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Consolidated Annual Accounts and Management Report of the SegurCaixa Holding Group

SegurCaixa Holding
Insurance Group

AUDITOR'S REPORT

Deloitte.

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

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
SegurCaixa Holding, S.A. (Sole-Shareholder Company):

We have audited the consolidated financial statements of SegurCaixa Holding, S.A.U. and Subsidiaries ("the Group") comprising the consolidated balance sheet at 31 December 2009 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. The preparation of these consolidated financial statements is the responsibility of the Parent's directors. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with generally accepted auditing standards in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of their presentation, of the accounting policies applied and of the estimates made.

The accompanying consolidated financial statements for 2009 were prepared by the Group in accordance with International Financial Reporting Standards as adopted by the European Union, which require, in general, that consolidated financial statements present comparative information. In this regard, as required by Spanish corporate and commercial law, for comparison purposes the directors of SegurCaixa Holding, S.A.U. present, in addition to the figures for 2009 for each item in the consolidated balance sheet, 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, the figures for 2008. Our opinion refers only to the consolidated financial statements for 2009. On 2 April 2009, we issued our auditors' report on the 2008 consolidated financial statements, in which we expressed an unqualified opinion.

In our opinion, the accompanying consolidated financial statements for 2009 present fairly, in all material respects, the consolidated equity and consolidated financial position of SegurCaixa Holding, S.A.U. and Subsidiaries at 31 December 2009 and the consolidated results of their operations, the changes in the consolidated equity and their consolidated cash flows for the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with International Financial Reporting Standards as adopted by the European Union applied on a basis consistent with that of the preceding year.

The accompanying consolidated directors' report for 2009 contains the explanations which the Parent's directors consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2009. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of SegurCaixa Holding, S.A.U. and Subsidiaries.

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Registered in ROAC under no. S0692

Miguel Antonio Pérez

29 March 2010

DELOITTE, S.L.
2010

SegurCaixa Holding, S.A.U. and Subsidiaries (SegurCaixa Holding Group)

Consolidated balance sheets

ASSETS (Thousands of euros)		31-12-2009		31-12-2008 (*)	
CASH AND EQUIVALENT LIQUID ASSETS			**5,352,646**		**5,039,026**
FINANCIAL ASSETS MAINTAINED FOR NEGOTIATION	**See Note 6**		**23,987**		**25,585**
FINANCIAL ASSETS AT THE REASONABLE VALUE WITH CHANGES REGISTERED IN THE PROFITS AND LOSSES ACCOUNT	**See Note 6**		**184,312**		**169,523**
Debt securities		–		–	
Investment on behalf of life insurance policy holders who assume the risk of the investment		184,312		169,523	
Loans		–		–	
Deposits in credit entities		–		–	
FINANCIAL ASSETS AVAILABLE FOR SALE	**See Note 6**		**17,992,224**		**17,206,983**
Equity instruments		57,274		44,449	
Debt securities		17,934,950		17,162,534	
Loans		–		–	
Deposits in credit entities		–		–	
Other		–		–	
LOANS AND PAYMENTS RECEIVABLE	**See Note 6**		**1,175,210**		**344,915**
Loans and deposits		1,027,157		142,405	
Payments receivable		148,053		202,510	
INVESTMENTS HELD TO MATURITY			**–**		**–**
HEDGING DERIVATIVES			**–**		**–**
SHARE OF REINSURANCE IN TECHNICAL RESERVES	**See Note 12**		**37,446**		**34,372**
TANGIBLE FIXED ASSETS AND PROPERTY INVESTMENTS	**See Note 7**		**14,313**		**13,631**
Tangible fixed assets		12,206		11,514	
Property investments		2,107		2,117	
INTANGIBLE ASSETS	**See Note 8**		**130,052**		**109,701**
Goodwill		47,700		47,700	
Portfolio acquisition expenses		–		–	
Other Intangible assets		82,352		62,001	
HOLDINGS IN OTHER COMPANIES VALUED BY THE EQUITY METHOD			**–**		**–**
TAX ASSETS	**See Note 9**		**67,516**		**72,344**
Assets through ordinary tax		20,910		23,201	
Assets through deferred tax		46,606		49,143	
OTHER ASSETS			**438,405**		**20,155**
ASSETS MAINTAINED FOR THE SALE			**–**		**–**
TOTAL ASSETS			**25,416,111**		**23,036,234**

(*) Presented solely and exclusively for purposes of comparison.
Notes 1 to 22 in the accompanying Report and in Annex I form an integral part of the Consolidated balance sheet at 31 December, 2009.

NET ASSETS AND LIABILITIES (Thousands of euros)		31-12-2009		31-12-2008 (*)	
TOTAL LIABILITIES			**24,634,835**		**22,528,445**
FINANCIAL LIABILITIES MAINTAINED FOR NEGOTIATION					
FINANCIAL LIABILITIES AT THE REASONABLE VALUE WITH CHANGES REGISTERED IN THE PROFITS AND LOSSES ACCOUNT			–		–
DEBTS AND PAYABLE ITEMS	**See Note 10**		**6,321,328**		**5,325,634**
Subordinated liabilities		292,017		290,613	
Other debts		6,029,311		5,035,021	
HEDGING DERIVATIVES			–		–
TECHNICAL RESERVES	**See Note 12**		**18,212,652**		**17,079,160**
For unexpired premiums		158,049		126,292	
For unearned premiums		4,393		–	
For life insurance		17,663,921		16,602,650	
– Reserve for unexpired and unearned premiums		38,044		–	
– Mathematical reserves		17,428,776		16,418,740	
– Reserve for life insurance when the policyholder assumes the investment risk		197,101		183,910	
Claims provision		325,141		287,594	
Share in profits and returns		61,148		62,623	
Other technical reserves		–		–	
NON-TECHNICAL RESERVES	**See Note 13**		**1,621**		**1,648**
TAX LIABILITIES	**See Note 9**		**49,475**		**71,034**
Liabilities through ordinary tax		686		22,929	
Liabilities through deferred tax		48,789		48,105	
OTHER LIABILITIES			**49,759**		**50,970**
LIABILITIES ASSOCIATED WITH ASSETS MAINTAINED FOR SALE			–		–
TOTAL NET ASSETS			**781,276**		**507,789**
SHAREHOLDER'S FUNDS					
CAPITAL	**See Note 14**		**394,187**		**256,267**
Authorised capital		394,187		256,267	
Less: Uncalled capital		–		–	
ISSUE PREMIUM			–		–
RESERVES	**See Note 14**		**248,883**		**136,305**
***LESS:* SHARES AND HOLDING IN OWN ASSETS**			–		–
RESULTS OF PREVIOUS FINANCIAL YEARS			–		–
OTHER SHAREHOLDER CONTRIBUTIONS			–		–
FINANCIAL YEAR RESULT ATTRIBUTABLE TO THE PARENT COMPANY			**177,225**		**159,176**
Consolidated Losses and Profits		208,514		191,923	
Losses and Profits attributable to minority interests		(31,289)		(32,747)	
***LESS:* INTERIM DIVIDEND**	**See Note 14**		**(50,000)**		**(121,000)**
OTHER NET EQUITY INSTRUMENTS			–		–
ADJUSTMENTS THROUGH CHANGES IN VALUE	**See Note 6**		**10,700**		**4,583**
FINANCIAL ASSETS AVAILABLE FOR SALE		**10,700**		**4,583**	
HEDGING OPERATIONS		–		–	
EXCHANGE RATE DIFFERENCES		–		–	
CORRECTIONS OF ACCOUNTING MISMATCHES		–		–	
HOLDINGS IN OTHER COMPANIES VALUED BY THE EQUITY METHOD		–		–	
OTHER ADJUSTMENTS		–		–	
NET ASSETS ATTRIBUTABLE TO THE PARENT COMPANY			**780,995**		**435,331**
MINORITY INTERESTS	**See Note 15**		**281**		**72,458**
ADJUSTMENTS THROUGH CHANGES IN VALUE		–		–	
OTHER		**281**		**72,458**	
TOTAL NET ASSETS AND LIABILITIES			**25,416,111**		**23,036,234**

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

Notes 1 to 22 in the accompanying Report and in Annex I form an integral part of the Consolidated balance sheet at 31 December, 2009.

SegurCaixa Holding, S.A.U. and Subsidiaries (SegurCaixa Holding Group)

Consolidated profit and loss account

(Thousands of euros)		2009 Financial year	2008 Financial year (*)
Premiums applied to period, net of reinsurance		278,987	270,855
Tangible fixed asset and investment revenue		8,368	8,540
Other technical revenue		–	–
Losses incurred in the period, net of reinsurance		(178,218)	(158,143)
Change in other technical reserves, net of reinsurance		–	–
Profit-sharing and returns		14,367	(14,571)
Net operating expenses		(62,939)	(45,974)
Other technical expenses		(2,698)	(5,100)
Tangible fixed asset and investment expenses		(2,110)	(2,522)
RESULT NON-LIFE INSURANCE	**See Note 16**	**55,757**	**53,085**
Premiums applied to period, net of reinsurance		2,931,599	1,721,181
Tangible fixed asset and investment revenue		2,109,696	1,850,279
Revenue from investments subject to insurance in which the policyholder assumes the risk of the investment		35,509	110,549
Other technical revenue		–	–
Losses incurred in the period, net of reinsurance		(2,294,493)	(2,209,088)
Change in other technical reserves, net of reinsurance		(1,037,503)	24,145
Profit-sharing and returns		(69,425)	(41,575)
Net operating expenses		(106,329)	(100,443)
Other technical expenses		(3,335)	(4,665)
Tangible fixed asset and investment expenses		(1,360,760)	(1,041,118)
Expenses of investments subject to insurance in which the policyholder assumes the risk of the investment		(17,811)	(139,977)
RESULT LIFE INSURANCE	**See Note 16**	**187,148**	**169,290**
RESULT FROM OTHER ACTIVITIES		**51,746**	**50,017**
Tangible fixed asset and investment revenue		105,495	117,371
Negative consolidation difference		–	–
Tangible fixed asset and investment expenses		(86,580)	(97,814)
Other revenues	**See Note 16**	101,758	88,372
Other expenses	**See Note 16**	(68,927)	(57,912)
PROFIT BEFORE TAX	**See Note 16**	**294,651**	**272,391**
Corporate Income Tax		(86,137)	(80,468)
RESULT OF FINANCIAL YEAR FROM CONTINUED OPERATIONS		**208,514**	**191,923**
Result of financial year from uninterrupted operations net of tax		–	–
CONSOLIDATED PROFIT OF FINANCIAL YEAR		**208,514**	**191,923**
Profit attributable to parent company		177,225	159,176
Profit attributable to minority interests		31,289	32,747

(Euros)		2009 Financial year	2008 Financial year (*)
PER SHARE PROFIT			
Basic and diluted per share profit		3.18	4.11

(*) Presented solely and exclusively for purposes of comparison.
Notes 1 to 22 described in the accompanying Report form an integral part of the Consolidated profit and loss account corresponding to 2009.

SegurCaixa Holding, S.A.U. and Subsidiaries (SegurCaixa Holding Group)

Consolidated balance sheets by segments at 31 December, 2009

ASSETS (Thousands of euros)	Non-life Segment		Life Segment		Others Segment		Total	
CASH AND EQUIVALENT LIQUID ASSETS		**13,005**		**5,327,762**		**11,879**		**5,352,646**
FINANCIAL ASSETS MAINTAINED FOR NEGOTIATION		**1,967**		**22,020**		**–**		**23,987**
FINANCIAL ASSETS AT THE REASONABLE VALUE WITH CHANGES REGISTERED IN THE PROFITS AND LOSSES 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**		**979,441**		**114,489**		**1,175,210**
Loans	–		912,668		114,489		1,027,157	
Payments receivable	81,280		66,772		–		148,053	
INVESTMENTS HELD TO MATURITY		**–**		**–**		**–**		**–**
HEDGING DERIVATIVES		**–**		**–**		**–**		**–**
SHARE OF REINSURANCE IN TECHNICAL RESERVES		**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 ASSETS		**154**		**129,523**		**375**		**130,052**
Goodwill			47,700				47,700	
Portfolio acquisition expenses			–				–	
Other Intangible assets	154		81,823		375		82,352	
HOLDINGS IN OTHER COMPANIES VALUED BY THE EQUITY METHOD		**–**		**–**		**–**		**–**
TAX ASSETS		**4,853**		**62,663**		**–**		**67,516**
Assets through ordinary tax	3,948		16,962		–		20,910	
Assets through deferred tax	905		45,701		–		46,606	
OTHER ASSETS		**25,560**		**412,842**		**3**		**438,405**
ASSETS MAINTAINED FOR SALE		**–**				**–**		**–**
TOTAL ASSETS		**416,385**		**24,861,395**		**138,331**		**25,416,111**

