Criteria CaixaCorp, S.A. and Companies composing the Criteria CaixaCorp Group

Consolidated Financial Statements for the Year Ended December 31, 2009 and Consolidated Director's Report together with Auditor's Report

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Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 29). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Criteria CaixaCorp, S.A.:

We have audited the consolidated financial statements of Criteria CaixaCorp, S.A. and Companies composing the Criteria CaixaCorp Group (see Note 1 to the accompanying consolidated financial statements) comprising the consolidated balance sheet at 31 December 2009, the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement and notes to the consolidated financial statements for the year then ended. The preparation of these consolidated financial statements is the responsibility of the Directors of Criteria CaixaCorp, S.A.. 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. Our work did not include the audit of the 2009 financial statements of certain companies (see Appendix I and II to the notes to the consolidated financial statements), which represent 52% of the profit attributable to the Group and 12% of the consolidated total assets. The financial statements of these companies were audited by other auditors and our opinion as expressed in this report on the consolidated financial statements of Criteria CaixaCorp, S.A. and Companies composing the Criteria CaixaCorp Group is based, with respect to the ownership interests in these companies, solely on the reports of the other auditors.

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 the consolidated financial statements present comparative information. In this regard, as required by the related corporate and commercial law, for comparison purposes the directors of Criteria CaixaCorp, S.A. 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 cash flow statement and notes to the consolidated financial statements, the figures for the preceding year. The presentation of the figures in the income statements for 2008 differs from that in the approved financial statements for that year as a result of the differences detailed in the accompanying Notes 2.2 and 2.3. Our opinion refers only to the consolidated financial statements for 2009. On 27 February 2009, we issued our auditors' report on the 2008 consolidated financial statements, in which we expressed an unqualified opinion.

In our opinion, based on our audit and on the reports of the other auditors, the accompanying consolidated financial statements for 2009 present fairly, in all material respects, the consolidated equity and consolidated financial position of Criteria CaixaCorp, S.A. and Companies composing the Criteria CaixaCorp Group 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, which are consistent with those applied in the preparation of the figures and information for 2008, which were included in these consolidated financial statements for comparison purposes.

Deloitte S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
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Member of Deloitte Touche Tohmatsu

The accompanying consolidated directors' report for 2009 contains the explanations which the directors of Criteria CaixaCorp, S.A. 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 Criteria CaixaCorp and its subsidiaries.

DELOITTE, S.L.
Registered on R.O.A.C. under nº S0692

Miguel Antonio Pérez

26 February 2010

COL·LEGI
DE CENSORS JURATS
DE COMPTES
DE CATALUNYA

Membre exercent:
DELOITTE, S.L.

Any 2010 Núm. 20/10/00068
CÒPIA GRATUÏTA

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

Criteria CaixaCorp, S.A. and subsidiaries

Consolidated financial statements and consolidated directors' report
for the year ended 31 December 2009
(prepared in accordance with International Financial Reporting Standards)

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 29). In the event of a discrepancy, the Spanish-language version prevails.

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Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 29). In the event of a discrepancy, the Spanish-language version prevails.

CRITERIA CAIXACORP, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2009 AND 2008
(notes 1 to 3)

ASSETS	Notes	Thousands of euros 2009	Thousands of euros 2008(*)
NON-CURRENT ASSETS			
Goodwill and other intangible assets	(Note 4)	**872,244**	**911,979**
Property, plant and equipment	(Note 5)	**863,487**	**1,332,896**
Investment property	(Note 6)	**141,781**	**16,055**
Investments accounted for using the equity method	(Note 7)	**11,968,904**	**8,519,350**
Financial assets		**27,624,356**	**25,308,069**
Available-for-sale financial assets	(Note 8)	25,988,186	23,471,540
Loans and receivables	(Note 8)	1,450,459	1,668,476
Other financial assets at fair value through profit or loss	(Note 8)	185,711	167,883
Derivatives	(Note 9)	-	170
Deferred tax assets	(Note 16)	**480,001**	**446,340**
Reinsurance assets		**38,121**	**35,922**
Total non-current assets		**41,988,894**	**36,570,611**
CURRENT ASSETS			
Inventories		**88**	**8,324**
Current financial assets	(Note 8)	**6,370,880**	**4,562,735**
Non-current assets classified as held for sale	(Note 10)	**40,645**	**40,640**
Other current assets		**351,236**	**776,286**
Tax assets	(Note 16)	62,399	37,485
Prepayments and accrued income		136,189	334,502
Dividends receivable		118,197	178,681
Other current assets		34,451	225,618
Cash and cash equivalents	(Note 11)	**353,851**	**1,542,895**
Total current assets		**7,116,700**	**6,930,880**
TOTAL ASSETS		**49,105,594**	**43,501,491**

The accompanying Notes 1 to 29 and the Appendices are an integral part of the consolidated balance sheet at 31 December 2009.

(*) The figures relating to 31 December 2008 are presented for comparison purposes only.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 29). In the event of a discrepancy, the Spanish-language version prevails.

CRITERIA CAIXACORP, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2009 AND 2008
(notes 1 to 3)

		Thousands of euros	
EQUITY AND LIABILITIES	**Notes**	**2009**	**2008(*)**
EQUITY:			
Share capital, reserves and profit	(Note 12)	**12,612,974**	**11,756,305**
Share capital		3,362,890	3,362,890
Share premium		7,711,244	7,711,244
Reserves		597,414	145,879
Profit attributable to the Group		1,316,628	1,058,617
Interim dividend paid		(335,322)	(503,780)
Treasury shares		(39,880)	(18,545)
Valuation adjustments	(Note 12)	**1,538,659**	**498,148**
Non-controlling interests	(Note 12)	**169,031**	**158,815**
Total equity		**14,320,664**	**12,413,268**
NON-CURRENT LIABILITIES			
Provisions for insurance contracts and other provisions		**17,587,405**	**16,445,055**
Provisions for insurance contracts	(Note 13)	17,524,100	16,307,800
Other long-term provisions	(Note 14)	63,305	137,255
Long-term payables		**8,671,600**	**7,871,039**
Financial liabilities at amortised cost	(Note 15)	8,436,242	7,646,561
Other financial liabilities		195,730	183,964
Derivatives	(Note 9)	39,628	40,514
Deferred tax liabilities	(Note 16)	**1,095,049**	**900,722**
Total non-current liabilities		**27,354,054**	**25,216,816**
CURRENT LIABILITIES:			
Provisions for insurance contracts	(Note 13)	**487,090**	**418,278**
Financial liabilities at amortised cost	(Note 15)	**6,465,132**	**5,209,567**
Bank borrowings		6,038,058	4,910,543
Customer deposits		3,207	6,772
Other current financial liabilities		423,867	292,252
Derivatives	(Note 9)	**231,414**	**81**
Tax liabilities	(Note 16)	**88,378**	**82,824**
Deferred income		**85,068**	**105,031**
Other current liabilities		**73,794**	**55,626**
Total current liabilities		**7,430,876**	**5,871,407**
TOTAL EQUITY AND LIABILITIES		**49,105,594**	**43,501,491**

The accompanying Notes 1 to 29 and the Appendices are an integral part of the consolidated balance sheet at 31 December 2009.

(*) The figures relating to 31 December 2008 are presented for comparison purposes only.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 29). In the event of a discrepancy, the Spanish-language version prevails.

CRITERIA CAIXACORP, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008
(notes 1 to 3)

		Thousands of euros	
	Notes	**2009**	**2008(*)**
Revenue	(Note 17.1)	4,685,659	3,611,666
Result of companies accounted for using the equity method		839,049	711,421
Income from equity instruments	(Note 17.2)	383,288	392,503
Gains (Losses) on financial assets and liabilities	(Note 17.3)	362,894	(7,044)
Operating expenses	(Note 17.4)	(3,973,759)	(2,964,528)
Staff costs	(Note 17.5)	(103,885)	(94,446)
Depreciation and amortisation charge	(Note 17.6)	(155,621)	(155,965)
Net impairment losses	(Note 17.7)	(328,783)	(249,337)
Other operating expenses	(Note 17.8)	(128,021)	(127,432)
Provisions (net)		(20,579)	(84,418)
Other gains	(Note 17.9)	5,834	10,917
Other losses	(Note 17.9)	(25,489)	(10,579)
PROFIT FROM OPERATIONS		**1,540,587**	**1,032,758**
Finance income		6,679	90,975
Finance costs		(181,965)	(241,419)
Exchange differences (net)		(2,811)	871
FINANCIAL LOSS		**(178,097)**	**(149,573)**
PROFIT BEFORE TAX		**1,362,490**	**883,185**
Income tax	(Note 16.2)	(27,412)	190,902
PROFIT FROM CONTINUING OPERATIONS		**1,335,078**	**1,074,087**
Profit from discontinued operations	(Note 18)	8,075	9,408
CONSOLIDATED PROFIT FOR THE YEAR		**1,343,153**	**1,083,495**
Profit attributable to non-controlling interests	(Note 12.7)	(26,525)	(24,878)
PROFIT ATTRIBUTABLE TO THE GROUP		**1,316,628**	**1,058,617**
Basic and diluted earnings per share (in euros):	(Note 12.8)	**0.39**	**0.31**

The accompanying Notes 1 to 29 and the Appendices are an integral part of the consolidated income statement for 2009.

(*) The figures relating to 2008 are presented for comparison purposes only.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 29). In the event of a discrepancy, the Spanish-language version prevails.

CRITERIA CAIXACORP, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

(notes 1 to 3)

	Notes	Thousands of euros 2009	2008
Consolidated profit for the year (per consolidated income statement)		**1,343,153**	**1,083,495**
Income and expense recognised directly in equity		**1,313,365**	**(3,130,614)**
Revaluation of financial instruments	(Note 12.5)	1,924,922	(3,775,315)
Cash flow hedges	(Note 12.5)	(36,525)	(49,768)
Translation differences	(Note 12.5)	8,423	(213,080)
Companies accounted for using the equity method	(Note 12.5)	(32,103)	(142.604)
Tax effect	(Note 12.5)	(551,352)	1,050,153
Transfers to profit or loss		**(269,365)**	**134,042**
Revaluation of financial instruments	(Note 12.5)	(400,971)	222,416
Cash flow hedges	(Note 12.5)	35,199	(2,298)
Companies accounted for using the equity method	(Note 12.5)	(13,324)	(35,280)
Tax effect	(Note 12.5)	109,731	(50,796)
COMPREHENSIVE INCOME FOR THE YEAR		**2,387,153**	**(1,913,077)**
Profit attributable to non-controlling interests		(26,525)	(24,878)
Comprehensive income attributable to non-controlling interests		(3,489)	(5,878)
Global result attributable to non-controlling interests		(30,014)	(30,736)
COMPREHENSIVE INCOME ATTRIBUTABLE TO THE GROUP		**2,357,139**	**(1,943,813)**

The accompanying Notes 1 to 29 and the Appendices are an integral part of the consolidated statement of comprehensive income for 2009.

(*) The figures relating to 2008 are presented for comparison purposes only.

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CRITERIA CAIXACORP, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008
(notes 1 to 3)

	Thousands of euros			
	Share capital, reserves and profit	**Valuation adjustments**	**Non-controlling interests**	**Total equity**
Balance at 31 December 2007	**11,353,238**	**3,500,578**	**159,775**	**15,013,591**
Consolidated profit for the year	1,058,617	-	24,878	1,083,495
Other comprehensive income of associates and jointly controlled entities	-	(183,742)	5,858	(177,884)
Net profit recognised directly in equity	-	(2,818,688)	-	(2,818,688)
Total income and expense for the year attributable to the Group	1,058,617	(3,002,430)	30,736	(1,913,077)
Final dividend for 2007	(67,258)	-	-	(67,258)
Interim dividend for current year	(503,780)	-	-	(503,780)
Treasury shares	(18,545)	-	-	(18,545)
Other changes in reserves	(65,967)	-	(31,696)	(97,663)
Balance at 31 December 2008 (*)	**11,756,305**	**498,148**	**158,815**	**12,413,268**
Consolidated profit for the year	1,316,628	-	26,525	1,343,153
Other comprehensive income of associates and jointly controlled entities	-	(35,592)	3,489	(32,103)
Net profit recognised directly in equity	-	1,076,103	-	1,076,103
Total income and expense for the year attributable to the Group	1,316,628	1,040,511	30,014	2,387,153
Final dividend for 2008	(201,052)	-	-	(201,052)
Interim dividend for current year	(335,322)	-	-	(335,322)
Treasury shares	(21,335)	-	-	(21,335)
Other changes in reserves	97,750	-	(19,798)	77,952
Balance at 31 December 2009	**12,612,974**	**1,538,659**	**169,031**	**14,320,664**

The accompanying Notes 1 to 29 and the Appendices are an integral part of the consolidated statement of changes in equity for 2009.

(*) The figures relating to 2008 are presented for comparison purposes only.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 29). In the event of a discrepancy, the Spanish-language version prevails.

CRITERIA CAIXACORP, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008
(notes 1 to 3)

		Thousands of euros	
	Notes	**2009**	**2008(*)**
1. Cash flows from operating activities		**1,106,845**	**334,270**
Profit before tax		1,362,490	896,625
Adjustments to profit	(Note 19)	152,493	(489,255)
Changes in working capital	(Note 19)	87,875	63,628
Other operating assets and liabilities		(296,599)	291,300
Interest paid		(201,016)	(302,845)
Tax recovered (paid)		1,602	(125,183)
2. Cash flows used in investing activities		**(4,109,081)**	**(5,931,249)**
Interest received		3,417	86,362
Income from equity instruments		466,860	381,129
Dividends received from associates		541,349	351,938
Investments (-)		(14,761,729)	(15,542,744)
- *Subsidiaries, joint ventures and associates*		*(1,322,961)*	*(3,425,531)*
- *Property, plant and equipment, investment property and other intangible assets*		*(267,702)*	*(366,306)*
- *Available-for-sale financial assets*	*(Note 19)*	*(10,422,075)*	*(8,017,484)*
- *Non-current assets held for sale*		*(64,788)*	*(81,629)*
- *Loans granted*		*(2,684,203)*	*(3,651,794)*
Disposals (+)		9,641,022	8,792,066
- *Subsidiaries, joint ventures and associates*		-	*234*
- *Property, plant and equipment, investment property and other intangible assets*		*178,436*	*71,276*
- *Available-for-sale financial assets*	*(Note 19)*	*8,306,365*	*7,082,627*
- *Repayment of loans granted*		*1,111,869*	*1,469,634*
- *Non-current assets held for sale*		*44,352*	*67,356*
- *Other assets*		-	*100,939*
3. Cash flows from financing activities		**1,813,192**	**5,954,522**
Dividends paid		(536,374)	(671,924)
Treasury shares		(19,391)	(18,545)
Loans obtained		4,065,191	8,607,144
Repayment of loans obtained		(1,696,234)	(1,962,153)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**(1,189,044)**	**357,543**
Cash at beginning of year		1,542,895	1,185,352
Cash at end of year		353,851	1,542,895
Cash generated (used) in the year		**(1,189,044)**	**357,543**

The accompanying Notes 1 to 29 and the Appendices are an integral part of the consolidated statement of cash flows for 2009.
(*) The figures relating to 2008 are presented for comparison purposes only.

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CRITERIA CAIXACORP, S.A. AND SUBSIDIARIES

Notes to the consolidated financial statements

for the year ended 31 December 2009

1. Group activity and general information

Criteria CaixaCorp, S.A. ("Criteria CaixaCorp", "Criteria" or "the Parent") and its subsidiaries compose the Criteria CaixaCorp Group ("the Group"). Criteria CaixaCorp adopted its current name on 19 July 2007. Its registered office is at Avenida Diagonal 621, Barcelona (Spain), and it was incorporated under the name GDS-Grupo de Servicios, S.A. for an indefinite period of time on 12 December 1980.

On 1 June 2000, GDS-Grupo de Servicios, S.A. carried out the merger by absorption of Caixa Holding, S.A., a dormant company, and adopted its company name. On 31 July 2000, capital was increased by EUR 2,625 million, with a share premium of EUR 7,288 million, which was subscribed by the sole shareholder at that date, Caixa d'Estalvis i Pensions de Barcelona ("la Caixa"), and paid through the contribution of most of the shares that made up its equity portfolio at that time. These shares were recognised in Criteria CaixaCorp's separate financial statements at the amount at which they had been carried in the consolidated financial statements of "la Caixa" at the above-mentioned date, and the gross amount of the shares was presented separately from the allowances recognised. Since then Criteria CaixaCorp has been responsible for the financial investment strategy and international expansion of "la Caixa".

Criteria CaixaCorp engages mainly in the management of its share portfolio by investing in leading companies with a significant presence in their respective markets and with a capacity to generate recurring value and profits.

The Group operates in the financial, insurance and services industries through subsidiaries, jointly controlled entities and associates, the information on which is described in detail in the Note on "Segment Reporting".

<u>Admission to listing in 2007</u>

In order to ascertain the market's perception of the Company's portfolio management and to achieve the ideal platform for the international expansion of "la Caixa", in November 2006 the Board of Directors of "la Caixa" resolved to study a process for the admission to listing of its equity investments through Criteria CaixaCorp.

In the first half of 2007 and prior to the admission to listing, Criteria CaixaCorp's investment portfolio was reorganised in order to achieve a scope of consolidation that would guarantee the future development of the business with the priority of maximising value, in line with the strategy defined.

On 7 June 2007, the Annual General Assembly of "la Caixa" approved the admission to listing of Criteria CaixaCorp and authorised the sale of shares of this Company up to a limit of 49% of its share capital. On 19 July 2007, the Extraordinary General Assembly of "la Caixa" ratified these resolutions, in particular with regard to the broadening of the shareholder structure through a public offering and/or initial public offering ("the offering").

Following the approval of the prospectus for the offering by the Spanish National Securities Market Commission (CNMV), on 10 October 2007, Criteria CaixaCorp successfully completed its admission to listing and its shares started to be publicly traded on that date. Initially, the offering consisted of the issuance of 657,500,000 new shares with a par value of EUR 1 each. The initial price of the share was established at EUR 5.25, giving rise to a share premium of EUR 2,794,375 thousand. The transaction was completed on 7 November 2007 with the exercise of a partial "green-shoe" subscription option by the Global Coordinators on 75,519,037 shares with a par value of EUR 1 each, which gave rise to an additional capital increase of EUR 75,519 thousand and a share premium of EUR 320,956 thousand. Additionally, "la Caixa" resolved to deliver free of charge 200 shares to each of the serving employees of "la Caixa" and to the employees of the Fundación "la Caixa" and other Group companies.

At 31 December 2009, 20.13% of the share capital was held by non-controlling shareholders. "la Caixa" has stated its intention to promote an increase in the number of shares held by shareholders other than "la Caixa" until this number reaches 25% of the share capital of Criteria CaixaCorp (excluding, where applicable, treasury shares), with the objective of more widely distributing the shares and increasing their liquidity. In line with this objective, on 9 June 2008, "la Caixa" launched an issue of bonds, which mature on 19 June 2011, exchangeable for 148 million Criteria CaixaCorp shares, equal to 4.40% of its share capital.

In 2008 Criteria CaixaCorp consolidated its position as a company listed on the four official Spanish stock exchanges by being included in the IBEX-35 index on 4 February 2008 and in other international indexes such as, inter alia, MSCI Europe, MSCI Pan-Euro, FTSE Eurofirst 300, consisting of the 300 leading European companies by market capitalisation, and the Dow Jones Sustainability Index, which reflects the Company's commitment to sustainability and corporate reputation in its business activities and investments. In 2009 Criteria CaixaCorp was included for the first time in the FTSE4Good index, a prestigious index that affords companies' investments the status of sustainable based on the applicable corporate responsibility standards.

In July 2009, Standard & Poor's (S&P) assigned Criteria CaixaCorp a long-term credit rating of "A" with a stable outlook and a short-term credit rating of "A-1". The rating agency attributed its decision to the conservative and stable capital structure of Criteria, to its high level of financial flexibility and to the composition and quality of its portfolio. These ratings still stood at the date of formal preparation of these consolidated financial statements.

2. Basis of presentation and basis of consolidation

2.1. Basis of presentation

The consolidated financial statements of the Group for the year ended 31 December 2009 were prepared by the Board of Directors at its meeting held on 25 February 2010, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, in conformity with Regulation (EC) nº 1606/2002 of the European Parliament and of the Council, of 19 July, and subsequent amendments, so that they present fairly the consolidated equity and financial position of the Group at 31 December 2009, the results of its operations, the changes in consolidated equity and the consolidated cash flows for the year then ended.

The Group's consolidated financial statements for 2008 were formally prepared by the Board of Directors on 26 February 2009 and approved by the shareholders at the Annual General Meeting of the Parent on 7 May 2009. The 2009 consolidated financial statements of the Group and the 2009 financial statements of the Group companies have not yet been approved by their shareholders at the respective Annual General Meetings, although it is considered that they will be approved without any material changes.

The principal accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2009 are summarised in Note 3.

The 2009 financial statements were prepared on the basis of the accounting records kept by Criteria CaixaCorp and by the other Group companies. However, since the accounting policies and measurement bases used in preparing the Group's consolidated financial statements for 2009 (IFRSs) differ in certain cases from those used by the Group companies, the required adjustments and reclassifications were made to unify the policies and methods used and to make them compliant with the International Financial Reporting Standards adopted by the European Union.

At 31 December 2009, the Group's presentation currency is the euro. The functional currency of the Parent and of virtually all of the subsidiaries, jointly controlled entities and associates is the euro, except for the ownership interests in Grupo Financiero Inbursa and The Bank of East Asia Ltd, whose functional currencies are the Mexican peso and the Hong Kong dollar, respectively. Consequently, the figures in these functional currencies are translated to the Group's presentation currency by applying the year-end exchange rate method. All the remaining balances and transactions in currencies other than the euro are deemed to be foreign currency balances and transactions.

The figures are presented in thousands of euros unless the use of another monetary unit is stated explicitly. Certain financial information in these financial statements was rounded off and, consequently, the figures shown herein as totals may differ slightly from the exact sum of the individual figures.

2.2. Application of new standards

The following standards came into force and were adopted in the year:

- IFRS 8, Operating Segments (applicable for years beginning on or after 1 January 2009). The application of this standard will involve identifying segments based on the management organisation used by management, rather than on determining differentiated risks and returns.

- Amendments to IFRS 2, Share-based Payment.

- IFRIC 13, Customer Loyalty Programmes.

- IFRIC 14 IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

- Revised IAS 23, Borrowing Costs.

- Revision of IAS 1, Presentation of Financial Statements..

- IFRIC 16, Hedges of a Net Investment in a Foreign Operation.

- Amendments to IAS 1 and IAS 32, Puttable Financial Instruments and Obligations Arising on Liquidation.

- Amendments to IFRIC 9 and IAS 39, Reassessment of Embedded Derivatives.

- Amendments to IFRS 7, Improving Disclosures about Financial Instruments. Enhanced disclosures about certain issues.

- Amendments to IAS 27 and IFRS 1, Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate.

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

Of the aforementioned revisions and amendments, the most significant in relation to the Group's financial reporting are as follows:

- IFRS 8. The application of this standard entails the identification of segments based on the information that management uses to make decisions about operating matters, as opposed to the identification of segments on the basis of determining differentiated risks and rewards. The adoption of these new criteria did not give rise to any significant difference in relation to the segments to be reported with respect to those reported pursuant to the standard previously applied (IAS 14). However, the detail of the information broken down for each segment or group of components was adapted to the requirements of IFRS 8 and to the data and information used by Group management to make decisions.

- The revision of IAS 1 has amended, among other things, the structure of the financial information to be presented, the accounting statements composing the financial information and the minimum requirements for the content of the financial statements. The most significant change relates to the inclusion of a new statement called "Statement of comprehensive income" which reflects the consolidated profit or loss for the period and the unrealised losses and gains arising from the revaluation of financial instruments, cash flow hedges and translation differences, displaying separately those generated by companies accounted for using the equity method from those generated by fully consolidated companies. On the basis of the options afforded by IAS 1, the Group opted to present an income statement for the year (as it had been doing in prior years) separately from the statement of comprehensive income.

  The Group's financial reporting observes all the requirements of IAS 1, although in the financial statements for 2009 the Group maintained the definitions of the financial statements as presented in the financial statements for 2008 as regards the balance sheet (statement of financial position).

  It also introduces new disclosure requirements when the entity applies a change in accounting policy retrospectively, makes a retrospective restatement or when the entity reclassifies items in previously issued financial statements.

  Although revised IAS 1 requires an entity -in the event of a retrospective change or reclassification in the financial statements- to present a balance sheet or statement of financial position as at the beginning of the earliest period that is presented in the financial statements affected (in this case, 1 January 2008), since the presentation of the statement of comprehensive income in no way affects the aforementioned statement and neither is it changed by the presentation of certain activities as discontinued or by the changes in presentation of certain income and expense items in the income statement (see Note 1.1), the presentation thereof was not deemed to be necessary.

- Amendments to IFRS 7, Improving Disclosures about Financial Instruments. The fundamental change relates to the requirement to provide enhanced disclosures about fair value measurements and liquidity risk, the most significant of the former being the obligation to make disclosures about financial instruments measured at fair value using a fair value hierarchy.

Application of the following standards is not obligatory in 2009. Had they been applied early, management considers that they would not have had a material effect on the financial statements for 2009.

- Revision of IAS 3, Business Combinations (applicable for periods beginning on or after 1 July 2009). IFRIC 12.

- Amendments to IAS 27, Consolidated and Separate Financial Statements (applicable for periods beginning on or after 1 July 2009).

