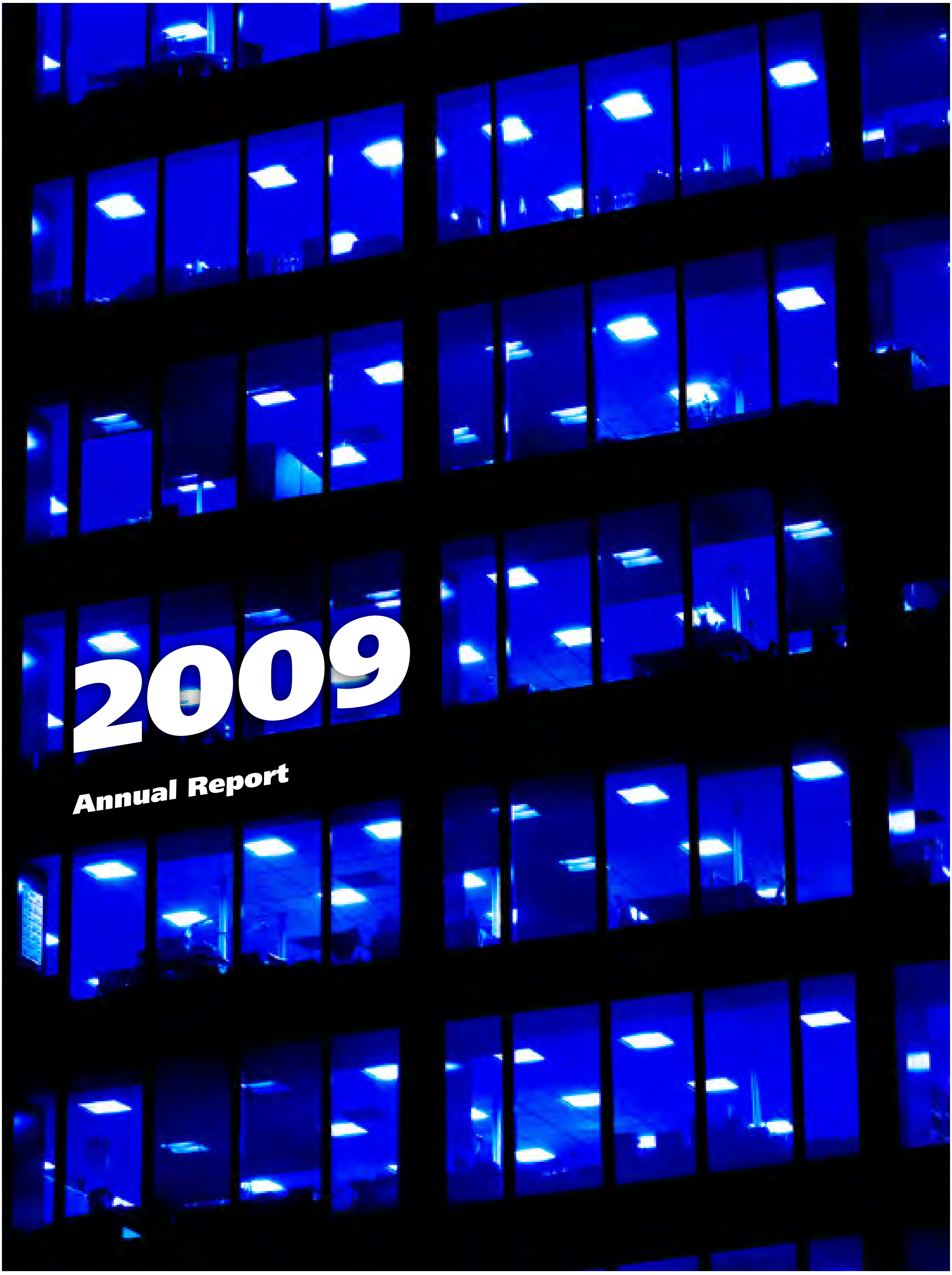

2009 Annual Report

SegurCaixa Holding
Insurance Group

Principal data for the SegurCaixa Holding Group in 2009

In millions of Euros	2008	2009	Absolute Variation	%
Total assets	23,036.2	25,416.1	2,379.9	10%
Total managed funds (not including IFRS adjustment)	28,205.5	31,051.2	2,845.7	10%
Premiums and contributions direct and accepted	3,203.1	4,951.8	1,748.7	55%
Life and Pension schemes	2,899.4	4,619.2	1,719.8	59%
Non-life	303.8	332.6	28.9	10%
Net Consolidated Profit for the SegurCaixa Holding	191.9	208.5	16.6	9%
In figures				
Private customers	3,257,653	3,407,035	149,382	5%
Corporate customers	37,000	45,687	8,687	24%
Employees	888	911	23	3%
Headquarters	471	492	21	4%
Network of Sales Advisors	417	419	2	0%
Market share				
Life Insurance (Managed savings)	13.4%	13.4%		0,0%
Private pension schemes (vested rights)	14.7%	15.6%		0.9%
Home Insurance (Premiums)	4.7%	4.9%		0.2%

The data presented correspond to the data for the companies VidaCaixa, SegurCaixa on an individual basis or consolidated data for SegurCaixa Holding. In the latter case, data are prepared in line with International Finance Reporting Standards (IFRS). Data from Adeslas are not included.

2009

Annual Report

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SegurCaixa Holding
Insurance Group

Ricardo Fornesa Ribó
Chairman of the Board of SegurCaixa Holding, S.A.

Letter from the Chairman of SegurCaixa Holding

The adverse evolution of the economic climate and the slowdown of growth the insurance sector as a whole has undergone, did not prevent SegurCaixa holding from taking a major step forward in all its lines of activity in 2009, which gave rise to an 8.6% growth over the previous year with profits of 209 million Euros. The year closed with the greatest volume of premiums and contributions marketed in the history of the Group; 4,951 million Euros or 55% more than the year before with all the lines of business life and pensions, home, motor, accidents and health- showing excellent rates of development, thereby consolidating SegurCaixa's position as an insurance Group that responds to the needs of its customers. Once again, the Group strengthened its leading position in the complementary social welfare market in our country.

Achieving these brilliant results would not have been possible without the efficiency and excellence of service of 911 professionals that make up the staff at SegurCaixa Holding, the proximity of more than 5,000 branch offices of "la Caixa", the AgenCaixa sales advisors, and the high standards of quality of the products and services the 3.4 million customers of the Group rely on.

On a commercial level, a point to note is the reinforced bet on the SMEs and self-employed segments with the launching of two new products for shops and vans, namely the new SegurCaixa Negocio and SegurCaixa Auto Negocio. After only a few months on the market they contribute an average of 150 new policies each day. In this way they confirm their positive acceptation among customers. Similarly, the situation of the interest rate curves and the greater tendency of families to opt for savings favoured the marketing of life-savings insurance, especially life-annuities and pension plans. Meanwhile, in the field of large groups and companies, activity was also quite intense as a result of great deal of operations linked to retirements and early retirements.

Beyond the excellent commercial and economic results, 2009 will be remembered for a fact that will change the present and, above all, the future of the Group. This was of course the acquisition of Adeslas by SegurCaixa, the non-life arm of the SegurCaixa Holding Group. This major step forward opens up a whole new world for the insurance Group and "la Caixa". It will access a greater number of customers with numerous opportunities of cross-selling and optimization, new and diverse channels of distribution and multiple chances of growth. At the same time, the new Strategic Plan of the Group was unveiled, which will combine the opportunities derived from the incorporation of Adeslas to several ambitious initiatives for additional growth that will enable the creation of a new insurance group that is multi-branch and multi-channel, whose goal will be to become the leading reference in the insurance and social welfare sector in Spain.

The outstanding list of positive results achieved by the SegurCaixa Holding Group is a result of its own way of being and doing, aligned to the corporate values -Trust, Quality and Dynamism- that define the Group and consolidate its capacity to listen, integrate and respond through strategy and actions to the demands and needs of all its stakeholders.

This commitment to its customers, employees, shareholders, society and the environment was materialized in a set of decisions and actions in 2009, among which are the adoption by VidaCaixa of the Principle of Responsible Investment (PRI) of the United Nations, which makes it the first enterprise in our country that globally incorporates those principles as a life insurer and pension fund manager; the creation of the Group Code of Ethics, which lists all the lines of the behaviour, conduct, rights and obligations of everyone involved in it; the Certificate of a Family Responsible Company (efr), an official recognition of the implementation of a management model that endeavours to promote the conciliation between Company, Work and Family and the adhesion to the United Nations Global Compact thereby endorsing all the actions developed over the last few years in corporate governance, human resources management and the environment.

The good results of the Group, which are explained in this Report and which you are invited to consult, can only be explained through the implication, effort and professionalism of all the members of the staff in the Group. Those values and attributes of all those who make up the SegurCaixa Holding team are precisely the best guarantee of future success.

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Introduction to the SegurCaixa Holding Group

Introduction to the SegurCaixa Holding Group

Companies that make up the SegurCaixa Holding Group

Holding Company	SegurCaixa Holding, S.A. NIF A 60196946 Juan Gris, 20-26 08014 Barcelona Tel. 93 227 87 00 Fax. 93 298 90 05 www.segurcaixaholding.com
Insurance Companies	VidaCaixa, S.A. de Seguros y Reaseguros NIF A 58333261 www.vidacaixa.com SegurCaixa, S.A. de Seguros y Reaseguros NIF A 28011864 www.segurcaixa.com Compañía de Seguros Adeslas, S.A. NIF A 40001430 www.adeslas.es
Distribution of insurance and others	AgenCaixa, S.A., Agencia de Seguros Grupo SegurCaixa Holding NIF A 78662319 www.agencaixa.com SegurVida Consulting, S.A. NIF A 58482100 InverVida Consulting, S.L. NIF B 58482076
Common Services	Grupo Asegurador de “la Caixa” Agrupación de Interés Económico NIF V 58263831
Headquarters	Juan Gris, 20-26 08014 Barcelona Tel. 93 227 87 00 Fax 93 298 90 05
Call Center and web	Customer Service Helpdesk 902 10 15 15 “la Caixa” Branch Office Helpdesk 902 20 11 11 Corporative Web: www.segurcaixaholding.com

Territorial Organisation

Headquarters SegurCaixa Holding Group

AgenCaixa Delegation

VidaCaixa Previsión Social Delegation

Adeslas Delegation

Milestones in the history of the SegurCaixa Holding Group

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

Note: In February 2009 CaiFor changed its name to SegurCaixa Holding.

Shareholder structure of the SegurCaixa Holding Group

SegurCaixa Holding -formerly designated CaiFor- was set up in December 1992, following the signature of a Joint-Venture agreement between "la Caixa" and Fortis, the Belgian-Dutch bank assurance group.

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

On 7th June 2010, Criteria Caixa Corp, S.A. acquires, through SegurCaixa, the non-life insurance company of the SegurCaixa Holding Group, 99.77% of Adeslas share capital, the first insurance company in the Spanish health insurance sector. The other 0.23% of Adeslas belongs to minority shareholders. With this operation, the Group stands alone as the indisputable reference in the Spanish life and health insurance sector.

SegurCaixa Holding is made up from four operating companies: VidaCaixa, SegurCaixa, Adeslas and AgenCaixa.

VidaCaixa is the company responsible for the design, marketing and management of life insurance and pension plans. It offers its range of products to individual customers and corporate clients. It manages more than 31,000 million Euros and is the leading company in Spain for complementary social security.

SegurCaixa is the company that deals with non-life insurance. It takes on the design, marketing and management in this field where its expertise in multi-risk home insurance stands out. It provides cover for more than 730,000 homes and its motor insurance division has over 170,000 vehicles insured

Adeslas is the leading company in the prívate healthcare sector in Spain where it has almost 3,000,000 policyholders to whom it offers the widest healthcare network on the market as well as the most complete and flexible insurances.

Lastly, AgenCaixa is the division that has more than 400 sales advisors that carry on their activity in a network of offices where they advise customers and market products and services of the Group especially to self-employed workers, micro enterprises and small and medium enterprises.

In July 2010, Criteria CaixaCorp directly controls 97.93% of SegurCaixa and SegurCaixa Holding the rest. It is foreseen that this stake will be restructured shortly in accordance with the present company organizational chart.

Government Bodies

There are nine Board Members on the SegurCaixa Board. At the same time the Group has a Commission delegated by the Board, which has four Board Members and an Audit Committee.

SEGURCAIXA HOLDING, S.A.

The Board	
Chairman	Ricardo Fornesa Ribó (**)
Chief Executive Officer	Tomás Muniesa Arantegui (*)
Board Members	Juan Mª Nin Génova (*)
	Francisco Reynés Massanet (*) (••)
	José Vilarasau Salat
	Jordi Mercader Miró
	Manuel Raventós Negra (•)
	Javier Godó Muntañola
	Miquel Valls Masseda (•)
Secretary (***)	Adolfo Feijóo Rey (desde el 31-03-2008)
Vice-Secretary (***)	Raúl Ros Parellada (desde el 10-07-2008)
Management	Chairman of SegurCaixa Holding, S.A. Mario Berenguer Albiac

(*) Members of the Executive Commission of the Board of SegurCaixa Holding.
(**) Chairman of the Executive Commission of the Board of SegurCaixa Holding.
(***) Not Members of the Board.
(•) Members of the Auditing Committee of SegurCaixa Holding.
(••) Chairman of the Auditing Committee of SegurCaixa Holding.

Management of SegurCaxa Holding

Management Committee		
Chief Executive Officer	Tomás Muniesa	
General Manager	Mario Berenguer	
Executive Assistant General Manager	Javier Murillo	
Assistant General Managers	Jordi Arenillas	Economic-financial
	Eduardo de Quinto	Business Resources
	Ernesto Moreno	Investments
	Teótimo Sáez	General Secretary
	Antonio Trueba	Commercial

Directors		
	Enrique Abad	Health
	Edward Condie	Motor
	Miquel Donoso	IT
	Rafael Escalona	Economic-financial
	Carlos Hernández	Sales
	José Antonio Iglesias	Marketing & Segments Development
	Jesús María García	Organisation and Human Resources
	Rocío Gutiérrez	Business & Brand Intelligence
	Carlos Lorenzo	Corporate
	Marta Marrón	Operations & Customer Care
	Josep Montañés	Life, Pensions and Assets
	José Luis Pardo	Hospitals

Area Directors

	Luis Ballester	AgenCaixa Channel
	Mª Victoria Castellot	Solvency II
	Alejandro Fernández-Cid	Agency Channel Development
	Francisco Fuentes	After Sales Customer Care
	Ramón Godínez	Human Resources
	José Luis Guillén	Administration
	Enrique Hurtado	Internal Audit
	Eduardo Martínez de Aragón	Pension Fund Management
	Rosa Moliner	Control & Admin. Invest. and Pension Funds
	Ana Pérez	Motor Insurance Claims Management
	May Plana	Legal & Fiscal
	Marc Puig	Corp. Develop., Planning, Strategy & Quality
	Esther Pujol	Pensions and Life Insurance Claims
	Javier Reverter	Integration Office
	Alicia Sánchez	Health Assistance Management
	María Segovia	Organisation
	Assumpta Sentías	Corporate Sales - Barcelona
	Alberto Sisí	IT Systems
	Carlos Quero	Corporate Customers - Madrid
	Ramón Roca	"la Caixa" Channel
	Robert Roig	Corporate Customers - Barcelona

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Developments in the environment and the sector

SegurCaixa Holding
Insurance Group

Developments in the environment and the sector

The volume of life insurance premiums grew by 6% over last year's figure. In contrast, premiums in non-life insurance underwent a contraction of 3%

2009 was characterised by a greater weakening of the current economic climate on a world wide scale. On a macroeconomic level, the smaller growth in production and company profits brought about a rise in unemployment and a negative rate of inflation. The response by governments and financial institutions boiled down to the development of effusive expenditure policies that led to a hike in the public deficit and falls in interest rates to spur the economy. As far as the behaviour of the markets is concerned, if their evolution was compared to the previous year, they experienced a gradual recovery throughout the year.

With respect to Spain, the negative impact of the economic climate was greater than in the majority of the OECD countries. The main elements like GDP, unemployment and the fiscal deficit all underwent a worsening compared to 2008.

In spite of negative economic growth, the Spanish insurance sector increased its volume of premiums by just 1% in 2009, reaching a total of 59,884 million Euros. This growth, although positive, clearly showed the impact of the recession, given that the rise in 2008 in the sector was 8%. The behavior between life insurance and the other non-life branches was uneven.

So, the evolution of life insurance showed a growth rate of 6% over the 2008 figure with a total volume of premiums reaching 28,163 million Euros. Similarly, the amount of savings managed in life insurance rose to 143,790 million Euros, which was also 6% more than in 2008.

By contrast, non-life insurance experienced a 3% contraction in premiums with respect to the previous year, reaching the figure of 31,721 million Euros. The behaviour within non-life insurance was different. While health and multi-risk insurance grew by 5% and 7% respectively, motor insurance decreased by 5% and the other non-life insurances fell by 8%.

The volume of funds managed in pension plans witnessed a positive evolution of 8% over that in 2008, in both the individual and group business. The total amount of assets reached 84,789 million Euros. The underlying reason for this growth was mainly the positive increase in value of the managed savings due to the favourable evolution of the financial markets. On the other hand, the total contributions to pension plans fell by 7% over that in 2008.

Economic climate and family savings

Stock markets

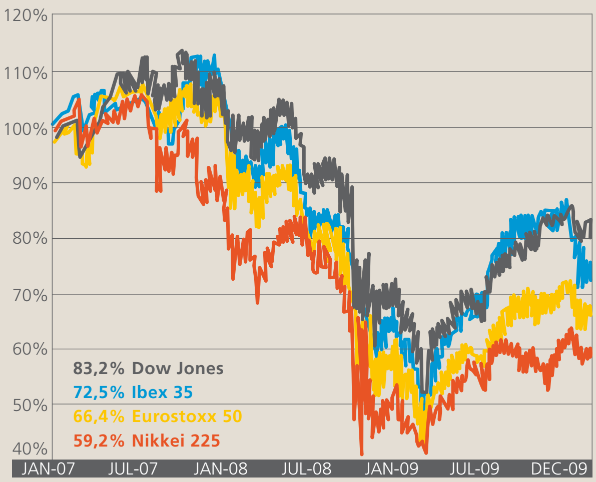
The capital markets partially recovered from the falls that took place throughout 2008. All the indexes, from both the developed and emerging countries, experienced positive revaluations of their stock prices.

This positive behaviour also affected, although to a lesser extent, the banking and insurance sector stocks. In like fashion, the revaluations generated contributed to increasing the value of managed savings in life insurance and pension plans that have stakes in variable income stocks.