NET ASSETS AND LIABILITIES (Thousands of euros)	Non-life Segment		Life Segment		Others Segment		Total	
TOTAL LIABILITIES		**334,866**		**24,266,165**		**33,804**		**24,634,835**
FINANCIAL LIABILITIES MAINTAINED FOR NEGOTIATION		–		–		–		–
FINANCIAL LIABILITIES AT THE REASONABLE VALUE WITH CHANGES REGISTERED IN THE PROFITS AND LOSSES ACCOUNT		–		–		–		–
DEBTS AND PAYABLE ITEMS		**59,251**		**6,234,073**		**28,004**		**6,321,328**
HEDGING DERIVATIVES		–		–		–		–
TECHNICAL RESERVES		**265,500**		**17,947,152**		–		**18,212,652**
NON-TECHNICAL RESERVES		**1,621**		–		–		**1,621**
TAX LIABILITIES		**3,576**		**45,232**		**667**		**49,475**
OTHER LIABILITIES		**4,918**		**39,708**		**5,133**		**49,759**
LIABILITIES ASSOCIATED WITH ASSETS MAINTAINED FOR SALE		–		–		–		–
TOTAL NET ASSETS		**81,519**		**595,230**		**104,527**		**781,276**
SHAREHOLDER'S FUNDS								
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**		–		–		–		–
RESULTS OF PREVIOUS FINANCIAL YEARS		–		–		–		–
OTHER SHAREHOLDER CONTRIBUTIONS		–		–		–		–
FINANCIAL YEAR RESULT ATTRIBUTABLE 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 minority interests	–		(31,289)		–		(31,289)	
***LESS:* INTERIM DIVIDEND**		**(10,496)**		**(26,438)**		**(13,066)**		**(50,000)**
OTHER NET 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		–		–		–		–
HOLDINGS IN OTHER 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**		**24,861,395**		**138,331**		**25,416,111**

SegurCaixa Holding, S.A.U. and Subsidiaries (SegurCaixa Holding Group)

Consolidated balance sheets by segments at 31 December, 2008

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

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

SegurCaixa Holding, S.A.U. and Subsidiaries (SegurCaixa Holding Group)

Statement of changes in net consolidated assets

(Thousands of euros)	Net assets attributable to the parent company		
	Shareholder's funds		
	Capital or mutual fund	Issue premium and Reserves	Shares and holdings in own assets
Initial Balance at 1 January, 2008	**256,267**	**119,561**	**–**
Adjustments through change of accounting principle	–	–	–
Adjustments for errors	–	–	–
Adjusted Initial Balance	**256,267**	**119,561**	**–**
I. Total Revenue/(Expenses) recognised in 2008 financial year	**–**	**–**	**–**
II. Operations with shareholders or owners	**–**	**–**	**–**
Capital Increases/(Reductions)	–	–	–
Conversion of financial liabilities into net assets	–	–	–
Distribution of dividends	–	–	–
Operations with shares or holdings in own assets (net)	–	–	–
Increases/(Reductions) through business combinations	–	–	–
Other operations with shareholders or owners	–	–	–
III. Other net asset variations	**–**	**16,744**	**–**
Payments based on asset instruments	–	–	–
Transfers between net asset items	–	13,600	–
Other variations	–	3,144	–
Balances at 31 December, 2008	**256,267**	**136,305**	**–**
Adjustments through change of accounting principle	–	–	–
Adjustments for errors	–	–	–
Adjusted Initial Balance	256,267	136,305	–
I. Total Revenue/(Expenses) recognised in 2009 financial year	**–**	**–**	**–**
II. Operations with shareholders or owners	**137,920**	**–**	**–**
Capital Increases/(Reductions)	137,920	–	–
Conversion of financial liabilities into net assets	–	–	–
Distribution of dividends	–	–	–
Operations with shares or holdings in own assets (net)	–	–	–
Increases/(Reductions) through business combinations	–	–	–
Other operations with shareholders or owners	–	–	–
III. Other net asset variations	**–**	**112,578**	**–**
Payments based on asset instruments	–	–	–
Transfers between net asset items	–	112,578	–
Other variations	–	–	–
Balances at 31 December, 2009	**394,187**	**248,883**	**–**

Notes 1 to 22 in the attached Report and in Annexes I and II form an integral part of the Statement of changes in the net assets at 31 December, 2009.

Net assets attributable to the parent company				Minority interests	Total net assets
Shareholder's funds			Adjustments through changes in value		
Financial year result attributed to the parent company	(Interim dividends)	Other net equity instruments			
128,568	**(113,000)**	**–**	**7,065**	**65,859**	**464,320**
–	–	–	–	–	–
–	–	–	–	–	–
128,568	**(113,000)**	**–**	**7,065**	**65,859**	**464,320**
159,176	**–**	**–**	**(2,482)**	**31,722**	**188,416**
–	**(121,000)**	**–**	**–**	**–**	**(121,000)**
–	–	–	–	–	–
–	–	–	–	–	–
–	(121,000)	–	–	–	(121,000)
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
(128,568)	**113,000**	**–**	**–**	**(25,123)**	**(23,947)**
–	–	–	–	–	–
(128,568)	113,000	–	–	(25,400)	(27,368)
–	–	–	–	277	3,421
159,176	**(121,000)**	**–**	**4,583**	**72,458**	**507,789**
–	–	–	–	–	–
–	–	–	–	–	–
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**

SegurCaixa Holding, S.A.U. and Subsidiaries (SegurCaixa Holding Group)

Statement of recognised income and expenses

(Thousands of euros)	2009 Financial year	2008 Financial year
A) CONSOLIDATED PROFIT OF FINANCIAL YEAR	**208,514**	**191,923**
B) OTHER RECOGNISED INCOME/(EXPENSES)	**5,533**	**(3,506)**
Financial assets available for sale:	**21,834**	**108,258**
Profit/(Loss) through valuation	21,834	108,258
Sums transferred to the profit and loss account	–	–
Other reclassifications	–	–
Cash flow coverage:	**–**	**–**
Profit/(Loss) through valuation	–	–
Sums transferred to the profit and loss account	–	–
Sums transferred to initial value of items covered	–	–
Other reclassifications	–	–
Coverage of net investments in businesses overseas:	**–**	**–**
Profit/(Loss) through valuation	–	–
Sums transferred to the profit and loss account	–	–
Other reclassifications	–	–
Exchange rate differences:	**–**	**–**
Profit/(Loss) through valuation	–	–
Sums transferred to the profit and loss account	–	–
Other reclassifications	–	–
Corrections of accounting mismatches:	**(16,301)**	**(111,764)**
Profit/(Loss) through valuation	(16,301)	(111,764)
Sums transferred to the profit and loss account	–	–
Other reclassifications	–	–
Assets maintained 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	**–**	**–**
TOTAL RECOGNISED INCOME/(EXPENSES) (A + B)	**214,047**	**188,417**
Attributable to parent company	181,928	156,695
Attributable to minority interests	32,119	31,722

Notes 1 to 22 described in the accompanying Report and in Annexes I and II form an integral part of the Statement of recognised income and expenses corresponding to the 2009 financial year.

SegurCaixa Holding, S.A.U. and Subsidiaries (SegurCaixa Holding Group)

Statement of consolidated cash flows (direct method)

(Thousands of euros)	2009 Financial year	2008 Financial year (*)
A) CASH FLOWS OF OPERATING ACTIVITIES (1+2+3)	**508,350**	**(654,227)**
1. Insurance activity:	737,875	(622,135)
(+) Cash collections from the insurance activity	3,210,586	2,076,995
(–) Cash payments from the insurance activity	(2,472,711)	(2,699,130)
2. Other operating activities:	(142,470)	48,376
(+) Cash collections from other operating activities	101,758	104,054
(–) Cash payments from other operating activities	(244,228)	(55,678)
3. Collections/(payments) through tax on profits	(87,055)	(80,468)
B) CASH FLOWS OF INVESTMENT ACTIVITIES (1+2)	**(2,191,175)**	**3,350,219**
1. Collections from investment activities:	25,939,890	14,436,556
(+) Tangible assets	–	–
(+) Property investments	–	–
(+) Intangible assets	–	–
(+) Financial instruments	22,973,283	14,434,637
(+) Holdings	–	–
(+) Subsidiary companies and other business units	–	–
(+) Interest received	1,514,546	–
(+) Dividends received	3,048	1,919
(+) Other payments related to investment activities	1,449,013	–
2. Payments from investment activities:	(28,131,065)	(11,086,337)
(–) Tangible assets	(1,870)	–
(–) Property investments	–	–
(–) Intangible assets	(203)	–
(–) Financial instruments	(28,094,847)	–
(–) Holdings	–	–
(–) Subsidiary companies and other business units	–	–
(–) Other payments related to investment activities	(34,145)	(11,086,337)
C) CASH FLOWS OF FINANCING ACTIVITIES (1+2)	**1,996,445**	**(147,169)**
1. Collections from financing activities:	13,337,700	16,435
(+) Subordinated liabilities	7,047	16,435
(+) Collections through issues of asset and capital enlargement instruments	127,500	–
(+) Asset assessments and contributions of shareholders or policyholders	–	–
(+) Transfer of own securities	–	–
(+) Other collections related to financing activities	13,203,153	–
2. Payments from financing activities:	(11,341,255)	(163,604)
(–) Dividends paid to the shareholders	(50,000)	(146,400)
(–) Interest paid	–	–
(–) Subordinated liabilities	(14,386)	(17,204)
(–) Payments through repayment of contributions to shareholders	–	–
(–) Liability assessments and repayment of contributions to shareholders or policyholders	–	–
(–) Acquisition of own securities	–	–
(–) Other payments related to financing activities	(11,276,869)	–
D) EFFECT OF VARIATIONS IN THE EXCHANGE RATE	–	–
E) NET INCREASE/(DECREASE) OF CASH AND CASH EQUIVALENTS (A+B+C+D)	**313,620**	**2,548,823**
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	**5,039,026**	**2,490,203**
G) CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (E+F)	**5,352,646**	**5,039,026**

(*) Presented solely and exclusively for purposes of comparison in all applicable captions.
Notes 1 to 22 described in the accompanying Report and in Annex I form an integral part of the Statement of consolidated cash flows corresponding to the 2009 financial year.

SegurCaixa Holding, S.A.U. and Subsidiaries (SegurCaixa Holding Group)

Statement of consolidated cash flows (direct method)

ELEMENTS OF CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	2009 Financial year	2008 Financial year (*)
(+) Cash and bank	166,480	746,504
(+) Other financial assets	5,186,166	4,292,522
(–) *Less: Bank overdrafts repayable on demand*	–	–
TOTAL CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**5,352,646**	**5,039,026**

(*) Presented solely and exclusively for purposes of comparison in all applicable captions.
Notes 1 to 22 described in the accompanying Report and in Annex I form an integral part of the Statement of consolidated cash flows corresponding to the 2009 financial year.

SegurCaixa Holding, S.A.U. and Subsidiaries (SegurCaixa Holding Group)

ANNUAL CONSOLIDATED ACCOUNTS REPORT CORRESPONDING TO THE FINANCIAL YEAR ENDING 31 DECEMBER 2009

In accordance with the current standards on the content of annual consolidated accounts, this Report completes, extends and discusses the balance sheet, profit and loss account, the statement of changes in net assets and the statement of consolidated cash flows (hereinafter, "the consolidated financial statements"), and with them forms a whole, for the purpose of reflecting a true image of the consolidated assets and of the consolidated financial situation of SegurCaixa Holding S.A.U. (previously known as Caifor, S.A.) at 31 December 2009, in addition to the results of its operations, changes to net assets and cash flows occurring in this financial year.

1. General information on the parent company and its activities

a) Incorporation, duration and registered offices

SegurCaixa Holding, S.A.U. (hereinafter, SegurCaixa Holding) 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.

The shareholders of SegurCaixa Holding were the "la Caixa" Group and the Fortis Group, through shares 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 the main asset of Crisegen is its 50% share in SegurCaixa Holding, 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 the current SegurCaixa Holding, S.A, 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 SegurCaixa Holding.

In November 2009, Criteria CaixaCorp contributed its direct shareholding of 20% in VidaCaixa, S.A. de Seguros y Reaseguros as a non-monetary subscription of the capital enlargement of SegurCaixa Holding, S.A.U. As a result of this transaction, SegurCaixa Holding directly controls 100% of the shares of VidaCaixa, S.A. de Seguros y Reaseguros and of all the insurance business of the Group. This company restructuring operation has not had any impact on the financial situation or the results of the Group, given that the parent Company had a 100% shareholding in these companies during the financial year.

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 2009.

b) Business object, legal framework and branches of operation

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

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

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

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

In virtue of article 43.2 of the Spanish Commercial Code, SegurCaixa Holding is not required to prepare separate consolidated accounts, since it is consolidated within Grupo Criteria CaixaCorp, S.A., which exercises control over the Company. Criteria CaixaCorp, S.A. is subject to European Legislation and its activity is based on managing the portfolio of subsidiary companies of the "la Caixa" Group. Its registered offices are in Barcelona, at Avda. Diagonal, 621. Notwithstanding the above, the Company has voluntarily drafted the consolidated annual accounts for the 2009 financial year, prepared by the Administrators at the meeting of its Board of Directors on 26 March 2010.

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

On 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 fulfilment 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 sale and purchase deed.

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 2009, the Group managed 140 pension funds with a volume of consolidated rights of 13,669,099 thousand euros at 31 December 2009 (11,842,131 thousand euros at 31 December 2008). The net income accrued by management committees of the various funds totalled 94,643 thousand euros in the 2009 financial year (88,372 thousand euros in the 2008 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 16)

On 22 October 2009, Criteria CaixaCorp, S.A., sole shareholder of SegurCaixa Holding Group, S.A. signed two agreements in principle, the first with Suez Environnement and the second with Malakoff Médéric (a company pensions group located in France) to acquire 99.79% of the share capital of the insurance company Adeslas, S.A., (hereinafter, Adeslas) for the total sum of 1,178 million euros.