- Amendments to IAS 39, Financial Instruments: Recognition and Measurement: Eligible Hedged Items (applicable for periods beginning on or after 1 July 2009).

- Amendments to IAS 32, Classification of Rights Issues (applicable for periods beginning on or after 1 February 2010).

- IFRIC 12, Service Concession Arrangements and concomitant amendments to IFRS 1, IFRIC 14 and SIC 29 (applicable for periods beginning on or after 1 April 2009).

- IFRIC 15, Agreements for the Construction of Real Estate (applicable for periods beginning on or after 1 January 2010).

- IFRIC 17, Distribution of Non-cash Assets to Owners (applicable for periods beginning on or after 1 November 2009).

- IFRIC 18, Transfers of Assets from Customers (applicable for periods beginning on or after 1 November 2009).

The revised IFRS 3 and the amendments to IAS 27 give rise to very significant changes in several matters relating to accounting for business combinations which, in general, place greater emphasis on the use of fair value. Certain significant changes are the treatment of acquisition costs, which will be taken to expenses rather than be considered to be an increase in the cost of the business combination as per the current accounting treatment; step acquisitions, in which the acquirer revalues the previous investment at fair value on the date control is obtained; or the option to measure at fair value the non-controlling interests of the acquiree rather than measure them as the proportional part of the fair value of the net assets acquired as per the current single accounting treatment.

In connection with the business combination associated with the sale of a portion of the Agbar Group and the acquisition of the Adeslas Group that are expected to be completed in 2010 and which are described in the Note on “Investments Accounted for Using the Equity Method”, management expects the application of the new IFRS 3 to have various effects on the measurement of assets and on profit or loss. These effects will be quantified when the change of control over the companies involved takes place.

The standards and interpretations issued by the IASB but not yet adopted by the European Union are as follows:

- IFRS 9, Financial Instruments (applicable for periods beginning on or after 1 January 2013).
- Amendments to IFRIC 14, Prepayments of a Minimum Funding Requirement (applicable for periods beginning on or after 1 January 2011).
- IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments (applicable for periods beginning on or after 1 January 2013).
- 2009 Improvements to IFRSs (applicable mainly for periods beginning on or after 1 January 2010).
- Amendments to IFRS 2, Share-based Payment (applicable mainly for periods beginning on or after 1 January 2010).
- Revision of IAS 24, Related Party Disclosures (applicable mainly for periods beginning on or after 1 January 2011).

2.3. Comparative information

International Financial Reporting Standards require that the information presented in the consolidated financial statements be consistent. In 2009, in relation to the bases of presentation, the revision of IAS 1 and the adoption of IFRS 8 led to a change in the comparative information relating to the new structure of the financial statements and of segment reporting. These changes were made in the comparative information and are described in detail in subsequent notes.

Other aspects which must be considered when assessing the comparability and presentation of the consolidated figures for the year are as follows:

a) Presentation of the business activities of Port Aventura as discontinued operations

As described in the Note on "Discontinued Operations", the income and expense of the operations of the Port Aventura theme park and hotels in 2009 and 2008 are presented in full under "Profit from Discontinued Operations" in the consolidated income statement. This treatment entailed, in addition to a change in the presentation of the comparative income statement for 2008, a change in certain notes and comparative disclosures in these notes to the consolidated financial statements with respect to notes and disclosures included in the notes to the consolidated financial statements for 2008. The transaction is described in Note 2.5 "Changes in the Scope of Consolidation".

b) Presentation of Gas Natural as a jointly controlled entity

Gas Natural became a jointly controlled entity in 2009 when it had previously been considered to be an associate. This change, which is discussed in detail in the Note on "Investments Accounted for Using the Equity Method", did not give rise to any change in the recognition or measurement bases or presentation in the financial statements for comparison purposes, since the Group accounts for both jointly controlled entities and associates using the equity method.

c) Presentation of the consolidated income statement

In 2009 the bases of presentation of the consolidated income statement were improved with respect to that prepared in 2008. The improvements made make it possible to identify more accurately the ordinary income of the business by grouping together income items such as revenue, results of fully consolidated entities, results of associates and jointly controlled entities, income from equity instruments and gains or losses on financial assets and liabilities. All these items constitute the ordinary income of the Group. Also, the consolidated income statement shows the profit from operations and the financial loss, which is basically made up of the Group's borrowing costs, exchange differences and interest on current financial assets, basically cash and cash equivalents.

d) Presentation of the consolidated statement of cash flows

In 2009 the bases of presentation of certain cash flows from investing and financing activities were improved. Specifically, the loans granted by the Group to its customers in financing activities were separated from the related repayments. Similarly, the loans obtained by the Group were partially or totally separated from their repayments. Also, payments relating to treasury shares were included in financing activities. The effect of these changes on the cash flows from investing and financing activities was scantly material and amounted to EUR 18,545 thousand and taking into consideration the two headings, there was no effect.

2.4. Basis of consolidation

In addition to information relating to the Parent, the consolidated financial statements include information relating to the subsidiaries, jointly controlled entities and associates. The procedure for including the assets and liabilities of these companies was based on the type of control or influence exercised over them, the detail being as follows:

Subsidiaries

Subsidiaries are defined as companies with which the Parent constitutes a decision-making unit, because it owns directly or indirectly more than 50% of the voting power, or, even if this percentage is lower, because there are agreements with other shareholders of these companies that give Criteria Caixacorp the majority of the voting power. Appendix I to these notes to the consolidated financial statements contains significant information on these companies.

Despite the fact that the voting power at the holding company Repinves, S.A. (a company engaging exclusively in the ownership of 5.02% of Repsol-YPF, S.A.'s shares) amounts to 67.60%, due to the existence of a shareholders' agreement which states that decisions must be made jointly among the shareholders, this company is considered a jointly controlled entity.

The figures of the subsidiaries are consolidated with those of Criteria Caixacorp using the full consolidation method, which consists of the aggregation of the assets, liabilities, equity, income and expenses of a similar nature included in their separate financial statements. The carrying amount of the direct and indirect investments in the share capital of the subsidiaries is eliminated to the extent of the equity interest in the subsidiaries held through these investments. All other balances and transactions between the consolidated companies are eliminated on consolidation.

The share of third parties in the equity of the Criteria CaixaCorp Group and in the profit for the year is shown under "Equity – Non-Controlling Interests" in the consolidated balance sheet and "Profit Attributable to Non-Controlling Interests" in the consolidated income statement, respectively.

Jointly controlled entities

Jointly controlled entities are defined by the Criteria CaixaCorp Group as entities that are not subsidiaries but which, under a contractual agreement, are jointly controlled by it and other unrelated shareholders. Relevant information on these companies is provided in Appendix II.

Investments in jointly controlled entities are accounted for using the equity method, i.e. they are initially recognised at cost and their carrying amount is increased or reduced in order to recognise the corresponding proportion of the profit or loss for the year obtained by the investee after the acquisition date. The profits and losses resulting from transactions with a jointly controlled entity are eliminated to the extent of the Group's interest in the jointly controlled entity. Dividends received and other changes in equity as a result of the changes in equity which the jointly controlled entity did not recognise in its profit or loss for the year are taken into account. These changes are recognised directly in the Group's equity. In particular, companies (Hisusa and Repinves at 31 December 2009) which engage exclusively in the holding of ownership interests in other companies are proportionately consolidated, i.e. they include assets, liabilities, income and expenses in proportion to the ownership interest held by the Group in their share capital. The contribution to the consolidated figures is not material, since substantially all their assets, liabilities, income and expenses are eliminated on consolidation.

At 31 December 2009, the Group had significant investments in the jointly controlled entities Gas Natural, SDG, S.A., (“Gas Natural”), Sociedad General de Aguas de Barcelona, S.A. (“Agbar”) and Port Aventura Entertainment, S.A., all of which are accounted for using the equity method. The use of the proportionate consolidation method to recognise these investments would give rise to the inclusion of the ownership interest under various line items in the 2009 consolidated balance sheet and consolidated income statement, as shown in the table below, instead of recognising the investment on the asset side as a single line item under “Investments Accounted for Using the Equity Method”. The figures shown were estimated on the basis of the latest available information.

Consolidated financial statement heading	Millions of euros		
	Gas Natural	Agbar	Port Aventura Entertainment
Non-current assets	15,147	1,895	133
Current assets	2,389	1,028	17
Non-current liabilities	9,936	924	21
Current liabilities	2,963	906	90
Revenue and other income	5,166	882	-
Operating expenses	(4,282)	(621)	-

Associates

Associates are companies over which the Parent exercises significant influence but which are not subsidiaries or jointly controlled entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of the investee or if it can be demonstrated that this influence exists by the means indicated in the relevant standard, such as representation on the Board of Directors, participation in policy-making processes, material transactions between the investor and the investee, etc.

In the consolidated financial statements, investments in associates are accounted for using the equity method described in the preceding section relating to jointly controlled entities.

At the acquisition date, the difference between the cost of the investment and the portion relating to the investor of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate is accounted for in accordance with IFRS 3, Business Combinations. If an associate applies policies other than those adopted by the Group, the relevant adjustments will be made to the financial statements of the associate that are used to apply the equity method, in order to ensure that the associate's accounting policies are the same as those used by the Group.

Relevant information on these entities is disclosed in Appendix II.

2.5. Changes in the scope of consolidation

The main changes in the scope of consolidation or in the percentages of ownership in 2009 and 2008 were as follows:

	Consolidation method and percentage of ownership at year-end					
Company	**2009**		**2008**		**2007**	
Grupo Financiero Inbursa	Equity	20.00%	Equity	20.00%	-	-
SGAB	Equity	44.10%	Equity	44.10%	Equity	27.67%
Abertis Infraestructuras, S.A.	Equity	25.04%	Equity	25.04%	Equity	21.12%
Gas Natural, S.D.G., S.A.	Equity	36.43%	Equity	37.49%	Equity	35.53%
Banco BPI, S.A.	Equity	30.10%	Equity	29.38%	Equity	25.02%
Boursorama, S.A.	Equity	20.85%	Equity	20.95%	Equity	20.44%
Port Aventura Entertainment, S.A. (1)	Equity	50.00%	Full	100.00%	Full	97.12%
Hotel Caribe Resort, S.L.	Equity	30.00%	Full	60.00%	Full	60.00%
Erste Group Bank AG	Equity	10.10%	AFSFA (2)	4.90%	-	-
The Bank of East Asia	Equity	9.81%(3)	AFSFA (2)	9.86%	-	-

(1) For comparison purposes this table presents the method of consolidation in the consolidated financial statements of the business which at year-end was accounted for using the equity method.
(2) Available-for-sale financial assets.
(3) Once the capital increase indicated below has been completed in January 2010, the percentage of ownership will be 14.99%.

Changes in 2009

Erste Group Bank AG ("EGB")

As explained in the Note on "Investments Accounted for Using the Equity Method", in 2009 the ownership interest in EGB was increased from 4.9% at 31 December 2008 to 10.1% at 31 December 2009. This increase was achieved through: (i) the acquisition of shares on the market; (ii) a capital increase carried out by EGB in November 2009. In this capital increase, Criteria subscribed 36% using its own rights and acquired EGB share subscription rights held by the Erste Foundation for a total amount of EUR 1. Criteria received during the capital increase subscription period authorisation from AFMA (the Austrian Financial Market Authority) to hold an ownership interest of over 10% in EGB.

At 31 December 2009, Criteria was the second shareholder of EGB, after the Erste Foundation, which has an ownership interest of 26.3%.

In the first half of 2009 Criteria entered into a Preferred Partnership Agreement with the Erste Foundation in order to regulate their relations as shareholders of EGB and to formalise the friendly nature and strategic and long-term orientation of the investment. Under this agreement, Criteria may increase its percentage of ownership to 20% if an agreement is reached with the Erste Foundation.

In parallel, a Cooperation and Co-Investment Agreement was entered into by Criteria, "la Caixa" and EGB in order (i) to establish certain areas of business and commercial cooperation; and (ii) to give Criteria a preferential right to acquire a stake in the investments in which EGB seeks a co-investor.

Lastly, a cooperation agreement was entered into by the "la Caixa" Foundation and the Erste Foundation in order to work together in the welfare projects carried out by the two entities.

At the Annual General Meeting of EGB held on 12 May 2009, Juan María Nin, Deputy Chairman of Criteria and General Manager of "la Caixa", was appointed to EGB's Supervisory Board and Strategy Committee.

As a result of the foregoing and since Criteria had a holding of 10.1% in EGB, at 31 December 2009, the investment was accounted for using the equity method (it had previously been classified as an available-for-sale financial asset) because it was considered that significant influence was held over the investee. This influence is evidenced by: (i) the voting power corresponding to the second shareholder; (ii) representation on the managing bodies; and (iii) the agreements entered into.

The Bank of East Asia Limited ("BEA")

In the first half of 2009 Criteria entered into a Strategic Investment Agreement with BEA in order to regulate their relations as shareholders of the bank and to formalise the friendly nature and strategic and long-term orientation of the investment. Under this Agreement, Criteria can increase its ownership interest to 12.5% and, subject to BEA's agreement, from 12.5% to 20%. In parallel, a Strategic Cooperation Agreement was entered into by Criteria, "la Caixa" and BEA in order to maximise their respective commercial and business opportunities. Under the agreement: (i) BEA will be the exclusive vehicle for Criteria's investments in banks and financial institutions in the Asia-Pacific region; (ii) "la Caixa" and BEA have agreed to cooperate and assist one another in the development of banking products and services to the benefit of the customers of the two banks; and (iii) a monitoring committee will be set up to oversee the strategic cooperation among the three parties. Lastly, the "la Caixa" Foundation and The Bank of East Asia Charitable Foundation Limited entered into a memorandum of understanding to (i) explore and implement initiatives in the corporate social responsibility area; and (ii) contribute to the development of the individuals and communities in the regions in which the two entities operate.

At the beginning of June 2009 Isidro Fainé Casas, Chairman of Criteria, was nominated as a non-executive member of the Board of Directors of BEA. Also, at the end of August 2009 he was also nominated as a member of the Bank's Nomination Committee.

As a result of the foregoing, at 31 December 2009, the investment was accounted for using the equity method (it had previously been classified as an available-for-sale financial asset) because it was considered that significant influence was held over the investee. This influence is evidenced by: (i) the voting power corresponding to the main single shareholder; (ii) representation on the managing bodies; and (iii) the agreements entered into.

As explained in the Note on "Events after the Reporting Period", at the beginning of 2010 the investment in BEA was increased to 14.99% (31 December 2009: 9.81%). This increase was achieved by subscribing a capital increase at BEA (through "Private placement"). To this end, the requisite authorisation was obtained from the Bank of Spain and the Hong Kong Monetary Authority to hold an ownership interest of over 10%. Criteria CaixaCorp continues to be the main single shareholder of BEA.

Port Aventura

At the beginning of September Criteria publicly announced the agreement with Investindustrial for its inclusion as a shareholder of a new company to engage in the operation of the theme park and hotel business of Port Aventura. As a result, Investindustrial acquired an ownership interest of 50% with the other 50% being retained by the Group. The objective of this transaction is to optimise, by including a shareholder with extensive experience in the leisure industry, the management of the businesses in which the new company engages, segregating the two principal business activities (the operation of the theme park and the property business) on the basis of their respective needs and the degree of maturation of each of the businesses. In this regard, in November 2009 a corporate restructuring process took place at the new Port Aventura, which was spun off into two companies:

- **Port Aventura Entertainment, S.A.,** which owns the Port Aventura theme park and Caribe Aquatic Park and operates the Port Aventura, Caribe Resort Gold River and El Paso hotels and the conference centre. At 31 December 2009 it was owned 50% by Criteria and 50% by Investindustrial. The acquisition of a 50% ownership interest by Investindustrial in this company took place in December through a capital increase of EUR 94.8 million. This transaction was recognised in the consolidated books of account as a sale and did not give rise to a significant gain or loss.

  This company ceased to be fully consolidated and started to be accounted for using the equity method in December as a result of the situation of joint control and of the agreement with the new shareholder. Accordingly, at 31 December 2009, the portion attributable to the Group of the assets and liabilities of the aforementioned businesses were presented under "Investments Accounted for Using the Equity Method".

- **Mediterranea Beach and Golf Resort, S.A.**, the sole shareholder of which will continue to be Criteria, will continue to own two of the four hotels (Gold River and El Paso), the conference centre and the land for residential and commercial use, the golf business and the Beach Club. The hotels and the conference centre were leased to the theme park so that they could be operated by it and the other assets will be operated on an independent basis. The method used to consolidate the assets and liabilities associated with the aforementioned businesses in the Group's consolidated financial statements did not change.

The Note on "Discontinued Operations" shows the accounting effects of the discontinuation of 50% of the park's business.

Other corporate transactions

In the first half of 2009 the investees Crisegen Inversiones, S.L. and Caixa Capital Desarrollo SCR de Régimen Simplificado, S.A. were merged by absorption into Criteria CaixaCorp. The assets, liabilities and legal and contractual obligations and rights of these two companies were transferred to the absorbing company. These corporate restructuring transactions did not have any effect on the financial position or results of the Group as they were wholly-owned investees (directly or indirectly) of the Parent at 31 December 2008 and at the date of the merger.

In November 2009 Criteria CaixaCorp contributed its 20% direct ownership interest in VidaCaixa, S.A. de Seguros y Reaseguros to SegurCaixa Holding, S.A. Following this transaction, SegurCaixa Holding controlled all the shares of VidaCaixa, S.A. de Seguros y Reaseguros and all the Group's insurance business. This corporate restructuring transaction did not have any effect on the financial position or results of the Group as they were wholly-owned investees of the Parent throughout the year.

Changes in 2008

The main changes in ownership interests in subsidiaries, jointly controlled entities and associates in 2008 were as follows:

- Criteria CaixaCorp completed the acquisition of 20% of the shares of Grupo Financiero Inbursa, SAB de C.V. This transaction, together with the other acquisitions of associates, is discussed in the Note on "Investments Accounted for Using the Equity Method".

- 16.43% of Sociedad General de Aguas de Barcelona ("Agbar") was acquired in January 2008 in the framework of the joint takeover bid with the Suez Group for this company (see comments in the Note on "Investments Accounted for Using the Equity Method).

- Acquisition of all of the shares of "la Caixa" Gestión de Activos, S.G.I.I.C., S.A. and "la Caixa" Gestión de Pensiones, E.G.F.P., S.A. from "la Caixa". This transaction is described in the Note on "Business Combinations and Other Acquisitions".

- The Group acquired 2.88% of Port Aventura, S.A.'s share capital from Abertis Logística, S.A.U. for EUR 20 million, making the Group the sole shareholder in June 2008. The acquisition of this ownership interest, which did not involve a change of control over the company, led to a decrease of approximately EUR 15 million in the Group's consolidated reserves.

- Also, in 2008 certain shares held by holding companies were transferred to Criteria CaixaCorp during a corporate restructuring process. The most significant transfers were the acquisition of 11,036,680 Gas Natural, S.A. shares (2.46%) from Hisusa and 90,568,727 BPI shares (10.06%) from Catalunya de Valores. These transfers did not give rise to a profit or loss for consolidation purposes.

3. Measurement bases and accounting policies

The principal accounting policies used in preparing the Group's consolidated financial statements for 2009, in accordance with International Financial Reporting Standards as adopted by the European Union, were as follows:

3.1. Use of judgements and estimates

The preparation of the financial statements in conformity with IFRSs requires that the directors make judgements, estimates and assumptions which affect the application of accounting policies and the balances of assets, liabilities, income and expenses. The related estimates and assumptions are based on historical experience and on various other factors which are understood to be reasonable in accordance with the circumstances, the results of which will be used as the basis in order to establish the judgements on the carrying amount of the assets and liabilities which are not readily available through other sources.

The respective estimates and assumptions are reviewed on an ongoing basis; the effects of the reviews of the accounting estimates are recognised in the period in which they are made, if these only affect that period, or in the period of the review and in future periods, if the review affects both. In any event, the final results deriving from a situation that required that estimates be made may differ from those projections, and the final effects would be reflected prospectively.

Aside from the process of systematic estimates and their subsequent review, the Parent's directors complete certain value judgements on matters with a particular impact on the consolidated financial statements. The most significant judgements relate to the assessment of the possible impairment of goodwill, equity or debt instruments, and to provisions and contingent liabilities.

3.2. Goodwill and other intangible assets

3.2.1. Goodwill and acquisition of non-controlling interests

Goodwill acquired in a business combination is measured at the date of acquisition at its cost, which is the excess of the cost of the business combination over the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired company. After initial recognition, the goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying amount might have become impaired.

On disposal of a subsidiary or jointly controlled entity, the amount attributable to goodwill is included in the calculation of the gain or loss on disposal.

Goodwill relating to jointly controlled entities and associates accounted for using the equity method is presented under “Non-Current Assets – Investments Accounted for Using the Equity Method” in the consolidated balance sheet together with the amount represented by the investment in the entity’s capital.

An increase or a decrease in an investment in a subsidiary that does not give rise to a loss of control is treated as an equity transaction. Therefore, the goodwill paid would be recognised directly in the Group’s equity, with no effect on goodwill or on the consolidated income statement.

3.2.2. Other intangible assets

The other intangible assets are identifiable non-monetary assets without physical substance which arise as a result of acquisition from third-parties. However, only intangible assets whose cost can be determined objectively and from which it is considered probable that future economic benefits will be generated are recognised. Intangible assets are recognised initially at acquisition or production cost and are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses.

“Other Intangible Assets” includes the value assigned in the business combinations of the portfolio of policies or customers acquired from Segurcaixa Holding insurance business, which are amortised over their estimated useful lives. This customer relationship is conducted through various contracts which provide either predictable returns or allow a valid expectation of renewal to be assumed with a specific lapse rate.

Intangible assets also include the value attributable to relations with customers of the collective investment undertaking management and pension fund management businesses acquired by the Group from “la Caixa” in the framework of the joint acquisition of these assets from Morgan Stanley in 2008. Customer relations are regulated and divided through various contracts with “la Caixa” (for third-party funds) and with customers (for own investment funds, discretionary portfolios and OEICs).

The amortisation periods of the intangible assets shown on the balance sheet are as follows:

Type of asset	Estimated useful life
Life portfolio (insurance business)	10 years
Non-life portfolio (insurance business)	15 years
Collective investment undertaking management portfolio	10.5 years
Pension fund management portfolio	12 years
Computer software	5 years

The estimated amortisation of intangible assets is recognised with a charge to the consolidated income statement for the year in which it is taken. Annual amortisation is recognised under “Depreciation and Amortisation Charge” in the consolidated income statement and impairment losses and reversals thereof are recognised under “Net Impairment Losses”.

3.3. Property, plant and equipment

“Property, Plant and Equipment” consists of property, plant and equipment for own use and assets leased out under operating leases to third-parties.

Property, plant and equipment for own use include assets, either owned or held under finance leases, held by the Group for administrative use or for the production or supply of goods and services that are expected to be used for more than one year.

As a general rule, property, plant and equipment are stated at cost, less accumulated depreciation and any impairment losses.

Depreciation is calculated using the straight-line method, on the basis of the acquisition cost of the assets less their residual value, based on their estimated useful lives. Land is not depreciated since it is considered to have an indefinite useful life. The period property, plant and equipment depreciation charge is recognised under “Depreciation and Amortisation Charge” in the consolidated income statement and is determined on the basis of the years of estimated useful life of the various assets, as follows:

Type of asset	Estimated useful life
Properties	
. Buildings	25-75 years
. Fixtures	8-25 years
Furniture and other plant	4-20 years
Computer hardware	4-8 years
Other	7-14 years

Upkeep and maintenance expenses are recognised under “Other Operating Expenses” in the income statement.

The Group determines periodically the fair value of the properties that form part of its property, plant and equipment, which is taken to be the price at which two knowledgeable parties would be willing to carry out a transaction. This fair value is determined by reference to the appraisals undertaken by independent valuers. The fair value of property, plant and equipment is indicated in the Note on “Property, Plant and Equipment”.

3.4. Investment property

"Investment Property" in the accompanying consolidated balance sheet includes the net values of land, buildings and other structures held either to earn rentals or for capital appreciation.

Investment property is stated at acquisition cost revalued, where appropriate, pursuant to the applicable legislation. For the purposes of valuation and estimated useful life, the same policies are used as for identical items of property, plant and equipment.

In accordance with IAS 40, the Group determines periodically the fair value of its investment property, which is taken to be the price at which two knowledgeable parties would be willing to carry out a transaction. This fair value is determined by reference to the appraisals undertaken by independent valuers. The fair value of investment property is indicated in the Note on "Investment Property".

3.5. Operating and finance leases

In operating leases, the ownership of the leased asset and substantially all the risks and rewards relating to the leased asset remain with the lessor.

When the Group companies act as the lessors, they present the acquisition cost of the leased assets under "Property, Plant and Equipment". These assets are depreciated using the policies adopted for similar items of property, plant and equipment for own use, and lease income is recognised on a straight-line basis under "Revenue - Other Income" in the consolidated income statement.

Finance leases are leases that transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee.

When the consolidated entities act as the lessors of an asset, the sum of the present value of the lease payments receivable from the lessee and the guaranteed residual value (which is generally the exercise price of the lessee's purchase option at the end of the lease term) is recognised as lending to third parties and is therefore included under "Loans and Receivables" in the consolidated balance sheet.

3.6. Financial instruments

Financial instruments are initially recognised in the consolidated balance sheet when the Group becomes a party to the contract giving rise to them, under the terms and conditions thereof. Financial assets and liabilities are recognised from the date on which the legal right to receive or the legal obligation to pay cash arises.

