of view.

The merger process gave rise to VidaCaixa Grupo, an insurance company and market leader in complementary social welfare and healthcare.

Mario Berenguer, Managing Director of VidaCaixa Grupo, during the presentation of results to employees.

4.2 Development of a complete multi-channel model

With the integration of Adeslas, VidaCaixa Grupo aims to become a reference on the Spanish insurance market, providing a multi-sector, multi-segment and multi-channel offer.

There are multiple opportunities and their fruition, through the 2011-2015 Strategic Plan, will turn VidaCaixa Grupo into a reference in the insurance and welfare sector as much for its commercial potential as for its wide-ranging catalogue of products focussed on the needs of its customers, not to mention its permanent vocation to provide excellent service.

All of these points work side by side with the Group's commitment to continue investing in the Internet channel, where VidaCaixa Grupo offers its products and services to more than 6.6 million customers of "la Caixa", and in Call Center platforms, where thousands of customers get in contact with the Group. These are points that relate to the improvement in self-service tools, the ease of access to consult information and covers, as well as contracting different products. All of them were improved in 2010 and they will continue to be present in all future plans of the Group.

Consolidation of the new model for the SME and self-employed segments and the development of a new AgenCaixa branch-office Network

The SMEs and the self-employed are going to be one of VidaCaixa Grupo's objectives for growth

Throughout 2010 the transformation took place of the commercial model of the AgenCaixa Insurance Advisors with the aim of redirecting their advisory and management activity towards the SME and self-employed segments. The more than 300 highly qualified advisors that make up AgenCaixa are going to focus their efforts on this segment, which offers enormous future growth potential for VidaCaixa Grupo.

With the determination to provide a proximate and quality service, a new network of their own branch offices will be opened in order to help policyholders with enquiries throughout the country.

Huge step forward in our commitment to the SMEs and the self-employed

More than 100,000 customers have placed their trust in specifically designed products for SMEs and the self-employed over the last few years.
With more than 176,000 contracts and 378,000 policyholders, 2010 meant another step forward in the activity of micro-companies, SMEs and the self-employed as well as the consolidation of the new products launched at the end of 2009: *SegurCaixa Negocio* and *SegurCaixa Auto Negocio*, both of which were well accepted with almost 400,000 new contracts.
Similarly, we must point out the 72,000 new policyholders in life, accidents and healthcare products.
2010 was a major advance towards the final consolidation of a complete offer for this market segment with the implementation of important development projects for existing products together with the preparation of new ones that will be presented in 2011, such as a new Multi-risk Industrial product or others in the area of Civil Liability.

4.3 Development of new branches and new segments

Affluent Project 2010

Within the definition process of the strategic plan, VidaCaixa Grupo is developing specific products and services directed at personal and private banking customers, in other words, the high income segment that has many financial links with "la Caixa".

4.4 Intense commercial activity

VidaCaixa Grupo's marketing action was most intense and contributed to the excellent results in spite of the economic deceleration in 2010

In 2010 the integration process ran hand in hand with the intensification of commercial actions by VidaCaixa Grupo. In spite of the economic deceleration, VidaCaixa Grupo grew in all the sectors it had a presence.

21 campaigns were successfully carried out. They focussed on private individuals, families, new residents, the self-employed, SMEs and companies and significantly contributed to the growth in the volume of premiums and funds managed by VidaCaixa Grupo.

VidaCaixa Grupo commercial campaigns in 2010

1. *Profesional multiEstrella*
2. SegurCaixa Campaign
3. VidaCaixa Health Campaign
4. Payroll/Pension/Professional *MultiEstrella* Campaign
5. Periodic Contribution Pension Plan Campaign
6. Fiscal Income Pension plan Campaign
7. *Libreta Futuro* Campaign
8. SegurCaixa Repatriation Campaign
9. SegurCaixa Home Campaign
10. VidaCaixa Dental Health Campaign
11. Pension Plan Campaign
12. Multi-Insurance 2010 Campaign
13. Pension Plan Campaign
14. Periodic Contribution Pension Plan Campaign
15. External pension plan transfer Campaign
16. VidaCaixa Health Campaign
17. Final Pension Plan Campaign
18. VidaCaixa Adeslas National Health Campaign
19. VidaCaixa Adeslas Family Campaign
20. VidaCaixa Adeslas SME Campaign
21. VidaCaixa Adeslas End of Year Campaign

The dynamism of the professionals who work for VidaCaixa Grupo, the specialised product offer, the quality of service given to customers, the diversity of sales channels and the promotional incentives were crucial to the smooth running of the business.

4.5 Consolidation of leadership position in welfare savings and healthcare and an intense drive in non-life business

In 2010 the Group consolidated its leadership in complementary social welfare and also in healthcare after the incorporation of Adeslas

Once again, VidaCaixa Grupo maintained its leadership in complementary social welfare and, after the incorporation of Adeslas, also led in healthcare.

Resources totalling more than 33,000 million euros were managed in pension savings with a market share rising to 15%.

Premiums in the healthcare area, after the incorporation of Adeslas, rose to 839 million euros, a growth of more than 11 points over the market average.

4.6 Acting in accordance with our values

Our corporate values –Trust, Quality, Dynamism and Proximity– guide the relationship VidaCaixa Grupo has with its stakeholders: its shareholders, employees, customers, society and the environment.

With the integration of Adeslas, Proximity was added to our values. Its meaning shows how accessible the new Group is, the personalised attention given, the dialogue offered to customers and its wide-ranging presence throughout the country.

The VidaCaixa Grupo strategy and the behaviour of all the professionals who belong to it are aligned with those corporate values.

"VidaCaixa Grupo's values guide the behaviour of the organisation and its relationship with its stakeholders"

4.7 Prizes and awards for pension plan investment management

VidaCaixa Grupo's excellent management, service to customers and innovation received numerous awards and prizes in 2010

VidaCaixa Grupo was awarded several prizes that recognised its excellent work, which was fruit of its innovating effort and good product management.

In 2010 VidaCaixa won the awards, which were granted by the *Espansión* newspaper and Interactive Data, the financial consultancy, for Best Manager in Fixed Income and Mixed Income Pension Plans. In like fashion, the "PlanCaixa Ambición" pension plan was also recognised as the Best Fixed Interest Pension Plan in 2010. This was the third successive year that VidaCaixa got 3 of the 6 prizes awarded for pension plans and their managers.

On the other hand, the Morning Star and The Economist awarded VidaCaixa the Prize for the Best Fixed Interest Pension Plan for "*PlanCaixa Ambición*". This category concentrates 42% of all pension plan funds managed in Spain. Among the most outstanding characteristics that tipped the scales in its favour was the fact that the product maintained its profitability over the last five years and that it achieved a higher profitability than similar products of its competitors in at least three of the last five years.

VidaCaixa's investment team with the three awards given to them by the *Expansión* newspaper.

Accepting the award from the Economist for the best Fixed Income Pension Plan.

5

The shareholders of VidaCaixa Grupo

5.1 The shareholders of VidaCaixa Grupo

VidaCaixa Grupo is the Insurance Group of “la Caixa” and forms part of Criteria CaixaCorp, currently CaixaBank.

In 2010 “la Caixa” managed to sustain its financial strength in spite of the persistent economic deceleration in our country. Thanks to its intensive commercial activity and prudent risk management, the overall volume of business stood at 437,443 million euros with 247,897 million euros in customer resources and 189,546 million euros in granted loans. The recurring profit came to 1,507 million euros.

2010 was also the year in which the deployment of the 2007-2010 Strategic Plan concluded successfully. With this “la Caixa” reinforced its traditional leading position in family banking as well as implementing a new model specialising in personal banking, private banking, SMEs, enterprise banking and corporate banking.

The new 2011-2014 Strategic Plan, with the slogan “make the difference”, reasserts the company’s vocation for growth, leadership and social responsibility. Moreover, in 2010 “la Caixa” strengthened its commitment to society and the environment through its Obra Social with a budget of 500 million euros.

Criteria CaixaCorp

Criteria CaixaCorp is an investment group with stakes in the banking, financial and services sectors, with a solid commitment to internationalisation and which seeks to provide shareholders with long term value through its active portfolio management.

In 2010, Criteria CaixaCorp increased its consolidated net profit by 38% to 1,823 million euros. Its investment portfolio at 31st December 2010 topped 23,059 million euros, making it the most important group in volume of assets among all the private investment groups in Europe. Criteria foresees paying out a dividend of 31.1 euro cents per share, taking into account the 5.1 euro cents that are subject to the Dividend/Share Criteria Programme, which lays down that, for the very first time, that part of the dividend can be paid out in cash or in shares of the company.

The current investment portfolio of Criteria CaixaCorp is the largest in Europe among private investor groups in terms of managed assets, with a value at 31st December 2010 of 23,059 million euros. The portfolio includes first class companies with a solid leadership position in their respective sectors of activity and in the countries in which they operate, not to mention their proven capacity for generating value and profitability.

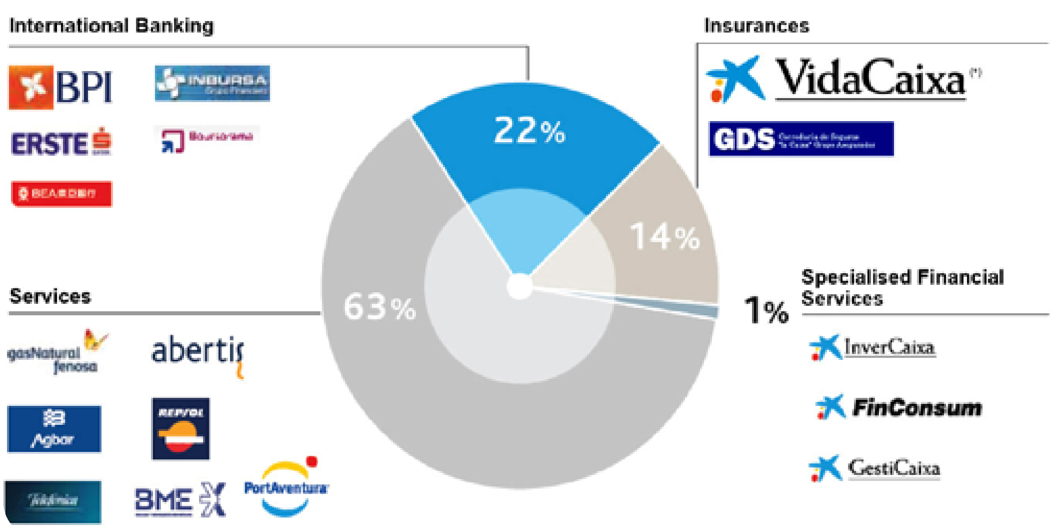
Apart from Criteria’s presence in the banking and financial sectors, through stakes in companies, it is also present in strategic sectors such as energy, telecommunications, infrastructures and services.

Criteria CaixaCorp's investment portfolio is the most important in volume of assets among the private investment groups in Europe

The advancement of active management in investments is reflected in its taking up influential positions at the heart of the companies where it has stakes, intervening in the Governing Bodies and actively getting involved in the definition of business strategies and policies, thereby contributing to their continuous development and the creation of value for shareholders.

In this context, Criteria also performs management control with the aim of increasing the value of its investments in a risk-controlled environment, which results in carefully identifying and analysing new investment and disinvestment opportunities on the market. For this, Criteria relies on its wide-ranging knowledge of and extensive experience in the sectors where it has a presence, which gives it its significant position as an investor.

Criteria CaixaCorp has been listed on the Spanish Stock Market since 10th October 2007 and has formed part of the Ibex 35 since 4th February 2008, standing among the top Spanish companies in market capitalisation. Criteria CaixaCorp's portfolio as of 31st December 2010 is broken down as per the following graph:



(*) Percentage distribution taking into account the Mutua Madrileña operation under way in December 2010. Criteria expects to complete these transactions in the second half of 2011.

Criteria, just like all the rest of the "la Caixa" Group, is immersed in a process of reorganisation, which will finish in July 2011. This process involves Criteria acquiring the banking business of "la Caixa" in exchange for certain stakes Criteria holds in its portfolio (Abertis, Gas Natural Fenosa, Agbar, PortAventura and Mediterránea Beach & Golf Community). With this Criteria will become CaixaBank, a leading banking Group in Spain with outstanding liquidity and solvency ratios.

"In 2011 Criteria will be converted into CaixaBank, a leading banking Group in Spain with outstanding liquidity and solvency ratios"

Business Lines

The multi-sectorial combination of investments in companies that are leaders in their respective areas, provide a position of reference for Criteria CaixaCorp on the market

At 31st December 2010, Criteria CaixaCorp had a multi-sectorial portfolio that combines investments in both listed and non-listed companies that are leading or referenced companies in their respective environments and that make up a diversified and unmatched portfolio, which provides it with a privileged position on the market. Criteria's activity is organised into two separate business lines: financial and services.

Financial Business

Up to 2010, there was the international banking activity through stakes held in banks outside Spain on the one hand and on the other, there were the non-listed filial companies that carried on the domestic business in insurance and specialised financial services, such as asset management, leasing and consumer credit, among others.

In accordance with the outlined strategy, the relative weight of the stakes in the financial area over the GAV significantly increased to 37% at 31st December 2010 from 17% on the day Criteria was listed.

The new structure of the "la Caixa" Group for 2011 will cause the relative weight of the financial business, both national and international, to shift to 75% of the asset value of CaixaBank. The financial business is broken down as follows:

a) International Banking

It is foreseen to continue exposure in the financial business environment through banking stakes centred on retail banking. Proceeding with the objectives set out when Criteria became a listed company, acquisitions were undertaken and will continue to be undertaken preferably in America, Asia and Central Europe, in countries with a significant growth potential as with other markets nearer home where Criteria can create value. This will also be carried out in countries with growth opportunities where the experience of "la Caixa" can be employed successfully.

b) Insurance and Specialised Financial entities

The aim of these investments is to naturally complement the banking activity of "la Caixa". In future, the intention of the company is for investments in the insurance and financial investment sectors and specialised financing to seek to boost growth, incorporating, as the case may be, new partners from the sector while extending and consolidating its position on the national market. These business lines have naturally levered themselves into the growth of the distribution network of "la Caixa", as well as into their own capacity to cross-sell.

Services Business

This type of business includes all the stakes in leading enterprises in their respective markets that have demonstrated growth and value creating capacity even in such an adverse economic environment. The investments of the company are focused on Spanish enterprises with an international presence in sectors such as infrastructures, energy and services, among others. They make up a portfolio of stakes that are capable of generating recurring income, profitable and long term while providing an attractive dividend.

Criteria CaixaCorp has built up a great deal of knowledge about its lines of business, which is fruit of successful investments and the continuous analyses of new opportunities.

Criteria's aim is to create a differential value in those companies that are present in strategic sectors of the economy and it does so by taking a position of reference in the shareholder structure that allows an active presence on its Governing Bodies, in key decision-taking and in the development of its business strategies. Criteria holds key positions in those companies and, when necessary, can exercise the corresponding control premiums as a result of this influence.

The implementation of the new Criteria CaixaCorp organisational design for 2011 means that the industrial portfolio will focus entirely on Telefonica and Repsol.

Management and strategy principles of the Company

With the reorganisation of the "la Caixa" Group, the specific weight of the financial business will represent 75% of the value of CaixaBank's assets

The management principles are set out below:

Greater exposure to financial businesses
The reorganisation announced on 27th January 2011 will enable Criteria CaixaCorp to acquire a leading banking business in Spain and then turn itself into a banking group called CaixaBank. Thus, the commitment undertaken when Criteria was floated to boost Criteria's exposure to the financial sector is fulfilled.

Active management of investments
Criteria CaixaCorp has an active participation in the Governing Bodies of the companies it has stakes in. It gets involved in the definition of their future strategies in coordination with the management teams of those companies and contributes to the medium and long-term sustainable development of their businesses.

Management by value of investments
Criteria undertakes investments, disinvestments and corporate projects depending on the opportunities the market offers while at all times prioritising the creation of value and profitability for its shareholders. In this regard, Criteria's decision to buy or sell depends on the climate offered by markets at any given time. For this, Criteria has more than enough flexibility and experience to identify opportunities and act opportunely.

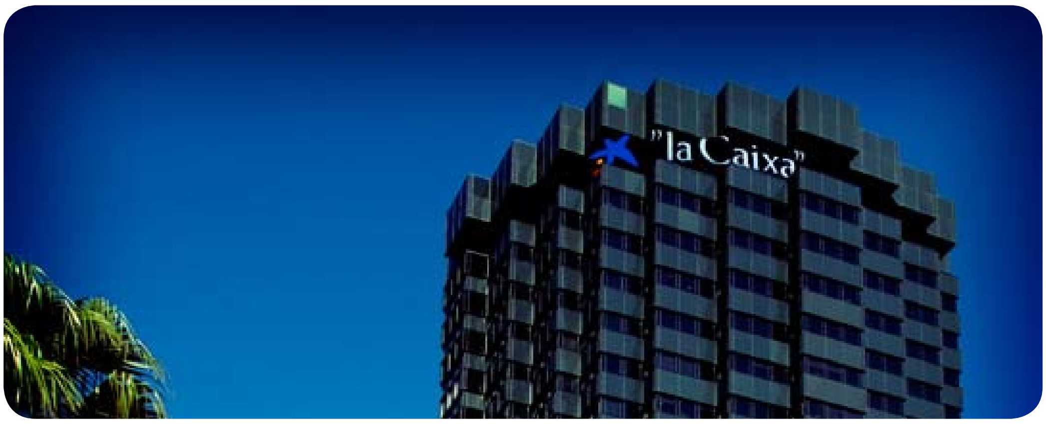
Focus on the medium and long-term investment
The management philosophy of Criteria CaixaCorp's active management entails an investment horizon that is medium to long-term, maximising value by concentrating on corporate development and involvement in the strategies of the portfolio company while deciding on an acquisition or disposal at the best possible moment.

Maximum transparency in its relationship with shareholders and other stakeholders
It is Criteria CaixaCorp's determination to ensure the maximum level of transparency in relation to its shareholders and other stakeholders. This policy is shown through bringing the company closer to all the stakeholders, offering each of them all the available relevant information on a permanent basis. This may concern results, corporate management and strategy or any other issue of interest to them.

The Managing Committee of VidaCaixa Grupo with Juan Maria Nin, Chief Executive Officer of "la Caixa".

5.2 "la Caixa"

In 2010 "la Caixa" successfully completed its specialisation model of personal banking, private banking, SME banking, company banking and corporate banking



2010 marked the successful end of the 2007-2010 Strategic Plan of the "la Caixa" Group in spite of the complex economic and financial environment. "la Caixa" strengthened its traditional leadership in banking for individuals by implementing a specialist model in personal banking, private banking, SME banking, enterprise banking and corporate banking, which allowed it to gain market share and reinforce its position in those market segments.

Within its international expansion framework, "la Caixa" now has 3 operating branches abroad and 10 representative offices, all of which offer a full range of products and services to customers to satisfy their international requirements. Moreover, in 2010 "la Caixa" and Criteria CaixaCorp strengthened their collaboration agreements made in previous years with their strategic partners in GF Inbursa, Erste Group Bank, The Bank of East Asia and Banco BPI.

One outstanding point was Criteria CaixaCorp's acquisition of Adeslas in June 2010. This was integrated into VidaCaixa Grupo and gave rise to VidaCaixa Adeslas, the leading healthcare enterprise in Spain. Furthermore, in January 2011 "la Caixa" and Mutua Madrileña reached a strategic agreement by which Mutua Madrileña would acquire 50% of the non-life insurance business. On the other hand, within the framework of the Adeslas acquisition operation, 24.5% of Agbar was sold to Suez Environnement. The "la Caixa" Group still has the remaining 24% in Agbar. In December 2010 the "la Caixa" vehicle renting activity was sold to Arval (BNP Paribas Group).

The market value at 31st December 2010 of all the listed stakes of the "la Caixa" Group rose to 18,685 million euros with latent capital gains of 2,709 million euros.

In 2010, another major point of interest within the restructuring of the savings banks sector was the approval, by the Extraordinary General Meetings of "la Caixa" and Caixa d'Estalvis de Girona (Caixa Girona), of the merger of "la Caixa", as the absorbing entity, and Caixa Girona, as the absorbed entity. This merger took place on 3rd November 2010 when the pertinent authorisations were received. From a technological and information systems point of view, the process finished on 1st January 2011 with the swift and satisfactory integration of Caixa Girona into the processes of "la Caixa".

The General Assembly of "la Caixa", held on 28th April, and the shareholders AGM of Criteria CaixaCorp, held on 12th May, approved the reorganisation of the "la Caixa" Group, by which "la Caixa", as foreseen in the new law of Savings Banks (LORCA), can exercise banking activity indirectly through a listed bank (currently Criteria CaixaCorp). The process, which is expected to conclude in July 2011, attempts to define a new structure that, while fulfilling the social objects of "la Caixa" and developing the present Group business, enables "la Caixa" to adapt to the new demanding national and international regulations and, in particular, to the new requirements by the Basel Committee on Banking Supervision (Basel III).

The slogan of the 2011–2014 Strategic Plan of "la Caixa" is "make the difference"

With this reorganisation, "la Caixa" will transfer its banking business to Criteria CaixaCorp (which will be converted into a banking group called CaixaBank) in exchange for the industrial stakes held by Criteria CaixaCorp (Abertis, Gas Natural Fenosa, Aigües de Barcelona, Port Aventura and Mediterránea) as well as a new share issue for a total of 2,044 million euros.

CaixaBank, mostly belonging to "la Caixa", will be born with a leading position in the Spanish financial and insurance sector and will, in addition, be diversified with other complementary activities such as holding stakes in international banks as well as in Telefonica and Repsol.

The new structure will also enable the full development of the new Strategic Plan 2011-2014 of "la Caixa", which, under the slogan "make the difference", reasserts the entity's vocation to growth, leadership and social responsibility. Its strategic goals are to consolidate the leadership of "la Caixa" in retail banking in Spain, deepen its international commitment, keep its commitment to the business fabric of the country–through a distinctive portfolio of stakes in companies– and reaffirm its social commitment. Moreover, "la Caixa" will continue to undertake an active and anticipated management of its capital and liquidity to improve its financial strength.

"la Caixa" in 2010: consolidation of its financial strengths and vast commercial capacity

"la Caixa" consolidated its reference position in family and business banking with more than 10.5 million customers

Today "la Caixa" is a reference in family and business banking. It has a relationship with the customer through proper segmentation and multi-channel management. It is determined to offer a specialised, professional and quality service to all its customers.

At the end of 2010 "la Caixa" had the largest network of branch offices in the Spanish financial system (5,409 offices, of which 5,396 are in Spain, a market share of 12.6%) as well as the most important network of ATMs (8,181). It is the leader in on-line banking (with more than 6.6 million customers and a market share of 31.4%) and mobile banking with more than 1.5 million customers. On an international level, it has 10 representative offices and 3 operating branches in Warsaw, Bucharest and Casablanca.

In 2010, due to the massive commercial activity of the "la Caixa" group and its extensive customer base numbering some 10.5 million clients, the volume of its banking business stood at 437,443 million euros (247,897 million euros in managed funds and 189,546 millions in credits), which was 5.2% more than the previous year. In this regard, "la Caixa" holds a leading position in banking for individuals in the Spanish banking sector, which is clearly shown by its 21% market share.

The financial strength of "la Caixa" was consolidated in 2010 thanks to the quality and diversification of its credit portfolio, its excellent levels of liquidity and solvency and its good profitability and efficiency

Similarly, 2010 witnessed the strengthening of most of its leading market shares, which are 15.7% in payrolls, 13.6% in pensions, 17.7% in credit card income, 21.2% in income from shops (POS), 11% in mortgages, 14.8% in life-savings insurance, 10% in deposits and 10.6% in credits to the resident private sector, among other products and services.

As far as the 2010 results are concerned, the "la Caixa" Group made a net recurring profit of 1,507 million euros (–11.9% with respect to the previous year), thus proving its capacity to generate recurring profits in spite of the complex economic environment.

In 2010, the "la Caixa" Group consolidated its financial strength, which is shown in the following ways:

- A quality credit portfolio that is diversified and has good guarantees. It has a demanding risk and provision management. The non-performing loans ratio at 31st December 2010 stood at 3.71%, which was well below the average for the Spanish financial sector. The cover ratio went up to 70%, 140% with mortgage guarantees, and there is a generic fund of 1,835 million euros, the same amount as at the close of 2009. This provides "la Caixa" with a solid financial standing in the face of any future financial turmoil.

- Excellent levels of liquidity –19,638 million euros, 6.9% of equity–, all of which is immediately available. "la Caixa" also has a stable financial structure as it is mostly financed by its customers' resources.

- Excellent levels of solvency, with a core capital ratio of 8.6%, a Tier 1 ratio of 9.9% and a BIS II solvency ratio of 11.8%, which is among the highest in the sector, especially as regards first category resources. Self-financing of additional demands of capital derived from the evolution of the recurrent business of the "la Caixa" Group.

- Good profitability, with a recurrent ROE of 9.3%, plus a good level of efficiency, with a recurrent efficiency ratio of 43.6%.

Lastly, 2010 consolidated the role of the entity as a social player committed to the needs of the most underprivileged groups. With a budget of 500 million euros devoted to hundreds of social, cultural, educational, environmental and scientific projects, the *Obra Social* of "la Caixa" pays special attention to those activities whose aims are to cover the needs derived from social exclusion.

For 2011, "la Caixa" foresees maintaining the 500 million euro budget devoted to the *Obra Social* projects where 67% is assigned to social programmes, 14% to the environment and science, 13% to culture and 6% to educational and research programmes.

6

Future projects

In keeping with what is set out in the Strategic Plan 2011-2015, one of VidaCaixa Grupo's priorities is to become a universal model of distribution that will enable it to reach out to all customers through every single available channel on the market.

These priorities are explained in the following lines of action:

- Intensive launching of new products for new channels and market segments, which satisfy the needs of customers. This will be undertaken through constant attention to developing more fitting products and services for customers.

- Strengthening of leadership position in complementary social welfare and healthcare.

- Development of the non-life business (company multi-risk, etc), especially with reference to new sectors.

- More emphasis on the quality of service and customer loyalty to the VidaCaixa Grupo.

- Successfully finalise, within the first six months of 2011, the implementation of nearly 20 projects that make up the integration process of the new VidaCaixa Grupo. Our aim is to improve the organisation's efficiency and operating procedures.

- Complete the key transversal projects for the improvement in efficiency and operating procedures of the Group.

- Kick off the strategic alliance with Mutua Madrileña, which includes a marketing agreement for the exclusive and indefinite distribution of non-life products of VidaCaixa Adeslas through the branch network of "la Caixa" as well as other channels of the organisation.

- Cross-selling: with the integration of Adeslas, the leading company in the Spanish healthcare insurance sector, VidaCaixa gains access to a new and wide-ranging universe of channels and customers.

- Paying attention to the specific needs of each of the different client segments while strengthening the specialised offer to SMEs and the self-employed sector, which enabled the company to reach exceptional levels of growth.

- Lastly, develop products aimed at the high income segment.

Excellence in customer service, innovation in new products and the multi-channel approach are the pillars on which the relationship the Group has with its customers will be strengthened

Given this, VidaCaixa Grupo will continue to act according to its corporate values -trust, quality, dynamism and proximity-, in pursuit of its goals of expansion and growth with stability, solvency and profitability.

The drive for excellence in customer service, the innovation in the development of new products and the commitment to providing easy access to them through multiple physical and technological channels are the pillars on which the relationship VidaCaixa Grupo has with its customers is built, just as it has been doing since its beginning over a hundred years ago.

In the field of innovation, the aim is to complete the range of products by paying close attention to the needs of customers in order to design the products and services that best cover those needs at any given moment. In this regard, the main lines of action are going to be the attention paid to the personal and estate insurance needs of private customers, the financial planning for their retirement, as well as the development of solutions for large enterprises while at all times providing the highest quality of service.

Finally, VidaCaixa Grupo's commitment to improving responsible performance will continue to be a constant feature. Among the other priorities of the Group are to strive day by day to make the Group a better place to work at, keep corporate responsibility and sustainability integrated in our strategy and business, contribute to the environment with sustainable and respectful development and intensify the dialogue and communication with all our stakeholders.

7

Corporate Governance and Internal Control Report

Corporate Governance and Internal Control Report

This report has been voluntarily prepared by VidaCaixa Grupo, S.A. (Sociedad Unipersonal).

A. Ownership Structure

A.1. Breakdown of the most significant Company shareholders at financial year close:

Name or legal name of shareholder	% of share capital
Criteria CaixaCorp, S.A.	100%

A.2. Indicate, where necessary, the relationship between the shareholders or significant holdings, whether it be through family, commercial, contractual or corporate ties, insofar as it is known to the Company, unless it is of little relevance or it is derived from ordinary commercial activity:

Names or related legal names	Type of relationship	Brief description
(Not applicable)	(–)	(–)

A.3. Indicate, where necessary, the relationship between the shareholders or significant holdings and the Company, whether it be through family, commercial, contractual or corporate ties, unless it is of little relevance or it is derived from ordinary commercial activity:

Names or related legal names	Type of relationship	Brief description (i)
Criteria CaixaCorp, S.A.	Corporate	Ricardo Fornesa Ribó is Honorary Chairman of Criteria CaixaCorp, S.A., and Chairman of the Board of Directors of VidaCaixa Grupo, S.A. (Sociedad Unipersonal) and VidaCaixa, S.A. de Seguros y Reaseguros.
Caixa d'Estalvis i Pensions de Barcelona ("la Caixa")	Corporate	"la Caixa" has a 79.45% holding in Criteria CaixaCorp, S.A., which, in turn, is shareholder of VidaCaixa Grupo, S.A. (Sociedad Unipersonal). Juan María Nin Génova is CEO of "la Caixa" and Board Member of VidaCaixa Grupo, S.A. (Sociedad Unipersonal). Tomás Muniesa Arantegui is Senior Executive Vice-President of "la Caixa", Chief Executive Officer of VidaCaixa Grupo, S.A. (Sociedad Unipersonal) and Chairman of the Board of Directors of VidaCaixa Adeslas, S.A. de Seguros Generales y Reaseguros. Jordi Mercader Miró and Javier Godó Muntañola are Vice-Chairmen of "la Caixa", and Directors of Criteria CaixaCorp, S.A. and VidaCaixa Grupo, S.A. (Sociedad Unipersonal).

Percentage of own shares

There are no own shares.

(i) On 13 January 2011, three new members of the Board of Directors were appointed, namely: Inmaculada Juan Franch, Guillaume Sarkozy de Nagy–Bocsa and Miquel Noguer Planas. Ms Juan and Mr Noguer are also members of the Board of Directors of "la Caixa" and Criteria CaixaCorp, S.A. Similarly, on 13 January 2011 Jordi Mercader Miró was appointed Vice-Chairman of the Company's Board of Directors.

B. Structure of the Company's Board

B.1. Board or Administrative Body

B.1.1. List of the maximum and minimum number of Board Members or Members of the Administrative Body envisaged in the Statutes:

Maximum number of Board Members / Members of the Administrative Body	12
Minimum number of Board Members / Members of the Administrative Body	4

B.1.2. Complete the following table on Members of the Board or Administrative Body and their corresponding status:

Name or legal name of Member of Board or Administrative Body	Representative	Last date of appointment	Status
Ricardo Fornesa Ribó		20/06/2008	Significant Shareholder
Juan Mª Nin Génova		12/11/2007	Significant Shareholder
Tomás Muniesa Arantegui		12/11/2007	Significant Shareholder & Executive
Francisco Reynés Massanet (ii)		12/11/2007	Significant Shareholder
José Vilarasau Salat		21/12/2007	Significant Shareholder
Jordi Mercader Miró		21/12/2007	Significant Shareholder
Manuel Raventós Negra		20/06/2008	Significant Shareholder
Javier Godó Muntañola		21/12/2007	Significant Shareholder
Miquel Valls Masseda		21/12/2007	Independent

B.1.3. Identify, wherever applicable, the Members of the Board or Administrative Body that hold posts of Administrator or Director in other companies that form part of the Group:

Name or legal name of Member of Board or Administrative Body	Legal name of Group Company	Post
Tomás Muniesa Arantegui	VidaCaixa Adeslas, S.A. de Seguros Generales y Reaseguros	Chairman
Ricardo Fornesa Ribó	VidaCaixa, S.A. de Seguros y Reaseguros	Chairman

B.1.4. Indicate the aggregate remuneration of the Board Members or Administrative Body earned during the financial year:

During the 2010 financial year, the Company's Board of Directors received a total fixed remuneration of 1,810 thousand euros.