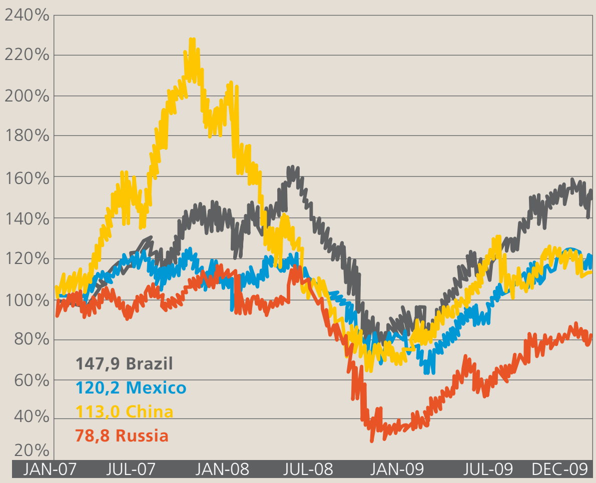
Stock market indexes partially recovered in 2009 from the falls in 2008

INTERNATIONAL STOCK MARKETS

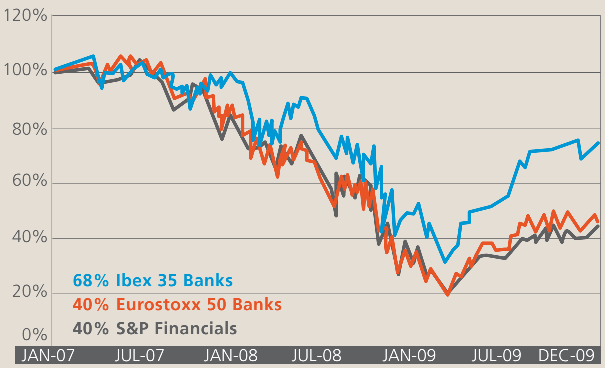
Developed countries



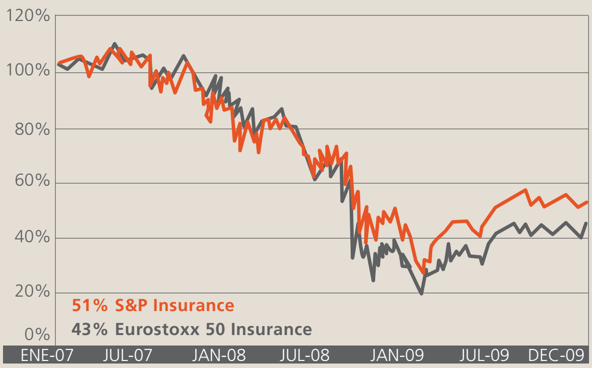
Emerging countries



Banking sector



Insurance sector



Source: Study Service of "la Caixa". Base 1-1-2007=100

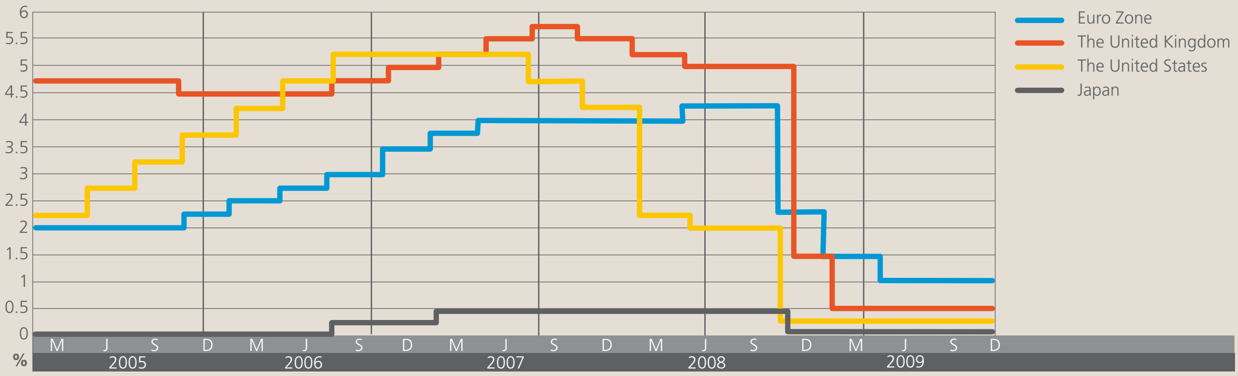
Interest Rates

Interest rates were kept low throughout 2009

The European Central Bank reduced the price of money to 1%. For their part, the United States Federal Reserve kept interest rates as low as 0.25%.

As regards long-term interest rates, their upward trend provides opportunities to offer attractive profitability in long-term investment savings products, such as Life Annuities.

REFERENCED INTEREST RATES FROM CENTRAL BANKS

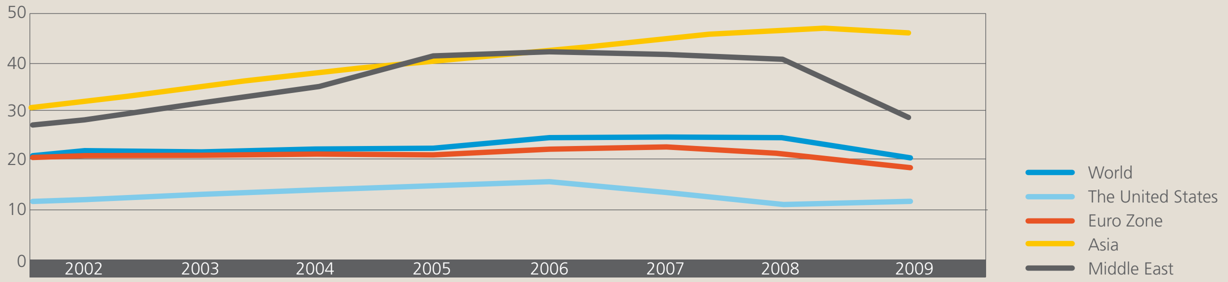


Source: Study Services of "la Caixa"

Family Savings in Spain

In 2009 the amount of Spanish family savings rose to over 1.76 billion Euros, which represents 167% of the GDP and means an average year on year annual growth of 9% since 1990. The increase in the rate of savings in 2009 was largely due to two factors: The change in family behaviour, which prioritised their decisions in favour of savings to the detriment of consumption and investment in housing, and also the recuperation of the stock markets. The net flow of savings was estimated at 35,000 million Euros, which was an increase of 15% over that in 2008. Therefore, the savings rate of families expressed as a percentage of gross savings over gross income was estimated to be 20% in 2009. This degree of savings brought the Spanish families closer to the standards of other economies in developed countries and placed it slightly above the average in the Euro zone.

EVOLUTION OF THE SAVINGS RATE IN % OVER GDP



Source: IMF

FAMILY SAVINGS IN SPAIN

	1990		2009 (e)		AverageAnnual Growth 09/90	Growth 09/08
	Millions €	%	Millions €	%		
Deposits	217,891	61%	824,000	47%	7%	2%
Variable income	44,021	12%	340,000	19%	11%	10%
Investment Funds	7,941	2%	148,000	8%	17%	1%
Life insurance	7,095	2%	143,790	8%	17%	6%
Pension Plans	3,215	1%	84,789	5%	19%	8%
Fixed income	25,523	7%	48,500	3%	3%	7%
Others	50,062	15%	173,421	10%	7%	-3%
TOTAL	**355,748**	**100%**	**1,762,500**	**100%**	**9%**	4%

Source: Inverco

Life insurance and pension plans kept up their behaviour in line with the previous two years. They represented 13% of all family savings and the year on year accumulated growth since 1990 was 17% and 19% respectively. Therefore, the specific weight of these savings instruments over the total of family savings was on the same level as the previous two years, after growths of 6% and 8% respectively in 2009.

The other savings instruments, with deposits are at their head, channelled almost half of family savings with a growth rate of 2% over the figure in 2008. In second place came variable income, which represented 19% of the total, an increase of 10% over 2008. This solid increase is mostly explained as a result of the recuperation, in general, of stock markets.

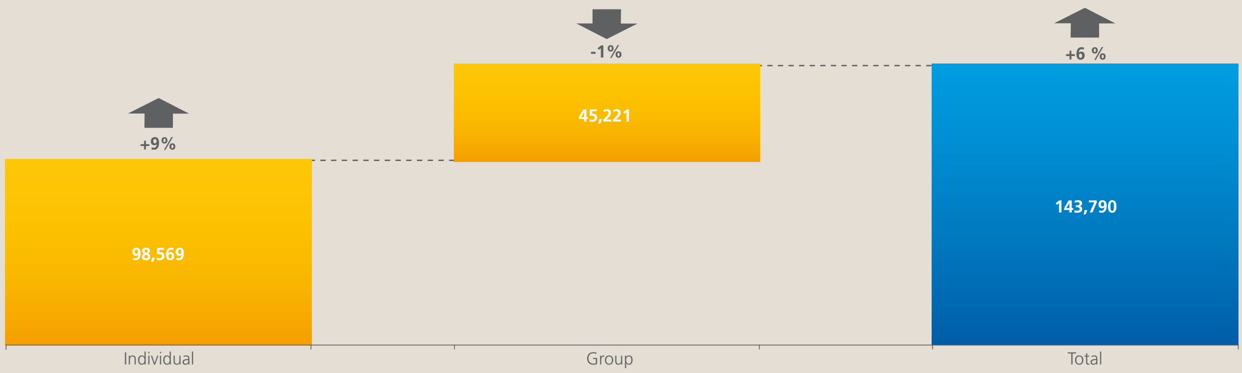
In 2009 the volume of family savings recovered, due to a better evolution of the stock markets and a change in behaviour

Evolution of the insurance and pension plan sector

Life insurance

The total volume of savings deposited in life insurance at the end of 2009 came to 143,790 million Euros, which translated into an increase of 6% over the previous year. An explanation of this rise can be found in the strong growth on the individual business side, which with a 9% increase over the figure in 2008, accumulated two thirds of all savings managed. This vigorous evolution was fundamentally due to a greater tendency of Spanish families to save in 2009. The amount of savings on the group business side had a slight decrease of 1% in 2009 with respect to the previous year.

LIFE INSURANCE IN SPAIN. VOLUME OF FUNDS MANAGED IN 2009



Source: ICEA. In millions of Euros

There are almost 33 million people in Spain covered by life insurance policies. 72% belong to life-risk insurance while the other 28% have life-savings insurance

In our country there are 32,645,725 people covered by life insurance of one type or another, which is very like the figure for 2008. Of the 32 million insured, 24.4 millions have individual insurance and 8.2 millions have group and company insurance. Similarly, of all the insured, 72% have life-risk policies (23.3 millions) and 28% have life-savings insurance (9.3 millions). In this field, the average savings managed per insured person is 14,902 Euros, which is an increase of 1,012 Euros over the previous year. This figure is greater in group and company insurance –with an amount of 27,383 Euros– than in individual insurance, which comes to 12,327 Euros.

In 2009, the intrinsic activity of the life-savings insurance business showed a positive result, with an increase of 678 million Euros. To this figure –which corresponds to the positive balance of the premiums having discounted surrenders and paid out claims–, must be added the revaluation of the mathematical reserves, which rose to 6,553 million Euros en 2009. Therefore, the total growth of savings deposited in life insurance came to 7,231 million Euros mainly due to the positive evolution of the stock markets.

Analysing the products, the PIAS (acronym in Spanish for the Individual Plan of Systematic Savings) stands out given that it was set up in 2007 after the last fiscal reform law was brought into force and accumulated a total of 1,710 million Euros coming from 454,000 insured people. Life annuities were also worthy of note. They combined their excellent financial-fiscal conditions with the favourable situation in interest rates. They became an excellent complement to public pensions and therefore, an excellent alternative for investment. This product accumulated the greatest volume of mathematical reserves, which stood at 69,984 million Euros, a 6% rise over 2008 with a total of 2,758,511 insured people or 1% more.

Life-risk insurance remained stable with respect to 2008, with a volume of premiums in excess of 3,600 million Euros and 23 million insured, of which 71% were individual contracts and 29% were group and company insurance. This stabilisation of growth can be explained, at least in part, by the slowdown in the real estate market and the stagnation in the life-risk insurance linked to mortgages. The number of claims paid out in this area was quite significant and rose to 1,263 million Euros in 2009, a growth of 7% over the previous year. Of that, 58% refer to individual contracts with an overall increase of 13%, while the other 42% respond to group and company contracts, a fall of 2%

Pension plans

The growth experienced by pension plans in 2009 was 8% above that in 2008

The total volume of savings managed through pension plans in 2009 amounted to 84,789 million Euros, which was an increase of 8%, as against the 9% fall registered in 2008.

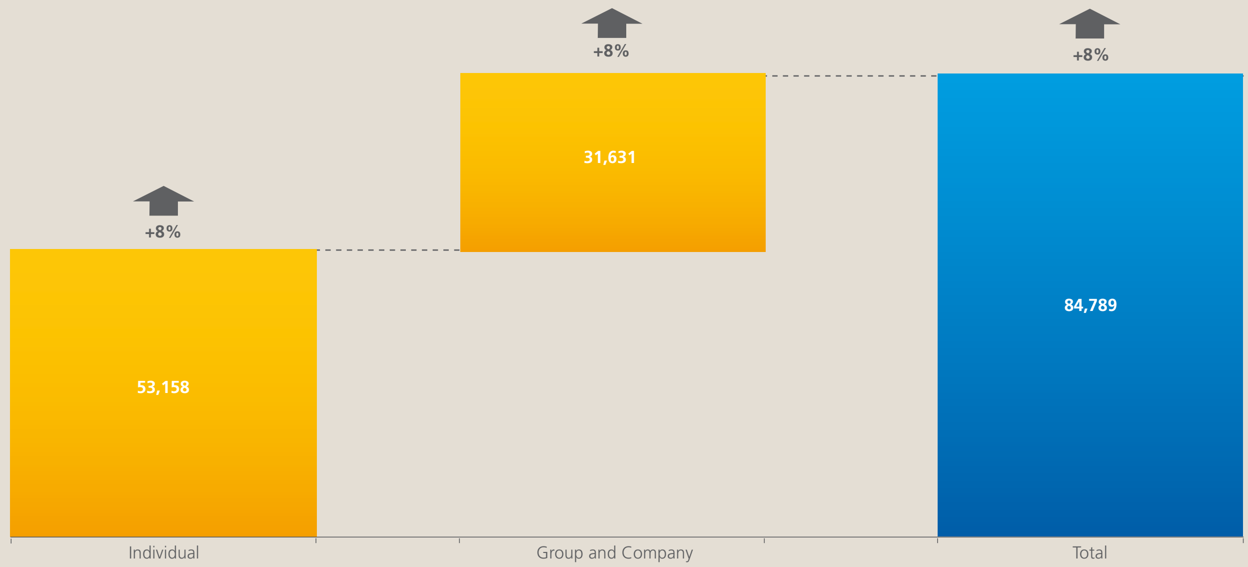
The explanation for this rise is essentially due to the positive behaviour of the stock markets world-wide. Let's not forget that at the beginning of 2009 pension funds in our country faced a global exposure to variable income of 17%.

Of all the savings deposited in pension plans, individual plans accounted for 63% and group and company plans the other 37%. The evolution of both systems experienced significant growth. In individual pension plans, the increase in savings was 8% when in 2008 there was a decrease of 9%; in group and company pension plans the rise was 8% against a fall of 7% in 2008. On the other hand, gross contributions of 5,606 million Euros fell 7% below the 6,005 millions contributed in 2008. It should also be said that paid out claims fell by 3%. This meant that the net flow continued to fall with respect to previous years. In 2009 this came to 14% less with a total of 1,597 million Euros differing from the 1,866 million Euros in 2008. The net flow had already fallen considerably in 2008 in comparison to the 3,856 million Euros in 2007, while in the period 2004 to 2006 it remained stable at around 4,900 million Euros.

The structure of the pension fund portfolio remained constant in 2009, stabilising the percentage of fixed income at 59%, slightly increasing variable income from 17% in 2008 to 19% in 2009 and decreasing the treasury from 15% to 11%. This variation was mostly the result of the behaviour of the stock markets. In the 14 years to 2009, the pension fund portfolio underwent some profound changes in its structure. In this sense, there was an increase in the relative weight of variable income, which grew from 4% in 1995 to 19% in 2009. In contrast, fixed income in the same period fell from 74% to 59%. This behaviour was not the case in 2008 when fixed income recovered strongly and grew to 59%, up from 47% in 2007. Another change of note looking back was the rise in assets in international investment, which represented 17% of the portfolio in 2009 while in 1995 it was non-existent. However, there was a fall of 9 percentage points compared to 2008, as a result of the reduction in the international exposure of fixed income assets.

In 2009 the number of Associated and Employee plans stood at over 10.7 millions, which meant a slight rise of 1% over the number in 2008. Eliminating the effect of customers that have more than one plan, the overall number at the close of 2009 was estimated to be eight million people, which means that 42% of the population had a pension plan. Of these 29% were under 40, 31% were between 41 and 50, 28% between 51 and 60 and 12% were over 61, with the average age being 45.

PENSION PLANS IN SPAIN. VOLUME OF ASSETS 2009



Source: Inverco. In millions of Euros.

Non-life insurance

In 2009, the non-life areas of insurance accumulated 31,721 million Euros in premiums, a decrease of 3% with respect to the previous year, as against a growth of 2% in 2008 and 5% in 2007. The evolution by area was uneven.

In motor insurance, 2009 witnessed a sizeable decrease of 5% as against the 2% fall in 2008. This fact had a special impact on the overall slowdown of the sector as it is the area with the greatest volume of premiums that represent 37% of all non-life insurance. With regard to the frequency of claims, this was kept stable and in line with the previous year. There were no significant changes in the average cost per claim, although it was the fire guarantee that produced most volatility, mainly in second category vehicles.
The rate of claims stood above that in 2008, about 78%, with the guarantee for own damage representing the highest rate at just over 105%.

Health and multi-risk insurances, which each represent 19% of all the premiums in the sector, had positive rates of growth of 5% and 3% respectively over the 2008 figure. It is worth noting that in multi-risk insurance home and community insurance did well with a 6% rise in each case. In home insurance, the banking channel continued dominating with 40% of all premiums sold. In contrast, shop and industrial insurances experienced a fall of 4% and 6% respectively. As far as claims are concerned, rates were stable in comparison to previous years and quarters, reducing the average cost of a claim and the average costs per policy. The agent and broker channel was the one that presented the highest rates of claims.

The other non-life insurances had a joint decrease of 8%.

In millions of Euros	2007	2008	2009	% increase 09/08
Motor Insurance	12,548	12,318	11,657	-5%
Multi-risk Insurance	5,465	5,895	6,077	3%
Health Insurance	5,406	5,838	6,137	5%
Other Non-Life Insurances	8,361	8,529	7,850	-8%
Total	**31,780**	**32,580**	**31,721**	**-3%**

Source: ICEA

Health insurance

Insurance premiums directly attributable to the sector in 2009 amounted to over 6,000 million Euros, accumulating a growth of 5% over the figure for the previous year. That is almost 3 percentage points less than in 2008 and although it means that there was a slight slowdown in growth with respect to 2008, the real situation is that the present difficult economic climate does not have a negative repercussion on the business volume.

According to the information of all the insured people in the health area, 2009 ended with almost 11 million people enjoying private cover, which was an increase of 1% over 2008.

To be precise, nearly 8,400,000 people enjoy healthcare, 2% more than in 2008. If this figure is broken down by type of contract, Public and Private (individual and Group and company), the result shows on the one hand that just more than two million people are linked to State Mutual Societies (MUFACE, Isfas and Mugeju), a figure that did not alter much in 2009. The breakdown is that 1,328,701 people belong to MUFACE, 595,153 to ISFAS and 80,478 to Mugeju. On the other hand, individual private healthcare policyholders number 3,574,430, which is 1% less than in 2008, while the number of customers getting insurance through different groups like companies and business organisations rose by 8% to 2,763,323 people.

Finally dental care also enjoyed a significant increase as 1,760,000 people bought dental care insurance, 9% more than in 2008.

Health and multi-risk insurances were the ones that achieved greatest percentage growths with respect to 2008, while motor insurance fell by 5%

In Spain there are 11 million people who enjoy private healthcare cover

New legislature in 2009

Although no substantial new legislature concerning the activity of SegurCaixa Holding came into force, there was, however, the impact of the Law 26/2009 of 23rd December 2009 on the State Budget for 2010.

This contained new taxes and a withholding tax for personal income tax, which directly impacted on income from savings and therefore, on the taxation of life and disability insurance that generate profits on investment income.

So, the taxable base on savings, which up to the present modification was taxed at 18% without any distinction made to the different scales of the taxable base, will be taxed in 2010 in the following way:

PART OF THE TAXABLE BASE	RATE OF TAX APPLICABLE
Up to 6,000 €	19%
From 6,000.01 upward	21%

Similarly, the withholding tax rate on services and other derived income from savings products went from 18% to 19% and will be applicable to the payment of capital and income in services of life and disability insurance.

Income from work also underwent a slight variation in the calculation of tax returns and rate of withholding tax when the 400 Euros was suppressed in the case that the taxable base of the taxpayer is equal to or more than 12,000 Euros. This affects the increase in the rate of withholding tax when getting paid services stemming from Pension Plans and life insurance that pay out pension commitments among others.

3

Evolution of the companies in the Group

Evolution of the Group (*)

In 2009, the number of customers reached 3.4 million policyholders. In all, 150,000 new individual customers and 8,600 new corporate clients entrusted their business to SegurCaixa Holding

In spite of the economic difficulties and the poorer economic growth in 2009, SegurCaixa Holding's profit rose by 8.6% to 209 million Euros. This favourable evolution once again enabled the consolidation of growth in both individual customers and business clients to make up a total of 3.4 million customers. A total of 150,000 new individual customers and 8,600 corporate clients entered to form part of the SegurCaixa Holding portfolio, which represents 5% and 24% more than in 2008, respectively.

There was a jump of 55% in premiums sold and customer resources increased by 10% in 2009

Similarly, the volume of premiums jumped by 55% to 4,952 million Euros, and managed funds increased by 10% to 31,051 million Euros. These results are the fruit of the commercial dynamism in both the individual and group and company business.

Of the analysis per line of business, one can see the positive evolution in all the segments, be they savings or risk.