A financial asset is fully or partially derecognised when the contractual rights to the cash flows from the financial asset expire or when the financial asset is transferred. Also, a financial liability is fully or partially derecognised when the related obligations, risks or other rewards are extinguished.

Fair value and amortised cost

Upon initial recognition, all financial instruments are recognised at fair value which, unless there is evidence to the contrary, is the transaction price. Thereafter, at a specified date, the fair value of a financial instrument is the amount for which it could be delivered, if an asset, or settled, if a liability, in a transaction carried out between knowledgeable, willing parties on an arm's-length basis. The most objective and common reference for the fair value of a financial instrument is the price that would be paid for it on an organised, transparent and deep market ("quoted price" or "market price").

If there is no market price for a given financial instrument, its fair value is estimated on the basis of the price established in recent transactions involving similar instruments and, in the absence of this information, of valuation techniques commonly used by the international financial community, taking into account the specific features of the instrument to be measured and, particularly, the various types of risk associated with it. Most financial instruments, excluding OTC derivatives, are measured by reference to quoted prices in active markets.

The fair value of financial derivatives traded in organised, transparent and deep markets and included in financial assets and liabilities held for trading is deemed to be their daily quoted price and if, due to exceptional reasons, their quoted price cannot be determined at a given date, they are measured using methods similar to those used to measure derivatives not traded in organised markets.

The fair value of derivatives not traded in organised markets or derivatives traded in scantly deep or transparent organised markets is determined using methods recognised by the financial markets, namely "net present value" (NPV) or option pricing models (see Note on "Risk Management Policies").

In the respective notes to the consolidated financial statements financial instruments at fair value are classified on the basis of the methodology used to measure them as follows:

- Level 1. On the basis of quoted prices in active markets.

- Level 2. Using valuation techniques in which the assumptions correspond to directly or indirectly observable market date or to quoted prices on active markets for similar instruments.

- Level 3. Valuation techniques are used in which certain of the main assumptions are not supported by observable market date.

Most of the financial instruments have as the objective reference for determining their fair value quoted prices in active markets (Level 1) and, therefore, their fair value is determined on the basis of the price that would be paid for them on an organised, transparent and deep market ("quoted price" or "market price"). In general, this Level includes listed debt securities and listed equity securities.

The fair value of the instruments classified in Level 2, for which there is no market price, is estimated on the basis of the price established in recent transactions involving similar instruments and, in the absence thereof, of valuation techniques commonly used by the international financial community, taking into account the specific features of the instrument to be measured and, particularly, the various types of risk associated with it. The fair value of OTC derivatives and financial instruments traded in scantly deep or transparent organised markets is determined using methods acknowledged by the financial markets, such as, for example, "net present value" (NPV) or option pricing models based on observable market parameters. This Level includes mainly unlisted debt securities.

The fair value of instruments classified in Level 3, for which there are no directly observable market data for their measurement, is determined using alternative techniques, including price requests submitted to the issuer or the use of market parameters with a risk profile that can be readily equated to that of the instrument being measured. At 31 December 2009, there were no financial instruments classified in this Level.

Also, certain financial assets and liabilities are recognised at amortised cost. This criterion is applied mainly to the financial assets recognised under "Loans and Receivables" and to the financial liabilities recognised under "Financial Liabilities at Amortised Cost".

A portion of the assets and liabilities recognised under these headings are included in certain of the fair value micro-hedges managed by the Group companies and, accordingly, are presented in the balance sheet at their fair value relating to the risk being hedged.

Classification and measurement of financial assets and liabilities

The financial instruments not included in the categories indicated below are recognised under one of the following headings in the accompanying consolidated balance sheet: “Cash and Cash Equivalents” and “Derivatives”.

Financial assets/liabilities held for trading. This heading includes financial assets and liabilities that are classified as at fair value through profit or loss and that were acquired for the purpose of selling them in the near term.

Financial instruments held for trading are initially measured at fair value and subsequent changes in fair value are recognised in “Gains/Losses on Financial Assets and Liabilities - Financial Assets and Liabilities Held for Trading” in the consolidated income statement, except for the changes in fair value due to accrued returns on financial instruments other than trading derivatives, which are recorded under “Finance Income”, “Finance Costs” or “Income from Equity Instruments”, depending on their nature.

Loans and receivables. This heading includes financing granted to third parties in connection with ordinary lending activities carried out by the consolidated entities, receivables from purchasers of goods and users of services, and unquoted debt instruments or debt instruments quoted in markets that are not sufficiently active. These assets are initially measured at fair value adjusted by the fees and commissions and transaction costs directly attributable to the acquisition of the financial asset, which are charged to income by the effective interest method through maturity. They are subsequently measured at amortised cost, as described earlier in this note.

The accrued returns on these transactions are recognised under “Income from the Financial Activity” or “Income from the Insurance Activity” in the consolidated income statement and are calculated using the effective interest method. Any impairment losses are recognised as set forth in the Note on “Impairment of Financial Assets”. Lastly, changes in the fair value of the financial assets hedged in fair value hedges are measured as described in the Note on “Derivatives and Hedges”.

Other financial assets and liabilities at fair value through profit or loss. This category includes the financial instruments that, not held for trading, are managed jointly with insurance contract liabilities measured at fair value, financial derivatives arranged for the purpose of reducing exposure to fair value changes, those which are managed jointly with financial liabilities; and derivatives aimed at reducing overall exposure to interest rate risk. The financial instruments in this category are subject on an ongoing basis to a risk control, management and measurement system that makes it possible to ascertain whether the risk has effectively been reduced.

The financial liabilities at fair value through profit or loss include life insurance linked to investment funds that do not expose the issuer of the contract to significant insurance risk, when the financial assets with which they are linked are also measured at fair value through profit or loss.

The initial and subsequent measurement and allocation to profit or loss of these financial assets and liabilities at fair value through profit or loss are carried out applying the same criteria as those used for financial assets/liabilities held for trading.

Available-for-sale financial assets. This balance sheet heading includes debt instruments not classified as financial assets held for trading, as held-to-maturity investments or as loans and receivables, and equity instruments issued by entities other than associates, provided that they are not classified as held for trading, and other financial assets at fair value through profit or loss.

In general, this heading includes all equity investments, investment fund units and indexed securities, long-term deposits and fixed-income securities. In connection with these instruments and as part of its insurance activity, the Group has arranged various interest rate swap agreements, receiving in general, fixed or determinable amounts from the various counterparties. The main purpose of these transactions is to hedge the cash flows required to meet the payment of benefits deriving from insurance obligations, including commitments acquired by virtue of certain policies relating to externalised pension plan commitments. For these fixed-income securities which include interest rate swaps, the Group measures the bond and the swap separately, but since these coupons are exchanged, it measures the overall transaction by updating the flows agreed and those linked to the aforementioned assets using a market rate curve. The flow resulting from the bond and the swap are jointly accrued. In accordance with the aforementioned purpose, the differences between this overall market value and the accounting cost are allocated to the technical provisions of the insurance contracts at each reporting date. Separate measurement of fixed-income securities and the aforementioned interest rate swaps would not have a material effect on the Group's total assets or equity in the consolidated balance sheet.

Debt instruments are always measured at fair value adjusted by the transaction costs directly attributable to the acquisition of the financial asset, which are allocated to income by the effective interest method until the instruments mature. Equity instruments whose fair value cannot be determined in a sufficiently objective manner are measured at cost, net of any impairment losses.

Except for those arising from the Group’s insurance activity, changes in the fair value of financial assets from the date of acquisition are recognised in “Equity - Valuation Adjustments -Available-for-Sale Financial Assets” until the financial asset is derecognised. The balance recognised in equity is then taken to “Gains/Losses on Financial Assets and Liabilities” in the consolidated income statement. The changes in fair value generated by the Group’s insurance activity are described in Note 3.12 and are transferred to the results of the insurance activity when the financial asset is derecognised.

The accrued returns on these securities, in the form of interest or dividends, are recognised under “Finance Income” (calculated using the effective interest method) and “Income from Equity Instruments”, respectively, in the consolidated income statement. Any impairment losses on these securities are recognised as indicated in Note 3.7.3. Lastly, changes in the fair value of the financial assets hedged in fair value hedges are measured as described in Note 3.7.4.

Financial liabilities at amortised cost: they are initially measured at fair value, adjusted by the amount of the transaction costs that are directly attributable to the issue of the financial liability, which are recognised in the consolidated income statement by the effective interest method through maturity. They are subsequently measured at amortised cost, as described earlier in this note.

This heading includes subordinated debt issues. These issues are presented net of the related costs, which are allocated to income as increased finance costs over a period of ten years from the launch of each issue.

The accrued interest borne on financial liabilities at amortised cost is recognised under “Finance Costs” in the consolidated income statement. Changes in the fair value of the financial liabilities hedged in fair value hedges are measured as described in Note 3.7.4.

3.7. Impairment of assets

The information contained in these notes to the consolidated financial statements presents objective data of the valuations being afforded by the market to a number of ownership interests in listed companies accounted for using the equity method (jointly controlled entities and associates) or as available-for-sale equity instruments or debt instruments. These objective data have been used as a determining factor in assessing the possible existence of impairment in the listed companies as a whole.

However, in the context of an impairment test and the quantification of any amount to be recognised in the consolidated income statement, as in the specific measurement bases and explained in the notes corresponding to these assets, the Group used its expert judgement based on generally accepted measurement bases which include, inter alia, discounting the future cash flows expected from the business, sustainable ROE, regression curves or specialised analyst reports in accordance with the characteristics of each type of asset or the best information available.

Following is a detail of the main criteria used when assessing the impairment of the Group's assets.

3.7.1. Impairment of property, plant and equipment and intangible assets

The fair value of these assets is reviewed individually at least at year-end in order to determine whether there is any indication of the existence of impairment. If impairment is detected by any other means before year-end, the value of these assets is reviewed at that date. If there are indications of impairment, in the case of goodwill and intangible assets with an indefinite useful life, the recoverable amount of these assets is always estimated.

Recoverable amount is the higher of the net selling price and value in use. In assessing value in use, the future cash flows are discounted to their present value using pre-tax discount rates that reflect current market assessments of the time value of money and the risks specific to the asset. For assets which do not generate largely independent cash flows, such as goodwill, the recoverable amount is determined for the cash-generating units to which the assets belong.

Impairment losses are recognised in the consolidated income statement for all assets or, where applicable, for the cash-generating units in which they are included, when their carrying amount exceeds the corresponding recoverable amount. In the case of cash-generating units and not individual assets, these losses are applied to reducing firstly the goodwill assigned to these units and secondly the other assets.

Impairment losses are reversed, except in the case of goodwill, if there were changes in the estimates used to determine the recoverable amount. The reversal of an impairment loss is recognised in the consolidated income statement. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

3.7.2. Impairment of investments in companies accounted for using the equity method

Impairment of investments accounted for using the equity method is verified by comparing their recoverable amount (the higher of value in use and fair value less costs to sell) with their carrying amount, provided that there is evidence that the investment may have become impaired. The goodwill included in these investments is verified together with the item to which it is allocated.

In accordance with the methodology established by the Group, the indicators which are used to assess the impairment of jointly controlled entities and associates listed on secondary markets are, inter alia, the quoted market price at year-end, a significant or prolonged decrease in market value to below cost, the dividends paid in recent years, the expected dividends and the expectations in the market in which the investee operates.

In order to determine evidence of impairment, a test is carried out to determine value in use which includes market appraisals and those carried out internally or by independent valuers. The value in use of the investment is estimated on the basis of the best information available, based on:

a) The corresponding portion of the present value of the cash flows expected to be generated by the jointly controlled entity or associate, which include the estimated future cash flows from operating activities and the amounts resulting from the final sale or disposal by any other means of the investment, or

b) The present value of the estimated future cash flows expected to be received as dividends from the investment and as amounts of the final sale or disposal by any other means of the investment.

The impairment losses on this type of assets are reversed if there were changes in the estimates used to determine the recoverable amount. Both the impairment loss and the reversal of an impairment loss are recognised in the consolidated income statement. In this respect, an impairment loss is reversed only to the extent that the carrying amount of the asset after the reversal does not exceed the amount which would appear in the accounting records if the aforementioned impairment loss had not been previously recognised.

3.7.3. Impairment of financial assets

A financial asset is considered to be impaired when there is objective evidence of an adverse impact on the future cash flows that were estimated at the transaction date, or when its carrying amount may not be fully recovered.

As a general rule, the carrying amount of impaired financial instruments is adjusted with a charge to the consolidated income statement for the period in which the impairment becomes evident, and the reversal, if any, of previously recognised impairment losses is recognised in the consolidated income statement for the period in which the impairment is reversed or reduced, except in the case of equity instruments classified as available for sale, since this impairment is not considered to be reversible.

When the recovery of any recognised amount is considered unlikely, the amount is written off, without prejudice to any actions that the Group entities may initiate to seek collection until their contractual rights are extinguished definitively by expiry of the statute-of-limitations period, remission or any other cause.

Debt instruments at amortised cost

The amount of an impairment loss incurred on a debt instrument carried at amortised cost is equal to the positive difference between its carrying amount and the present value of its estimated future cash flows. However, a decline in fair value to below the cost of acquisition is not in itself evidence of impairment.

Specifically as regards impairment losses resulting from materialisation of the insolvency risk of the obligors (credit risk), a debt instrument is impaired due to insolvency when there is evidence of a deterioration of the obligor’s ability to pay, either because it is in arrears or for other reasons. Impairment losses on these assets are estimated by classifying transactions on the basis of the nature of the obligors, the conditions of the countries in which they reside, transaction status, type of guarantee or collateral and age of past-due amounts. For each risk group, the Group establishes the impairment losses that it recognises in the Group’s consolidated income statement.

Debt instruments classified as available for sale

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

The amount of the impairment losses on debt instruments included in the available-for-sale financial asset portfolio is the positive difference between their acquisition cost (net of any principal repayment) and their fair value less any impairment loss previously recognised in the consolidated income statement. The market value of quoted debt instruments is deemed to be a reliable estimate of the present value of their future cash flows, even though a decline in fair value to below acquisition cost does not constitute in itself evidence of impairment.

When there is objective evidence that the differences arising on measurement of these assets are due to impairment, they are removed from the equity item "Valuation Adjustments - Available-for-Sale Financial Assets" and are recognised, for their cumulative amount at that date in the consolidated income statement. If all or part of the impairment losses are subsequently reversed, the reversed amount is recognised in the consolidated income statement for the period in which the reversal occurs.

Equity instruments classified as available for sale

In accordance with the methodology established by the Group, the indicators used to assess the impairment of these instruments which are listed on secondary markets are, inter alia, the quoted market price at year-end, a significant or prolonged decrease in market value to below cost, the dividends paid in recent years, the expected dividends and the expectations in the market in which the investee operates. The purpose of these indicators is to assess the existence of objective evidence of impairment. However, a decline in fair value to below the cost of acquisition is not in itself evidence of impairment.

An impairment loss on equity instruments is calculated individually and once there is objective evidence of a loss as a result of an event or group of events with an impact on estimated future cash flows, it is equal to the difference between their acquisition cost and fair value, less any impairment loss previously recognised in the consolidated income statement.

The criteria for recognising impairment losses on these instruments are the same as those for debt instruments classified as available for sale, with the exception that any recovery of these losses is recognised in equity under "Valuation Adjustments - Available-for-Sale Financial Assets".

3.7.4. Derivatives and hedges

The Group uses derivative financial instruments as a financial risk management tool. When these transactions meet certain requirements, they qualify for hedge accounting.

When the Group designates a transaction as a hedge, it does so from inception of the transaction or of the instrument included in the hedge and the transaction is documented appropriately in accordance with the regulations in force. The hedge accounting documentation duly identifies the hedged instrument or instruments and the hedging instrument or instruments, the nature of the risk to be hedged, and the criteria or methods used by the Group to assess the effectiveness of the hedge over its entire life, taking into account the risk intended to be hedged.

The Group applies hedge accounting for hedges that are highly effective. A hedge is considered to be highly effective if, during its expected life, the changes in fair value or in the cash flows that are attributed to the hedged risk are almost entirely offset by changes in the fair value or in the cash flows, as appropriate, of the hedging instrument or instruments.

To measure the effectiveness of hedges, the Group analyses whether, from the beginning to the end of the term defined for the hedge, it may be expected, prospectively, that the changes in fair value or in the cash flows of the hedged item that are attributable to the hedged risk will be almost entirely offset by changes in the fair value or in the cash flows, as appropriate, of the hedging instrument or instruments and, retrospectively, that the results of the hedge will be within a range of 80% to 125% of the results of the hedged item.

Hedging transactions performed by the Group are classified in two categories:

- *Fair value hedges*, which hedge the exposure to changes in fair value of financial assets and liabilities or unrecognised firm commitments, or an identified portion of such assets, liabilities or firm commitments, that is attributable to a particular risk, provided that it affects the consolidated income statement.

- *Cash flow hedges*, which hedge the exposure to changes in cash flows that is attributed to a particular risk associated with a financial asset or liability or with a highly probable forecast transaction, provided that it could affect the consolidated income statement.

In the specific case of financial instruments designated as hedged items or qualifying for hedge accounting, gains and losses are recognised as follows:

- In fair value hedges, the gains or losses arising on both the hedging instruments and the hedged items attributable to the type of risk being hedged are recognised directly in the consolidated income statement.

- In cash flow hedges, the gains or losses arising on the portion of the hedging instruments qualifying as an effective hedge are recognised temporarily in equity under "Valuation Adjustments - Cash Flow Hedges", and are not recognised in the consolidated income statement until the gains or losses on the hedged item are recognised in the consolidated income statement or until the date of maturity of the hedged item in certain situations in which hedge accounting is discontinued. The gains or losses on the hedging instrument are recognised under the same heading in the consolidated income statement as the gains or losses on the hedged item. Financial instruments hedged in this type of hedging transaction are recognised using the methods described in Note 3.6, without any changes for the fact that they are considered to be hedged instruments. The gains or losses on the ineffective portion of the hedging instruments are recognised directly under "Gains (Losses) on Financial Assets and Liabilities" in the consolidated income statement.

The Group discontinues hedge accounting when the hedging instrument expires or is sold, when the hedge no longer qualifies for hedge accounting or, lastly, when the designation as a hedge is revoked.

Derivatives embedded in other financial instruments or in other contracts are accounted for separately as derivatives if their risks and characteristics are not closely related to those of the instrument or host contract, provided that a reliable fair value can be attributed to the embedded derivative taken separately.

3.7.5. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments issued by the Group are recognised in equity at the proceeds received.

3.8. Non-current assets classified as held for sale

"Non-Current Assets Classified as Held for Sale" includes assets or groups of assets the value of which will be recovered mainly through a sale transaction that is highly likely to occur. Under this heading, the Group includes items of property, plant and equipment which were not intended for own use or which were not classified as investment property and for which, in any case, there is an intention to sell, as well as assets deriving from the maturity of the Group's operating and finance leases that were recovered to be sold.

These assets are measured at the lower of amortised cost, less the impairment losses recognised on the financial assets delivered, and their fair value less costs to sell. The impairment losses arising after capitalisation of these assets are recognised under “Net Impairment Losses” in the consolidated income statement. If their value is subsequently recovered, the amount of the recovery may be recognised under the same heading in the consolidated income statement up to the limit of the impairment losses previously recognised. The assets classified under this heading are not depreciated.

3.9. Foreign currency transactions

Foreign currency assets and liabilities, including unmatured foreign currency purchase and sale transactions considered as hedges, are translated to euros using the average exchange rates prevailing on the spot currency market at 2009 and 2008 year-end, except for non-monetary items measured at historical cost, which are translated to euros at the exchange rate ruling at the date of acquisition, and non-monetary items measured at fair value, which are translated to euros at the exchange rates ruling on the date when the fair value was determined.

Unmatured forward foreign currency purchase and sale transactions not considered as hedges are translated to euros at the year-end exchange rates on the forward currency market.

The exchange rates used by the Group in translating the foreign currency balances and transactions to euros were those published by the European Central Bank.

The exchange differences arising on the translation of foreign currency balances and transactions to the functional currency of the consolidated companies are recognised in the consolidated income statement. ”Valuation Adjustments - Exchange Differences” under equity in the consolidated balance sheets includes the net amount of exchange differences arising on non-monetary items whose fair value is adjusted in equity and the differences arising on the translation to euros of the balances in the functional currencies of the fully and proportionately consolidated companies and companies accounted for using the equity method, whose functional currency is not the euro, and the differences arising for the same reasons at jointly controlled entities and associates accounted for using the equity method.

3.10. Current/Non-current classification

In the consolidated balance sheet, assets and liabilities are classified as current if they relate to cash and cash equivalents the use of which is not restricted, if they are expected to be realised or settled respectively during the course of the normal cycle of operations, they are held for trading, or the assets are expected to be realised or the liabilities are due be settled within twelve months after the balance sheet date. Balances receivable and payable relating to the Group’s financial activities are classified as non-current, since their normal operating cycle exceeds twelve months. All of the other assets and liabilities are classified as non-current.

3.11. Assets of collective investment undertakings, pension funds and other assets under management

The assets of the collective investment undertakings (investment funds and open-end investment companies) and pension funds managed by the consolidated companies are not presented on the face of the Group's consolidated balance sheet since the related assets are owned by third parties. The commissions earned in the year for the various services provided by the Group companies to the funds, such as asset management fees, are included under income and expenses of the financial and insurance activities in the consolidated income statement. Neither does the balance sheet include other managed assets that are owned by third parties and for the management of which a fee is received.

Following is a detail of the assets under management:

	Thousands of euros	
Asset type	**31/12/09**	**31/12/08**
Collective investment undertakings		
Investment funds	13,805,134	11,586,842
Open-end investment funds	974,576	965,189
	14,779,710	12,555,031
Pension funds	13,584,135	11,860,462
Total assets under management	**28,363,845**	**24,415,493**

3.12. Insurance transactions

The Group applies the requirements established in IFRS 4 – "Insurance Contracts" to all the assets and liabilities in its consolidated financial statements deriving from insurance contracts, in accordance with the definition established by that standard.

Classification of the insurance contracts portfolio

The Group does not unbundle any deposit components associated with insurance contracts, which it may perform on a voluntary basis. Similarly, it is estimated that the surrender options issued to the policyholders have a fair value of zero; otherwise, the measurement thereof forms part of the value of the insurance liability.

Measurement of assets and liabilities arising from insurance and reinsurance contracts

IFRS 4 limits the changes in the accounting policies for insurance contracts. In line with this standard, the Group uses mainly the accounting principles and measurement bases established in Spain for assets and liabilities deriving from insurance contracts, except for:

- The equalisation provisions that the insurance entities are required to create under Spanish accounting principles, pursuant to the private insurance regulations.

- The test for the adequacy of liabilities, aimed at guaranteeing the sufficiency of the contractual liabilities. In this respect, the Group compares the difference between the carrying amount of the technical provisions, net of any deferred acquisition costs or of any intangible assets related to the insurance contracts under assessment, and the amount resulting from the consideration of current estimates, applying the market interest rates of all the cash flows deriving from the insurance contracts with the difference between the market value of the financial instruments assigned to the aforementioned contracts and their acquisition cost. In order to determine the fair value of these financial instruments, the same interest rate as that used for liabilities is applied. Insurance contract valuations also include the related cash flows such as those deriving from implicit options and guarantees.

As a result of the test performed at 31 December 2009, it was not necessary to increase the liabilities arising from insurance contracts.

With the purpose of avoiding a portion of the imbalances caused by using different measurement bases for the financial investments recognised mainly under "Available-for-Sale Financial Assets", and the liabilities arising from insurance contracts, the Group recognises the portion of the unrealised gains deriving from the aforementioned investments as an increase in "Provisions for Insurance Contracts". These gains are expected to be charged to the insureds in the future as they are realised or by applying a technical interest rate which is higher than the market interest rate. This practice is named "shadow accounting".

In accordance with standard accounting practice in the insurance industry, the consolidated insurance entities credit to income the amounts of the premiums written and charge to income the cost of the claims incurred on final settlement thereof. As a result, insurance entities are required to accrue at each reporting date the unearned revenues credited to their income statements and the accrued costs not charged to income.

Following is a summary of the main accounting policies applied by the Group for income and expenses relating to insurance activities and technical provisions:

- **Provision for unearned premiums**, which reflects the gross premium received in a year, allocable to future years, less the loading for contingencies. The Group calculates these provisions using the “policy-to-policy” method, using gross premiums accrued during the year as a basis.

- **Provision for unexpired risks**, which supplements the provision for unearned premiums by the amount by which that provision is not sufficient to reflect the measurement of the risks and expenses to be covered in the policy period not elapsed at the reporting date.

- **Provision for claims outstanding**, which reflects the estimated obligations outstanding arising from claims incurred prior to the reporting date -both unsettled or unpaid claims and claims not yet reported-, less payments made on account, taking into account the internal and external claim settlement expenses and, where appropriate, any additional provisions required for variances in assessments of claims involving long handling periods.

- **Life insurance provision**, in life insurance policies whose coverage period is one year or less, the provision for unearned premiums reflects the gross premium received in the year which is allocable to future years. If this provision is inadequate, a supplemental provision is calculated for unexpired risks which covers the assessed risks and expenses expected to arise in the policy period not yet elapsed at the reporting date.

In life insurance policies whose coverage period is more than one year, the net mathematical provision is calculated as the difference between the present actuarial value of the future obligations of the consolidated entities operating in this line of insurance and those of the policyholder or the insured; taking as a basis for calculation the inventory premium accrued in the year (which consists of the pure premium plus a loading for administrative expenses per the technical bases).