On 14 January 2010, the final agreements were signed with Agbar and Malakoff Médéric for the acquisition of Adeslas. Following the acquisition, Criteria CaixaCorp, S.A. plans to transfer its holding in Adeslas to Grupo SegurCaixa Holding, S.A., which shall proceed to merge the same, by absorption, with SegurCaixa S.A.

The basic aim of this operation is to redirect strategic interests by incorporating the health group services business.

Completion of the operation is forecast for the first half of 2010, once the usual conditions and procedures in these types of operations have been fulfilled, in particular the mandatory authorisations of regulators such as the National Securities and Exchange and the Directorate General of Insurance and Pension Funds, in addition to the corresponding anti-trust bodies.

c) Internal structure and distribution systems

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

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

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

d) Clients' Ombudsman

The most relevant points for the Annual Report presented by the head of the Service of the Board of Directors Meeting held on 26 March, 2010 are detailed below. The data has been obtained by aggregating the annual reports of VidaCaixa and SegurCaixa.

During 2009, 172 claims were made to the Customer Attention Service (121 in 2008), representing a 42% increase over 2008), and 169 were processed without prejudice to the grounds of inadmissibility in the Service Regulation (119 in 2008).

The type of claims submitted was as follows:

Type of Claim	Number
Active operations	2
Passive operations	1
Collection and Payment Services	1
Investment Services	–
Insurance policies and Pension funds	165
Total admitted	**169**
Non-admission	3
TOTAL 2009	**172**

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

Type of resolution	Number
Upheld	40
Rejected	65
Not applicable	38
Client waivers	–
Pending resolution	27
Customer Service	2
TOTAL 2009	**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. Presentation rules and consolidation principles

a) Presentation rules

The Group's consolidated annual accounts corresponding to the financial year ended on 31 December 2009 were prepared by the General Shareholders' Meeting of 26 March 2010 and have been prepared and presented in accordance with the provisions of the International Financial Reporting Standards (hereinafter, IFRS) adopted by the European Union through Regulation (EC) nº 1606/2002 of the European Parliament and the Council, of 19 July, in addition to subsequent amendments, and offer a true and fair view of the consolidated assets and the financial situation of the Group at 31 December 2009, of the results of its operations and the changes to consolidated net assets and cash flows occurring in the Group in said financial year.

The Group's consolidated annual accounts corresponding to the 2008 financial year were prepared by the Board of Directors on 5 March, 2009 and approved by the Ordinary General Shareholders' Meeting of the Parent Company on 19 June 2009. The consolidated annual accounts of the Group and the annual accounts of the subsidiaries of the Group for the 2009 financial year are pending approval by the respective General Shareholders' Meetings, and are expected to be approved without significant modifications.

The annual accounts for the 2009 financial year were prepared from the registers of accounts maintained by SegurCaixa Holding and by the other subsidiaries of the Group. However, given that in some cases the valuation criteria and principles adopted in the preparation of the annual accounts of the Group for the 2009 financial year (IFRS) differ from those adopted by the subsidiaries of the Group, the required adjustments and reclassifications have been introduced in order to standardise said principles and criteria and adapt them to the International Financial Reporting Standards adopted by the European Union.

At 31 December 2009, 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 2009 financial year.

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

b) Responsibility for the information

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

c) Use of judgements and estimations

The preparation of the annual accounts in accordance with the IFRS requires that administrators make judgements, estimations and assumptions which affect the application of accounting policies and asset, liability, income and expenses balances. The aforementioned estimations and assumptions are based on historical experience and on other factors deemed to be reasonable according to the circumstances and whose results form the basis for making judgements on the book value of assets and liabilities that are not easily available via other sources.

The respective estimations and assumptions are verified continuously; the effect of the verifications of accounting estimations are recognised within the period they are made, if they only affect that period, or in the period of the verification and in future periods, wherever the verification affects them. In any case, the final results derived from a situation which required estimations may differ from the forecast and reflect the final effects in a prospective manner.

Apart from the process of systematic estimations and their periodic verification, the administrators of the Parent Company shall make certain value judgements on matters that have a special impact on the annual consolidated accounts. Among the most significant, these include judgements and estimations made on the reasonable value of certain assets and liabilities, losses through deterioration, the useful life of the tangible and intangible assets, the valuation of the consolidated goodwill, the 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 "reasonable value with changes in profits and losses" as the greater amount of the life insurance reserves.

d) New regulations, revised regulations and amendments adopted during the 2009 financial year

During the period, the following standards have come into force and have been adopted:

– IFRS 8. Operating segments (applicable to financial years commenced with effect from 1 January 2009). The application of this standard requires the identification of segments based on the management organisation employed by the Management instead of in the assessment of risk and differentiated performance.

– Modification of IFRS 2. Share-based Payment.

– IFRIC 13. Customer loyalty schemes.

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

– IAS 23 Revision. Borrowing costs.

– IAS 1 Revision. Presentation of Financial Statements.

– IFRIC 16. Hedges of a Net Investment in a Foreign Operation.

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

– IFRIC 9 Modification and IAS 39. Reassessment of Embedded Derivatives.

– IFRS 7 Modification. Improvements in Financial Instruments: Disclosures. Enlargement of certain information breakdowns.

– IAS 27 and IFRS 1 Modification. Cost of an investment in an investee, jointly controlled or associate company.

– IFRS 1 Revision. First-time Adoption of International Financial Reporting Standards.

Of the above modifications, the most significant with regard to the financial information of the Group are:

– IFRS 8. The application of this standard requires the identification of segments based on the information used by the Group Management in its decision making, instead of segmentation based on the assessment of risk and differentiated performance. The adoption of these new criteria does not give rise to any significant difference with regard to the segments to be presented in accordance with previously applied standard (IAS 14). However, the detail of the itemised information of each segment or grouped components has been adapted to the requirements set out in the new standard and to the data and information used by the Group Management in its decision making.

– The IAS 1 revision with regard to the presentation of financial statements: Modifies some of the presentation requirements of the financial statements and requires additional information in certain circumstances, in order to make it easier for those consulting financial statements to analyse and compare the information provided in the same. It differentiates between changes in assets as a consequence of transactions with the owners when they act as such (such as dividends) and changes owing to transactions with non-owners. It introduces new information requirements when the Company applies an accounting change retrospectively, makes a recalculation or reclassifies entries in previously issued financial statements.

– IFRS 7 Modification. Improvements in Financial Instruments: Disclosures. The key modification is the enlargement of certain breakdowns related to reasonable value and liquidity risk, in the case of the former, the most significant one being the obligation to itemise the financial instruments valued at reasonable value in accordance with the calculation hierarchy of the same.

Application of the following standards is not mandatory during the 2009 financial year. In cases where they have been applied in advance, the Management considers that they will not have a significant impact on the Annual Accounts for the 2009 financial year.

– IFRS 3 Revision. Business Combinations (applicable to financial years commenced with effect from 1 July 2009).

– IAS 27 Modification. Consolidated and Separate Financial Statements (applicable to financial years commenced with effect from 1 July 2009).

– IAS 39 Modification. Financial Instruments: Recognition and Measurement: Designation of hedging instruments (applicable to financial years commenced with effect from 1 July 2009).

– IAS 32. Classification of Rights Issues (applicable to financial years commenced with effect from 1 February 2010).

– IFRIC 12. Service Concession Arrangements and consequent modification of IFRS 1, IFRIC 14 and SIC 29 (applicable to financial years commenced with effect from 1 April 2009).

– IFRIC 15. Agreements for the Construction of Real Estate (applicable to financial years commenced with effect from 1 January 2010).

– IFRIC 17. Distributions of Non-Cash Assets to Owners (applicable to financial years commenced with effect from 1 November 2009).

– IFRIC 18. Transfers of Assets from Customers (applicable to financial years commenced with effect from 1 November 2009).

The standards and interpretations issued by the IASB and not adopted by the European Union are:

– IFRS 9. Financial Instruments (applicable to financial years commenced with effect from 1 January 2013).

– IFRIC 14. Minimum Funding Requirements (applicable to financial years commenced with effect from 1 January 2011).

– IFRIC 19. Extinguishing Financial Liabilities with Equity Instruments (applicable to financial years commenced with effect from 1 January 2013).

– Draft IFRS improvements for the 2009 financial year (mainly applicable to financial years commenced with effect from 1 January 2010).

– IFRS 2 Modification. Share-based Payment (mainly applicable to financial years commenced with effect from 1 January 2010).

– IAS 24 Revision. Related Party Disclosures (mainly applicable to financial years commenced with effect from 1 January 2011).

e) Comparison of information

All amounts contained in the present report for the 2008 financial year are presented solely and exclusively for comparative purposes.

f) Consolidation principles

The annual consolidated accounts contain, in addition to the data corresponding to the Parent Company, information corresponding to the subsidiary, multi-group and associated companies. The procedure for integrating the assets of said companies has been performed in accordance with the type of control or influence exercised over the same, as set out below:

Subsidiaries

Subsidiary companies are considered to be those which the Parent Company has decision making control over by possessing, directly or indirectly, more than 50% of the voting rights or, where this percentage is lower, agreements with other shareholders of such companies which confer upon it the majority of voting rights.

The information of subsidiary companies is consolidated with that of SegurCaixa Holding 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. 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 transactions between the consolidated companies are eliminated in the consolidation process.

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 necessary information concerning the companies in Group which form part of the consolidation scope, as at 31 December 2009 (in thousands of euros), is detailed below:

Company Name (***)	% Voting rights		Abridged financial information (*)							
	Direct	Total	Total Asset IFRS	Company capital paid	Asset Reserves	Other reserves IFRS	Result of fin. year IFRS net of dividend	Net Equity	Applied Premiums, net of Reinsurance	Other Revenues (**)
VidaCaixa, S.A. de Seguros y Reaseguros	99.99%	100%	24,827,653	380,472	134,337	164,030	41,902	720,741	2,981,322	–
SegurCaixa, S.A. de Seguros y Reaseguros	79.99%	99.99%	391,393	9,100	38,060	5,814	3,555	56,529	229,264	–
AgenCaixa, S.A. de Seguros y Reaseguros	99%	100%	12,496	601	7,959	–	(2,958)	5,602	–	22,781
SegurVida Consulting, S.A.	80%	80%	877	60	758	–	41	859	–	65
Grupo Asegurador de "la Caixa", A.I.E.	–	98.99%	14,330	9,729	–	–	–	9,729	–	21,294
Invervida Consulting, S.L.	99.99%	99.99%	6,763	2,905	3,843	–	10	6,758	–	–

(*) The financial information of the above companies included in the consolidation scope (total IFRS assets, company capital spent, asset reserves, other IFRS reserves, IFRS financial year result net of dividend, net accrued premiums of reinsurance and other revenues) has been obtained from the preliminary annual accounts for the 2009 financial year, closed on 31 December of that year, and has been duly adapted by each company to the IFRS-EU regulations adopted by the Group.
(**) Informs on the "Other revenues" concept in the case of non-insurance companies.
(***) The registered address of all the companies is Juan Gris, 20-26 Barcelona.

- The business object of VidaCaixa, S.A. de Seguros y Reaseguros is underwriting different forms of life insurance and reinsurance, including capitalization insurance, and all activities when they are intended to grant their participants services referring to risks related to human life, and particularly the pension funds regulated by Legislative Royal Decree 1-2002 of 29 November, which approves the revised text of the law regulating Pension Plans and Funds and the complementary provisions that implement or modify it.

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

- AgenCaixa, S.A., Agencia de Seguros of the SegurCaixa Holding Group distributes private insurance, which involves presenting, proposing, preparing and arranging insurance policies, in the name of and on behalf of or solely on behalf of one or more insurance companies authorized to engage in the insurance business.

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

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

At 31 December 2009, the Subsidiaries of SegurCaixa Holding maintained the following holdings in the operating fund of Agrupación with the following percentages:

	% Holding
VidaCaixa, S.A. de Seguros y Reaseguros	76.22%
SegurCaixa, S.A. de Seguros y Reaseguros	22.31%
AgenCaixa, Agencia de Seguros del Grupo SCH	0.46%

– The business object of InverVida Consulting, S.L. is to purchase, underwrite, own, administer, adapt and sell all types of fixed assets and holdings, national and foreign, on its own behalf and with no intermediary activity, with the purpose of directing, administering and managing these assets and holdings. At 31 December 2009, this company has a holding of 20% in the company capital of SegurCaixa.

None of the above companies is listed.

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

Name	% Voting rights	Year of constitution	Thousands of euros			
			Balances at 31 December 2009			
			Consolidated balance of the Group			
			Cost of acquisition	Reasonable value	Subscribed capital	Dividends paid fin. year 2009
GeroCaixa Previsión Empresarial	100%	2000	102	102	30	–
Naviera Itaca II (*)	50%	2005	387	387	3	–
Naviera Itaca III (*)	50%	2005	384	384	3	–
Naviera Itaca IV (*)	50%	2005	387	387	3	–
Naviera Ulises I (*)	50%	2006	1	1	3	–
Naviera Ulises II (*)	50%	2006	2	2	3	–

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

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

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

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

Note 5 of the Report provides information on the most significant acquisitions during the 2009 financial year, in addition to the period between 31 December 2009 and the date on which the present annual accounts were prepared.

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.