In savings insurance, the volume of premiums reached 2,541 million Euros, which was 101% more than in 2008. This positive trend is explained by the quality and range of products sold and also by the favourable situation of the interest rate curve, with long-term interest rates growing. There was also a greater tendency for families to save as a result of the present economic crisis. Among the products that behaved best was *Renta Vitalicia* (Life Annuity), previously called *Pensión Vitalicia Inmediata* (PVI), an income insurance that lets individual customers complement their public retirement pension. Throughout 2009, 1,417 million Euros of this product were sold in premiums, the largest among all the savings products in the Group. As a result of the multiple business restructuring processes that meant numerous retirement and pre-retirement processes, the savings premiums in group and company business grew an incredible 32% with respect to 2008.

SEGURCAIXA HOLDING: MAIN FIGURES In millions of Euros	2008	2009	VAR. 08/09
Premiums and Contributions			
Life-Risk and Accidents	397.1	417.1	5%
Home	147.5	166.1	13%
Health	29.0	37.1	28%
Motor	48.3	88.0	82%
Subtotal Risk (Individual + Group & Company)	**621.9**	**708.3**	**14%**
Life-savings insurance	1,263.4	2,541.4	101%
Pension Plans	1,317.9	1,702.1	29%
Subtotal Savings (Individual + Group & company)	**2,581.3**	**4,243.5**	**64%**
Total Risk and Savings (Individual + Group & Company)	**3,203.1**	**4,951.8**	**55%**
Resources Managed			
Life Insurance	16,156.7	17,231.5	7%
Other insurances	188.4	235.6	25%
Pension Plans & EPSV	11,860.5	13,584.1	15%
Total Customer Funds Managed (Indiv. + Group & Company)	**28,205.5**	**31,051.2**	**10%**
Number of Customers			
Individual Customers	3,257,653	3,407,035	5%
Corporate Clients	37,000	45,687	23%
Consolidated Net Profit SegurCaixa Holding	**191.9**	**208.5**	**9%**

(*) The data refer to the VidaCaixa and SegurCaixa Companies on an individual basis or on a consolidated basis of SegurCaixa Holding. The latter case is subject to the International Standard of Financial Information (ISFI). Data from Adeslas are not included, except in the last paragraph of this chapter.

With reference to pension plans, SegurCaixa Holding was the group with the greatest growth on the market in 2009. We reached a market share of 15.58% –0.85% more than in 2008–, standing second in the Spanish ranking for the sector and managing a total of 13,211 million Euros in funds. As regards profitability, 70% of the individual pension plan funds and 88% of the group and company pension plan funds were in the first or second quartile in profitability. Lastly, gross pension plan contributions in our country fell by 7% with respect to the figure in 2008. In spite of this fall, VidaCaixa's behaviour was just the opposite to that of the market as the volume of contributions and transfers to pension plans managed by the company rose by 7%, leaving VidaCaixa as the manager with the greatest growth on the market in 2009.

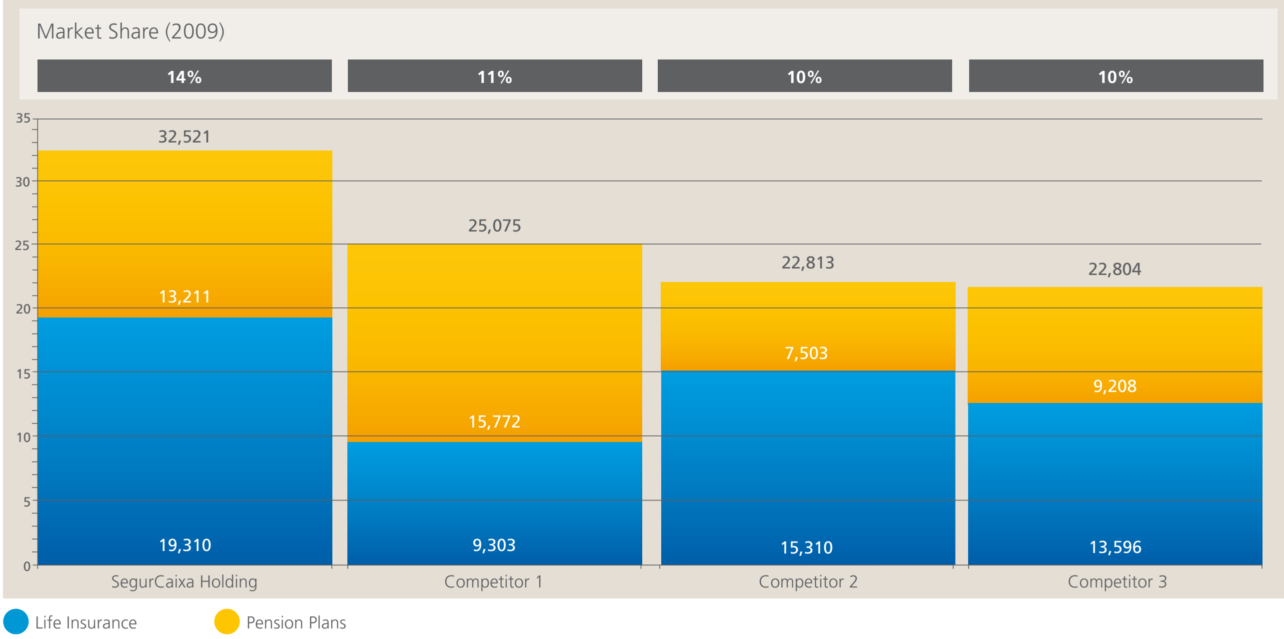
In terms of managed savings, SegurCaixa Holding strengthened its leadership in Complementary Social Welfare in 2009 reaching a market share of 14%.

The volume of premiums managed in the risk and savings areas for both individuals and groups increased by 64% over the 2008 period

In the complementary Social Welfare market, SegurCaixa Holding reinforced its leadership and reached a market share of 14%

SEGURCAIXA HOLDING: MARKET LEADER IN SPAIN IN COMPLEMENTARY SOCIAL WELFARE

In millions of Euros



Source: ICEA and INVERCO and prepared in-house. Not including EPSV, provisions from other insurance products nor provisions for services provided but including CaixaVida.

SegurCaixa Holding strengthened its position in the SME and self-employed segment with two new insurances: SegurCaixa Auto Negocio and SegurCaixa Auto

In risk insurance there was a very positive evolution in the motor insurance area with more than 170,000 vehicles insured and 88 million Euros in premiums, which translates into an increase of 82% over the 2008 figure. Just two years have passed since SegurCaixa Holding entered the motor insurance segment. It was the first bankassurance entity on the Spanish market with its own insurance and now it has two new products; *SegurCaixa Moto* was set up in 2008 and *SegurCaixa Auto Negocio* in 2009. The latter is insurance for vans for both commercial and private use.

In healthcare, which includes insurance for individuals as well as for the self-employed and companies, the frenetic commercial activity enabled VidaCaixa to increase its volume of premiums by 28% over that in 2008, reaching 37 million Euros and providing cover for 140,000 policyholders. For individuals, the offer comprised both health and dental care, which developed at an energetic pace throughout 2009 to end up with an 18% year on year growth. For the SME and self-employed segment, the product offer was made up from healthcare and transitory work disability insurance, which sold well in 2009 to bring in 29 million Euros in premiums or 31% more than in 2008. This segment is one where SegurCaixa Holding is committed to for the future with a customer base of 100,000 people, 20,000 more than in 2008. In the segment of large companies and corporations, SegurCaixa Holding has a healthcare product, that was set up in 2008, with wide-ranging cover which adapts itself to the needs of this group.

With respect to life-risk and accidents insurance, the volume of premiums rose to 417 million Euros, which was 5% more than in 2008. Of those, 242 millions came from individuals and 175 millions from groups and companies. Accidents insurance for individuals reached 18 million Euros in premiums or 14% more than in 2008. Worthy of note was the sale of the new accidents insurance called *SegurCaixa Accidentes*, which was sold over the telephone channel and now has 33,000 policyholders of which 66% joined in 2009.

In this area we should also mention the insurances expressly designed for the new resident group, one that SegurCaixa Holding pays special attention to. *Seguringreso* had 2 million Euros in premiums and a growth rate of 15%. *SegurCaixa Repatriación* had 5 million Euros in premiums and a growth rate of 4%. The accident insurance for individuals is completed with *SegurCaixa Protección*, formerly called *SegurCaixa Personal*, which sold 8 million Euros in premiums in 2009.

Lastly, home insurance experienced a positive evolution in 2009 in spite of the complex situation of the real estate market. The volume of premiums sold rose to 166 million Euros, an increase of 13%, which means that, in all, we reached 730,000 home insurance policies. The portfolio of multi-risk insurance increased in 2009 with the launching of *SegurCaixa Negocio*, an insurance specially directed at shops, offices and warehouses of small and medium sized enterprises and provides cover for the most likely risks that can affect content and building.

VidaCaixa

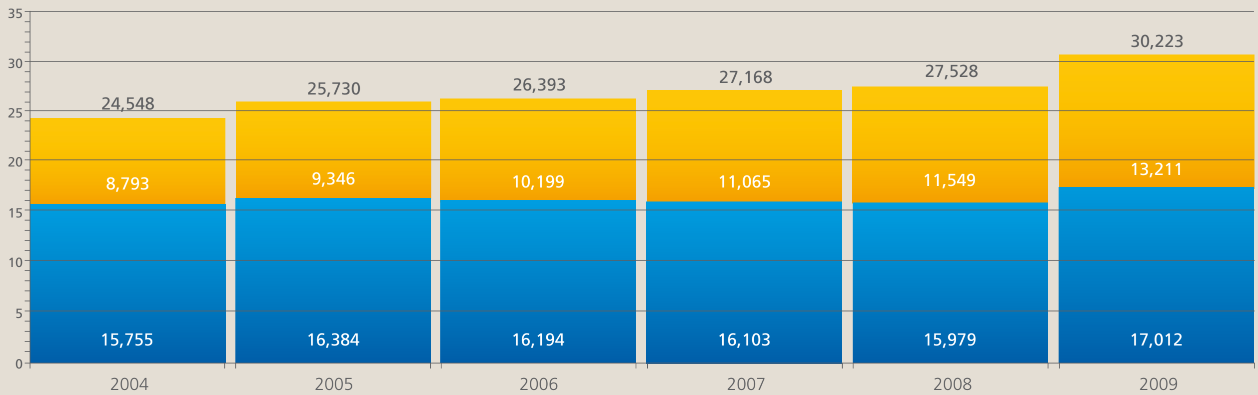
With a market share of 14% and a volume of managed funds of more than 30,000 million Euros, VidaCaixa is the leading company in Spain in the Complementary Social Welfare market. It specialises in the marketing and management of life insurance and pension plans for both the individual customer and groups and companies. Once again, VidaCaixa consolidated its first position in the sector ranking of life insurance in terms of savings managed with a market share of 11.8% and it was second ranked in pension plans with a market share of 15.6%.

Through VidaCaixa Previsión Social, a specialised division, VidaCaixa provides service to 45,000 companies of which 724 are multi-nationals, 20 belong to the IBEX 35, 40,563 are SMEs and self-employed and 157 are public bodies. These figures also make VidaCaixa market leader in Spain of Company Complementary Social Welfare.

VidaCaixa is the top ranked company in life insurance with a market share of 11.8% and the second ranked in pension plans with a 15.6% market share

EVOLUTION OF VIDACAIXA'S MANAGED FUNDS

In millions of Euros



Mathematical provisions of life insurance | Consolidated rights over pension funds

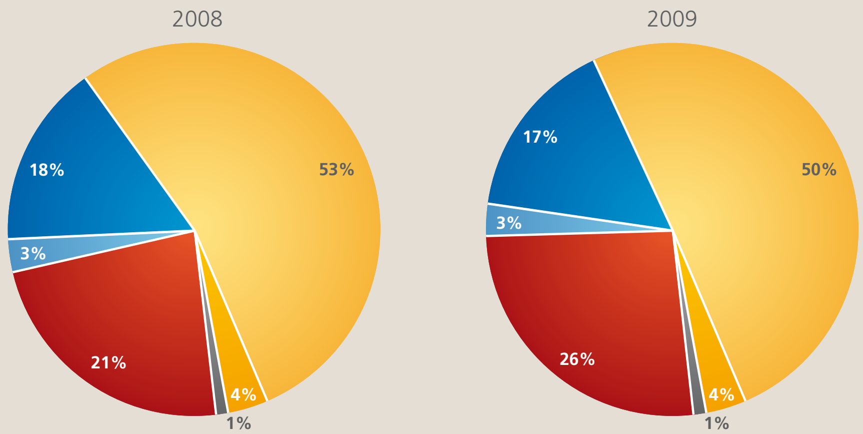
Source: ICEA and INVERCO. They do not include EPSV, provisions for other insurances nor provisions for services rendered but do include CaixaVida.

Of all the funds managed 41% belong to pension plans while the other 59% belong to savings insurance. VidaCaixa also markets life-risk and health insurance for individual and group customers.

VIDACAIXA: INSURANCE MATHEMATICAL PROVISIONS

In thousands of millions of Euros

Plan Garantizado/PPA
PIAS
PVI
SegurFonCaixa
Libreta Futuro
Seguros colectivos



An excellent year in Individual Pension Plans

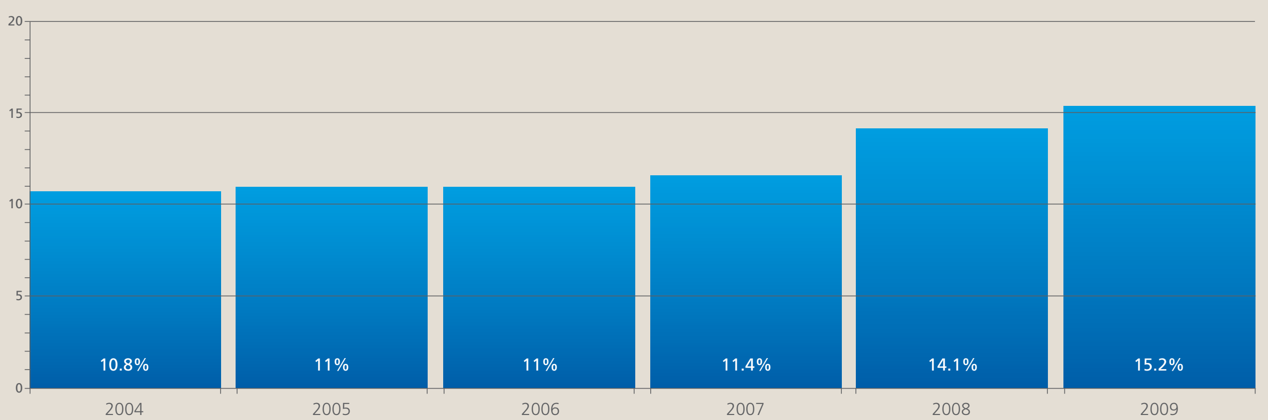
In 2009, VidaCaixa took in more than 1,200 million Euros in contributions and transfers to Individual Pension Plans

2009 was an excellent year for the management and results of VidaCaixa's individual pension plan business. It consolidated itself as the manager with greatest growth on the market –more than 1,200 million Euros in contributions and transfers–, with a 15.23% market share of savings managed and a total of 8,095 million Euros managed, 17% more. This meant that we climbed one step up in the ranking of the sector to second position.

Among the new pension plans marketed in 2009 *PlanCaixa Doble Opción* stands out. It guaranteed a revaluation of 25% of the contribution with a due date in 2021 and it also offered the possibility of making a one year fixed deposit in *Doble Opción* with an interest rate of 5% APR to be paid in advance at the time of signature or choose between two presents depending on the amount transferred to the pension plan. The maximum amount permitted had to be equal to double the amount of the contribution to the pension plan. 380 million Euros were taken in through the *PlanCaixa Doble Opción*.

In getting these positive results in individual pension plans the key was to have a wide range of pension plans on offer that cover the different needs of customers depending on age and degree of risk they required.

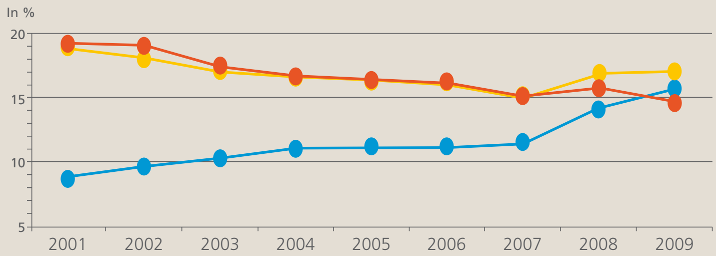
EVOLUTION OF VIDACAIXA'S MARKET SHARE IN INDIVIDUAL PENSION PLANS



Source: INVERCO

It should be stressed that the efficiency of the marketing actions in our own sales channels and the network of over 5,000 branch offices of "la Caixa", through which several marketing campaigns were launched, led us to obtain contributions outside traditional periods. Similarly, VidaCaixa rolled out some marketing campaigns to get transfers from other entities by offering them 2 or 3% depending on the pension plan chosen, which was calculated on the amount transferred and lodged directly in the current account as a marketing incentive. As a result of those actions the ratio of incoming transfers over outgoing transfers was once again very positive.

INDIVIDUAL PENSION PLANS: RISING IN THE RANKING



	Quota	Variation	Ranking
Competitor 1	16.51%	+0.1%	1º
SegurCaixa Holding	15.23%	+1.1%	2º
Competitor 2	14.60%	-1.1%	3º

Similarly, the excellent management of investments, undertaken by VidaCaixa's professional investment team, meant that in 2009 some 70% of all the managed funds from individual pension plans was placed between the first and second quartile of profitability according to data from Inverco.

Finally, let us not forget that VidaCaixa customers can make contributions and transfers, at their convenience, to pension plans through the Internet. So, as an anecdote, the last contribution was made through the *Línea Abierta* Web (LOWEB) service at 23:53 on 31st December for the amount of 300 Euros.

The combination of all these successful factors gave us the opportunity to magnificently serve a total of 914,514 participants with an increase of 80,000 people in 2009.

By the end of 2009, almost 70% of managed funds in pension plans were situated between the first and second profitability ranking quartile

Individual Life-Savings Insurance

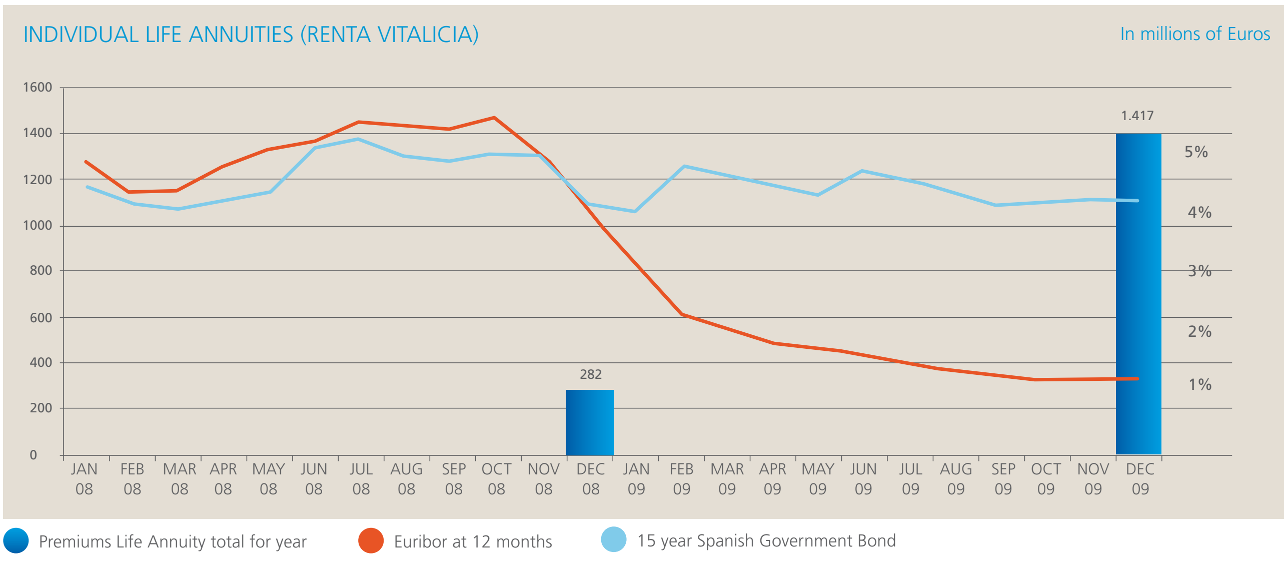
In individual life-savings insurance the total volume of premiums rose by 142% with respect to 2008

In the individual life-savings segment, VidaCaixa achieved a volume of 1,929 million Euros in premiums, a figure that was 142% over that in 2008, as well as 8,582 millions in managed funds or 14% more than in 2008. This extraordinary increase was due to several factors. First and foremost was the excellent marketing carried out and the quality of the range of products offered by VidaCaixa. Then there was the favourable situation of the interest rate curves with attractive differences in long-term investment as against short term. All of this, together with a greater tendency of families to save, stemming from the economic slowdown, explains this growth.