- **Provision for life insurance policies,** where the investment risk is borne by the policyholders, which is determined on the basis of the assets specifically assigned to determine the value of the rights**.**

- **Provision for bonuses and rebates**: this provision includes the amount of the bonuses accruing to policyholders, insureds or beneficiaries and the premiums to be returned to policyholders or insureds, based on the behaviour of the risk insured, to the extent that such amounts have not been individually assigned to each of them.

- **Provision for unsettled or unpaid claims**: this includes valuation of the claims that have occurred and been reported before the year-end.

- **Provision for unreported claims**: this relates to the estimate of the value of the claims occurring before year-end and which have not been included in the provision for unsettled or unpaid claims.

The technical provisions for inward reinsurance assumed are determined using criteria similar to those applied for direct insurance; these provisions are generally calculated on the basis of the information provided by the cedants.

The technical provisions for direct insurance and reinsurance are presented in the consolidated balance sheet under "Provisions for Insurance Contracts".

The technical provisions for outward reinsurance - which are calculated on the basis of the reinsurance contracts entered into and by applying the same criteria as those used for direct insurance- are presented in the consolidated balance sheet under "Reinsurance Assets".

- **Income from premiums written**: the premiums written during the year are recognised as income, net of cancellations and rebates, adjusted by the change in premiums written but not issued deriving from contracts entered into or extended during the year, in relation to which premiums the insurance company's collection right arises during the aforementioned period. The allocated premiums, net of reinsurance, include the premiums previously written by the direct business and inward reinsurance, adjusted by the portion reinsured and by the change in the provision for unearned premiums of the various businesses (direct, inward and outward) and the change in the allowance for uncollected premiums.

Non-life and annual renewable life insurance contracts are recognised as income over the term of the contracts, based on the period elapsed. These premiums are accrued by recognising a provision for unearned premiums. Long-term single and periodic premiums in the life insurance segment, are recognised when the contract writer's collection right arises.

The income obtained from the surcharges on part-payments of premiums are recognised as an increase in premiums and are taken to the consolidated income statement when the corresponding premiums are issued.

Outward reinsurance premiums are recognised in accordance with the reinsurance contracts entered into using the same criteria as those used for direct insurance.

Interest income, interest and expenses and similar items: these are generally recognised for accounting purposes by applying the effective interest method, regardless of the monetary or financial flow deriving from the financial assets.

Claims paid and changes in provisions: claims incurred comprise claims paid during the year, changes in claim-related provisions and the allocable portion of general expenses which should be assigned to the claims function.

3.13. Earnings per share

Basic earnings per share are calculated by dividing net profit or loss attributable to the Parent by the weighted average number of ordinary shares outstanding during the year, excluding, where appropriate, the average number of shares of the Parent held by the Group companies.

Diluted earnings per share are calculated by dividing net profit or loss for the year attributable to ordinary shareholders adjusted by the effect attributable to the dilutive potential ordinary shares by the weighted average number of ordinary shares that would have been outstanding assuming the conversion of all the potential ordinary shares into ordinary shares of the entity.

3.14. Provisions and contingencies

When preparing the consolidated financial statements, a distinction is made between:

- **Provisions**: credit balances covering present obligations at the date of preparation of the consolidated financial statements arising from past events which could give rise to a loss for the entities that is considered likely to occur and which is certain as to its nature but uncertain as to its amount and/or timing; and

- **Contingent liabilities**: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the control of the entities.

The Group's consolidated financial statements include all the material provisions with respect to which it is considered more likely than not that the obligation will have to be settled. Provisions are recognised on the liability side of the consolidated balance sheet on the basis of the obligations covered and include the provisions for pensions and similar obligations, the provisions for taxes and the provisions for contingent liabilities and obligations. Contingent liabilities are not recognised in the consolidated financial statements, but rather are disclosed, as required by IAS 37.

Period provisions are recognised in the income statement under "Provisions (Net)".

3.15. Income tax

The expense for Spanish corporation tax and similar taxes applicable to foreign consolidated entities is recognised in the consolidated income statement unless it arises from a transaction the results of which are recognised directly in equity. In that case, the income tax is also recognised in the Group's equity.

The income tax expense for the year is calculated as the tax payable on taxable profit for the year, adjusted for the changes arising during the year in the assets and liabilities recognised as a result of temporary differences, tax credits and relief and tax loss carryforwards.

The Group considers a temporary difference to exist when there is a difference between the carrying amount of an asset or liability and its tax base. The tax base of an asset or liability is taken to be the amount attributed to that asset or liability for tax purposes. A taxable temporary difference is one that will generate a future obligation for the Group to make a payment to the relevant tax authorities. A deductible temporary difference is one that will generate a future right for the Group to a refund or to make a lower payment to the relevant tax authorities.

Tax credits and relief are amounts that, after performance of the activity or obtainment of the profit or loss giving entitlement to them, are not used for tax purposes in the related tax return until the conditions for doing so established in the tax regulations are met, provided that the Group considers it probable that they will be used in future periods.

Deferred tax assets identified as temporary differences are only recognised if it is considered probable that the consolidated entities will obtain sufficient future taxable profits against which to offset them. Temporary differences are recognised in the consolidated balance sheet as deferred tax assets or liabilities, separately from current tax assets or liabilities, which basically comprise income tax payments on account and VAT refundable.

The deferred tax assets and liabilities recognised are reassessed at each balance sheet date in order to ascertain whether they still exist, and the appropriate adjustments are made on the basis of the findings of the analyses performed.

Criteria CaixaCorp and some of its subsidiaries form part of the “la Caixa” consolidated tax group, the breakdown of which is detailed in Appendix IV.

3.16. Revenue and expense recognition

The most significant criteria used by the Group to recognise its revenue and expenses are summarised as follows:

Dividend income and expenses

Dividends received from other companies are recognised as income when the consolidated entities' right to receive them arises, which is the date of the resolution of the relevant managing body of the investee.

Interest income and expenses and similar items

Interest income, interest expenses and similar items are generally recognised on an accrual basis, regardless of when the resulting monetary or financial flow arises. Interest income, interest expenses and similar items are recognised by applying the effective interest method.

Insurance premium income and claim expenses

The methods used by the Group's insurance companies to recognise the income and expenses relating to the insurance premiums collected and the claims paid, respectively, are described in the Note on “Insurance Transactions”.

Fees and commissions from financial and insurance activities

Fee and commission income and expenses are recognised in the consolidated income statement using criteria that vary according to their nature.

Financial fees and commissions such as loan origination fees relating to the Group's financial activities are collected in advance and are taken to income over the loan term, except when they offset directly related costs.

Asset management fees and commissions are recognised under financial and insurance activities as indicated in the Note on “Collective Investment Undertakings, Pension Funds and other Assets under Management”.

3.17. Consolidated statement of comprehensive income

The Group opted to present all recognised income and expense items in two separate statements. The components of profit or loss for the year are displayed in the consolidated income statement and the second statement, which starts with the profit or loss for the year, displays the components of other comprehensive income.

The principal components of other comprehensive income are valuation adjustments to available-for-sale financial assets, cash flow hedges and translation differences arising from the translation of the functional currency and the presentation currency. The statement shows as a separate component the changes arising in the same connection relating at the associates and jointly controlled entities, which are accounted for using the equity method. The statement specifically displays reclassifications of components of other comprehensive income that have been recognised in profit or loss, providing a similar level of detail. Other components of other comprehensive income are, for example, changes in revaluation reserves recognised in accordance with IAS 16 or IAS 38 and actuarial gains and losses on defined benefit plans pursuant to IAS 19.

3.18. Statement of changes in equity

The most significant changes in equity are included in this statement and relate mainly to (i) the comprehensive income for the year; (ii) the effects of retrospective application or retrospective restatement defined in IAS 8; (iii) the amounts of the transactions with owners in their capacity as owners, such as equity contributions, reacquisitions of the entity's own equity instruments and dividends net of the related transaction costs; and (iv) changes in this connection relating to associates and jointly controlled entities.

3.19. Consolidated statements of cash flows

The consolidated statements of cash flows have been presented using the indirect method. The following terms are used in the consolidated statements of cash flows:

- **Cash flows.** Inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.

- **Cash flows from operating activities.** These include the transactions of Group subsidiaries, including payments of interest and taxes and other activities that are not investing or financing activities.

- **Cash flows from investing activities.** Cash flows from the acquisition and disposal of non-current assets and other investments not included in cash and cash equivalents. They also include the dividends received from financial assets in listed companies and in those accounted for using the equity method.

- **Cash flows from financing activities.** These include activities that result in changes in the size and composition of the equity and borrowings of the Group.

4. Goodwill and other intangible assets

The detail of the changes in intangible assets in 2009 and 2008 is as follows:

2009

	Thousands of euros				
	Balance at 31/12/08	Business combinations and changes in the scope of consolidation	Additions and charge for the year	Disposals and impairment	**Balance at 31/12/09**
Goodwill	**513,496**	-	-	-	**513,496**
Other intangible assets (net)	**398,483**	**(1,287)**	**(36,511)**	**(1,938)**	**358,748**
Customer portfolio and similar	*427,144*	-	-	-	*427,144*
Life portfolio (VidaCaixa CGU)	323,997	-	-	-	323,997
Non-life portfolio (SegurCaixa CGU)	80,394	-	-	-	80,394
Other customer portfolios	22,753	-	-	-	22,753
Computer software and other intangible assets	*33,419*	(7,232)	*9,488*	*(2,031)*	33,644
Accumulated amortisation and impairment losses	*(62,080)*	*5,945*	*(45,999)*	*93*	*(102,040)*
Life portfolio (VidaCaixa CGU)	(32,399)	-	(32,400)		(64,799)
Non-life portfolio (SegurCaixa CGU)	(5,360)	-	(5,360)		(10,720)
Other customer portfolios	(3,865)	-	(1,743)		(5,608)
Other intangible assets	(20,455)	5,945	(6,496)	*93*	(20,913)
Total	**911,979**	**(1,287)**	**(36,511)**	**(1,938)**	**872,244**

"Business Combinations and Changes in the Scope of Consolidation" in 2009 includes the assets of Port Aventura Entertainment, S.A. The portion of this company retained was accounted for using the equity method in 2009, as explained in the Note on "Changes in the Scope of Consolidation".

2008

	Thousands of euros				
	Balance at 31/12/07	Business combinations and changes in the scope of consolidation	Additions and charge for the year	Disposals and impairment	**Balance at 31/12/08**
Goodwill	**489,002**	50,081	-	(25,587)	**513,496**
Other intangible assets (net)	**416,294**	**22,753**	**(37,600)**	**(2,964)**	**398,483**
Customer portfolio and similar	*404,391*	*22,753*	-	-	*427,144*
Life portfolio (VidaCaixa CGU)	323,997	-	-	-	323,997
Non-life portfolio (SegurCaixa CGU)	80,394	-	-	-	80,394
Other customer portfolios	-	22,753	-	-	22,753
Computer software and other intangible assets	*27,654*	-	*5,765*	-	*33,419*
Accumulated amortisation and impairment losses	*(15,751)*	-	*(43,365)*	*(2,964)*	*(62,080)*
Life portfolio (VidaCaixa CGU)	-	-	(32,400)	-	(32,399)
Non-life portfolio (SegurCaixa CGU)	-	-	(5,360)	-	(5,360)
Other customer portfolios	-	-	(901)	(2,964)	(3,865)
Other intangible assets	(15,751)	-	(4,704)	-	(20,455)
Total	**905,295**	**72,834**	**(37,600)**	**(28,551)**	**911,979**

"Business Combinations and Changes in the Scope of Consolidation" in 2008 includes mainly the goodwill and customer portfolio the economic value of which arose in 2007 in the process of combining the collective investment undertaking and pension fund management businesses described in the Note on "Business Combinations".

<u>Goodwill</u>

The detail of the goodwill arising on business combinations distributed among the various cash-generating units (CGUs) identified by Group management and allocated to different business segments is as follows:

CGU (company)	Thousands of euros				
	31/12/07	Additions (disposals)	**31/12/08**	Additions (disposals)	**31/12/09**
Life insurance (VidaCaixa CGU)	330,929	-	330,929	-	330,929
Non-life insurance (Segurcaixa CGU)	132,486	-	132,486	-	132,486
Asset management (InverCaixa CGU)	-	46,674	46,674	-	46,674
Other	25,587	(22,180)	3,407	-	3,407
Total	**489,002**	**24,494**	**513,496**	**-**	**513,496**

At year-end, the cash flows expected from each cash generating unit (CGU) with which these assets are associated were tested for impairment. The goodwill shown in the foregoing table, relating to the acquisition of the SegurCaixa Holding Group from Fortis in 2007, does not generate future cash flows that are independent from other assets. In order to assess its value in use, it should be assigned to the customer portfolio acquired in relation to this purchase. Business estimates for each CGU over the next three years were used to test for impairment, assuming a subsequent constant growth rate of 2% (with the objective of including the effects of a reasonable inflation rate). The discount rates applied to the estimates were calculated using the interest rate on a ten-year bond plus a risk premium associated with the line of business of each CGU. At 31 December 2009, the discount rates used to test the impairment of the most significant items of goodwill were as follows:

CGU	Discount rate	
	2009	2008
Life insurance (VidaCaixa)	9.8 %	9.3 %
Non-life insurance (SegurCaixa)	10.3 %	9.7 %

The analysis performed disclosed that the value in use of each cash generating unit was considerably higher than the carrying amount of the assets allocated thereto. A sensitivity analysis was performed on the calculation assumptions used, which disclosed that the effect of possible impairment of the assets associated with each CGU is scantly material.

Other intangible assets

The remaining intangible assets have a definite useful life and relate mainly to the following:

- The customer portfolios existing at 2007 year-end, when the business combination with the SegurCaixa Holding Group was recognised. These portfolios are divided mainly between the life and non-life businesses and are assigned to the corresponding cash generating units. Both portfolios represent contractual relations in force or the expected renewal of contractual relations based on past experience.

- Relations with the end customers of the collective investment undertaking management businesses associated with the acquisition made by “la Caixa” from the Morgan Stanley Group described in the Note on “Business Combinations”. These relations were measured at the date on which control was acquired, which was in the second quarter of 2008. The relations between the Group and “la Caixa” were formalised and the latter retains commercial relations with the customer through the following agreements: the marketing of collective investment undertakings, discretionary portfolio sub-management and advisory services relating to the marketing of collective investment undertakings and other investment entities managed by third parties.

5. Property, plant and equipment

The changes in 2009 and 2008 in “Property, Plant and Equipment” in the accompanying consolidated balance sheets were as follows:

2009

	Thousands of euros					
	Balance at 31/12/08	Business combinations and changes in the scope of consolidation	Additions and charge for the year	Disposals	Transfers	**Balance at 31/12/09**
Land and buildings	***514,540***	***(185,555)***	***54,198***	***(110)***	***(125,629)***	***257,444***
Cost	583,882	(253,393)	63,422	(168)	(133,212)	260,531
Accumulated depreciation	(69,342)	67,838	(9,224)	58	7,583	(3,087)
Furniture, fixtures and other	***122,894***	***(92,687)***	***(8,276)***	***(382)***	***(2,061)***	***19,488***
Cost	247,195	(207,593)	4,768	(3,091)	(5,703)	35,576
Accumulated depreciation	(124,301)	114,906	(13,044)	2,709	3,642	(16,088)
For own use	**637,434**	**(278,242)**	**45,922**	**(492)**	**(127,690)**	**276,932**
Cost	891,863	-	189,479	(257,441)	-	823,901
Accumulated depreciation	(196,401)	-	(101,267)	94,197	-	(203,471)
Impairment	-	-	(32,072)	441	(2,244)	(33,875)
Leased assets	**695,462**	**-**	**56,140**	**(162,803)**	**(2,244)**	**586,555**
Total	**1,332,896**	**(278,242)**	**102,062**	**(163,295)**	**(129,934)**	**863,487**

2008

	Thousands of euros					
	Balance at 31/12/07	Business combinations and changes in the scope of consolidation	Additions and charge for the year	Disposals	Transfers	**Balance at 31/12/08**
Land and buildings	***451,394***	***-***	***82,495***	***(338)***	***(19,011)***	***514,540***
Cost	513,433	-	90,020	(584)	(18,987)	583,882
Accumulated depreciation	(62,039)	-	(7,525)	246	(24)	(69,342)
Furniture, fixtures and other	***118,823***	***49***	***(6,399)***	***(2,829)***	***13,250***	***122,894***
Cost	228,990	173	11,764	(7,520)	13,788	247,195
Accumulated depreciation	(110,167)	(124)	(18,163)	4,691	(538)	(124,301)
For own use	**570,217**	**49**	**76,096**	**(3,167)**	**(5,761)**	**637,434**
Cost	693,722	-	284,786	(111,340)	24,695	891,863
Accumulated depreciation	(147,837)	-	(104,710)	55,299	847	(196,401)
Leased assets	**545,885**	**-**	**180,076**	**(56,041)**	**25,542**	**695,462**
Total	**1,116,102**	**49**	**256,172**	**(59,208)**	**19,781**	**1,332,896**

The decrease in “Business Combinations and Changes in the Scope of Consolidation” relates to the transactions of the Port Aventura business described in the Note on “Discontinued Operations”. Also, certain assets retained under the control of the Group (hotels and ancillary facilities) were reclassified to “Investment Property” in the consolidated balance sheet.

The impairment losses amounting to EUR 34,316 thousand in 2009 relate to the estimated decline in value of the assets in use.

The amount of the transfers of leased assets in 2008 relates to the identification in 2007 of the transactions initially classified as operating leases, which due to the genuine economic substance underlying the transactions are considered to be finance leases.

The gain and losses on disposals of property, plant and equipment are recognised under “Other Gains” and “Other Losses”, respectively, in the accompanying consolidated income statement.

At 31 December 2009, there were no mortgaged assets. At 31 December 2008, certain of the items of property, plant and equipment had been mortgaged to secure borrowings. The carrying amount of the mortgaged assets at that date was EUR 81 million.

The fair value of the property, plant and equipment at 31 December 2009 amounted to EUR 1,081 million.

6. Investment property

The investment property at 31 December 2009 amounted to EUR 142 million (31 December 2008: EUR 16 million). Substantially all the increase relates to assets connected to the operation of the Port Aventura theme park which were retained by the Group and leased to the park business (see Note 2.5), which at 31 December 2009, was controlled jointly with Investindustrial. Accordingly, EUR 128 million transferred from property, plant and equipment were classified under this heading. The assets classified under this heading in this connection relate to the Gold River and El Paso hotels and the conference centre. At 31 December 2009, the fair value of these assets was estimated to be EUR 161 million.

7. Investments accounted for using the equity method

“Investments Accounted for Using the Equity Method” in the accompanying consolidated balance sheets includes the equity investments in jointly controlled entities and associates.

These investments are accounted for using the equity method on the basis of the best available estimate at the date of preparation of the consolidated financial statements. The figures relating to capital, reserves and profit or loss of these companies, and the dividends paid and accrued in the year, are detailed in Appendix II. For listed companies, the latest published data are given. In the case of unlisted companies, the figures shown relate to the latest actual or estimated data available at the date of preparation of these notes to the consolidated financial statements.

	Thousands of euros	
	31/12/09	31/12/08
Listed		
Underlying carrying amount (1)	9,039,219	5,930,317
Goodwill (2)	3,179,685	2,589,034
Unlisted	-	256
Subtotal	**12,218,904**	**8,519,607**
Less:		
Impairment allowance	(250,000)	(257)
Total	**11,968,904**	**8,519,350**

(1) It includes the allocation of the fair value of the assets and liabilities on acquisition of the investment.

(2) Corresponds to the difference between the acquisition price and the underlying carrying amount attributable to the investee at the acquisition date.

The detail of the main listed companies included under this heading, showing the related percentage of ownership and market value, is as follows:

	31/12/09		31/12/08	
	% of ownership	Thousands of euros	% of ownership	Thousands of euros
Company		Market value		Market value
Gas Natural, S.D.G., S.A.	36.43%	5,065,336	37.49%	3,238,658
Abertis Infraestructuras, S.A.	25.04%	2,770,813	25.04%	2,115,214
Grupo Financiero Inbursa (1)	20.00%	1,343,461	20.00%	1,121,380
Sociedad General de Aguas de Barcelona, S.A.	44.10%	1,313,901	44.10%	963,483
Erste Group Bank AG	10.10%	994,721	-	-
Banco BPI, S.A.	30.10%	574,308	29.38%	462,721
The Bank of East Asia, Ltd	9.81%	501,022	-	-
Boursorama, S.A.	20.85%	176,072	20.95%	83,757
Market value		**12,739,634**		**7,985,213**
Cost (2)		**12,063,861**		**8,680,690**
Gross gain (loss)		**675,773**		**(695,477)**

(1) Investment denominated in Mexican pesos. The year-end exchange rate was used.

(2) For the purposes of calculating the gains, the acquisition cost was taken to be the underlying carrying amount, plus the goodwill less the changes in value relating to reserves, in connection with changes in available-for-sale financial assets, future cash flow hedges and exchange differences included in the investee's equity.

The main changes in 2009 and 2008 in "Investments Accounted for Using the Equity Method" were as follows:

2009

	Thousands of euros			
	Underlying carrying amount	**Goodwill**	**Impairment losses**	**TOTAL**
Balance at 31/12/08	**5,930,573**	**2,589,034**	**(257)**	**8,519,350**
Purchases and capital increases	1,326,856	(3,896)	-	**1,322,960**
Profit for the year	849,579	-	-	**849,579**
Dividends declared	(601,058)	-	-	**(601,058)**
Translation differences	7,726	20,629	-	**28,355**
Impairment losses	-	-	(250,000)	**(250,000)**
Changes in the consolidation method (1)	1,478,360	582,961	-	**2,061,321**
Other (2)	47,183	(9,043)	257	**38,397**
Balance at 31/12/09	**9,039,219**	**3,179,685**	**(250,000)**	**11,968,904**

(1) Relating to the transfer of the shares of The Bank of East Asia Ltd, Erste Group Bank AG and Port Aventura Entertainment, S.A. to this heading.

(2) Including the valuation adjustments of jointly controlled entities and associates.

2008

	Thousands of euros			
	Underlying carrying amount	**Goodwill**	**Impairment losses**	**TOTAL**
Balance at 31/12/07	**4,145,503**	**1,236,162**	**(269)**	**5,381,396**
Purchases and capital increases	1,579,256	1,701,215	-	**3,280,471**
Sales	(107)	(127)	-	**(234)**
Profit for the year	711,421	-	-	**711,421**
Dividends declared	(369,580)	-	-	**(369,580)**
Translation differences	(113,682)	(155,408)	-	**(269,090)**
Other (1)	(22,238)	(192,808)	12	**(215,034)**
Balance at 31/12/08	**5,930,573**	**2,589,034**	**(257)**	**8,519,350**

(1) Including the valuation adjustments of jointly controlled entities and associates and the reclassification of goodwill to the carrying amount due to allocating the price paid to fair values.

Purchases and capital increases

The detail of the acquisitions in 2009 is as follows:

	Thousands of euros		
Purchases and capital increases	Underlying carrying amount	Goodwill	TOTAL
Gas Natural, S.D.G., S.A.	1,312,924	-	1,312,924
Banco BPI, S.A.	13,932	(4,022)	9,910
Grupo Financiero Inbursa	-	126	126
	1,326,856	**(3,896)**	**1,322,960**

The most significant acquisitions in 2009 in investments in jointly controlled entities and associates were as follows:

Gas Natural, S.D.G., S.A.

The Board of Directors of Criteria CaixaCorp, at its meeting held on 30 July 2008, resolved to back the acquisition of 45.306% of Unión Fenosa and the concomitant takeover bid for the remaining share capital by Gas Natural. Criteria CaixaCorp resolved to contribute to Gas Natural’s equity in order to maintain a stable rating immediately after the settlement of the takeover bid.

On 28 March 2009, Criteria CaixaCorp subscribed the capital increase at Gas Natural S.D.G., S.A. for EUR 1,313 million in proportion to its ownership interest which was 37.49%. The capital increase, totalling EUR 3,502 million, formed part of the process of merging Unión Fenosa, S.A. into Gas Natural S.D.G., S.A. and was used to finance in part the takeover bid presented by Gas Natural S.D.G., S.A., which was successfully completed in April. The Criteria Group, the main shareholder of Gas Natural S.D.G., S.A., has supported the acquisition performed by its investee at all times. On 24 April the Board of Directors of Gas Natural S.D.G., S.A. approved the plan for the merger by absorption of Unión Fenosa, S.A. and Unión Fenosa Generación, S.A. into Gas Natural S.D.G., S.A., an event that was notified on that date to the CNMV. At 30 June 2009, acording to the prospectus for the takeover bid for Unión Fenosa, S.A. submitted to the CNMV, the Group’s ownership interest in Gas Natural S.D.G., S.A. was recognised for accounting purposes as a jointly controlled entity, whereas in 2008 it had been recognised as an associate. This treatment did not give rise to any change in the Group’s balance sheet or income statement, since jointly controlled entities and investments in associates are accounted for using the equity method (see Note 2.4 on “Basis of Consolidation”).

In September 2009 the process of merging Unión Fenosa into Gas Natural was completed as a result of the admission to listing of the new company’s shares and the filing of the public deed for the merger at the Mercantile Registry.

Following the completion of the transaction, the ownership interest of Criteria CaixaCorp in the share capital of Gas Natural at 31 December 2009 was 36.43%.