B.1.5. Identify top management members who are not at the same time Board Members or Executive Members of the Administrative Body, and indicate their total earnings during the financial year:

During the 2010 financial year, the Company's Top Management received a total fixed remuneration of 595 thousand euros.

(ii) On 13 January 2011, Mr Reynés resigned from the posts he occupied in the Company. As mentioned in the footnote on the previous page, the General Meeting held on 13 January 2011 appointed as members of the Board of Directors, Ms Juan, Mr Noguer and Mr Sarkozy. The post occupied by Mr Sarkozy has independent status, whereas the other two are substantial shareholders.

B.1.6. Indicate whether the Statutes or the Rules of the Board set out a limited mandate for Board Members or Members of the Administrative Body:

YES [X] NO [ ]

Maximum years of mandate, with possibility of re-election	6

B.1.7. Indicate whether the individual and consolidated annual accounts presented for approval by the Board or Administrative Body are previously certified.

YES [ ] NO [X]

Identify, wherever applicable, the person/s that has/have certified the individual and consolidated annual accounts to be presented for approval by the Board or Administrative Body.

Name or Legal Name	Post
–	–

B.1.8. Explain the mechanisms, if any, established by the Board or Administrative Body to prevent the individual and consolidated annual accounts drawn up by it from being presented at the Annual Shareholders' Meeting or equivalent body with notes in the auditor's report.

To avoid this situation there is an Audit Committee that supervises the drawing up process of the accounts so that there are no notes.

B.1.9. Does the Secretary of the Board or Administrative Body have the rank of Board Member?

YES [ ] NO [X]

B.1.10. Indicate, wherever applicable, the mechanisms established to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies.

1) Auditor: the rule of temporary rotation of the audit team is observed.

2) Financial analysts: we work with the most reputable companies in the world. We usually work with several at the same time.

3) Investment banks: we work with the most reputable companies in the world. We usually work with several at the same time.

B.2. Committees of the Board or Administrative Body

B.2.1. List the Committees of the Board or Administrative Body (iii):

	No. of members
Executive Committee	4
Audit Committee	3

(iii) On 13 January 2011, the Appointments and Remunerations Committee, comprised of three members, was created. In addition, as a result of the resignation of Mr Reynés from all his posts, the Executive Committee now comprises three members.

B.2.2. List the Committees of the Board or Administrative Body and their members (iv):

EXECUTIVE COMMITTEE

Name or Legal Name	Post
Ricardo Fornesa Ribó	Chairman
Juan Mª Nin Génova	Member
Tomás Muniesa Arantegui	Member
Francisco Reynés Massanet	Member

AUDIT COMMITTEE

Name or Legal Name	Post
Francisco Reynés Massanet	Chairman
Manuel Raventós Negra	Member
Miquel Valls Masseda	Member

B.2.3. Write a description of the rules of organisation and how they operate, as well as the responsibilities attributed to each of the Committees of the Board or Administrative Body. Wherever applicable, describe the powers of the Chief Executive Officer.

B.2.3.1. Board of Directors

The powers of the Board are set out in article 19 of the Company Statutes, namely:

a) To adopt all the agreements and functions required to carry out the Company objective.

b) To carry out and formalise the agreements of the General Shareholders' Meeting.

c) To draw up and put into practice all the Regulations deemed necessary to run the business, offices, buildings and administrations of the Company and reform them whenever deemed appropriate.

d) To accept or reject business and operations.

e) To hold, organise and authorise all types of acts, duties and contracts, including those related to the acquisition, disposal and encumbrance of fixed and intangible assets, and grant leases that can be registered.

f) To dispose of Company funds in order to apply them to the running, administration and management of the business and operations of the Company.

g) To provide all classes of sureties and guarantees and to pledge and mortgage its assets, in all cases as a guarantee for the obligations of the Company and third parties.

h) To authorise all types of activities in the Company, in particular the General Shareholders' Meetings and Management Meetings.

i) To appoint and dismiss personnel, establishing their conditions and attributions, salaries, commissions, bonuses and extraordinary rewards, even appointing and revoking powers of attorney, correspondents, advisors, attorneys, agents and similar, agreeing their remuneration, obligations and powers.

j) To represent the Company before all types of authority, bodies and tribunals, undertaking whatever actions within its power or abandoning them at any time, as well as submitting the matters the Company is interested in to settlement, conciliation, and arbitrators.

k) To establish and withdraw deposits, compete, intervene and bid in all sorts of auctions and tenders, and to open and close accounts in any type of credit establishment, including Banco de España (Bank of Spain) and the Caja General de Depósitos (Spanish Government Depositary).

l) To sign, issue, endorse and accept, discount and guarantee letters of exchange or promissory notes, letters of payment and other commercial documents or mercantile bills.

(iv) Following the agreements adopted on 13 January 2011: a) the Executive Committee now has three members (as a result of the resignation of Mr Reynés); b) the Audit Committee now has three members, Miquel Valls Maseda (Chairman), Miquel Noguer Planas (Member) and Manuel Raventós Negra (Member); and c) the Appointments and Remunerations Committee now has three members, Ricardo Fornesa Ribó (Chairman), Manuel Raventós Negra (Member) and Tomás Muniesa Arantegui (Member).

m) To approve inventories, balance sheets and accounts that have to be submitted to the Annual Shareholders' Meeting and annually present the Annual Report to the Annual Shareholders' Meeting, proposing, wherever applicable, the distribution of profit, amortisations and the establishment of whatever reserve funds it deems necessary.

n) To propose to the Annual Shareholders' Meeting the payment of passive dividends, if applicable, on the shares in circulation, until they are fully paid out and the distribution of interim dividends against profits during the course of the year.

o) To delegate its powers to a person or persons it deems appropriate, through a power of attorney.

p) To propose to the Extraordinary General Shareholders' Meeting the transformation, modification, merger or dissolution of the Company.

q) To propose to the General Shareholders' Meeting any other powers not reserved by law or by the Statutes.

B.2.3.2. Chief Executive Officer

There is a Chief Executive Officer, Mr. Tomás Muniesa Arantegui, who has been delegated all the powers of the Board of Directors, except for those which cannot be delegated by law.

B.2.3.3. Executive Committee

The Board of Directors appoints an Executive Committee made up of three members of the Board of Directors. The Committee appoints a Chairman among its members. The Committee has been delegated all the powers of the Board of Directors, except for those which cannot be delegated by law.

The Secretary of the Executive Committee is also the Secretary of the Board of Directors.

B.2.3.4. Audit Committee (v)

The Board of Directors appoints an Audit Committee among its members.

The Audit Committee will be formed by a minimum of three and a maximum of five Board Members. The non-executive Members must always be the majority.

The Audit Committee will appoint its Chairman from among the non-executive Members. The Chairman must change every four years but can be re-elected as Chairman after one year from the date of resignation. The Committee will also appoint the Secretary, who may not be a Member of the Committee, and in the absence of such an appointment or in the case of the appointed party being absent, the Secretary of the Board may act as such.

The Audit Committee meets as often as is necessary to perform its functions and it is summoned by order of its Chairman, on his own initiative or at the request of the Chairman of the Board, or by two Members of the Committee. The Audit Committee is validly constituted when those participating or their representatives form the majority of its Members.

The agreements are adopted by the majority of the participating Members, either present or represented.

The Audit Committee has the following powers:

1) To report to the General Shareholders' Meeting on matters within its remit raised by shareholders.

2) To propose to the Board, for its submission to the Annual Shareholders' Meeting, the appointment of external auditors.

3) Supervision of internal auditing services.

4) Knowledge of the Company's financial information process and internal compliance systems, whenever they are established.

5) Contact with the external auditors to receive information on matters that may put their independence at risk and any other matters related to the development process of the audit, as well as other communications foreseen in the legislation on account auditing and on the technical regulations of auditing.

B.2.4. Indicate the number of meetings held by the Audit Committee during the financial year.

Number of meetings	1

(v) On 22 February 2011, the General Meeting agreed the new revised text of the Company Statutes in order to adapt them to Law 12/2010, of 30 June ("Law 12/2010") and to Legislative Royal Decree 1/2010, of July, thus adapting the functions of the Audit Committee to the provisions of section two of final provision four of Law 12/2010.

C. Associated Transactions

C.1. List the significant transactions which have resulted in a transfer of resources or obligations between the Group Company or Companies and the shareholders or most significant holdings of the Company:

Name or legal name of shareholder or most significant holding	Name or legal name of the Group Company or Companies	Type of relationship	Type of transaction	Amount (thousands of euros)
"la Caixa"	VidaCaixa S.A.	Shareholder	Credited interests	164,033
"la Caixa"	VidaCaixa S.A.	Shareholder	Expenses from sales of securities	–8,923
"la Caixa"	VidaCaixa S.A.	Shareholder	Insurance premiums	131,761
"la Caixa"	VidaCaixa S.A.	Shareholder	Sales commissions	107,637
"la Caixa"	VidaCaixa Adeslas S.A.	Shareholder	Sales commissions	48,866

C.2. List the significant transactions which have resulted in a transfer of resources or obligations between the Group Company or Companies and the administrators or members of the administrative body, or Directors of the Company.

Not applicable.

C.3. List the significant transactions with other companies belonging to the same Group, wherever these have not been eliminated during the process of drawing up the consolidated financial statements and do not form part of the normal business activity of the Company with regard to its object and conditions:

Not applicable.

C.4. Identify, wherever applicable, any situations of conflict of interest of Directors or Members of the Administrative Body of the Company, in accordance with the provisions established in articles 229 to 231 of the Revised Text of the Law on Capital Companies ("Law on Capital Companies" or "RTLCC") (previously article 127 ter of the Revised Text of the Law on Joint Stock Companies).

There are no situations of conflict of interest.

C.5. Explain the mechanisms established to detect, determine and solve any possible conflicts of interest between the Company or its Group and its Board Members or Members of the Administrative Body or Directors.

The documents required by articles 229 to 231 of the Law on Capital Companies are complied with and the information contained therein is included in the Company's Annual Accounts.

D. Risk Control Systems

D.1. A general description of the risk control policy of the Company and/or its Group, listing and evaluating the risks covered by the system, together with the explanation of the adequacy of said systems to the profile of each type of risk.

See the following section "Internal Control Systems of VidaCaixa Grupo" in this chapter of the VidaCaixa Grupo Annual Report.

D.2. Indicate the control systems in place to evaluate, mitigate or reduce the main risks of the Company and its Group.

See Note D.1.

D.3. In the event of some of the risks that affect the Company and/or Group having taken place, indicate the circumstances that caused them and whether the control systems worked.

With regard to the risk control of investments and in accordance with the correct functioning of the established internal control systems, no losses through Impairment in value for any class of financial assets were recognised during the 2010 financial year.

D.4. Indicate if there is a committee or other governing body instructed to establish and supervise such control systems and explain what their functions are.

An Audit Committee, appointed by the Board of Directors, supervises the internal control systems of the Company.

E. General Shareholders' Meeting or Equivalent Body

E.1. State the quorums to constitute the Annual General Meeting or equivalent body established in the Statutes. Describe how it differs from the minimum rule envisaged in the Law on Capital Companies, or in the applicable legislation.

The Company is presently a sole proprietorship. However, the Company Statutes transcribe the general regime for quorums specified in the Law on Capital Companies.

E.2. Explain the rules for adopting Company agreements. Describe how this differs from the rules envisaged in the Law on Capital Companies, or in the applicable legislation.

There are no differences with respect to the general regime stipulated in the Law on Capital Companies.

E.3. List the rights of the shareholders in relation to the Shareholders' Meeting or equivalent body.

The rights of the shareholders in relation to the General Shareholders' Meeting are those set out in Royal Decree 1/2010, of 2 July, which approves the revised text of the Law on Capital Companies.

In accordance with the Statutes of VidaCaixa Grupo, S.A. (Sociedad Unipersonal) and the regulations of the Law on Capital Companies, the following rights are specified:

– The right to decide by majority vote matters within their remit.

– Rights to separate and challenge in the terms set out in the Law.

– The right of the shareholder to obtain from the Company, immediately and at no cost, the documents that have to be submitted for their approval and, wherever applicable, the auditors' report on the accounts.

– The shareholders, whose shares are registered in the Shares Register five days prior to the date the General Shareholders' Meeting is to take place, have a right to attend.

– The shareholders with a right to attend have the right to be represented.

– Shareholders representing 5% of the share capital may request the administrative body to call a Shareholders' Meeting, indicating the matters for discussion in said request.

– The right to one vote per share.

E.4. Indicate briefly the agreements adopted at the General Shareholders' Meetings or equivalent bodies held in the same year as the present report refers to and the percentage of votes with which the agreements were adopted.

Attendance statistics of General Shareholders' Meetings during the financial year:

All the Shareholders' Meetings were universal, with all the shareholders in attendance.

List of Ordinary and Extraordinary General Shareholders' Meetings of VidaCaixa Grupo, S.A. (Sociedad Unipersonal) in 2010:

29/03/2010	Approval of the individual accounts of the 2009 financial year and application of the result. Approval of the consolidated accounts of the 2009 financial year. Approval of the management of the Board of Directors. Re-election of auditors.
31/08/2010	Increase in the share capital of the Company through a non-monetary contribution of 382,536,500 euros, plus the corresponding issue premium of 1,147,442,282.04 euros.
09/11/2010	Distribution of the issue premium.
28/12/2010	Change of Company name.

E.5. Indicate the address and way of accessing the content of Corporate Governance on the web page.

The Company's Corporate Governance Report can be accessed via the following URL address: http://www.vidacaixa.com/cas/info_corporativa/gobierno_corporativo.html, or by accessing VidaCaixa Grupo, S.A. (www.vidacaixa.com), section "Corporate Information" and "Corporate Governance".

F. Degree of Compliance with Corporate Governance Recommendations

Indicate the degree of compliance of the Company with the recommendations of the Unified Code on Good Governance.

In cases of non-compliance, explain the recommendations, rules, practices or criteria applied by the Company.

1. The Statutes of listed companies should not limit the maximum number of votes that can be issued by a single shareholder, nor contain other restrictions which prevent gaining control of the Company through the acquisition of its shares in the market.

Compliance [ ] Explanation [X]

VidaCaixa Grupo, S.A. (Sociedad Unipersonal) is not a listed company.

2. When a parent company and a subsidiary company are listed, both should define in public and with precision:

a) The respective areas of activity and possible business relations between them, in addition to those of the listed subsidiary with other Group Companies.

b) The mechanisms envisaged to resolve any possible conflicts of interest that may arise.

Compliance [ ] Partial compliance [ ] Explanation [ ] Not applicable [X]

3. While not expressly demanded by commercial laws, operations which involve a structural modification of the Company, in particular the ones listed below, should be submitted to the General Shareholders' Meeting for approval:

a) The transformation of listed companies into holding companies, through "subsidiarisation" or the incorporation within subsidiary companies of essential activities carried out until now by the Company itself, despite the latter having full control over them.

b) The acquisition or transfer of essential operational assets, where this involves an effective modification of the corporate purpose.

c) Operations whose effect is equivalent to the liquidation of the Company.

Compliance [X] Partial compliance [ ] Explanation [ ]

4. The detailed proposals of agreements to be adopted at the General Shareholders' Meeting, including the information referred to in recommendation 28, should be made public at the moment the Meeting is publicly announced.

Compliance [ ] Explanation [X]

Given that it is not a listed company, and only has one shareholder, the proposals of agreements to be adopted at the General Shareholders' Meeting are not published.

5. At the General Shareholders' Meeting, matters which are substantially independent should be voted on separately, so that shareholders can exercise their voting preferences separately. In particular, said rule should apply to:

a) The appointment or ratification of Board Members, which should be voted for individually.

b) In the case of Statute modifications, each article or group of articles that is substantially independent.

Compliance [X] Partial compliance [ ] Explanation [ ]

6. Companies should split the vote, so that financial intermediaries which appear legitimised as shareholders, but who act on behalf of various clients, can issue their votes according to the instructions of these clients.

Compliance [ ] Explanation [X]

Not applicable. The Company is presently a sole proprietorship.

7. The Board of Directors should carry it out its duties with diligence and impartiality, treat all shareholders in the same manner and act in the interest of the Company, understood as maximising the financial worth of the Company in a sustained manner.

The Company should also ensure that in its relations with stakeholders it respects the laws and regulations, complies with its obligations and contracts in good faith, respects the uses and good practices of the sectors and regions in which it carries out its activities, and observes any additional principles of social responsibility it has voluntarily accepted.

Compliance [X] Partial compliance [ ] Explanation [ ]

8. As a core element of its mission, the Board of Directors should take responsibility for approving the Company strategy and the detailed organisation for implementing this, in addition to supervising and monitoring that the Management fulfils the objectives established and respects the corporate purpose and social interest of the Company. To such end, the Board of Directors has sole authority to approve:

a) The general policies and strategies of the Company, and in particular:

i) The strategic business plan, as well as the annual management objectives and budget.

ii) The investment and financing policies.

iii) Defining the structure of the group of companies.

iv) The corporate governance policy.

v) The corporate social responsibility policy.

vi) The remuneration policy and the performance evaluation of top management.

vii) The risk control and management policy, in addition to the periodic monitoring of internal information and control systems.

viii) The dividends and own portfolio policy, and in particular its limits.

b) The following decisions:

i) On the proposal of the top executive of the Company, the appointment and possible dismissal of top management, in addition to their compensation clauses.

ii) The remuneration of Directors, and, in the case of executives, the additional remuneration for their executive duties and other conditions, which must comply with their contracts.

iii) Financial information which, given its listed status, the Company must publish on a periodic basis.

iv) Investments and operations of all types which, given the large sums involved or their special characteristics, are of a strategic nature, except for those whose approval corresponds to the General Shareholders' Meeting.

v) The creation or acquisition of holdings in special purpose companies or those domiciled in countries or regions with the status of tax havens, in addition to any other transactions or operations of a similar nature which, given their complexity, may compromise the transparency of the Group.

c) The operations which the Company carries out with Directors, significant shareholders or shareholders represented on the Board, or with persons associated therewith ("associated transactions")

Said authorisation by the Board of Directors shall not, however, be required in associated transactions which simultaneously fulfil the three following conditions:

1) They are undertaken in compliance with contracts whose conditions are standardised and are generally applied to several clients.

2) They are undertaken at established prices or rates of a general nature by a party acting as a supplier of the goods or service in question.

3) Their amount does not exceed 1% of the Company's annual turnover.

It is recommended that the Board of Directors approves associated transactions subject to a favourable report by the Audit Committee or, wherever applicable, whatever party has been instructed to perform said function, and for the Directors affected by them, in addition to not exercising or delegating their vote, to remain outside the meeting room while the Board of Directors deliberates and votes on them.

Compliance	X	Partial compliance		Explanation	

9. The Board of Directors should have enough members to perform its function in an efficient and participative manner, and it is recommended that its size is between five and fifteen members.

Compliance	X	Explanation	

10. External owners and independent Directors should represent a broad majority in the Board of Directors and the number of executive Directors should be the minimum necessary, bearing in mind the complexity of the Company Group and the shareholding percentages of the executive Directors in the Company capital.

Compliance	X	Partial compliance		Explanation	

11. In the case of external Directors that cannot be considered either owner Director or independent Director, the Company should explain this situation and his/her relationship, either with the Company or its Directors, or with its shareholders.

Compliance		Partial compliance		Not applicable	X

12. Among the external Directors, the ratio between the number of significant shareholders and independent Directors should reflect the proportion that exists between the Company capital represented by significant shareholders and the remaining capital.

Said proportion criteria may be relaxed, so that the weighting of owner Directors is greater than the one corresponding to the total percentage of capital they represent:

1) In companies with high capitalisation in which shareholdings with the legal status of significant are negligible or non-existent, although shareholders exist with blocks of shares with a high absolute value.

2) In the case of companies in which there is a plurality of shareholders represented in the Board of Directors, and there are no relationships between them.

Compliance [X] Explanation [ ]

13. The number of independent Directors should represent at least one third of the total.

Compliance [ ] Explanation [X]

There is only one independent Director.

14. The character of each Director should be explained by the Board of Directors to the General Shareholders' Meeting, which should effect or ratify his/her appointment, and confirm or, wherever applicable, review it annually in the Annual Corporate Governance Report, subject to verification by the Appointments Committee. This Report should also explain the reasons for appointing owner Directors at the request of shareholders whose shareholding is less than 5% of the capital; and, wherever applicable, explain why formal requests for a presence on the Board of Directors have been denied to shareholders whose shareholding is equal to or greater than others who have been appointed owner Directors.

Compliance [ ] Partial compliance [X] Explanation [ ]

The nature of each Director is explained by the Board of Directors to the General Shareholders' Meeting, although no Appointments Committee has existed throughout 2010 (vi).

15. When the number of female Directors is negligible or zero, the Board of Directors should explain the reason for this and the measures taken to remedy this situation, and, in particular, when new vacancies become available, the Appointments Committee must ensure:

a) The selection processes do not suffer from any implicit bias that prevents the selection of female Directors.

b) The Company will deliberately seek, and include among the potential candidates, women who fulfil the required professional profile.

Compliance [ ] Partial compliance [ ] Explanation [X] Not applicable [ ]

There are no female Directors on the Company's Board of Directors at 31 December 2010, although the selection procedures for members of the Board of Directors do not suffer from any bias that prevents the selection of women for said posts within the Company (vii).

(vi) See footnote on page (iii).

(vii) See footnote on page (i).

16. The Chairman, being responsible for the efficient operation of the Board of Directors, should make sure that Directors receive sufficient information in advance and encourage debate and active participation among Directors during Board Meetings, while safeguarding his/her freedom of posture and expression; and also organise and coordinate with the chairmen of the corresponding Committees the periodic evaluation of the Board of Directors and, wherever applicable, the Chief Executive Officer or top executive.

Compliance	Partial compliance	Explanation
X		

17. Whenever the Chairman of the Board of Directors is also the top executive of the Company, he should authorise one of the independent Directors to call meetings of the Board of Directors or include new points on the agenda, to coordinate or echo the concerns of external Directors, and to channel through the Board of Directors the evaluation of its Chairman:

Compliance	Partial compliance	Explanation	Not applicable
			X

18. The Secretary of the Board of Directors should ensure that the activities of the Board:

a) Fulfil the requirements and the spirit of the legislation and its regulations, including those approved by regulatory bodies.

b) Comply with the Company Statutes, the Rulings of the Shareholders' Meeting, the Board and any other the Company may have.

c) Take into consideration the recommendations on good governance contained in the present Unified Code, which the Company has accepted.

In order to safeguard the independence, impartiality and professionalism of the Secretary, his/her appointment and dismissal should be notified by the Appointments Committee and approved by the full Board of Directors, said procedure and appointment being recorded in the Regulations of the Board of Directors.

Compliance	Partial compliance	Explanation
	X	

The Company complies with the above, except for the fact that there is no Appointments Committee or Regulations of the Board of Directors (viii).

19. The Board of Directors should convene regularly in order to perform its duties efficiently, adopting the calendar of dates and subjects established at the beginning of the financial year, each director being able to propose other points on the agenda not initially envisaged.

Compliance	Partial compliance	Explanation
X		

20. Non-attendance of Directors should be restricted to unavoidable circumstances and quantified in the Annual Corporate Governance Report. If representation is impossible, instructions should be provided.

Compliance	Partial compliance	Explanation
X		

21. Whenever the Directors or the Secretary express concerns regarding any proposal or, in the case of Directors, regarding the Company's progress and such concerns are not resolved by the Board of Directors, they should be recorded in the minutes at the request of the party who expressed them.

Compliance	Partial compliance	Explanation	Not applicable
X			

(viii) See footnote on page (iii).

22. Once a year, the full Board of Directors should evaluate:

a) The quality and efficiency of the operation of the Board of Directors.

b) Based on the report submitted by the Appointments Committee, the execution of the duties of the Chairman of the Board and the top executive of the Company.

c) The operation of its Committees, based on the report which they submit.

Compliance		Partial compliance	X	Explanation	

The Board of Directors regularly evaluates the efficiency of its operation. There was no Appointments Committee at 31 December 2010 (ix).

23. All Directors should exercise their right to gather any additional information they consider necessary on subjects within the remit of the Board of Directors, and, except where stated to the contrary in the Statutes or Regulations of the Board of Directors, address their request to the Chairman or Secretary of the Board of Directors.

Compliance	X	Explanation	

24. All Directors should have the right to obtain from the Company the required advice for the exercise of their functions. The Company should determine the appropriate channels for the exercise of said right, which in special circumstances may include external advice at the Company's expense.

Compliance	X	Explanation	

25. Companies should establish a training course which provides new Directors with quick and sufficient information on the Company, in addition to its rules of corporate governance, and also offer Directors skills update courses when circumstances so advise.

Compliance		Partial compliance	X	Explanation	

All new Directors are verbally informed of the Company's operation in the Board of Directors meeting.

26. Companies should insist that Directors dedicate the necessary time and effort to their role in order to perform it in an efficient manner and, consequently:

a) Directors should notify the Appointments Committee of their other professional obligations, in case these interfere with the dedication required.

b) Companies should establish rules on the number of committees their Directors may form part of.

Compliance		Partial compliance	X	Explanation	

Since no Appointments Committee exists, Directors cannot notify it of their other professional obligations. However, every year the Company receives from each Director the mandatory information contained in articles 229 to 231 of the Law on Capital Companies (x).

27. The proposed appointment or re-election of Directors submitted to the General Shareholders' Meeting by the Board of Directors, in addition to their provisional appointment through co-optation, should be approved by the Board of Directors:

a) On the proposal of the Appointments Committee, in the case of independent Directors.

(ix) See footnote on page (iii).

(x) See footnote on page (iii).

b) Subject to a report from the Appointments Committee, in the case of other Directors.

Compliance	Partial compliance	Explanation
		X

Since no Appointments Committee exists, the proposed appointment or re-election of Board Directors at the General Shareholders' Meeting is not channelled through said Committee (xi).

28. Through their websites, companies should publish and maintain up to date the following information on their Directors:

a) Professional profile and biography.

b) Other Boards of Directors they belong to, irrespective of whether these are listed companies.

c) An indication of the category of Director they belong to, stating, in the case of significant shareholders, the shareholder they represent or are related to.

d) Date of initial appointment as Company Director, and dates of subsequent appointments.

e) Company shares and share options owned.

Compliance	Partial compliance	Explanation
	X	

Compliance with the recommendation. However, the Company website does not include information relative to section a).

29. Independent Directors should not remain as such for a continued period in excess of 12 years.

Compliance	Explanation
X	

30. Owner Directors should resign when the shareholder they represent sells their entire shareholding, and should do likewise, by the corresponding number, when said shareholder reduces their shareholding to a level which demands a reduction in the number of its significant shareholders.

Compliance	Partial compliance	Explanation
X		

31. The Board of Directors should not propose the dismissal of any independent Director before compliance of the statutory period for which he/she was appointed, except where there is just cause, in the view of the Board of Directors, subject to a report by the Appointments Committee. In particular, just cause will be deemed to exist whenever the Director has breached the obligations inherent to the post or incurred in any of the circumstances described in caption 5 of section III of the definitions in this Code.

The dismissal of independent Directors may also be proposed from the outcomes of takeover bids, mergers or other similar Company operations which require a change in the structure of the Board of Directors when such changes derive from the proportionality criteria indicated in Recommendation 12.

Compliance	Explanation
X	

32. Companies should establish rules that oblige Directors to report and, wherever applicable, resign in circumstances which may damage the credit and reputation of the Company, and in particular inform the Board of Directors of any lawsuits in which they appear as defendants, in addition to the subsequent outcome of the same.

(xi) See footnote on page (iii).

If a Director is prosecuted or has been committed for trial for any of the offences indicated in article 213 of the Law on Capital Companies (formerly article 124 of the Law on Joint Stock Companies), the Board of Directors should examine the case as soon as possible and in view of the specific circumstances, decide whether it is appropriate or otherwise for the Director to continue in the post. All of the above should be set out and justified in the Annual Corporate Governance Report.

Compliance	Partial compliance	Explanation
X		

33. All Directors should express their opposition in clear terms whenever they consider that a decision proposal submitted to the Board of Directors may be contrary to Company interests. This also applies to independent and other Directors not affected by the potential conflict of interest, in the case of decisions which may harm the shareholders not represented on the Board of Directors.

When the Board of Directors adopts significant or repeated decisions against which the Director has expressed serious reservations, said Director should reach the appropriate conclusions and, if they decide to resign, explain the reasons in the letter referred to in the following recommendation.

This Recommendation also applies to the Secretary of the Board of Directors, in spite of not having Director status.

Compliance	Partial compliance	Explanation	Not applicable
X			

34. When a Director does not complete their mandate, owing to resignation or another reason, they should explain the reasons in a letter to be sent to all members of the Board of Directors. Without prejudice to said resignation being reported as a relevant fact, the reason for the resignation should be stated in the Annual Corporate Governance Report.

Compliance	Partial compliance	Explanation	Not applicable
X			

35. The remuneration policy approved by the Board of Directors must, at least, cover the following issues:

a) The fixed sum, with a breakdown, wherever applicable, of the expenses for participating in the Board and its Committees and an estimate of the fixed annual remuneration resulting from the same.

b) Variable sums, including, in particular:

i) Types of Directors to which they apply, in addition to an explanation of the relative import of variable remunerative concepts compared to fixed ones.

ii) Results evaluation criteria on which any rights to remuneration in shares, share options or any other variable component are based.

iii) Basic parameters and basis of any system of annual bonuses or other benefits not paid in cash.

iv) An estimate of the total sum of variable remuneration resulting from the proposed remuneration plan, according to the degree of compliance of the hypothesis or targets which are taken as a reference.

c) Main characteristics of the benefits systems (for example, complementary pensions, life insurance and similar), with an estimate of their amount or equivalent annual cost.

d) Conditions which the contracts of those exercising top management functions, such as executive Directors, must respect, including the following:

i) Duration.

ii) Advance notice periods.

iii) Any other clauses relating to recruitment bonuses, in addition to redundancy or protection clauses for early termination of the contractual relationship between the Company and the executive Director.

Compliance [ ] Partial compliance [X] Explanation [ ]

36. The remuneration of executive Directors should be limited through the issue of Company or Group Company shares, share options or instruments referenced to share values and variable remuneration linked to performance of the Company or benefits systems.

This recommendation does not apply to the issue of shares on the condition that Directors keep them until dismissal or resignation from the post of Director.

Compliance [ ] Explanation [X]

The remuneration of executive Directors does not include any of the above elements.

37. The remuneration of external Directors should be what is necessary in order to reward the dedication, qualification and responsibility demanded by the post, but not so high that it compromises their independence.

Compliance [X] Explanation [ ]

38. Remuneration based on Company results should take into account any reservations stated in the auditors report that reduce the same.

Compliance [ ] Explanation [ ] Not applicable [X]

39. In the case of variable payments, the remuneration policy should incorporate the required technical precautions to guarantee that such payments are related to the professional effort of their beneficiaries and are not merely derived from the general evolution of the market or the sector of activity of the Company, or from similar circumstances.

Compliance [ ] Explanation [ ] Not applicable [X]

40. The Board of Directors should submit to the General Shareholders' Meeting for voting, as a separate point on the agenda, and for information purposes, a report on the remuneration policy of Directors. Said report should be made available to the shareholders, either separately or in any other manner deemed appropriate by the Company.

Said report should focus on the remuneration policy approved by the Board of Directors for the current year, and, wherever applicable, the policy envisaged for future years. It should cover all issues referred to in Recommendation 35, except for those which may lead to the disclosure of commercially sensitive information. It should highlight the most significant changes to such policies in respect of the policies applied during the previous financial year with regard to the General Shareholders' Meeting. It should also include an overall summary of how the remuneration policy of said past financial year was applied.

The Board of Directors should also report on the role played by the Remuneration Committee in the drafting of the remuneration policy and, where external consultants have been used, the identity of the same.

Compliance [ ] Partial compliance [ ] Explanation [X]

No Remuneration Committee exists and the aforementioned report is not drafted (xii).

(xii) See footnote on page (iii).