More than any other, the good results of *Renta Vitalicia*, formerly called *Pensión Vitalicia Inmediata*, stand out. This is an income insurance for individual customers that enables them to complement their state retirement pension. 1,417 million Euros in premiums were collected from more than 95,000 customers, 20% more than in 2008. The total volume of savings deposited in this product was in excess of 4,300 million Euros.

Libreta Futuro also did very well in the individual savings area. This product generates savings in favour of a minor so that he or she can undertake future projects such as financing university studies or buying a car. This insurance accumulated 650 million Euros in managed funds and had 198,742 customers in 2009.

Another product worth mentioning is the PIAS which, with its 94,983 customers in 2009, up 20% from 2008, accumulated 484 million Euros in managed funds. Finally, the PPA (acronym in Spanish for *Plan de Previsión Asegurado*), a life insurance that benefits from the same fiscal conditions as pension plans and with which the customer can obtain a guaranteed profitability irrespective of the term chosen for the investment (between 1 and 30 years). In 2009 the number of participants in PPAs rose to 15,802 with a total of 157 millions in managed funds.



Individual Life-Risk and Health insurance

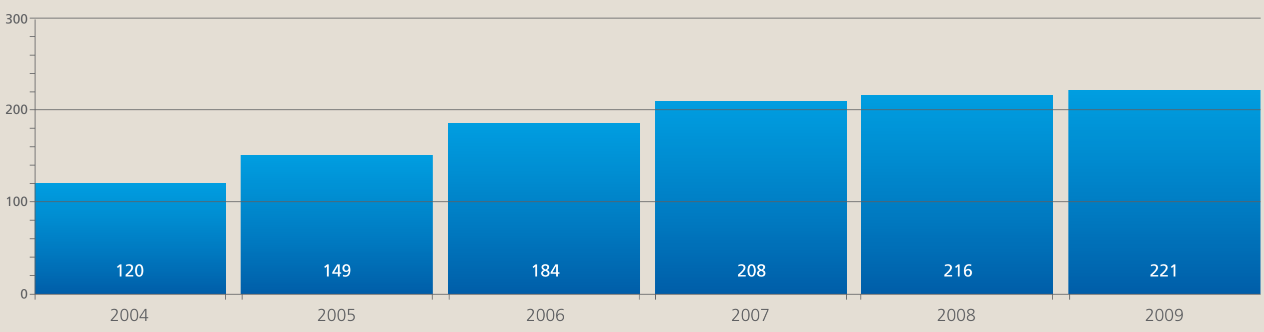
In the segment of risk insurance for individual customers, VidaCaixa markets life-risk insurance either linked or not to loans and health insurance

In the arena of health insurance, VidaCaixa provides a health insurance called *VidaCaixa Salud*, which can be contracted in different ways depending on the co-payment regime chosen. It also markets *VidaCaixa Salud Dental*. The number of *VidaCaixa Salud* policyholders reached 26,587 while *VidaCaixa Salud Dental* rose to 18,261, up 35% from 2008.

VidaCaixa also markets products in individual life-risk. In this field VidaCaixa has Seviam, an insurance linked to personal credits and mortgages, and *Vida Familiar*, which together were contracted by 1,374,373 policyholders and accumulated 221 million Euros, a figure 2% higher than in 2008. This positive behaviour was achieved by offsetting the poorer growth in Seviam, which was as a result of the slowdown in the real estate market in Spain, with the higher growth in *Vida Familiar*, the traditional life-risk insurance not linked to loans.

VIDACAIXA: INDIVIDUAL LIFE-RISK INSURANCE PREMIUMS

In millions of Euros



VidaCaixa Previsión Social

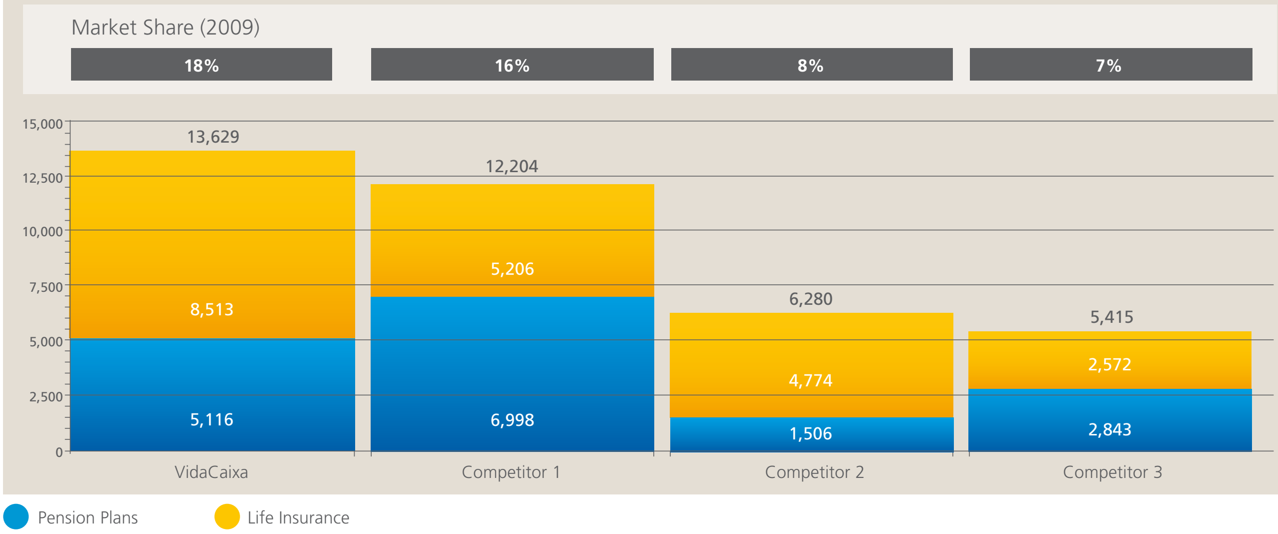
In 2009 VidaCaixa Previsión Social increased its volume of premiums and achieved a 18% market share with over 45,000 business clients

VidaCaixa operates in the group and company segment through VidaCaixa Previsión Social, its specialised division, which became the leading ranking company in complementary social welfare with a volume of managed welfare savings of more than 13,600 million Euros, which is equivalent to an 18% market share.

VidaCaixa Previsión Social's wide portfolio of customers now numbers some 45,000 companies with a growth of 24% over the previous year and is made up of 20 companies that form part of the IBEX 35, 734 multi-national companies, 157 public bodies and the rest are SMEs and the self-employed.

SEGURCAIXA HOLDING: LEADERS IN BUSINESS COMPLEMENTARY SOCIAL WELFARE IN SPAIN

In millions of Euros



Source: ICEA and INVERCO and own research. It does not include EPVS, nor provisions of other insurances nor provisions for services.

VidaCaixa Previsión Social's business is channelled through different distribution channels that co-exist to give the best service and diffuse the knowledge about company social welfare among the target public of large companies and corporations. In this sense, the multi-channel function was boosted by adjusting the organisational structure to the purchasing habits of corporative clients while making the relationship with the participants in the negotiating process more flexible, thereby transmitting the capacity of adaptation to all the corporative management team. The marketing channels of the VidaCaixa Previsión Social products are: the wide and extensive network of consultants and mediators made up from prestigious and experienced companies in the Business Social Welfare market, the experienced professional team of employees of the Group, the network of AgenCaixa advisors and lastly the network of more than 5,000 branch offices of "la Caixa" that can be found throughout Spain. The organization of the activity is managed from five business units, thereby giving cover to all the welfare needs of corporative clients in any part of the country.

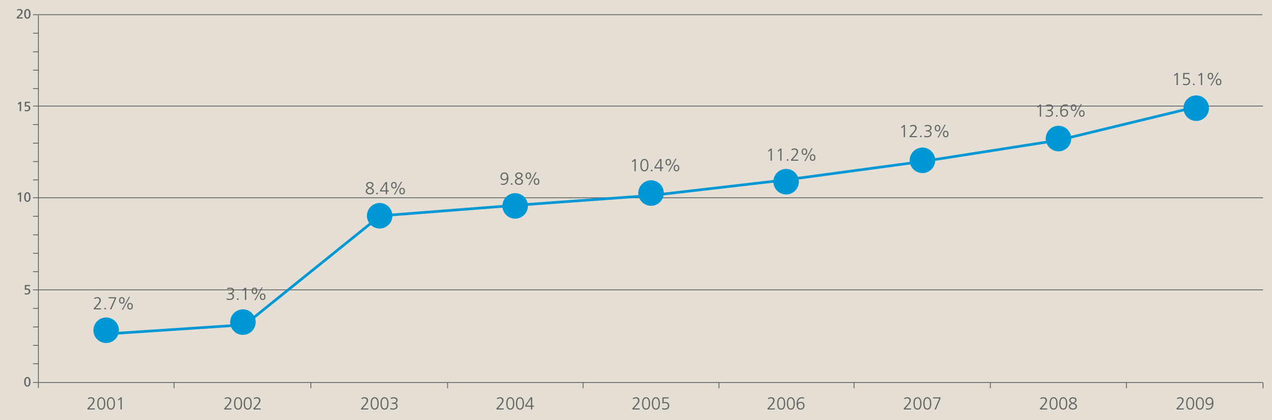
It should be noted that throughout 2009 integral attention began to be structured through common policies with Private Banking, Corporative Banking and Business Banking of "la Caixa" that improved market penetration and results.

VIDACAIXA PREVISIÓN SOCIAL: MAIN FIGURES OF CORPORATE WELFARE In millions of Euros	**2008**	**2009**	**VAR. 08/09**
Risk premiums	179	204	14%
Premiums and contributions to savings	720	1,142	59%
Total premiums and contributions	**899**	**1,346**	**50%**
Group life insurance	8,604	8,650	1%
Employee and associated pension plans	4,608	5,649	23%
Total resources managed	**13,212**	**14,299**	**8%**

In a declining market in group savings and risk, VidaCaixa Previsión Social sold premiums and accepted contributions for 1,346 million Euros, which was a leap of 50% over premiums in 2008. Life-risk, accident and health insurances with 204 million Euros in premiums grew 14% more than in 2008 while premiums in life-savings and group pension plans came to 1,142 million Euros or 59% more than the previous year. In the risk area, this better than expected behaviour can be explained by the made-to-measure design of the products whose aim was to respond to the specific needs of each segment, the service and the recognition received by our mediator channels.

In group savings insurance, the growth was boosted by the high number of retirement and early retirement operations made.

GROUP AND COMPANY LIFE-RISK: EVOLUTION OF THE MARKET SHARE OF VIDACAIXA PREVISIÓN SOCIAL



Source: ICEA

In the last three years 12 employment plans were gained from competitors and none were lost

With respect to pension plans and employment and associate pension plans, 5,600 million Euros were managed, which was a rise of 23% over the figure in 2008. This growth was based on maintaining the portfolio of customers in the last three years and gaining new plans from competitors. An example, in the last three years VidaCaixa Previsión Social got 12 pension plans from competitors and lost none.

With 2010 in mind, new products are being designed that will be directed at different groups and companies. An example of these is the development of a new range of equity products for companies. At the same time the mediator channel is going to be reinforced offering a "white line" of social welfare products for SMEs.

SMEs and the self-employed: a strategic commitment for the Group

The strategic commitment of SegurCaixa Holding through VidaCaixa Previsión Social to the SME and self-employed segment was continued and reinforced in 2009. The offer for this segment included a variety of insurances such as life, health, collective agreements, pension plans and since October 2009 insurance for vans and shops. The latter are new products and their evolution will be explained in the next chapter. Those new products were added to the wide range available to cover the insurance and welfare needs of this segment that is key and strategic for the development of the Group in the future.

Branches

Life and pensions	Health	Accidents	Multi-risk (New 2009)	Motor (New 2009)
• Vida Colectivo • Planes de Pensiones de Promoción Conjunta	• VidaCaixa Salud SME's • VidaCaixa Previsión Profesional	• Accidentes Colectivo • VidaCaixa Convenios	• SegurCaixa Negocio	• SegurCaixa Auto Negocio

More than 77,043 SMEs, 19,000 more than in 2008, entrust their healthcare insurance to *VidaCaixa Salud PYMES*, that gives them access to a list of over 33,000 doctors in over 300 private medical centers without any co-payments and with dental cover at a competitive price.

36,227 self-employed people, 4,000 more than in 2008, contracted the *VidaCaixa Previsión Profesional* insurance, which guarantees the peace of mind of having a daily compensation that is agreed to at the signature of the contract in the case of lost time at work through illness or accident.

Mention must also be made to the *VidaCaixa Convenios* insurance, which allows companies and entrepreneurs with employees subject to collective agreements to meet those obligations in an efficient and simple manner. Some 9,836 policyholders, up by 1,278 since 2008, contracted this product. Lastly, VidaCaixa Previsión Social has joint pension plans or *Planes de Pensiones de Promoción Conjunta* with 12,533 participants, 2,367 more than in 2008; *Accidentes Colectivo* or accident insurance for groups and companies that accumulated a total of 79,796 policyholders and *Vida Colectivo* or life insurance for groups and companies with some 13,315 customers.

Looking ahead to 2010, it is foreseen to introduce improvements in existing products like the *VidaCaixa Salud Reembolso* for SMEs.

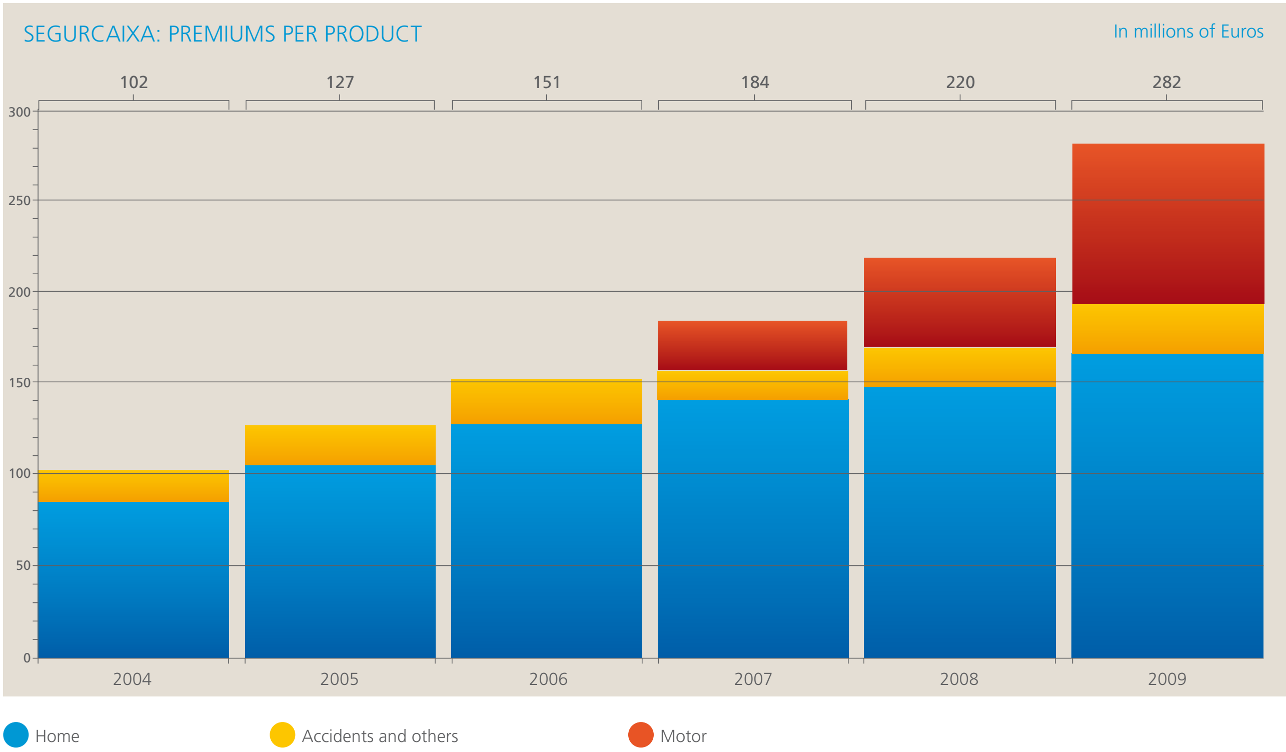
In 2009, 19,000 more clients entrusted SegurCaixa Holding with their healthcare insurances

SegurCaixa

In 2009 premiums in SegurCaixa rose by 28% to 282 million Euros

SegurCaixa is the company specialising in the non-life insurance business of SegurCaixa Holding Group. It markets home, accidents and since 2007 motor insurance.

SegurCaixa's activity had a highly positive evolution in 2009. Premiums rose by 28% to 282 million Euros and the number of customers also increased by almost 10% to 935,216 policyholders. In the third quarter of 2009 the portfolio of products for the SME and self-employed segments was widened with the launching of two new insurances, *SegurCaixa Negocio* and *SegurCaixa Auto Negocio*, which were both very well accepted and provided an average of 150 new policies per day.



SegurCaixa Auto

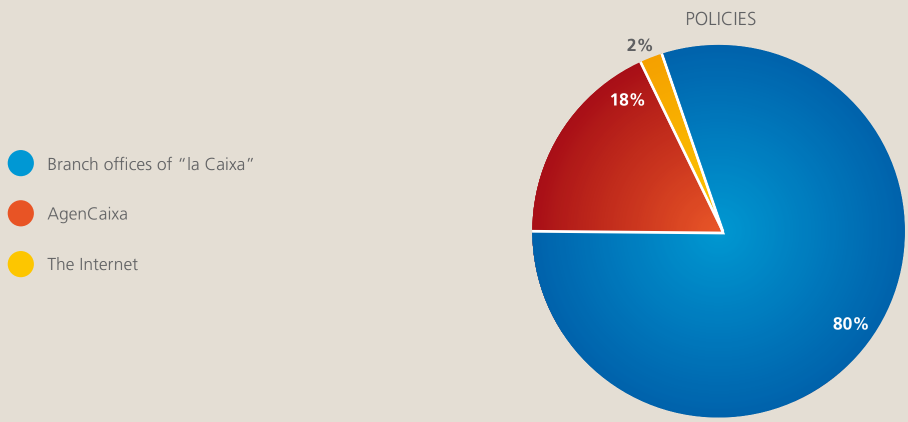
SegurCaixa Holding entered the motor insurance business in 2007. From the launch of *SegurCaixa Auto* the growth in premiums has been exponential and in line with the Business Plan.

SegurCaixa Auto contributed to positioning SegurCaixa Holding as a benchmark reference in comprehensive cover in every area of family insurance. Among the differential aspects *SegurCaixa Auto* offers is the repair and/or substitution of optional accessories included by the manufacturer, the possibility of monthly premium payments and a level of service that is provided through the multi-channel platform used by the branch offices of "la Caixa", the call center and the Internet.

SegurCaixa Moto

SegurCaixa has had motorcycle insurance since 2008 and this completes the vehicle insurance offer for individual customers. There are three types of contract: third party, third party including fire and theft and comprehensive with excess (of which the last two are exclusively available for new motorcycles).