In 2009 Gas Natural sold some of its business, pursuant to the Action Plan agreed upon with the Spanish National Competition Commission in relation to the process of acquiring Unión Fenosa. The effect of these sales in the consolidated gross profit amounted to around EUR 55 million basically due to the sale of its 5% ownership interest in Enagás to Oman Oil Holding Spain S.L.U. In the context of this Action Plan, various sale agreements were formalised which will foreseeably be executed in 2010.

Banco BPI, S.A.

In 2009 the Group increased its ownership interest in Banco BPI, S.A. by 0.72% by an investment of EUR 10 million. At 31 December 2009, Criteria CaixaCorp had a total ownership interest of 30.10% in Banco BPI, S.A.

"la Caixa" and Banco BPI entered into a strategic agreement to provide service to companies that operate in Spain and Portugal. As a result of this agreement, "la Caixa" and BPI constitute the most extensive banking network specialising in companies on the Iberian Peninsula, as a result of the 80 business branches of "la Caixa" in Spain and the 53 belonging to BPI in Portugal.

Erste Group Bank AG

In 2009 the Group increased its ownership interest in the share capital of Erste Group Bank AG ("EGB") by 5.20% through an investment of EUR 17 million and by subscribing the capital increase performed in November 2009 in proportion to the ownership interest that it held in the Austrian bank at that time, i.e. 5.1%. Also, Criteria acquired for EUR 1 and exercised the subscription rights of the Erste Foundation - the main shareholder of the Erste Group Bank- relating to 30.9% of the share capital of the Central European entity. Criteria subscribed approximately 36% of the issue at a price of EUR 29 per share with a total investment of EUR 635 million, thereby strengthening its position as a strategic partner of Erste Group Bank.

At 31 December 2009, the Group had a total ownership interest of 10.10% in EGB.

As explained in detail in Note 2.5 on "Changes in the Scope of Consolidation", at the end of 2009 EGB started to be accounted for using the equity method, since it was considered that the influence over the company was significant in accordance with IAS 28, Investments in Associates. Until then, this investment had been recognised as a financial asset, and it was transferred from "Available-for-Sale Financial Assets" where it had been recognised at fair value.

The change in consolidation method was considered to be effective for accounting purposes from 31 December 2009. At that date it was recognised at acquisition cost, which includes the investment made in 2008 and 2009 totalling EUR 1,280 million, under "Investments Accounted for Using the Equity Method". The relevant percentage of the results of the investee will be included in consolidated assets from 1 January 2010 onwards and, therefore, the only results generated by this investment in 2009 were the dividends classified under "Income from Equity Instruments" in the consolidated income statement. The breakdown of the difference between the cost of the investment and the underlying carrying amount at the date of the change in consolidation method is given at the end of this note.

The Bank of East Asia Ltd ("BEA")

At 31 December 2009, the Group had a total ownership interest of 9.81% in BEA (31 December 2008: 9.86%).

As explained in detail in Note 2.5 on "Changes in the Scope of Consolidation", at the end of 2009 BEA started to be accounted for using the equity method, since it was considered that the influence over the company was significant in accordance with IAS 28, Investments in Associates.

Until then, this investment had been recognised as a financial asset, and it was transferred from "Available-for-Sale Financial Assets" where it had been recognised at fair value.

The change in consolidation method was considered to be effective for accounting purposes from 31 December 2009. At that date it was recognised at acquisition cost, which includes the investment made in 2007, 2008 and 2009 totalling HKD 7,808 million, under “Investments Accounted for Using the Equity Method” and translated at the year-end exchange rate. The relevant percentage of the results of the investee will be included in consolidated assets from 1 January 2010 onwards and, therefore, the only results generated by this investment in 2009 were the dividends received that were classified under “Income from Equity Instruments” in the consolidated income statement. The breakdown of the difference between the cost of the investment and the underlying carrying amount at the date of the change in consolidation method is given at the end of this note.

The Note on “Events after the Reporting Period” includes a description of the increase in the investment in January 2010 whereby an ownership interest in the share capital of BEA of 14.99% was achieved.

Port Aventura Entertainment, S.A.

In 2008, and for most of 2009, the activity of the Port Aventura theme park, the aquatic park and the four hotels were fully consolidated in the Group’s financial statements. Note 2.5 on “Changes in the Scope of Consolidation” describes in detail the process involved in the acquisition by a new shareholder of an investment in the Port Aventura business at the end of 2009, which meant that the Group’s total ownership interest in the Group decreased from 100% at 31 December 2008 to 50% at 31 December 2009, as a result of which at the latter date the investment was accounted for in the consolidated financial statements using the equity method.

For the purposes of the first-time accounting for the investment using the equity method, the value (equal to its acquisition cost), amounting to EUR 69 million, was considered to be the carrying amount of the assets and liabilities at the time that joint control of the business was obtained and, therefore, the result arising from the change of control or the method of presentation is not reflected.

Grupo Financiero Inbursa, SAB de CV

In 2008 the Group acquired 20% of Grupo Financiero Inbursa, SAB de CV (“GF Inbursa”).

<u>Accounting matters and allocation of the price paid</u>

In accordance with IAS 28, Investments in Associates, at the acquisition date, the difference between the cost of the investment and the portion corresponding to the investor of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associated entity must be measured in accordance with IFRS 3. This first-time consolidation difference or goodwill relating to the associate presented as additional disclosures in this note envisages the allocation of fair values in relation to those reflected in the accounting records of the associate. Conversely, from the date on which the associate is acquired, the appropriate adjustments to the profit or loss thereof should be taken into account, in order to recognise the net impact of the depreciation of the depreciable assets based on their fair values at the date of acquisition.

However, in the information presented in the Group’s consolidated financial statements at 31 December 2008, the amount of goodwill and the impact of these adjustments on the result of the associate were calculated on a provisional basis. In 2009 the effects relating to the definitive calculation were determined and recognised and, therefore, the result attributable to the Group as a result of its investment in GF Inbursa includes the net impact of the amortisation of the amortisable assets identified in the process described in the paragraphs below.

The net assets acquired and definitively measured and the goodwill arising on the acquisition of the 20% ownership interest in GF Inbursa at the date of acquisition were determined using an independent valuer's report on the fair value of the intangible assets. The detail thereof is as follows:

		Thousands of euros	
	Thousands of Mexican pesos	**31/12/08** (*)	**31/12/09** (*)
Acquisition and related costs	25,777,730		
Carrying amount of identifiable net assets (in accordance with IFRSs)	11,413,568		
First-time consolidation difference	14,364,162		
Goodwill arising on acquisition	11,847,474	615,988	626,112
Identifiable net assets acquired at fair value	2,516,688	130,851	122,642

(*) The values are presented net of tax at the year-end exchange rates and the related depreciation.

The difference between the identifiable net assets acquired at fair value and those that are presented in the accounting records of the entity acquired relates primarily to the identifiable measured assets connected with the relations with customers arising from a set of contractual relations or from prospective renewals mainly in the corporate lending, investment management and pension fund and insurance management businesses. All the items identified and recognised at fair value have a finite useful life of between 10 and 20 years, the average of which is 13 years.

The fair value of these assets was calculated in accordance with the most appropriate valuation techniques based on the characteristics inherent to each asset, principally the Excess Earnings Method applied to most of the identified customer portfolios. The "Royalty Relief" method and the cost-saving method should also be mentioned.

The goodwill arising on acquisition reflects mainly GF Inbursa's business plan and the expansion of the retail banking division. This plan, drawn up jointly by "la Caixa" and GFI, is aimed at transforming GFI's retail banking business into a customer-oriented model of bancassurance and achieving a twofold increase in market share in loans and deposits by opening 500 branches in 4 years. Around 166 branches were opened in 2009.

The attributable results of the investment in GF Inbursa in 2009 were adjusted for the decline in the fair values of the intangible assets which entailed an additional charge of EUR 10 million to the consolidated income statement.

Sociedad General de Aguas de Barcelona, S.A.

On 22 October 2009, Criteria entered into two memorandums of understanding, on the one hand with Suez Environnement and on the other with Malakoff Médéric (a mutual health insurer based in France) to acquire 99.79% of the share capital of Adeslas, S.A. ("Adeslas") for EUR 1,178 million. The main objective is to strengthen the Criteria Group's presence in the insurance industry, bringing this company into the structure of SegurCaixa Holding. On 14 January 2010, the final agreements were entered into, firstly for the sale of the corresponding shares of Agbar and Hisusa to Suez Environnment; and, secondly, for the acquisition of Adeslas from Agbar and Malakoff Médéric.

Prior to this transaction, the main shareholders of Agbar, Criteria CaixaCorp and Suez Environnement, which between them control 90% of the company's shares, will support a delisting takeover bid by Agbar for 10% of its share capital in the hands of non-controlling shareholders for EUR 20 per share, with a subsequent capital reduction at Agbar through the retirement of the treasury shares acquired.

Once the takeover bid has been completed, and based on the degree of acceptance thereof, Criteria CaixaCorp will sell to Suez Environnement the portion of its ownership interest in Agbar required for Suez Environnement to have a 75.01% stake in Agbar, in a transaction valued at between EUR 647 million and EUR 871 million. Therefore, Criteria CaixaCorp's subsequent ownership interest in Agbar will be between 15% (if no non-controlling shareholders accept the takeover bid) and 25% (if all the shares making up the free float (10%) are sold in the takeover bid).

Criteria CaixaCorp will continue to be represented on the Board of Directors of Agbar as a principal shareholder in the framework of the excellent historical relations between "la Caixa"-Criteria and the GDF-Suez Group.

Both the acquisition of Adeslas by Criteria and the partial sale of Agbar to Suez Environnement were authorised by the respective managing bodies and/or Boards of Directors of Criteria CaixaCorp, Suez Environnement and Malakoff Médéric. In principle, the transaction is scheduled for completion in the first half of 2010 once the legal conditions and formalities customary in transactions of this nature have been met, in particular the requisite authorisations of regulators, such as the CNMV and the Directorate-General of Insurance and Pension Funds, and of the anti-trust authorities.

The detail of the acquisitions in 2008 in investments in jointly controlled entities and associates is as follows:

	Thousands of euros		
Purchases and capital increases	**Underlying carrying amount**	**Goodwill**	**TOTAL**
Grupo Financiero Inbursa	836,650	771,396	1,608,046
Sociedad General de Aguas de Barcelona, S.A.	309,727	368,320	678,047
Abertis Infraestructuras, S.A.	136,140	379,416	515,556
Gas Natural S.D.G., S.A.	122,865	165,320	288,185
Banco BPI, S.A.	171,788	15,838	187,626
Boursorama, S.A.	2,086	925	3,011
	1,579,256	**1,701,215**	**3,280,471**

Grupo Financiero Inbursa

On 8 October 2008, Criteria CaixaCorp completed the acquisition of a 20% ownership interest in Grupo Financiero Inbursa, SAB de C.V. ("GF Inbursa"), the main shareholder of which is Carlos Slim and family, once the requisite authorisations had been obtained. The acquisition price was MXN 38.5 per share and a total of 666,702,795 shares were acquired, which is equivalent to a direct investment amounting to MXN 25,778 million (approximately EUR 1,608 million including transaction costs) which were paid in cash and financed by borrowings from the Parent.

GF Inbursa is listed on the Mexican stock market and is the Parent of a financial conglomerate which provides commercial banking, retail banking, asset management, life, non-life insurance, pension, stock market brokerage and securities custody services. It is the sixth most important financial group in Mexico by assets, it is ranked number one in terms of the administration and custody of assets; it is the leading insurance company in liability insurance and is a benchmark entity in commercial banking.

As part of Criteria CaixaCorp's active management strategy in relation to the share capital of GF Inbursa, Criteria CaixaCorp has appointed 3 directors to the Board of Directors of GF Inbursa, out of a total of 17. Also, a senior executive from "la Caixa" joined the Executive Committee of GF Inbursa and the Board of Directors of Banco Inbursa.

Sociedad General de Aguas de Barcelona, S.A.

The acceptance period for the takeover bid for Sociedad General de Aguas de Barcelona, S.A. (SGAB) ended on 16 January 2008 and the Group acquired 16.43% of the shares for EUR 680 million (net of the dividends declared at the date of acquisition). Criteria's direct ownership interest in Agbar at 31 December 2008 was 11.55%, and the Group's, 44.10%.

Accounting matters and allocation of the price paid

In accordance with the criteria established in IAS 31, Interests in Joint Ventures and in IAS 28, Investments in Associates, at the acquisition date, the difference between the cost of the investment and the portion corresponding to the investor of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate must be measured in accordance with IFRS 3. This difference or goodwill relating to the jointly controlled entity presented as additional disclosures in this note includes the allocations to fair values in relation to those which are reflected in the accounting records of the investee. Also, the appropriate adjustments to the profit or loss of the investee should be taken into account from the date on which it is acquired, in order to recognise the net impact of the amortisation of the amortisable assets based on their new fair values at the date of acquisition.

In the second quarter of 2008 the effects relating to the definitive calculation thereof were determined and recognised and, therefore, the result attributable to the Group as a result of its investment in Agbar includes the net impact of the amortisation of the amortisable assets identified in the process described in the paragraphs below.

The net assets acquired and definitively measured and the goodwill generated on the acquisition of the 20.59% investment in Agbar at the acquisition date were determined using an independent valuer's report on the fair value of the intangible assets, the detail being as follows:

	Thousands of euros
Carrying amount of identifiable net assets (in accordance with IFRSs)	307,920
Identifiable net assets acquired at fair value	582,918
Acquisition and related costs	849,869
Goodwill arising on acquisition	266,951

The difference between the identifiable net assets acquired at fair value and those reflected in the accounting records of the acquired company relate mainly to: (a) the distribution and supply of water in Barcelona, a service which Agbar holds the rights to provide for an indefinite period and the water concessions throughout Spain which have a finite useful life; (b) the Bristol Water concession in the UK and the Aguas Andinas concession in Chile which have indefinite useful lives; (c) the Adeslas insureds portfolio of insureds; and (d) the Adeslas brand which at the transaction date was considered to have an indefinite useful life.

The fair value of these assets was calculated in accordance with the most appropriate valuation techniques based on the characteristics of each asset, of which the difference between the value of the business (calculated using discounted cash flows) and the total net assets assigned to the concessions, the method based on royalties for brands and the multi-period excess earnings methodology for the insureds portfolio are worthy of note.

The remaining goodwill in the table above reflects, inter alia, the following: (a) the value arising from the ability to renew the finite life concessions in Spain (b) the Agbar brand, the possible value of which cannot be reliably estimated separately from the goodwill (c) the value of the ability to initiate relations with future Adeslas customers in Spain, (d) work force and (e) the effect on deferred tax liabilities of the fair value adjustments of the assets described in the paragraph above.

Consequently, the attributable results of the investment in Agbar in 2008 were adjusted for the decline in the fair values of the intangible assets definitively recognised with respect to those provisionally recognised, which entailed an additional charge of EUR 8 million to the consolidated income statement.

Abertis Infraestructuras, S.A.

In 2008 the Group increased its ownership interest in Abertis Infraestructuras, S.A. by 3.92% with an investment of EUR 516 million (net of the dividends declared at the acquisition date). In May 2008 the Group received directly and indirectly 7,994,007 shares in the form of a capital increase by issue of bonus shares, which does not change the investment or the ownership interest in this company.

At 31 December 2008, the Group owned 25.04% of the shares of Abertis Infraestructuras, S.A. and controlled 28.91% of the share capital (taken to be control of the total percentage of ownership held through subsidiaries).

Gas Natural S.D.G., S.A.

In 2008 the Group acquired 1.96% of the share capital of Gas Natural, S.D.G., S.A. for EUR 288 million (net of the dividends declared at the acquisition date). At 31 December 2008, the Group’s total ownership interest was 37.49%.

Boursorama, S.A.

In 2008 the Group acquired 0.51% of Boursorama, S.A. for EUR 3 million. At 31 December 2008, the Group’s total ownership interest was 20.95%.

Translation differences

The translation differences recognised under “Equity – Translation Differences” in the consolidated balance sheet result from the valuation of the investment in GF Inbursa and BEA using the year-end exchange rates. The translation differences arising from the investment in BEA were previously recognised under “Valuation Adjustments - Available-for-Sale Financial Assets” and the amount thereof was transferred to “Valuation Adjustments - Exchange Differences” on the date of the change in consolidation method. This exchange difference, of approximately EUR 4 million, arose as a result of the fall in value of the Hong Kong dollar between the acquisition date and year-end. Also, in 2009 the Mexican peso increased in value with respect to the euro, thereby giving rise to the relate change in the exchange rate. Under current legislation, changes in exchange rates recognised in equity in this connection are reflected in the consolidated income statement if the investment is disposed of.

Impairment

2008 witnessed the existence of certain adverse indicators relating to the sharp drop in the market values of companies and the reduction of the margins of certain financial services companies classified as jointly controlled entities and associates. Although in 2009 there have been signs of recovery -share prices have increased and, in general, the stock markets are more buoyant- in accordance with the Company's policy, the appropriate impairment tests were carried out on these investments in order to ascertain their fair value. Generally accepted valuation methods were used for impairment testing, including most notably:

a) For the industrial companies, the sum of parts discounted cash flows (DCF) valuation methodology was mainly used. Moderate assumptions obtained from sources of renowned prestige were used. Individual cost of capital (WACC) as discount rates were used for each business and country (ranging from 5.9% to 9%), and control premiums were not used in the valuation of the investees. The basic assumptions used were as follows:

- Return on ten-year bond
- Market risk premium of 5%
- Betas obtained from Bloomberg
- GDP and CPI: forecasts presented by "The Economist Intelligence Unit"
- The projection periods were tailored, in case, to the characteristics of each business, mainly the terms of the related concessions.

b) For the investments in banks, basically the dividend discount model was used, in accordance with generally accepted international practices for valuing banks. The cost of equity (Ke) as discount rates ranging from 9.5% to 13% were used and no potential control premiums were considered in the valuation The basic assumptions used were as follows:

- Return on ten-year bond
- Market risk premium of 5%
- Betas obtained from Bloomberg
- Country risk premiums based on the default spread adjusted to current volatility
- Macroeconomic and banking sector assumptions of The Economist Intelligence Unit

In certain cases the earnings projections used to estimate discount rates were of more than five years due to the particular circumstances of each investment, e.g. the relevant investment plans, location of the investments in emerging countries, concession term and other similar factors.

Based on the analyses performed, and applying conservative criteria of utmost prudence, it was concluded necessary to recognise certain impairment losses in connection with the fair value of certain of the investments in banks. At 31 December 2009, the valuation adjustment for investments in associates and jointly controlled entities amounted to EUR 250 million, of which EUR 81 million relate to the allocation to profit or loss of the provision for contingencies and charges recognised in 2008 (see Note on "Other Provisions") and, therefore, the impairment loss recognised in the income statement for investments in associates and jointly controlled entities amounted to EUR 169 million (before tax) at 31 December 2009. Company management reviews the valuation of the investments on an ongoing basis.

The financial information of the entities accounted for using the equity method, based on the information published at 30 June 2009 and 31 December 2008, is summarised as follows:

2009

Entity	Thousands of euros Assets	Liabilities	Revenue (1)	Profit attributable to the Parent (1)
Abertis Infraestructuras, S.A.	24,174,763	18,917,668	1,842,273	332,465
Banco BPI, S.A.	43,531,800	41,398,200	565,700	89,000
Bank of East Asia, Ltd (2)	37,598,777	34,502,374	174,366	106,719
Boursorama, S.A.	3,011,148	2,377,212	95,653	23,730
Erste Group Bank, AG	204,167,000	190,874,000	1,776,400	492,100
Gas Natural, S.D.G., S.A.	48,401,000	36,027,000	6,508,000	622,000
Grupo Financiero Inbursa (2)	14,536,044	11,468,306	147,340	151,549
Sociedad General de Aguas de Barcelona, S.A.	6,629,152	4,151,304	1,602,740	78,379

(1) Six-month period.
(2)Exchange rate at 30 June 2009.

2008

Entity	Thousands of euros Assets	Liabilities	Revenue (1)	Profit attributable to the Parent (1)
Abertis Infraestructuras, S.A.	22,220,601	17,441,635	3,679,430	618,352
Banco BPI, S.A.	43,003,399	41,041,869	191,579	150,305
Boursorama, S.A.	2,901,461	2,319,843	209,533	49,900
Gas Natural, S.D.G., S.A.	18,765,000	12,044,000	13,602,000	1,057,000
Grupo Financiero Inbursa (2)	11,819,657	8,989,929	264,281	180,988
Sociedad General de Aguas de Barcelona, S.A.	6,127,497	3,422,652	3,108,178	235,281

(1) Twelve-month period.
(2)Exchange rate at 31 December 2008.

According to the most recent public information available, the companies accounted for using the equity method in which the Group holds investments together with other investors do not have any material contingent liabilities.

Goodwill

At 31 December 2009 and 2008, the detail of the goodwill included in “Investments Accounted for Using the Equity Method” was as follows:

	Thousands of euros	
Entity	31/12/09	31/12/08
Abertis Infraestructuras, S.A.	690,607	690,607
Grupo Financiero Inbursa (1)	626,112	615,988
Gas Natural, S.D.G., S.A.	586,940	586,940
Bank of East Asia, Ltd (1) (2)	411,451	-
Banco BPI, S.A.	350,198	354,791
Sociedad General de Aguas de Barcelona, S.A.	274,397	274,397
Erste Group Bank, AG (2)	173,674	-
Boursorama, S.A.	66,306	66,311
Total	**3,179,685**	**2,589,034**

(1) The goodwill is subject to changes in the exchange rates of the Mexican peso and the Hong Kong dollar, respectively.
(2) Since 31 December 2009 it has been considered as an associate (see Note on “Changes in the Scope of Consolidation”). The valuation of the goodwill is provisional.

8. Financial assets

The detail of the balances of “Financial Assets” in the accompanying consolidated balance sheets is as follows:

	Thousands of euros			
	31/12/09		31/12/08	
Financial assets	Non-current	Current	Non-current	Current
Held-for-trading financial assets	-	-	-	1,325
Available-for-sale financial assets	25,988,186	-	23,471,540	-
Loans and receivables	1,450,459	6,370,880	1,668,476	4,561,409
Other assets at fair value through profit or loss	185,711	-	167,883	-
Derivatives	-	-	170	1
Total	**27,624,356**	**6,370,880**	**25,308,069**	**4,562,735**

8.1. Available-for-sale financial assets

The breakdown of the balance of “Available-for-Sale Financial Assets”, based on the nature of the related transactions, is as follows:

	Thousands of euros	
Available-for-sale financial assets	31/12/09	31/12/08
Debt instruments	**18,394,265**	**16,781,190**
Spanish government debt securities	3,080,289	2,226,086
Government bonds	*2,872,464*	*1,944,283*
Other issues	*207,825*	*281,803*
Foreign government debt securities	4,110,708	3,498,705
Issued by credit institutions	789,410	456,950
Other Spanish issuers	1,513,837	1,393,690
Other foreign issuers	8,900,021	9,205,759
Other equity instruments	**7,593,921**	**6,690,350**
Shares of listed companies	7,593,705	6,690,131
Shares of unlisted companies	216	219
Total	**25,988,186**	**23,471,540**

At 31 December 2009, “Debt Instruments” includes available-for-sale financial assets amounting to EUR 7,042,639 thousand (31 December 2008: EUR 6,517,439 thousand) associated with various interest rate swaps (IRSs) arranged with various banks, and equity swap transactions similar to IRSs and CFMs arranged with “la Caixa”, in order to adapt the cash flows from the investment portfolio to the liquidity requirements of the various related insurance policies. These instruments mature between 2010 and 2055.

The financial structures which result from considering total cash flows receivable and payable deriving from the derivative instruments arranged and the underlying asset associated with each transaction are accrued at the resulting IRR of each case and are recognised in this category based on their overall fair value. The fair value of the joint structures in which “la Caixa” is the counterparty of the derivative instruments amounted to EUR 2,619,116 thousand (31 December 2008: EUR 2,291,401 thousand).

The detail, by maturity, of “Debt Instruments” at 31 December 2009 and 2008 is as follows:

	Thousands of euros	
Debt instruments	31/12/09	31/12/08
Within 3 months	529,906	1,193,304
3 months to 1 year	1,141,498	903,681
1 to 5 years	5,414,387	3,444,550
After 5 years	11,308,474	11,239,655
Total	**18,394,265**	**16,781,190**

The quality of these assets was analysed, which did not disclose any need to recognise significant provisions with respect to the Group's consolidated 2009 financial statements.

In relation to "Other Equity Instruments", the detail of the main listed companies showing the related percentage of ownership and market value, classified as available-for-sale financial assets, is as follows:

	31/12/09		31/12/08	
		Thousands of euros		Thousands of euros
Entity	% of Ownership	Market value	% of Ownership	Market value
Telefónica, S.A. (1)	5.16%	4,601,264	5.01%	3,736,170
Repsol YPF, S.A.	12.68%	2,898,185	12.68%	2,337,122
Bolsas y Mercados Españoles	5.01%	94,256	5.01%	77,038
Erste Group Bank, AG	-	-	4.90%	251,636
The Bank of East Asia Limited	-	-	9.86%	247,719
Banco Comercial Portugués	-	-	0.79%	30,321
Other	-	-	-	10,125
Market value		**7,593,705**		**6,690,131**
Acquisition cost		**4,538,944**		**5,549,033**
Gross gains		**3,054,761**		**1,141,098**

(1) At 31 December 2009, EUR 689 million were hedged through a financial derivative and, therefore, the change in value is not subject to market risk. This change in the value of the asset (+EUR 230 million) has a balancing entry on the liability side of the balance sheet at the market value of the hedging derivative. Both changes were recognised in the consolidated income statement, being its net effect scantly material.