41. The Report should list the individual remuneration of the Directors during the financial year and include:

a) A breakdown of the remuneration of each Director, including, wherever applicable:

i) Expenses for attendance and other fixed payments as a Director.

ii) The additional remuneration as Chairman or member of a committee of the Board of Directors.

iii) Any remuneration in the form of profit sharing or bonuses, and the reason they are being granted.

iv) Contributions towards the fixed contribution pension plans of Directors, or an increase in the consolidated rights of the Director, in the case of fixed contribution benefit plans.

v) Any redundancy payments agreed or paid in the case of resignation or dismissal.

vi) Remunerations received as a Director of other Group Companies.

vii) Remuneration for the execution of top management duties of executive Directors.

viii) Any other payment concept different to the above, irrespective of its nature or which Group Company pays it, especially when it has the status of associated transaction, or where its omission would distort the true image of the total remuneration received by the Director.

b) A breakdown of any share issues, share options or any other financial instrument referenced to share values to Directors, listing:

i) The number of shares or options granted during the year, and the conditions for exercising the same.

ii) The number of options exercised during the year, indicating the number of shares affected and the exercise price.

iii) The number of options pending exercise at the end of the year, indicating their price, date and other exercise requirements.

iv) Any modification during the financial year to the conditions for exercising options already granted.

c) Information on the relationship, during the past financial year, between the remuneration received by the executive Directors and the results or other performance measures of the Company.

Compliance		Partial compliance		Explanation	X

However, this is reported in overall, not individual, terms.

42. Wherever a Delegate or Executive Committee exists (hereinafter, "Delegate Committee"), the holding structure of the different classes of Directors should be similar to that of the Board itself and its Secretary should be the Board Secretary.

Compliance	X	Partial compliance		Explanation		Not applicable	

43. The Board of Directors should always be aware of the matters dealt with and the decisions adopted by the Delegate Committee, and all members of the Board of the Directors should receive a copy of the minutes of Delegate Committee meetings.

Compliance	X	Explanation		Not applicable	

44. The Board of Directors should establish, in addition to the Audit Committee required by the Law on the Stock Market, one or two separate Committees for Appointments and Remuneration.

The rules for the composition and operation of the Audit Committee and the Appointments Committee and/or Remuneration Committee should be set out in the Regulations of the Board of Directors, and should include the following:

a) The Board of Directors should appoint the members of said Committees, taking into consideration the skills, aptitudes and experience of the Directors and the task of each Committee, and discuss its proposals and reports. The Committees should report on its activities and the work carried out to the Board of Directors at the first Board meeting after it has convened.

b) Said Committees should be made up exclusively of at least three external Directors. The above is understood to be without prejudice to the attendance of executive Directors or top managers, when expressly agreed by Committee members.

c) Its Chairmen should be independent Directors.

d) It may request external consultancy, whenever it considers this necessary to carry out its duties.

e) Minutes should be drafted at its meetings, a copy of which should be sent to all members of the Board of Directors.

Compliance		Partial compliance		Explanation	X

No Appointments Committee or Remuneration Committee exist. The article of the Company Statutes which regulate the Audit Committee establishes a majority of non-executive Directors, rather than the exclusivity of external Directors (xiii).

45. Supervision of the internal codes of conduct and the rules of corporate governance should be attributed to the Audit Committee, to the Appointments Committee or, if they exist separately, to those of Corporate Compliance or Governance.

Compliance	X	Explanation	

46. The members of the Audit Committee, and in particular its Chairman, should be appointed taking into consideration their skills and experience in accountancy, auditing or risk management.

Compliance	X	Explanation	

47. Listed companies should dispose of an internal audit function which, under the supervision of the Audit Committee, oversees the correct operation of the information and internal control systems.

Compliance	X	Explanation	

48. The manager of the internal audit function should present its annual work plan to the Audit Committee, notify it directly of any incidents that occur in the course of its duties and issue it with a report on its activities at the end of each financial year.

Compliance	X	Partial compliance		Explanation	

49. The risk control and management policy should identify, at least, the following:

a) The different types of risk (operational, technological, financial, legal, reputation, etc.) facing the Company, including among the financial and economic risks, contingent liabilities and other risks off the balance sheet.

b) The establishment of a level of risk considered acceptable by the Company.

c) The measures envisaged to limit the impact of the risk identified, should they materialise.

(xiii) See footnote on page (iii).

d) The information and internal control systems to be used to control and manage the aforementioned risks, including contingent liabilities or risks off the balance sheet.

Compliance [X] Partial compliance [ ] Explanation [ ]

50. The Audit Committee shall be responsible:

1. With regard to information and internal control systems:

a) For supervising the drafting process and the accuracy of financial information relating to the Company and, wherever applicable, to the Group, checking compliance with statutory regulations, the appropriate delimitation of the consolidation scope and the correct application of accounting criteria.

b) For periodically reviewing the internal control and risk management systems, in order to identify, manage and report the principal risks in an appropriate manner.

c) For ensuring the independence and efficiency of the internal audit function, proposing the selection, appointment, re-election and dismissal of the internal audit manager, proposing the budget of this service, receiving periodic information on its activities, and checking that the top management take the conclusions and recommendations of its reports into consideration.

d) For establishing and supervising a mechanism which allows employees to report, confidentially and, if considered appropriate, anonymously, on potentially relevant irregularities, in particular financial and accounting irregularities, they have observed in the Company.

2. With regard to the external auditor:

a) For submitting to the Board of Directors its proposals for the selection, appointment, re-election and replacement of the external auditor, in addition to their recruitment conditions.

b) For regularly receiving from the external auditor information on the audit plan and the results of its implementation, and checking that top management takes its recommendations into consideration.

c) For guaranteeing the independence of the external auditor, and to such effect:

i) The Company should report as a relevant fact to the Spanish National Securities and Exchange Commission (CNMV) any change of auditor, accompanied by a declaration on the existence of possible disagreements with the outgoing auditor and, wherever they exist, the content of the same.

ii) Ensure that the Company and the auditor comply with current regulations concerning the rendering of non-auditing services, the limits of concentration of the auditor's business and, in general, all other regulations established to guarantee the independence of the auditors.

iii) In cases where the external auditor resigns, examine the circumstances that have given rise to this.

d) In the case of groups, encourage the auditor of the Group to take responsibility for the audits of the Companies that make up the Group.

Compliance [ ] Partial compliance [X] Explanation [ ]

No mechanism has been established for confidential and anonymous reporting of irregularities observed by employees.

51. The Audit Committee may summon any employee or Director of the Company to appear before it, even in the absence of any other Director.

Compliance [X] Explanation [ ]

52. The Audit Committee should inform the Board of Directors prior to adopting the following decisions on the issues contained in Recommendation 8:

a) Financial information which, given its listed status, the Company must publish on a periodic basis. The Committee should ensure that interim accounts are prepared adopting the same accounting criteria as for annual accounts, and to this end, consider the suitability of a limited review by the external auditor.

b) The creation or acquisition of holdings in special purpose companies or those domiciled in countries or regions with the status of tax havens, in addition to any other transactions or operations of a similar nature which, given their complexity, may compromise the transparency of the Group.

c) Associated transactions, except where this function of prior notification has been attributed to a Committee other than those of supervision and control.

Compliance		Partial compliance	X	Explanation	

The Board of Directors has not officially delegated points b) and c) to the Audit Committee.

53. The Board of Directors should ensure that it submits the accounts to the General Shareholders' Meeting without reservations and qualifications in the auditor's report, and that, in the exceptional circumstances in which they exist, both the Chairman of the Audit Committee and the auditors clearly explain to the shareholders the content and scope of such reservations and qualifications.

Compliance	X	Partial compliance		Explanation	

54. The majority of members of the Appointments Committee, or Appointments and Remuneration Committee, where they are combined, should be independent Directors.

Compliance		Partial compliance		Explanation	X

This recommendation is not adopted, since there is no Appointments Committee or Remunerations Committee (xiv).

55. In addition to the functions indicated in the above Recommendations, the Appointments Committee shall be responsible for:

a) Evaluating the skills, knowledge and experience required in the Board of Directors, thus defining the required functions and skills in the candidates to cover each vacancy, and evaluating the time and dedication required for them to carry out their duties in an appropriate manner.

b) Examining and organising, in a manner deemed appropriate, the succession of the Chairman and the top executive and, wherever applicable, making proposals to the Board of Directors so that said succession takes place in an orderly and well-planned manner.

c) Reporting the appointments and dismissals of top management proposed by the top executive to the Board of Directors.

d) Reporting to the Board of Directors the issues of a varied nature indicated in Recommendation 14 of this Code.

Compliance		Partial compliance		Explanation		Not applicable	X

56. The Appointments Committee should consult the Chairman and top executive of the Company, in particular when this involves issues concerning executive Directors.

(xiv) See footnote on page (iii).

Any Director should also be able to ask the Appointments Committee to consider potential candidates to cover Director posts, wherever they are considered suitable.

Compliance		Partial compliance		Explanation		Not applicable	X

57. In addition to the functions indicated in the above Recommendations, the Remuneration Committee shall be responsible for:

a) Proposing to the Board of Directors:

i) The remuneration policy of Directors and top management.

ii) The individual remuneration of executive Directors and all other conditions in their contracts.

iii) The basic conditions in the contracts of top managers.

b) Ensuring compliance with the remuneration policy established by the Company.

Compliance		Partial compliance		Explanation		Not applicable	X

58. The Remuneration Committee should consult the Chairman and top executive of the Company, in particular when this involves issues concerning executive Directors and top management.

Compliance		Explanation		Not applicable	X

G. Other Information of Interest

This Corporate Governance Report was approved by the Board of Directors of the Company on the 19 April 2011.

VidaCaixa Grupo Internal Control Systems

Introduction

Through its subsidiaries, VidaCaixa Grupo 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 issues.

Due to the considerable growth of VidaCaixa Grupo, as well as the technical sophistication and extension of the managed products, a need is generated to operate using an integrated system of highly-mechanised processes and procedures which are constantly updated.

Taking these circumstances into consideration, and in order to guarantee fulfilment of all the objectives approved by the Board of Directors, and to inform the market on a periodic basis, VidaCaixa Grupo has defined and developed a thorough internal control system throughout its structure.

Covered Risks

The first step on the way to developing an effective and suitable internal control system for the organisation is to identify, classify and evaluate the risks of the Group.

In this sense, VidaCaixa Grupo considers the following risk categories:

Operational Risk: The Group works on the constant identification of direct and indirect risks of having losses due to mistakes in internal processes, systems, human resources, environmental changes or fraud.

Within this category of risk, special attention is given to the inherent risks in investments, given that it is the area that supports the Group's business.

Credit Risk: Systematic control of the risk of incurring losses through a failure on the part of debtors to meet their payment obligations, and possible losses in value due to changes in their financial solvency.

Market Risk: Controlling the risk of suffering losses from variations in the interest rate, the exchange rate or the value of variable income.

Technical or Subscription Risk: Exhaustive control of the technical-actuarial risk, given that the technical reserves are the most significant item of the Group's liabilities.

Internal Control System

The Board of Directors, as the maximum decision-making and representative body of VidaCaixa Grupo, is responsible for defining the Group's internal control policy, through the functions carried out by the different Delegate Committees into which it is organised. The management, which is responsible for implementing said policy, has all the necessary tools and qualified personnel to achieve this.

Generally speaking, the most relevant mechanisms and internal control systems implemented by VidaCaixa Grupo to guarantee the proper control and management of the identified risks are as follows:

a. Operational Risk

The development and constant updating of an operational risk map enables the different identified risks to be listed, categorised and prioritised, as well as assigned to the key processes of the Group.

Preparation and continuous adaptation of the regulations and the internal procedures for the different companies in the Group, with the aim of homogenising and unifying policy, and guaranteeing a suitable degree of Internal Control in all the processes carried out.

Implementation and follow-up of automated control systems, designed to control the risks of data registration.

Implementation and follow-up of management control systems, with the aim of maintaining a continuous supervision of the economic-financial highlights, as well as the evolution of the strategic objectives and approved budgets, which can detect and, wherever applicable, correct significant deviations that affect fulfilment of the plan.

Analysis of the impact on the profits and the assets of the investments in new products or new lines of business.

Maintaining a strict segregation of functions between the management of investment portfolios, or front office, and the back office, whose main function is to confirm operations.

Implementation and follow-up of control systems of investment risks and liquidity, which cover the process of the investment operation as a whole.

Development of control systems of asset and liability matching and fulfilment of the specific regulating rules.

b. Credit Risk

The definition and monitoring of a credit policy for investment portfolios, in other words, the credit rating of investments in the portfolio, considering the associated long-term and short-term risks, based on high quality rating scales.

c. Market Risk

The periodic calculation of market risk — "Value at Risk", VaR — for portfolios subject to the liquidation value of the holding, defined as the maximum expected loss over a time horizon of one day and with a 95% confidence limit, resulting from changes in the interest rate, the exchange rate or the value of fixed-income securities.

The analysis of the contribution to the VaR — marginal VaR — of certain assets that could contribute to controlling it or strengthening it.

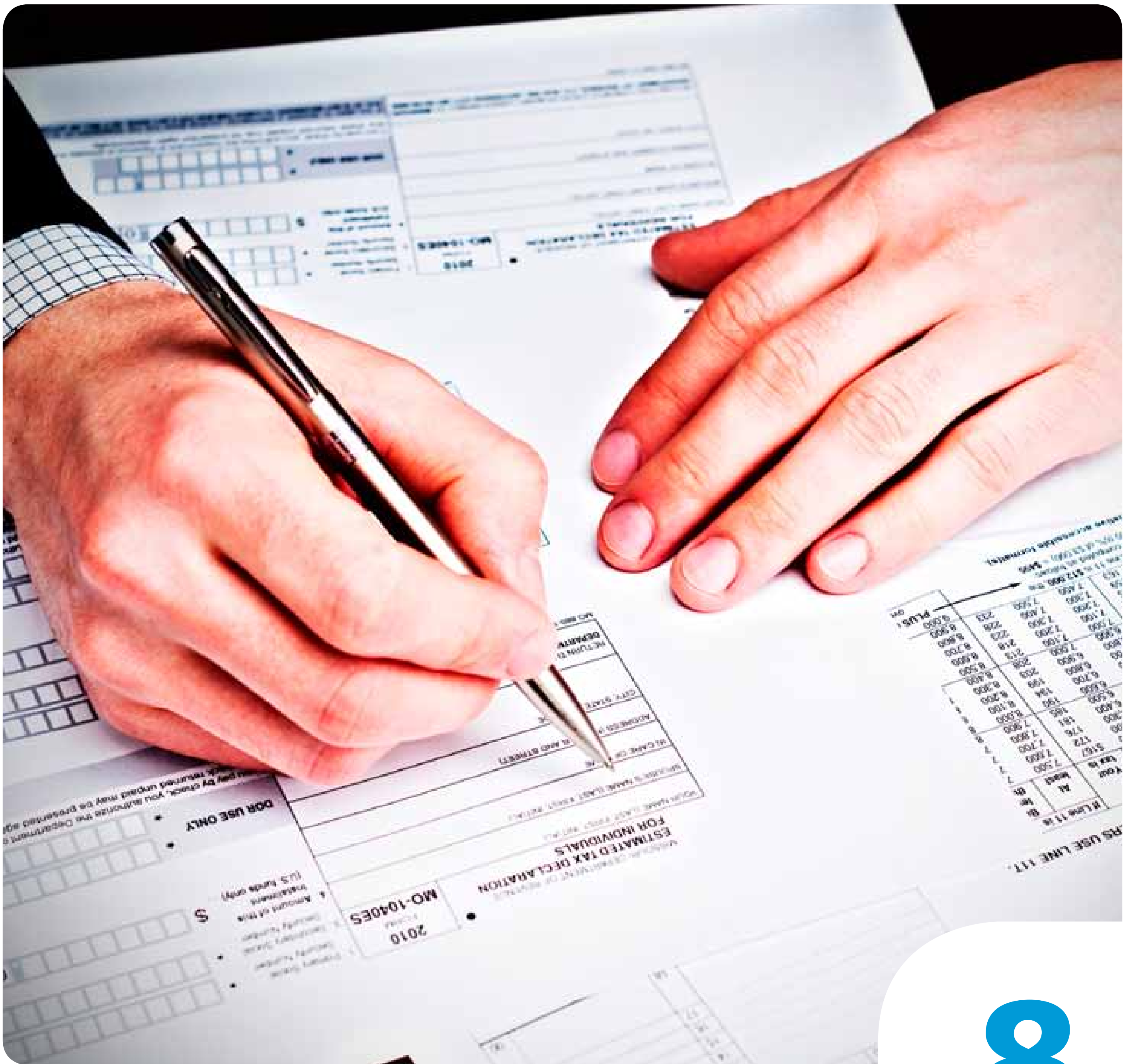
d. Technical or Subscription Risk

The preparation and follow-up of a Technical Scorecard, with the aim of keeping the synthetic vision of the technical evolution of the Group products up to date.

Definition and follow-up of the Subscription Policy.

Definition and follow-up of the Tariff Policy.

Definition and follow-up of the Reinsurance Policy.



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Consolidated Annual Accounts and Management Report of VidaCaixa Grupo, S.A.U.

Deloitte.

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Translation of a report originally issued in Spanish 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.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholder of
VidaCaixa Grupo, S.A.U.
(formerly SegurCaixa Holding, S.A.U.):

We have audited the consolidated financial statements of VidaCaixa Grupo, S.A.U. ("the Company") and companies composing the VidaCaixa Grupo Group (see Note 1 to the accompanying consolidated financial statements), which comprise the consolidated balance sheet at 31 December 2010 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended. As indicated in Note 2-a to the accompanying consolidated financial statements, the Company's directors are responsible for the preparation of the Group's consolidated financial statements 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. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.

In our opinion, the accompanying consolidated financial statements for 2010 present fairly, in all material respects, the consolidated equity and consolidated financial position of VidaCaixa Grupo, S.A.U. and Subsidiaries at 31 December 2010, and the consolidated results of their operations and their consolidated cash flows for the year then ended, in conformity 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.

The accompanying consolidated directors' report for 2010 contains the explanations which the directors of VidaCaixa Grupo, S.A.U. consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2010. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of VidaCaixa Grupo, S.A.U. and Subsidiaries.

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

Fernando Foncea

4 April 2011

COL·LEGI
DE CENSORS JURATS
DE COMPTES
DE CATALUNYA

Membre exercent:
DELOITTE, S.L.

Any 2011 Núm. 20/11/06742
CÒPIA GRATUÏTA

Aquest informe està subjecte a la taxa aplicable establerta a la Llei 44/2002 de 22 de novembre.

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.

VIDACAIXA GRUPO, S.A.U. AND SUBSIDIARIES (previously known as SegurCaixa Holding, S.A.U. and Subsidiaries)

CONSOLIDATED BALANCE SHEETS

ASSETS (Thousands of euros)	Note in the Annual Report	31/12/2010		31/12/2009 (*)	
CASH AND OTHER EQUIVALENT LIQUID ASSETS			**1,903,428**		**1,866,113**
FINANCIAL ASSETS HELD FOR TRADING	**Note 6**		**11,519**		**23,987**
OTHER FINANCIAL ASSETS AT FAIR VALUE WITH CHANGES REGISTERED IN THE PROFIT AND LOSS ACCOUNT	**Note 6**		**207,500**		**184,312**
Equity instruments		14		–	
Debt securities		–		–	
Hybrid instruments		6,013		–	
Investment on behalf of life insurance policyholders who assume the risk of the investment		201,473		184,312	
Other		–		–	
FINANCIAL ASSETS AVAILABLE FOR SALE	**Note 6**		**19,099,323**		**17,992,224**
Equity instruments		75,325		57,274	
Debt securities		19,023,998		17,934,950	
Loans		–		–	
Deposits in credit entities		–		–	
Other		–		–	
LOANS AND PAYMENTS RECEIVABLE	**Note 6**		**5,515,133**		**4,664,634**
Loans and deposits		5,032,703		4,431,543	
Payments receivable		482,430		233,091	
INVESTMENTS HELD TO MATURITY			**–**		**–**
HEDGING DERIVATIVES			**–**		**–**
SHARE OF REINSURANCE IN TECHNICAL PROVISIONS	**Note 15**		**23,607**		**37,446**
TANGIBLE FIXED ASSETS AND PROPERTY INVESTMENTS	**Note 9**		**352,177**		**14,313**
Tangible fixed assets		328,382		12,206	
Property investments		23,795		2,107	
INTANGIBLE FIXED ASSETS	**Note 10**		**968,825**		**130,052**
Goodwill		304,614		47,700	
Portfolio acquisition expenses		2,578		–	
Other intangible assets		661,633		82,352	
SHAREHOLDINGS IN COMPANIES VALUED BY THE EQUITY METHOD	**Note 8**		**80,552**		**–**
TAX ASSETS	**Note 12**		**204,516**		**67,516**
Assets through ordinary tax		9,169		20,910	
Deferred tax assets		195,347		46,606	
OTHER ASSETS			**440,853**		**438,822**
ASSETS HELD FOR SALE			**–**		**–**
TOTAL ASSETS			**28,807,433**		**25,419,419**

(*) Presented solely and exclusively for purposes of comparison.
Notes 1 to 23 in the accompanying Report and in Annexes I, II and III form an integral part of the Consolidated Balance Sheet at 31 December 2010.

NET ASSETS AND LIABILITIES (Thousands of euros)	Note in the Annual Report	31/12/2010		31/12/2009 (*)	
TOTAL LIABILITIES			**26,843,509**		**24,638,143**
FINANCIAL LIABILITIES HELD FOR TRADING			–		–
OTHER FINANCIAL LIABILITIES AT FAIR VALUE WITH CHANGES REGISTERED IN THE PROFIT AND LOSS ACCOUNT			–		–
DEBTS AND PAYABLE ITEMS	**Note 13**		**7,259,132**		**6,327,528**
Subordinated liabilities		293,422		292,017	
Other debts		6,965,710		6,035,511	
HEDGING DERIVATIVES			–		–
TECHNICAL PROVISIONS	**Note 15**		**19,351,980**		**18,212,652**
For unearned premiums		197,003		158,049	
For unexpired risks		7,215		4,393	
For life insurance		18,406,237		17,663,921	
– Reserve for unearned premiums and unexpired risks		37,933		38,044	
– Mathematical reserves		18,152,407		17,428,776	
– Provisions for life insurance when the policyholder assumes the investment risk		215,897		197,101	
Claims provision		681,782		325,141	
Share in profits and returns		59,743		61,148	
Other technical provisions		–		–	
NON-TECHNICAL PROVISIONS	**Note 16**		**14,432**		**1,621**
TAX LIABILITIES	**Note 12**		**166,650**		**49,475**
Liabilities through ordinary tax		1,588		686	
Deferred tax liabilities		165,062		48,789	
OTHER LIABILITIES			**51,315**		**46,867**
LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE			–		–
TOTAL NET ASSETS			**1,963,924**		**781,276**
EQUITY			**1,963,645**		**770,295**
CAPITAL	**Note 17**	**776,723**		**394,187**	
Authorised capital		776,723		394,187	
Less: Uncalled capital		–		–	
ISSUE PREMIUM		**747,499**		–	
RESERVES	**Note 17**	**254,016**		**248,883**	
***LESS:* SHARES AND HOLDINGS IN OWN ASSETS**		–		–	
EARNINGS OF PREVIOUS FINANCIAL YEARS		–		–	
OTHER SHAREHOLDER CONTRIBUTIONS		–		–	
FINANCIAL YEAR RESULT ATTRIBUTED TO THE PARENT COMPANY		**248,907**		**177,225**	
Consolidated Losses and Profits		249,222		208,514	
Losses and Profits attributable to external partners		(315)		(31,289)	
***LESS:* INTERIM DIVIDEND**	**Note 17**	**(63,500)**		**(50,000)**	
OTHER EQUITY INSTRUMENTS		–			
ADJUSTMENTS THROUGH CHANGES IN VALUE	**Note 6**		**(17,109)**		**10,700**
FINANCIAL ASSETS AVAILABLE FOR SALE		**(17,109)**		**10,700**	
HEDGING OPERATIONS		–		–	
EXCHANGE RATE DIFFERENCES		–		–	
CORRECTIONS OF ACCOUNTING MISMATCHES		–		–	
COMPANIES VALUED BY THE EQUITY METHOD		–		–	
OTHER ADJUSTMENTS		–		–	
SUBSIDIES, DONATIONS AND LEGACIES RECEIVED			**31**		–
NET ASSETS ATTRIBUTABLE TO THE PARENT COMPANY			**1,946,567**		**780,995**
MINORITY INTERESTS	**Note 18**		**17,357**		**281**
ADJUSTMENTS THROUGH CHANGES IN VALUE		–		–	
OTHER		**17,357**		**281**	
TOTAL NET ASSETS AND LIABILITIES			**28,807,433**		**25,419,419**

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

Notes 1 to 23 in the accompanying Report and in Annexes I, II and III form an integral part of the Consolidated Balance Sheet at 31 December 2010.

VIDACAIXA GRUPO, S.A.U. AND SUBSIDIARIES (previously known as SegurCaixa Holding, S.A.U. and Subsidiaries)

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(Thousands of euros)	Note in the Annual Report	2010 Financial Year	Financial Year 2009 (*)
Premiums applied to period, net of reinsurance		1,212,291	278,987
Tangible fixed asset and investment revenue		23,842	8,368
Other technical revenue		9,003	–
Losses incurred in the period, net of reinsurance		(965,683)	(178,218)
Change in other technical provisions, net of reinsurance		–	–
Profit-sharing and returns		(1,220)	14,367
Net operating expenses		(135,680)	(62,939)
Other technical expenses		(40,081)	(2,698)
Tangible fixed asset and investment expenses		(5,766)	(2,110)
RESULT NON-LIFE INSURANCE	**Note 19**	**96,706**	**55,757**
Premiums applied to period, net of reinsurance		3,693,233	2,931,599
Tangible fixed asset and investment revenue		1,085,519	2,109,696
Revenue for investments subject to insurance in which the policyholder assumes the investment risk		18,621	35,509
Other technical revenue		–	–
Losses incurred in the period, net of reinsurance		(2,365,645)	(2,294,493)
Change in other technical provisions, net of reinsurance		(1,837,189)	(1,037,503)
Profit-sharing and returns		(43,707)	(69,425)
Net operating expenses		(104,579)	(106,329)
Other technical expenses		(3,683)	(3,335)
Tangible fixed asset and investment expenses		(208,193)	(1,360,760)
Expenses of investments subject to insurance in which the policyholder assumes the investment risk		(11,011)	(17,811)
RESULT LIFE INSURANCE	**Note 19**	**223,366**	**187,148**
Tangible fixed asset and investment revenue		105,387	105,495
Negative consolidation difference		–	–
Tangible fixed asset and investment expenses		(88,287)	(86,580)
Other income		229,044	101,758
Other expenses		(212,540)	(68,927)
RESULT FROM OTHER ACTIVITIES		**33,604**	**51,746**
PROFIT/LOSS BEFORE TAX		**353,676**	**294,651**
Corporate income tax	**Note 12**	(104,454)	(86,137)
RESULT OF FINANCIAL YEAR FROM CONTINUED OPERATIONS		**249,222**	**208,514**
Result of financial year from uninterrupted operations net of tax		–	–
CONSOLIDATED PROFIT/LOSS FOR THE YEAR		**249,222**	**208,514**
Profit attributed to the parent company		248,907	177,225
Profit attributed to minority interests	**Note 18**	315	31,289

(Euros)	Note in the Annual Report	2010 Financial Year	Financial Year 2009 (*)
PER SHARE PROFIT			
Basic and diluted per share profit		1.93	3.18

(*) Presented solely and exclusively for purposes of comparison.
Notes 1 to 23 and Annexes I, II and III form an integral part of the Consolidated Profit and Loss Account corresponding to the 2010 financial year.

VIDACAIXA GRUPO, S.A.U. AND SUBSIDIARIES (previously known as SegurCaixa Holding, S.A.U. and Subsidiaries)

CONSOLIDATED BALANCE SHEET BY SEGMENTS AT 31 DECEMBER 2010

ASSETS (Thousands of euros)	Non-life Segment		Life Segment		Others Segment		Total	
CASH AND OTHER EQUIVALENT LIQUID ASSETS		80,339		1,713,930		109,159		1,903,428
FINANCIAL ASSETS HELD FOR TRADING		980		10,539				11,519
OTHER FINANCIAL ASSETS AT FAIR VALUE WITH CHANGES REGISTERED IN THE PROFIT AND LOSS ACCOUNT		6,027		201,473				207,500
FINANCIAL ASSETS AVAILABLE FOR SALE		446,612		18,652,711				19,099,323
LOANS AND PAYMENTS RECEIVABLE		460,823		5,044,638		9,672		5,515,133
Loans and deposits	208,817		4,823,886		–		5,032,703	
Payments receivable	252,006		220,752		9,672		482,430	
INVESTMENTS HELD TO MATURITY		–		–		–		–
HEDGING DERIVATIVES		–		–		–		–
SHARE OF REINSURANCE IN TECHNICAL PROVISIONS		16,919		6,688		–		23,607
TANGIBLE FIXED ASSETS AND PROPERTY INVESTMENTS		320,035		20,828		11,314		352,177
Tangible fixed assets	316,030		1,038		11,314		328,382	
Property investments	4,005		19,790		–		23,795	
INTANGIBLE FIXED ASSETS		815,000		85,383		68,442		968,825
Goodwill	256,914		3,407		44,293		304,614	
Portfolio acquisition expenses	284		–		2,294		2,578	
Other intangible assets	557,802		81,976		21,855		661,633	
SHAREHOLDINGS IN COMPANIES VALUED BY THE EQUITY METHOD		80,552		–		–		80,552
TAX ASSETS		31,831		165,185		7,500		204,516
Assets through ordinary tax	8,399		–		770		9,169	
Deferred tax assets	23,432		165,185		6,730		195,347	
OTHER ASSETS		47,889		392,961		3		440,853
ASSETS HELD FOR SALE		–		–		–		–
TOTAL ASSETS		2,307,007		26,294,336		206,090		28,807,433

NET ASSETS AND LIABILITIES (Thousands of euros)	Non-life Segment		Life Segment		Others Segment		Total	
TOTAL LIABILITIES		**1,086,651**		**25,734,750**		**22,108**		**26,843,509**
FINANCIAL LIABILITIES HELD FOR TRADING		–		–		–		–
OTHER FINANCIAL LIABILITIES AT FAIR VALUE WITH CHANGES REGISTERED IN THE PROFIT AND LOSS ACCOUNT		–		–		–		–
DEBTS AND PAYABLE ITEMS		**420,756**		**6,832,123**		**6,253**		**7,259,132**
HEDGING DERIVATIVES		–		–		–		–
TECHNICAL PROVISIONS		**624,848**		**18,727,132**		–		**19,351,980**
NON-TECHNICAL PROVISIONS		**14,432**		–		–		**14,432**
TAX LIABILITIES		**17,130**		**135,455**		**14,065**		**166,650**
OTHER LIABILITIES		**9,485**		**40,040**		**1,790**		**51,315**
LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE		–		–		–		–
TOTAL NET ASSETS		**76,323**		**(82,004)**		**1,969,605**		**1,963,924**
EQUITY		**68,431**		**(74,294)**		**1,969,508**		**1,963,645**
CAPITAL		–		–		**776,723**		**776,723**
Authorised capital	–		–		776,723		776,723	
Less: Uncalled capital	–		–		–		–	
ISSUE PREMIUM		–		–		**747,499**		**747,499**
RESERVES		**14,131**		**(283,153)**		**523,038**		**254,016**
***LESS:* SHARES AND HOLDINGS IN OWN ASSETS**		–		–		–		–
EARNINGS OF PREVIOUS FINANCIAL YEARS		–		–		–		–
OTHER SHAREHOLDER CONTRIBUTIONS		–		–		–		–
FINANCIAL YEAR RESULT ATTRIBUTED TO THE PARENT COMPANY		**54,300**		**208,859**		**(14,252)**		**248,907**
Consolidated Losses and Profits	54,615		208,859		(14,252)		249,222	
Losses and Profits attributable to external partners	(315)		–		–		(315)	
***LESS:* INTERIM DIVIDEND**		–		–		**(63,500)**		**(63,500)**
OTHER EQUITY INSTRUMENTS		–		–		–		–
ADJUSTMENTS THROUGH CHANGES IN VALUE		**(9,399)**		**(7,710)**		–		**(17,109)**
FINANCIAL ASSETS AVAILABLE FOR SALE		**(9,399)**		**(7,710)**		–		**(17,109)**
HEDGING OPERATIONS		–		–		–		–
EXCHANGE RATE DIFFERENCES		–		–		–		–
CORRECTIONS OF ACCOUNTING MISMATCHES		–		–		–		–
COMPANIES VALUED BY THE EQUITY METHOD		–		–		–		–
OTHER ADJUSTMENTS		–		–		–		–
SUBSIDIES, DONATIONS AND LEGACIES RECEIVED		**31**		–		–		**31**
NET ASSETS ATTRIBUTABLE TO THE PARENT COMPANY		**59,063**		**(82,004)**		**1,969,508**		**1,946,567**
MINORITY INTERESTS		**17,260**		–		**97**		**17,357**
TOTAL NET ASSETS AND LIABILITIES		**1,162,974**		**25,652,746**		**1,991,713**		**28,807,433**