SEGURCAIXA AUTO AND SEGURCAIXA MOTO DISTRIBUTION CHANNELS



SegurCaixa Auto Negocio

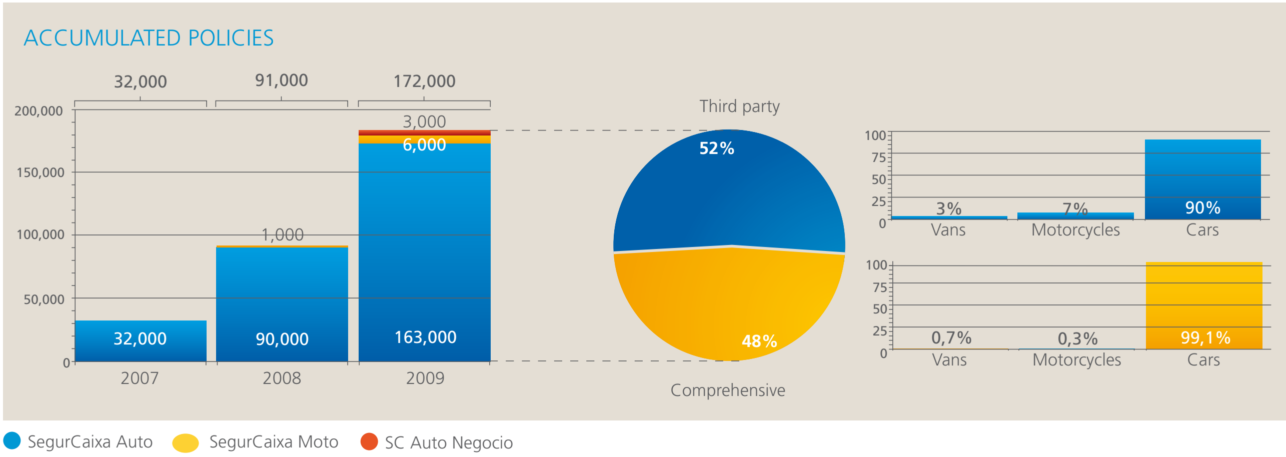
En 2009 SegurCaixa reinforced its presence in this sector with the launch of the new *SegurCaixa Auto Negocio*, which accepts insurance for vans up to 3,500 kgs., for both private and professional use. Among the differential covers *SegurCaixa Auto Negocio* offers are that the compensation value in the case of write-offs is 100% of the price of a new vehicle for vehicles of less than 2 years old and for those over two years is 100% of the real market price of the vehicle. The free choice of repair workshop is also given, including the official workshop of the brand as well as the inclusion of accessories that came with the vehicle and optional accessories for up to 1,500 Euros, travel assistance and sanction administration.

With this new product SegurCaixa Holding provides a response to the needs of the strategic segment of SMEs and the self-employed and it becomes the first bankassurance entity on the Spanish market to sell its own car, motorcycle and van insurance.

It is a priority for SegurCaixa to offer the very best service to its customers that have had a claim and the quality ratings endorse this management

The good results achieved in the motor segment over the last two years can be explained by the quality of the product, the excellence of the service provided and the dynamic marketing of the sales network. All of this contributed to the fact that over 170,000 vehicles are insured by SegurCaixa products.

Premiums in SegurCaixa Holding's motor insurance rose to 88 million Euros, up 82% on the 2008 figure. More than 89,000 services were provided in 2009 for travel assistance, sanction administration and mechanical, legal or medical assistance.



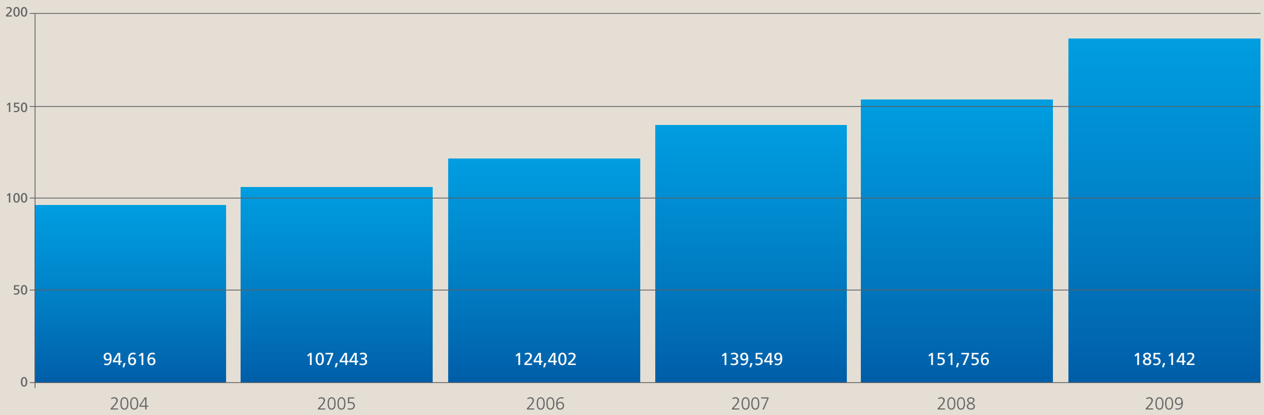
SegurCaixa Hogar

SegurCaixa Holding provides its customers with a wide-ranging multi-risk home insurance. The star product is *SegurCaixa Hogar* with wide-ranging cover and a high degree of satisfaction among customers. The full range is completed with *SegurCrédit*, which solely insures the building itself, and other insurance products covering content, construction and a ten-year building liability cover.

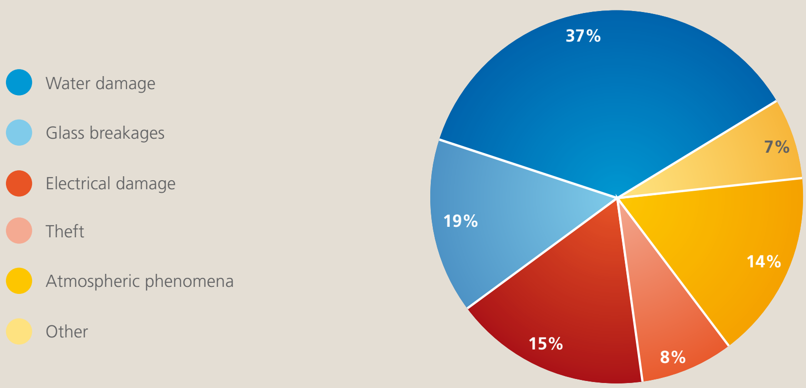
The SegurCaixa multi-risk home insurance provided cover for more than 730,000 homes in 2009. There was an increase of 22% in the number of claims declared in 2009. This increase in the claims ratio was mainly due to Klauss, the meteorological phenomenon that affected the whole north and east of the Iberian Peninsula over a three-day period.

SegurCaixa's priority is to attend to customers who have had claims and offer them the best possible service so that they are entirely satisfied. According to the latest survey from ICEA (Spanish Association for Insurance and Assurance Companies) to customers with claims, the index of satisfaction shown for *SegurCaixa Hogar* was 95%, well above the average for the market, which was 87%, and also above the overall figure for bankassurance companies that stood at 85%.

SEGURCAIXA HOGAR: CLAIMS MANAGED



SEGURCAIXA HOGAR: PRINCIPAL CAUSES OF CLAIMS



SegurCaixa Negocio

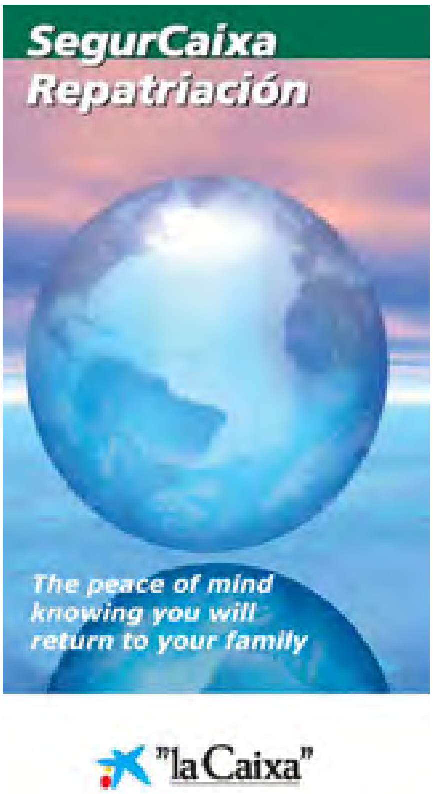
***SegurCaixa Negocio* is the commitment to SMEs of multi-risk insurance products, which provide cover against possible damage caused by accidents that could affect the structure of the premises, offices and other buildings of the companies as well as fixed installations like water, gas, electrical, telephony or the like**

SegurCaixa Negocio is a new insurance product for SMEs that was launched in 2009. It provides cover against possible damage caused by typical accidents that can affect the structure of the premises, offices or warehouses used by companies and businesses that are customers of this product. It also covers fixed installations like water, gas, electrical, telephony and the like that are found in those facilities. Damage to the content of the premises like furniture, machinery or raw material is also covered.

SegurCaixa Negocio provides differential covers with respect to competitors such as a telephone and online helpdesk to solve computer problems, a remote data backup service and a data recuperation service in the case of lost information.

Accident Insurance

The volume of business in premiums in accident insurance rose by 14% with respect to 2008 and reached 18 million Euros



With 18 million Euros in premiums in 2009, 14% more than in 2008, SegurCaixa's range of accident insurance products is as follows:

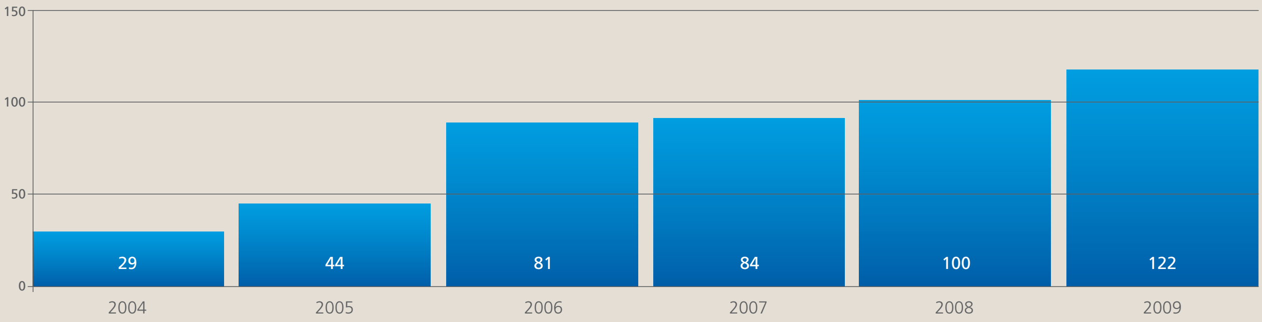
SegurCaixa Accidentes is a product designed to be sold over the telephone channel and it was well accepted by the market because of its wide cover and excellent relationship between the price and quality it offers. In 2009 there were 33,747 customers of which 22,885 were completely new.

SegurCaixa Protección is a traditional product in the line of accident insurance and its attraction lies in its flexibility and user friendliness. In fact it is not necessary to undergo a prior medical examination and it provides a principal in the event of the insured party's death or permanent and absolute disability due to an accident. Its accessibility and service features earned the trust of some 59,356 customers.

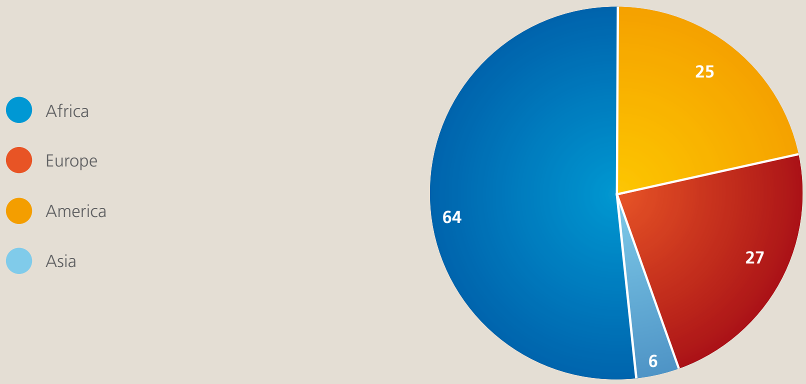
A large part of the Group's energies was focused on providing a service for new residents in order to design and streamline products to meet the needs of this particular sector of the population. Consequently, the Group provides the *SegurCaixa Repatriación* and *SegurIngreso* accident products that were tailored for this group. The former provides cover for new residents in search of a guarantee of repatriation to their countries of origin in the event of their deaths in any member country of the European Union, with cover for travel expenses for an accompanying family member or friend. In 2009 the number of individuals insured with this product rose to 71,948.

The range of accident insurance products available and designed for new residents is completed with the *SegurIngreso*, which was launched in 2005 and by the end 2009 provided cover for 17,650 customers. This insurance policy, which can be subscribed to from as little as 7 euro per month, does not require a prior medical check-up of any kind and has shown consistent year-after-year growth since it was launched. Through *SegurIngreso*, in the event of death, beneficiaries of the policy receive a payment of 6,000 Euros and a regular monthly income for five years, the principal of which depends on the premium paid and can vary between 600, 1,000 or 2,000 Euros.

SEGURCAIXA REPATRIACIÓN: NUMBER OF REPATRIATIONS MANAGED



PRINCIPAL DESTINATION AREAS – repatriation destinations



AgenCaixa

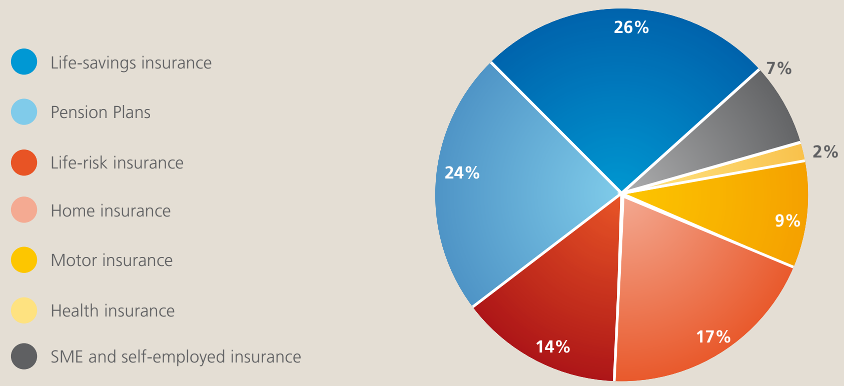
AgenCaixa's training plan has had an official diploma from the UOC (Open University of Catalonia), which makes it equivalent to a postgraduate degree

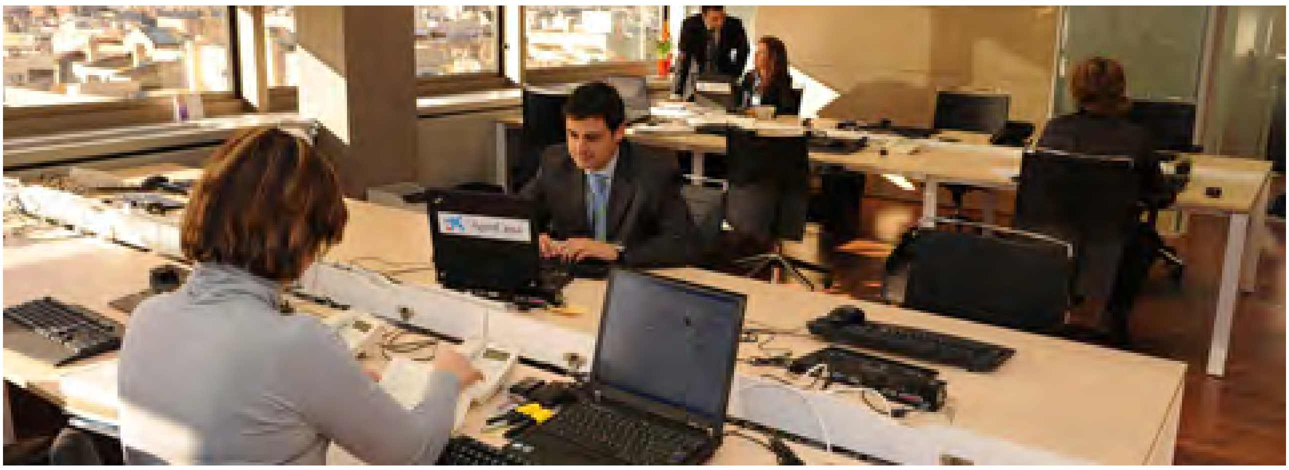
Customer care and assessment is a key feature in marketing the insurance products and pension plans offered by SegurCaixa Holding. In order to optimise insurance selling and to improve the relationship with its customers, SegurCaixa Holding avails of AgenCaixa, the company that integrates the network of expert consultants. The AgenCaixa workforce is currently made up of 419 advisors and sales delegates distributed throughout Spain.

A team of professionals contribute technical know-how to provide consultancy and manage the specific needs of customers in insurance and protection products. As a key element in the commercial strategy of the company, the AgenCaixa advisors also provide feedback and information regarding opinions and appraisals in relation to the products and services the Group markets.

The information they handle is essential in developing new ways of improving products, detecting new requirements to cover and adapt existing products and services to customer expectations and preferences. In recognition of the quality of the training programmes attended by every AgenCaixa advisor, the Training Plan launched in 2003, received the official diploma by the UOC (Open University of Catalonia) in 2006 as a "Commercial Technical Insurance Training Plan", with the level of a postgraduate qualification.

AGENCAIXA, DISTRIBUTION OF SALES PER TYPE OF PRODUCT





Adeslas

The acquisition of Adeslas by SegurCaixa, a company representing the non-life branches of SegurCaixa Holding, was announced in October 2009. This reinforced the leadership of the Group in the Spanish insurance sector.

Adeslas has been the leading company in private healthcare in Spain for the past nine years, thanks to the trust placed in it by more than 3 million policyholders. Adeslas offers its customers the widest healthcare network on the market: 33,000 medical professionals and 1,100 hospitals or outpatients centers, its own private network composed of 31 medical centers, 66 dental clinics and 10 hospitals, which are all reference centers within their areas of influence. Adeslas is a pioneer in collaborating with the National Health System through its many agreements with State Mutual Societies, among which the Health Department 11 of the Valencian Autonomous Community stands out as it includes the primary healthcare in the region and the specialised medical care and management of the Hospital Universitario de la Ribera (University Hospital).

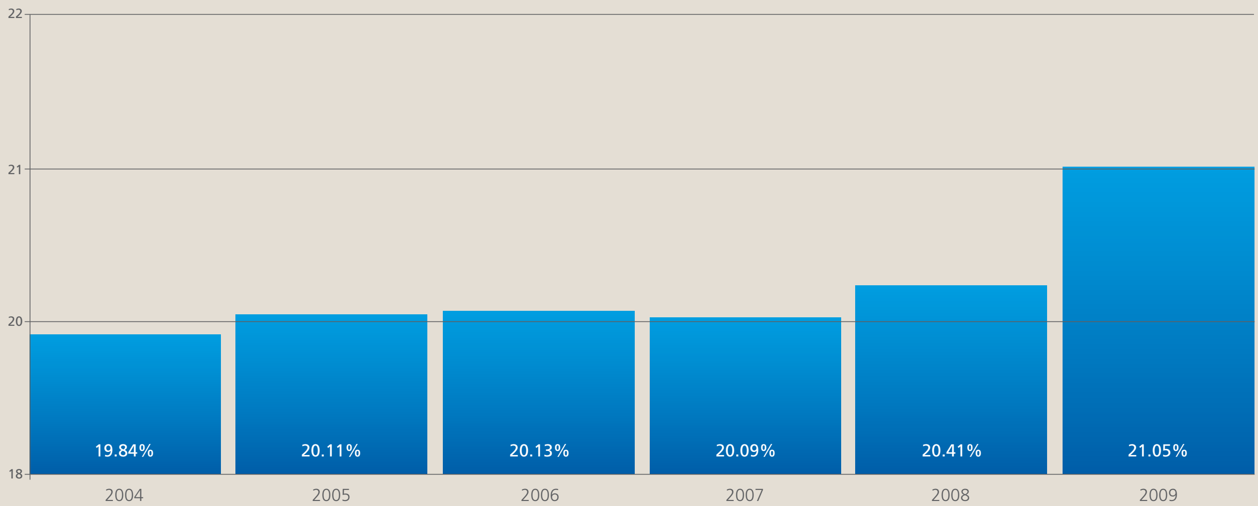
Adeslas provides its customers with the most complete and flexible health insurance offer on the market with the aim that each person pays for the cover he/she needs. This fact, together with the huge increase in services in recent years, the setting up of the largest private network of healthcare facilities –outpatients departments, dental clinics and hospitals- turn Adeslas into an integral healthcare provider, which enables it to guarantee high quality products at reasonable prices for its policyholders.

Insofar as profits are concerned, in 2009 there was an 8% increase in premiums, which amounted to 1,300 million Euros. This growth was above the average for the health insurance segment, which stood at 5%. Adeslas gained 0.64 percentage points in market share with respect to 2008 and so strengthened its leadership with a market share of 21.05%. With these figures Adeslas continued to head the ranking of health insurance companies.