The net gain recognised under “Equity - Valuation Adjustments - Available-for-Sale Financial Assets” at 31 December 2009 amounted to EUR 1,896 million (31 December 2008: EUR 692 million).

The most significant changes in 2009 and 2008 in “Other Equity Instruments” were as follows:

2009

	Thousands of euros					
	Purchases and capital increases	Sales	Adjustments transferred to gains on disposal	Valuation adjustments (2)	Transfers and other	Total
Total balance at 31/12/08						**6,690,350**
Shares of listed companies						
Balance at 31/12/08						**6,690,131**
Erste Group Bank, AG	651,849	-	-	376,623	(1,280,109)	(251,637)
Telefónica, S.A.	688,812	(334,941)	(401,579)	912,803	-	865,095
The Bank of East Asia, LTD (1)	-	-	-	447,535	(695,254)	(247,719)
Bolsas y Mercados Españoles S.H.M.S.F., S.A.	-	-	-	17,217	-	17,217
Repsol YPF, S.A.	-	-	-	561,064	-	561,064
Banco Comercial Portugués S.A.	-	(27,477)	(1,709)	(1,135)	-	(30,321)
Other	-	(10,125)	60	(60)	-	(10,125)
Changes in 2009	**1,340,661**	**(372,543)**	**(403,228)**	**2,314,047**	**(1,975,363)**	**903,574**
Balance at 31/12/09 Listed companies						**7,593,705**
Shares of unlisted companies						
Balance at 31/12/08						**219**
Other	1	(4)	-	-	-	(3)
Changes in 2009	**1**	**(4)**	**-**	**-**	**-**	**(3)**
Balance at 31/12/09 Unlisted companies						**216**
Total changes in 2009	**1,340,662**	**(372,547)**	**(403,228)**	**2,314,047**	**(1,975,363)**	**903,571**
Total balance at 31/12/09						**7,593,921**

(1) "Valuation Adjustments" includes +EUR 476,065 thousand relating to market price and -EUR 28,530 thousand relating to exchange differences.
(2) Including impairment transferred to income amounting to EUR 3 million gross.

2008

	Thousands of euros					
	Purchases and capital increases	Sales	Adjustments transferred to gains on disposal	Valuation adjustments (4)	Other	Total
Total balance at 31/12/07						**10,585,359**
Shares of listed companies						
Balance at 31/12/07						**10,551,318**
Erste Group Bank, AG	628,259	-	-	(376,623)	-	251,636
Telefónica, S.A. (1)	338,199	(730,580)	(5,649)	(1,679,538)	-	(2,077,568)
The Bank of East Asia, Ltd (2)	67,599	-	-	(502,858)	-	(435,259)
Bolsas y Mercados Españoles S.H.M.S.F., S.A.	37,086	-	-	(97,670)	-	(60,584)
Repsol YPF, S.A.	3,233	-	-	(1,435,906)	-	(1,432,673)
Banco Comercial Portugués, S.A. (3)	-	-	-	(69,545)	(8,768)	(78,313)
Other	-	-	-	(28,426)	-	(28,426)
Changes in 2008	**1,074,376**	**(730,580)**	**(5,649)**	**(4,190,566)**	**(8,768)**	**(3,861,187)**
Balance at 31/12/08 Listed companies						**6,690,131**
Shares of unlisted companies						
Balance at 31/12/07						**34,041**
Other	111	(33,933)	-	-	-	(33,822)
Changes in 2008	**111**	**(33,933)**	**-**	**-**	**-**	**(33,822)**
Balance at 31/12/08 Unlisted companies						**219**
Total changes in 2008	**1,074,487**	**(764,513)**	**(5,649)**	**(4,190,566)**	**(8,768)**	**(3,895,009)**
Total balance at 31/12/08						**6,690,350**

(1) Sales include shares hedged with the equity swaps amounting to EUR 726 million.
(2) “Valuation Adjustments” includes EUR (550,608) thousand relating to market Price and EUR 47,750 thousand relating to exchange differences.
(3) “Other” includes gains on the sale of subscription rights which reduce the cost.
(4) Including impairment transferred to income amounting to EUR 176 million gross.

Purchases and capital increases

The main transactions with available-for-sale equity instruments in 2009 were as follows:

Telefónica, S.A.

In the first half of 2009 the Group acquired 1% of the share capital of Telefónica, S.A. (47,050,000 shares) for EUR 689 million. Also, an equity linked swap was arranged on this 1% ownership interest in order to establish a hedging relationship for the changes in fair value of this investment and the derivative financial instrument. This derivative expires in April 2010 and may be renewed at the decision of Criteria CaixaCorp. The instrument makes it possible to exchange dividend rights arising from the hedged shares for the assumption by the counterparty of the risk of changes in the value and for interest on the investment in the hedged item tied to Euribor. The voting rights associated with the shares were maintained in full. The hedged shares and the derivative instrument were recognised at fair value with charges recognised under "Gains or Losses on Financial Transactions" in the accompanying consolidated income statement (see Note on "Derivative Financial Instruments").

Also, in the second quarter of 2009 the Group sold 1% of its ownership interest in Telefónica, S.A. for EUR 737 million and obtained a net gain of EUR 265 million.

On 28 December 2009, the share capital of Telefónica, S.A. was reduced through the retirement of 141,000,000 shares, after which the share capital stood at EUR 4,563,996,485, consisting of an equal number of ordinary shares of EUR 1 par value each. As a result of this reduction, the ownership interest of the Group in this entity increased by 0.15% with no cash disbursement.

At 31 December 2009, the Group had a total ownership interest of 5.16% in the share capital of Telefónica, S.A.

Erste Group Bank, AG

As explained in the Note on "Investments Accounted for Using the Equity Method" in 2009 the ownership interest in EGB increased from 4.9% at 31 December 2008 to 10.1% at 31 December 2009. This increase came about through the acquisition of shares in the market and through the acquisition of subscription rights on shares of EGB owned by the Erste Foundation by participating in the capital increase at the Company on 19 November 2009.

As a result of these events, at 31 December 2009 the investment in EGB was accounted for using the equity method since it was determined that significant influence was being exercised over the investee. The change in consolidation method is considered to be effective for accounting purposes from 31 December 2009.

The Bank of East Asia, Ltd

As explained in detail in Note 2.5 on "Changes in the Scope of Consolidation", at the end of 2009 BEA started to be accounted for using the equity method, since it was considered that the influence over the company was significant in accordance with IAS 28, Investments in Associates.

The main transactions in 2008 involving available-for-sale equity instruments were as follows:

Telefónica, S.A.

In 2008 the Group acquired 0.47% of the share capital of Telefónica, S.A. for EUR 338 million (net of the dividend declared at the acquisition date). In December 2008 it sold 0.013% in the market, giving rise to a pre-tax gain of EUR 5,649 thousand.

At 31 December 2007, 45 million shares valued at EUR 726 million representing 0.943% of the investment in the share capital of Telefónica, S.A. were subject to valuation risk hedging contracts. In 2008 certain hedging contracts were partially renewed and, in accordance with the strategy based on the restructuring of the investment, they were cancelled before year-end. These shares were sold at market rates or delivered to the counterparty with no effect whatsoever on the consolidated income statement.

At 31 December 2008, the Group had a total ownership interest of 5.01% in the share capital of Telefónica, S.A.

The Bank of East Asia, Ltd

In accordance with the Group's international expansion strategy, in 2008 the Group strengthened its position in the share capital of The Bank of East Asia, Ltd by increasing its ownership interest by 0.97% with an investment of EUR 68 million. At 31 December 2008, the Group's total ownership interest was 9.86%.

Bolsas y Mercados Españoles S.H.M.S.F., S.A.

In 2008 the Group increased its ownership interest in the company's share capital by 1.48% with an investment of EUR 37 million (net of the dividends declared at the acquisition date). At 31 December 2008, the Group's total ownership interest was 5.01%.

Impairment

As a basic tool in the management and ongoing monitoring of the portfolio of investments, the Group also made its own internal valuations, using the same methodology as that applied in the measurement of the investments in jointly controlled entities and associates which was described in Note 3.7 and the Note on "Investments in Companies Accounted for by the Equity Method".

2008 witnessed the existence of certain adverse indicators relating to the sharp drop in the market values of companies and the reduction of the margins of certain financial services companies classified as available-for-sale financial assets. Towards the end of 2008 the objective evidence of impairment on available-for-sale financial assets was reviewed and the appropriate impairment tests were carried out. Management decided to recognise an impairment loss, using prudence in conditions of uncertainty, for certain of its investments classified as available-for-sale-financial assets which are considered non-strategic. This gave rise to an impact after tax of EUR 124 million.

In 2009 both the indicators, especially the share price, and the expectations and variables used in the impairment tests carried out at year-end, showed a marked recovery in the valuations of the assets included in this heading at 31 December 2009. At 2008 year-end all the investments reflected a market value above their related acquisition cost and the need to recognise impairment losses additional to those recognised did not arise.

8.2. Loans and receivables

The detail of the balance of “Loans and Receivables” at 31 December 2009 and 2008 is as follows:

	Thousands of euros			
	31/12/09		31/12/08	
	Non-current	Current	Non-current	Current
Deposits placed	24,686	6,129,564	96,575	4,558,172
Loans and advances to customers	1,425,117	-	1,571,244	-
Equity linked swap guarantee deposits (Note 9)	-	238,800	-	-
Other	656	2,516	657	3,237
Total	**1,450,459**	**6,370,880**	**1,668,476**	**4,561,409**

Deposits placed - current

The detail of “Deposits Placed - Current” is as follows:

	Thousands of euros	
Deposits placed - current	31/12/09	31/12/08
Loans and advances to credit institutions	6,123,559	4,525,079
Reverse repos	5,918	30,702
Other	87	2,391
Total	**6,129,564**	**4,558,172**

At 31 December 2009 and 2008, “Loans and Advances to Credit Institutions” included the deposits assigned to the repos carried out by VidaCaixa with “la Caixa” amounting to EUR 6,007,358 thousand and EUR 4,452,369 thousand, respectively.

Loans and advances to customers – non-current

At 31 December 2009 and 2008, the breakdown of the balance of “Loans and Advances to Customers - Non-Current” is as follows:

	Thousands of euros	
Loans and advances to customers	31/12/09	31/12/08
Loans and advances to customers - gross	1,613,977	1,675,831
Impairment losses	(178,876)	(94,151)
Accrued fees and commission on loans and receivables	(9,984)	(10,436)
Ending balance	**1,425,117**	**1,571,244**

The detail of the balance of “Loans and Advances to Customers - Gross” based on the type and status of the loan or advance granted, is as follows:

By loan type and status	Thousands of euros 31/12/09	31/12/08
Other secured loans	54,563	133,833
Unsecured loans	615,590	666,721
Other loans and credits	133,867	156,748
Finance leases	397,908	319,514
Insurance agents and policyholders	106,306	167,488
Public authorities	21,744	33,497
Other accounts receivable	132,107	77,310
Doubtful loans	151,892	120,720
	1,613,977	**1,675,831**

The effective average interest rate on the balances of "Loans and Advances to Customers" was 8.88% in 2009 (2008: 7.94%).

The detail, by maturity, of "Loans and Receivables" at 31 December 2009 is provided in the Note on "Risk Management Policy - Liquidity Risk".

The changes in the impairment losses relating to "Loans and Advances to Customers" in 2009 and 2008 were as follows:

Changes in impairment losses	Thousands of euros 2009	2008
Beginning balance	**94,151**	**52,495**
Add:		
Impairment losses charged to income	132,695	82,323
Less:		
Reversals credited to income	(10,673)	(16,981)
Amounts used	(37,261)	(23,709)
Changes in the scope of consolidation and other	(36)	23
Ending balance	**178,876**	**94,151**

2009 witnessed a slowdown in economic activity and an increase in unemployment rates that particularly affected consumer credit providers. In this context, the Group, within the process of analysing its portfolio of loans granted, identified a group of assets affected by the increase in NPL ratios. Based on historical experience and the application thereof to the current economic environment, a best estimate has been made to adapt and quantify the fair value or the credit assets that appear in the balance sheet at 31 December 2009. Consequently, the impairment losses charged to income in the year were increased by EUR 50 million with respect to 2008. As a result, the balance of *Doubtful loans* as of 31 December 2009 has been covered by 118% (78% at 31 December 2008).

Substantially all the past-due financial assets included under "Loans and Receivables" are partially or fully provisioned according to the estimates of their recoverable amount. Only the past-due receivables maturing within three months, the amount of which stands at around EUR 9 million (2007: EUR 21 million), were not specifically impaired. Due to the nature of the loans granted, basically consumer credits and finance leases, the guarantees securing these loans are constituted by the items financed by the loan which, in any event, are assets with a fair value that it is difficult to quantify. Past-due receivables are mainly unsecured and receivables under finance leases are secured by the leased asset.

The amount of receivables recognised at 31 December 2009 that would have become past due if the related payment terms and conditions had not been renegotiated is scantly material.

8.3. Other financial assets at fair value through profit or loss

“Other Financial Assets at Fair Value through Profit or Loss" relates solely to investments linked to life insurance products where the investment risk is assumed by the policyholder, i.e. unit-linked policies, whereas “Other Financial Liabilities at Fair Value” includes the mathematical provisions linked to these operations.

9. Derivative financial instruments

The detail of the derivative financial instruments, by category, is as follows:

	Thousands of euros			
	31/12/09		31/12/08	
	Assets	Liabilities	Assets	Liabilities
Hedging derivative financial instruments				
Cash flow hedges				
- Interest rate (OTC markets)	-	39,628	170	40,514
Total non-current	**-**	**39,628**	**170**	**40,514**
Hedging derivative financial instruments				
Cash flow hedges				
- Interest rate (OTC markets)	-	1,584	1	81
- Price of equity instruments	-	121	-	-
Fair value hedges				
- Equity swaps (OTC markets)	-	229,709	-	-
Total current	**-**	**231,414**	**1**	**81**

The description of the most significant derivative financial instruments at 31 December 2009 and 2008 is as follows:

Interest rate cash flow hedges

Within the framework of consumer credit and finance leases, the Group's financial activities include loans and credits at fixed interest rates. Also, the Group's debt is mainly at floating interest rates based on market conditions. In accordance with the Group's policy on hedging financial risk, described in the Note on “Risk Management Policy”, the Group’s financial activities arrange derivative financial instruments, basically interest rate swaps, to minimise the effect of potential changes in interest rates on its floating rate debt.

The tables below provide information on the hedging derivative contracts in force at 31 December 2009 and 2008.

2009

	Thousands of euros					
				Maturity (Notional)		
Type of contract	**Fair value**	**Notional amount**	**Average interest rate**	**Within one year**	**1 to 5 years**	**After 5 years**
Swaps and similar transactions	(41,212)	968,137	4.38%	15,188	581,652	371,297

2008

	Thousands of euros					
				Maturity (Notional)		
Type of contract	**Fair value**	**Notional amount**	**Average interest rate**	**Within one year**	**1 to 5 years**	**After 5 years**
Swaps and similar transactions	(40,424)	1,435,357	4.14%	50,963	898,178	486,216

Valuation model:

To determine the fair value of interest rate derivatives (swaps or IRSs), the Group used an IRS valuation model using Euribor market curves and long-term swaps as inputs.

Changes in the fair value of the interest rate derivatives arranged by the Group depend on the changes in the Euribor interest rate curve and long-term swaps.

Fair value hedges of shares

In 2009 a financial derivative was arranged with a bank for 1% of the shares of Telefónica, S.A. (47,050,000 shares valued at EUR 689 million at that date) expiring in April 2010 in order to establish a hedging relationships between the changes in the fair value of the shares and those in the value of the derivative instrument. The fair value of the hedging instrument at 31 December 2009 reflects a loss of EUR 230 million which was recognised under “Current Liabilities - Derivatives” in the accompanying balance sheet. Also, the fair value of the hedged item was recognised under "Available-for-Sale Financial Assets" on the asset side of the consolidated balance sheet for a loss of the same amount. Both changes, the effect of which was not material, were recognised in the income statement for 2009.

A guarantee fund deposit exists in connection with the aforementioned contracts with counterparties totalling EUR 239 million, recognised under “Loans and Receivables”, which is adjusted throughout the term of the derivative through contributions made by the counterparties or by the Group in line with the change in the market value of Telefónica, S.A.’s shares. This deposit guaranteed the availability of funds at all times for the two parties in the event of the partial or total termination of the agreement in advance or on the expiry date. The instrument establishes the exchange of dividend rights arising from the hedged shares for the risk of changes in the value and interest, tied to Euribor, on the value of the hedged item. The voting rights associated with the shares were maintained in full.

In June 2007 the Group arranged equity swaps with various banks on 0.94% of the shares of Telefónica, S.A. (45 million shares valued at EUR 726 million at that date), in order to establish a hedge between the change in the fair value of the aforementioned portfolio and the derivative instrument. These hedges expired in July 2008. These hedges on 15 million shares (0.3186% of Telefónica), valued at EUR 242 million, were cancelled through the physical delivery of the shares. This transaction did not give rise to significant gains or losses since the hedge was effective. The remaining equity swaps on 30 million shares (0.638% of Telefónica), valued at EUR 484 million, were renewed in July 2008 and finally cancelled in the last quarter of the year.

Other cash flow hedges

In the framework of its financial risk management policy, in 2009 the Group arranged derivative instruments to hedge the effect of changes in exchange rates on the dividends receivable during the year from the investments in Mexico (GF Inbursa) and in Hong Kong (The Bank of East Asia), for notional amounts of MXN 300 million and HKD 60 million, respectively. At 31 December 2009, the instruments had expired.

On 18 June 2008, in order to hedge the disbursement to be made in Mexican pesos for the acquisition of a 20% stake in GF Inbursa (see Note on "Investments Accounted for Using the Equity Method"), the Company arranged a Mexican peso futures contract with "la Caixa" for MXN 26,300 million at a rate of MXN 16.0292/EUR, maturing in September 2008. The derivative was classified as a cash flow hedge and was assigned to the acquisition cost once it had materialised and had no significant impact on the income statement.

10. Non-current assets classified as held for sale

The changes in "Non-Current Assets Classified as Held for Sale" in 2009 and 2008 were as follows:

	Thousands of euros	
	31/12/09	31/12/08
Beginning balance	**40,640**	**27,456**
Period additions	118,286	81,629
Reduction due to disposal	(116,328)	(72,317)
Transfers	1,153	5,047
Ending balance	**43,751**	**41,815**
Less:		
Impairment losses at end of year	(3,106)	(1,175)
Total	**40,645**	**40,640**

The ending balance and the changes in 2009 relate mainly to the non-current assets related to the Group's finance lease and operating lease business which, after the expiration of the period subject to agreements with third parties, are in a condition to be sold.

The changes in the impairment losses on these assets in 2009 and 2008 were as follows:

	Thousands of euros	
Changes in impairment losses	2009	2008
Beginning balance	**(1,175)**	**(2,013)**
Add:		
Net impairment losses for the year	(2,425)	-
Less:		
Impairment losses reversed	441	-
Transfers	53	838
Total	**(3,106)**	**(1,175)**

There were no single material transactions in 2009.

11. Cash and cash equivalents

The detail of “Cash and Cash Equivalents” is as follows:

Type of contract	Thousands of euros 31/12/09	Thousands of euros 31/12/08	Interest rate	Other information
Cash	75	1,436	-	-
Bank accounts	344,438	1,053,964	Mainly overnight Euribor less 0.25 basis points	Mainly with "la Caixa"
Deposits at less than 3 months	-	480,000	3.7%	-
Other	9,338	7,495	-	-
Total	**353,851**	**1,542,895**		

The interest earned in 2009 on cash and cash equivalents amounted to EUR 3,881 thousand (2008: EUR 58,281 thousand) and is recognised under “Finance Income” in the accompanying consolidated income statements.

12. Equity

The detail of the changes in the Group’s equity at 31 December 2009 and 2008 is as follows:

	Thousands of euros							
	Share capital	**Share premium and reserves**	**Profit for the year attributable to the Parent**	**Treasury shares**	**Total share capital, reserves and profit**	**Valuation adjustments**	**Non-controlling interests**	**Total equity**
Balance at 01/01/09	**3,362,890**	**7,353,343**	**1,058,617**	**(18,545)**	**11,756,305**	**498,148**	**158,815**	**12,413,268**
Comprehensive income for the year	-	-	1,316,628	-	1,316,628	1,040,511	30,014	2,387,153
Final dividend for 2008	-	-	(201,052)	-	(201,052)	-	-	(201,052)
Interim dividend for current year		(335,322)	-	-	(335,322)	-	-	(335,322)
Transfers between equity items	-	857,565	(857,565)	-	-	-	-	-
Treasury share transactions	-	-	-	(21,335)	(21,335)	-	-	(21,335)
Other changes	-	97,750			97,750	-	(19,798)	77,952
Balance at 31/12/09	**3,362,890**	**7,973,336**	**1,316,628**	**(39,880)**	**12,612,974**	**1,538,659**	**169,031**	**14,320,664**

	Thousands of euros							
	Share capital	**Share premium and reserves**	**Profit for the year attributable to the Parent**	**Treasury shares**	**Total share capital, reserves and profit**	**Valuation adjustments**	**Non-controlling interests**	**Total equity**
Balance at 01/01/08	**3,362,890**	**6,264,486**	**1,725,862**	**-**	**11,353,238**	**3,500,578**	**159,775**	**15,013,591**
Comprehensive income for the year	-	-	1,058,617	-	1,058,617	(3,002,430)	30,736	(1,913,077)
Final dividend for 2007	-	-	(67,258)	-	(67,258)	-	-	(67,258)
Interim dividend for current year	-	(503,780)	-	-	(503,780)	-	-	(503,780)
Other transactions with shareholders	-	(14,954)	-	-	(14,954)	-	(5,016)	(19,970)
Transfers between equity items	-	1,658,604	(1,658,604)	-	-	-	-	-
Treasury share transactions		-		(18,545)	(18,545)			(18,545)
Other changes	-	(51,013)	-	-	(51,013)	-	(26,680)	(77,693)
Balance at 31/12/08	**3,362,890**	**7,353,343**	**1,058,617**	**(18,545)**	**11,756,305**	**498,148**	**158,815**	**12,413,268**

12.1. Share capital

At 31 December 2009 and 2008, the share capital consisted of 3,362,889,837 fully subscribed and paid shares. All the shares are traded by the book-entry system and have a par value of EUR 1 each. Criteria CaixaCorp's shares are admitted to listing on the four official Spanish stock markets and on the Spanish Stock Market Interconnection System and were included on the IBEX 35 index on 4 February 2008.

At 31 December 2009, the share price was EUR 3.30 per share (31 December 2008: EUR 2.78).

12.2. Treasury shares

The shareholders at the Annual General Meeting held on 7 May 2009 authorised the Board of Directors to derivatively acquire treasury shares, provided that the total number of treasury shares held by the Parent did not exceed 5% of the share capital. This authorisation, subsequently ratified by the Board of Directors on that same date, is valid for 18 months.

The changes in treasury shares in 2009 and 2008 were as follows:

	Number	Cost of acquisition/sale (thousands of euros)
At 1 January 2009	6,534,397	18,545
Additions	10,035,719	27,418
Disposals	(2,353,766)	(6,083)
At 31 December 2009	14,216,350	39,880

	Number	Cost of acquisition/sale (thousands of euros)
At 1 January 2008	-	-
Additions	6,534,397	18,545
Disposals	-	-
At 31 December 2008	6,534,397	18,545

The average number of shares outstanding in 2009 was 3,352,823,224 (2008: 3,361,456,732).

The gains arising on disposals in 2009 amounted to approximately EUR 2 million, which was recognised in equity. The Group did not include any effect of transactions involving treasury shares in the consolidated income statement.

12.3. Share premium

At 31 December 2009 and 2008, the "Share Premium" account balance amounted to EUR 7,711,244 thousand.

The Consolidated Spanish Public Limited Liability Companies Law expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to its use.

12.4. Reserves

Reserves include the net amount of the accumulated profit (loss) recognised in prior years in the consolidated income statement which, in the distribution of profit, was allocated to equity, plus the costs incurred in issuing own equity instruments.

Restrictions on availability of accumulated profit and other reserves

The share premium and reserves attributable to the parent include the legal reserve amounting to EUR 525,974 thousand at 31 December 2009 and 2008. This legal reserve may not be distributed to shareholders in the event of the liquidation of the Parent. Under the Consolidated Spanish Public Limited Liability Companies Law , 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

On 5 June 2008, the shareholders at the Annual General Meeting resolved to transfer EUR 146,604 thousand of the profit for 2007 to the legal reserve in order to bring the balance up to the legally required minimum of 20% of the share capital. At 31 December 2009 and 2008, the Parent's legal reserve had reached the stipulated level.

There are also tax-related restrictions on the distribution of reserves of certain Group companies, in relation to the deductibility for tax purposes of the amortisation of goodwill for tax purposes. At 31 December 2009, these restrictions were scantly material.

There are no other significant restrictions on the availability of the reserves.

12.5. Valuation adjustments

Available-for-sale financial assets

This heading in the accompanying consolidated balance sheets includes the amount, net of the related tax effect, of the differences between market value and acquisition cost (net gains/losses) of the assets classified as available for sale which must be classified as part of equity. These differences are recognised in the consolidated income statement when the assets that give rise to them are sold or become impaired.

Cash flow hedges

This heading in the accompanying consolidated balance sheets includes the amount, net of the related tax effect, of changes in value of the financial derivatives designated as cash flow hedges, in respect of the effective portion of the aforementioned changes.