VIDACAIXA GRUPO, S.A.U. AND SUBSIDIARIES
(previously known as SegurCaixa Holding, S.A.U. and Subsidiaries)

CONSOLIDATED BALANCE SHEET BY SEGMENTS AT 31 DECEMBER 2009

ASSETS (Thousands of euros)	Non-life Segment		Life Segment		Others Segment		Total	
CASH AND OTHER EQUIVALENT LIQUID ASSETS		**13,005**		**1,841,229**		**11,879**		**1,866,113**
FINANCIAL ASSETS HELD FOR TRADING		**1,967**		**22,020**		**–**		**23,987**
OTHER FINANCIAL ASSETS AT FAIR VALUE WITH CHANGES REGISTERED IN THE PROFIT AND LOSS ACCOUNT		**–**		**184,312**		**–**		**184,312**
FINANCIAL ASSETS AVAILABLE FOR SALE		**259,039**		**17,731,782**		**1,403**		**17,992,224**
LOANS AND PAYMENTS RECEIVABLE		**81,280**		**4,468,865**		**114,489**		**4,664,634**
Loans	–		4,317,054		114,489		4,431,543	
Payments receivable	81,280		151,810		–		233,091	
INVESTMENTS HELD TO MATURITY		**–**		**–**		**–**		**–**
HEDGING DERIVATIVES		**–**		**–**		**–**		**–**
SHARE OF REINSURANCE IN TECHNICAL PROVISIONS		**29,873**		**7,573**		**–**		**37,446**
TANGIBLE FIXED ASSETS AND PROPERTY INVESTMENTS		**654**		**3,477**		**10,182**		**14,313**
Tangible fixed assets	654		1,370		10,182		12,206	
Property investments			2,107		–		2,107	
INTANGIBLE FIXED ASSETS		**154**		**129,523**		**375**		**130,052**
Goodwill			47,700				47,700	
Portfolio acquisition expenses			–				–	
Other intangible assets	154		81,823		375		82,352	
SHAREHOLDINGS IN COMPANIES VALUED BY THE EQUITY METHOD		**–**		**–**		**–**		**–**
TAX ASSETS		**4,853**		**62,663**		**–**		**67,516**
Assets through ordinary tax	3,948		16,962		–		20,910	
Deferred tax assets	905		45,701		–		46,606	
OTHER ASSETS		**25,560**		**413,258**		**3**		**438,822**
ASSETS HELD FOR SALE		**–**				**–**		**–**
TOTAL ASSETS		**416,385**		**24,864,702**		**138,331**		**25,419,419**

NET ASSETS AND LIABILITIES (Thousands of euros)	Non-life Segment		Life Segment		Others Segment		Total	
TOTAL LIABILITIES		**334,866**		**24,269,472**		**33,804**		**24,638,143**
FINANCIAL LIABILITIES HELD FOR TRADING		–		–		–		–
OTHER FINANCIAL LIABILITIES AT FAIR VALUE WITH CHANGES REGISTERED IN THE PROFIT AND LOSS ACCOUNT		–		–		–		–
DEBTS AND PAYABLE ITEMS		**59,251**		**6,240,273**		**28,004**		**6,327,528**
HEDGING DERIVATIVES		–		–		–		–
TECHNICAL PROVISIONS		**265,500**		**17,947,152**		–		**18,212,652**
NON-TECHNICAL PROVISIONS		**1,621**		–		–		**1,621**
TAX LIABILITIES		**3,576**		**45,232**		**667**		**49,475**
OTHER LIABILITIES		**4,918**		**36,815**		**5,133**		**46,867**
LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE		–		–		–		–
TOTAL NET ASSETS		**81,519**		**595,230**		**104,527**		**781,276**
EQUITY								
CAPITAL		**9,100**		**380,472**		**4,615**		**394,187**
Authorised capital	9,100		380,472		4,615		394,187	
Less: Uncalled capital	–		–		–		–	
ISSUE PREMIUM		–		–		–		–
RESERVES		**38,060**		**134,337**		**76,486**		**248,883**
***LESS:* SHARES AND HOLDINGS IN OWN ASSETS**		–		–		–		–
EARNINGS OF PREVIOUS FINANCIAL YEARS		–		–		–		–
OTHER SHAREHOLDER CONTRIBUTIONS		–		–		–		–
FINANCIAL YEAR RESULT ATTRIBUTED TO THE PARENT COMPANY		**39,030**		**101,973**		**36,222**		**177,225**
Consolidated Losses and Profits	39,030		133,262		36,222		208,514	
Losses and Profits attributable to external partners	–		(31,289)		–		(31,289)	
***LESS:* INTERIM DIVIDEND**		**(10,496)**		**(26,438)**		**(13,066)**		**(50,000)**
OTHER EQUITY INSTRUMENTS		–		–		–		–
ADJUSTMENTS THROUGH CHANGES IN VALUE								
FINANCIAL ASSETS AVAILABLE FOR SALE		**5,814**		**4,886**		–		**10,700**
HEDGING OPERATIONS		–		–		–		–
EXCHANGE RATE DIFFERENCES		–		–		–		–
CORRECTIONS OF ACCOUNTING MISMATCHES		–		–		–		–
COMPANIES VALUED BY THE EQUITY METHOD		–		–		–		–
OTHER ADJUSTMENTS		–		–		–		–
NET ASSETS ATTRIBUTABLE TO THE PARENT COMPANY		**81,508**		**595,230**		**104,257**		**780,995**
MINORITY INTERESTS		**11**		–		**270**		**281**
TOTAL NET ASSETS AND LIABILITIES		**416,385**		**24,864,702**		**138,331**		**25,419,419**

VIDACAIXA GRUPO, S.A.U. AND SUBSIDIARIES (previously known as SegurCaixa Holding, S.A.U. and Subsidiaries)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Thousands of euros)	Equity attributable to the Parent Company		
	Equity		
	Capital or mutual fund	Issue premium and reserves	Shares and holdings in own assets
Final balance at 31 December 2008 (*)	**256,267**	**136,305**	**–**
Adjustments through change of accounting principle	–	–	–
Adjustments for errors	–	–	–
Adjusted balance at 1 January 2009	**256,267**	**136,305**	**–**
I. Total Recognised Income/(Expenses) for 2009 financial year	**–**	**–**	**–**
II. Transactions with shareholders or owners	**137,920**	**–**	**–**
Capital increases/(reductions)	137,920	–	–
Conversion of financial liabilities into shareholders' equity	–	–	–
Payment of dividends	–	–	–
Operations with shares or holdings in own assets (net)	–	–	–
Increases/(Reductions) through business combinations	–	–	–
Other transactions with shareholders or owners	–	–	–
III. Other changes in net equity	**–**	**112,578**	**–**
Payments based on equity instruments	–	–	–
Transfers between net asset items	–	112,578	–
Other variations	–	–	–
Final balance at 31 December 2009 (*)	**394,187**	**248,883**	**–**
Adjustments through change of accounting principle	–	–	–
Adjustments for errors	–	–	–
Adjusted balance at 1 January 2010	394,187	248,883	–
I. Total Recognised Income/(Expenses) for 2010 financial year	**–**	**–**	**–**
II. Transactions with shareholders or owners	**382,536**	**747,499**	**–**
Capital increases/(reductions)	382,536	747,499	–
Conversion of financial liabilities into shareholders' equity	–	–	–
Payment of dividends	–	–	–
Operations with shares or holdings in own assets (net)	–	–	–
Increases/(Reductions) through business combinations	–	–	–
Other transactions with shareholders or owners	–	–	–
III. Other changes in net equity	**–**	**5,133**	**–**
Payments based on equity instruments	–	–	–
Transfers between net asset items	–	5,133	–
Other variations	–	–	–
Final balance at 31 December 2010	**776,723**	**1,001,515**	**–**

(*) Presented solely and exclusively for purposes of comparison.
Notes 1 to 23 in the accompanying Report and in Annexes I, II and III form an integral part of the Consolidated Statement of Changes in Equity at 31 December 2010.

Equity attributable to the Parent Company					Minority interests	Total net equity
Equity			Adjustments through changes in value	Subsidies, donations and legacies received		
Financial year result attributed to the Parent Company	(Interim dividends)	Other equity instruments				
159,176	**(121,000)**	**–**	**4,583**	**–**	**72,458**	**507,789**
–	–	–	–	–	–	–
–	–	–	–	–	–	–
159,176	**(121,000)**	**–**	**4,583**	**–**	**72,458**	**507,789**
177,225	**–**	**–**	**6,117**	**–**	**281**	**183,623**
–	**(50,000)**	**–**	**–**	–	**–**	**87,920**
–	–	–	–	–	–	137,920
–	–	–	–	–	–	–
–	(50,000)	–	–	–	–	(50,000)
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
(159,176)	**121,000**	**–**	**–**	**–**	**(72,458)**	**1,944**
–	–	–	–	–	–	–
(159,176)	121,000	–	–	–	(72,458)	1,944
–	–	–	–	–	–	–
177,225	**(50,000)**	**–**	**10,700**	**–**	**281**	**781,276**
–	–	–	–	–	–	–
–	–	–	–	–	–	–
177,225	(50,000)	–	10,700	–	281	781,276
248,907	**–**	**–**	**(27,307)**	**–**	**315**	**221,915**
–	**(63,500)**	**–**	**(502)**	**31**	**16,761**	**1,082,825**
–	–	–	–	–	–	1,130,035
–	–	–	–	–	–	–
–	(63,500)	–	–	–	–	(63,500)
–	–	–	–	–	–	–
–	–	–	(502)	31	16,761	16,290
–	–	–	–	–	–	–
(177,225)	**50,000**	**–**	**–**	–	–	**(122,092)**
–	–	–	–	–	–	–
(177,225)	50,000	–	–	–	–	(122,092)
–	–	–	–	–	–	–
248,907	**(63,500)**	**–**	**(17,109)**	**31**	**17,357**	**1,963,924**

VIDACAIXA GRUPO, S.A.U. AND SUBSIDIARIES (previously known as SegurCaixa Holding, S.A.U. and Subsidiaries)

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSES

(Thousands of euros)	2010 Financial Year	Financial Year 2009 (*)
A) CONSOLIDATED PROFIT/LOSS FOR THE YEAR	**249,222**	**208,514**
B) OTHER RECOGNISED INCOME (EXPENSES)	**(27,809)**	**5,533**
Financial assets available for sale:	**(39,727)**	**21,834**
Profit/(Loss) through valuation	(39,727)	21,834
Sums transferred to the profit and loss account	–	–
Other reclassifications	–	–
Cash-flow hedges:	–	–
Profit/(Loss) through valuation	–	–
Sums transferred to the profit and loss account	–	–
Sums transferred to the initial value of hedged items	–	–
Other reclassifications	–	–
Hedge of a net investment in foreign operations:	–	–
Profit/(Loss) through valuation	–	–
Sums transferred to the profit and loss account	–	–
Other reclassifications	–	–
Exchange rate differences:	–	–
Profit/(Loss) through valuation	–	–
Sums transferred to the profit and loss account	–	–
Other reclassifications	–	–
Corrections of accounting mismatches:	–	**(16,301)**
Profit/(Loss) through valuation	–	(16,301)
Sums transferred to the profit and loss account	–	–
Other reclassifications	–	–
Assets held for sale:	–	–
Profit/(Loss) through valuation	–	–
Sums transferred to the profit and loss account	–	–
Other reclassifications	–	–
Actuarial Profit/(Loss) through long-term remuneration to personnel	–	–
Companies valued by the equity method:	–	–
Profit/(Loss) through valuation	–	–
Sums transferred to the profit and loss account	–	–
Other reclassifications	–	–
Other recognised income and expenses	–	–
Corporate income tax	**11,918**	–
TOTAL RECOGNISED INCOME/(EXPENSES) (A+B)	**221,413**	**214,047**
Attributed to the Parent Company	221,133	181,928
Attributed to minority interests	280	32,119

(*) Presented solely and exclusively for purposes of comparison.
Notes 1 to 23 of the attached Report and Annexes I, II and III form an integral part of the Consolidated Statement of Recognised Income and Expenses corresponding to the 2010 financial year.

VIDACAIXA GRUPO, S.A.U. AND SUBSIDIARIES (previously known as SegurCaixa Holding, S.A.U. and Subsidiaries)

CONSOLIDATED CASH FLOW STATEMENT (DIRECT METHOD)

(Thousands of euros)	2010 Financial Year	2009 Financial Year (*)
A) CASH FLOW OF OPERATING ACTIVITIES (1+2+3)	**1,105,521**	**508,350**
1. Insurance activity:	1,421,736	737,875
(+) Cash collections from insurance activity	6,967,708	3,210,586
(–) Cash payments from insurance activity	(5,545,972)	(2,472,711)
2. Other operating activities:	(195,167)	(142,470)
(+) Cash collections from other operating activities	132,252	101,758
(–) Cash payments from other operating activities	(327,419)	(244,228)
3. Receipts/(Payments) through corporate income tax	(121,048)	(87,055)
B) CASH FLOW OF INVESTMENT ACTIVITIES (1+2)	**(1,618,694)**	**(5,677,708)**
1. Collections from investment activities:	9,831,274	25,939,890
(+) Tangible fixed assets	694	–
(+) Property investments	64	–
(+) Intangible fixed assets	55	–
(+) Financial instruments	7,947,967	22,973,283
(+) Holdings	122,913	–
(+) Subsidiaries and other business units	–	–
(+) Interest received	5,892	1,514,546
(+) Dividends received	–	3,048
(+) Other payments related to investment activities	1,753,689	1,449,013
2. Payments from investment activities:	(11,449,968)	(31,617,598)
(–) Tangible fixed assets	(11,887)	(1,870)
(–) Property investments	(17,839)	–
(–) Intangible fixed assets	(9,650)	(203)
(–) Financial instruments	(311,775)	(31,581,380)
(–) Holdings	(1,245,549)	–
(–) Subsidiaries and other business units	–	–
(–) Other payments related to investment activities	(9,853,268)	(34,145)
C) CASH FLOWS OF FINANCING ACTIVITIES (1+2)	**550,488**	**1,996,445**
1. Collections from financing activities:	1,236,668	13,337,700
(+) Subordinated liabilities	1,405	7,047
(+) Collections through issue of asset and capital enlargement instruments	532,514	127,500
(+) Asset apportionment and contributions of shareholders or policyholders	–	–
(+) Transfer of own securities	1,304	–
(+) Other collections related to financing activities	701,445	13,203,153
2. Payments from financing activities:	(686,180)	(11,341,255)
(–) Dividends paid to the shareholders	(131,569)	(50,000)
(–) Interest paid	(1,867)	–
(–) Subordinated liabilities	–	(14,386)
(–) Payments through repayment of contributions to shareholders	–	–
(–) Liability assessments and repayment of contributions to shareholders or policyholders	–	–
(–) Acquisition of own securities	(2,552)	–
(–) Other payments related to financing activities	(550,192)	(11,276,869)
D) EFFECT OF CHANGES IN EXCHANGE RATES	**–**	**–**
E) NET INCREASE/(DECREASE) OF CASH AND CASH EQUIVALENTS (A+B+C+D)	**37,315**	**(3,172,913)**
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	**1,866,113**	**5,039,026**
G) CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (E+F)	**1,903,428**	**1,866,113**

(*) Presented solely and exclusively for purposes of comparison in all applicable captions.
Notes 1 to 23 of the attached Report and Annexes I, II and III form an integral part of the Consolidated Cash Flow Statement corresponding to the 2010 financial year.

VIDACAIXA GRUPO, S.A.U. AND SUBSIDIARIES (previously known as SegurCaixa Holding, S.A.U. and Subsidiaries)

CONSOLIDATED CASH FLOW STATEMENT (DIRECT METHOD)

ELEMENTS OF CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	2010 Financial Year	2009 Financial Year (*)
(+) Cash and bank	213,367	(3,320,053)
(+) Other financial assets	1,690,061	5,186,166
(–) Less: Bank overdrafts payable on demand	–	–
TOTAL CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**1,903,428**	**1,866,113**

(*) Presented solely and exclusively for purposes of comparison in all applicable captions.
Notes 1 to 23 of the attached Report and Annexes I, II and III form an integral part of the Consolidated Cash Flow Statement corresponding to the 2010 financial year.

VidaCaixa Grupo, S.A.U.
and Subsidiaries
(VidaCaixa Group)

Annual Consolidated Accounts Report Corresponding to the Financial Year Ending 31 December 2010

In accordance with the current standards on the content of annual consolidated accounts, this Report completes, extends and discusses the balance sheet, 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 consolidated assets and of the consolidated financial situation of VidaCaixa Grupo S.A.U. (previously known as SegurCaixa Holding, S.A.U.) at 31 December 2010, as well as the results of its operations, of the changes in equity and cash flows, which were produced in the financial year ended on that date.

1. General information on the Parent Company and its activities

a) Incorporation, duration and registered offices

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

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

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

On 2 February 2009, an Extraordinary General Shareholders' Meeting approved the change of the previous name, Caifor S.A., to VidaCaixa Grupo S.A., amending the Company Statutes as a consequence.

On 28 December 2010, an Extraordinary General Shareholders' Meeting approved the change of the previous name, SegurCaixa Holding, S.A.U., to the current VidaCaixa Grupo S.A.U., amending the Company Statutes as a consequence.

On 7 May 2009, the General Shareholders' Meeting of Criteria CaixaCorp approved the merger by absorption of Crisegen and the transfer of all the assets and liabilities, in addition to all its obligations and legal and contractual rights, with effect, for accounting purposes, from 1 April 2009. Following the merger, Criteria CaixaCorp had direct control of 100% of the shares in VidaCaixa Group.

On 31 August 2010, Criteria CaixaCorp contributed its direct shareholding of 97.76% in VidaCaixa Adeslas, S.A. de Seguros Generales y Reaseguros (previously known as SegurCaixa, S.A. de Seguros y Reaseguros) as a non-monetary subscription of the capital increase of VidaCaixa Grupo, S.A.U. Following this operation, VidaCaixa Group had direct control of 99.91% of the shares of VidaCaixa Adeslas, S.A. de Seguros Generales y Reaseguros and entire control over the Group's insurance business.

The shares of Criteria CaixaCorp have been listed on the stock market since October 2007. The shareholding of "la Caixa" in Criteria CaixaCorp was 79.45% at 31 December 2010.

b) Business object, legal framework and branches of operation

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

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

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

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.

By virtue of article 43.2 of the Spanish Commercial Code, VidaCaixa Group is not obliged to prepare separate consolidated accounts, since it is consolidated within Grupo Criteria CaixaCorp, S.A., which controls the Company. Criteria CaixaCorp, S.A. is subject to European Legislation and its activity is based on managing the portfolio of subsidiary companies of the "la Caixa" Group. Its registered offices are in Barcelona, at Avda. Diagonal, 621. Notwithstanding the above, the Company has voluntarily drafted the consolidated annual accounts for the 2010 financial year, prepared by the Directors at the meeting of its Board of Directors on 31 March 2011.

The Group, through the insurance companies it is comprised of (see Note 2.f), operates in the following branches: Automobile, Accidents, Illness (including Healthcare), Life, Death, Legal Defence, Fire and Elements of Nature, Transported Merchandise, Other Damage to Goods, Various Pecuniary Losses, General Third-Party Liability, Terrestrial Vehicle and Non-railway Terrestrial Vehicle Third-Party Liability.

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

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

At 31 December 2010, the Group managed 155 pension funds with a volume of consolidated rights of 14,338,173 thousand euros (13,705,622 thousand euros at 31 December 2009). The net income accrued by the management committees of the various funds totalled 125,502 thousand euros in the 2010 financial year (94,643 thousand euros in the 2009 financial year) and are recorded through the sum of net expenses in the profit and loss account, under the heading "Other activities – Other income". (See Note 19)

During the 2010 financial year, there were various company transactions, in particular the acquisition of Seguros Adeslas S.A. and Subsidiaries (hereinafter Adeslas) and Caixa Girona Mediació. (See Note 5)

On 13 January 2011, Criteria CaixaCorp and Mutua Madrileña Automovilística, Sociedad de Seguros a prima fija (hereinafter, "Mutua Madrileña") signed a strategic alliance for the development, marketing and distribution of the general non-life insurance of VidaCaixa Adeslas. (See Note 22)

c) Internal structure and distribution systems

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

With regard to its operating channels, the Group mainly markets its products through the distribution network of the credit entity Caixa d'Estalvis i Pensions de Barcelona (hereinafter, "la Caixa"), which has been established as an exclusive banking-insurance operator of the subsidiary VidaCaixa, S.A. de Seguros y Reaseguros, authorised to market the insurance policies of VidaCaixa Adeslas. VidaCaixa also maintains exclusive agency contracts with BMW Financial Services Ibérica, EFC, S.A., AgenCaixa, S.A. Agencia de Seguros of the VidaCaixa Group. All these agents are also authorised to market the insurance products of the VidaCaixa Group.

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

d) Clients' Ombudsman

The most relevant points of the 2010 Annual Report presented by the head of the Service of the Board of Directors are detailed below. The information supplied has been obtained by bringing together the annual reports of VidaCaixa and VidaCaixa Adeslas.

During 2010, 4,372 claims were made to the Customer Service Department (172 in 2009), 4,291 of which were processed without prejudice to the grounds of inadmissibility in the Service Regulation (169 in 2009). The increases compared to the 2009 financial year are explained by the incorporation of Adeslas to the Group.

The type of claims submitted was as follows:

Subjects of claims	2010	2009
Active operations	–	2
Passive operations	–	1
Collection and payment services	1,338	1
Investment services	–	–
Insurance policies and pension funds	2,953	165
Total admitted	4,291	169
Non-admitted	81	3
Total	**4,372**	**172**

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

Type of resolution	2010	2009
Upheld	3,143	40
Rejected	1,032	65
Not applicable	159	38
Customer waivers	4	–
Pending resolution	21	27
Customer service	13	2
Total	**4,372**	**172**

The decision criteria used by the Service are taken basically from the sense of the resolutions given by the Directorate General of Insurance and Pension Funds in similar cases, and in cases where this reference does not exist, the reply is issued with the advice of the Legal Services of the "la Caixa" Group depending on the specific circumstances of 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 technical provisions were valued in accordance with the Regulations on Administration of Private Insurance approved by Royal Decree 2486/1998 and statutory provisions established by the Directorate General of Insurance and Pension Funds (DGIPF), in addition to the policies and regulations established by local regulatory bodies of the countries in which the Group has foreign subsidiaries.

b) True and fair view

The Group's consolidated annual accounts were obtained from accounting statements of the Company and its subsidiaries and are presented in accordance with the applicable financial reporting standards and, in particular, the accounting principles and policies contained therein, and offer a true and fair view of the assets, financial position, results and cash flows of the Group in said financial year. The present consolidated annual accounts, which were prepared by the Board of Directors of the VidaCaixa Group on 31 March 2011, as well as those of its subsidiaries, are pending approval by the respective General Shareholders' Meetings, and are expected to be approved without significant modifications. The consolidated annual accounts for the 2009 financial year were approved by the General Shareholders' Meeting of VidaCaixa Grupo, S.A.U. of 26 March 2010.

The annual accounts for the 2010 financial year were prepared from the accounting statements maintained by VidaCaixa Group and by the other subsidiaries of the Group. However, given that, in certain cases, the valuation principles and criteria applied in the preparation of these Consolidated Annual Accounts (IFRS) differ from those used by organisations within the Group, the necessary adjustments and reclassifications have been introduced to standardise said principles and criteria and adapt them to the International Financial Reporting Standards adopted by the European Union.

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 2010, 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 2010 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 actuarial hypotheses used in the calculation of the pension commitments, 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

New standards, revised standards and amendments adopted during the 2010 financial year

Standards and interpretations effective during the present period

During the 2010 financial year, various new accounting standards came into force and were therefore applied in the preparation of the attached consolidated annual accounts.

New standards and modifications		**Mandatory Application for Financial Years initiated from:**
IFRS 3 Revision – Business Combinations (Revised)	Substantially modifies the recognition of business combinations, changes the scope, the calculation of goodwill and the treatment of contingent considerations and introduces the option of valuing external partners at fair value.	Annual periods initiated from 1 July 2009
Modification of IAS 27 – Consolidated and Separate Financial Statements	Substantially modifies the recognition of changes in shareholdings in Group companies and that of external partners with debtor balances.	Annual periods initiated from 1 July 2009
Modification of IAS 39 – Financial Instruments: recognition and measurement – Designation of hedging instruments	Guidance on entries that may be designated as hedging instruments according to IAS 39 (in relation to inflation and options).	Annual periods initiated from 1 July 2009
Modification of IFRS 2 – Share-based Payments of the Group	Clarifies the treatment of share-based payments settled in cash between Group companies.	Annual periods initiated from 1 January 2010
Improvements to IFRS (published in May 2008)	Modifications to a series of standards.	The modification to IFRS 5 (clarifies the application of IFRS 5 when control of a subsidiary company is lost) is applicable to all annual periods initiated from 1 July 2009
Improvements to IFRS (published in April 2009)	Modifications to a series of standards.	All changes are mandatory in periods initiated from 1 January 2010 in the EU (original IASB date: most mandatory for periods initiated from 1 January 2010; some mandatory for periods initiated from 1 July 2009)

Interpretations		**Mandatory Application for Financial Years initiated from:**
IFRIC 12	Service Concession Arrangements.	From 1 April 2009 for EU countries (original IASB date: annual periods initiated from 1 January 2008)
IFRIC 15	Agreements for the Construction for the Real Estate.	From 1 January 2010 in the EU (original IASB date: annual periods initiated from 1 January 2009)
IFRIC 16	Hedges of a Net Investment in a Foreign Operation.	From 1 July 2009 in the EU (original IASB date: annual periods initiated from 1 October 2008)
IFRIC 17	Distribution of Non-Cash Assets to Owners.	From 1 November 2009 in the EU (original IASB date: annual periods initiated from 1 July 2009)
IFRIC 18	Transfers of Assets from Customers.	From 1 November 2009 in the EU (original IASB date: transfers of assets from 1 July 2009)

Standards and interpretations which have been issued but are not in force

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

New standards, modifications and interpretations approved for use in the European Union		**Mandatory Application for Financial Years initiated from:**
Modification of IAS 32 – Financial Instruments: Presentation – Classification of Rights Issues	Modifies the accounting treatment of rights, options and warrants in a currency other than the operating currency.	Annual periods initiated from 1 February 2010
Revision of IAS 24 – Related Party Disclosures	Modifies the definition of "related party" and reduces the disclosure requirements for companies related merely by being under the control, joint control or significant influence of the State.	Annual periods initiated from 1 January 2011
Modification of IFRIC 14 – Minimum Funding Requirements	Prepaid contributions by virtue of a minimum funding requirement may give rise to an asset.	Annual periods initiated from 1 January 2011
IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments	Treatment of the cancellation of financial liabilities through share issues.	Annual periods initiated from 1 July 2010
IFRS 9 – Financial Instruments: Classification and Measurement (published in November 2009 and October 2010)	Replaces the classification and measurement requirements of financial assets and liabilities of IAS 39.	Annual periods initiated from 1 January 2013
Improvements to IFRS (published in May 2010)	Modifications to a series of standards.	Most mandatory for periods initiated from 1 January 2011; some mandatory for periods initiated from 1 July 2010
Modification to IFRS 7 – Financial Instruments: Disclosures – Transfers of Financial Assets (published in October 2010)	Extends and increases the disclosures on the transfers of financial assets.	Annual periods initiated from 1 July 2011
Modification to IAS 12 – Income Taxes – Deferred Taxes relating to Real Estate (published in December 2010)	On the calculation of deferred taxes related to real estate, according to the fair value method of IAS 40.	Annual periods initiated from 1 January 2012

IFRS 9 – Financial Instruments: Classification and measurement

IFRS 9 will in the future replace the current classification and measurement part of IAS 39. Significant differences to the current standard exist in relation to financial assets, including 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 the ones that already exist in IAS 39.

At today's date, no analysis of the future impact of adopting this standard has been carried out, while the adoption of the same by the European Union remains pending.

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

e) Comparison of information and correction of errors

Until 31 December 2009, the Group classified debts, deposits and mediation positions in insurance contracts with "la Caixa" as debts and deposits in Credit Entities, and other debts, respectively. With effect from 2010, the Group, in accordance with the provisions established in applicable accounting standards, has classified said entries under the headings "Other debts and loans with group and associated companies" and "Debts with brokers".

Furthermore, at 31 December 2009, the Group classified within "Cash and equivalent liquid assets" positions with a maturity of between 3 and 12 months at the time of contracting, and under the "Policy advance payments" heading, the financing of policies on insurance policies marketed by the Company. At 31 December 2010, the Group, in accordance with the applicable accounting standards, classified investments with a maturity greater than 3 months at the time of contracting under the heading "Loans to group and associated companies", and the financing of marketed policies under the heading "Other loans".

As a consequence of the above, the errors and policy changes have been applied retroactively as established in the accounting standards, and for this reason the figures presented at 31 December 2009 with regard to the above differ from those formulated at said date. There has been no impact on the Group equity from the retroactive application of the same.

The total amounts in this report for the 2010 financial year are presented with those of the previous financial year for the purposes of comparison, in accordance with the requirements established by IAS 1 – Presentation of Financial Statements.

f) Consolidation principles

The Group's consolidation scope was defined according to the provisions of IAS 27 – Consolidated and Separate 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 of the present Report, relevant information is provided on such companies and in Note 5 of the Report, information is provided on the most significant variations that occurred during the 2010 financial year and during the period between the financial year end and the date on which the accounts were prepared.

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

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

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

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

None of the Companies indicated in Annex I is listed.

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

Name	% Voting rights	Year of incorporation	Thousands of euros – Balances at 31 December 2010 – Consolidated balance of the Group			
			Acquisition cost	Fair value	Subscribed capital	Dividends paid fin. year 2010
GeroCaixa Previsión Empresarial	100%	2000	102	102	30	–
Naviera Itaca IV (*)	50%	2005	387	387	3	–
Naviera Ulises I (*)	50%	2006	1	1	3	–
Naviera Ulises II (*)	50%	2006	2	2	3	–

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

- GeroCaixa Previsión Empresarial, which is engaged in the business of commercial provident funds, whose registered offices are at Juan Gris, 20-26, Barcelona. Non-listed company.
- Naviera Itaca IV, A.I.E. (Agrupación de Interés Económico), whose activity is the operation of merchant ships. All of these have their registered offices at Luis Morote, 6, Las Palmas de Gran Canaria. Non-listed companies.
- Naviera Ulises I y II, A.I.E. (Agrupación de Interés Económico), whose activity is the operation of tug boats. All of these have their registered offices at Luis Morote, 6, Las Palmas de Gran Canaria. Non-listed companies.

Associated companies

Considered as associated companies are 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 associated 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 net equity is also directly recognised in the Group's net 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 2010 financial year, in addition to the period between 31 December 2010 and the date on which the present annual accounts were prepared, in associated companies, increases in the share capital of companies with associated 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) 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 and Miscellaneous.

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

Each insurance company which depends, either directly or indirectly, on the Group may operate in one or more sectors, associated to one or more main segments, according to the definition of sectors provided by the DGIPF. Note 1.b 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 held by the insurance and non-insurance companies of the Group.

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

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

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

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

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

For the other non-technical-financial revenues and expenses that are directly or indirectly related to the different segments, they have been allocated to these according to the segment that originated them, or on a reasonable distribution base, with the segment in question. In the latter case, a method has been used based on attributing expenses by functional activities, identifying for this the activities and tasks undertaken in each of the business processes and allocating to each of these activities the resources consumed by them. Consequently, in the attached profit and loss account, some of the general expenses are presented under the headings "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 heading "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.

i) Cash flow statement

The following expressions are used in the cash flow statement:

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

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

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

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

3. Significant accounting principles and policies and valuation criteria applied

The main valuation standards used in the preparation of the Group's Consolidated Annual Accounts for the 2010 financial year, in accordance with the International Financial Reporting Standards adopted by the European Union, were as follows:

a) Cash and equivalent liquid assets

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

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

b) Financial 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 the fair value with changes in results, as available for sale or as loans and accounts to be received.

b.2) Classification of financial instruments

Note 6) of the Report shows the balances of the financial assets in force at 31 December 2010 and 2009, 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 which 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 implied derivatives which have been recognised and valued separately from their initial contract.