The number of people who confide their healthcare insurance to Adeslas stood at almost 3,300,000, up 5% on the previous year. Of them, nearly 2 millions have healthcare insurance and just under 800,000 have dental insurance. Adeslas provides the most complete and flexible range of health insurance on the market combining health and dental products with the aim that each person pays for the cover he/she needs. This lets the customer choose from basic and more economical outpatients insurance to products offering complete medical cover or reimbursement of expenses without forgetting about the specific interest in dental care.

Adeslas has been the leading company in the private healthcare sector in Spain for the past 9 years and has a market share of 21.05%

ADESLAS MARKET SHARE



Medical Care

In medical care, Adeslas specifically provides its customers with two types of healthcare cover that gives them the choice of the best doctors in each specialty and the main medical centers and private hospitals of reference from a wide range of medical services and facilities:

- Outpatient Cover: This is a type of healthcare insurance that enables a comfortable, quick and direct access to primary care consultation, specialities and means of diagnosis. *Adeslas Joven* and *Adeslas Primera*.

- Complete Cover: This is healthcare that includes wide ranging cover in primary care, specialities and means of diagnosis, casualty department and hospitalisation. *Adeslas Completa*, *Adeslas Vital* and *Adeslas Familia* (novelty).

The company also offers a wide range of reimbursement insurance that allows the policyholder to have free choice of private healthcare from specialists and hospitals in any part of the world through the reimbursement of expenses. These products are *Adeslas Extra* (limited to 150,000, 210,000, 250,000 and one million Euros) and *Salud Libre*.

In addition, customers of Adeslas can complete their integral cover healthcare insurance policies with a series of modules such as *Plus Ginecología y Pediatría* [Gynaecology and Paediatrics Plus] (a novelty), access to the Clínica Universitaria de Navarra, the *Subsidio por Hospitalización* [Hospitalisation compensation], and optionally, Compensation for Operations in any part of the world.

For SMEs, Adeslas offers the following insurance policies: *Adeslas Pymes*: *Adeslas Pyme Completa*, *Adeslas Pyme Primera* and *Adeslas Pyme Extra*, exclusive policies that have specific health and dental cover thought of for their employees and families. They offer multiple possibilities that range from outpatient cover, complete cover and even reimbursement of expenses with free choice of specialist and medical center in any part of the world. To further complement their policies in 2009, they launched a new module called *Plus Prestación Económica* for temporary disability, another new product for temporary disability with capitals of 10, 25 or 50 Euros that can be contracted by the self-employed who have contracted any of the modules available to *Adeslas Pymes*. This new module has two major advantages: firstly, the sum defined in a scale for each pathology is directly paid to the insured regardless of the time the policyholder is off ill; secondly, there is no type of charge added when applying to get paid for the service received.

On the other hand, self-employed workers can avail of *Adeslas Profesional*, an exclusive product that includes additional accidents insurance apart from healthcare and a daily compensation for temporary disability.

Both the self-employed and SMEs, as well as their employees, benefit from major fiscal advantages when contracting Adeslas insurance policies. Companies can deduct the expenses of the premiums paid out in their Corporation Tax. Employees, for their part, rely on the fact that income from their medical insurance does not fall into the category of fringe benefits and therefore does not pay taxes up to a limit of 500 Euros per policyholder and year.

The health insurance product *Adeslas Pymes* has also become a product with certain labour advantages as it is considered a powerful loyalty tool and improves the level of worker satisfaction.

Lastly, another of the sectors that has shown the greatest evolution in recent years has been insurance for large companies. The reason for this is that both managers and employees consider private health to be the highest valued fringe benefit. Apart from driving down labour costs, periods of lost days through illness are shortened as there is quick access to medical services, without delays nor waiting lists. Even the number of hours lost going to medical appointments is reduced.

Through their *Servicio Empresas*, Adeslas studies each case on an individual basis to create differentiated solutions that are totally adapted to the specific needs of the person. In 2009 we reached 6,000 policies sold providing cover for one million policyholders.

The self-employed and SMEs get significant fiscal advantages for signing Adeslas insurance contracts

Dental Attention

In the dental attention segment more than 800,000 people are insured with Adeslas

In the dental attention segment Adeslas is also the most popular on the market with more than 800,000 policyholders, 19% more than in 2008. We offer our customers our own Dental Clinic called *Clínicas Dentales Adeslas* and a 1,000-strong list of private odontologists. This insurance endeavours to anticipate the dental problems that may arise at any moment and enables customers to have a healthy mouth at a reasonable cost.

Adeslas insurance policies offer many services without any additional cost (emergencies, x-rays, buccal cleaning, etc.) and other dental treatment with a savings of over 30 percent of what it would cost without insurance in the dental network of Adeslas.

The Adeslas Dental Clinic network has 66 centers throughout Spain and provides customers with all the odontology specialisations and maxillofacial surgery: general odontology, orthodontics, odontopaediatrics, endodontics, dental hygiene, dental aesthetics, mouth surgery, radiology, implantology, periodontics, Temporomandibular Articulation as well as the best technology to carry out the most advanced treatments such as laser whitening, needleless injections or state of the art treatments to rapidly regenerate tissue among others.

The Adeslas Dental Clinics have the Quality Management System Certification standard UNE-EN ISO 9001 to provide integral odontology services to patients including the strategic, operative and support processes required to guarantee the best service to customers. Moreover, keeping the customer in mind, the Adeslas Dental Clinics let customers avail of long opening hours.

Hospital Group

In the Hospital Group of Adeslas there are 10 hospitals with 1,000 beds and almost 60 operating theatres

The Hospital Group of Adeslas is one of three business units of the company; the others being insurance and the collaborating activity with the Public Health Sector. It is one of the largest private hospital groups in the country with a turnover of 190 million Euros in 2009 and almost 2,200 employees.

The Group owns 10 hospitals throughout Spain with more than 1,000 beds and almost 60 operating theatres. Nowadays they are a reference in their areas of influence, not only for their historic prestige but also for their medical staff. In all, the hospitals of the Group attended to practically 1,600,000 patients, Adeslas customers as well as customers from other insurance companies; private patients; mutual societies work accident patients and others stemming from the collaboration with the National Health System.

The Group invests approximately 10% of its turnover in the renovation of equipment and the acquisition of state of the art technology, which places the centers at the head of private healthcare in their areas of influence.

In 2009 a major investment was made aimed at systemising processes. Tasks like registries of actions and activities corresponding to the infirmary and medical staff are now systemised in all the hospitals of the Group. This implies an improvement in the speed and quality of the service offered to customers.

Two medical committees were also set up in each one of the Group's hospitals: The Committee for Hospital Infections and the Clinical Documentation and Archive Committee.

The former takes care of the study, analysis and prevention of nosocomial infections, antibiotics policy and the drawing up of plans on these points. The latter, the Clinical Documentation and Archive Committee, sets up the strategic and operative criteria required so that each hospital has the correct clinical information to manage its healthcare activities. Moreover, the strict fulfilment of legislation referring to a patient's autonomy and his rights and obligations in matters of information and clinical documentation was adhered to.

Lastly, in April 2009 an agreement was reached with Phillips to incorporate their most advanced technology to the lighting system throughout the hospital group. This allowed each Adeslas Hospital to contribute an average saving of 120 tons of CO_2 and some 15,000 Euros in energy costs a year.

Deployment of Adeslas own healthcare centers (including openings to June 2010)

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

Collaboration with the Public Health Department

Although the National Health System is usually based on the use of public health resources, over time certain contributions from private initiatives have been witnessed, which, apart from improving the efficiency of the system, manage to achieve high degrees of quality in services and as a result the satisfaction of the users. In this sense, Adeslas has always committed itself to the introduction of balanced models of public-private collaboration, thereby participating in what is today some of the most outstanding examples of this: the following are the result of collaboration through the Mutual Societies of the State and the Management of Department 11 of Health in the Generalitat of Valencia (The Government of the Valencian Autonomous Region), which is called "Modelo Alzira".

Collaboration with the mutual societies of the State

The mutual society with the longest tradition is the one that dates back 40 years and manages the mutual society of the civil servants: the Mutualidad General de Funcionarios Civiles del Estado (MUFACE), the Instituto Social de las Fuerzas Armadas (ISFAS) [Air Force] and the Mutualidad General Judicial (MUGEJU) [the Justice Dept.). Their members form a group of 2.3 million people who, according to the regulations, can opt every year for public health cover or any of the insurance companies the mutual society reached an agreement with. About 85% of the civil servants opt for private companies. Adeslas subscribed to those agreements from the outset and it is the company with the highest number of insured people in each of them.

In 2010 new agreements came into force with the sole difference that some operators that traditionally offered healthcare to those groups decided not to continue doing so. Thanks to the quality of its service catalogues, and the fact that Adeslas is a benchmark company in national cover, Adeslas was the most chosen option by members who had to change companies which gave rise to the fact that almost one million members chose Adeslas to manage their health.

The Department 11 of Health

Adeslas has always committed itself to the collaboration between private initiative and public administrations as a good alternative to face the health challenges of the future. The "*Modelo Alzira*" implies private management through an administrative concession of a health department. It is a formula whose success has been proved. Adeslas has headed for the last decade the "Temporary Union of Companies" that manages Department 11 of Health in the Autonomous Community of Valencia: the primary care of the region, specialised healthcare and the management of the Hospital Universitario de La Ribera.

This center has become a paradigm for this and other autonomous communities, including some other countries, of a public-private model of collaboration that improves the care given to citizens and the efficiency in management. At the same time, the Health Department of La Ribera keeps itself extremely busy, but always within the parameters of the quality and efficiency the citizens require. In 2009 the Primary Care Centers of the Department of Health attended to more than 1.3 million general medical enquiries and almost 270,000 paediatric visits. The University Hospital of La Ribera carried out 20,000 operations and had 2,500 births while doing some 4.7 million laboratory tests, 19 thousand X-rays and 21 thousand CT scans.

The patients at the University Hospital of La Ribera gave an evaluation of 8.42 points out of 10 in the latest satisfaction survey carried out by the Health Department in 2009. This result was half a percentage point more than the previous survey.

In 2009 the University Hospital of La Ribera was awarded 4 of the prestigious TOP 20 awards that are given each year by IASIST, the health information services company that conducts an annual study of the best hospitals in Spain. In fact those awards were for general hospital management, the areas of Digestive Surgery and Nervous System, as well as an award for being one of the hospitals with most distinctions of this type over a ten year period.

4

Principal milestones and projects from last year

SegurCaixa Holding's performance in the area of Corporate Responsibility

The corporate values at SegurCaixa Holding –Trust, Quality and Dynamism–, drive both the behaviour and decision-making process of each and every member of staff at the company and inspire development of an attitude focused on providing solutions to meet our employees, customers and shareholders' needs, as well as those of society in general and the environment.

Over the previous years and in line with the Group's performance, SegurCaixa Holding bolstered responsible performance and strengthened fresh initiatives throughout 2009 which added impulse to its corporate strategy and forged stronger bonds with its principal stakeholders.

Below are the main achievements in the area of corporate responsibility undertaken by SegurCaixa Holding during 2009. For a more in-depth description of these initiatives, please consult the Group's 2009 Corporate Responsibility Report.

Composition of the Corporate Responsibility Committee

In 2009 the Corporate Responsibility Committee was set up, from which a further three Advisory Sub-Committees sprang –customers, employees and independent experts– which are responsible for managing dialogue with stakeholders

The decision to set up the Corporate Responsibility Committee in 2009 represented a significant boost to the company's initiatives in the area of corporate responsibility, providing it with a more integrated focus within the Group's corporate strategy. The Committee serves as a vehicle for information sharing and fostering initiatives aimed at improving the company's performance in this area and its relationship with stakeholders.

There are three Sub-Committees which stem from the Corporate Responsibility Committee, –one representing customers, another for employees and one for independent experts– thereby representing the principal stakeholders in SegurCaixa Holding. These Sub-Committees are responsible for channelling dialogue with customers, employees and representatives from social and environmental organisations and act in an advisory capacity.

Drawing up and diffusing the SegurCaixa Holding Code of Ethics

The SegurCaixa Holding Code of Ethics stems from the Group's corporate values which outline the general behaviour, conduct, rights and responsibilities to stakeholders for each and every member within the Group. Several departments were involved in the design of the document, in cooperation with shareholders (Criteria and "la Caixa"), and which was subsequently approved and implemented by the Board of Directors of SegurCaixa Holding. The Code of Ethics is a public document and can be consulted at www.segurcaixaholding.com

The SegurCaixa Holding Code of Ethics outlines the conduct, rights and responsibilities of staff with regard to stakeholders

Adhesion to the United Nations Global Compact

The United Nations Global Compact was an initiative promoted by Kofi Annan in 1999 and which has subsequently become the most important social initiative in the corporate world, with more than 4,000 signatories in 116 countries. SegurCaixa Holding adopted the 10 Principles which constitute an undertaking with human rights, labour and environmental issues as well as engaging in the fight against corruption in all its forms. By becoming a signatory to this initiative, the Group took an important step in improving responsible performance and falls within the framework of the range of initiatives undertaken by the organisation over the past years in the areas of corporate responsibility and corporate governance.

THE GLOBAL COMPACT

WE SUPPORT

PRI

Adhesion to the United Nations Principles for Responsible Investment (PRI)

This decision meant that VidaCaixa became the first organisation from the life insurance and pension plan management sector in Spain to adopt the PRI. Even though VidaCaixa has been exercising sustainable criteria in investment management since 2001, the adoption of these principles is yet another step and means that policyholders of savings insurance and individual and group pension schemes are ensured that their investments are managed in a sustainable and responsible manner.

By adopting the United Nations Global Compact and the Principles for Responsible Investment (PRI), SegurCaixa strengthens its performance in responsible and sustainable practices

Obtaining Certification as a Family Responsible Enterprise (efr)

This efr Certification represents a significant step forward in the commitment to striking a work/life balance at SegurCaixa Holding

In 2009, SegurCaixa Holding continued to make progress in the area of responsible management of human resources. The management model adopted by human resources was awarded the Certification as a Family Responsible Enterprise by the Spanish Foundation Más Familia. This acknowledgement highlighted the already 40 measures in existence and implemented by SegurCaixa Holding and whose objective is to facilitate the striking of a work/family balance for its employees, diffuse these measures internally and put in place a plan of action for ongoing improvement including fresh measures and initiatives provided by employees through internal consultation processes and suggestions.

Collaboration with the GAVI Alliance and the Business Alliance for Childhood Vaccination

The GAVI Alliance is a global initiative dedicated to facilitating access to vaccination for children from low income countries. SegurCaixa Holding joined the initiative and also participates in the Business Alliance for Childhood Vaccination. The Group's contribution to the cause was expressed through a donation of 30,000 Euros, which is the amount allocated each year for purchasing Christmas gifts. The company extends its collaboration to include employees of the Group and corporate customers of VidaCaixa Previsión Social.

Initial measuring and itemized CO_2 footprint

Calculating the CO_2 footprint will enable the company to undertake future initiatives aimed at reducing the impact on the environment

In 2009, the company initiated a process to measure the amount of CO_2 generated as a result of DIN A4 paper consumption, electricity consumed at Headquarters of SegurCaixa Holding and emissions stemming from employees commuting to and from the workplace. This process enabled the company to establish a starting point and will serve to kick-start initiatives designed to reduce the environmental impact of the organisation.

A commitment to a multi-channel approach

SegurCaixa Holding is well aware of the importance of IT and communication technologies in all processes regarding communication, relationship and commercial procedures involving its customers. For this reason, the Group made a commitment to facilitate contact between the organisation and its customers via a wide range of channels available which enhance service quality, customer satisfaction and easy access to services.

With regard to our group and individual customers, the company continued investing in the development of additional channels to complement the existing channels through branch offices and sales advisors and mediators, such as Internet and telephone channels.

Moreover, the company strengthened the multi-channel service for our corporate customers segment by adapting the organisational structure to better meet the evolving needs and commercial trends of this sector, thereby making the relationship with those involved in the negotiating process more flexible and transmitting this capacity for change to the entire corporate business management team.

Línea Abierta Website

SegurCaixa Holding places great emphasis on the importance of this particular channel, given that it allows customers and the company to perform so many procedures and processes as well as providing support for commercial operations for the range of products which make up the voluntary benefit plans portfolio. Through Línea Abierta de "la Caixa", the online banking service of "la Caixa", customers of SegurCaixa Holding can access detailed information regarding the services available for insurance products and pension plans. The channel gives customers access to information regarding the overall situation of the vast majority of products contracted. The range of products available that can be directly contracted via Línea Abierta include the following: pension plans and group life insurance plans, savings insurance, children's savings, dental insurance, collective agreement cover, motor insurance, home and life insurance. At the same time, life insurance linked to mortgages and loans can be requested through Línea Abierta, even though the contractual process itself must be completed at a branch office. Finally, in 2009 the company set up a new function called the Videoagente (Video-sales rep).

This system enables customers to contract home, life or health insurance policies while being able to have a visual of the telemarketing representative via their PC but not vice versa.

The Balanced Scorecard

For the past ten years, SegurCaixa Holding has been implementing the Balanced Scorecard system as a tool for monitoring strategy and objectives in four major areas: customers, processes, finance and people.

On a quarterly basis, more than 300 indicators are employed to monitor the results obtained from each department and business area. Besides being used to chart progress, the system also serves as a communication tool between the organisation and its employees regarding results achieved and the challenges and goals to be faced in the future.

Launch of the new SegurCaixa Negocio and SegurCaixa Auto Negocio products

In 2009, SegurCaixa Holding strengthened its commitment to the SME and self-employed segment with the introduction of the new SegurCaixa Negocio and SegurCaixa Auto Negocio products

With the launch last year of the two new products, SegurCaixa Holding adds to its product range and strengthens its commitment to the SME and self-employed segment. The SegurCaixa Negocio is a multi-risk product that provides ample cover against the risks that may affect the contents and premises of commercial premises, offices or company warehouses. Furthermore, the SegurCaixa Auto Negocio is a broad cover insurance product for commercial or private vans up to 3,500 kg.

Second edition of the Control Commissions Forum and launch of the VidaCaixa Previsión Social y *Expansión* blog

In 2009, the company continued investing in its commitment to improve and contribute to the dissemination of employee social welfare. In this regard, it is worth mentioning the Second Control Commissions Forum, the launch of the VidaCaixa Previsión Social, and the SegurCaixa Barometer regarding "The Importance of Private Healthcare Insurance"

VidaCaixa Previsión Social in collaboration with the Spanish business newspaper *Expansión*, undertook a new initiative last year by setting up the "Control Commissions Forum", with an excellent level of participation. The purpose of the forum is to provide a platform for communication to and dialogue with society in general and to the financial and corporate sector concerning employee pension schemes and funds, as well as the situation regarding voluntary employee welfare schemes in Spain. The forum was designed with three main areas of debate in mind: Investment Management, Legislation and Adapting to the Environment. At the same time, VidaCaixa launched the company pension scheme blog called "Gana tu futuro" (Earn your future), whose objective is to promote the exchange and sharing of opinions regarding current issues and themes of interest for the sector. The blog can be accessed from the www.vidacaixaprevisionsocial.com website and boasts the collaboration of renowned individuals and experts from the varying fields of voluntary employee benefit schemes.

VidaCaixa receives 3 of the 6 prizes for best pension fund management awarded by the *Expansión* business paper

In 2009, VidaCaixa was awarded by *Expansión*, the business newspaper, the Prize for Best Pension Plan Management in the categories of fixed and mixed income, in which 80% of Spanish participants can be found. In total, VidaCaixa obtained 3 of the 6 awards for the best pension plans and pension plan management. The excellent performance of the company in investment management was evidenced by the fact that over 70% of the overall assets managed through individual plans were in the first or second profitability

Presentation of the SegurCaixa Barometer

The sixth SegurCaixa Barometer was presented last year under the title "The Importance of Private Healthcare Insurance", which analysed the principal benefits and values of this kind of insurance cover and the general public's perception of both public and private healthcare. The most noteworthy results of the study included the findings that healthcare cover is the employee benefit held in highest esteem by workers and that in times of economic crisis, policyholders prefer to conserve healthcare cover and sacrifice other expenses instead.

5

Shareholders of the SegurCaixa Holding Group

Shareholders of the SegurCaixa Holding Group

For “la Caixa”, 2009 was the year in which it consolidated its financial strengths and its growth. The overall volume of business was in the region of 415,825 million Euros, with 237,799 million Euros in customers’ resources and 178,026 million Euros in granted loans. The recurring profit reached 1,710 million Euros, with an increase of 12.3% in our operating margin. Last year was also a year in which efforts were continued to achieve the Strategic Plan 2007-2010, with which the organisation aims to reach a position of leadership in family banking, corporate banking and personal and private banking.