3. Significant accounting principles and policies and valuation criteria applied

The main valuation principles used in the preparation of the annual consolidated accounts of the Group corresponding to the 2009 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

The financial instruments are initially recorded in the consolidated balance when the Group formalises the contract which gives rise to them, in accordance with the conditions of the same. 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 withdrawn from the balance sheet once the obligations, risks or other benefits it generates have terminated.

Reasonable value and amortised cost

When initially recorded on the balance sheet, all financial instruments are recorded at reasonable value which, in the absence of evidence to the contrary, is the price of the transaction. Subsequently, on a specific date, the reasonable 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 reasonable 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").

When no market price exists for a specific financial instrument, to estimate its reasonable value, 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 reasonable value of negotiated financial derivatives in organised, transparent and strong markets included in the negotiation 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 reasonable 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 methods 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 reasonable 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 as an objective reference for determining their value the listed prices of active markets (Level 1) and consequently use to determine their reasonable 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.

For the instruments classified in Level 2, for which no market price exists, to estimate their reasonable value, 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 reasonable value of OTC derivatives and of financial instruments negotiated 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, based on parameters observable in the market. Fundamentally, this level includes unlisted debt securities.

To obtain the reasonable value classified in Level 3, for the valuation of which no directly observable data exists 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 2009, 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. This criteria is 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 reasonable value managed by the Group companies and consequently appear in the balance sheet at the reasonable value which corresponds to the covered risk.

Classification of financial instruments

The financial instruments not included in the categories mentioned below are recorded in one of the following headings in the attached balance sheet: *Financial assets maintained for negotiation – Derivatives*:

– Financial assets maintained for negotiation

This section includes financial assets which have been acquired for sale in the short-term. This category also includes financial derivatives which are not financial guarantee contracts (for example bank guarantees) and have not been designated as hedge instruments either. This heading also includes implied derivatives which have been recognised and valued separately from their initial contract.

– Loans and accounts receivable

This heading includes most of the mortgage loans, non-mortgage loans, policy advance payments and financial assets without publication of prices, in addition to accounts receivable derived from deposits claimed in accepted reinsurance business.

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

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

This category includes financial instruments which, not being part of the financial assets and liabilities maintained for negotiation, are jointly managed with liabilities through insurance policies valued at reasonable value and whose purpose 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.

– Financial assets available for sale

This heading of the balance sheet includes debt securities which are not considered for negotiation, 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 negotiation, or other financial assets at the reasonable value with changes in profits and losses.

In general terms, this category includes all variable-income financial assets, holdings in investment funds and indexed values, long-term deposits and fixed-income securities. On these last instruments, the Group has closed various interest rate financial swap contracts, and has generally received fixed and/or determinable amounts from the different counterparts. The principle aim of these operations is to cover the cash flows necessary to meet the payment of loans derived from the commitments with its policyholders, including the commitments acquired by virtue of certain pension commitment exteriorisation policies. For these fixed-income securities which incorporate interest rate swaps, the Group has the valuation separated from the certificate and swap, but given that their coupons are exchangeable, it values the operation in its entirety by updating the agreed flows and those associated to these financial activities, using a market interest curve. For accounting purposes, the combined financial accrual of the flow resulting from the certificate plus the swap is also carried out. In accordance with the aforementioned purpose, the differences between this combined market value and the accounting cost are allocated to the technical reserves of the insurance contracts on each closure date. Separately valuing the fixed-income securities and the aforementioned interest rate swaps would have no significant effect on the Group's own funds or assets in the consolidated balance sheet of the Group.

During the 2009 financial year, and the one immediately before it, no financial instrument was allocated to the portfolio "Held-to-maturity investments".

– Financial liabilities at amortised cost

This heading includes subordinated debt issues. These issues are presented net of the expenses associated to them, which are imputed to the profit and loss account as major financial expenses, a time period of 10 years from each issue being considered.

At 31 December 2009, 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.

Deterioration of financial assets

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

A financial asset is considered to have deteriorated 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 deterioration is charged to the consolidated Profit and Loss Account of the period in which said deterioration occurs, and the recouping of losses caused by previously recorded deterioration, wherever applicable, are recognised in the consolidated Profit and Loss Account of the period in which the deterioration is eliminated or reduced, except in the case of equity instruments classified as available for sale, given that such deterioration 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, remission or any other cause.

Below we set out the main criteria adopted when examining the deterioration of the different financial assets of the Group:

– Financial assets recorded at amortised cost

The sum of losses through deterioration 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 reasonable value below the acquisition cost does not in itself constitute proof of deterioration.

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

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

– 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 deterioration 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 reasonable value, after deducting any loss through deterioration 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 reasonable value below acquisition cost does not in itself constitute proof of deterioration.

When there is objective evidence that the differences arising in the valuation of these assets originate from their deterioration, 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 deterioration until that moment in the consolidated profit and loss account.

If some or all of the losses through deterioration 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 deterioration 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 market in which the investee company operates. These indicators are used to evaluate whether objective evidence of deterioration exists. A decrease in reasonable value below the acquisition cost does not in itself constitute proof of deterioration.

The loss through deterioration 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 reasonable value, after deducting any loss through deterioration previously recognised in the consolidated profit and loss account.

The criteria for recording losses through deterioration 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"*.

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

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

– The loss or gain in an asset available for sale is directly recognised in equity in the line "Adjustments through valuation" until the financial asset is cancelled in the accounts registers, with the exception of losses through deterioration in the value and losses or gains due to the exchange rate. At the time of cancellation, the loss or gain which has been previously recognised in the net 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 equity instrument classified as available for sale are recognised in the profit and loss account of the financial year when the Group's right to receive the payment has been established.

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

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

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

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

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

c) Tangible fixed assets

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

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

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

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

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

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

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

The market value of the buildings for own use, which is indicated in Note 7.a.) of the Report, has been obtained from valuation reports produced by independent experts, with a maximum life of 3 years. 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 deterioration, where appropriate, but in no case below their residual value. The acquisition cost includes the sale price along with any directly attributable payment (associated transaction costs).

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

The market value of property investments, which is indicated in Note 7.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 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 initially values intangible assets by their cost of acquisition or production and maintains this cost model in subsequent valuations, minus the corresponding accumulated depreciation, if one exists, and the accumulated amount of the losses through deterioration of value, where appropriate. To determine whether the value of the intangible assets has deteriorated, the Group applies IAS 36 – *Deterioration of the value of assets* – and subsequent interpretation of this, such as IFRS 4 – *Insurance contracts* – in cases where this is applicable.

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

Consolidated Goodwill

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

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

The caption "Consolidated Goodwill" includes at 31 December 2009 the positive difference of consolidation deriving from the extension of the capital holding in the SegurCaixa subsidiary, which the Group already controlled, through the difference between the cost of the new holding and the percentage of the net additional assets acquired according to the value for which they appeared in the Group's consolidated accounting statements.

Said goodwill includes the valuation of certain intangible assets, such as the current value of the future cash flows related to certain insurance contracts, as a consequence of the fact that the Group does not revalue the assets and liabilities of these subsidiaries in which the control percentage has increased. 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.

The surplus goodwill is not paid, but the potential deterioration in the value is analysed annually, or more often, if the events or changes in circumstances make this advisable, according to the requirements established in IAS 36 – *Deterioration of the value of assets*. In cases where a loss occurs owing to deterioration of the value of goodwill, this will be recorded in the profit and loss account of the financial year in which it is declared, and cannot be reverted either to the end of said financial year or to subsequent financial years (See Note 8.a).

According to the analysis of the deterioration carried out during the 2009 financial year, there is no evidence of any deterioration of said goodwill.

Merger Goodwill

The consolidated balance sheet at 31 December 2009 includes the amount corresponding to the goodwill originating from the purchase on 31 March 2008 and subsequent merger by absorption of the company ""la Caixa" Gestión de Pensiones, E.G.F.P., S.A.U." (previously known as Morgan Stanley Gestión Pensiones, E.G.F.P, S.A.U.) by VidaCaixa. Said merger was approved by the DGIPF on 30 November 2008, with retroactive effect from 30 June 2008.

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

No deferred taxes were generated from registering this operation.

Other Intangible assets

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

Intangible Assets identified

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

Computer applications

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

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

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

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

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

Pension-fund marketing expenses

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

The possible loss of value in the expedited acquisition expenses referring to Life and Non-life insurance contracts is evaluated according to the requirements set out in IFRS 4 - *Insurance contracts*. See Note 8.a.

f) Transactions in foreign currencies

Operating currency

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

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

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

- Conversion from the foreign currency into the operating currency (the currency of the principal economic area in which the subsidiary operates or the euro in the case of companies domiciled in the European Monetary Union), and
- Conversion to euros of the balances maintained in the operating currencies of subsidiaries whose operating currency is not the euro.

Conversion criteria of balances in foreign currencies

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

- Non-monetary entries valued at their historic cost are converted into the operating currency by applying the exchange rate at the date of their acquisition.
- Non-monetary entries valued at their reasonable cost are converted into the operating currency by applying the exchange rate at the date on which said reasonable cost was calculated.
- Revenue and expenses are converted by applying the average exchange rates of the period for all operations that belong to the same.
- Futures trading operations of currencies against currencies and currencies against euros not aimed at covering asset positions are converted at the exchange rates established on the date of the financial year close by the currency futures market for the corresponding accrual date.

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

Recording of exchange rates

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

- The exchange rate differences arising in the non-monetary items whose reasonable value is adjusted with counterpart in equity are recorded in equity under the concept "Adjustments to assets through valuation – Portfolios available for sale".
- The exchange rate differences arising in the non-monetary items whose gains or losses are recorded in the financial year result, are also recognised in the financial year result, without differentiating them from the other variations that may occur to their reasonable value.

g) Company tax

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

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

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 Company Tax at 31 December 2009 by applying the current tax regulations and Royal Decree Law 2-2008, of 21 April, on measures to promote economic activity in all companies domiciled for tax purposes in Spain.

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

h) Assets and liabilities derived from insurance and reinsurance contracts

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

Classification of the contracts portfolio

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

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

Valuation of assets and liabilities derived from insurance and reinsurance contracts

IFRS 4 restricts the changes in accounting policies followed in insurance contracts. 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 the Administration and Supervision of Private Insurance).
- The liabilities suitability 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 reserves, net of any deferred acquisition cost or any

intangible asset related to the insurance contracts subject to evaluation, with the amount resulting from considering the current estimations, applying market interest rates, of all the cash flows derived from the insurance contracts, with the difference that derives between the market value of the financial instruments affecting the previous contracts and their acquisition cost. In order to determine the market value of these liabilities, the same interest rate as the one employed in the financial instruments is used. The valuations of the insurance contracts also include the related cash flows, such as those coming from the implicit options and guarantees.

As a consequence of the test performed on 31 December 2009, 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 "Life Insurance 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 "tacit accounting".

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

For unconsumed and unearned premiums

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

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

Life insurance

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

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

For presentation purposes, the caption in the liabilities "Technical provisions – life insurance" includes the technical reserves corresponding to insurance in which the policyholder assumes the investment risk. The corresponding technical reserves are determined on the basis of indices or assets used as a reference to determine the economic value of the rights of the policyholders. (See Note 6 and Note 12).

Claims

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

Claims pending settlement or payment and claims pending declaration

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

Claims pending declaration

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

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

For the purposes of the tax deductibility of the provision of claims calculated using statistical methods, calculations have been made for consideration of the minimum amount of the reserve, in accordance with the requirements established by Additional Provision Three of Royal Decree 239-2007, of 16 February, which amends the 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 that established in 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 caption "Technical provisions".

Commissions and accrued acquisition expenses

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

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

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

Claims recovery

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

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

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

Reinsurance

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

i) Non-technical reserves

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

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

Reserves for pensions and similar risks

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

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

On the other hand, upkeep and maintenance costs are expensed during the period in which they occur in each Group company. In the 2009 financial year, the subsidiary companies contributed 359 thousand euros to this Fund (337 thousand euros in 2008).

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

Other non-technical reserves

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

j) Income and expenses

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

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

Income through issued premiums

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

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

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

Income and expenses through interest and similar concepts

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

Claims paid and variation in reserves

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

Commissions

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

k) Statement of cash flows

The following expressions are used in the cash flows statement:

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

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

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

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

l) Financial information by segments

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

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

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

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

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

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

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

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

Allocation of Assets and Liabilities to the main segments

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

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

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

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

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

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

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

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

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

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

4. Management of risk and capital

Management of capital

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

The solvency margin is calculated in accordance with the corresponding articles established in the ROSSP, modified by RD 297-2004, of 20 February, RD 239-2007, of 16 February, RD 1318-2008, of 24 July. These assets will basically consist of the company capital paid, the reserves, the undistributed profit, the subordinate financing, the capital gains of the investments 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 the 4% of the technical reserves and an additional percentage over the insured capital in risk.

At 31 December 2009, the solvency margin and the minimum quantity the subsidiaries VidaCaixa and SegurCaixa was as follows (in millions of euros):

Solvency Margin	VidaCaixa	SegurCaixa
Own uncommitted assets	1,096	56
Solvency margin minimum quantity	785	44
Solvency margin surplus	311	12
THE ASSETS REPRESENT % OF THE REQUIRED MINIMUM	**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 considerable growth of the SegurCaixa Holding 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 SegurCaixa Holding maintains its cash and equivalent liquid assets in financial entities with a high credit rating.

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

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

– Prudence: rating scales and periods have been established.