• Other financial assets at fair value with changes recorded 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 heading, 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 sheet 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 heading 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 principle aim of these operations is to cover the cash flows necessary to meet the payment of loans derived from the commitments with its policyholders, including the commitments acquired by virtue of certain pension commitment exteriorisation policies. For these fixed-income securities which incorporate interest rate swaps, the Group has the valuation separated from the certificate and swap, but given that their coupons are exchangeable, it values the operation in its entirety by updating the agreed flows and those associated to these financial activities, using a market interest curve.

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 provisions 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 equity or assets in the Group's consolidated balance sheet.

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

During the 2010 financial year, and the one immediately before it, no financial instrument was allocated to the portfolio "Held-to-maturity investments".

b.3) Recognition and valuation 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 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 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 2010, no financial instruments were included 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 heading "Loans and accounts receivable", and with regard to financial liabilities, to those recorded as "Financial liabilities at amortised cost".

Some of the assets and liabilities contained in these sections are included in some of the micro-hedges of fair value managed by the Group companies and consequently appear in the balance sheet at the fair value which corresponds to the covered risk.

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

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 net assets heading "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 results is recognised in the profit and loss account of the financial year under the sub-caption "Unrealised gains and losses from investments" or "Profits from investments" from the Life and Non-life 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 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 provisions – for life insurance".

c) Tangible fixed assets

Under this caption, the Group registers the balance of all buildings for own use and those occupied by Group companies, 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 asset, providing they increase their capacity or surface area or increase either their return or useful life. On the other hand, upkeep and maintenance costs are expensed during the period in which they occur. The Group does not capitalise the financial expenses associated to these assets, wherever they exist.

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

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

Tangible fixed asset	2010	2009
	Estimated useful life	Estimated useful life
Property (excluding land)	Between 25 and 50 years	Between 25 and 50 years
Furniture and fittings	Between 5 and 20 years	Between 5 and 13 years
Vehicles	5 years	Between 3 and 6 years
Data-processing equipment	Between 3 and 10 years	Between 3 and 5 years
Other tangible fixed assets	Between 5 and 10 years	5 years

In the case of buildings under construction, the Group starts to amortise 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 market value of own-use buildings, indicated in Note 9.a.) of the Report, has been obtained from valuation reports produced by independent experts, with a maximum life of 3 years, with the exception of the properties Ribera Salud II UTE Ley 18/82. The Group has updated all the valuations during the present financial year. For property located in Spain, the aforementioned market value has been calculated in accordance with the provisions established in Order ECO-805-2003, of 27 March, partially amended by Order EHA 3011-2007, of 4 October, on the valuation rules for property and certain rights for certain financial aims.

d) Property investments

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

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

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

Property investments include land and buildings possessed freehold. They are entered in the accounts at the acquisition or construction cost, less any subsequent accumulated amortisation and subsequent accumulated losses through 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.

The Group values intangible assets by their cost of acquisition or production and maintains this cost model in subsequent valuations, minus the corresponding accumulated depreciation, if one exists, and the accumulated amount of the losses through 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 interpretation of this, such as IFRS 4 – Insurance contracts – in cases where this is applicable.

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

e.1) Consolidated goodwill

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

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

At 31 December 2010, the caption "Consolidated goodwill" included the following:

- Increase in the capital holding of VidaCaixa Adeslas:

  The positive difference of consolidation deriving from the extension of the capital holding in the VidaCaixa Adeslas subsidiary, which the Group already controlled, through the difference between the cost of the new holding and the percentage of the net additional assets acquired according to the value for which they appeared in the Group's consolidated accounting statements.

  Said goodwill includes the valuation of certain intangible assets, such as the current value of the future cash flows related to certain insurance contracts, as a consequence of the fact that the Group does not revalue the assets and liabilities of these subsidiaries in which the control percentage has increased. In accordance with the applicable accounting regulations, the Company had 1 year to make the definitive identification of said intangible asset which, once identified was reclassified and presented under "Other intangible fixed assets" in the "Intangible fixed assets" caption in the balance sheet assets, which is depreciated according to its estimated useful life of 15 years (See Note 10).

- Merger by absorption of Adeslas:

  On 2 September 2010, the Extraordinary General Shareholders' Meeting of VidaCaixa Adeslas (previously known as SegurCaixa, S.A., de Seguros y Reaseguros), approved the agreement for the merger by absorption of Compañía de Seguros Adeslas, S.A. Said project was previously formalised by the Board of Directors on 28 June 2010 and recorded at the Mercantile Register on 1 July 2010. This arose from the intention to strategically realign the business presented by the Company, through the incorporation of the Health business.

  As a consequence of recognising the assets and liabilities for their aforementioned fair value, goodwill of 256,914 thousand euros was declared, as described in Note 10 on "Intangible fixed assets".

The surplus goodwill is not paid, but the potential impairment in the value is analysed annually, or more often, if the events or changes in circumstances make this advisable, according to the requirements established in IAS 36 – Impairment of assets. In cases where a loss occurs owing to impairment of the value of goodwill, this will be recorded in the profit and loss account of the financial year in which it is declared, and cannot be reverted either to the end of said financial year or to subsequent financial years (See Note 10.a.).

As a consequence of the impairment analysis carried out during the 2010 financial year, no evidence of impairment to said goodwill was declared.

e.2) Merger goodwill

At 31 December 2010, the consolidated balance sheet includes:

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

  As a consequence of the operation, in the process of allocating the cost of the acquisition, the Group identified an intangible asset together with goodwill, as established in applicable accounting regulations. Said intangible asset is classified under "Other intangible assets" in the "Intangible fixed assets" caption of the assets in the balance sheet, and is depreciated according to its estimated useful life of 12 years. Similarly, the resulting goodwill is classified under "Merger goodwill" in the "Intangible fixed assets" caption. In accordance with applicable accounting regulations, the Group will evaluate the existence of possible impairments in the goodwill on an annual basis. (See Note 10.b).

  No deferred taxes were generated from registering this operation.

- The intangible assets identified in the process of purchasing Caixa Girona Pensions's pension fund management business.

  By virtue of the merger by absorption of Caixa d'Estalvis de Girona by "la Caixa", the Caixa Girona Pensions business was transferred to VidaCaixa. As a consequence of recording the assets and liabilities at fair value from said operation, an intangible asset valued at 2,696 thousand euros was identified at 31 December 2010, corresponding to the current value of the commercial management rights of the Pension Funds.

e.3) Financial rights derived from the policy portfolio acquired from brokers

This account records the amount paid in the acquisition of certain portfolios from brokers, which have been amortised systematically, in accordance with the maintenance of the policies of said portfolios and the expected consumption pattern of the financial profits derived from the acquired policy portfolios.

At each financial year close, the sums pending amortisation maintained by the Group shall be subject to an impairment test according to the methodology described below, recording the corresponding allowances, wherever applicable.

The impairment allowances in these financial rights shall not be subject to reversion in financial years subsequent to the date of the transaction.

e.4) 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 Consolidated goodwill and Merger goodwill section, the intangible assets identified during the processes of acquisition and merger, respectively, have been classified under this caption.

Administrative concession

The sum of an administrative concession has been included, corresponding to Ribera Salud II UTE Ley 18/82 (see Note 10), net of its corresponding accumulated depreciation. It will be depreciated on a straight-line basis throughout the life of the concession.

Trademark

The company has included the value of the “Adeslas” trademark in the balance sheet, arising from the merger by absorption of Adeslas (see Note 10), at fair value. Said fair value has been calculated using the “royalties” method, employing the internal rate of return of a hypothetical licensee. An indefinite useful life for the Adeslas trademark was established in the valuation process.

Insured Client Portfolio

The Group has included the fair value of the portfolio of insured clients of Adeslas, arising from the merger by absorption of Adeslas (see Note 10). Said fair value was calculated using the “income approach”, based on the multi-period excess earnings method.

The useful life of the insured clients portfolio was calculated on the basis of the average withdrawal rate for each type of portfolio valued. The useful life for these products ranges from 4.4 to 9.7 years. Furthermore, in future financial years this asset will be depreciated on a straight-line basis over an estimated useful life of 6 years.

IT applications

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

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

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

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

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

Pension-fund marketing expenses

These include commissions paid in advance by a Group company to Crosselling, S.A. on pension plan operations which the Group decided to activate from the 2002 financial year until the 2008 financial year inclusive, when the contract with Crosselling, S.A. was terminated. In accordance with a criterion of greater correlation of income and expenses, these expenses are depreciated over a maximum period of three years, also taking into account any falls in the portfolio.

Marketing expenses associated with Non-life insurance contracts

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

Other expenses of acquisition of pension plans and life insurance contracts

Since the 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 depreciates them over a maximum term of 5 years, taking into account movements and falls in the portfolio.

The possible loss of value in the expedited acquisition expenses referring to Life and Non-life insurance contracts is evaluated according to the requirements set out in IFRS 4 – Insurance contracts. See Note 10.a.

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 concept "Adjustments to assets through valuation – Portfolios available for sale".

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

g) Corporation tax

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

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

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

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

The assets and liabilities through ordinary tax are valued at the sums expected to be paid to or recovered from the Treasury, in accordance with the current legislation or approved legislation pending publication on the date of the financial year end. In this regard, the Group has calculated the Corporation Tax at 31 December 2010 by applying the current tax regulations and Royal Decree Law 2-2008, of 21 April, on measures to promote economic activity in all companies domiciled for tax purposes in Spain.

The Group Companies, with the exception of the absorbed company, Adeslas and its subsidiaries, have been in the tax consolidation regime within the "la Caixa" Group since the 2008 financial year; therefore the balances payable for said concepts are recorded under Debts with Group Companies in the caption "Debts and payable items" of the attached balance sheet.

The absorbed company Adeslas was the head of a tax consolidation group made up of the subsidiary companies in which it had a direct or indirect capital holding equal to or greater than 75%. Said tax consolidation group remained in force during the 2010 financial year. The balance of this Group with the Public Tax Administration is recorded under the "Current Tax Assets" caption of the balance sheet.

h) Financial liabilities

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

This heading includes 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.

At 31 December 2010, neither the Parent Company nor any other Group company had guaranteed other debt securities issued by associate companies or by third parties outside the Group.

i) Assets and liabilities derived from insurance and reinsurance contracts

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

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

IFRS 4 restricts the changes in accounting policies followed in insurance contracts. Adopting this standard, for the assets and liabilities derived from insurance contracts, the Group generally employs the accounting principles and valuation rules established in Spain for such contracts, except:

- The stabilisation reserves which insurance companies have to constitute under Spanish accounting principles, in accordance with the provisions set out in the RASPIs (Regulations on Administration and Supervision of Private Insurance).

- The liability adequacy test, in order to guarantee the sufficiency of the contractual liabilities. To this effect, the Group compares the difference between the book value of the technical provisions, 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.

As a consequence of the test performed on 31 December 2010, there was no evidence of any requirement to increase the liabilities derived from insurance contracts.

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 provisions" that part of the unrealised net capital gains, derived from the above investments, which are expected to be accrued in the future to the insurance companies as these materialise or by means of applying a technical interest rate higher than the market interest rate. Said practice is known as "shadow accounting".

The policy accounting principles applied by the Group with regard to the technical provisions 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 commissions 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, RASPI) modified by Royal Decree 239-2007, of 16 February, considering the technical result by year of occurrence together with same year of closure and the previous one or of the four previous years, depending on the area in question.

Life insurance

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

Provisions relative to life insurance when investment risk is assumed by policyholders

For presentation purposes, the caption in the liabilities "Technical provisions – life insurance" includes the technical provisions corresponding to insurance in which the policyholder assumes the investment risk. The corresponding technical provisions 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 the difference between the total estimated or certain cost of the claims pending declaration, settlement or payment and the set of amounts already paid for these claims. The reserve is calculated individually for claims pending settlement or payment and includes external and internal management expenses and processing of claims, whatever their origin, produced or to be produced, until the final settlement and payment of the claim.

Claims pending declaration

For products belonging to the health segment, the Group calculates the reserve for claims pending declaration based on historic experience.

Furthermore, for products not belonging to the health segment, the Group's insurance companies are authorised by the DGIPF to use global statistical methods to calculate the reserve for claims pending declaration in the Individual Life, Group Life and Group Accident and Non-life forms, with effect from 31 December 2006. Since then, said reserve has been calculated in accordance with generally accepted statistical methods of groups of different methods, establishing as the reserve amount the greater of the results obtained.

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 2010 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 provision of claims calculated using statistical methods, calculations have been made for consideration of the minimum amount of the reserve, in accordance with the requirements established by Additional Provision Three of Royal Decree 239-2007, of 16 February, which amends the RASPI. 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 RASPI, 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-heading "Technical provisions".

Commissions and accrued acquisition expenses

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

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

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

Claims recovery

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

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

Agreements between insurance companies

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

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

Reinsurance

The reinsurance contracts signed between subsidiary insurance companies of the Group and other insurance companies 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 provisions

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

The principal 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.

For the employees of the absorbed company Adeslas, if retirement is applied for in the month in which the employee reaches 65, the Company will pay compensation of one month's salary for every 5 years of service, up to a maximum of 10 monthly payments. Said pension commitments were outsourced to VidaCaixa.

On the other hand, upkeep and maintenance costs are expensed during the period in which they occur in each Group company. In the 2010 financial year, the subsidiary companies contributed 578 thousand euros to this Fund (359 thousand euros in 2009).

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

j.2) Other non-technical provisions

The remaining non-technical provisions 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) Leases

Leases are classified as financial leases wherever it may be deduced from the conditions thereof that the risks and benefits inherent in the property 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 depreciated 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.

Operating 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) Joint ventures

The Company records its investments in the temporary joint venture "Ribera Salud II UTE Ley 18/82" (see Note 7), recording in its balance sheet its corresponding proportion according to its holding percentage of the jointly-controlled assets and jointly-incurred expenses. Furthermore, the corresponding proportion of the revenue generated and expenses incurred through the joint venture are recognised in the profit and loss account. Similarly, the Statement of Changes in Equity and the Cash Flow Statement include the corresponding proportion of the entries relating to the joint venture.

m) Subsidies, donations and legacies

The Group adopts the following criteria to record the subsidies, donations and legacies received:

- Non-refundable capital subsidies, donations and legacies: These are valued at the fair value of the amount or asset donated, depending on whether or not they are of a monetary nature, and are recorded in the results in proportion to the provision for depreciation effected during the period for subsidised items or, wherever applicable, when their disposal or allowance for impairment occurs.

- Refundable subsidies: While they maintain their refundable status, they are recorded as liabilities.

- Operating subsidies: They are posted to the results at the time they are granted, except if they are used to finance the operating losses of future financial years, in which case they are recorded in said financial years. If they are granted to finance specific expenses, they are recorded as the financial expenses are accrued.

n) 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.

o) 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.

p) 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. Given that no situations of this nature are envisaged, no provision for this concept has been made in the accompanying annual accounts.

q) 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:

q.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 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 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.

q.2) Income and expenses through interest and similar concepts

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

q.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 provisions relating to the claims and the imputable part of the general expenses which must be allocated to this.

q.4) Commissions

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

4. Management of risk and capital

Management of capital

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

The solvency margin is calculated in accordance with the corresponding articles established in the RASPI, modified by RD 297-2004, of 20 February, RD 239-2007, of 16 February and RD 1318-2008, of 24 July. Consequently, all the Group companies participated in the last European impact study (Solvency II) through the QIS 5, and are making progress in the quantification of the capital adapted to the Group's risk profile accordance with the future legislation, which is still at the development stage.

These assets basically consist of the company 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.

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

At 31 December 2010, the breakdown of the solvency margin and the minimum quantity of the subsidiaries VidaCaixa and VidaCaixa Adeslas is as follows (in thousands of euros):

2010 Financial Year

Solvency margin	VidaCaixa	VidaCaixa Adeslas
Own uncommitted assets	888	1,181
Solvency margin minimum quantity	860	295
Solvency margin surplus	28	886
Percentage (%) of the required minimum that the assets represent	**103%**	**400%**

2009 Financial Year

Solvency margin	VidaCaixa	VidaCaixa Adeslas
Own uncommitted assets	1,096	56
Solvency margin minimum quantity	785	44
Solvency margin surplus	311	12
Percentage (%) of the required minimum that the assets represent	**140%**	**127%**

Management of risks

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

Due to the size of VidaCaixa Group, as well as the technical sophistication and extension of the managed products, there is a need 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 VidaCaixa 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 established.
- Diversification: high diversification in sectors and issuing entities, with maximum limits of risk per issuing entity.

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

– Liquidity risk

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

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

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

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

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

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

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

With regard to **exchange rate** risk, VidaCaixa 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 Scorecard, 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 (RASPI) approved by Royal Decree 2486/1998 of 20 November.

- Definition and supervision of Reinsurance Policy: Establishing appropriate diversification of the risk among various reinsurance companies with sufficient capacity to absorb unforeseen losses. From this, stability in the claims results is obtained.

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

The treatment of claims and the sufficiency of the reserves are basic principles of insurance management. The technical provisions 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 2010 and 2009:

Rating	Thousands of euros			
	Nominal Value		Weighting	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Between AA– and AAA	15,610,088	10,018,535	68%	50%
Between A– and A+	5,831,416	8,615,253	26%	43%
Between BBB– and BBB+	1,121,407	1,340,092	5%	7%
Between BB– and BB +	272,166	216,408	1%	1%
Below BB–	1,973	1,882	–	–
Total	**22,837,050**	**20,192,170**	**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 2010 and 2009 are as follows:

Geographical diversification

2010 Financial Year

	Thousands of euros						
Country	**Fixed income**	**Equity instruments**	**Derivatives**	**Hybrids**	**Deposits in credit entities**	**Loans granted**	**Investment funds**
Germany	1,386,122	–	–	–	–	–	–
Netherlands Antilles	80,612	–	–	–	–	–	–
Australia	2,160	–	–	–	–	–	–
Austria	238,581	–	–	–	–	–	–
Belgium	331,256	–	–	–	–	–	–
Canada	28,377	–	–	–	–	–	–
Spain	10,372,890	51,485	2,945	2,260	174,361	4,858,341	762
United States	1,001,298	–	–	–	–	–	–
Finland		–	–	–	–	–	–
France	1,462,417	–	7,532	–	–	–	–
Greece	121,313	–	–	–	–	–	–
Hungary	83,836	–	–	–	–	–	–
England	640,115	–	–	1,881	–	–	–
Ireland	46,360	–	–	–	–	–	–
Cayman Islands	37,399	–	–	–	–	–	–
Italy	1,296,946	–	–	–	–	–	–
Japan	–	–	–	–	–	–	–
Luxembourg	194,041	–	–	1,872	–	–	23,092
Norway	40,054	–	–	–	–	–	–
Netherlands	1,328,308	–	1,042	–	–	–	–
Portugal	127,966	–	–	–	–	–	–
Sweden	29,534	–	–	–	–	–	–
Switzerland	174,413	–	–	–	–	–	–
Total	**19,023,998**	**51,485**	**11,519**	**6,013**	**174,361**	**4,858,341**	**23,854**

2009 Financial Year

	Thousands of euros						
Country	**Fixed income**	**Equity instruments**	**Derivatives**	**Hybrids**	**Deposits in credit entities**	**Loans granted**	**Investment funds**
Germany	1,570,411	–	99	–	–	–	–
Netherlands Antilles	83,800	–	–	–	–	–	–
Australia	2,168	–	–	–	–	–	–
Austria	334,598	–	–	–	–	–	–
Belgium	795,431	–	–	–	–	–	–
Canada	24,514	–	–	–	–	–	–
Spain	6,048,145	57,274	5,897	–	114,489	4,314,125	–
United States	969,307	–	–	–	2,929	–	–
Finland	79,976	–	–	–	–	–	–
France	2,178,111	–	15,914	–	–	–	–
Greece	110,977	–	–	–	–	–	–
Netherlands	1,722,846	–	2,077	–	–	–	–
Hungary	131,118	–	–	–	–	–	–
Ireland	49,761	–	–	–	–	–	–
Cayman Islands	34,119	–	–	–	–	–	–
Italy	2,367,124	–	–	–	–	–	–
Luxembourg	304,298	–	–	–	–	–	–
Norway	45,178	–	–	–	–	–	–
Portugal	153,728	–	–	–	–	–	–
United Kingdom	765,547	–	–	–	–	–	–
Sweden	59,555	–	–	–	–	–	–
Switzerland	104,238	–	–	–	–	–	–
Total	**17,934,950**	**57,274**	**23,987**	**–**	**117,418**	**4,314,125**	**–**

Diversification by sector

2010 Financial Year

	Thousands of euros						
	Fixed income	**Equity instruments**	**Funds**	**Derivatives**	**Loans**	**Hybrids**	**Deposits in credit entities**
Communications	744,692	–	–	–	–	–	–
Consumer goods	403,073	–	–	–	–	–	–
Energy	162,277	–	–	–	–	–	–
Financial	6,897,278	61	23,092	11,519	4,858,341	6,013	174,361
Funds	–	–	762	–	–	–	–
Government	8,654,267	–	–	–	–	–	–
Industrial	618,924	–	–	–	–	–	–
Infrastructure	0	50,790	–	–	–	–	–
Raw materials	142,956	–	–	–	–	–	–
Maritime	154	–	–	–	–	–	–
Utilities	1,400,377	–	–	–	–	–	–
Health	–	528	–	–	–	–	–
Real estate	–	–	–	–	–	–	–
Insurance	–	106	–	–	–	–	–
Total	**19,023,998**	**51,485**	**23,854**	**11,519**	**4,858,341**	**6,013**	**174,361**

2009 Financial Year

	Thousands of euros				
Sector	**Fixed income**	**Equity instruments**	**Derivatives**	**Deposits in credit entities**	**Loans**
Communications	969,412	–	–	–	–
Consumer goods	447,216	57,213	–	–	–
Energy	172,976	–	–	–	–
Financial	7,480,690	61	23,987	117,418	4,314,125
Government	6,593,734	–	–	–	–
Industrial	657,364	–	–	–	–
Raw materials	150,156	–	–	–	–
Utilities	1,463,402	–	–	–	–
Total	**17,934,950**	**57,274**	**23,987**	**117,418**	**4,314,125**

5. Variations in associated, group and multi-group companies

5.a) Acquisition of Compañía de Seguros Adeslas, S.A.

By virtue of the agreement signed between Criteria CaixaCorp, S.A. and Suez Environment and Malakoff Médéric, the Group has acquired 99.77% of Adeslas.

On 7 June 2010, 3,039,997 Adeslas shares were acquired from Sociedad General de Aguas de Barcelona, 2,495,597 of which were 75% paid-in and the remainder fully paid-in. Said shares have a par value of 12.02 euros per share and represent 54.78% of the share capital of Adeslas. The approximate acquisition price of the shares was 225.4818 euros for the partially paid-in shares and 228.4868 euros for the fully paid-in shares, resulting in an effective purchase price of 687,100 thousand euros.

In addition, on the same date, 2,496,928 Adeslas shares were acquired from Malakoff Médéric, 2,041,966 of which were 75% paid-in and the remainder fully paid-in. Said shares have a par value of 12.02 euros per share and represent 44.99% of the share capital of Adeslas. The approximate acquisition price of the shares was 202.1961 euros for the partially paid-in shares and 205.2011 euros for the fully paid-in shares, resulting in an effective purchase price of 506,236 thousand euros.

Consequently, since the acquisition date of the shares in the absorbed company was 7 June 2010, this was the date on which the profit and loss account of Adeslas and its subsidiaries was included in the consolidation scope.

Subsequently, between 25 June and 19 August 2010, the Group acquired 6,354 shares which were owned by minority interests, 138 of which were 75% paid-in and the remainder fully paid-in. Said shares have a par value of 12.02 euros per share and represent 0.11% of the share capital of Adeslas. The approximate acquisition price of the shares was 225.48 euros for the partially paid-in shares and 228.49 euros for the fully paid-in shares, resulting in an effective purchase price of 1,451 thousand euros.

On 2 September 2010, the Extraordinary General Shareholders' Meeting of VidaCaixa Adeslas (previously known as SegurCaixa, S.A., de Seguros y Reaseguros), approved the agreement for the merger by absorption of Compañía de Seguros Adeslas, S.A. Said project was previously formalised by the Board of Directors on 28 June 2010 and recorded at the Mercantile Register on 1 July 2010. This arose from the intention to strategically realign the business presented by the Company, through the incorporation of the Health business.

The most significant aspects of the merger are as follows:

- The acquisition date of the absorbed company shares was 7 June 2010 and the date of registration of the merger project in the Mercantile Register, on which the assets and liabilities of the absorbed company were integrated, was 1 July 2010.

- The operation was classified under the Special Regime contained in Chapter VIII of Title VII of Royal Decree 4/2004, of 5 March, which approves the Revised Text of the Corporation Tax Law (TRLIS).

- The price of the business combination was 1,128,335 thousand euros, of which 1,127,087 thousand euros were paid in cash and 1,248 thousand euros were paid by company share swaps.

- As a consequence of recognising the assets and liabilities for their aforementioned fair value, goodwill of 256,914 thousand euros was declared, as described in Note 10 on "Intangible fixed assets". The calculation base for the aforementioned goodwill is as follows:

	Thousands of euros
Net acquisition cost	1,127,068
Theoretical book value	291,772
Difference	**835,296**
Allocation of acquisition cost	
Capital gains from real estate	111,785
Trademark	310,883
Insured client portfolio	241,796
Elimination of previous Adeslas goodwill	(76,972)
Provisions for risks and expenses	(1,092)
Others	(163)
Minority interests	(7,855)
Total allocation of price premium	**578,382**
Consolidated goodwill	**256,914**

- The revenue and result attributable to the combination from the acquisition date to the close of the 2010 financial year is as follows:

	Thousands of euros
Premiums applied to period, net of reinsurance	837,804
Result for the period	32,970

As a result of the aforementioned mergers, by the end of 2010, VidaCaixa Adeslas had acquired a 99.88% share in Adeslas, represented by 5,543,279 shares, at an acquisition cost of 1.208424 billion euros. However, said acquisition cost included the rights to receive dividends distributed by Adeslas during the first half of 2010, which totalled 67,720 thousand euros and were paid at the end of the financial year, as well as the pending payment of shares worth 13,636 thousand euros. As a result, the net book value of the VidaCaixa Adeslas holding in Adeslas totalled 1.127068 billion euros.

On 22 December 2010, the deed for the merger by absorption with Adeslas was executed and was recorded in the Mercantile Register on 31 December 2010. In the merger accounting procedure, the net book value of the holding in Adeslas was eliminated and all of the assets and liabilities of the absorbed company were incorporated, including the subsidiaries.

As a result of the merger by absorption of Adeslas, the Group has incorporated the holdings in group and associated companies which the former held in its portfolio at the date of the operation. Specifically, this involves 8 group companies and 1 associated company incorporated within the Group, with a direct holding. Furthermore, the consolidation scope of the Parent Company incorporated an additional 17 group companies and 13 associated companies, in which VidaCaixa Adeslas has an indirect holding.

5.b) Acquisition of Caixa Girona Mediació, Sociedad de Agencia de Seguros Vinculada, S.A.U.

Following the merger between Caixa d'Estalvis de Girona and Caixa d'Estalvis i Pensiones de Barcelona ("la Caixa") and in accordance with the Internal Protocol of Relations in force between "la Caixa" and Criteria CaixaCorp, S.A., the affected businesses were transferred to the preferential areas of action of the companies belonging to the Criteria Group.

Within this protocol, on 11 November 2010 VidaCaixa Group acquired from "la Caixa" the company Caixa Girona Mediació, Sociedad de Agencia de Seguros Vinculada, S.A.U. for the total sum of 8,227 thousand euros.

5.c) Dissolution and liquidation of SegurVida Consulting S.A.

On 5 July 2010, the General Shareholders' Meeting of SegurVida Consulting, S.A. (owned 80% by VidaCaixa Grupo, S.A.U. and 20% by Criteria CaixaCorp, S.A.) approved its dissolution and liquidation in accordance with the provisions of article 260.1.2 of the Revised Text of the Law on Joint Stock Companies.

As a result, and in accordance with the applicable accounting regulations, VidaCaixa Grupo, S.A.U., has registered its disposal of the holding in SegurVida Consulting, S.A., generating capital gains to the value of 8 thousand euros, due to the difference between the liquidated assets and the book value of the holding.

6. Financial assets

The breakdown of the financial assets at 31 December 2010 is as follows (in thousands of euros):

Investments classified by category of financial assets and type	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 31/12/2010
FINANCIAL INVESTMENTS:	**11,519**	**207,500**	**19,099,323**	**5,032,703**	**24,351,045**
Equity instruments	–	14	75,325	–	75,339
Financial investments in capital	–	14	51,471	–	51,485
Holdings in investment funds	–	–	23,854	–	23,854
Debt securities	–	–	19,023,998	–	19,023,998
Investment on behalf of life insurance policyholders who assume the risk of the investment	–	201,473	–	–	201,473
Loans	–	–	–	4,858,341	4,858,341
Other financial assets	11,519	6,013	–	–	17,532
Deposits in credit entities	–	–	–	174,361	174,361
Deposits constituted for accepted reinsurance	–	–	–	1	1
CREDITS:	**–**	**–**	**–**	**482,430**	**482,430**
Credits through direct insurance and co-insurance operations	–	–	–	219,155	219,155
Credits through reinsurance operations	–	–	–	6,315	6,315
Other credits	–	–	–	256,960	256,960
Impairment	–	–	–	–	–
Total	**11,519**	**207,500**	**19,099,323**	**5,515,133**	**24,833,475**

The same information at 31 December 2009 is as follows (in thousands of euros):

Investments classified by category of financial assets and type	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 31/12/2009
FINANCIAL INVESTMENTS:					
Equity instruments					
Financial investments in capital	–	–	57,274	–	57,274
Holdings in investment funds	–	–	–	–	–
Debt securities	–	–	17,934,950	–	17,934,950
Investment on behalf of life insurance policyholders who assume the risk of the investment	–	184,312	–	–	184,312
Loans	–	–	–	4,314,125	4,314,125
Other financial assets	23,987	–	–	–	23,987
Deposits in credit entities	–	–	–	117,418	117,418
Deposits constituted for accepted reinsurance	–	–	–	–	–
CREDITS:					
Credits through direct insurance and co-insurance operations	–	–	–	100,909	100,909
Credits through reinsurance operations	–	–	–	1,734	1,734
Other credits	–	–	–	130,448	130,448
Impairment	–	–	–	–	–
Total	**23,987**	**184,312**	**17,992,224**	**4,664,634**	**22,865,157**

The breakdown of the financial assets, according to the inputs used, at 31 December 2010 is as follows (in thousands of euros):

	Level 1	Level 2	Level 3	Total at 31/12/2010
Financial assets held for trading				
Debt securities	–	–	–	–
Derivatives	–	11,519	–	11,519
Other financial assets at fair value with changes registered in the profit and loss account				
Debt securities	–	–	–	–
Equity instruments	–	14	–	14
Investment on behalf of life insurance policyholders who assume the risk of the investment	169,435	32,038	–	201,473
Hybrid instruments	6,013	–	–	6,013
Loans	–	–	–	–
Deposits in credit entities	–	–	–	–
Financial assets available for sale				
Financial investments in capital	73,250	2,075	–	75,325
Holdings in investment funds	–	–	–	–
Debt securities	14,620,834	4,403,164	–	19,023,998
Loans	–	–	–	–
Other financial assets without published prices	–	–	–	–
Deposits in credit entities	–	–	–	–
Total at 31 December 2010	**14,869,531**	**4,448,809**	**–**	**19,318,342**

The same information at 31 December 2009 is as follows (in thousands of euros):

	Level 1	Level 2	Level 3	Total at 31/12/2009
Financial assets held for trading				
Debt securities	–	–	–	–
Derivatives	–	23,987	–	23,987
Other financial assets at fair value with changes registered in the profit and loss account				
Debt securities	–	–	–	–
Investment on behalf of life insurance policyholders who assume the risk of the investment	178,729	5,583	–	184,312
Loans	–	–	–	–
Deposits in credit entities	–	–	–	–
Financial assets available for sale				
Financial investments in capital	55,811	1,463		57,274
Holdings in investment funds	–	–	–	–
Debt securities	11,183,322	6,751,627		17,934,950
Loans	–	–	–	–
Other financial assets without published prices	–	–	–	–
Deposits in credit entities	–	–	–	–
Total at 31 December 2009	**11,417,863**	**6,782,660**	**–**	**18,200,523**

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 2009	***25,585***
Purchases	142
Sales and amortisations	(43)
Reclassifications and transfers	–
Revaluations against reserves	–
Revaluations against results	(1,697)
Changes in the losses through impairment of value	–
Net book value at 31 December 2009	***23,987***
Purchases	–
Sales and amortisations	(11,481)
Reclassifications and transfers	(987)
Revaluations against reserves	–
Revaluations against results	–
Changes in the losses through impairment of value	–
Net book value at 31 December 2010	***11,519***

The investments held in derivatives at 31 December 2010 correspond to implied derivatives which the Group has valued and recorded separately and which, in their entirety, correspond to options on stock indices and weighted baskets of shares. The maturity dates of such derivatives are between 2019 and 2021. The fair value of such investments has been calculated from the final listing, in the case of securities listed in organised markets, and in the case of non-listed securities or securities without a representative listing, the market value has been calculated by applying valuation methods that are generally accepted in the financial sector.