Exchange differences

This heading includes the net amount of exchange differences arising on non-monetary items whose fair value is adjusted against equity and the differences arising on the translation to euros of the balances in the functional currencies of the fully and proportionately consolidated companies and the companies accounted for using the equity method, whose functional currency is not the euro.

Companies accounted for using the equity method

This heading includes the valuation adjustments, cash flow adjustments and exchange difference adjustments which took place in relation to associates.

The changes in the balances of these headings in 2009 and 2008 were as follows:

2009

	Thousands of euros					
		Amount transferred to profit or loss				
	Balance at 31/12/08	Before tax	Income tax	Valuation gains and losses before tax	Deferred tax liabilities	Balance at 31/12/09
Available-for-sale financial assets (1)	818,762	(400,971)	(120,291)	1,924,922	(562,662)	1,900,342
Cash flow hedges	(28,345)	35,199	(10,560)	(36,525)	11,310	(28,921)
Exchange differences	(249,158)	-	-	8,423	-	(240,735)
Companies accounted for using the equity method	(43,111)	(13,324)	-	(35,592)	-	(92,027)
Total	**498,148**	**(379,096)**	**109,731**	**1,861,228**	**(551,352)**	**1,538,659**

(1) Including gains arising from equity instruments and debt instruments measured at fair value.

2008

	Thousands of euros					
		Amount transferred to profit or loss				
	Balance at 31/12/07	Before tax	Income tax	Valuation gains and losses before tax	Deferred tax liabilities	Balance at 31/12/08
Available-for-sale financial assets (1)	3,370,519	222,416	(51,326)	(3,775,315)	1,052,469	818,762
Cash flow hedges	8,703	(2,298)	530	(49,768)	14,487	(28,345)
Exchange differences	(19,275)	-	-	(213,080)	(16,803)	(249,158)
Companies accounted for using the equity method	140,631	(35,280)	-	(148,462)	-	(43,111)
Total	**3,500,578**	**184,838**	**(50,796)**	**(4,186,625)**	**1,050,153**	**498,148**

(1) Including gains arising from equity instruments and debt instruments measured at fair value.

12.6. Distribution of the profit of the Parent and interim dividend

The distribution of profit for 2009 proposed by Criteria CaixaCorp's directors and the distribution of profit for 2008 are as follows:

	Thousands of euros	
	2009	2008
Distribution basis:		
Profit for the year	1,013,340	803,349
Distribution:		
To voluntary reserve (minimum)	237,479	97,796
Dividends (maximum)	775,861	705,553
Total	1,013,340	803,349

On 8 October 2009, the Board of Directors of Criteria CaixaCorp resolved to distribute an interim dividend out of 2009 profit of EUR 0.10 for each existing share outstanding of the Parent, for a maximum of EUR 335,322 thousand, taking into account treasury shares. This dividend was paid at the beginning of December 2009. The Board of Directors will propose to the shareholders at the Annual General Meeting that a final dividend be paid out of 2009 profit amounting to EUR 0.131 gross per share for each of the Company's existing shares outstanding, for a maximum of EUR 440,539 thousand. Consequently, the total dividend distributed out of 2009 profit (EUR 775,861 thousand) has been a 10% higher compared to 2008 (EUR 704,832 thousand).

On 7 May 2009, the shareholders at the Annual General Meeting of Criteria CaixaCorp approved the distribution of a final dividend out of 2008 profit of EUR 0.06 per share, representing a payment to its shareholders of EUR 201,052 thousand, which was made on 27 May 2009.

In 2008 the Board of Directors resolved to distribute two interim dividends for a total of EUR 503,780 thousand.

The profits of the individual Group companies will be allocated as agreed at their respective Annual General Meetings.

12.7. Non-controlling interests

This heading relates to the investments held by non-controlling interests in the equity and profit for the year of the fully consolidated Group companies. The changes in 2009 and 2008 in "Non-Controlling Interets" in the consolidated balance sheet were as follows:

2009

	Thousands of euros						
Company	Balance at 31/12/08	Profit/(Loss) for the year	Changes in the scope of consolidation and other	Reclassifications and other	Interim dividends	Valuation adjustments	Balance at 31/12/09
Inversiones Autopistas, S.L.	80,484	(8)	-	15,539	(15,928)	-	80,087
Hotel Caribe Resort, S.L.	7,240	-	(7,240)	-	-	-	-
Other	71,091	26,533	-	3,455	(8,646)	(3,489)	88,944
Total	158,815	26,525	(7,240)	18,994	(24,574)	(3,489)	169,031

2008

Company	Balance at 31/12/07	Profit/(Loss) for the year	Changes in the scope of consolidation and other	Reclassifications and other	Interim dividends	Valuation adjustments	Balance at 31/12/08
	Thousands of euros						
Inversiones Autopistas, S.L.	81,341	3	-	13,818	(14,678)	-	80,484
Port Aventura, S.A.	5,485	(469)	(5,016)	-	-	-	-
Hotel Caribe Resort, S.L.	7,371	110	-	(185)		(56)	7,240
Other	65,578	25,234	-	(5,630)	(8,269)	(5,822)	71,091
Total	159,775	24,878	(5,016)	8,003	(22,947)	5,878	158,815

12.8. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss attributable to the shareholders of Criteria CaixaCorp by the weighted average number of shares outstanding during the year, excluding the average number of treasury shares held by the Group in the year.

	Thousands of euros	
	2009	2008
Net profit attributable to shareholders	1,316,628	1,058,617
Weighted average number of ordinary shares outstanding (thousands)	3,352,823	3,361,457
Basic and diluted earnings per share (euro/share)	**0.39**	**0.31**

In calculating the weighted average number of ordinary shares outstanding excludes the average number of treasury shares is taken into account. In 2008 Criteria CaixaCorp did not perform any transactions causing the basic earnings per share to differ from the diluted earnings per share.

The effect of the activities discontinued in 2009, described in Note on “Discontinued Operations”, did not change the basic or diluted earnings per share.

12.9. Capital management objectives, policies and processes followed by the Company

The Group manages its capital to provide the companies composing the Group with sufficient economic resources to be able to carry on its business activities. Aside from rationally and objectively managing the capital required to cover the risks assumed through its activity, the Group aims to maximise the return for the shareholders through an appropriate debt-to-equity balance. It is also policy to provide the Group with sufficient resources to enable it to undertake the international expansion defined in Note 1 hereto. This policy, however, should be interpreted within the context of the capital management policy of its majority shareholder “la Caixa” as it is a financial services company regulated in Spain, with its own internal risk and regulatory capital management model.

Minimum capital requirements and capital adequacy requirements

Additionally, various Group companies have to comply with minimum capital requirements and capital adequacy requirements in accordance with the specific legislation to which they are subject because they engage in financial and/or insurance activities governed by specific supervisory bodies, such as the Bank of Spain and Directorate-General of Insurance, respectively.

The Group includes insurance companies which are required to hold disposable equity (capital adequacy) and a guarantee fund (one third of the solvency margin at minimum levels), as they operate in a regulated business which is supervised by the Directorate-General of Insurance and Pension Funds. In this respect, the Group's capital management will be affected by complying with these minimum requirements which will depend on the amounts and types of commitments assumed with the policyholders and insureds.

At 31 December 2009, all the Group companies fulfilled the regulatory capital requirements to which they are subject by law.

The concept of capital for the Group and management's objectives

For management purposes, the Group considers the debt comprising loans and credit facilities, included in the Note on "Financial Liabilities at Amortised Cost", cash and cash equivalents and the portion of equity formed by share capital, reserves and retained earnings as capital.

The objectives established above are met by determining the individual requirements of each of the entities, fulfilling the obligations arising from the regulated industries in which they operate and providing the Parent with its own resources. In this context, the Directors plan to distribute as dividends an amount equal or greater than 60% of the consolidated recurring profit, which does not include, for instance, gains arising from disposals of investments. The payment dates will be on September, December, March and June.

Criteria CaixaCorp's objective is to maintain the ratio of Net Debt(1) to GAV(2), at below 30%.

(1) Net Debt is defined as the bank borrowings less cash and cash equivalents of Criteria CaixaCorp and of the Group's holding companies.

(2) GAV corresponds to the market value of the equity instruments of Criteria CaixaCorp and of the Group's holding companies, which corresponds to its market price in the case of listed companies or valuations in accordance with methodologies accepted by the market.

13. Provisions for insurance contracts and additional disclosures

At 31 December 2009 and 2008, the detail of the balance of the related heading is as follows:

Provisions for insurance contracts	Thousands of euros Direct insurance 31/12/09	 31/12/08
Non-current	**17,524,100**	**16,307,800**
Mathematical provisions	17,463,398	16,245,580
Bonuses and rebates	60,702	62,220
Current	**487,090**	**418,278**
Unearned premiums	162,361	124,076
Claims	324,729	294,202
Total	**18,011,190**	**16,726,078**

The detail of this heading, based on the nature of the provisions in 2009 and 2008 is as follows:

	Thousands of euros 31/12/09	 31/12/08
Life		
Mathematical provisions and provisions related to the life branch	17,740,479	16,511,096
Non-life		
Unearned premiums	162,361	122,010
Provisions for benefits	108,350	92,972
Total	**18,011,190**	**16,726,078**

The detail of the changes in provisions for life insurance in 2009 and 2008 is as follows:

	Thousands of euros Direct insurance 2009	 2008
Beginning balance	**16,511,096**	**16,408,484**
Premiums	2,994,710	2,271,068
Discount rates	600,655	555,730
Insurance claims paid/collected	(2,545,204)	(2,558,755)
Adjustments relating to shadow accounting (Note 3.12)	179,222	(165,431)
Ending balance	**17,740,479**	**16,511,096**

In 2009 and 2008 the Group performed an insurance contract liability adequacy test in order to determine whether they are adequate to meet future obligations, as required by current accounting legislation. This test disclosed that it was not necessary to recognise any deficiency in profit or loss in 2009 or 2008.

The mathematical conditions for the various types of life insurance in force at 31 December 2009 and 2008, which represent more than 5% of the premiums or the mathematical provisions of the life insurance business lines of the respective Criteria Group insurance companies, are as follows:

2009

	Thousands of euros				Bonuses		
						If applicable	
						Thousands of euros	
Type of cover	Premiums	Mathematical provisions at 31/12/09	Tables used	Discount rate	Applicable Yes/No	Amount distributed	Form of distribution
Annuities	1,414,045	4,341,084	(1)	3.77%	No		
Deferred annuity	77,242	2,379,693	(2)	5.48%	Yes	1,998	To provision
Whole life	292,705	724,204	(3)	0.84%	No		
Deferred temporary annuity	118,055	648,923	(4)	3.39%	No		
Temporary annuities, whole life annuities and deferred capital	815,629	8,308,730	(5)	Variable	Yes	43,021	Claims
Life insurance for repayment of loans and credit	147,169	19,610	(6)	2.44%	No		

(1) GR-80, GR-80 less two years and GR-95 tables were used depending on the different types of cover. GR-95 or GK-95 tables were used for new business.

(2) GR-80, GR-80 less two years, GR-70 and GR-95 tables were mainly used for certain types of cover.

(3) GR-80 less two years and GR-95 tables were used depending on the different types of cover. GK-95 tables were used for new business.

(4) GR-80, GK-80, GR-95, GK-95, AR-80 and AK-95 tables were used depending on the different types of cover.

(5) GR-80, GR-80 less two years, GR-70, GR-95 and PER2000P tables were used depending on the different types of cover.

(6) GR-80 and GK-80 or AR-80 and AK-80 tables were used depending on the different types of cover.

2008

	Thousands of euros				Bonuses		
						If applicable	
						Thousands of euros	
Type of cover	Premiums	Mathematical provisions at 31/12/08	Tables used	Discount rate	Applicable Yes/No	Amount distributed	Form of distribution
Annuities	259,318	3,261,659	(1)	3.95%	No	-	-
Deferred annuity	83,544	2,321,860	(2)	5.46%	Yes	31	To provision
Whole life	280,731	783,997	(3)	2.98%	No	-	-
Deferred temporary annuity	123,521	644,012	(4)	4.12%	No	-	-
Temporary annuities, whole life annuities and deferred capital	595,291	8,256,662	(5)	Variable	Yes	27,823	To provision
Life insurance for repayment of loans and credit	153,722	21,429	(6)	2.46%	No	-	-

(1) GR-80, GR-80 less two years and GR-95 tables were used depending on the different types of cover. GR-95 or GK-95 tables were used for new business.

(2) GR-80, GR-80 less two years, GR-70 and GR-95 tables were mainly used for certain types of cover.

(3) GR-80 less two years and GR-95 tables were used depending on the different types of cover. GK-95 tables were used for new business.

(4) GR-80, GK-80, GR-95, GK-95, AR-80 and AK-95 tables were used depending on the different types of cover.

(5) GR-80, GR-80 less two years, GR-70, GR-95 and PER2000P tables were used depending on the different types of cover.

(6) GR-80 and GK-80 or AR-80 and AK-80 tables were used depending on the different types of cover.

14. Other provisions

The changes in "Other Long-Term Provisions" in 2009 were as follows:

	Thousands of euros				
	Balance at 31/12/08	Charge for the year	Amounts used	Excessive provisions	**Balance at 31/12/09**
Guarantees provided on the disposal of companies	34,454	-	(933)	-	33,521
Other third-party liability	102,801	21,716	(93,661)	(1,072)	29,784
Total	**137,255**	**21,716**	**(94,594)**	**(1,072)**	**63,305**

Guarantees provided on the disposal of companies

The provision for obligations assumed in relation to guarantees given to purchasers on the disposal of companies and recognised at 31 December 2009 relates to the best estimate of the obligations arising from and provided for contractually on the disposal of certain investments. The payment schedule established for the provision recognised at year-end ranges from one to four years based on the nature of the obligations assumed.

Other third-party liability

The period provisions recognised include mainly tax-related provisions recorded by the Group's financial entities in relation to the varying interpretations that can be made of the applicable tax legislation in relation to certain transactions that have been identified by the tax authorities in the tax audits currently in progress. The amount recognised of approximately EUR 16 million constitutes the best estimate that management considers will probably arise as a future disbursement in this connection.

In 2008 period provisions were recognised that reflected the expected losses or contingencies associated with the Group's operations which amounted to EUR 81 million, as a result of the poor performance of the financial markets and the impact thereof on the recoverable amount of certain investments. In 2009, based on the updating of the valuations of the investment portfolio, the impairment losses recognised in 2008 were reversed to "Investments Accounted for Using the Equity Method" (see Note on "Investments Accounted for Using the Equity Method").

"Amounts Used" also includes the disbursement in 2009 in relation to a claim filed by an agent of the Group's financial services companies in prior years. The court judgment partially upheld the arguments put forward by the Group and led to the payment of approximately EUR 7 million, for which provisions had been recognised. However, the parties have filed appeals against this judgment.

15. Financial liabilities at amortised cost

The detail of “Financial Liabilities at Amortised Cost” in the accompanying consolidated balance sheets at 31 December 2009 and 2008, based on the nature of the financial instrument giving rise to the liability, is as follows:

	Thousands of euros			
	Non-current		Current	
Financial liabilities at amortised cost	31/12/09	31/12/08	31/12/09	31/12/08
Bank borrowings	7,225,600	7,350,561	6,038,058	4,910,543
Bonds	918,625	-	-	-
Customer deposits	-	-	3,207	6,772
Subordinated liabilities	292,017	296,000	-	-
Other financial liabilities	-	-	423,867	292,252
Total	**8,436,242**	**7,646,561**	**6,465,132**	**5,209,567**

15.1. Bank borrowings

The detail of non-current and current bank borrowings at 31 December 2009 and 2008 is as follows:

2009

	Thousands of euros				
	Limit	Amount			
		Non-current	Current	Interest rate	Maturity
Credit facility	5,500,000	3,546,701	-	1-month Euribor + 1 %	July 2011
Loan 4 years	-	1,000,000	-	3.579%	November 2013
Loan 7 years	-	1,000,000	-	4.416%	November 2016
Repurchase agreements	-	-	5,714,770		
Financial activity					
Credit facilities and lines	1,267,962	1,031,073	-	Euribor + 0.25%/0.50%	Until September 2010
Fixed interest bearing loans	782,590	647,826	-	Average rate 3.095%	Until April 2024
Other	-	-	323,288		
Total		**7,225,600**	**6,038,058**		

The balance of Credit facilities and lines as of 31 December 2009 amounting EUR 1,031 million related to Financial activity are related to renewable credit facilities with “la Caixa”. The Group’s financial services companies (Finconsum EFC, S.A. and Caixarenting, S.A.) use these facilities as ongoing financing for their activities and, therefore, they are classified as non-current liabilities in the consolidated balance sheet.

2008

	Thousands of euros				
	Limit	Amount			
		Non-current	Current	Interest Rate	Maturity
Credit facility	6,500,000	5,194,875	-	1-month Euribor + 1 %	July 2011
Repurchase agreements	-	-	4,792,512		
Financial activity					
Credit facilities and lines	1,853,815	1,699,595	-	Euribor + 0.25%/0.75%	Until September 2009
Fixed interest bearing loans	229,558	178,548	-	4% average rate	Until October 2010
Other		277,543	118,031		
Total		**7,350,561**	**4,910,543**		

All the aforementioned financing was granted by "la Caixa" on an arm's length basis.

15.2. Bonds

On 12 November 2009, Criteria CaixaCorp placed its first bond issue amounting to EUR 1,000 million, maturing in November 2014. The final terms and conditions of the issue were registered at the CNMV on 26 November 2009.

The issue was taken up by 200 investors and demand was 2.2 times higher than the value of the issue. The bondholders will receive a coupon rate of 4.125% per annum and an implicit return of 4.233%.

This issue was made as part of the Criteria Fixed-income Programme -the issue prospectus was registered at the CNMV on 29 September- which provides for the possibility of issuing up to a maximum of EUR 3,000 million. This issue sets out to diversify the sources of financing, lengthen maturities and, in addition, achieve a reference for the value of the Company's credit on the European market.

The liability recognised at 31 December 2009, in relation to this issue, amounts to EUR 919 million, since certain of the bonds were subscribed by entities that form part of the Group.

15.3. Subordinated liabilities

In December 2000 the subsidiary VidaCaixa issued publicly traded subordinated debt amounting to EUR 150,000 thousand. This issue consists of subordinated perpetual debt securities bearing interest quarterly at a floating rate tied to Euribor, with a minimum coupon of 4.43% (4.5% AER) and a maximum coupon of 6.86% (7% AER) for the first ten years. These perpetual bonds may be fully or partially redeemed at the discretion of the issuer and after obtaining authorisation from the Directorate-General of Insurance and Pension Funds.

Also, in 2004 VidaCaixa launched a second subordinated debt issue for a total of EUR 146,000 thousand, the characteristics of which are similar to those detailed in the preceding paragraph, with a coupon payable quarterly in arrears and a floating interest rate (3-month Euribor) which cannot fall below 3.5% AER or exceed 6% AER during the first ten years.

15.4. Other financial liabilities

The detail of "Current Liabilities – Other Financial Liabilities" at 31 December 2009 and 2008 is as follows:

	Thousands of euros	
	2009	2008
Other payment obligations	335,702	231,409
Tax collection accounts	63,225	29,073
Trade payables	10,608	21,114
Guarantees received	9,748	10,656
Accrued interest payable (bonds)	4,584	-
Total	**423,867**	**292,252**

The other payment obligations relate mostly to obligations related to the insurance business (settlements to intermediaries, insureds, etc.) maturing at very short term.

16. Tax matters and income tax

16.1. Tax assets and liabilities

The detail of the tax assets and tax liabilities at 31 December 2009 and 2008 is as follows:

	Thousands of euros			
	2009		2008	
Tax assets	Non-current	Current	Non-current	Current
Deferred tax asset	177,480	-	72,531	-
Tax loss carryforwards	14,263	-	15,303	-
Unused tax credits	232,184	-	49,378	-
Arising on valuation of available-for-sale financial assets	-	-	247,858	-
Arising on valuation of cash flow hedges	12,389	-	11,639	-
Adaptation to mortality tables in insurance activities	16,120	-	19,135	-
Gains on disposal of fixed-income securities	27,565	-	30,496	-
Tax withholdings and prepayments	-	41,114	-	21,029
Tax - other items	-	21,285	-	16,456
Total	**480,001**	**62,399**	**446,340**	**37,485**

	Thousands of euros			
	2009		2008	
Tax liabilities	Non-current	Current	Non-current	Current
Tax liabilities resulting from valuation of available-for-sale financial assets	(926,398)	-	(731,397)	-
Deferral of recognition for tax purposes of income from the sale of securities	(34,369)	-	(38,338)	-
Elimination of results between companies in the tax group	(8,653)	-	(8,660)	-
Segurcaixa Holding business combination	(98,662)	-	(109,989)	-
Other deferred tax liabilities	(26,967)	-	(12,338)	-
Income tax	-	(88,378)	-	(82,824)
Total	**(1,095,049)**	**(88,378)**	**(900,722)**	**(82,824)**

16.2. Income tax

Special consolidation regime

In 2009 Criteria CaixaCorp and some of its subsidiaries formed part of the “la Caixa” tax group and filed a consolidated tax return for income tax purposes.

In 2008 the tax group comprised Finconsum, S.A. and SegurCaixa Holding S.A., and the companies composing the insurance segment (AgenCaixa, S.A., SegurCaixa Holding, S.A., Crisegen Inversiones, S.L., Invervida Consulting, S.L., SegurCaixa, S.A. de Seguros y Reaseguros and VidaCaixa, S.A. de Seguros y Reaseguros).

The composition of the consolidated tax group is shown in Appendix IV.

Reconciliation of the accounting profit/to the taxable profit

The table below shows the reconciliation of the income tax expense recognised in the consolidated income statements for 2009 and 2008 to the corresponding income tax expense and the average effective tax rate:

	Thousands of euros	
	2009	2008
Profit before tax (1)	**1,362,490**	**883,185**
Adjustments for:		
Income from equity instruments	*(383,288)*	*(392,503)*
Result of companies accounted for using the equity method	*(839,049)*	*(711,421)*
Losses not recognised for tax purposes	-	*6,709*
Taxed profit	**140,153**	**(214,030)**
Gross tax payable (30%)	**(42,046)**	**64,209**
Adjustments to the tax charge:	*12,649*	*110,954*
Investment disposals taxed at higher rate	*(5,830)*	-
Prior years’ tax losses	-	*5,738*
Tax credit for reinvestment of gains (disposal of investments)	*18,594*	*108,510*
Dividend double taxation tax credits	*5,631*	-
Withholdings from foreign dividends and other	*(5,746)*	*(3,294)*
Income tax (2)	**(27,412)**	**190,902**
- *Income tax for the year (revenue/expense)*	*(29,397)*	*175,163*
Effective tax rate	2.16%	-19.83%
- *Adjustment to 2008 and 2007 income tax, respectively*	*1,985*	*15,739*
Profit after tax (1) + (2)	**1,335,078**	**1,074,087**

Changes in deferred taxes

The changes in deferred taxes and their impact on the income statement were as follows:

	Thousands of euros			
	Balance sheet		Income statement	
Deferred tax assets	31/12/09	31/12/08	2009	2008
Deferred tax asset	177,480	72,531	(104,949)	(47,232)
Tax loss carryforwards	14,263	15,303	1,040	(7,578)
Unused tax credits	232,184	49,378	(182,806)	(49,340)
Arising on valuation of available-for-sale financial assets	-	247,858	120,291	(51,327)
Arising on valuation of cash flow hedges	12,389	11,639	(10,560)	757
Adaptation to mortality tables in insurance activities	16,120	19,135	-	-
Gains on disposal of fixed-income securities	27,565	30,496	-	-
Other	-	-	-	11
Total	**480,001**	**446,340**	**(176,984)**	**(154,709)**

	Thousands of euros			
	Balance sheet		Income statement	
Deferred tax liabilities	31/12/09	31/12/08	2009	2008
Tax liabilities resulting from valuation of available-for-sale financial assets	(926,398)	(731,397)	-	-
Elimination of results between companies in the tax group	(8,653)	(8,660)	(7)	(1,404)
SegurCaixa Holding business combination	(98,662)	(109,989)	(11,327)	(11,328)
Other deferred tax liabilities	(61,336)	(50,676)	14,629	(13,792)
Total	**(1,095,049)**	**(900,722)**	**3,295**	**(26,524)**
Net deferred tax liabilities	**(615,048)**	**(454,382)**	**(173,689)**	**(181,233)**

	Thousands of euros	
	2009	2008
Income statement		
Current tax	144,292	356,396
Prior years' tax adjustments	1,985	15,739
Relating to changes in temporary differences	(173,689)	(181,233)
Income tax	**(27,412)**	**190,902**

Subsequent to filing the 2008 consolidated income tax return for the various companies composing the “la Caixa” tax group in July 2009, the tax group was unable to use all the tax credits foreseen by the Parent in that year. As a result, the unused tax credits (see “Changes in Deferred Tax Assets”) at 31 December 2009 had increased significantly with respect to 2008. These tax assets will be offset to the extent that the tax credits are taken in the tax group’s income tax returns.

Tax credit for the reinvestment of extraordinary income

The definitive tax credit for the reinvestment of extraordinary income relating to 2009 and the information corresponding to the reinvestment made will be disclosed in the notes to the 2010 financial statements once the 2009 income tax return has been filed.

The definitive tax credit for the reinvestment of extraordinary income claimed in 2008 by Criteria Group companies amounted to EUR 108,884 thousand since reinvestments were made that qualified for the tax credit on income obtained in 2008 amounting to EUR 545,669 thousand.

Appendix V provides details of the main parameters pursuant to Article 42 of the Consolidated Spanish Corporation Tax Law approved by Legislative Royal Decree 4/2004, of 5 March.