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

The credit risk management of SegurCaixa Holding is determined by internal compliance with the actions defined by the 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, SegurCaixa Holding has a treasury which displays its balance. In addition, ALM analysis performed in Life portfolios makes it possible to mitigate this risk.

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

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

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

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

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

– Technical or underwriting risk

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

– Underwriting. Based on the acceptance of risks based on the actuarial variable principles (age, capital insured and duration of guarantee).

– Pricing. In accordance with the current DGIPF regulations, the price rates for the life insurance area are established using the mortality tables permitted by current legislation. The interest rates used for pricing are applied in accordance with the maximum rate determined by the Regulations on Administration and Supervision of Private Insurance (RASPI) approved by Royal Decree 2486/1998 of 20 November.

– Definition and supervision of Reinsurance Policy: Establishing appropriate diversification of the risk among various reinsurance companies with sufficient capacity to absorb unforeseen losses. From this, stability in the claims results is obtained.

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

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

– Sensitivity to the insurance risk (IFRS 4):

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

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

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

5. Variations in associated, group and multi-group companies

In November 2009, Criteria CaixaCorp subscribed to the capital enlargement of SegurCaixa Holding S.A. through the non-monetary contribution of its 20% holding VidaCaixa, S.A. de Seguros y Reaseguros. As a result of this transaction, SegurCaixa Holding directly controls 100% of the shares of VidaCaixa, S.A. de Seguros y Reaseguros and of all the insurance business of the Group. This company restructuring operation has not had any impact on the financial situation or the results of the Group, given that the parent company Criteria CaixaCorp had a 100% shareholding in these companies during the financial year. (see Note 14).

6. Financial assets

The breakdown of the financial assets 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 (MFN)	Other financial assets at reasonable value with changes in the profits and losses account (CRVP&L)	Financial assets available for sale (AFS)	Loans and payments receivable (L&PR)	Total at 31-12-2009
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 policy holders who assume the risk of the investment	–	184,312	–	–	184,312
Loans	–	–	–	82,147	82,147
Other financial assets	23,987	–	–	–	23,987
Deposits in credit entities	–	–	–	945,010	945,010
Deposits constituted for accepted reinsurance	–	–	–	–	–
Credits					
Credits through direct insurance and coinsurance operations	–	–	–	100,736	100,736
Credits through reinsurance operations	–	–	–	1,734	1,734
Other credits	–	–	–	45,583	45,583
Deterioration in value	–	–	–	–	–
TOTAL	**23,987**	**184,312**	**17,992,224**	**1,175,210**	**19,375,733**

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

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

a) Financial Investments

Financial assets maintained for negotiation

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

	MFN
	Derivatives
Net Book Value at 1 January, 2008	**–**
Purchases	–
Sales and amortisations	–
Reclassifications and transfers	25,585
Net Book Value at 31 December, 2008	**25,585**
Purchases	142
Sales and amortisations	(43)
Reclassifications and transfers	–
Revaluations against reserves	–
Revaluations against results	(1,697)
Changes in the losses through deterioration of value	–
Net Book Value at 31 December 2009	**23,987**

The investments held in derivatives at 31 December 2009 correspond to implied derivatives which the Group has valued and recorded separately and which, in their entirety, correspond to options on stock indices and weighted baskets of shares. The accrual dates of such derivatives is between 2019 and 2021, with the exception of one option which accrues in 2010. The reasonable value of such investments has been calculated from the final listing, in the case of securities listed in organised markets, and in the case of non-listed securities or securities without a representative listing, the market value has been calculated by applying general accepted valuation methods.

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

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

Investment on behalf of life insurance policy holders who assume the risk of the investment	
Net Book Value at 1 January, 2008	**253,619**
Purchases and accruals	108,798
Sales, accruals and depreciations	(85,822)
Revaluations against results	(107,072)
Changes in the losses through deterioration of value	–
Net Book Value at 31 December, 2008	**169,523**
Purchases and accruals	237,976
Sales, accruals and depreciations	(243,328)
Revaluations against results	20,141
Changes in the losses through deterioration of value	–
Net Book Value at 31 December 2009	**184,312**

During the 2009 financial year, the income from investments on behalf of policyholders who assume the risk of the investment totalled 35,509 thousand euros, while the expenses of the same totalled 17,811 thousand euros. Both sums are recorded in the attached Consolidated Profit and Loss Account.

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

Financial assets available for sale

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

	AFS		Total
	Financial investments in capital	Debt securities	
Net Book Value at 1 January, 2008	**77,823**	**16,586,847**	**16,664,670**
Purchases	36	4,029,041	4,029,077
Sales and amortisations	(5,028)	(3,574,553)	(3,579,581)
Reclassifications and transfers	2,778	(25,585)	(22,807)
Revaluations against reserves	(31,160)	208,446	177,286
Changes in the losses through deterioration of value	–	(61,662)	(61,662)
Net Book Value at 31 December, 2008	**44,449**	**17,162,534**	**17,206,983**
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 deterioration of value	–	–	61,662
Net Book Value at 31 December 2009	**57,274**	**17,934,950**	**17,992,224**

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 has 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.

The unrealised capital gains of the financial instruments associated to the portfolio which remunerates the Group's own funds is 10,700 thousand euros (4,583 thousand euros in the 2008 financial year), registered as a credit and/or debit in the reserves owing to net valuation adjustments of the corresponding tax effect and the imputation to external partners.

During the course of the 2009 financial year, 4,193 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 2008 financial year, net gains of 57,841 thousand euros were recognised respectively for said concept in the profit and loss account.

Loans and payments receivable

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

	L&PR					
	Non-mortgage loans and advance payments on policies	Mortgage loans	Other financial assets without published prices	Deposits in credit entities	Deposits constituted for accepted reinsurance	Total
Net Book Value at 1 January, 2008	**176,025**	**1,207**	**9,873**	**–**	**1**	**187,105**
Purchases	64,119	–	–	–	–	64,119
Sales and amortisations	(108,603)	(136)	(81)	–	–	(108,820)
Reclassifications and transfers	–	–	–	–	–	–
Revaluations against reserves	–	–	–	–	–	–
Changes in the losses through deterioration of value	–	–	–	–	–	–
Net Book Value at 31 December, 2008	**131,541**	**1,071**	**9,792**	**–**	**1**	**142,405**
Purchases	33,695	–	–	942,378	–	976,073
Sales and amortisations	(83,953)	(207)	(7,160)	–	(1)	(91,321)
Reclassifications and transfers	–	–	(2,632)	2,632	–	–
Revaluations against reserves	–	–	–	–	–	–
Changes in the losses through deterioration of value	–	–	–	–	–	–
Net Book Value at 31 December 2009	**81,283**	**864**	**–**	**945,010**	**–**	**1,027,157**

a.1) Financial investments in capital

The following is the breakdown of the balances in this sub-caption at 31 December 2009 and 2008:

	Thousands of euros	
	AFS Portfolio	
	31-12-2009	31-12-2008
Shares in Spanish listed companies	55,810	42,603
Shares in unlisted Spanish companies	1,464	1,846
TOTAL	**57,274**	**44,449**

At 31 December 2009, the Group owns 0.5044% of the company capital of Abertis Infraestructuras, S.A. (ABERTIS). The business purpose of the company is the construction, maintenance and operation of motorways in Spain and abroad; the construction of road infrastructures; activities complementary to the construction, maintenance and operation of motorways, such as service stations, integrated logistics and/or transport centres and/or car parks, as well as any activity related to transport and communication and/or telecommunication infrastructures in the service of the movement and transport of people, goods and information, with authorisation, where necessary. It has its registered office in Barcelona at Avinguda del Parc Logístic, 12-20, and at 31 December 2009 had a total share capital of 2,111,537 thousand euros, reserve assets of 1,583,673 thousand euros and a net income in the current period of 653,064 thousand euros, before deducting a dividend amounting to 211,054 thousand euros, according to public data calculated in compliance with IFRS-EU. In 2009, the Group received 2,079 thousand euros in dividends on these shares. The market value of these shares at December 31 2009, taking into consideration their valuation at 30 December 2009, 15.72 euros a share, was higher than the book value by 40,527 thousand euros.

The Group also has a stake in the company "Tecnologías de la información y redes para las entidades aseguradoras, S.A.", worth 57 thousand euros.

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

a.2) Fixed-income securities

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

	Thousands of euros	
	31-12-2009	31-12-2008
	AFS Portfolio	AFS Portfolio
Public Debt and Government obligations and bonds	2,441,424	2,055,296
Other Public Administration	224,286	714,171
Issued by financial companies	1,928,531	1,514,461
Foreign Public Debt	2,642,509	2,579,779
Those issued by foreign financial companies	2,339,130	1,316,275
Other fixed income values	8,359,070	8,982,552
TOTAL	**17,934,950**	**17,162,534**

The average internal rate of return of the portfolio at 31 December 2009 is 3.06% (4.89% at 31 December 2008), with an estimated average duration of approximately 7 years.

The returns accrued by these fixed income securities, different to the variation in their reasonable value, due basically to interest rates and net accrual of the positive and negative premiums, are recorded in the caption "Net income from investments" of the profit and loss account, being a total of 879,644 thousand euros in the 2009 financial year (809,161 thousand euros in 2008).

The maturity dates of the securities included in this sub-caption, according to their allocation portfolio at 31 December 2009 and 2008, and taking into consideration their reasonable value, are as follows:

Maturity	Thousands of euros	
	31-12-2009	31-12-2008
	AFS Portfolio	AFS Portfolio
Less than 1 year	1,564,839	1,657,049
1 to 3 years	2,742,431	2,037,018
3 to 5 years	2,052,427	1,239,702
5 to 10 years	3,571,946	2,063,578
10 to 15 years	2,337,329	1,617,138
15 to 20 years	1,165,684	862,309
20 to 25 years	1,988,836	1,950,223
More than 25 years	2,511,458	5,735,517
TOTAL	**17,934,950**	**17,162,534**

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

The following is the breakdown of the balances in this sub-caption at 31 December 2009 and 2008:

Investment on behalf of life insurance policy holders who assume he risk of the investment	Other financial assets at the reasonable value with changes registered in the profits and losses account (CRVP&L)	
	31-12-2009	31-12-2008
Variable Income	27,754	13,659
Holdings in investment funds	79,132	67,011
Fixed income and other investments	77,426	88,853
TOTAL	**184,312**	**169,523**

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

Maturity	Thousands of euros	
	31-12-2009	31-12-2008
	CRVP&L	CRVP&L
Less than 1 year	21,265	34,539
1 to 3 years	31,105	6,175
3 to 5 years	17,899	6,057
5 to 10 years	7,090	27,311
More than 10 years	67	14,771
TOTAL	**77,426**	**88,853**

The variation during the financial year 2009 of the gains net of losses of these assets totalled (662) thousand euros (107,072) thousand euros respectively in 2008). They are recorded in the caption "Unrealised gains and losses from investments" in the profit and loss account of the Life segment.

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

The following is the detail of the balances that make up this sub-caption at 31 December 2009 and 2008:

	Thousands of euros	
	31-12-2009	31-12-2008
	L&PR	L&PR
Non-mortgage loans and advance payments on policies		
Loans to policyholders – financed premiums	81,283	131,541
Advance payments on policies	–	9,792
Mortgage loans	864	1,071
Deposits in credit entities	945,010	–
Deposits constituted for accepted reinsurance	–	1
TOTAL	**1,027,157**	**142,405**

The maturity dates of the non-mortgage loans the Group maintains at their amortised cost are between 2010 and 2013 and refer to loans with guarantee of the mathematical reserve which the company VidaCaixa conceded to various companies in the framework of the process of outsourcing commitments for pensions.

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

All the deposits in credit entities with a maturity greater than 3 months are amortised during 2010.

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

a.5) Losses through deterioration of value

During the 2009 financial year, no losses through deterioration of value were recognised for any type of financial assets.

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

During the 2009 financial year, these assets were sold without any effect on the results account.

b) Credits

The following is the detail of the credits derived from insurance, reinsurance and coinsurance contracts at 31 December 2009 and 2008:

	Thousands of euros	
	L&PR	
	31-12-2009	31-12-2008
Credits through direct insurance and co-insurance operations		
Insurance policyholders – receipts pending:		
Direct and reinsurance business	37,990	33,042
Premiums accrued and not issued	49,149	34,521
(Reserve for premiums pending payment)	(12,064)	(8,009)
Mediators:		
Pending balances with mediators	6,040	32,254
(Reserve for deterioration of balance with mediators)	(10)	(243)
Accounts receivable for coinsurance operations	19,632	18,658
Credits through reinsurance operations		
Pending balance with reinsurance companies	1,734	4,598
Other credits		
Other credits	45,582	87,689
TOTAL	**148,053**	**202,510**

The movement and detail of the losses of value recorded during the financial years 2009 and 2008 are set out in the following table, the different variations having been recorded in the captions "Net reinsurance premiums imputed" and "Net operating expenses" in the profit and loss account applicable to each segment.