Moreover, “la Caixa” reinforced its commitment to society in general and its surroundings through its Obra Social, Social and Cultural Outreach Projects with a budget of 500 million Euros.

For its part, Criteria CaixaCorp increased consolidated recurring net profits by 10%, reaching 1,225 million Euros, while income from recurring dividends from companies in which it has a stake amounted to 981 million Euros, an increase of 7%. These results meant that an overall dividend of 0.231 Euros was allocated per share.

Criteria CaixaCorp

The investment portfolio of Criteria CaixaCorp is the largest in Europe in terms of asset volume among private investor groups

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

The current investment portfolio of Criteria CaixaCorp is the largest in Europe in terms of asset volume managed among private investor groups, with a proforma value at December 2009 in the region of 24,380 million Euros. The portfolio includes first class companies with a firm leadership position in their respective sectors of activity and in the countries in which they operate, not to mention their capacity for generating value and profitability.

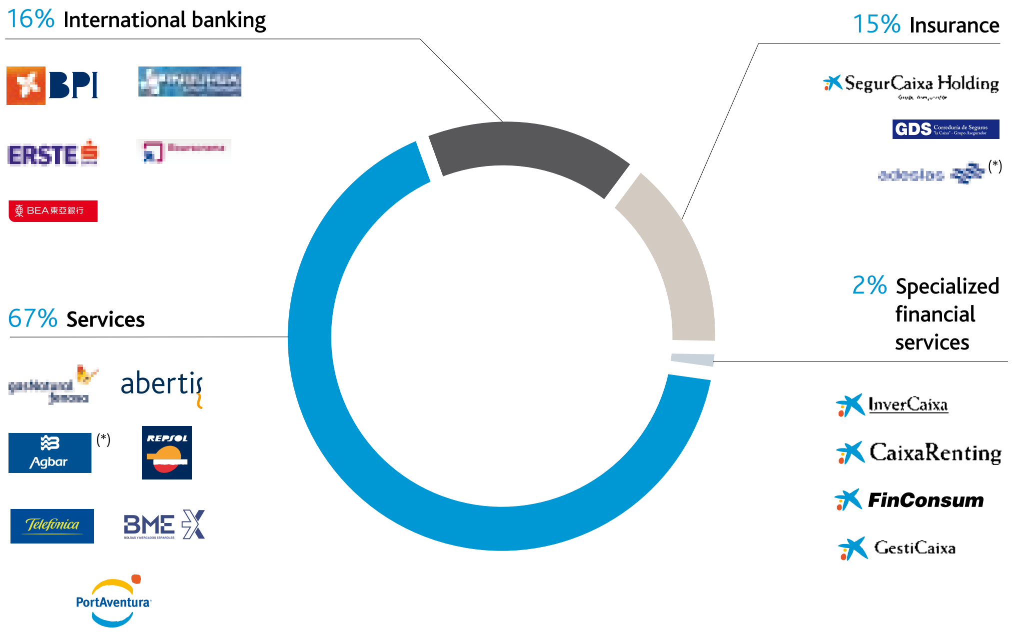
Apart from Criteria’s presence in the banking and financial sectors, through stakes in companies it is also present in strategic sectors such as the energy, telecommunications, infrastructures and services sectors.

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

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

Criteria CaixaCorp has been listed on the Spanish Stock Exchange since 10th October 2007 and has formed part of the Ibex 35 since 4th February 2008, standing among the top Spanish companies in market capitalisation. Criteria CaixaCorp’s portfolio as of 31st December 2009 is broken down according to the following graph:

Gross asset value: €24,380 [1] million



(1) Pro-forma
(*) Percentage distribution taking into account the Adeslas/Agbar transactions underway at December 2009. Criteria expects to complete these transactions in the first half of 2010.

Vision

Criteria CaixaCorp, being the vehicle for the international expansion of "la Caixa", aspires to become an international benchmark financial and industrial Group, whose main aim is to create value and balance the satisfaction of both shareholders and employees as the company develops.

Corporate Values

The values that identify Criteria CaixaCorp are: transparency with which it deals with all its stakeholders, rigour in its investment management and soundness and professionalism it employs in its day to day work to relentlessly identify, analyse and study new business and investment opportunities and contribute value to its shareholders employing risk control.

Business Lines

Criteria CaixaCorp has a multi-sectorial portfolio that combines investments in listed and non-listed companies that are leading or referenced companies in their respective environments and that make up a diversified and unmatched portfolio. Activity is organised into two separate business lines: financial and services.

- **Financial Business:** On the one hand, there is the international banking activity through stakes held in banks outside Spain and on the other there are the non-listed filial companies that carry on the domestic business in insurance and specialised financial services, such as asset management, leasing and consumer credit, among others.

- **Services Business:** This includes the stakes in companies that are leaders in their markets and have a proven track record for capacity of growth and creation of value. Criteria CaixaCorp's investments are focused on Spanish companies with an international presence in non-cyclical sectors such as infrastructures, energy and services to name a few. These portfolio stakes are capable of generating recurrent income and profits with a margin for more and can give an attractive dividend.

Being the vehicle for the international expansion of "la Caixa", Criteria CaixaCorp aspires to become an international benchmark financial and industrial group

Management and strategy of the company

- **Greater exposition to financial businesses:** It is the wish of Criteria CaixaCorp to restore the balance of the portfolio, which at present is top-heavy with a predominance of investments in services companies, by acquiring stakes in financial entities. A major differential factor is that Criteria can count on the experience in retail banking of its controlling shareholder "la Caixa", as well as its capacity to generate value and synergies in the new acquisitions.

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

- **Management by value of investments:** Criteria undertakes investments, disinvestments and corporative projects depending on the opportunity the market offers, always prioritising the creation of value and profitability for its shareholders. In this regard, the position to buy or sell by Criteria depends on the climate offered by markets at any given time. For this, Criteria has more than enough flexibility and experience to identify opportunities and act at the best moment.

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

- **Maximum transparency in its relationship with shareholders and other stakeholders:** It is Criteria CaixaCorp's will to ensure the maximum level of transparency in relation to its shareholders and other stakeholders. This policy is shown through bringing the company closer to all the stakeholders, offering them all the relevant information for each of them at all times and which may concern results, corporate management and strategy or any other issue of interest to them.

The development strategy at Criteria envisages greater investment in financial business especially in the international arena

A strategy for each business line

Each line of business has its own strategic approach to take better advantage of investment and growth opportunities in each sector and geographic market.

- **Financial businesses:** Criteria CaixaCorp will gradually increase its investments in financial businesses in both retail banking and insurance and specialised financial organisations. It is foreseen that the stakes in financial businesses, which represented 18% when it became a listed company and currently is at 33%, including transactions underway at year end 2009, will in the medium to long term represent between 40 and 60% of the total value of the assets.

  a. Financial Business / International Banking. Criteria CaixaCorp envisages continuing with its strategy of increasing its investment in financial businesses, especially in the international arena, through the acquisition of stakes in retail banks. Following the objectives set when Criteria was floated on the stock market, the acquisitions were made and will continue to be made preferably in America, Asia, Central Europe and in countries with a strong growth potential as well as in other markets nearer home where Criteria, together with its benchmark shareholder, can create value by being the vehicle for the international expansion of "la Caixa".

  b. Financial Business / Insurance and specialised financial entities. The aim of these investments is to naturally complement the banking activity. The intention of the company is that these investments act as a support to the international expansion of "la Caixa" through Criteria. Investments in the insurance and financial sectors of investment and specialised financing will seek to boost growth, extending and consolidating its position on the national market. These business sectors have levered themselves naturally into the growth of the distribution network of "la Caixa", as well as into their own capacity to cross-sell.

- **Services Business:** Criteria CaixaCorp's intention is to continue making selective investments and disinvestments, identifying and taking advantage of market opportunities. Although the relative weight of the services portfolio will be reduced, the total amount of that portfolio will still be significant, and will fall somewhere between 60 to 40% in the medium to long term. Criteria's aim is to create a value differential in these companies that are present in strategic sectors of the economy and it will do so by taking a position of reference in the shareholding that will allow an active presence on its Governing Bodies, in key decision taking and in the development of its business strategies. Criteria holds key positions in these companies and when necessary can exercise the corresponding control premiums as a result of this influence.

"la Caixa"

In 2009, "la Caixa" completed final stages of the implementation of its personal and business banking specialisation model, while all the time strengthening the private banking and corporate business development

The 2009 financial year was marked by the development of the Strategic Plan 2007-2010 and the consolidation of the financial and solvency strengthening of "la Caixa" at a time when the economic upheaval continued to intensify. 2009 was a year of solid results, with the company seeing a recurring profit of 1,710 million Euros while consequently strengthening its commitment to Corporate Responsibility. In accordance with the Strategic Plan, "la Caixa" culminated the implementation of its business and personal banking specialist model and continues backing the successful private banking division and corporate business. The company also took a decisive step forward in its internationalisation strategy through the opening of its branch in Morocco, joining those already operating in Poland and Romania and representative offices in both Turkey and China in addition to the "la Caixa" offices already up and running in the United Kingdom, France, Italy and Germany. The organisation is currently working towards new representations in India, Algeria and the United Arab Emirates.

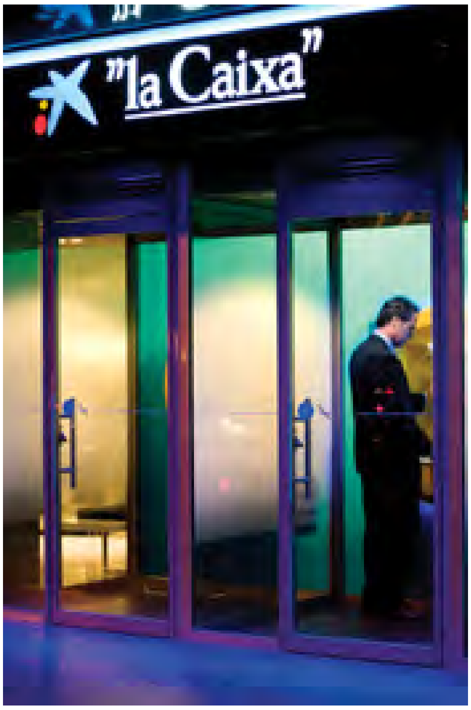
Moreover, through Criteria CaixaCorp, the organisation boosted the strategic agreement signed with BPI, enabling the company to provide the broadest range of financial services to companies operating in Spain and Portugal. It also signed strategic investment and cooperation agreements with its partners The Bank of East Asia and Erste Bank. Other highlights from last year include the Adeslas acquisition agreement, which will incorporate into SegurCaixa Holding and consequently strengthen its leadership position within the insurance sector and its sale of Agbar, while maintaining a stake in its equity as a minority shareholder.

These stakes now join forces with those existing shares in Banco BPI and Boursorama and the total market value of the portfolio of listed stakes of "la Caixa", at the end of 2009, came to 20,118 million Euros with 3,945 million Euros in latent capital gains.

During the 2009 financial year, "la Caixa" consolidated its solvency and met the credit requirements of its customers.

The quality of its credit portfolio and its prudent risk and provisions management held the delinquency ratio of "la Caixa" at 3.42%, below sector averages. The Organisation also boasts an excellent Core Capital (top category own resources) of 8.7%, Tier 1 was 10.4% and BIS II Solvency Ratio of 11%. Another indicator that takes on special relevance is the reduced dependence on the wholesale markets. "la Caixa" therefore enjoys solid financial stability influenced by the fact that by year end 2010, institutional debt maturity will account for only 2,810 million Euros. Shareholder equity accountable to the Group amounts to 17,251 million Euros, with a surplus in own resources over the minimum regulatory requirement of 4,667 million Euros. By year end last year, liquidity for the Group stood at 21,208 million Euros, in other words 7.8% of assets with almost total immediate availability.

In spite of the economic slowdown and that of the banking sector competence, the volume of business of "la Caixa" remained solid due to sustained development of the customer loans portfolio, which increased by almost 1% reaching 178,026 million Euros, with 1 million new transactions and 104,045 million Euros in risk represented by loans. In this regard, corporate loans, through the 80 business centres and the entire branch network, grew by 14% in 2009 compared to the previous year. The overall amount of customers' resources was 237,799 million Euros, the same level as in 2008, with increases in current accounts and with prudent management of price and volume, as well as excellent growth in pension plans, insurance and investment funds. Moreover, another noteworthy event from last year was the strong growth in the range of factoring and confirming products contracted, with an increase of 4.3% and 2.6% respectively, reaching a market share of 10.2% and 13.2%.



The Group's client base is currently at 10.5 million persons. The presence of its branch network and the quality of its teams' commercial activity have been key factors in achieving its objectives in this regard. The Group's commercial strength, with 27,505 employees, the largest network in the Spanish financial sector with 5,326 branches and 7,951 ATMs, its leadership position in on-line banking through Línea Abierta (currently with more than 6 million customers), in mobile banking with more than 1.4 million customers and electronic banking with more than 10.3 million banking cards in circulation), have enabled the Institution to present excellent business and commercial activity growth, in a balanced way while preserving the quality of service provided.

Besides its intense commercial activity, "la Caixa" maintained and strengthened its prudent model of capital management, liquidity

"la Caixa" safeguarded its undertaking with the allocation of a 500 million Euro budget to Obra Social, which the company plans to repeat in 2010

The "la Caixa" Group's customer base currently stands at 10.5 million people

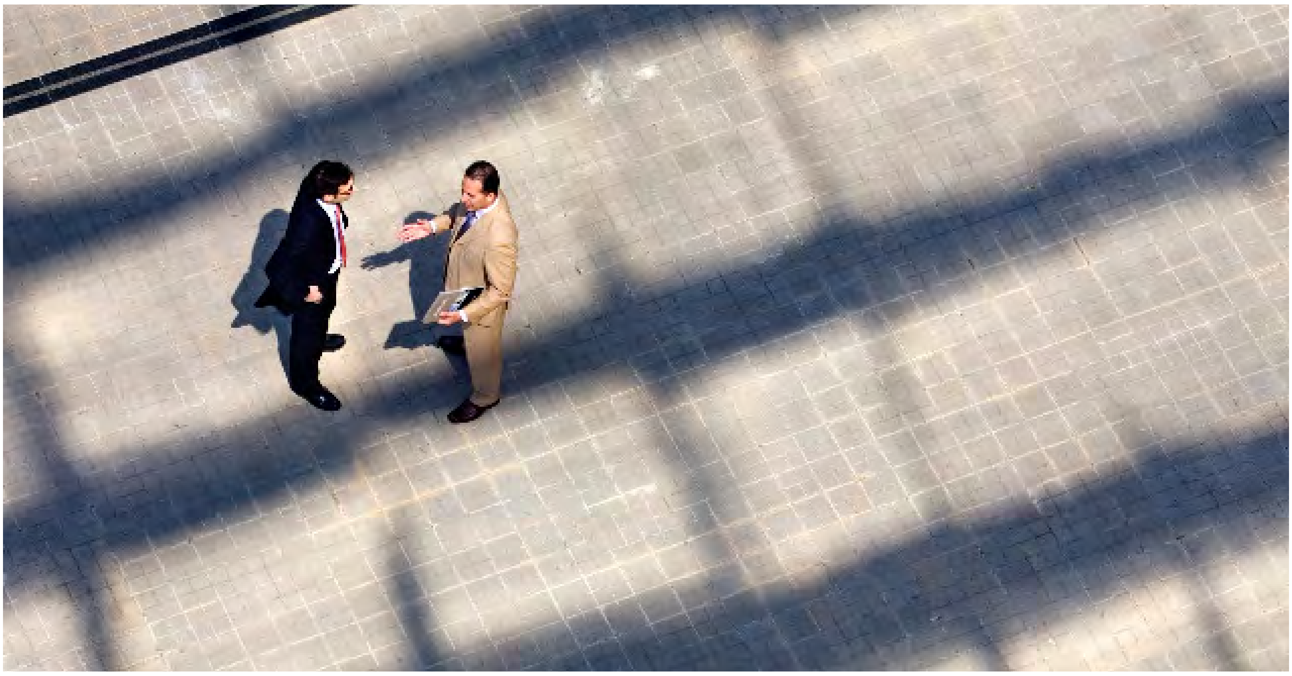
and risk. This is a key factor required to place the Group in a leadership position within the Spanish banking market, with a general increase in its market share: credit card turnover (17.7%), retail turnover (20.9%), direct salary deposits (15.1%) and pensions (12.8%), life insurance (13.4%) among others.

Finally, during the 2009 financial year, the organisation consolidated its role as a committed social actor to the needs of the more needy sectors of society. With a budget of 500 million Euros allocated to hundreds of different social, cultural, educational, environmental and scientific projects, the Obra Social, or the Social and Cultural Outreach Projects of "la Caixa" places specific emphasis on those initiatives that aim to provide basic cover for situations stemming from social exclusion or marginalisation.

For 2010, the Institution plans to maintain the budget of 500 million Euros allocated to Obra Social projects and the allocation breakdown of this budget is the following: social programmes (71%), scientific and environmental programmes 12%, 11% for cultural programmes and 6% allocated to educational and research programmes.

6

Projects for the future



Projects for the future

During 2009, the company designed its Strategic Plan 2010-2015. The plan contemplates the operational integration of Adeslas together with an ambitious plan for joint growth

Throughout 2009, the company designed its Strategic Plan 2010-2015 which will be put into motion next year and whose principal points include the integration of Adeslas within the SegurCaixa Holding Group and the development of an ambitious growth plan for the new Joint Group. The aim of this group will be to consolidate the company's position as market leader in insurance and pension plan schemes in Spain.

The integration of Adeslas within the group will transform the SegurCaixa Holding Group into a multi-branch and multi-channel company capable of providing universal care to its already more than 6 million group and individual customers through the development of innovative and valued solutions. By combining the integration with the remaining growth initiatives included under the Strategic Plan 2010-2015, the company aims to develop the necessary instruments and capabilities required to successfully carry out the ambitious strategic goals outlined.

Also during 2010, the company plans to implement the AgenCaixa New Age project which consists of a reorientation of the traditional AgenCaixa sales consultant's network shifting its focus to concentrate on offering insurance and pension plan services and products to sectors such as SMEs, the self-employed and micro-enterprises through its very own network of branches.

With regard to its growth plan for the forthcoming five years, SegurCaixa Holding aims to achieve goals based on balance, solvency and profitability in line with the manner it has being doing business since its inception and guided by its corporate values: Trust, Quality and Dynamism.

In order to achieve these goals, a commitment to customer service excellence, strengthening of the multichannel network and developing new products all aim to secure the relationship with our customers and to continue on a day-to-day basis providing better and more comprehensive solutions to their needs. Therefore, our commitment to provide the best quality service to customers will firmly remain at the forefront of the Group's priorities in its future performance, exactly as it has been since the company was founded more than 100 years ago.

In line with these objectives, SegurCaixa Holding will continue its undertaking with innovation, involving its team of professionals through their suggestions, ideas and recommendations, all of which are channelled through its Innova+ Programme. Furthermore, the Group will carry on striving to meet the needs of individual customers in the area of personal and property insurance cover, financial planning and preparing for retirement. In terms of its corporate customers, the company commits to developing solutions for large corporations and enterprises, focusing especially on the SME and the self-employed sectors, where it has made significant progress over previous years. On a final note, with the incorporation of Adeslas, a market leader in Spain in the private healthcare sector, SegurCaixa Holding will be able to reach a new group of channels and customers, which ensures improving its commercial activities capabilities, and consequently strengthening the Group's leadership position.

One final point that should be mentioned here is SegurCaixa Holding's firm undertaking to persevere in introducing improvement in terms of corporate responsibility performance through specific projects and initiatives in order to become the best place to work, and to continue progressing in the area of transparency of commercial information, responsible and sustainable management of its investments and minimising the environmental impact of its activities, among many other goals.

SegurCaixa Holding will continue specific projects and initiatives in order to become the best place to work

7

Report on Corporate Governance and Internal Control

Report on Corporate Governance

The present report has been produced by SegurCaixa Holding, S.A. (Sociedad Unipersonal) on a voluntary basis.