Financial assets at fair value with changes registered 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	Equity instruments	Hybrid instruments	Total
Net book value at 1 January 2009	***169,523***	**–**	**–**	***169,523***
Purchases and accruals	237,976	–	–	237,976
Sales, accruals and depreciations	(243,328)	–	–	(243,328)
Revaluations against results	20,141	–	–	20,141
Changes in the losses through impairment of value	–	–	–	–
Net book value at 31 December 2009	***184,312***	**–**	**–**	***184,312***
Purchases and accruals	177,329	–	–	177,329
Additions to the consolidation scope	–	14	7,855	7,869
Sales, accruals and depreciations	(164,274)	–	(2,201)	(166,475)
Revaluations against results	4,106	–	359	4,465
Changes in the losses through impairment of value	–	–	–	–
Net book value at 31 December 2010	***201,473***	***14***	***6,013***	***207,500***

During the 2010 financial year, the income from investments on behalf of policyholders who assume the risk of the investment totalled 18,621 thousand euros (35,509 thousand euros in 2009), while the expenses of the same totalled 11,011 thousand euros (17,811 thousand euros in 2009). Both sums are recorded in the attached Consolidated Profit and Loss Account.

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

In addition, the Group incorporated an additional 7,855 thousand euros in hybrid instruments through the merger with Adeslas. These instruments correspond to three fixed-income bonds, two issues which present a coupon linked to the evolution of a basket of shares with maturity in April 2011 and June 2012, and an issue which presents a fixed coupon plus a Eurostoxx option with maturity in June 2011.

Financial assets available for sale

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

	AFS		
	Financial investments in capital	Debt securities	Total
Net book value at 1 January 2009	***44,449***	***17,162,534***	***17,206,983***
Purchases	36	8,405,647	8,405,683
Sales and amortisations	(384)	(7,640,700)	(7,702,746)
Reclassifications and transfers	–	–	–
Revaluations against reserves	13,173	7,469	20,642
Changes in the losses through impairment of value	–	–	61,662
Net book value at 31 December 2009	***57,274***	***17,934,950***	***17,992,224***
Non-cash contributions	666,486	–	666,486
Purchases	48,962	11,444,716	11,493,678
Additions to the consolidation scope	1,320	63,480	64,800
Implicit interest accrued	–	367,816	367,816
Sales and amortisations	(691,082)	(9,708,433)	(10,399,515)
Reclassifications and transfers	–	–	–
Revaluations against reserves	(7,485)	(1,126,127)	(1,133,612)
Changes in the losses through impairment of value	–	–	–
Registered profit/loss	(150)	47,596	47,446
Net book value at 31 December 2010	***75,325***	***19,023,998***	***19,099,323***

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.

On 31 May 2010 Criteria CaixaCorp, S.A., in the Adeslas acquisition and subsequent merger process, increased its capital in VidaCaixa Adeslas through a non-monetary contribution in equity instruments.

Specifically, it contributed 17,525,400 shares in Sociedad General de Aguas de Barcelona at a fair value of 20 euros per share, which represented 11.544% of the share capital of said Company. It also contributed 12,279,196 shares in Hisusa at a fair value of 26.14 euros per share, which represent 16.13% of its share capital. (See Note 5). The activated value totals 666,486 thousand euros.

Subsequently, on 9 June 2010 these shares were transferred to Suez Environment España, S.L., in order to obtain liquidity for the purchase of shares in Adeslas, generating a result of 2 thousand euros.

With regard to the shares incorporated through the Adeslas merger, the majority are fixed-income shares issued by group companies. The shares that were not issued by the Group are made up of shares issued 52% by the State and autonomous communities, 35% by the financial sector and 19% by the industrial, energy, communications, raw materials and utilities sector.

The unrealised capital losses of the financial instruments associated with the portfolio which remunerates the Group's own funds total 17,109 thousand euros (10,700 thousand euros in the 2009 financial year), registered as a credit and/or debit in the reserves owing to net valuation adjustments of the corresponding tax effect and the imputation to external partners.

During the 2010 financial year, the Company disposed of public debt securities, basically German, Belgian and French and, to a lesser degree, those of private corporations, with a maturity between 2011 and 2045, and reinvested in securities issued mainly by the Spanish and Italian Governments of the same duration, in order to adapt the durations of the financial investments to the durations of the commitments with insurance policy holders.

As a consequence of the above, 47,446 thousand euros were written off corresponding to unrealised gains net of losses in the "Available for sale" portfolio, these amounts being recognised in the consolidated profit and loss account for the period after they were transferred. In the 2009 financial year, net gains of 4,193 thousand euros were recognised respectively for said concept in the profit and loss account.

Loans and payments receivable

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

	Non-mortgage loans and advance payments on policies	Mortgage loans	Other financial assets without published prices	Deposits in credit entities	Deposits constituted for accepted reinsurance	Total
Net book value at 1 January 2009	***131,541***	***1,071***	***9,792***	***–***	***1***	***142,405***
Purchases	33,695	–	–	942,378	–	976,073
Implicit interest accrued						
Sales and amortisations	(83,953)	(207)	(7,160)	–	(1)	(91,321)
Reclassifications and transfers	4,231,978	–	(2,632)	(824,960)	–	3,404,386
Revaluations against reserves	–	–	–	–	–	–
Changes in the losses through impairment of value	–	–	–	–	–	–
Net book value at 31 December 2009	***4,313,261***	***864***	***–***	***117,418***	***–***	***4,431,543***
Purchases	10,219,059	–	–	12,020	1	10,231,080
Implicit interest accrued	(19,935)	–	–	1,341	–	(18,594)
Additions to the consolidation scope	30,765	–	–	216,200	–	246,965
Sales and amortisations	(9,685,536)	(137)	–	(172,618)	–	(9,858,291)
Reclassifications and transfers	–	–	–	–	–	–
Revaluations against reserves	–	–	–	–	–	–
Changes in the losses through impairment of value	–	–	–	–	–	–
Net book value at 31 December 2010	***4,857,614***	***727***	***–***	***174,361***	***1***	***5,032,703***

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 2010 and 2009:

	Thousands of euros	
	AFS Portfolio	
	31/12/2010	31/12/2009
Shares in Spanish listed companies	50,158	55,810
Shares in Spanish unlisted companies	1,312	1,464
Spanish investment funds	763	–
Foreign investment funds	23,092	–
Total	**75,325**	**57,274**

At 31 December 2010, the Group owns 0.5044% of the share capital of Abertis Infraestructuras, S.A. (0.5044% at 31 December 2009). The Group has received 2,183 thousand euros as dividends through these shares during the 2010 financial year. The fair value of these shares at 31 December 2010 was obtained from the market listing on said date. The unrealised gains at this date totalled 34,874 thousand euros.

The Group also has a stake in the company "Tecnologías de la información y redes para las entidades aseguradoras, S.A." valued at 57 thousand euros and a holding in an investment fund valued at 23,092 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 included in this sub-caption:

	Thousands of euros	
	31/12/2010	31/12/2009
	AFS Portfolio	AFS Portfolio
Public debt and Government obligations and bonds	6,586,551	2,441,424
Other Public Administration	297,104	224,286
Issued by financial companies	2,842,411	1,928,531
Foreign public debt	1,770,612	2,642,509
Issued by foreign financial companies	4,045,957	2,339,130
Other fixed income values	3,481,363	8,359,070
Total	**19,023,998**	**17,934,950**

The unpaid explicit interest in favour of the Group at 31 December 2010 totals 399,511 thousand euros (415,576 thousand euros at the close of 2009) and are recorded in the sub-caption "Other assets – Accruals" of the accompanying balance sheet. The remaining balance of said caption corresponds to the unpaid interests accrued through the current accounts which the Group maintains with "la Caixa" and other entities.

As a consequence of the above, 122,125 thousand euros of net gains and 84,212 thousand euros of net losses materialised, respectively.

Furthermore, the Group formalised sale and purchase agreements for fixed-income securities within its own ordinary portfolio, generating a net income of 2,195 thousand euros, which are recorded in the corresponding headings of the accompanying profit and loss account.

The maturity dates of the securities included in this sub-caption, according to their allocation portfolio at 31 December 2010 and 2009, and taking into consideration their fair value, are as follows:

Maturity	Thousands of euros	
	31/12/2010	31/12/2009
	AFS Portfolio	AFS Portfolio
Less than 1 year	1,265,260	1,564,839
1 to 3 years	3,074,413	2,742,431
3 to 5 years	2,382,371	2,052,427
5 to 10 years	3,781,921	3,571,946
10 to 15 years	2,842,189	2,337,329
15 to 20 years	1,184,275	1,165,684
20 to 25 years	1,465,433	1,988,836
More than 25 years	3,028,135	2,511,458
Total	**19,023,998**	**17,934,950**

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

The following is the breakdown by investment type at 31 December 2010 and 2009:

Investment on behalf of life insurance policyholders who assume the risk of the investment	Thousands of euros			
	31/12/2010		31/12/2009	
	CFVP&L	Other assets	CFVP&L	Other assets
Variable income	30,056	–	27,754	–
Holdings in investment funds	96,729	–	79,132	–
Fixed income and other investments	74,688	–	77,426	–
Cash and other equivalent assets	–	13,382	–	16,120
Accruals	–	1,042	–	2,485
Total	**201,473**	**14,424**	**184,312**	**18,605**

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

Maturity	Thousands of euros	
	31/12/2010	31/12/2009
	CFVP&L	CFVP&L
Less than 1 year	23,815	21,265
1 to 3 years	23,359	31,105
3 to 5 years	18,854	17,899
5 to 10 years	7,817	7,090
More than 10 years	842	67
Total	**74,688**	**77,426**

The variation during the 2010 financial year of the gains net of losses of these assets totalled 826 thousand euros (losses valued at 662 thousand euros in 2009). They are recorded in the caption "Unrealised gains and losses from investments" in the profit and loss account of the Life 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 2010 and 2009:

	Thousands of euros	
	31/12/2010	31/12/2009
	L&PR	L&PR
Non-mortgage loans and advance payments on policies		
Unlisted loans	4,857,614	4,313,261
Mortgage loans	727	864
Deposits in credit entities	174,361	117,418
Deposits constituted for accepted reinsurance	1	–
Total	**5,032,703**	**4,431,543**

The balance of the deposits in credit entities includes deposits with a duration of more than 3 months from the acquisition date. At 31 December 2010, the Group maintained 50 deposits contracted by "la Caixa" with a maturity in 2011 with a weighted IRR of 1.09%.

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

All the deposits in credit entities with a maturity of more than 3 months from the acquisition date will be amortised during 2011.

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

6.a.5) Losses through impairment of value

During the 2010 and 2009 financial years, no losses through impairment of value were recognised for any type of financial assets.

b) Credits

The following is the breakdown of the credits derived from insurance, reinsurance and co-insurance contracts at 31 December 2010 and 2009:

	Thousands of euros	
	L&PR	
	31/12/2010	31/12/2009
Credits through direct insurance and co-insurance operations		
Insurance policyholders – receipts pending:		
Direct and reinsurance business	114,780	37,573
Loan to the Community of Valencia (Ribera Salud II UTE)	50,334	–
Premiums accrued and not issued	66,164	49,149
(Reserve for premiums pending payment)	(32,122)	(12,064)
Brokers:		
Pending balances with brokers	5,522	6,040
(Reserve for impairment of balance with brokers)	(10)	(10)
Accounts receivable for co-insurance operations		
Pending balances with co-insurers	14,884	20,223
(Reserve for impairment of balance with co-insurers)	(398)	(2)
Credits through reinsurance operations		
Pending balance with reinsurance companies	6,713	2,080
(Reserve for impairment of balance with reinsurance)	(397)	(346)
Other credits		
Other credits	257,950	130,722
(Reserve for impairment of other credits)	(990)	(274)
Total	**482,430**	**233,091**

The movement and detail of the losses of value recorded during the 2010 and 2009 financial years are set out in the following table, the different variations having been recorded in the captions "Net reinsurance premiums imputed" and "Net operating expenses" in the profit and loss account applicable to each segment.

	Reserve for pending premiums	Reserve for impairment of balance with brokers	Reserve for impairment of balance with reinsurance	Reserve for impairment of balance with co-insurers	Reserve for impairment of other credits
Balances at 1 January 2009	**(8,009)**	**(243)**	**(345)**	**(2)**	**–**
Endowments charged to results	(4,055)	–	(1)	–	–
Applications with payment to results	–	233	–	–	–
Balances at 31 December 2009	**(12,064)**	**(10)**	**(346)**	**(2)**	**(274)**
Merger incorporations	(19,663)	–	–	(395)	(646)
Endowments charged to results	(22,475)	–	(51)	(1)	(85)
Applications with payment to results	22,080	–	–	–	15
Balances at 31 December 2010	**(32,122)**	**(10)**	**(397)**	**(398)**	**(990)**

The breakdown of other credits in the consolidated balance sheet at 31 December 2010 and 2009 is detailed below:

Other Credits:	Thousands of euros	
	31/12/2010	31/12/2009
Administration commissions and other commissions to be received	23,491	29,307
Other debtors	153,735	96,202
Reserve for impairment of debtor balance	(990)	(274)
Healthcare clients	56,732	–
Ribera Salud II UTE credits	3,136	–
Creditors for securities	20,856	5,213
Total	**256,960**	**130,448**

7. Joint ventures

Ribera Salud II UTE Ley 18/82

By virtue of the ruling of 21 February 2003, the management of the public service concession for the integral healthcare in Área de Salud 10 in the Community of Valencia was awarded in favour of "Ribera Salud II UTE Ley 18/82", which commenced its activities on 1 April 2003.

Said company is owned by VidaCaixa Adeslas, Ribera Salud, S.A. (whose shareholders are Bancaja and Caja de Ahorros del Mediterráneo), Dragados y Construcciones, S.A. and Luis Batalla, S.A. VidaCaixa Adeslas has a 51% shareholding in "Ribera Salud II UTE Ley 18/82", originating from the merger by absorption with Adeslas.

The main conditions of the tender were as follows:

- Management of primary and specialised healthcare of Área de Salud no. 10 of the Community of Valencia.
- Initial one-off contribution of 72 million euros.
- Concession period of 15 years, which may be extended by another 5 years.

For the 2010 financial year, the established capital is 607 euros per annum (598 euros per annum for 2009). For subsequent financial years, the increase in capital will match the growth of the healthcare budget of the Regional Government of Valencia in the areas that correspond to the object of the contract.

The proportion (51%) of the balances relating to Ribera Salud II UTE Ley 18/82 in the Balance Sheet at 31 December 2010, the Profit and Loss Account for 2010, the Statement of Changes in Equity and the Cash Flow Statement corresponding to these periods have been included in the Group's consolidated financial statements (prior to the processes of elimination and adjustments).

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 companies in which the Group exercises a significant influence during 2010 is as follows:

Company	Thousands of euros				
	Balances at 31/12/2009	Consolidation scope additions and withdrawals	Increases through year result	Other variations through valuation	Balances at 31/12/2010
Igualatorio Médico Quirúrgico, S.A. de Seguros y Reaseguros	–	70,521	4,657	(5,400)	69,778
Sanatorio Médico Quirúrgico Cristo Rey, S.A.	–	1,530	(41)	–	1,489
Sociedad Inmobiliaria del Igualatorio Médico Quirúrgico, S.A.	–	4,021	(8)	–	4,013
Igualatorio Médico Quirúrgico Dental, S.A.	–	77	1	–	78
Igurco Gestión, S.L.	–	5,055	139	–	5,194
Gross total	**–**	**81,204**	**4,748**	**(5,400)**	**80,552**
Losses through impairment	**–**	**–**	**–**	**–**	**–**
Net total	**–**	**81,204**	**4,748**	**(5,400)**	**80,552**

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 2010 (in thousands of euros):

	Buildings for own use	Furniture and fittings	Data processing equipment	Machinery and technical installations	Other tangible fixed assets	Tangible fixed assets in progress	Total
Cost at 1 January 2010	**8,472**	**8,221**	**8,386**	**–**	**–**	**–**	**25,079**
Accumulated amortisation at 1 January 2010	**(1,164)**	**(5,793)**	**(5,916)**	**–**	**–**	**–**	**(12,873)**
Losses through impairment	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Net book value at 1 January 2010	***7,308***	***2,428***	***2,470***	**–**	**–**	**–**	***12,206***
Investments or additions	8,508	3,859	1,047	2,460	6	4,575	20,455
Additions to the consolidation scope	305,518	72,139	24,545	85,432	10,841	3,830	502,305
Advance payments in progress	–	–	–	–	–	–	–
Reclassifications and transfers	5,493	6,989	17	1,345	(8,523)	(5,321)	–
Sales and disposals	(1,796)	(837)	(537)	(1,471)	–	–	(4,641)
Amortisation of financial year	(5,457)	(196)	(1,646)	(4,173)	(29)	–	(11,501)
Additions to the consolidation scope	(69,304)	(48,674)	(21,297)	(47,819)	(978)	–	(188,072)
Reclassifications and transfers of the amortisation	(49)	26	1	22	–	–	–
Disposals of the amortisation	1,429	634	508	1,174	–	–	3,745
Losses through impairment	(3,793)	(993)	–	(1,329)	–	–	(6,115)
Net book value at 31 December 2010	***247,857***	***35,375***	***5,108***	***35,641***	***1,317***	***3,084***	***328,382***

Breakdown of Net Book Value at 31 December 2010							
	Buildings for own use	Furniture and fittings	Data processing equipment	Machinery and technical installations	Other tangible fixed assets	Tangible fixed assets in progress	Total
Cost at 31 December 2010	326,195	90,371	33,458	87,766	2,324	3,084	543,198
Accumulated amortisation at 31 December 2010	(74,545)	(54,003)	(28,350)	(50,796)	(1,007)	–	(208,701)
Losses through impairment	(3,793)	(993)	–	(1,329)	–	–	(6,115)

The following is the movement and breakdown corresponding to the 2009 financial year (in thousands of euros):

	Buildings for own use	Furniture and fittings	Data processing equipment	Total
Cost at 1 January 2009	**8,472**	**7,692**	**7,057**	**23,221**
Accumulated amortisation at 1 January 2009	**(1,056)**	**(5,311)**	**(5,340)**	**(11,707)**
Losses through impairment	**–**	**–**	**–**	**–**
Net book value at 1 January 2009	***7,416***	***2,381***	***1,717***	***11,514***
Investments or additions	–	529	1,329	1,870
Advance payments in progress	–	–	–	–
Reclassifications and transfers	–	–	–	–
Sales and disposals	–	–	–	–
Amortisation of financial year	(108)	(482)	(576)	(1,166)
Reclassifications and transfers of the amortisation	–	–	–	–
Disposals of the amortisation	–	–	–	–
Losses through impairment	–	–	–	–
Net book value at 31 December 2009	***7,308***	***2,428***	***2,470***	***12,206***

Breakdown of Net Book Value at 31 December 2009					
	Buildings for own use	Furniture and fittings	Vehicles	Data processing equipment	Total
Cost at 31 December 2009	8,472	8,221	–	8,386	25,079
Accumulated amortisation at 31 December 2009	(1,164)	(5,793)	–	(5,916)	(12,873)
Losses through impairment					

At 31 December 2010 and 2009, 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 2010 and 2009 financial years, all tangible assets of the Group are used directly for operational purposes.

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

The market value at 31 December 2010 of the properties used by the Group and of the investments is summarised below (in thousands of euros):

	Market value at 31/12/2010			
	Non-life Segment	Life Segment	Other Activities Segment	Total
Buildings for own use	236,214	2,054	17,600	255,868

At the close of the previous financial year, the market value of the investments allocated to the Non-life, Life and Other Activities segments was 4,660, 16,205 and 97 thousand euros, respectively.

9.b) Property investments

According to their nature, the following is the breakdown of the items making up the balance of this caption and sub-caption of the consolidated balance sheet at 31 December 2010 (in thousands of euros):

	Property investments third-party use
Cost at 1 January 2010	**2,272**
Accumulated amortisation at 1 December 2010	**(165)**
Losses through impairment	**–**
Net book value at 1 January 2010	***2,107***
Investments or additions	17,839
Additions to the consolidation scope	4,738
Reclassifications and transfers	–
Sales and disposals	–
Amortisation of financial year	(238)
Additions to the consolidation scope	(651)
Reclassifications and transfers of the amortisation	–
Disposals of the amortisation	–
Losses through impairment	–
Net book value at 31 December 2010	***23,795***

Breakdown of Net Book Value at 31 December 2010	
	Property investments third-party use
Cost at 31 December 2010	**24,849**
Accumulated amortisation at 31 December 2010	**(1,054)**
Net book value at 31 December 2010	**23,795**

The following is the movement and breakdown corresponding to the 2009 financial year (in thousands of euros):

	Property investments third-party use
Cost at 1 January 2009	**2,272**
Accumulated amortisation at 1 December 2009	**(155)**
Losses through impairment	**–**
Net book value at 1 January 2009	***2,117***
Investments or additions	–
Reclassifications and transfers	–
Sales and disposals	–
Amortisation of financial year	(10)
Reclassifications and transfers of the amortisation	–
Disposals of the amortisation	–
Losses through impairment	–
Net book value at 31 December 2009	***2,107***

Breakdown of Net Book Value at 31 December 2009	
	Property investments third-party use
Cost at 31 December 2009	**2,272**
Accumulated amortisation at 31 December 2009	**(165)**
Net book value at 31 December 2009	**2,107**

During the course of the 2010 financial year, the Group recorded no losses of value chargeable to the profit and loss account and has full rights of ownership over them. The Group in turn has no additional commitments for the acquisition of new tangible assets.

At the close of the 2010 financial year, there were no restrictions for making new property investments or for receiving income from the same, or with regard to income obtained from a possible transfer.

The market value at 31 December 2010 of the Group's property investments is summarised below (in thousands of euros):

	Market value at 31/12/2010			
	Non-life Segment	**Life Segment**	**Other Activities Segment**	**Total**
Property investments third-party use	4,087	29,412	–	33,499

At the close of the previous financial year, the market value was 7,857 thousand euros, being fully allocated to the life segment.

10. Intangible fixed assets

The movements produced in this caption during the 2010 and 2009 financial years are set out in the accompanying Annexes II and III, respectively.

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

a) Consolidated goodwill and Consolidated intangible assets

At 31 December 2010, the caption "Consolidated goodwill" included the following:

- Increase in the capital holding of VidaCaixa Adeslas:

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

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

  During the 2010 financial year, for the surplus goodwill associated with the VidaCaixa Adeslas subsidiary, an analysis has been made of the possible loss of value. This current value has been discounted by applying a discount rate which includes a risk premium in accordance with the nature of the business.

  As a result of this analysis, it was determined that there is no need to register losses through impairment of value which affect the consolidated goodwill. According to the estimations and projections of the Directors and Managers of the Parent Company, the forecast income and cash flow attributable to the Group of these companies support the net value of the goodwill recorded. (See Note 3.e.)

- Merger by absorption of Adeslas:

  On 2 September 2010, the Extraordinary General Shareholders' Meeting of VidaCaixa Adeslas (previously known as SegurCaixa, S.A., de Seguros y Reaseguros), approved the agreement for the merger by absorption of Compañía de Seguros Adeslas, S.A. Said project was previously formalised by the Board of Directors on 28 June 2010 and recorded at the Mercantile Register on 1 July 2010. This arose from the intention to strategically realign the business presented by the Company, through the incorporation of the Health business.

  As a consequence of recognising the assets and liabilities for their aforementioned fair value, goodwill of 256,914 thousand euros was declared (see Note 5.a).

b) Merger goodwill and intangible assets

This heading includes the Merger goodwill fund and intangible assets resulting from the acquisition of "la Caixa Gestión de Pensiones, E.G.F.P., S.A.U.". and the intangible assets identified in the process of purchasing Caixa Girona Pensions's pension fund management business. (See Note 3.e).

c) Financial rights derived from the policy portfolio acquired from brokers

This account records the amount paid in the acquisition of certain portfolios from brokers, which have been amortised systematically, in accordance with the maintenance of the policies of said portfolios and the expected consumption pattern of the financial profits derived from the acquired policy portfolios. (See Note 3.e).

d) Other intangible fixed assets

These intangible assets have a defined useful life according to their nature, except for the Trademark, and their amortisation criteria are described in the valuation rules. (See Note 3.e of the Report).

In the last two financial years, the Group has not recorded any loss through impairment for this type of intangible asset, and has full rights of ownership over them. The Group has no additional commitments to those recorded in its consolidated financial statements for the acquisition of intangible assets. At the 2010 and 2009 financial year close, all tangible assets of the Group are used directly for operational purposes.

11. Leases

11.a) The Group acting as a lessor

At 31 December 2010, the Group has contracted with lessees the following minimal rents, in accordance with the leases currently in force:

Operating leases	(Thousands of euros)	
Minimum rents	**2010**	**2009**
Less than 1 year	1,480	–
Between 1 and 5 years	882	–
More than 5 years	1,465	–
Total	**3,827**	**–**

The amount of the contingent rents recognised as income in the 2010 financial year totalled 181 thousand euros (nil during 2009). Specifically, this income corresponds to 7 months of the financial year, given that the leased assets were incorporated in the Group as a result of the inclusion of Adeslas in the consolidation scope (See Note 5).

11.b) The Group acting as a lessee

At 31 December 2010, the Group has contracted with lessors the following minimal rents, in accordance with the leases currently in force:

Operating leases	(Thousands of euros)	
Minimum rents	**2010**	**2009**
Less than 1 year	9,054	–
Between 1 and 5 years	25,499	–
More than 5 years	10,700	–
Total	**45,253**	**–**

The amount of the operating lease and sub-lease rents recognised respectively as expenditure and income during the 2010 and 2009 financial years is as follows:

	(Thousands of euros)	
	2010	2009
Lease payments	14,412	–
(Subletting rents)		
Total	**14,412**	**–**

As lessee, the most significant operating leases held by the Group at 31 December 2010 are as follows:

- Lease for an office premises of 7,033 square metres, located at Príncipe de Vergara, 110 in Madrid. This lease commenced on 6 August 2004 with the absorbed company Adeslas and the initial term was for 5 years, with the possibility of extending the lease for additional periods of 5 years, at the lessee's discretion. The rents paid for this concept are updated annually in accordance with the CPI and the sum recorded as an expense in VidaCaixa Adeslas during the 2010 financial year totals 931 thousand euros (nil in 2009, given that the lease originates from the inclusion of Adeslas in the consolidation scope).

12. Fiscal situation

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

a) Tax consolidation regime

The Group Companies, with the exception of the absorbed company, Adeslas and its subsidiaries, have been in the tax consolidation regime within the "la Caixa" Group since the 2008 financial year; therefore the balances payable for said concepts are recorded under Debts with Group Companies in the caption "Debts and payable items" of the attached balance sheet.

The absorbed company Adeslas was the head of a tax consolidation group made up of the subsidiary companies in which it had a direct or indirect capital holding equal to or greater than 75%. Said tax consolidation group remained in force during the 2010 financial year. The balance of this Group with the Public Tax Administration is recorded under the "Current Tax Assets" caption of the balance sheet.

Since 1 January 2008, with the prior authorisation of the Tax Administration, all the consolidated companies, except for the absorbed company Adeslas and its subsidiaries, pay Corporation Tax under the Tax Consolidation Regime jointly with the Caixa d'Estalvis i Pensions de Barcelona (hereinafter "la Caixa") and with the remainder of the companies which, in accordance with the applicable regulations of each financial year, make up the tax consolidation group. The profits determined according to tax legislation for this consolidated Group are liable to a tax obligation of 30% on the tax base in the 2010 financial year. See Note 3.g) of the Report.

b) Assets and liabilities through ordinary tax

These assets and liabilities sub-captions include the following concepts at 31 December 2010 and 2009:

	Thousands of euros	
	31/12/2010	**31/12/2009**
Assets through ordinary tax:		
Income Tax receivable for:		
Parent Company tax consolidation group amount owing (*)	8,346	–
Other debtor balances of other tax groups or individual companies	823	20,910
Total assets through ordinary tax	**9,169**	**20,910**
Liabilities through ordinary tax:		
Income Tax payable for:		
Parent Company tax consolidation group amount owing	–	–
Other debtor balances of other tax groups or individual companies	1,588	686
Total liabilities through ordinary tax	**1,588**	**686**

(*) Balance of tax consolidation group headed by the absorbed company Adeslas

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

c) Assets and liabilities through deferred tax

At 31 December 2010, the Group additionally has anticipated and deferred taxes for the amount of 195,347 and 165,062 thousand euros respectively, recorded under the captions "Assets through deferred taxes" and "Liabilities through deferred taxes".

At 31 December 2009 said prepaid and deferred taxes totalled 46,606 and 48,789 thousand euros respectively.

The prepaid and deferred taxes which are credited or charged under IFRS directly to recognised revenue and expenses accounts (basically, the valuation adjustments derived from the classified financial instruments in the "available for sale" portfolio) have been recorded through said account with having any effect on the consolidated profit and loss account for the 2010 financial year.

d) Taxes charged on equity and deferred taxes

Independently of the corporate income tax charged to the consolidated profit and loss accounts, the Group charged 130,977 thousand euros to its consolidated net equity in the 2010 financial year. This sum has increased the liabilities through deferred taxes which the Group presented at 31 December 2010 and is principally due to the evolution of the valuation adjustments associated with the investments maintained in the available for sale portfolio.

The origins of the deferred debtor and creditor taxes owned by the Group at 31 December 2010 and 2009 are the following:

Deferred Debtor Taxes with Origin in:	Thousands of euros	
	31/12/2010	**31/12/2009**
Anticipated taxes recorded under local regulations	–	–
Adaptation of the life insurance provision tables	57,779	19,696
Sales of fixed income securities	–	23,989
Adjustments through valuations of financial investments	114,081	2,921
Others	23,487	–
Total	**195,347**	**46,606**

Deferred Creditor Taxes with Origin in:	Thousands of euros	
	31/12/2010	31/12/2009
Adjustments through valuations of financial investments	74,855	7,618
Stabilisation reserve	–	–
Sales of fixed income securities	31,354	34,164
Adjustment of consolidated intangible assets	11,012	7,007
Others	47,841	–
Total	**165,062**	**48,789**

e) Conciliation of the book and tax results

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 2010 and 2009:

	Thousands of euros					
	2010					2009
	"la Caixa" Tax Group	Adeslas Tax Group	Iquimesa (Vitoria) Tax Group	Other individual companies	Total	Total
Locally based taxable income before taxes	**518,712**	**14,595**	**5,461**	**1,119**	**539,887**	**457,050**
Elimination intra-group dividends	(159,798)	(9,196)	(5,400)	–	(174,394)	(168,200)
Adjustment recovery intra-group commissions	(20,400)	–	–	–	(20,400)	1,331
Goodwill adjustments	(5,279)	–	–	–	(5,279)	(1,787)
VidaCaixa capital increase expenses	–	–	–	–	0	(1,505)
Taxable income of Group	**333,235**	**5,399**	**61**	**1,119**	**339,814**	**286,889**
Payable value (30%)	**99,971**	**1,620**	**18**	**336**	**101,944**	**86,067**
Deductions	(846)	(153)	–	–	(999)	(864)
Adjustments of previous years	8	(980)	1	–	(971)	(1,071)
Liquid value of Group	**99,133**	**487**	**19**	**336**	**99,974**	**84,132**

	Thousands of euros					
	2010					2009
	"la Caixa" Tax Group	Adeslas Tax Group	Iquimesa (Vitoria) Tax Group	Other individual companies	Total	Total
Corporation Tax of VidaCaixa Group and Subsidiaries	**99,133**	**–**	**–**	**–**	**99,133**	**84,132**
Corporation Tax of other companies not belonging to the tax consolidation group	–	487	19	336	842	–
Consolidation and application of IFRS adjustments	4,479	–	–	–	4,479	2,005
Corporation Tax of VidaCaixa Group and Subsidiaries	**103,612**	**487**	**19**	**336**	**104,454**	**86,137**

f) Financial years subject to tax inspection

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

The Parent Company has made available for inspection the 2006 financial year for Corporation Tax and the financial years 2007 to 2010 for all other applicable taxes. The remaining consolidated companies are generally available for inspection by the tax authorities for the financial years determined in the tax regulations which apply to the main taxes they are liable for.