	Reserve for pending premiums	Reserve for deterioration of balance with mediators
Balance at 1 January, 2008	**(5,141)**	**(375)**
Endowments charged to results	(2,868)	–
Applications with payment to results	–	132
Balances at 31 December 2008	**(8,009)**	**(243)**
Endowments charged to results	(4,055)	–
Applications with payment to results	–	233
Balances at 31 December 2009	**(12,064)**	**(10)**

The breakdown of other credits in the consolidated balance sheet at 31 December 2009 and 2008 are detailed below:

	Thousands of euros	
Other Credits	31-12-2009	31-12-2008
Administration commissions and other commissions to be received	29,307	68,927
Other debtors	11,062	13,393
Creditors for securities	5,213	5,369
TOTAL	**45,582**	**87,689**

7. Tangible fixed assets and property investments

a) Tangible fixed assets

According to their nature, the following is the breakdown of the items making up the balance of this caption and sub-caption of the consolidated balance sheet at 31 December 2009 (in thousands of euros):

	Buildings for own use	Furniture and Fittings	Vehicles	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 deterioration	**–**	**–**	**–**	**–**	**–**
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 deterioration	–	–	–	–	–
Net Book Value at 31 December 2009	**7,308**	**2,428**	**–**	**2,470**	**12,206**

Detail 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 deterioration	**–**	**–**	**–**	**–**	**–**

The following is the movement and breakdown corresponding to the 2008 financial year (in thousands of euros):

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

At 31 December 2009 and 2008, the Group has full rights of ownership over these properties, none of them being liable as any type of guarantee. Further, the Group has no commitment to acquire new properties. At the 2009 financial year close, all tangible assets of the Group are used directly for operational purposes.

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

The market value at 31 December 2009 of the properties used by the Group and of the investments is summarised below (in thousands of euros):

	Market value at 31-12-2009			
	Non-life Segment	Life Segment	Other activities Segment	Total
Buildings for own use	**4,660**	**16,205**	**97**	**20,962**

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 5,038, 17,519 and 104 thousand euros, respectively.

b) Property investments

According to their nature, the following is the breakdown of the items making up the balance of this caption and sub-caption of the consolidated balance sheet at 31 December 2009 (in thousands of euros):

	Property investments third-party use
Cost at 1 January, 2009	**2,272**
Accumulated Amortisation at 1 January, 2009	**(155)**
Losses through deterioration	**–**
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 deterioration	–
Net Book Value at 31 December 2009	**2,107**

Detail 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**

The following is the movement and breakdown corresponding to the 2008 financial year (in thousands of euros):

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

During the course of the 2009 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 2009 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 2009 of the Group's property investments is summarised below (in thousands of euros):

	Market value at 31-12-2009			
	Non-life Segment	Life Segment	Other activities Segment	Total
Property investments third-party use	**–**	**7,857**	**–**	**7,857**

At the close of the previous financial year, the market value was 7,949 thousand euros, being fully allocated to the life segment.

8. Intangible assets

The movements produced in this caption during the financial years 2009 and 2008 are as follows:

	Thousands of euros								
						Other Intangible assets			
	Consolidated Goodwill	Consolidated Intangible assets	Merger Goodwill	Merger Intangible assets	Computer applications	Pension fund expenses	Marketing expenses of other Non-life insurance policies	Other expenses of acquisition of pension plans and life insurance contracts	Total Intangible assets
Cost at 1 January, 200,8	**44,293**	**26,799**	**–**	**–**	**19,446**	**8,415**	**1,344**	**28,832**	**129,129**
Accumulated Amortisation at 1 January, 2008	**–**	**–**	**–**	**–**	**(18,178)**	**(5,315)**	**(576)**	**(9,701)**	**(33,770)**
Net Book Value at 1 January, 2008	**–**	**26,799**	**–**	**–**	**1,268**	**3,100**	**768**	**19,131**	**95,359**
Additions	–	–	3,407	6,953	690	964	80	18,022	30,116
Disposals	–	–	–	–	–	–	–	–	–
Reclassifications and transfers	–	–	–	–	–	–	–	–	–
Amortisation of financial year	–	(1,787)	–	(290)	(495)	(2,737)	(243)	(10,222)	(15,774)
Disposals in the amortisation	–	–	–	–	–	–	–	–	–
Losses through deterioration	–	–	–	–	–	–	–	–	–
Cost at 31 December 2008	**44,293**	**26,799**	**3,407**	**6,953**	**20,136**	**9,379**	**1,424**	**46,854**	**159,245**
Accumulated Amortisation at 31 December 2008	**–**	**(1,787)**	**–**	**(290)**	**(18,673)**	**(8,052)**	**(819)**	**(19,923)**	**(49,544)**
Net Book Value at 31 December 2008	**44,293**	**25,012**	**3,407**	**6,663**	**1,463**	**1,327**	**605**	**26,931**	**109,701**
Additions	–	–	–	–	203	–	2,972	20,203	23,378
Disposals	–	–	–	–	–	–	–	–	–
Reclassifications and transfers	–	–	–	–	–	–	–	–	–
Amortisation of financial year	–	(1,787)	–	(622)	(576)	(42)	–	–	(3,027)
Disposals in the amortisation	–	–	–	–	–	–	–	–	–
Losses through deterioration		–	–	–	–	–	–	–	–
Cost at 31 December 2009	**44,293**	**26,799**	**3,407**	**6,953**	**20,339**	**9,379**	**4,396**	**67,057**	**182,623**
Accumulated Amortisation at 31 December 2009	**–**	**(3,574)**	**–**	**(912)**	**(19,249)**	**(8,094)**	**(819)**	**(19,923)**	**(52,571)**
Net Book Value at 31 December 2009	**44,293**	**23,225**	**3,407**	**6,041**	**1,090**	**1,285**	**3,577**	**47,134**	**130,052**

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

a) Consolidated Goodwill and Consolidated Intangible Assets

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

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

During the 2009 financial year, for the surplus goodwill associated with the SegurCaixa subsidiary, an analysis has been made of the eventual loss of value. This current value has been discounted by applying a discount rate which includes a risk premium 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 deterioration of value which affect the consolidated goodwill. According to the estimations and projections of the Administrators and Managers of the Parent company, the forecast income and cash flow attributable to the Group of these companies support the net value of the goodwill recorded. (see Note 3.e).

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." (see Note 3.e).

c) Computer applications and other intangible assets not generated internally

These intangible assets have a defined useful life, according to their nature, and their amortisation criteria 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 deterioration for this type of intangible asset, and has full rights of ownership over them. The Group has no additional commitments to those recorded in its consolidated financial statements for the acquisition of intangible assets. At the 2009 financial year close, all tangible assets of the Group are used directly for operational purposes.

9. Fiscal situation

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

a) Fiscal consolidation regime

Since 1 January 2008, with the prior authorisation of the Tax Administration, all the consolidated companies pay Company Tax under the Fiscal Consolidation Regime jointly with the 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 fiscal consolidation group. The profits determined according to tax legislation for this consolidated Group are liable to a tax obligation of 30% on the tax base in the 2009 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 2009 and 2008:

	Thousands of euros	
	31-12-2009	31-12-2008
Assets through ordinary tax		
Income Tax receivable for		
Other debtor balances of other fiscal groups or individual companies	20,910	23,201
Total assets through ordinary tax	**20,910**	**23,201**
Liabilities through ordinary tax		
Income Tax payable for		
Parent company consolidated Group tax liquidation amount owing	–	–
Other debtor balances of other fiscal groups or individual companies	686	22,929
Total liabilities through ordinary tax	**686**	**22,929**

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

c) Assets and liabilities through deferred tax

At 31 December 2009, the Group additionally has anticipated and deferred taxes for the amount of 46,606 and 48,789 thousand euros respectively, recorded under the captions "Assets through deferred taxes" and "Liabilities through deferred taxes".

At 31 December 2008 said prepaid and deferred taxes totalled 49,143 and 48,105 thousand euros respectively.

The prepaid and deferred taxes which are credited or charged under IFRS directly to recognised revenue and expenses accounts (basically, the valuation adjustments derived from the classified financial instruments in the "available for sale" portfolio and exchange rate differences) have been recorded through said account with having any effect on the consolidated profit and loss account for the 2009 financial year.

d) Taxes charged on equity and deferred taxes

Independently of the taxes on profits charged to the consolidated profit and loss accounts, the Group charged 4,586 thousand euros to its consolidated net equity in the 2009 financial year. This sum has increased the liabilities through deferred taxes which the Group presented at 31 December 2009 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 2009 and 2008 are the following:

	Thousands of euros	
Deferred Debtor Taxes with Origin in:	**31-12-2009**	**31-12-2008**
Anticipated taxes recorded under local regulations	–	–
Adaptation of the life insurance provision tables	19,696	22,712
Sales of fixed income securities	23,989	26,351
Adjustments through valuations of financial investments	2,921	80
TOTAL	**46,606**	**49,143**

Deferred Creditor Taxes with Origin in:	Thousands of euros	
	31-12-2009	31-12-2008
Adjustments through valuations of financial investments	7,618	1,990
Stabilisation reserve	–	–
Sales of fixed income securities	34,164	38,611
Adjustment of consolidated intangible assets	7,007	7,504
TOTAL	**48,789**	**48,105**

e) Conciliation of the book and tax results

The following is the detail of the Tax expense of companies reflected in the attached consolidated profit and loss account for the financial years 2009 and 2008:

	Thousands of euros	
	2009	2008
Locally based taxable income before taxes	**457,050**	**450,768**
Elimination intra-group dividends	(168,200)	(183,748)
Adjustment recovery intra-group commissions	1,331	1,523
Goodwill Adjustments	(1,787)	–
VidaCaixa capital enlargement expenses	(1,505)	–
Taxable income of Group	**286,889**	**268,543**
Payable value (30%)	**86,067**	**80,563**
Deductions	(864)	(1,785)
Adjustments 2008	(1,071)	–
Liquid value of Group	**84,132**	**78,778**

	Thousands of euros	
	2009	2008
Tax of SegurCaixa Holding, S.A. and Subsidiaries	**84,132**	**78,778**
Corporation Tax of other companies not belonging to the consolidated tax group	–	–
Consolidation and application of IFRS adjustments	2,005	1,690
Tax of SegurCaixa Holding, S.A. and Subsidiaries	**86,137**	**80,468**

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 2005 financial year for Company Tax and the financial years 2006 to 2009 for all other applicable taxes. The remaining consolidated companies are generally available for inspection by the tax authorities for the financial years determined in the tax regulations which apply to the main taxes they are liable for.

10. Financial liabilities

According to their nature, the following is the breakdown of the items making up the balance of this caption and sub-caption of the consolidated balance sheet at 31 December 2009 (in thousands of euros):

Portfolio of Debts and payable items		
	Thousands of euros	
Financial liabilities	31-12-2009	31-12-2008
Subordinated liabilities	292,017	290,613
Deposits received for ceded reinsurance	2,725	3,312
Debts through insurance and co-insurance operations	89,673	72,529
Debts through reinsurance operations	2,742	3,965
Other debts	197,769	120,471
Debts through temporary assignment of assets	5,736,402	4,834,744
TOTAL	**6,321,328**	**5,325,634**

a) Subordinated liabilities

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

The 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 referred to the Euribor index. The Nominal Interest Rate will vary through the life of the issue, although from 29 December 2000 until 30 December 2010, the minimum rate of the coupon to which the Subordinated Perpetual Obligations give entitlement will be at least 4.43% (4.50% APR), with a maximum 6.82% (7% APR) on the nominal.

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

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

The obligations are perpetual and are therefore issued for an indefinite time period. However, according to the provisions of articles 58 and 59 of the Regulations on the Administration and Supervision of Private Insurance, they may be totally or partially amortized 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 amortized to 100% of their par value.

At 31 December 2009, the amount pending amortisation of the expenses associated to the issues was 3,983 thousand euros (5,837 thousand euros at the close of the previous financial year) and are subtracted from value of the subordinate liabilities. The value of the subordinate liabilities was also corrected by the amount pending amortisation corresponding to the net premium charged through the "collar" which insures the minimum and maximum interest rates during the first 10 years of the issues, which was 697 thousand euros at the close of the 2009 financial year.

In the 2009 financial year, 11,686 thousand euros were recorded as a financial expense derived from such issues (14,498 in 2008), having settled the quarterly coupons applying an interest rate of 4.43% for the first issue (4.90% in 2008) and 3.45% for the second issue (4.90%). This is recorded in the caption "Tangible assets and investment expenses" of the other activities segment profit and loss accounts.

b) Debts

The following is the detail of the debts derived from insurance, reinsurance and coinsurance contracts, together with other debts, at 31 December 2009 and 2008:

	Thousands of euros	
	31-12-2009	31-12-2008
Debts through direct insurance and co-insurance operations		
With policyholders	38,779	8,233
With co-insurers	10,411	8,158
With mediators	31,028	45,901
Preparatory debts of insurance contracts	3,284	6,053
Conditioned debts	6,171	4,184
Total	**89,673**	**72,529**
Debts through reinsurance operations	**2,742**	**3,965**
Other debts	**197,769**	**120,471**

The “Other Debts” sub-caption includes the following concepts at 31 December 2009 and 2008.

	Thousands of euros	
Other debts	31-12-2009	31-12-2008
Group and associated companies		
For commissions pending liquidation	8,114	5,347
With ”la Caixa” through IS	153,686	109,363
Other pending commissions	2,311	42
Accrued wages and salaries	3,236	2,110
Suppliers	1,205	58
Diverse creditors	29,217	3,551
TOTAL	**197,769**	**120,471**

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

Within the framework of treasury management, throughout the 2009 financial year the Group has carried out operations involving the acquisition and assignment of financial assets with a repurchase agreement. At 31 December 2009 the Group had assigned financial assets (debt securities classified in the available for sale portfolio, in addition to deposits contained in Cash and cash equivalents) with a book value of 5,736,402 thousand euros. It also has debts through operations involving the temporary assignment of assets for the same amount, which are valued at the nominal value of the agreed debt, since the maturity of the same is short-term.