A. Structure of the property

A.1. Breakdown of the most important shareholders in the company at the close of the financial year:

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

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

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

A.3. Indicate, wherever applicable, the commercial, contractual or corporate relationship that exists between the shareholders or significant holdings and the company, unless it is of little relevance or it is derived from the ordinary commercial activity:

Names or related legal names	Type of relationship	Brief description
Criteria CaixaCorp, S.A.	Corporate	Ricardo Fornesa Ribó is the Honorary Chairman of Criteria CaixaCorp, S.A., and the Chairman of the Board of Directors of SegurCaixa Holding S.A. (Sociedad Unipersonal) and of VidaCaixa, S.A. de Seguros y Reaseguros.
Caixa d'Estalvis i Pensions de Barcelona ("la Caixa")	Corporate	"la Caixa" has a 79,45% holding in Criteria CaixaCorp, S.A., which, in turn, is a shareholder of SegurCaixa Holding, S.A. (Sociedad Unipersonal). Juan María Nin Génova is the General Manager of "la Caixa" and Board Member of SegurCaixa Holding, S.A. (Sociedad Unipersonal). Tomás Muniesa Arantegui is Assistant Executive General Manager of "la Caixa", Chief Executive Officer of SegurCaixa Holding, S.A. (Sociedad Unipersonal) and Chairman of the Board of Directors of SegurCaixa, S.A. de Seguros y Reaseguros. Jordi Mercader Miró and D. Javier Godó Muntañola are Vice-chairmen of "la Caixa", and Directors of Criteria CaixaCorp, S.A. and of SegurCaixa Holding, S.A. (Sociedad Unipersonal).

Percentage of own shares

There are no own shares.

B. Structure of the Company's board

B.1. Board or Administrative Body

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

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

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

Name or legal name of Member of Board or Administrative Body	Representative	Date of appointment	Status
Ricardo Fornesa Ribó		20.06.2008	Owner director
Juan Mª Nin Génova		12.11.2007	Owner director
Tomás Muniesa Arantegui		12.11.2007	Owner Director & Executive
Francisco Reynés Massanet		12.11.2007	Owner director
Juan Antonio Samaranch Torelló		21.12.2007	Owner director
José Vilarasau Salat		21.12.2007	Owner director
Jordi Mercader Miró		21.12.2007	Owner director
Manuel Raventós Negra		20.06.2008	Owner director
Javier Godó Muntañola		21.12.2007	Owner director
Miquel Valls Masseda		21.12.2007	Independent

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

Name or legal name of Director/Member of Board or Administrative Body	Legal Name of Group company	Position
Tomás Muniesa Arantegui	SegurCaixa, S.A. de Seguros y Reaseguros	Chairman
Ricardo Fornesa Ribó	VidaCaixa, S.A. de Seguros y Reaseguros	Chairman

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

During the 2009 financial year, the Board of Directors of the Parent Company received a total fixed remuneration of 1,810 thousand euros.

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

During the 2009 financial year, the Top Management of the Parent Company received a total fixed remuneration of 3,874 thousand euros.

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

YES	X	NO	

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

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

YES		NO	X

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

Name or legal name	Position
–	–

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

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

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

YES		NO	X

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

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

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

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

B.2. Board or Administrative Body Committees

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

	N° of members
Executive Committee	4
Audit Committee	3

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

EXECUTIVE COMMITTEE

Name or legal name	Position
Ricardo Fornesa Ribó	Chairman
Juan Mª Nin Génova	Member
Tomás Muniesa Arantegui	Member
Francisco Reynés Massanet	Member

AUDIT COMMITTEE

Name or legal name	Position
Francisco Reynés Massanet	Chairman
Manuel Raventós Negra	Member
Miquel Valls Masseda	Member

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

B.2.3.1. Board of Administration

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

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

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

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

d) To accept or reject operations.

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

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

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

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

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

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

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

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

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

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

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

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

q) And any other powers not reserved by law or by the Statutes at the General Shareholders Meeting.

B.2.3.2. Chief Executive Officer

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

B.2.3.3. Executive Committee

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

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

B.2.3.4. Audit Committee

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

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

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

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

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

The Audit Committee has the following competencies:

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

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

3) Supervision of internal auditing services..

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

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

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

Number of meetings	1

C. Associated transactions

C.1. List the significant transactions which have resulted in a transfer of resources or obligations between the group company or companies and the shareholdings or most significant holdings of the company:

Name or legal name of the most significant shareholder	Name or legal name of the group company or companies	Type of relationship	Type of transaction	Amount (thousands of euros)
"la Caixa"	VidaCaixa S.A.	Shareholder	Credited interests	1,805
"la Caixa"	VidaCaixa S.A.	Shareholder	Revenue from share sales	92
"la Caixa"	VidaCaixa S.A.	Shareholder	Insurance premiums	193,488
"la Caixa"	VidaCaixa S.A.	Shareholder	Sales commissions	–101,088
"la Caixa"	SegurCaixa S.A.	Shareholder	Sales commissions	–37,258

C.2. List the significant transactions which have resulted in a transfer of resources or obligations between the group company or companies and the administrators or members of the administrative body, or directors of the company.

Not applicable.

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

Not applicable.

C.4. Identify, wherever applicable, the situation of conflicts of interest in which the Board Members or Members of the Administrative Body of the company find themselves, according to article 127 of the LSA (Law on Joint Stock Companies).

There are no situations of conflict of interest.

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

The documents required by article 127 of the Law on Joint Stock Companies have been completed and this information is included in the Annual Report.

D. Systems of Risk Control

D.1. A general description of the risk control policy of the company and/or its group, listing and evaluating the risks covered by the system, together with an explanation of the suitability of such systems to the profile of each type of risk.

See section below, "Internal Control Systems of the SegurCaixa Holding Group" in the same chapter of the Annual Report of SegurCaixa Holding.

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

See D.1.

D.3. In the event of some of the risks that affect the company and/or group taking place, indicate the circumstances that caused them and whether the control systems worked.

With regard to the systems of risk control for investments and as a result the correct functioning of the established internal control systems, no losses through deterioration of value were recorded during the 2009 financial year for any class of financial assets.

D.4. Indicate if there is a committee or other governing body ordered to set up and supervise these control systems and explain what their functions are.

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

E. General Shareholders Meeting or equivalent body

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

The current status of the Company is unipersonal. However, the Company Statutes contain the general system for quorums specified in the Law on Joint Stock Companies.

E.2. Explain the system for adopting company agreements. Describe how this differs from the system envisaged in the Law on Joint Stock Companies, or in the regulation applied to it.

There is no difference to the general system stipulated in the Law on Joint Stock Companies.

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

The rights of the shareholders in relation to the General Shareholders Meeting are those set out in Royal Decree 1564/1989, of 22 December, which approves the revised text on the Law on Joint Stock Companies.

In accordance with the Statutes of SegurCaixa Holding, S.A. (Sociedad Unipersonal) and the rules of the Law on Joint Stock Companies, the following rights are specified:

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

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

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

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

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

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

– The right to one vote per share.

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

Attendance statistics of General Shareholders Meetings during the financial year:

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

List of Ordinary and Extraordinary Shareholders Meetings of SegurCaixa Holding, S.A. (Sociedad Unipersonal) in 2009:

02-02-2009	ESM	Change of company name to SegurCaixa Holding, S.A., instead of CaiFor, S.A.
19-06-2009	OSM	Approval of the individual accounts of the 2008 financial year and application of the result. Approval of the consolidated accounts of the 2008 financial year. Approval of the management of the Board of Directors. Reelection of 2009 auditors. Enlargement of company capital by the sum of 70,000,002.55 euros, plus the corresponding issue premium for 14,093,178.55 euros.
02-11-2009	ESM	Increase in capital with issue premium through non-monetary contribution.
23-11-2009	ESM	Reclassification of the issue premium to the legal reserve.

E.5. Indicate the address and way of accessing the content of corporate governance in your web page.

The company's Report on Corporate Governance can be accessed via the following URL address: http://www.segurcaixaholding.com/info_corporativa/gobierno_corporativo.html, or by accessing the website of SegurCaixa Holding, S.A. (www.segurcaixaholding.com), "Corporate Information" and "Corporate Governance" section.

F. Degree of compliance with Corporate Governance recommendations

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

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

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

Compliance		Explanation	X

SegurCaixa Holding, S.A. (Sociedad Unipersonal) is not a listed company.

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

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

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

Compliance		Partial compliance		Explanation		Not applicable	X

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

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

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

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

Compliance	X	Partial compliance		Explanation	

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

Compliance		Explanation	X

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

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

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

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

Compliance	X	Partial compliance		Explanation	

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

Compliance		Explanation	X

Not applicable. The current status of the Company is unipersonal.

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

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

Compliance	X	Partial compliance		Explanation	

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

a) The general policies and strategies of the company, and in particular:
- i) The strategic business plan, as well as the annual management objectives and budget.
- ii) The investment and finance policy.
- iii) Defining the structure of the group of companies.
- iv) The policy of corporate governance.
- v) The policy of corporate social responsibility.
- vi) The remuneration policy and the performance evaluation of top management.

vii) The risk control and management policy, in addition to the periodic monitoring of internal information and control systems.
viii) The dividends and own portfolio policy, and in particular its limits.

b) The following decisions:
i) On the proposal of the top executive of the company, the appointment and possible dismissal of top management, in addition to their compensation clauses.
ii) The remuneration of directors, and, in the case of executives, the additional remuneration for their executive duties and other conditions, which must comply with their contracts.
iii) Financial information which, given its listed status, the company must publish on a periodic basis.
iv) Investments and operations of all types which, given the large sums involved or their special characteristics, are of a strategic nature, except for those whose approval corresponds to the General Shareholders Meeting.
v) The creation or acquisition of holdings in special purpose companies or those domiciled in countries or regions with the status of tax havens, in addition to any other transactions or operations of a similar nature which, given their complexity, may compromise the transparency of the group.

c) The operations which the company carries out with directors, significant shareholders or shareholders represented on the Board, or with persons associated to the same (“associated transactions”).

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

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

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

3) Their amount does not exceed 1% of the annual turnover of the company.

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

Compliance	X	Partial compliance		Explanation	

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

Compliance	X	Explanation	

10. Owner and independent directors should represent a broad majority in the Board of Directors and the number of executive directors should be the minimum necessary, bearing in mind the complexity of the company group and the shareholding percentages of the executive directors in the company capital.

Compliance	X	Partial compliance		Explanation	

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

Compliance		Explanation		Not applicable	X

12. Among the external directors, the ratio between the number of owner directors and independent directors should reflect the proportion that exists between the company capital represented by owner directors and the remaining capital.

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

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

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

Compliance	X	Explanation	

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

Compliance		Explanation	X

There is only one independent director.

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

Compliance		Partial compliance	X	Explanation	

The nature of each director is explained by the Board of Directors to the General Shareholders Meeting, although no Nominations Commission exists.

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

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

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

Compliance		Partial compliance		Explanation	X	Not applicable	

There are no female directors on the company's Board of Directors, although the selection procedures for members of the Board of Directors do not suffer from any bias that prevents the selection of women for said posts within the company.

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

Compliance	X	Partial compliance		Explanation	

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

Compliance		Partial compliance		Explanation		Not applicable	X

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

a) Comply with the content and spirit of the Law and its regulations, including those approved by the governing bodies.

b) Comply with the Company Statutes, with Regulations of the General Shareholders Meeting, those of the Board of Directors and any other company regulations.

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

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

Compliance		Partial compliance	X	Explanation	

The company complies with the above, except for the fact that there is no Nominations Commission or Regulations of the Board of Directors.

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

Compliance	X	Partial compliance		Explanation	

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

Compliance	X	Partial compliance		Explanation	

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

Compliance	X	Partial compliance		Explanation		Not applicable	

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

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

b) Based on the report submitted by the Nominations Commission, the execution of the duties of the Chairman of the Board and the top executive of the company.

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

Compliance		Partial compliance	X	Explanation	

The Board of Directors regularly evaluates the efficiency of its operation. No Nominations Commission exists.

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

Compliance	X	Explanation	

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

Compliance	X	Explanation	

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

Compliance		Partial compliance	X	Explanation	

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

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

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

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

Compliance		Partial compliance	X	Explanation	

Since no Nominations Commission exists, directors cannot notify it of their other professional obligations. However, every year the Company receives from each director the mandatory information contained in article 127 ter of the Law on Joint Stock Companies.

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

a) On the proposal of the Nominations Commission, in the case of independent directors.

b) Subject to a report of the Nominations Commission, in the case of other directors.

Compliance		Partial compliance		Explanation	X

Since no Nominations Commission exists, the proposed appointment or re-election of Board Directors to the General Shareholders Meeting is not channelled through said Committee.

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

a) Professional profile and biography.

b) Other boards of directors they belong to, irrespective of whether these are listed companies.

c) An indication of the category of director they belong to, stating, in the case of owner directors, the shareholder they represent or are related to.

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

e) Company shares and share options owned.

Compliance		Partial compliance	X	Explanation	

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

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

Compliance	X	Explanation	

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

Compliance	X	Partial compliance		Explanation	

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

The dismissal of independent directors may also be proposed from the outcomes of Public Acquisition Offers, mergers or other similar company operations which require a change in the structure of the Board of Directors originating from the proportionality criteria indicated in Recommendation 12.

Compliance	X	Explanation	

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

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

Compliance	X	Partial compliance		Explanation	

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

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

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

Compliance	X	Partial compliance		Explanation		Not applicable	

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

Compliance	X	Partial compliance		Explanation		Not applicable	

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

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

b) Variable sums, including, in particular:
  i) Types of directors to which they apply, in addition to an explanation of the relative import of variable remunerative concepts compared to fixed ones.
  ii) Results evaluation criteria on which any rights to remuneration in shares, share options or any other variable component are based.
  iii) Basic parameters and basis of any system of annual bonuses or other benefits not paid in cash.
  iv) An estimate of the total sum of variable remuneration resulting from the proposed remuneration plan, according to the degree of compliance of the hypothesis or targets which are taken as a reference.

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

d) Conditions which must respect the contracts of those exercising top management functions, such as executive directors, including the following:
  i) Duration.
  ii) Advance notice periods.
  iii) Any other clauses relating to recruitment bonuses, in addition to redundancy or protection clauses for early termination of the contractual relationship between the company and the executive director.

Compliance		Partial compliance	X	Explanation	

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

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

Compliance		Explanation	X

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

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

Compliance	X	Explanation	

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

Compliance		Explanation		Not applicable	X

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

Compliance		Explanation		Not applicable	X

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

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

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

Compliance		Partial compliance		Explanation	X

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

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

a) A breakdown of the remuneration of each director, including, wherever applicable:
   i) Expenses for attendance and other fixed payments as a director.
   ii) The additional remuneration as Chairman or member of a committee of the Board of Directors.
   iii) Any remuneration in the form of profit sharing or bonuses, and the reason they are being granted.
   iv) Contributions towards the fixed contribution pension plans of directors, or an increase in the consolidated rights of the director, in the case of fixed contribution benefit plans.

v) Any redundancy payments agreed or paid in the case of resignation or dismissal.
vi) Remunerations received as a director of other group companies.
vii) Remuneration for the execution of top management duties of executive directors.
viii) Any other payment concept different to the above, irrespective of its nature or which group company pays it, especially when it has the status of associated transaction, or where its omission would distort the true image of the total remuneration received by the director.

b) A breakdown of any share issues, share options or any other financial instrument referenced to share values, which are issued to directors, listing:
i) The number of shares or options granted during the year, and the conditions for exercising the same.
ii) Number of options exercised during the year, indicating the number of shares affected and the exercise price.
iii) The number of options pending exercise at the end of the year, indicating their price, date and other exercise requirements.
iv) Any modification during the financial year to the conditions for exercising options already granted.

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

Compliance		Partial compliance		Explanation	X

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

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

Compliance	X	Partial compliance		Explanation		Not applicable	

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

Compliance	X	Explanation		Not applicable	

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

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

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

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

c) Its Chairmen should be independent directors.

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

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

Compliance ☐ Partial compliance ☐ Explanation X

No Nominations Commission or Remuneration Committee exist. The article of the Company Statutes which regulate the Audit Committee establishes a majority of non-executive directors, rather than the exclusivity of external directors.

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

Compliance X Explanation ☐

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

Compliance X Explanation ☐

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

Compliance X Explanation ☐

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

Compliance X Partial compliance ☐ Explanation ☐

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

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

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

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

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

Compliance X Partial compliance ☐ Explanation ☐

50. The Audit Committee shall be responsible:

1. With regard to information and internal control systems:

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

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

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

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

2. With regard to the external auditor:

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

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

c) Guaranteeing the independence of the external auditor, and to such effect:
   i) The company should report as a relevant fact to the National Securities and Exchange Commission (CNMV) any change of auditor, accompanied by a declaration on the existence of possible disagreements with the outgoing auditor and, wherever they exist, the content of the same.
   ii) Ensure that the company and the auditor comply with current regulations concerning the rendering of non-auditing services, the limits of concentration of the auditor's business and, in general, all other regulations established to guarantee the independence of the auditors.
   iii) In cases where the external auditor resigns, examine the circumstances that have given rise to this.

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

Compliance		Partial compliance	X	Explanation	

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

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

Compliance	X	Explanation	

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

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

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

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

Compliance		Partial compliance	X	Explanation	

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

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

Compliance	X	Partial compliance		Explanation	

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

Compliance		Partial compliance		Explanation	X

This recommendation is not adopted, since there is no Nominations Commission or Remunerations Committee.

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

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

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

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

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

Compliance		Partial compliance		Explanation		Not applicable	X

56. The Nominations Commission should consult the Chairman and top executive of the company, in particular when this involves issues concerning executive directors.

Any director should also be able to ask the Nominations Commission to consider potential candidates to cover director posts, wherever they are considered suitable.

Compliance		Partial compliance		Explanation		Not applicable	X

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

a) Proposing to the Board of Directors:
  i) The remuneration policy of directors and top management.
  ii) The individual remuneration of executive directors and all other conditions in their contracts.
  iii) The basic conditions in the contracts of top managers.

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

Compliance		Partial compliance		Explanation		Not applicable	X

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

Compliance		Explanation		Not applicable	X

G. Other information of interest

This Report on Corporate Governance was approved by the Board of Directors of the company on the 26 March 2010.

Internal Control systems of the SegurCaixa Holding Group

Introduction

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

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

Taking these circumstances into consideration, and in order to guarantee fulfilment of all the objectives approved by the Board of Directors, and to provide accurate and timely information to the market, the SegurCaixa Holding Group has defined and developed a thorough internal control system throughout its structure.

Covered Risks

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

In this sense, SegurCaixa Holding considers the following risk categories:

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

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

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

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

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

System of Internal Control

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

In general terms, the most significant mechanisms and internal control systems implemented by the SegurCaixa Holding Group to guarantee the proper control and management of the identified risks are as follows:

a. Operational Risk

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

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

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

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

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

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

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

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

b. Credit Risk

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

c. Market Risk

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

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

d. Technical or Subscription Risk

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

Definition and follow-up of the Subscription Policy.

Definition and follow-up of theTariff Policy.

Definition and follow-up of the Reinsurance Policy.

8

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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DE CATALUNYA

DELOITTE, S.L.

2010

Miguel Antonio Pérez

29 March 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					Total
	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	
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:

	Equivalent value in thousands of euros			
Assets at 31 December 2009	**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:

	Thousands of euros	
Company	**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:

Financial instruments	31-12-2009		
	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.

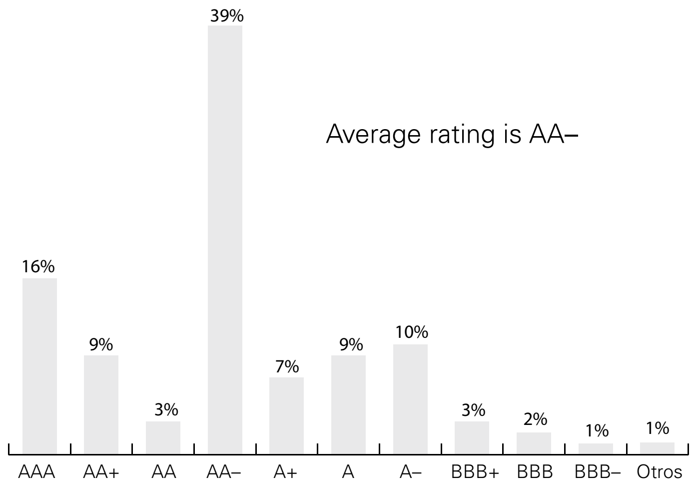
The Group's financial derivatives management policy also covers the use of counterparts which, as financial institutions subject to the supervision of the governing authorities of the member states of the European Union, have sufficient solvency. Contractually, these positions have an explicit guarantee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