13. Financial liabilities

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 2010 and 2009 (in thousands of euros):

Financial liabilities	Portfolio of Debts and payable items Thousands of euros 31/12/2010	31/12/2009
Subordinated liabilities	293,422	292,017
Deposits received for ceded reinsurance	2,784	2,725
Debts through insurance and co-insurance operations	81,523	104,209
Debts through reinsurance operations	7,729	2,742
Debts with credit institutions	144,824	–
Debts through temporary assignment of assets	6,390,785	5,736,402
Other debts	338,065	189,433
Total	**7,259,132**	**6,327,528**

a) Subordinated liabilities

On 29 December 2000, VidaCaixa proceeded to issue Subordinated Debt for an amount of 150,000 thousand euros, which is recorded in the caption “Debts and Payable Items - Subordinated Liabilities” of the consolidated balance sheet. The issue comprises one hundred and fifty thousand Subordinated Perpetual Obligations with a par value of 1,000 euros each. The Company records and values the issue at amortised cost.

The issue was called “1st Issue of Subordinated Perpetual Obligations of VidaCaixa, S.A. de Seguros y Reaseguros (December 2000)”. The nature of the securities is that of simple obligations representative of a subordinated, perpetual loan with a quarterly interest accrual at a rate linked to the Euribor index. The Nominal Interest Rate will be variable throughout the life of the Issue.

From 29 December 2000 until 30 December 2010, the minimum rate of the coupon to which the Subordinated Perpetual Obligations give entitlement was at least 4.43% (4.50% APR), with a maximum of 6.82% (7% APR) on the nominal amount of the same.

From 31 December 2010, VidaCaixa is applying new financial conditions on the interest rate payable to holders of the 1st Issue of Subordinated Perpetual Obligations of VidaCaixa, S.A. de Seguros y Reaseguros. Each Subordinated Perpetual Obligation will give entitlement to an amount equal to the 3 month Euribor index on the nominal amount of the same, with a minimum and maximum annual APR of 3% and 8%, until 30 December 2015.

On 1 December 2004, VidaCaixa proceeded to 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 comprises 146,000 Subordinated Perpetual Obligations with a par value of 1,000 euros each.

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

The obligations are perpetual and are therefore issued for an indefinite 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 authorization of the Directorate-General for Insurance and Pension Funds. If applicable, the obligations will be amortised to 100% of their par value.

At 31 December 2010, the amount pending amortisation of the expenses associated with the issues was 2,578 thousand euros and they are recorded deducting the value of the subordinate liabilities.

In the 2010 financial year, 11,688 thousand euros were recorded as a financial expense derived from such issues (11,686 in 2009), having settled the quarterly coupons applying an average interest rate of 4.43% for the first issue and 3.45% for the second issue. This is recorded in the sub-caption "Tangible assets and investment expenses".

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 2010 and 2009:

	Thousands of euros	
	31/12/2010	**31/12/2009**
Debts through direct insurance and co-insurance operations:		
With policyholders	19,534	38,779
With co-insurers	3,815	10,411
With brokers	42,086	42,672
Preparatory debts of insurance contracts	2,470	3,284
Conditioned debts	13,618	9,063
TOTAL	**81,523**	**104,209**
Debts through reinsurance operations	**7,729**	**2,742**
Other debts	**338,065**	**189,433**

The "Other Debts" sub-caption includes the following concepts at 31 December 2010 and 2009.

Other debts:	**Thousands of euros**	
	31/12/2010	**31/12/2009**
Group and associated companies		
For commissions pending liquidation	–	8,114
With "la Caixa" through IS	118,875	153,686
Group company loans	35,240	–
Other pending commissions	–	2,311
Accrued wages and salaries	9,375	3,236
Suppliers	15,980	1,205
Diverse creditors	158,595	20,881
Total	**338,065**	**189,433**

The entry into force of Law 15/2010, of 5 July (amending Law 3/2004, of 29 December), which establishes the measures to deal with bad debts in commercial operations, establishes the obligation on companies to publish express information on the payment deadlines to its suppliers in the Report of its annual accounts. With regard to this obligation to disclose information, on 31 December 2010 the Official State Bulletin (BOE) published the corresponding ruling issued by the Institute of Accounting and Accounts Auditing (ICAC).

In accordance with the provisions established in transitional provision two of the aforementioned ruling, of the total balance pending payment to commercial creditors recorded in the caption "Creditors" at 31 December 2010, the sum of 8,805 thousand euros corresponding to invoices pending payment with a delay in excess of the maximum payment period established by Law 15/2010 (85 days). Furthermore, said pending invoices with a payment delay in excess of the 85 day period correspond in their entirety to the holding in Sociedad en Ribera Salud II UTE and the Adeslas subsidiaries incorporated in the consolidation scope during this financial year.

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

Within the framework of treasury management, throughout the 2010 financial year the Group has carried out operations involving the acquisition and assignment of financial assets with a repurchase agreement. At 31 December 2010, 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 6,390,758 thousand euros (5,736,402 thousand euros in 2009). 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.

During the 2010 financial year, the short-term deposits which have offset the assignments made have generated an income of 61,959 thousand euros. The expenses associated with such assignments totalled 48,218 thousand euros. The deposits through assignments still in effect at 31 December 2010 totalled 6,288,180 thousand euros and are recorded in the caption "Cash and equivalent liquid assets" and "Loans and payments receivable".

The deposits through assignments still in effect at 31 December 2010 totalled 6,288,180 thousand euros and are recorded in the caption "Cash and equivalent liquid assets" for the sum of 1,509,977 thousand euros and in "Loans and payments receivable" for the sum of 4,778,203 thousand euros in the accompanying balance sheet.

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 2010 and 2009 is detailed below:

Assets at 31 December 2010	Equivalent value in thousands of euros			
	Pounds sterling	US dollars	Japanese yen	Total
Financial instruments (*)	38,983	196,843	6,449	242,275
Cash and cash equivalents	670	355	2	1,027
Total	**39,653**	**197,198**	**6,451**	**243,302**

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

Assets at 31 December 2009	Equivalent value in thousands of euros			
	Pounds sterling	US dollars	Japanese yen	Total
Financial instruments (*)	37,173	204,243	4,681	246,097
Cash and cash equivalents	675	225	87	987
Total	**37,848**	**204,468**	**4,768**	**247,084**

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

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

15. Technical provisions

The detail of the reserves established at 31 December 2010 and their movement with regard to the financial year ended 31 December 2009 is set out below, together with the reinsurance participation in the same:

2010	Thousands of euros				
Provision	**Balance at 1 January 2010**	**Merger incorporations**	**Endowments charged to results**	**Applications with payment to results**	**Balances at 31 December 2010**
Technical provisions:					
Unearned premiums and unexpired risks	162,442	25,870	204,218	(188,312)	204,218
Life insurance:					
Related to life insurance (*)	17,466,820	–	18,190,340	(17,466,820)	18,190,340
Related to life insurance when the risk is assumed by the policyholder	197,101	–	215,897	(197,101)	215,897
Claims	325,141	283,601	681,782	(608,742)	681,782
Profit-sharing and returns	61,148	–	59,743	(61,148)	59,743
TOTAL	**18,212,652**	**309,471**	**19,351,980**	**(18,522,123)**	**19,351,980**
Share of reinsurance in technical provisions (ceded):					
Unearned premium reserves	(6,740)	–	(6,012)	6,740	(6,012)
Life insurance reserve	(961)	–	(813)	961	(813)
Claim reserves	(29,745)	(550)	(16,232)	29,745	(16,782)
Other technical provisions	–	–	–	–	–
Total	**(37,446)**	**(550)**	**(23,057)**	**37,446**	**(23,607)**

(*) At 31 December 2010 it includes 37,933 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 2009 was as follows:

2009	Thousands of euros			
Provision	**Balance at 1 January 2009**	**Endowments charged to results**	**Applications with payment to results**	**Balances at 31 December 2009**
Technical provisions:				
Unearned premiums and unexpired risks	126,292	162,442	(126,292)	162,442
Life insurance:				
Related to life insurance (*)	16,418,740	17,466,820	(16,418,740)	17,466,820
Related to life insurance when the risk is assumed by the policyholder	183,910	197,101	(183,910)	197,101
Claims	287,594	325,141	(287,594)	325,141
Profit-sharing and returns	62,623	61,148	(62,623)	61,148
TOTAL	**17,079,160**	**18,212,652**	**(17,079,160)**	**18,212,652**
Share of reinsurance in technical provisions (ceded):				
Unearned premium reserves	(5,610)	(6,740)	5,610	(6,740)
Life insurance reserve	(994)	(961)	994	(961)
Claim reserves	(27,768)	(29,745)	27,768	(29,745)
Other technical provisions	–	–	–	–
Total	**(34,372)**	**(37,446)**	**34,372**	**(37,446)**

(*) At 31 December 2009 it includes 38,044 thousand euros corresponding to unearned premium reserves for the products with coverages shorter than the year.

In relation to the mathematical reserve for the commitments assumed previous to the Regulations on Administration and Supervision of Private Insurance, it was not necessary to create a supplementary reserve for insufficiency since the return on investments in 2010 was above the insured return. At 31 December 2010, the Group maintained an additional reserve of 20,000 thousand euros. Said reserve basically covers the effect of calculating certain mathematical reserves at the maximum rate established by the DGIPF (the criteria established in article 33.1 of the RASPI, which for the 2010 financial year was 2.60%).

On 3 October 2000 a Resolution of the Directorate General of Insurance and Pension Funds was published, relating to the mortality and survival tables to be used by insurance entities, and the PERM/F-2000P tables were published, which went on to be applied for the new production to be effected from the coming into force of the Resolution (15 October 2000). In accordance with the provisions of said resolution, the Group has 14 years from the effective date to adjust said table deficit. At 31 December 2009, the Company had 163,077 thousand euros registered for this concept.

Below is the breakdown of the technical provisions of the direct business at 31 December 2010 according to the different businesses included in the Life and Non-life segments:

Reserve at 31 December 2010	Thousands of euros						
	Non-life					Life	Total
	Multi-risk	Auto	Accidents and Illness	Others	Various		
Technical provisions:							
Unearned premiums and unexpired risks	116,390	77,121	6,340	2,492	1,875	–	204,218
Mathematical reserves	–	–	–	–	–	18,190,340	18,190,340
Reserve for life insurance when the policyholder assumes the investment risk	–	–	–	–	–	215,897	215,897
Claims	64,689	50,396	325,787	1,090	4,853	234,967	681,782
Profit-sharing and returns	–	–	555	–	–	59,188	59,743
Total	**181,079**	**127,517**	**332,682**	**3,582**	**6,728**	**18,700,392**	**19,351,980**

The breakdown of the technical provisions of the direct business for the 2009 financial year is as follows:

Reserve at 31 December 2009	Thousands of euros						
	Non-life					Life	Total
	Multi-risk	Auto	Accidents and Illness	Others	Various		
Technical provisions:							
Unearned premiums and unexpired risks	97,062	54,357	2,402	4,300	1,924	2,397	162,442
Mathematical reserves	–	–	–	–	–	17,466,820	17,466,820
Reserve for life insurance when the policyholder assumes the investment risk	–	–	–	–	–	197,101	197,101
Claims	48,644	27,792	4,938	2,229	4,972	236,566	325,141
Profit-sharing and returns	–	–	–	–	–	61,148	61,148
Total	**145,706**	**82,149**	**7,340**	**6,529**	**6,896**	**17,964,032**	**18,212,652**

The sum corresponding to capital losses derived from financial assets classified in the available for sale portfolio which are imputable to policyholders at the close of the financial year are subtracted in the caption “Mathematical Reserves”. These deferred capital losses are 535,464 thousand euros at 31 December 2010 (574,649 thousand euros of capital gains at 31 December 2009), the movement during the 2010 financial year being as follows:

	Thousands of euros
Balance at 1 January 2010	**574,649**
Net movement through allocation of net unearned capital gains charged to equity	(1,110,113)
Balance at 31 December 2010	**(535,464)**

The movement experienced in the previous 2009 financial year is as follows:

	Thousands of euros
Balance at 1 January 2009	**535,860**
Net movement through allocation of net unearned capital gains charged to equity	38,789
Balance at 31 December 2009	**574,649**

The effect of the reinsurance on the profit and loss account for the financial years 2009 and 2010 was the following:

	Thousands of euros	
	2010 Financial Year	2009 Financial Year
Premiums imputed to the ceded reinsurance		
Ceded premiums	(65,114)	(27,568)
Change in unearned premium reserves	(728)	(1,130)
Commissions (*)	3,204	2,696
Cost of the cession	**(62,638)**	**(26,002)**
Reinsurance loss (*)	11,200	18,002
Total cost of reinsurance	**(51,438)**	**(8,000)**

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

16. Non-technical provisions

The breakdown of the non-technical provisions for the 2010 and 2009 financial years is as follows:

	Thousands of euros	
	31/12/2010	31/12/2009
Provisions for pensions and similar commitments	53	–
Debts through claim settlement agreements	3,764	1,621
Other provisions	10,615	–
Total	**14,432**	**1,621**

Part of the balance at 31 December 2010 basically corresponds to quantities pending payment to the policyholders on implementing the claim settlement agreements.

The other non-technical provisions mainly refer to ongoing litigation maintained by the Group. Said litigation originates from the absorbed company Adeslas, and basically consists of cases of alleged medical malpractice related to the illness and healthcare branches. It also includes a reversion fund of the administrative concession recorded in Intangible Assets (See Note 10).

The quantification of the reserves is made taking into account the best available information on the event and its consequences and is revalued at the close of each financial year. The reserves established are used to deal with the specific risks for which they were originally recognised, prior to their partial or total reversion, when such risks disappear or are reduced.

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

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

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

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

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

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

In the 2010 financial year, the Group's Parent Company made no significant change in its accounting policies, and it was not necessary to correct errors from previous financial years either.

a) Share capital

The share capital of the Parent Company at 31 December 2010, at 776,723 thousand euros, fully subscribed and paid-in, divided into 129,238,509 shares, fully subscribed and paid-in, each with a par value of 6.01 euros. All shares confer equal rights and the Parent Company can issue shares without voting rights.

At December 31, 2010, the shareholders of the Parent Company with a holding equal to or greater than 10% of the subscribed capital were as follows:

	Holding Percentage
Criteria CaixaCorp, S.A. (direct holding)	100%

On 31 August 2010, Criteria CaixaCorp, as Sole Shareholder of VidaCaixa Grupo, S.A.U., agreed to increase its share capital by 382,536 thousand euros to 776,723 thousand euros, through the issue of 63,650,000 shares numbered correlatively from

65,588,510 to 129,238,509, both inclusive, each with a par value of 6.01 euros and an issue premium arising from the fair value of said capital increase and holding in VidaCaixa Adeslas received for the sum of 747,499 thousand euros.

All of the new shares issued are subscribed by the Sole Shareholder Criteria CaixaCorp, S.A., its par value and issue premium paid-in through a non-monetary contribution of 471,633,410 shares, numbered correlatively from 10,000,001 to 481,633,410, both inclusive, with a par value of 0.91 euros, fully subscribed and paid-in, representing approximately 97.76% of the share capital of VidaCaixa Adeslas.

b) Reserves

The Statement of Changes in Equity attached to these annual accounts details the balances of the reserves through accumulated profits at the beginning and end of the 2009 financial year and at 31 December 2010, as well as the movements produced during the financial year.

The breakdown of each type of reserve at 31 December 2010 and 2009 is detailed below:

	Thousands of euros	
	Balances at 31/12/2010	**Balances at 31/12/2009**
Legal reserve	79,021	79,021
Voluntary reserves of the Parent Company	1,968	2,382
Reserves in fully integrated companies	173,027	194,670
Stabilisation reserve	–	–
Other reserves through changes in accounting principles	–	(27,190)
Restricted reserve	–	–
Total reserves	**254,016**	**248,883**

b.1) Legal reserve

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

b.2) Voluntary reserves of the Parent Company

The same information at 31 December 2010 and 2009 is as follows (in thousands of euros):

	31/12/2010	**31/12/2009**
Voluntary reserves	2,813	2,382
Merger reserve	–	–
Other reserves	(845)	–
Total	**1,968**	**2,382**

The balances of these reserves are freely available.

b.3) Reserves in Consolidated Companies

The breakdown of balances by companies in the attached consolidated balance sheet at 31 December 2010 and 2009, having considered the effect of the consolidation adjustments, is shown below:

	Thousands of euros	
	31/12/2010	**31/12/2009**
Consolidated through global integration:		
VidaCaixa, S.A. de Seguros y Reaseguros	144,253	155,837
Grupo VidaCaixa Adeslas, S.A. de Seguros y Reaseguros	14,239	30,315
AgenCaixa, S.A. Agencia de Seguros	20,975	7,912
SegurVida Consulting	622	606
Invervida Consulting, S.L	(7,062)	–
Total global integration	**173,027**	**194,670**

c) Distribution of results

The following is the proposal for distributing the net profit of the 2010 financial year of VidaCaixa Grupo, S.A.U., which its Board of Directors will submit to the General Shareholders' Meeting for approval:

Distribution	2010 Financial Year
	Thousands of euros
To voluntary reserves	200
To dividends	157,000
Net profit of financial year	**157,200**

At the General Shareholders' Meeting on 8 February 2011, the Sole Shareholder of VidaCaixa Grupo, S.A.U. adopted the decision to reclassify the sum of 76,324 thousand euros, corresponding to the issue premium, to the legal reserve.

The distribution of the net profit of the 2009 financial year, approved by the General Shareholders' Meeting of the Parent Company held on 19 June 2009, consisted of allocating 162,000 thousand euros of the result of 162,657 thousand euros to dividends and 657 thousand euros to increasing the legal reserves.

Previously, the Board of Directors of the Parent Company, in its meetings of 24 November 2009, agreed to distribute, on account of the year result, the previous quantity of 50,000 thousand euros, effected through a payment in December 2008.

The distribution of the consolidated net profit for the 2009 financial year is set out in the statement of changes in equity.

d) Interim dividends

The different amounts paid to the shareholders during the 2010 financial year for interim dividends of the financial year result are detailed below:

Governing Body:	Date of agreement:	Dividend type:	Per share in euros	Total in thousands of euros
Board of Directors	30/06/2010	Interim dividend 2010 result	0.16109	63,500

The following is the balance sheet of the Parent Company at 15 June 2010, which presented the following statements of liquidity (in thousands of euros):

	(Thousands of euros)
	15 June 2010
NON-CURRENT ASSETS:	
Intangible fixed assets	**–**
Tangible fixed assets	**–**
Long-term investments in group and affiliated companies	**737,592**
Long-term holdings in Group companies	850,092
Disbursements pending on long-term holdings in Group companies	(112,500)
Long-term financial investments	**12**
Other financial assets	12
Deferred tax assets	**–**
CURRENT ASSETS:	
Loans and accounts to be received	**65,108**
Group company debtors (*)	65,108
Short-term financial investments	**1,610**
Debt securities	1,610
Cash and other equivalent liquid assets	**3,237**
Cash	3,237
Total Assets	**807,559**

(*) It should be noted that the existence of sufficient liquidity depends on the payment of dividends recorded in the "Group Company Debtors" caption.

	(Thousands of euros)
	15 June 2010
EQUITY:	
COMPANY CAPITAL	**807,406**
Capital	**394,187**
Authorised capital	394,187
Issue premium	**268,406**
Reserves	**81,007**
Financial year's earnings	**63,806**
CURRENT LIABILITIES:	
Loans and accounts to be received	153
Other creditors	153
Total Liabilities	**807,559**

f) Recognised Income and Expenses

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

Reserves through adjustments of valuation (Assets available for sale)

This concept principally includes the net amount of those variations in the 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 535,464 thousand euros, the Group considers that they should be allocated to policyholders, and for this reason they were allocated on 31 December 2010, decreasing the amount of mathematical reserves.

Corrections of accounting mismatches

This concept 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.

18. Minority interests

The breakdown, by consolidated companies, of the balance of the caption "Minority interests" and the sub-caption "Losses and Profits attributable to external partners" at 31 December 2010 and 2009 is as follows:

	Thousands of euros			
	31/12/2010		31/12/2009	
	Minority interests	Losses and Profits attributable to External Partners	Minority interests	Losses and Profits attributable to External Partners
Sanatorio Virgen del Mar – Cristóbal Castillo, S.A.	287	29	–	–
Clínica Parque San Antonio, S.A.	415	7	–	–
Urca, S.A.	1,425	154	–	–
Clinsa, S.A.	477	26	–	–
Casa de Reposo Sanatorio Perpetuo Socorro, S.A.	6,005	25	–	–
Tomografía Axial Computerizada, S.A.	249	(13)	–	–
Hemodinámica Intervencionista de Alicante, S.A.	240	28	–	–
Alianza Médica Leridana, S.A.	857	(6)	–	–
Infraestructuras y Servicios de Alzira, S.A.	3,262	69	–	–
Plaza salud 24	457	147	–	–
Adeslas Dental Andaluza, S.L.	366	(200)	–	–
VidaCaixa, S.A. de Seguros y Reaseguros	–	–	–	31,289
VidaCaixa Adeslas, S.A. de Seguros y Reaseguros	3,220	49	11	–
Grupo Asegurador de la Caixa, A.I.E.	97	–	98	–
SegurVida Consulting, S.A.	–	–	172	–
Total	**17,357**	**315**	**281**	**31,289**

The movement which occurred in the caption "Minority interests" during the 2010 and 2009 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 and accepted reinsurance during the 2010 and 2009 financial years totalled 4,987,974 thousand euros and 3,277,836 thousand euros, respectively.

The breakdown of the imputed premiums of the 2010 financial year and the remaining income and expense concepts in accordance with the main segments and sub-segments defined is as follows:

2010	Thousands of euros						
	Non-life Segment					Life Segment	Total
	Household Multi-risk	Automobiles	Accidents and Illness	Others	Various		
Premiums imputed to direct reinsurance business Accepted (I)	**174,760**	**107,051**	**949,276**	**3,427**	**35,569**	**3,701,283**	**4,971,366**
Accrued direct insurance premiums	187,586	129,546	944,308	2,335	28,853	3,695,346	4,987,974
Variation in reserve for premiums pending payment	(536)	391	(7,113)	1	2	5,825	(1,430)
Change in the reserve for direct insurance unearned premiums and unexpired risks	(12,290)	(22,886)	12,081	1,091	6,714	112	(15,178)
Premiums imputed to reinsurance (II)	**3,132**	**9,412**	**34,800**	**1,319**	**9,129**	**8,050**	**65,842**
Total premiums imputed net of reinsurance (I-II)	**171,628**	**97,639**	**914,476**	**2,108**	**26,440**	**3,693,233**	**4,905,524**
Other technical income net of expenses (III)	**833**	**3,051**	**(35,229)**	**38**	**229**	**(3,683)**	**(34,761)**
Other technical revenue	–	–	9,003	–	–	–	9,003
Other technical expenses	833	3,051	(44,232)	38	229	(3,683)	(43,764)
Losses incurred in the period, net of reinsurance (IV)	**112,853**	**91,467**	**752,933**	**903**	**7,527**	**2,365,645**	**3,331,328**
Direct and accepted insurance claims paid	104,914	73,862	616,860	1,276	11,031	2,338,562	3,146,505
Ceded reinsurance claims paid	(759)	–	(420)	(519)	(3,893)	(7,720)	(13,311)
Change in the direct insurance claims reserve	12,271	22,636	35,609	641	2,006	13,473	86,636
Change in the ceded reinsurance claims reserve	(1,677)	(1,033)	512	(470)	(1,201)	17,380	13,511
Expenses imputed to claims	(1,896)	(3,998)	100,372	(25)	(416)	3,950	97,987
Variation of other technical provisions (V)	**–**	**–**	**(1,220)**	**–**	**–**	**(1,880,896)**	**(1,882,116)**
Change in reserve for share in profits and returns	–	–	(1,220)	–	–	(43,707)	(44,927)
Variation of other technical provisions (reserves for deaths, mathematical reserves)	–	–	–	–	–	(1,837,189)	(1,837,189)
Net operating expenses (VI)	**40,495**	**17,266**	**74,163**	**513**	**3,243**	**104,579**	**240,259**
Acquisition expenses (commissions and other expenses)	38,802	16,892	56,833	864	4,636	82,953	200,980
Administration expenses	1,884	551	17,369	33	290	22,332	42,459
Commissions and holdings in ceded reinsurance	(191)	(177)	(39)	(384)	(1,683)	(706)	(3,180)

(Cont.)

2010	Thousands of euros						
	Non-life Segment					Life Segment	Total
	Household Multi-risk	Automobiles	Accidents and Illness	Others	Various		
Net investment income (VII)	**2,927**	**3,098**	**10,286**	**149**	**1,616**	**884,936**	**903,012**
Income from financial investments	4,359	4,293	13,084	205	1,901	1,085,519	1,109,361
Management expenses of financial investments and assets	(1,432)	(1,195)	(2,798)	(56)	(285)	(208,193)	(213,959)
Unrealised gains and losses (VIII)	–	–	–	–	–	7,610	7,610
TECHNICAL-FINANCIAL RESULT	**22,040**	**(4,945)**	**61,217**	**879**	**17,515**	**223,366**	**320,072**

The breakdown of the imputed premiums of the 2009 financial year and the remaining income and expense concepts in accordance with the main segments and sub-segments defined is as follows:

2009	Thousands of euros						
	Non-life Segment					Life Segment	Total
	Household Multi-risk	Automobiles	Accidents and Illness	Others	Various		
Premiums imputed to direct reinsurance business Accepted (I)	**153,235**	**63,141**	**68,553**	**3,941**	**7,064**	**2,941,113**	**3,237,048**
Accrued direct insurance premiums	162,703	88,076	69,101	1,888	10,882	2,945,186	3,277,836
Variation in reserve for premiums pending payment	(338)	(213)	(37)	–	(1)	(3,559)	(4,148)
Change in the reserve for direct insurance unearned premiums and unexpired risks	(9,130)	(24,721)	(511)	2,053	(3,817)	(514)	(36,640)
Premiums imputed to reinsurance (II)	**(3,149)**	**(5,848)**	**(2,544)**	**(1,902)**	**(3,504)**	**(9,514)**	**(26,461)**
Total premiums imputed net of reinsurance (I-II)	**150,086**	**57,293**	**66,010**	**2,039**	**3,560**	**2,931,599**	**3,210,587**
Other technical income net of expenses (III)	**(789)**	**(1,087)**	**(742)**	**(12)**	**(68)**	**(3,335)**	**(6,033)**
Other technical revenue	–	322	–	–	–	–	322
Other technical expenses	(789)	(1,409)	(742)	(12)	(68)	(3,335)	(6,355)
Losses incurred in the period, net of reinsurance (IV)	**(88,327)**	**(55,650)**	**(30,969)**	**(1,053)**	**(2,221)**	**(2,294,493)**	**(2,472,713)**
Direct and accepted insurance claims paid	(91,718)	(38,612)	(26,171)	(1,933)	(2,212)	(2,282,870)	(2,443,516)
Ceded reinsurance claims paid	5,923	–	1,380	892	1,660	6,171	16,026
Change in the direct insurance claims reserve	(448)	(14,572)	(4,554)	(94)	(3,124)	(14,755)	(37,547)
Change in the ceded reinsurance claims reserve	56	199	(781)	116	1,639	747	1,976
Expenses imputed to claims	(2,140)	(2,665)	(843)	(34)	(184)	(3,786)	(9,652)

(Cont.)

2009	Thousands of euros						
	Non-life Segment					Life Segment	Total
	Household Multi-risk	Automobiles	Accidents and Illness	Others	Various		
Variation of other technical provisions (V)	–	**35**	**14,227**	–	**105**	**(1,106,928)**	**(1,092,561)**
Change in reserve for share in profits and returns	–	**35**	**14,227**	–	**105**	**(69,425)**	**(55,058)**
Variation of other technical provisions (reserves for deaths, mathematical reserves)	–	–	–	–	–	(1,037,503)	(1,037,503)
Net operating expenses (VI)	**(34,361)**	**(12,809)**	**(14,749)**	**7**	**(1,026)**	**(106,329)**	**(169,267)**
Acquisition expenses (commissions and other expenses)	(33,470)	(11,571)	(13,990)	(743)	(1,866)	(85,823)	(147,463)
Administration expenses	(1,083)	(1,349)	(832)	(17)	(93)	(21,126)	(24,500)
Commissions and holdings in ceded reinsurance	192	111	73	767	933	620	2,696
Net investment income (VII)	**3,322**	**1,913**	**643**	**152**	**228**	**766,634**	**772,892**
Income from financial investments	4,345	2,502	1,023	199	298	2,145,205	2,153,572
Management expenses of financial investments and assets	(1,023)	(589)	(380)	(47)	(70)	(1,378,571)	(1,380,680)
Unrealised gains and losses (VIII)	–	–	–	–	–	–	–
TECHNICAL-FINANCIAL RESULT	**29,930**	**(10,304)**	**34,420**	**1,133**	**578**	**187,148**	**242,905**

In the profit and loss account, the caption "Results from other activities" corresponding to the 2010 financial year, under the concept "Other income", includes the following concepts:

Operating income – 2010 financial year	Thousands of euros
	Other Activities Segment
Pension fund administration income	125,502
Income from healthcare activity	96,587
Amortisation of pension-fund marketing expenses	(22,505)
Other income	29,460
Total	**229,044**

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

Operating income – 2009 financial year	Thousands of euros
	Other Activities Segment
Pension fund administration income	111,057
Amortisation of pension-fund marketing expenses	(16,414)
Other income	7,115
Total	**101,758**

a) Composition of life business by volume of premiums

The composition of the life business (direct insurance), by volume of premiums for the 2010 and 2009 financial years, is as follows:

Life insurance (direct)	2010 Thousands of euros	2009 Thousands of euros
Premiums on individual policies	2,978,751	2,183,777
Premiums on group policies	716,595	761,409
	3,695,346	**2,945,186**
Regular premiums	873,899	850,119
Single premiums	2,821,447	2,095,067
	3,695,346	**2,945,186**
Premiums on policies without profit sharing	3,487,210	2,701,967
Premiums on policies with profit sharing	169,845	220,974
Premiums in which the investment risk is attributed to the policyholder	38,291	22,245
	3,695,346	**2,945,186**

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:

2010 Financial Year

Format and type of coverage	Technical interest	Biometric table	Profit sharing		Thousands of euros		
			Applies? Yes/No	Form of distribution	Premiums	Mathematical reserves (*)	Amount distributed in profit sharing
PVI	3.89%	(1)	No	–	1,889,992	5,761,451	–
Pension 2000	5.51%	(2)	Yes	Mathem. Reserve	79,517	2,631,254	2
Savings Plan insured	0.72%	(3)	No	–	221,540	440,347	–
Group Insurance	Variable	(4)	Yes	Claims	679,379	8,280,655	45,664
PPA	4.16%	(5)	No	–	477,945	572,520	–

(*) The biometric tables specified in the Technical Notes are indicated, along with the mathematical reserve derived from applying these tables.
(1) According to the different formats, GR-80, GR-80 less two years and GR-95 tables are used. For new production, GR-95 or GK-95 tables are used.
(2) Based on GR-80, GR-80 less two years; GR-70 and GR-95 tables are used for certain formats.
(3) According to the different formats, GR-80, GR-80 less two years and GR-95 tables are used. For new production, GK-95 tables are used.
(4) According to the different formats, GR-80, GR-80 less two years and GR-70, GR-95 or PER2000P tables are used.
(5) In accordance with format 391: Policies contracted before 01/01/2009 use GKM-80/GKF-80 tables. Policies contracted after 01/01/2009 use INE 2004-2005 tables. For the remaining formats, INE 2004-2005 tables are used.