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

During the 2009 financial year, the short-term deposits which have offset the assignments made generated an income of 74,612 thousand euros. The expenses associated with such assignments totalled 54,066 thousand euros. The deposits through assignments still in effect at 31 December 2009 totalled 5,747,250 thousand euros and are recorded in the caption Cash and equivalent liquid assets and Loans and payments receivable.

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

11. Balances in foreign currencies

The balances the Group maintains in foreign currencies basically refer to current accounts, both own accounts and accounts linked to policyholders assuming the investment risk. The Group also 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 2009 is detailed below:

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.

12. Technical reserves

The detail of the reserves established at 31 December 2009 and their movement with regard to the financial year ended 31 December 2008 is set out below, together with the reinsurance participation in the same:

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 reserves				
Unconsumed and unearned premiums	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 reserves (ceded)				
Unconsumed 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)
Others	–	–	–	–
TOTAL	**(34,372)**	**(37,446)**	**34,372**	**(37,446)**

(*) At 31 December 2009, includes 38,044 thousand euros corresponding to unconsumed premium reserves for the products with coverages shorter than the year.

The movement of these reserves during the financial year 2008 was as follows:

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

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

In relation to the mathematical reserve for the commitments assumed previous to the Regulation of Ordinance and Supervision of Private Insurance, it was not necessary to create a supplementary reserve for insufficiency since the return on investments in 2009 was above the insured return. At 31 December 2009, the Group maintained an additional reserve of 20,000 thousand euros. Said reserve basically covers the effect of calculating certain mathematical provisions at the maximum rate established by the DGIPF (the criteria established in article 33.1 of the Regulations on the Administration and Supervision of Private Insurance, hereinafter RASPI, which for the 2009 financial year was 2.60%).

On 3 October 2000 a Resolution of the Directorate-General of Insurance and Pension Funds was published, relating to the mortality and survival tables to be used by insurance entities, and the PERM/F-2000P tables were published, which went on to be applied for the new production to be effected from the coming into force of the Resolution (15 October 2000). In accordance with the provisions of said resolution, the Company has 14 years from the effective date to adjust said table deficit. At 31 December 2009, the Company had 145,077 thousand euros registered for this concept.

Below is the detail of the technical reserves of the direct business at 31 December 2009 according to the different businesses included in the Life and Non-life segments:

Reserve at 31 December 2009	Thousands of euros						
	Non -life					Life	Total
	Multi-risk	Automobiles	Accidents and illness	Others	Misc.		
Technical reserves							
Unconsumed and unearned premiums	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 breakdown of the technical reserves of the direct business for the 2008 financial year is as follows:

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

The sum corresponding to unearned gains derived from financial assets classified in the available for sale portfolio which are imputable to policyholders at the close of the financial year are totalled in the caption "Mathematical Provisions". These deferred capital gains are 574,649 thousand euros at 31 December 2009 (535,860 thousand euros at 31 December 2008), the movement during the 2009 financial year being as follows:

	Thousands of euros
Balance at 1 January, 2009	**535,860**
Net movement through allocation of net unearned capital gains charged to net equity	38,789
Balance at 31 December 2009	**574,649**

The movement experienced in the previous 2008 financial year is as follows:

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

The effect of the reinsurance on the profit and loss account for the financial years 2008 and 2009 was the following:

	Thousands of euros	
	2009 Financial year	2008 Financial year
Premiums imputed to the ceded reinsurance		
Ceded premiums	(27,568)	(20,990)
Change in unconsumed premium reserves	(1,130)	(1,450)
Commissions (*)	2,696	2,946
Cost of the cession	**(29,134)**	**(22,486)**
Reinsurance loss (*)	18,002	25,800
Total cost of reinsurance	**11,132**	**3,314**

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

13. Non-technical reserves

The balance at 31 December 2009 basically corresponds to quantities pending payment to the policyholders on implementing the accident liquidation agreements, which total 1,621 thousand euros (1,648 thousand euros in 2008).

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

14. Assets attributed to shareholders of the Parent company

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

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

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

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

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

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

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

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

In the 2009 financial year, the Parent company of the Group made no significant change in its accounting policies, and it was not necessary to correct errors from previous financial years either.

a) Share capital

The share capital of the Parent company at 31 December 2009, at 394,187 thousand euros, fully subscribed and paid-in, divided into 65,588,509 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, 2009, the shareholders of the Group with a holding equal to or greater than 10% of the subscribed capital were as follows:

	Percentage Holding
Criteria CaixaCorp, S.A. (direct holding)	100%

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 SegurCaixa Holding.

b) Reserves

The Statement of Changes in Net Consolidated Assets attached to these annual accounts details the balances of the reserves through accumulated profits at the beginning and end of the 2009 financial year, as well as the movements produced during the financial year.

The breakdown of each type of reserve at 31 December 2009 and 2008 is detailed below:

	Thousands of euros	
	Balances at 31-12-2009	Balances at 31-12-2008
Legal reserve	79,021	51,253
Voluntary reserves of the Parent company	2,382	1,496
Reserves in fully integrated companies	194,670	108,107
Stabilisation reserve	–	–
Other reserves through changes in accounting principles	(27,190)	(24,551)
Restricted reserve	–	–
Total Reserves	**248,883**	**136,305**
Adjustments to assets through valuation and exchange differences	**12,828**	**4,583**

b.1) Legal reserve

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

b.2) Voluntary reserves of the Parent company

The same information at 31 December 2009 and 2008 is as follows (in thousands of euros):

	31-12-2009	31-12-2008
Voluntary reserves	2,382	1,496
Merger reserve	–	–
Other reserves	–	–
TOTAL	**2,382**	**1,496**

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 2009 and 2008, having considered the effect of the consolidation adjustments, is shown below:

	Thousands of euros	
	31-12-2009	31-12-2008
Consolidated through global integration:		
Vidacaixa	155,837	77,679
Segurcaixa	30,315	25,292
AgenCaixa	7,912	4,584
SegurVida Consulting	606	552
TOTAL	**194,670**	**108,107**

The following are the movements experienced in the 2009 financial year:

Reserves of fully consolidated companies	VidaCaixa	SegurCaixa	AgenCaixa	SegurVida Consulting	Invervida Consulting	Total
Balances at 31-12-2008	**77,679**	**25,292**	**4,584**	**552**	**–**	**108,107**
Distribution of 2008 financial year result	158,477	27,775	3,328	54	–	189,634
Dividends and account of 2009 financial year result	(127,000)	(21,500)	–	–	–	(148,500)
20% increase in shareholding in VidaCaixa	46,408	–	–	–	–	46,408
Consolidation and other adjustments	273	(1,252)	–	–	–	(979)
TOTALS	**155,837**	**30,315**	**7,912**	**606**	**–**	**194,670**

c) Distribution of results

The following is the proposal for distributing the net profit of the 2009 financial year of the SegurCaixa Holding, Sociedad Anónima, which its Board of Directors will submit to the General Shareholders' Meeting for approval:

	Thousands of euros
Distribution	**2009 Financial year**
To voluntary reserves	657
To dividends	162,000
Net profit of financial year	**162,657**

The distribution of the net profit of the 2008 financial year approved by the Shareholders' General Assembly of the Parent company held on 19 June 2009, consisted of assigning 121,000 thousand euros of the result of 121,661 thousand euros to dividends and 661 thousand euros to increasing the voluntary reserves.

Previously, the Board of Directors of the Parent company, in its meeting of 28 November 2008, agreed to distribute, on account of the year result, the above sum of 121,000 thousand euros, effected through a payment in December 2008.

The distribution of the consolidated net profit for the 2008 financial year is set out in the Statement of Changes in Net Consolidated Assets.

d) Interim dividends

The different amounts paid to the shareholders during the 2009 financial year as dividends are detailed below:

Governing Body	Date of agreement	Dividend type	Per share in euros	Total in thousands of euros
Board of Directors	24-11-2009	Interim dividend 2009 result	0.762328	50,000

The following is the balance sheet of the Parent company at 24 November 2009, which presented the following statements of liquidity (in thousands of euros):

NON-CURRENT ASSETS	24 November 2009 (thousands of euros)
Intangible assets	**–**
Financial investments in associate companies	**469,136**
Long-term holdings in associate companies	581,636
Long-term holdings in Group companies	581,636
Disbursements pending on long-term holdings in associate companies	(112,500)
Disbursements pending on long-term holdings in Group companies	(112,500)
Long-term deposits and bonds	**12**
Long-term bonds	12
Assets through deferred tax	**–**
CURRENT ASSETS	
Loans and accounts to be received	**166,210**
Cash and equivalent liquid assets	**2,076**
TOTAL ASSETS	**637,434**

NET EQUITY	24 November 2009 (thousands of euros)
COMPANY CAPITAL	
Capital	**394,187**
Registered capital	394,187
Reserves	**80,355**
Profit	**162,770**
CURRENT LIABILITIES	
Loans and accounts to be received	**122**
TOTAL LIABILITIES	**637,434**

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 reasonable value of the financial assets 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 574,649 thousand euros, the Company considers that they should be allocated to policyholders, and for this reason they were allocated on 31 December 2009, increasing the amount of mathematical provisions.

Corrections of accounting mismatches

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

15. Minority interests

The breakdown, by consolidated companies, of the balance of the caption "Minority interests" and the sub-caption "Losses and Gains attributable to external partners" at 31 December 2009 and 2008 is as follows:

Company	Thousands of euros	
	31-12-2009	31-12-2008
VidaCaixa	–	71,931
SegurCaixa	11	–
AgenCaixa	–	81
Agrupación AIE	98	211
SegurVida Consulting	172	235
TOTAL	**281**	**72,458**

The movement which occurred in the caption "Minority interests" during the 2009 and 2008 financial years is included in the Statement of Changes in the Net Consolidated Assets.

16. Information on insurance contracts according to segments

The total volume of the premiums accrued for direct and accepted reinsurance during the 2009 and 2008 financial years totalled 3,277,836 thousand euros and 2,036,100 thousand euros respectively.

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
	Home multi-risk	Automobiles	Accidents and illnes	Others	Misc.		
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 unconsumed and unearned direct insurance premiums	(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)
Variation of other technical reserves (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 reserves (reserves for deaths, mathematical provisions)	–	–	–	–	–	(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**

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

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

The profit and loss account of the sub-segment "Other activities" corresponding to the 2009 financial year, under the concept "Operating income", includes the following concepts:

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 revenues	7,115
TOTAL	**101,758**

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

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

a) Composition of life business by volume of premiums

The composition of the life business (direct insurance), by volume of premiums for the 2009 and 2008 financial years, is as follows:

Life (Direct) Insurance Premiums	Thousands of euros	
	2009 Financial year	2008 Financial year
Premiums on individual policies	2,183,777	1,159,854
Premiums on group policies	761,409	572,413
	2,945,186	**1,732,267**
Regular premiums	850,119	652,572
Single premiums	2,095,067	1,079,695
	2,945,186	**1,732,267**
Premiums on policies without profit sharing	2,701,967	1,069,224
Premiums on policies with profit sharing	220,974	644,364
Premiums on policies where risk is assumed by policyholder	22,245	18,679
	2,945,186	**1,732,267**

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:

			Profit sharing		Thousands of euros		
Format and type of coverage	Technical interest	Biometric table	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	–
Pensión 2000	5.48%	(2)	Yes	Mathem. Reserve	77,242	2,379,693	1,998
Plan Garantizado and Plan de Ahorro Asegurado	0.84%	(3)	No	–	292,705	724,204	–
Libreta Futuro	3.39%	(4)	No	–	118,055	648,923	–
Seguros Colectivos	Variable	(5)	Yes	Claims	815,629	8,308,730	43,321
Seviam	2.44%	(6)	No	–	147,169	19,610	–

(*) The specified biometric tables indicated 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 different formats, 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, GK-80, GR-95, GK-95, AR-80 and AK-95 tables are used.
(5) According to the different formats, GR-80, GR-80 less two years, GR-70, GR-95 and PER2000P tables are used.
(6) According to the different formats, GR-80 and GK-80 or AR-80 and AK-80 tables are used, for new production INE 2004-2005.