2009 Financial Year

Format and type of coverage	Technical interest	Biometric table	Profit sharing		Thousands of euros		
			Applies? Yes/No	Form of distribution	Premiums	Mathematical reserves (*)	Amount distributed in profit sharing
PVI	3.77%	(1)	No	–	1,414,045	4,341,084	–
Pension 2000	5.48%	(2)	Yes	Mathem. Reserve	77,242	2,379,693	1,998
Savings Plan insured	0.84%	(3)	No	–	292,080	720,026	–
Group Insurance	Variable	(4)	Yes	Claims	753,688	8,259,660	43,321

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

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

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

a) For commitments assumed since 1 January 1999, the subsidiary companies have used, in the types which have allocated investments (matchings), the technical note interest rate (derived from the internal rate of return of said investments). For non-matchings, the interest rate used was the one established by the DGIPF for the 2010 and 2009 financial years (2.60%), or, wherever applicable, the interest rate established by said governing body referred to the financial year of the effective date of the policy, provided that the financial duration estimated at the market interest rate of the payments specifically assigned to the contracts is equal to or greater than the financial duration of the payments derived from the same, paying attention to their probable flows and is estimated at the market interest rate.

b) For commitments assumed prior to 1 January 1999, for the calculation of the mathematical reserves, the same technical interest rate has been used as for the calculation of the premium, with the limit of the actual obtained or anticipated profitability of the investments affecting the coverage of said reserves. Given that the profitability of the aforementioned affected investments in the financial years 2010 and 2009 was greater than the established technical interest rate, no complementary provision for insufficient profitability was necessary.

c) Change in the claims reserve

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

	HOUSEHOLD MULTI-RISK			AUTOMOBILES			ACCIDENTS AND ILLNESS		
	Claims during the 2007 financial year	Claims during the 2008 financial year	Claims during the 2009 financial year	Claims during the 2007 financial year	Claims during the 2008 financial year	Claims during the 2009 financial year	Claims during the 2007 financial year	Claims during the 2008 financial year	Claims during the 2009 financial year
Reserve for claims originally estimated (*)	48,417	47,840	45,022	3,878	13,221	26,177	7,594	6,292	2,947
Estimated value of the claims:									
One year later	28,686	26,916	25,901	1,085	3,268	9,423	2,323	2,380	1,218
Two years later	–	–	–	–	–	–	–	–	–
Three years later	–	–	–	–	–	–	–	–	–
Four years later	–	–	–	–	–	–	–	–	–
Five years later	–	–	–	–	–	–	–	–	–
Accumulated sums paid:	12,534	14,756	12,945	2,851	8,764	17,090	3,254	3,671	1,040
Accumulated (Deficit)-Gain	7,197	6,168	6,176	(58)	1,189	(336)	2,017	241	689
In percentage terms	14.86%	12.89%	13.72%	(1.50)%	8.99%	(0.1)%	26.56%	3.83%	23.38%

	OTHERS			VARIOUS		
	Claims during the 2007 financial year	Claims during the 2008 financial year	Claims during the 2009 financial year	Claims during the 2007 financial year	Claims during the 2008 financial year	Claims during the 2009 financial year
Reserve for claims originally estimated (*)	2,026	2,136	1,927	1,452	2,327	4,645
Estimated value of the claims:						
One year later	922	1,155	1,385	1,357	1,928	1,571
Two years later	–	–	–	–	–	–
Three years later	–	–	–	–	–	–
Four years later	–	–	–	–	–	–
Five years later	–	–	–	–	–	–
Accumulated sums paid:	720	652	341	1,252	2,458	2,962
Accumulated (Deficit)-Gain	384	329	201	(1,157)	(2,059)	112
In percentage terms	18.95%	15.40%	10.43%	(79.68)%	(88.48)%	2.41%

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

The composition of the personnel expenses of the financial years 2010 and 2009, and their allocation in the profit and loss account by segments and sub-segments, is as follows:

	Thousands of euros	
	2010 Financial Year	2009 Financial Year
Wages and salaries	62,518	34,015
Social Security	19,681	7,740
Contributions to external pension funds and life insurance premiums	554	359
Compensations and awards	285	364
Other personnel expenses	2,289	3,762
Total	**85,327**	**46,240**

Allocation of personnel expenses – 2010 financial year	Non-life Segment	Life Segment	Others segment	Total
Losses incurred in the period, net of reinsurance	3,070	–	–	3,070
Tangible fixed asset and investment expenses	1,177	987	–	2,164
Other technical expenses	4,524	1,619	–	6,143
Net operating expenses	8,892	4,564	60,494	73,950
Net total	**17,663**	**7,170**	**60,494**	**85,327**

20. Breakdown of associate company transactions

Operations in consolidated Group companies

The details of the main transactions carried out in the financial year 2010 are as follows:

Concept	Thousands of euros	
	Income	Expenses
Credited interests	167,418	3,385
Commissions for marketing of premiums	–	156,503
Insurance operations	131,764	–
Other income	1,417	10,340

The same information for the 2009 financial year is as follows:

Concept	Thousands of euros	
	Income	Expenses
Credited interests	1,805	–
Commissions for marketing of premiums	–	138,346
Insurance operations	193,488	–
Other income	92	–

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

a) Employees

In accordance with the provisions established in article 200 of the Revised Text of the Law on Joint Stock Companies, amended by additional provision twenty-six of Organic Law 3-2007, of 22 March, the average number of employees of the Parent Company and of the subsidiary companies during the 2010 and 2009 financial years, distributed according to professional category and gender, is as follows:

Professional Category	Number of employees		
	2010 Financial Year		
	Men	Women	Total
Directors	54	32	86
Departmental Managers	186	95	281
Graduates and technical staff	1,203	791	1,994
Administrative employees	1,648	1,066	2,714
Sales Network	201	366	567
Total	**3,292**	**2,350**	**5,642**

Professional Category	Number of employees		
	2009 Financial Year		
	Men	Women	Total
Directors	15	5	20
Departmental Managers	18	9	27
Graduates and technical staff	87	114	201
Administrative employees	47	161	208
Sales Network	145	300	445
Total	**312**	**589**	**901**

The Board of Directors of the Company is made up of 11 physical persons, 10 male and 1 female.

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

During the financial years 2010 and 2009, the members of the Board of Directors have received from the subsidiary companies the following sums for the concepts specified below:

Remuneration to Members of the Board of Directors

During the 2010 financial year, the Board of the Directors of the Parent Company received as remuneration the total sum of 1,810 thousand euros, recorded under the concept of "Personnel Expenses", the breakdown for which is shown above.

Other benefits to Members of the Board of Directors

At 31 December 2010 and 2009, there were no advance payments nor had any loans been issued by the Parent Company to members of the Board of Directors, nor had any guaranteed obligations been assumed on their behalf.

In accordance with the provisions established in article 229 of the Capital Companies Act, the shareholdings and/or posts and functions of the Company Directors and persons related thereto in companies with the same, similar or complementary activity to that which is the business object of VidaCaixa Grupo, S.A.U. is set out below:

Director	Company in which they hold a stake and/or carry out a role	Post or function	No. of shares	% Holding
Ricardo Fornesa Ribó	Hisusa, Holding de Infraestructuras y Servicios Urbanos, S.A.	Board Member (until June 2011)	–	–
	Criteria CaixaCorp, S.A.	Honorary Chairman	633,095	0.001%
	VidaCaixa, S.A. de Seguros y Reaseguros	Chairman	–	–
Manuel Raventós Negra	Criteria CaixaCorp, S.A.	Board Member (until 30/07/09)	17,330	0.001%
	Sociedad General de Aguas de Barcelona, S.A. (through the indirect exercise of the insurance activity through the subsidiary Adeslas, S.A.)	Board Member	–	–
Inmaculada Juan Franch	Compañía de Seguros Adeslas, S.A.	Board Member	–	–
	Criteria CaixaCorp, S.A.	Board Member	–	–
	Sociedad General de Aguas de Barcelona, S.A.	Board Member (until 07/06/2010)	–	–
Tomás Muniesa Arantegui	SegurCaixa, S.A. de Seguros y Reaseguros	Chairman	–	–
	Adeslas, S.A.	Physical representative of CaixaCorp, S.A. and Negocio de Finanzas e Inversiones II, S.L.	–	–
	Consorcio de Compensación Seguros	Board Member	–	–
	Criteria CaixaCorp, S.A.	–	33,721	0.001%
José Vilarasau Salat	–	–	–	–
Jordi Mercader Miró	Sociedad General de Aguas de Barcelona, S.A. (through the indirect exercise of the insurance activity through the subsidiary Adeslas, S.A.)	Managing Director and Chairman	–	–
	Criteria CaixaCorp, S.A.	Board Member	1,496	0.001%
Miguel Valls Maseda	–	–	–	–

(Cont.)

Director	Company in which they hold a stake and/or carry out a role	Post or function	No. of shares	% Holding
Javier Godó Muntañola	Grupo Catalana Occidente, S.A.	–	31,460	0.001%
	Criteria CaixaCorp, S.A.	Board Member	1,230,000 (indirect holding through Privat Media S.L.)	0.001% (indirect holding)
	INOCSA, S.A.	–	4,087	0.001%
	Caixa d'Estalvis i Pensions de Barcelona	3rd Vice-Chairman	–	–
Juan María Nin Génova	Criteria CaixaCorp, S.A.	Vice-Chairman	234,491	0.001%
Guillaume Sarkozy de Nagy-Bocsa	Malakov Mederic Assurances, S.A.	Chairman	1	
	Auxia, S.A.	Board Member	–	–
	MMA Iard Assurances Mutuelles, S.A.M.	Physical representative of Malakov Mederic Assurances, S.A.	–	–
	MMA Iard, S.A.	Physical representative of Malakov Mederic Assurances, S.A.	–	–
	MMA Vie Assurances Mutuelles, S.A.M.	Physical representative of Malakov Mederic Assurances, S.A.	–	–
	MMA Vie, S.A.	Physical representative of Malakov Mederic Assurances, S.A.	–	–
	MMA Coopérations, S.A.	Physical representative of Malakov Mederic Assurances, S.A.	–	–
	Quatrem, S.A.	Auditor	–	–
Miquel Noguer Planas	Compañía de Seguros Adeslas, S.A.	Board Member	–	–
	Criteria CaixaCorp, S.A.	Board Member	3,561	0.001%
	Sociedad General de Aguas de Barcelona, S.A.	Board Member	–	–

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

During the 2010 financial year, the Top Management of the Group received as remuneration a total sum of 3,829 thousand euros, recorded under the concept of "Personnel Expenses", the breakdown for which is shown above.

At 31 December 2010 and 2009, there were no advance payments nor had any loans been issued by the Parent Company to members of the Top Management, nor had any guaranteed obligations been assumed on their behalf.

c) Associated operations

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

d) Remuneration to auditors

During the 2010 financial year, 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:

Categories	Thousands of euros			
	Auditing of Accounts	Others Verification Services	Tax Consultancy	Other Services
Deloitte, S.L.	837	114	–	237
Total	**837**	**114**	**–**	**237**

During the 2010 financial year, neither the main auditors nor any associated companies of the same have invoiced other services to the companies that make up the Group. The total fees paid to the main auditors represent a percentage below 1% of its turnover.

22. Subsequent events

On 13 January 2011, Criteria CaixaCorp and Mutua Madrileña Automovilística, Sociedad de Seguros a prima fija (hereinafter, "Mutua Madrileña") signed a strategic alliance for the development, marketing and distribution of the general non-life insurance of VidaCaixa Adeslas.

Specifically, the aforementioned alliance will materialise once all the pertinent authorisations have been obtained, through the contribution on the part of Mutua Madrileña of 99.99% of its holding in Aresa Seguros Generales, S.A. in a capital increase of VidaCaixa Adeslas for the value of 150,000 thousand euros and a share sale and purchase agreement through which VidaCaixa Grupo S.A.U. will sell to Mutua Madrileña a holding in VidaCaixa Adeslas sufficient to reach 50% of the share capital of said company, taking into account the shares which Mutua Madrileña will subscribe in said capital increase in VidaCaixa Adeslas for the initial price of 1,000,000 thousand euros and a variable price to be established based on the results of VidaCaixa Adeslas over the next 10 years. Furthermore, other contracts and agreements derived from the present operation have been formalised.

On 27 January 2011, the Boards of Directors of "la Caixa", Criteria CaixaCorp, S.A. and Microbank de "la Caixa", S.A. ("Microbank"), a wholly-owned subsidiary of "la Caixa", agreed to sign a framework agreement (the "Framework Agreement") whose main purpose is the reorganisation of "la Caixa", in order to design a structure which, while continuing to comply with the business object of "la Caixa", will allow it to adapt to the new national and international regulatory requirements, in particular, the new requirements of the Basel Committee on Banking Supervision ("Basel III").

On 24 February 2011, "la Caixa", Criteria and Microbank modified some of the terms and conditions of the Framework Agreement, established its definitive economic terms and confirmed the remaining aspects of the Framework Agreement. The modification and subsequent ratification of the Framework Agreement and the establishment of its definitive economic terms were also the object of the notification to the Spanish National Securities and Exchange Commission (CNMV) as a significant event.

By virtue of this agreement, "la Caixa" will assign to Microbank (a wholly-owned subsidiary of "la Caixa"), through a segregation, the assets and liabilities that make up its financial activity, including the holding in CaixaVida, receiving in return shares in Microbank, subject to the corresponding increase in its share capital. Once the segregation is complete, “la Caixa” will carry out a swap operation with Criteria, through which it will hand over its holding in MicroBank, and therefore its indirect holding in CaixaVida, in exchange for certain industrial shareholdings.

On 25 February 2011, the Group sold 3,727,803 shares in Abertis Infraestructuras, S.A. (0.50% of the Company’s share capital) to Criteria CaixaCorp, S.A. for the total sum of 52,338 thousand euros. Said sale generated a gross profit of 37,054 thousand euros.

In the period from 31 December 2010 until the preparation of the present annual accounts, there were no events with a significant impact on the Company that require specific mention in the annual accounts, except for those commented on above.

23. Explanation added for translation to English

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

MANAGEMENT REPORT FOR THE 2010 FINANCIAL YEAR

In the 2010 financial year, the VidaCaixa Group, the "la Caixa" Insurance Group and part of the Criteria CaixaCorp holding, made a net consolidated profit of 249.2 million euros, 19.5% more than in the previous year. The number of individual clients exceeded 5.9 million, 72% more than in 2009, in good measure due to the incorporation of individual clients of Adeslas, following its integration in June 2010. The solvency ratio was 2.1 and the efficiency ratio was 24.1%.

VIDACAIXA GROUP	2010	2009	% Var.
Savings Premiums	3,014,488	2,541,398	18.62%
Life-Risk Premiums	388,819	375,628	3.51%
Non-life Premiums	1,213,279	332,649	264.73%
Total Premiums	4,616,586	3,249,675	42.06%
Total Contributions to Pension Plans	1,521,148	1,702,082	(10.63%)
Total Premiums and Contributions	6,137,734	4,951,757	23.95%
Total Life and Non-life Insurance Reserves	19,351,980	18,212,652	6.26%
Total Consolidated Pension Plan Rights	14,163,246	13,669,099	3.62%
Total Managed Resources	33,515,226	31,881,751	5.12%
Net Result	249,222	208,514	19.52%
Number of Clients	5,857,125	3,407,035	71.91%
Efficiency Ratio	24.1%	19.8%	21.33%
Solvency Ratio	2.1	1.4	47.48%
Number of Employees	1,717	911	88.47%

The total volume of premiums and contributions of the VidaCaixa Group at the close of the financial year was 6,138 million euros, which represents a 24% increase on the previous year and demonstrates the healthy state of the Group's commercial activity, in terms of both individual business and group and company business. This figure also includes the business of the former company Adeslas from June 2010, the date on which the healthcare insurance company was acquired and incorporated into the Group.

If we break down the results by segment, the risk business – made up of the Healthcare, Life-risk, Household and Accident segments – contributed a premium volume valued at 1,602 million euros, which is more than double the volume sold in 2009.

As a result of the integration of the former company Adeslas within the risk business, Healthcare is the segment with the highest growth, totalling 839 million euros compared to 37 million euros the previous year.

Multi-risk insurance also performed well with a total premium volume of 203 million euros, 22% more than in 2009. In addition, at the close of the 2010 financial year, the Automobile insurance segment had an insured vehicle portfolio including cars, commercial vehicles and motorcycles in excess of 258,000 units with a premium value of 130 million euros, 47% more than in 2009.

With regard to the savings business, the accumulated volume of premiums and contributions at the close of the financial year exceeded 4,536 million euros, representing an increase of 7%. The good performance of savings is evidenced in life-savings insurance, in which the attractive product range and the effectiveness of the sales network have helped continue to increase turnover. In this regard, a key aspect of 2010 has been the evolution of life annuities, a product which has experienced major growth owing to the interesting situation with regard to long-term interest rates and the excellent financial-fiscal characteristics of the product. It is also worth noting the evolution of Insured Benefit Plans (PPAs), whose premiums totalled 478 million euros.

The total volume of managed savings totalled 34,051 million euros, an increase of 7% compared to 2009.

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

The evolution of the economic environment is one of the uncertainties facing the VidaCaixa Group during 2011. The progress of 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, among other factors, will influence the contracting of pension plans and life-savings insurance.

With regard to management of the Company's investments, the VidaCaixa Group 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. This operational framework is approved by the Board of Directors. It defines the category of assets liable to be incorporated within the investments portfolio, using definition parameters such as the main rating scales and periods.

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

– To guarantee adequate cover for the risks assumed in whole or in part by the asset portfolio held by the Group.

– As an investment in order to manage the portfolio appropriately.

Within the framework of an administration policy intended to obtain a certain return.

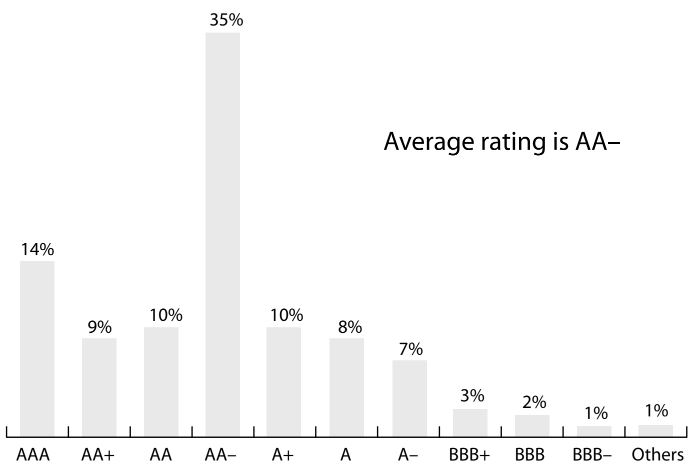
The Group's financial derivatives management policy also covers the use of counterparts which, as financial institutions subject to the supervision of the governing authorities of the member states of the European Union, have sufficient solvency. Contractually, these positions have an explicit guarantee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

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

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

The summary of the Group's financial investment portfolio by issuer rating at 31 December 2010 is as follows:

Portfolio by rating



Ratings according to Standard & Poor's

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

In the future, the VidaCaixa Group plans to maintain its current strategy of covering the insurance and benefits needs of Spanish families through its comprehensive range of insurance policies and pension plans. Furthermore, the Company 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 VidaCaixa Group.

Following the close of the 2010 financial year, on 13 January 2011, an agreement was signed between Mutua Madrileña and Criteria CaixaCorp through which the Madrid-based company will purchase 50% of VidaCaixa Adeslas Seguros Generales. The operation includes a commercial agreement for the exclusive and indefinite distribution of the Healthcare, Household, Automobile and other Non-life segments of VidaCaixa Adeslas, through the network of "la Caixa" branches and other channels of the company.

In addition, the Group has not maintained own shares during the year. With regard to Research and Development, due to the Group's characteristics, no projects have been carried out, although it is true that it is developing an Innovation Plan which involves all the departments.

Annex I: List of subsidiary and associated companies at 31/12/2010

Name of the Company	Registered address	Activity	%Voting rights	
			Direct	Indirect
GROUP COMPANIES:				
VidaCaixa, S.A. de Seguros y Reaseguros	Barcelona	Insurance and Reinsurance	99.99%	0.01%
VidaCaixa Adeslas, S.A. de Seguros y Reaseguros	Barcelona	Insurance and Reinsurance	99.50%	0.41%
AgenCaixa, S.A. Agencia de Seguros	Barcelona	Distribution of insurance and other	99.00%	1.00%
Grupo Asegurador de la Caixa, A.I.E.	Barcelona	Economic Interest Group	–	98.99%
Invervida Consulting, S.L	Barcelona	Management of Portfolio Holdings	99.99%	–
Caixa Girona Mediació, Sociedad de Agencia de Seguros Vinculada, S.A.	Barcelona	Distribution of insurance and other	100.00%	–
Adeslas Salud, S.A.	Madrid	Consultancy	99.48%	0.41%
Céntro Médico de Zamora, S.A.	Zamora	Clinic	–	99.91%
Iquimesa Servicios Sanitarios, S.L.	Vitoria	Clinic	–	99.91%
General de Inversiones Tomes, S.A.	Salamanca	Property Agency	99.14%	0.77%
Adeslas Dental, S.A.	Madrid	Dental	99.50%	0.41%
Adeslas Dental Andaluza, S.L.	Madrid	Dental	–	84.62%
Clínica Parque San Antonio, S.A.	Malaga	Clinic	–	98.23%
Urca, S.A.	Malaga	Diagnosis	–	51.24%
Sanatorio Nuestra Señora de la Salud, S.A.	Granada	Clinic	–	99.90%
Clinsa, S.A.	Madrid	Clinic	–	97.46%
Casa de Reposo Sanatorio Perpetuo Socorro, S.A.	Alicante	Clinic	–	76.06%
Tomografía Axial Computerizada, S.A.	Alicante	Diagnosis	–	60.02%
Hemodinámica Intervencionista de Alicante, S.A.	Alicante	Diagnosis	–	49.02%
Sanatorio Virgen del Mar – Cristóbal Castillo, S.A.	Almeria	Clinic	–	97.72%
UMR, S.L.	Madrid	Administrator	99.49%	0.42%
Alianza Médica Leridana, S.A.	Lleida	Clinic	–	85.31%
Infraestructuras y Servicios de Alzira, S.A.	Alzira	Car Park	50.75%	0.21%
Plaza salud 24	Madrid	IT Portal	–	49.96%
Gestión Sanitaria Gallega, S.L.	Vigo	Clinic	–	99.91%
Grupo Iquimesa, S.L.	Madrid	Administrator	99.50%	0.41%
General de Inversiones Alavesas, S.L.	Vitoria	Property Agency	99.50%	0.41%
UMR Canarias, S.L.	Las Palmas de Gran Canaria	Administrator	–	99.91%
Clínica Santa Catalina, S.A.	Las Palmas de Gran Canaria	Clinic	–	99.91%
Limpieza y Mantenimiento Hospitalarios, S.L.	Las Palmas de Gran Canaria	Cleaning	–	99.91%
Lince Servicios Sanitarios, S.A.	Madrid	Administrator	99.50%	0.41%
ASSOCIATED COMPANIES:				
Iquimesa Seguros de Salud, S.A.	Vitoria	Insurance Company	–	44.96%
Igualatorio Médico Quirúrgico, S.A. de Seguros y Reaseguros	Bilbao	Insurance Company	–	44.96%
Sanatorio Médico-Quirúrgico Cristo Rey, S.A.	Jaen	Clinic	37.47%	0.15%
Sociedad Inmobiliaria del Igualatorio Médico Quirúrgico, S.A.	Bilbao	Property Agency	–	19.96%
Igualatorio Médico Quirúrgico Dental, S.A.	Bilbao	Dental	–	44.71%
Igurco Gestión, S.L.	Bilbao	Geriatric Services	–	31.61%
Igurco Centros Gerontológicos, S.A.	Bilbao	Geriatric Services	–	31.61%
Orue XXI, S.L.	Amorebieta	Geriatric Services	–	21.69%
Residencia Orue, S.L.	Amorebieta	Geriatric Services	–	21.69%
Orue 2003, S.L.	Amorebieta	Geriatric Services	–	21.68%
Igurco Residencias Sociosanitarias	Bilbao	Geriatric Services	–	31.61%
Igualatorio de Bilbao Agencia de Seguros, S.A.	Bilbao	Insurance agency	–	44.96%
Sociedad de Promoción del Igualatorio Médico Quirúrgico, S.A.	Bilbao	Business Development	–	44.96%
Centro de Rehabilitación y Medicina Deportiva Bilbao, S.L.	Bilbao	Rehabilitation	–	42.41%

(*) The financial information of the above companies included in the consolidation scope (total IFRS assets, share capital spent, asset reserves, other IFRS reserves, IFRS financial year result net of dividend, net accrued premiums of reinsurance and other revenues) has been obtained from preliminary closes for the 2010 financial year, closed on 31 December of that year, and has been duly adapted by each company to the IFRS-EU regulations adopted by the Group.
(**) Informs on the "Other revenues" concept in the case of non-insurance companies.

Abridged Financial Information (*)					
Total assets	Share capital paid	Asset reserves	Financial year result net of dividend	Applied premiums, net of reinsurance	Other revenues (**)
26,286,088	380,472	17,238	201,495	66,107	
778,426	53,071	166,575	67,276	1,421,548	
16,870	601	5,001	697	0	25,376
14,138	9,729	0	0	0	
6,791	2,905	3,853	30	0	33
7,014	60	8,421	(1,797,930)	0	537
15,688	313	112	(130)	0	10,749
2,141	324	131	(35)	0	263
24,039	1,276	6,895	382	0	13,239
9,704	5,000	(925)	(123)	0	0
22,636	610	3,425	1,261	0	38,335
7,084	1,307	2,696	(1,612)	0	4,712
15,987	3,104	1,744	577	0	17,777
3,565	138	2,209	631	0	2,469
16,185	2,848	(771)	1,582	0	16,939
29,930	7,020	1,815	1,911	0	26,251
27,653	3,065	4,610	700	0	25,725
1,332	467	826	(114)	0	1,028
908	270	248	157	0	864
14,003	213	4,925	2,469	0	17,244
80,437	8,889	43,388	7,745	0	9,077,749
6,610	1,418	1,042	31	0	8,921
3,261	1,250	1,400	258	0	698
1,129	225	222	466	0	1,001
22,707	1,522	4,950	1,299	0	25,728
87,965	7,552	45,187	5,107	0	5,572
1,273	1,200	57	9	0	26
27,637	3,375	8,692	462	0	683
32,679	1,679	12,098	1,585	0	33,118
53	3	55	(40)	0	550
4,406	660	(6,375)	868	0	96
7,448	1,055	4,498	1,895	24,115	
81,384	16,175	52,538	12,671	170,063	
3,642	103	3,134	(76)	0	5,001
19,991	20,000	33	(42)	0	0
185	200	(18)	3	0	520
18,727	8,679	2,864	313	0	5,199
16,663	1,703	(25)	1,859	0	0
11,077	3,265	1,653	181	0	1,048
1,288	201	152	(11)	0	343
3	3	(34)	–	0	0
2,220	61	(197)	679	0	4,458
235	150	83	2	0	1,280
15,320	10,005	102	165	0	0
801	106	(42)	(30)	0	639

Annex II. Movement of intangible fixed assets during the 2009 financial year

	Thousands of euros					
	Goodwill		Financial rights derived from the policy portfolio acquired from brokers			
	Consolidated goodwill	Merger goodwill		Consolidated intangible assets	Merger intangible assets	Trademark
Cost at 1 January 2009	**44,293**	**3,407**	**–**	**26,799**	**6,953**	**–**
Accumulated amortisation at 1 December 2009	**–**	**–**	**–**	**(1,787)**	**(290)**	**–**
Net book value at 1 January 2009	**44,293**	**3,407**	**–**	**25,012**	**6,663**	**–**
Additions	–	–	–	–	–	–
Disposals	–	–	–	–	–	–
Reclassifications and transfers	–	–	–	–	–	–
Amortisation of financial year	–	–	–	(1,787)	(622)	–
Disposals in the amortisation	–	–	–	–	–	–
Losses through impairment	–	–	–	–	–	–
Cost at 31 December 2009	**44,293**	**3,407**	**–**	**26,799**	**6,953**	**–**
Accumulated amortisation at 31 December 2009	**0**	**0**	**–**	**(3,574)**	**(912)**	**–**
Net book value at 31 December 2009	**44,293**	**3,407**	**–**	**23,225**	**6,041**	**–**

Thousands of euros						
Other intangible assets						Total intangible assets
Client portfolio	Concessions	Computer applications	Pension fund expenses	Marketing expenses of other Non-life insurance policies	Other expenses of acquisition of pension plans and life insurance contracts	
–	**–**	**20,136**	**9,379**	**1,424**	**46,854**	**159,245**
–	**–**	**(18,673)**	**(8,052)**	**(819)**	**(19,923)**	**(49,544)**
–	**–**	**1,463**	**1,327**	**605**	**26,931**	**109,701**
–	–	203	–	2,972	20,203	23,378
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	(576)	(42)	–	–	(3,027)
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	**–**	**20,339**	**9,379**	**4,396**	**67,057**	**182,623**
–	**–**	**(19,249)**	**(8,094)**	**(819)**	**(19,923)**	**(52,571)**
–	**–**	**1,090**	**1,285**	**3,577**	**47,134**	**130,052**

Annex III. Movement of intangible fixed assets during the 2010 financial year

	Goodwill		Financial rights derived from the policy portfolio acquired from brokers				
	Consolidated goodwill	Merger goodwill		Consolidated intangible assets	Merger intangible assets	Trademark	
Cost at 31 December 2009	**44,293**	**3,407**	**–**	**26,799**	**6,953**	**–**	
Accumulated amortisation at 31 December 2009	**–**	**–**	**–**	**(3,574)**	**(912)**	**–**	
Net book value at 31 December 2009	**44,293**	**3,407**	**–**	**23,225**	**6,041**	**–**	
Additions	256,914	–	–	–	2,696	–	
Incorporation within consolidation scope (cost)	–	–	2,647	–	–	310,883	
Disposals	–	–	–	–	–	–	
Reclassifications and transfers	–	–	–	–	–	–	
Amortisation of financial year	–	–	(69)	(1,787)	(659)	–	
Incorporation within consolidation scope (amortisation)	–	–	–	–	–	–	
Disposals in the amortisation	–	–	–	–	–	–	
Losses through impairment	–	–	–	–	–	–	
Cost at 31 December 2010	**301,207**	**3,407**	**2,647**	**26,799**	**9,649**	**310,883**	
Accumulated amortisation at 31 December 2010	**–**	**–**	**(69)**	**(5,361)**	**(1,571)**	**–**	
Net book value at 31 December 2010	**301,207**	**3,407**	**2,578**	**21,438**	**8,078**	**310,883**	

Thousands of euros							
	Other intangible assets						Total intangible assets
	Client portfolio	Concessions	Computer applications	Pension fund expenses	Marketing expenses of other Non-life insurance policies	Other expenses of acquisition of pension plans and life insurance contracts	
	–	**–**	**20,339**	**9,379**	**4,396**	**67,057**	**182,623**
	–	**–**	**(19,249)**	**(8,094)**	**(819)**	**(19,923)**	**(52,571)**
	–	**–**	**1,090**	**1,285**	**3,577**	**47,134**	**130,052**
	–	1,221	4,540	–	–	42,933	308,304
	241,796	38,507	34,644	–	–	–	628,477
	–		(64)	–	–	–	(64)
	–	182	7	–	–	–	189
	(23,508)	(1,084)	(2,821)	(24)	(19)	(22,948)	(52,919)
	–	(17,129)	(28,145)	–	–	–	(45,274)
	–	–	60	–	–	–	60
	–	–	–	–	–	–	–
	241,796	**39,910**	**59,466**	**9,379**	**4,396**	**109,990**	**1,119,529**
	(23,508)	**(18,213)**	**(50,155)**	**(8,118)**	**(838)**	**(42,871)**	**(150,704)**
	218,288	**21,697**	**9,311**	**1,261**	**3,558**	**67,119**	**968,825**

VidaCaixa