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

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

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

b) For commitments assumed prior to 1 January 1999, for the calculation of the mathematical provisions, the same technical interest rate has been used as for the calculation of the premium, with the limit of the actual obtained or anticipated profitability of the investments affecting the coverage of said provisions. Given that the profitability of the aforementioned affected investments in the financial years 2009 and 2008 was greater than the established technical interest rate, no complementary provision for insufficient profitability was necessary.

c) Change in the claims reserve

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

	Home Multi-Risk			Automobiles		Accidents and illness		
	Claims during the 2006 financial year	Claims during the 2007 financial year	Claims during the 2008 financial year	Claims during the 2007 financial year	Claims during the 2008 financial year	Claims during the 2006 financial year	Claims during the 2007 financial year	Claims during the 2008 financial year
Reserve for claims originally estimated (*)	48,139	48,417	47,840	3,878	13,221	7,026	7,594	6,292
Estimated value of the claims:								
One year later	27,615	28,686	26,916	1,085	3,268	4,563	2,323	2,380
Two years later	–	–	–	–	–	–	–	–
Three years later	–	–	–	–	–	–	–	–
Four years later	–	–	–	–	–	–	–	–
Five years later	–	–	–	–	–	–	–	–
Accumulated sums paid:	9,794	12,534	14,756	2,851	8,764	1,178	3,254	3,671
Accumulated (Deficit)-Gain	10,730	7,197	6,168	(58)	1,189	1,285	2,017	241
In percentage terms	22.29%	14.86%	12.89%	(1.50)%	8.99%	18.29%	26.56%	3.83%

	Others			Various		
	Claims during the 2006 financial year	Claims during the 2007 financial year	Claims during the 2008 financial year	Claims during the 2006 financial year	Claims during the 2007 financial year	Claims during the 2008 financial year
Reserve for claims originally estimated (*)	1,941	2,026	2,136	1,746	1,452	2,327
Estimated value of the claims:						
One year later	817	922	1,155	905	1,357	1,928
Two years later	–	–	–	–	–	–
Three years later	–	–	–	–	–	–
Four years later	–	–	–	–	–	–
Five years later	–	–	–	–	–	–
Accumulated sums paid:	424	720	652	783	1.252	2.458
Accumulated (Deficit)-Gain	700	384	329	58	(1.157)	(2.059)
In percentage terms	36.06%	18.95%	15.40%	3.32%	(79.68)%	(88.48)%

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 2009 and 2008, and their allocation in the profit and loss account by segments and sub-segments, is as follows:

	Thousands of euros	
	2009 Financial year	2008 Financial year
Wages and Salaries	34,015	30,864
Social Security	7,740	6,544
Contributions to external pension funds and life insurance premiums	359	338
Compensations and awards	364	414
Other personnel expenses	3,762	3,582
TOTAL	**46,240**	**41,742**

Allocation of personnel expenses – 2009 financial year	Non-life Segment	Life Segment	Others Segment	Total
Losses incurred in the period, net of reinsurance	1,892	1,845	–	3,737
Tangible fixed asset and investment expenses	1,115	1,568	–	2,683
Other technical expenses	1,467	2,568	–	4,035
Net operating expenses	2,094	5,382	28,309	35,785
NET TOTAL	**6,568**	**11,363**	**28,309**	**46,240**

18. Breakdown of associate company transactions

Operations in consolidated Group companies

The details of the main transactions carried out in the financial year 2009 are as follows:

	Thousands of euros	
Concept	Income	Expenses
Credited interests	1,805	–
Commissions for marketing of premiums	–	138,346
Insurance operations	193,488	–
Other revenues	92	–

The same information for the 2008 financial year is as follows:

	Thousands of euros	
Concept	Income	Expenses
Credited interests	12,409	–
Commissions for marketing of premiums	–	118,540
Insurance operations	177,316	–
Other revenues	11,894	–

19. 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 Rewritten Text of the Law on Joint Stock Companies, amended by additional provision twenty-six of Organic Law 3-2007, of 22 March, the average number of employees of the Parent company and of the subsidiary companies during the financial years 2009 and 2008, distributed according to professional category and gender, is as follows:

Professional Category	Number of employees			
	2008 Financial year	2009 Financial year		
		Men	Women	Total
Directors	20	15	5	20
Departmental Managers	25	18	9	27
Graduates and technical staff	198	87	114	201
Administrative employees	228	47	161	208
Sales Network	417	145	300	445
TOTAL	**888**	**312**	**589**	**901**

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

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

During the financial years 2009 and 2008, 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 2009 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 (1,848 thousand euros in 2008).

Other benefits to Members of the Board of Directors

At 31 December 2009 and 2008, there were no advance payments nor had any loans been issued by the Parent company to members of the Board of Directors, nor had any guaranteed obligations been assumed on their behalf.

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

Administrator	Company where they participate and/or develop a function	Post or function	Nº. shares	% Holding
Ricardo Fornesa Ribó	Hisusa, Holding de Infraestructuras y Servicios Urbanos, S.A.	Chairman and Vice-chairman	–	–
	Criteria CaixaCorp, S.A.	Executive Chairman (until May 2009)	633,095	0.024%
	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. (engaged indirectly in the insurance business through its subsidiary Adeslas, S.A.)	2nd Vice-chairman	–	–
Juan Antonio Samaranch Torelló	–	–	–	–
Tomás Muniesa Arantegui	RentCaixa, S.A. de Seguros y Reaseguros	Chairman	–	–
	SegurCaixa, S.A. de Seguros y Reaseguros	Chairman	–	–
	Adeslas, S.A.	Physical representative of CaixaCorp, S.A . and of Negocio de Finanzas e Inversiones II, S.L.	–	–
	Consorcio de Compensación de Seguros	Board Member	–	–
	Criteria CaixaCorp, S.A.	–	33,721	–
José Vilarasau Salat	–	–		
Jordi Mercader Miró	Sociedad General de Aguas de Barcelona, S.A. (engaged indirectly in the insurance business through its subsidiary Adeslas, S.A.)	Managing Director and Chairman	–	–
	Criteria CaixaCorp, S.A.	Board Member	1,496	–
Miguel Valls Maseda	–	–	–	–
Javier Godó Muntañola	Grupo Catalana Occidente, S.A.	–	31,460	–
	Criteria CaixaCorp, S.A.	Board Member	1,230,000 (indirect holding through Privat Media S.L.) Tax ID nº B-63541213. Company in which it has a 40% shareholding)	0.037% (indirect holding)
	INOCSA, S.A.	–	4,087	0.037%
	Caixa d'Estalvis i Pensions de Barcelona	Board Member	–	–
Juan María Nin Génova	Criteria CaixaCorp, S.A.	Board Member	234,491	0.07%
Francisco Reynés Massanet	VidaCaixa, S.A. de Seguros y Reaseguros	Board member (until 30/07/2009)	–	–
	SegurCaixa, S.A. de Seguros y Reaseguros	Board member (until 30/07/2009)	–	–
	Adeslas, S.A.	Physical representative of Criteria CaixaCorp, S.A.	–	–
	Criteria CaixaCorp, S.A.	–	18,882	0.006%

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

During the 2009 financial year, the Top Management of the Group received as remuneration a total sum of 3,874 thousand euros, recorded under the concept of "Personnel Expenses", the breakdown for which is shown above.

At 31 December 2009 and 2008, there were no advance payments nor had any loans been issued by the Parent company to members of the Top Management, nor had any guaranteed obligations been assumed on their behalf.

c) Associated operations

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

d) Remuneration to auditors

During the 2009 financial year, the fees corresponding to the auditing of the accounts and other services rendered to the various companies that make up the SegurCaixa Holding Group by the Company auditors Deloitte, S.L., were as follows:

Categories	Thousands of euros			
	Auditing of Accounts	Other Verification Services	Tax Consultancy	Other Services
Deloitte, S.L.	281	96	–	–
TOTAL	**281**	**96**	**–**	**–**

During the 2009 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.

20. Reasonable value of the financial instruments

For financial instruments whose valuation criteria is not their reasonable value, this was calculated in the following manner:

Cash and cash equivalents and certain short-term financial investments, such as short-term deposits, being instruments that are liquid or with a maturity of less than 12 months, have a reasonable value which is similar to their book value.

The reasonable value of Loans and accounts receivable and Financial Liabilities at amortised cost has been estimated using the discounted cash flow method, using the market interest rate at the close of each financial year or equivalent methods with the following characteristics:

The majority of loans and accounts receivable, principally generated through the financial activity of the Group, are constituted at variable rates through interest rate derivatives contracts, therefore their reasonable value does not differ significantly from their book value.

Furthermore, the majority of the debt is also referenced at a variable interest rate, therefore their book value does not differ significantly from their reasonable value either.

The following table sets out the main financial instruments recorded at their reasonable value at 31 December 2009 and 2008, broken down according to the valuation method used to estimate their reasonable value:

	31-12-2009		
Financial instruments	Level 1	Level 2	Level 3
ASSETS			
Financial assets available for sale:	14,969,023	3,123,200	–
Fin. Investments in capital	155,870	1,403	–
Debt securities	14,813,153	3,121,797	–
Loans and accounts receivable	1,196,253	–	–
Cash and other liquid assets	5,352,646	–	–

21. Subsequent events

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

22. Explanation added for traslation to English

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

MANAGEMENT REPORT FOR THE 2009 FINANCIAL YEAR

In the 2009 financial year, SegurCaixa Holding, the "la Caixa" Insurance Group and part of the Criteria CaixaCorp holding, made a net consolidated profit of 208.5 million euros, 8.6% more than in the previous year. The number of individual customers exceeded 3.4 million, 5% more than in 2008, while the number of client companies rose to 45,000, an increase of 24%. The solvency ratio was 1.4 and the efficiency ratio was 19.8%.

Segurcaixa Holding	2009	2008	% Var.
Savings Premiums	2,541,398	1,263,385	101.16%
Life-Risk Premiums	375,628	318,112	18.08%
Non-life Premiums	332,649	303,753	9.51%
Total Premiums	3,249,675	1,885,250	72.37%
Total Contributions to pension plans	1,702,082	1,317,874	29.15%
Total Premiums and Contributions	4,951,757	3,203,124	54.59%
Total Life and Non-life insurance reserves	18,212,652	17,079,160	6.64%
Total Consolidated pension plan rights	13,669,099	11,842,131	15.43%
Total Managed resources	31,881,751	28,921,291	10.24%
Net Result	208,514	191,923	8.64%
Number of Clients	3,407,035	3,257,653	4.59%
Efficiency Ratio	19.8%	20.8%	–4.66%
Solvency Ratio	1.4	1.3	9.45%
Number of employees	911	888	2.59%

The total volume of premiums and contributions of SegurCaixa Holding at the close of the financial year was 4,900 million euros, which represents a 55% increase on the previous year and demonstrates the healthy state of the Group's commercial activity, in terms of both individual business and group and company business, channelled through VidaCaixa Previsión Social.

The risk business, made up of non-life and life-risk insurance, which contributed 708 million euros, grew by 14%, driven by strong growth in health insurance and vehicle insurance, and the good performance of household insurance. The growth in automobile insurance placed this business segment in line with forecast evolution when the Group launched the new SegurCaixa Auto in April 2007 and this business has also been strengthened this financial year as a result of a new commercial vehicle insurance policy. At the close of the 2009 financial year, SegurCaixa had an insured vehicle portfolio including cars, commercial vehicles and motorcycles which exceeded 172,000.

With regard to the savings business, the accumulated volume of premiums and contributions at the close of the financial year exceeded 4,244 million euros, representing an increase of 64%. The good performance of savings is evidenced both in life-savings insurance and in pension plans, areas in which the product range and the effectiveness of the sales network have helped continue to increase turnover. In this regard, a key aspect of 2009 has been the evolution of life annuities for individual customers, a product which has experienced major growth owing to the interesting situation with regard to long-term interest rates.

As far as pension plans are concerned, VidaCaixa has moved up one spot in the ranking for managed assets in the individual pensions segment, reaching second place.

The total volume of managed savings reached 31,700 million euros, representing an increase of 10% compared to 2008. Specifically, insurance grew by 7%, while pension plans grew by 15%.

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

In addition, the evolution of the economic environment is one of the uncertainties facing SegurCaixa Holding during 2010, given that this may affect the contracting of personal insurance, as well as automobile, health, life-risk and household insurance, while it is possible that family savings will increase in the coming year, which will have a positive effect on pension plans and life-savings insurance.

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

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

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

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

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

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

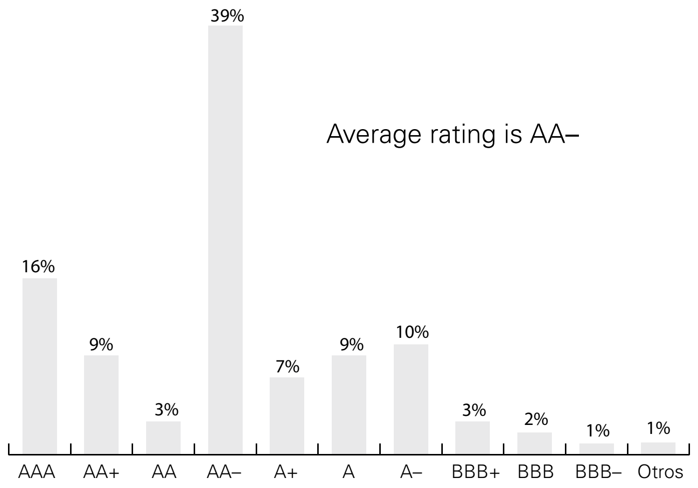
The Group's financial derivatives management policy also covers the use of counterparts which, as financial institutions subject to the supervision of the governing authorities of the member states of the European Union, have sufficient solvency. Contractually, these positions have an explicit guarantee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

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

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

The summary of the Group's financial investment portfolio by issuer rating at 31 December 2009 is as follows:

Portfolio composition by issuer rating



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

In the future, the Group plans to complete the acquisition of the company Adeslas, in order to increase its position in this line of business. SegurCaixa Holding will also continue to develop its risk and savings products for its individual and company clients and shall maintain its spirit of continuous improvement in the level of quality of service provided which has typified it since it was founded.

Subsequent to the close of the 2009 financial year, no significant events have occurred with an impact on the annual accounts for the year, although the acquisition of Adeslas is expected to be completed during the first half of 2010. Also the Group has not maintained own shares during the year. With regard to Research and Development, due to the Group's characteristics, no projects have been carried out, although it is true that it is developing an Innovation Plan which involves all the departments.