16.3. Transactions qualifying for taxation under the special tax neutrality regime

The transactions in which Criteria CaixaCorp and other Group companies participated that were taxed under the special regime provided for in Chapter VIII of Title VII of the Consolidated Spanish Corporation Tax Law were as follows:

Year	*Description of the transaction*
2009	- Special non-monetary contribution by Criteria CaixaCorp to Segurcaixa Holding, S.A. of shares of Vidacaixa S.A. de Seguros y Reaseguros, carried at EUR 81,594,173.04, for which Criteria CaixaCorp received shares of Segurcaixa Holding carried at the same amount. - Merger by absorption of the investee Caixa Capital Desarrollo, S.A. (Sole-Shareholder Company) into Criteria CaixaCorp. - Merger by absorption of the investee Crisegen Inversiones, S.L. (Sole-Shareholder Company) into Criteria CaixaCorp. As a result of this merger, the ownership interest in Segurcaixa Holding was included in the accounting records of Criteria CaixaCorp at value different to that at which it had been carried at Crisegen. In the accounting records of Crisegen it was carried at EUR 224,358,830.22 and at Criteria CaixaCorp at EUR 909,352,342.70 (which was the cost for which Crisegen was acquired by Criteria CaixaCorp). - Spin-off of the Portaventura, S.A. line of business to Negocio de Finanzas e Inversiones IV as a result of which Criteria CaixaCorp reduced the amount at which it had been carried at Portaventura, S.A. to EUR 58,468,243.40, which is the same value at which it recognised the shares of Negocio de Finanzas e Inversiones IV received.
2008	- Special non-monetary contribution by Criteria CaixaCorp to Port Aventura, S.A. of shares of Hotel Caribe Resort, S.A. carried at EUR 17,130 thousand, for which Criteria CaixaCorp received shares of Port Aventura, S.A. carried at the same amount. - Merger by absorption of la Caixa Gestión de Activos, Sociedad Gestora de Instituciones de Inversión Colectiva, S.A. (Sole-Shareholder Company) into Invercaixa Gestión, Sociedad Gestora de Instituciones de Inversión Colectiva, S.A. (Sole-Shareholder Company). - Merger by absorption of "la Caixa" Gestión de Pensiones, E.G.F.P., S.A.U. into Vidacaixa, Sociedad Anónima de Seguros y Reaseguros.
2007	- Special non-monetary contribution by Criteria CaixaCorp to Negocio de Finanzas e Inversiones I, S.L. of shares of Atlantia, S.p.A., Banco Comercial Portugués S.A. and Boursorama, S.A. with a carrying amount of EUR 297,940 thousand. As consideration for the non-monetary contribution, the Company's capital was increased by EUR 100,000 thousand, and the remaining value of the contribution was allocated to share premium. - Special non-monetary contribution by Criteria CaixaCorp to Holret, S.A. of shares of Hodefi, S.A.S. with a carrying amount of EUR 258,639 thousand, equal to the carrying amount of Hodefi's ownership interest in Criteria CaixaCorp.
2005	- Merger by absorption of Grand P. Comercial, S.A., G.P. Resort, S.A. and USPA Hotel Ventures I, S.A. into Port Aventura, S.A.
2004	- Special non-monetary contribution by Criteria CaixaCorp to Caixa Barcelona Seguros de Vida, S.A. de Seguros y Reaseguros of shares of Inmobiliaria Colonial, S.A. with a carrying amount of EUR 175,618 thousand, for which Criteria CaixaCorp received shares of Caixa Barcelona Seguros de Vida, S.A. de Seguros y Reaseguros, which were recognised for the same amount. - Special non-monetary contribution by Criteria CaixaCorp to Repinves, S.A. of shares of Repsol YPF, S.A. with a carrying amount of EUR 206,272 thousand, for which Criteria CaixaCorp received shares of Repinves, S.A. which were recognised for the same carrying amount. - Merger by absorption of Swiss Life (España), S.A. de Seguros, Sole-Shareholder Company into VidaCaixa, S.A. de Seguros y Reaseguros. - Merger by absorption of Molina 6 Inversiones y Valores, S.A. Sole-Shareholder Company into InverCaixa Valores, S.V., S.A.

2002	- Merger by absorption of Corporació de Participacions Estrangeres, S.L. into Criteria CaixaCorp. The merger balance sheet of the absorbed company at 31 December 2001 is presented in the financial statements of Criteria, S.A. for 2002. - Merger by absorption of BuildingCenter, S.A. into Prominmo, S.A. - Special non-monetary contribution by Caixa de Barcelona Seguros de Vida, S.A. de Seguros y Reaseguros and the Godia Group to Inversiones Autopistas, S.L. of 7% of ACESA and 23.41% of Iberpistas, respectively. The carrying amounts of the securities at the contributor companies totalled EUR 143,152 thousand and they were recognised for EUR 176,635 thousand at Inversiones Autopistas, S.L.
2001	- Special non-monetary contribution by Criteria CaixaCorp to InverCaixa Holding, S.A. as part of a share exchange whereby Criteria CaixaCorp received 1,000,000 shares of InverCaixa Holding, S.A., which it recognised for EUR 28,268 thousand, and contributed 3,119 shares of GesCaixa I, S.A., S.G.I.I.C., which were recognised for the same amount. - Special non-monetary contribution by Criteria CaixaCorp to e-"la Caixa", S.A. involving an exchange of shares whereby Criteria CaixaCorp received 90,000 shares of e-"la Caixa", S.A., which it recognised for EUR 10,515 thousand, and contributed 2,006,699 shares of Caixa On Line Services, S.A., which were recognised for the same amount. - Special non-monetary contribution by Criteria CaixaCorp to Banco Sabadell, S.A. involving an exchange of shares whereby Criteria CaixaCorp received 26,228,928 shares of Banco Sabadell, S.A., which it recognised for EUR 310,486 thousand, and contributed 7,609,295 shares of Banco Herrero, S.A., which were recognised for the same amount. - Special non-monetary contribution by Criteria CaixaCorp to Hotel Caribe Resort, S.L. (formerly Hotel Occidental Salou, S.L.) whereby Criteria CaixaCorp received shares of Hotel Caribe Resort, S.L., which it recognised for EUR 7,513 thousand, and contributed buildable land measured at the same amount.
2000	- Special non-monetary contribution by Criteria CaixaCorp to Caixa de Barcelona Seguros de Vida, S.A. de Seguros y Reaseguros. "la Caixa" received shares of Caixa de Barcelona Seguros de Vida, S.A. de Seguros y Reaseguros carried at EUR 61,982 thousand, and contributed shares to Telefónica, S.A. carried at the same amount. - Special non-monetary contribution by "la Caixa" to Corporació de Participacions Estrangeres, S.L. whereby "la Caixa" received shares of Corporació de Participacions Estrangeres, S.L., which it recognised for EUR 6,190 thousand, and contributed shares of BPI S.G.P.S., S.A., which were recognised for the same amount. - Special non-monetary contribution and exchange of shares of "la Caixa" with Criteria CaixaCorp, S.A. whereby "la Caixa" received shares of Criteria CaixaCorp, S.A., which it recognised for EUR 8,236,330 thousand, and contributed shares of various companies, which were recognised for the same amount.

16.4. Years open for review by the tax authorities

Under current legislation, tax returns may not be considered to be final until they have been reviewed by the tax authorities or until the statute of limitations period has expired. The last four years since the close of the statutory filing period are open for review by the tax authorities.

The tax group to which Criteria CaixaCorp and certain of its subsidiaries belong was audited by the tax authorities in 2005 for the period from 2000 to 2003 in relation to the main taxes applicable to it. The tax audit was completed in 2007 and the tax assessments issued against the tax group companies were scantly material.

At 31 December 2009, the tax group to which Criteria CaixaCorp and certain of its subsidiaries belong was being audited by the tax authorities for 2004, 2005 and 2006 in relation to the main taxes applicable to it. No additional material tax liabilities are expected to arise other than those disclosed in the Note on "Other Provisions".

17. Income and expenses

The details of the main line items in the consolidated income statement are as follows:

17.1. Revenue

The detail of the main headings in the consolidated income statement is as follows.2009 and 2008 is as follows:

	Thousands of euros	
Revenue	2009	2008
Income from the insurance activity	*4,272,388*	*3,197,348*
Insurance and reinsurance premiums collected	3,296,984	2,036,888
Asset management fees received	114,164	111,265
Insurance activity finance income	861,240	1,049,195
Income from the financial activity	*255,154*	*252,704*
Finance income from loans secured by other collateral	2,775	2,471
Finance income from unsecured loans	64,923	65,927
Income from finance leases	22,970	20,498
Asset management fees received	142,099	142,899
Other income	22,387	20,909
Other income	*158,117*	*161,614*
Total	**4,685,659**	**3,611,666**

Income from the insurance activity

The Group's insurance business is basically carried on through VidaCaixa, a company specialising in life insurance and pension plan management, and SegurCaixa, which specialises in non-life insurance and, more specifically, in homeowners´ and homeowner associations' insurance, and construction, accident and vehicle insurance.

The growth in the earnings of the insurance activity with respect to the same period in 2008 is due mainly to the excellent performance of the savings insurance business. Insurance activity revenue increased by EUR 1,075,040 thousand (34%) due to the upturn in the activity of the various branches of insurance in which the Group operates, basically as a result of the increase in health and savings insurance premiums.

Other income

This heading includes the income from operating leases (financial services segment) amounting to EUR 140 million (2008: EUR 140 million).

17.2. Income from equity instruments

The breakdown of “Income from Equity Investments” in the accompanying consolidated income statements for 2009 and 2008 is as follows:

	Thousands of euros	
Company	2009	2008
Telefónica, S.A.	212,195	203,418
Repsol YPF, S.A.	147,037	158,646
Erste Group Bank, AG	10,097	2,127
Bolsas y Mercados Españoles, S.A.	8,321	10,139
The Bank of East Asia, Ltd	4,912	17,360
Other	726	813
Total	**383,288**	**392,503**

17.3. Gains (Losses) on financial assets and liabilities

The gains in 2009 recognised under this heading relate mainly to the sale of 1% of the investment in Telefónica (47,050,000 shares) discussed in the Note on "Financial Assets".

17.4. Operating expenses

The detail, by business line, of "Operating Expenses" in the accompanying consolidated income statements for 2009 and 2008 is as follows:

	Thousands of euros	
Operating expenses	2009	2008
Expenses of the insurance activity	*3,859,134*	*2,817,084*
Reinsurance premiums paid	27,032	18,538
Claims paid and other insurance-related expenses	2,530,688	2,287,948
Net provisions for insurance contract liabilities	1,083,041	228,525
Asset management fees paid and other related items	152,620	138,343
Finance costs of the insurance activity	65,753	143,730
Expenses of the financial services activity	*112,574*	*145,954*
Asset management fees paid and other related items	87,906	94,630
Finance costs	24,668	51,324
Procurements	*2,051*	*1,490*
Total	**3,973,759**	**2,964,528**

17.5. Staff costs

The detail of "Staff Costs" in the accompanying consolidated income statements for 2009 and 2008 is as follows:

	Thousands of euros	
	2009	2008
Wages and salaries	79,845	72,902
Social security costs	16,163	15,580
Termination benefits	399	563
Other staff costs	7,478	5,401
Total	**103,885**	**94,446**

In 2009 and 2008 the average number of employees at the Group companies, by professional category, was as follows:

	2009			2008		
Category	Men	Women	Total	Men	Women	Total
Senior and middle management	181	91	272	155	62	217
Clerical staff	521	915	1,436	491	915	1,406
Assistants	13	42	55	1	1	2
Temporary employees	18	37	55	4	9	13
Total	733	1,085	1,818	651	987	1,638

17.6. Depreciation and amortisation charge

The detail of "Depreciation and Amortisation Charge" is as follows:

	Thousands of euros	
	2009	2008
Intangible assets	45,999	42,847
Property, plant and equipment	109,622	113,118
Total	**155,621**	**155,965**

17.7. Net impairment losses

The detail of "Impairment Losses Recognised/Reversed" in the accompanying consolidated income statements for 2009 and 2008 is as follows:

		Thousands of euros					
		2009			2008		
		Reversals	Losses	**Net**	Reversals	Losses	**Net**
Intangible assets	Note 4	-	-	**-**	-	(2,964)	**(2,964)**
Property, plant and equipment	Note 5	-	(31,631)	**(31,631)**	-	-	-
Investments in associates	Note 7	-	(168,888)	**(168,888)**	-	-	-
Available-for-sale financial assets	Note 8	-	(2,844)	**(2,844)**	-	(176,743)	**(176,743)**
Loans and receivables	Note 8	14,336	(137,773)	**(123,437)**	18,390	(87,250)	**(68,860)**
Other		441	(2,424)	**(1,983)**	-	(770)	**(770)**
Total		14,777	(343,560)	**(328,783)**	18,390	(267,727)	**(249,337)**

17.8. Other operating expenses

The detail of "Other Operating Expenses" in 2009 and 2008 is as follows:

	Thousands of euros	
	2009	2008
IT and communications costs	32,245	31,820
Advertising and publicity	25,616	26,676
Technical reports, professional services and legal expenses	20,795	12,381
Rentals	8,763	7,298
Managing and control bodies	6,592	6,005
Non-current asset maintenance costs	5,062	4,043
Commercial expenses	3,917	5,025
Utilities and office equipment	3,414	2,818
Insurance	1,693	835
Third-party licences and fees	1,646	1,771
External recovery services	1,306	2,395
Taxes other than income tax	931	2,643
Security and transfer of funds	806	208
Other	15,235	23,514
Total	**128,021**	**127,432**

The fees and expenses relating to the audit of the separate and consolidated financial statements of the Group companies in 2009 amounted to EUR 1,076 thousand (2008: EUR 1,157 thousand), of which EUR 874 thousand (2008: EUR 983 thousand) were billed by Deloitte, S.L. and other firms in its group or related to it.

The other financial audit-related services amounted to EUR 79 thousand in 2009 (2008: EUR 122 thousand), of which EUR 63 thousand (2008: EUR 99 thousand) were billed by Deloitte, S.L. and other firms in its group or related to it.

Also, the fees and expenses paid in 2009 for other services provided by the auditors amounted to EUR 533 thousand at 31 December 2009 (2008: EUR 3,535 thousand), of which EUR 162 thousand (2008: EUR 399 thousand) were billed by Deloitte, S.L. and other firms in its group or related to it.

17.9. Other gains and losses

The detail of "Other Gains" and "Other Losses" in the 2009 and 2008 consolidated income statements is as follows:

	Thousands of euros					
	2009			2008		
	Gains	Losses	**Net**	Gains	Losses	**Net**
Disposal of property, plant and equipment	1,543	(22,298)	**(20,755)**	5,445	(4,216)	**1,229**
Disposal of investments	378	-	**378**	-	(1,353)	**(1,353)**
Other	3,913	(3,191)	**722**	5,472	(5,010)	**462**
Total	5,834	(25,489)	**(19,655)**	10,917	(10,579)	**338**

18. Discontinued operations

As detailed in Note 2.5 on “Changes in the Scope of Consolidation”, in December the transaction to sell 50% of the business to operate the Port Aventura theme park, the aquatic park and the Caribe Resort and Port Aventura hotels was completed, and this business line began to be jointly controlled. Until the date of the transaction these assets constituted a cash-generating unit and represented substantially all the revenue and expenses of the segment defined as “Other Unlisted Service Companies” in the 2008 financial statements.

In order to enable the Group’s financial information to be adequately compared and understood in subsequent years, these results are presented in 2009 and 2008 under “Profit from Discontinued Operations” in the consolidated income statement. The detail of the results presented under this heading in 2009 and 2008 is as follows:

	Thousands of euros	
	2009 (11 months)	2008
Revenue	137,218	163,285
Operating expenses	(19,004)	(21,111)
Gross margin	**118,214**	**142,174**
Staff costs	(40,388)	(46,367)
Depreciation and amortisation charge	(14,935)	(17,798)
Other operating expenses	(46,223)	(56,153)
Financial profit	(5,133)	(8,416)
PROFIT BEFORE TAX	**11,535**	**13,440**
Income tax	(3,460)	(4,032)
PROFIT FROM DISCONTINUED OPERATIONS	**8,075**	**9,408**

The net assets and liabilities involved in this transaction are as follows:

	Thousands of euros
ASSETS	**321,705**
Non-current assets	**286,406**
Intangible assets	1,287
Property, plant and equipment	278,242
Other non-current assets	6,877
Current assets	**35,299**
Inventories	8,944
Other current assets	26,355
LIABILITIES	**247,026**
Non-current liabilities	**57,414**
Bank borrowings	57,132
Other non-current liabilities	282
Current liabilities	**189,612**
Bank borrowings	161,870
Trade payables	13,797
Other current liabilities	13,945
TOTAL NET VALUE	**74,679**

The net cash flows generated / (used) arising from the discontinued operation that are affected by this transaction are as follows:

	Thousands of euros	
	2009 (11 months)	2008
Cash flows from operating activities	11,984	9,678
Cash flows used in investing activities	87,710	78,010
Cash flows from financing activities	(76,243)	(89,045)
CASH FLOWS GENERATED / (USED)	**23,451**	**(1,357)**

19. Notes to the consolidated statements of cash flows

At 31 December 2009, cash and cash equivalents had decreased by EUR 1,189 million with respect to 2008. This change was due mainly to the investments made in the year, amounting to EUR 4,109 million, which were partially offset by the cash flows generated by operating activities (EUR 1,107 million) and the financing obtained in the year (EUR 1,813 million).

Cash flows from operating activities

The main disclosures relating to operating activities are as follows:

	Thousands of euros	
Adjustments for	**2009**	**2008**
Depreciation and amortisation charge	155,621	173,763
Impairment losses recognised (+)/reversed (-)	328,783	249,337
Change in provisions (+/-)	20,579	84,418
Net provisions for insurance contract liabilities (+)	1,037,078	(57,524)
Gains/Losses on disposal of property, plant and equipment (+/-)	20,755	(1,229)
Net gains/losses on disposal of investments (+/-)	(378)	-
Net gains/losses on financial transactions (+/-)	(362,894)	7,044
Result of companies accounted for using the equity method	(839,049)	(711,421)
Income from equity instruments (-)	(383,288)	(392,503)
Finance income (-)	(6,679)	(90,975)
Finance costs (+)	181,965	249,835
Total	**152,493**	**(489,255)**

Changes in working capital	Thousands of euros 2009	2008
Tax receivables and payables	(24,870)	59,485
Other current assets	178,275	22,664
Other current liabilities	(73,766)	(22,031)
Financial assets	-	4,421
Inventories	8,236	(911)
Total	**87,875**	**63,628**

The cash flows recognised under “Other Operating Assets and Liabilities” in the accompanying consolidated statement of cash flows relate mainly to deposits associated with financial derivative contracts amounting to EUR 239 million.

Cash flows used in investing activities

The investments in “Subsidiaries, Joint Ventures and Associates” amounting to EUR 1,323 million relate mainly to the capital increase at Gas Natural subscribed by Criteria CaixaCorp for EUR 1,313 million, which was settled in cash.

The investments in “Available-for-Sale Financial Assets” relate to the payment for the investments made in listed shares (Telefónica and Erste Group Bank AG) and investments in the fixed-income securities of the insurance companies (net investments of EUR 2,116 million). The detail is as follows:

Investments	**Note**	**Thousands of euros**
Equity instruments		
Purchases and capital increases	8.1	1,340,662
Investments in debt instruments	*8.1*	9,081,413
Investments in available-for-sale financial assets		**10,422,075**

Divestments	**Note**	**Thousands of euros**
Equity instruments	*8.1*	(775,775)
Investments in debt instruments	*8.1*	(7,530,590)
Sales of available-for-sale financial assets		**(8,306,365)**

All the investments and divestments in the year were paid and collected in cash.

Cash flows from financing activities

Most of the financing obtained in the year was through: the use of the credit facility of Criteria CaixaCorp amounting to EUR 3,547 million; loans granted by “la Caixa” to the Parent amounting to EUR 2,000 million; and the issue of debt instruments (see Note on “Note on Financial Liabilities at Amortised Cost”) amounting to EUR 1,000 million.

Also, EUR 1,147 million were obtained through fixed-income asset repurchase agreements.

20. Fair value of financial instruments

The detail of the fair value of the financial instruments at 31 December 2009 and 2008 recognised in the consolidated balance sheet is as follows:

	Millions of euros			
	2009		2008	
	Carrying amount	Fair value	Carrying amount	Fair value
ASSETS				
Available-for-sale financial assets				
- Debt instruments	18,394	18,394	16,781	16,781
- Equity instruments	7,594	7,594	6,690	6,690
Loans and receivables	1,450	1,486	1,668	1,703
Short-term bank deposits	6,362	6,362	4,525	4,525
Other financial assets	449	449	718	718
Cash and cash equivalents	354	354	1,543	1,543
Total	**34,603**	**34,639**	**31,925**	**31,960**
LIABILITIES				
Non-current liabilities at amortised cost	8,789	8,801	7,765	7,765
Derivatives	271	271	41	41
Repurchase agreements	5,715	5,715	4,793	4,793
Other financial liabilities	678	678	587	587
Total	**15,453**	**15,465**	**13,186**	**13,186**

The fair value of financial instruments measured using their carrying amount was calculated as follows:

- Since cash and cash equivalents and certain current financial assets such as short-term deposits are liquid instruments or mature within twelve months, their fair value approximates their carrying amount.

- The fair value of the loans and receivables and financial liabilities at amortised cost was estimated by discounting the expected cash flows using a market interest rate at each year-end or similar methods with the following particularities:

  - Pursuant to the policy adopted of hedging interest rates, for loans and receivables -generated substantially in full by the Groups financial services activity- the difference between fair value and carrying amount is hedged by interest rate derivatives or through loan agreements arranged at fixed interest rates.

  - Most borrowings are arranged with the majority shareholder at floating interest rates (see Note on “Financial Liabilities at Amortised Cost”) tied to market rates and, therefore, the carrying amount and fair value thereof are similar at year-end.

The table below shows the main financial instruments recognised at fair value at 31 December 2009 and 2008 broken down by the method used to estimate their fair value:

	Millions of euros					
	31/12/09			31/12/08		
Financial instruments	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
ASSETS						
Available-for-sale financial assets						
- Debt instruments	9,970	8,225	-	9,736	7,045	-
- Equity instruments	7,594	-	-	6,680	-	10
Other financial assets	-	186	-	-	168	-
LIABILITIES						
Derivatives	-	271	-	-	41	-

21. Risk management policy

The principal risks to which the Group is exposed are extensively discussed in this Note to the financial statements for 2008 and in the annual corporate governance report published at www.criteria.com. Following is a list of the risks that might affect the economic profitability of the Group's activities, its financial solvency, compliance with the various applicable laws and its corporate reputation:

- Market risk. This includes the value of the ownership interests in other companies, classified as available-for-sale financial assets, and changes in interest rates and foreign exchange rates.

- Liquidity risk. This relates mainly to the lack of liquidity of certain of its investments or needs arising from their commitments or investment plans.

- Credit risk. Arising when counterparties fail to meet their payment obligations and the possible losses as a result of changes in their credit quality. Conceptually, this type of risk includes investments in the portfolio of jointly controlled entities and associates.

- Insurance business risks. Relating to the mathematical or the underwriting risk. Exhaustive control is exercised over technical-actuarial risks.

- Country risk, which consists of the possibility of assets becoming impaired or of a decrease in funds generated or transferred to the Parent as a result of political, economic and social instability in the countries in which investments are held.

- Operational risk. Relating to errors in the implementation and execution of operations.

In this connection, the Board of Directors carries out supervisory functions in relation to the performance of the investees and periodically monitors the control and risk management systems in place, both directly and through the Audit and Control Committee.

Management's priority is to identify the main risks in terms of the most significant businesses and apply policies with high degree of decentralisation in view of the wide variety of businesses and their high level of specialisation.

Various methods and tools are used to measure and monitor the risks:

- For investments not classified as available for sale, and for investments classified as available for sale but intended to be held on a long-term basis the most significant risk is default risk and, therefore, the PD/LGD approach is used.

- For other holdings classified as available for sale, the most significant risk is market risk and, therefore, the market (VaR) approach is used.

These methods and tools make it possible to adequately assess and measure the Group's exposure to the risk and, as a result, take the decisions required to minimise the impact of these risks with a view to making the following more stable:

- Cash flows, to facilitate financial planning and to be able to take appropriate investment or divestment decisions.

- The income statement, with the aim of promoting medium- and long-term stability and growth.

- The value of equity, in order to safeguard the value of the investment made by the shareholders.

A detail of the main risks and of the policies adopted to minimise their impact on the Group's financial statements is as follows.

21.1. Market risk

This refers to the risk that the value of a financial instrument may vary as a result of changes in the price of shares, interest rates or foreign exchange rates. Possible consequences of these risks are decreases in equity and losses arising due to changes in market prices and/or for the losses on the positions composing the investment portfolio, rather than the trading portfolio, at medium to long term.

Price risk

At 31 December 2009 and 2008, substantially all the Group's investments in equity instruments related to listed securities. Consequently, the Group is exposed to the market risk generally associated with the listed companies whose shares fluctuate in price and trading volume due to factors beyond the Group's control.

In 2008 and until the beginning of 2009 the crisis on the financial and stock markets led to a marked decrease in the market's valuation of the investment portfolio, whereby its market value was lower than its acquisition cost when certain of these investments are considered on a case-by-case basis. During 2009, as a result of the stabilisation and improvement of the principal economic indicators, the valuations recovered significantly. As a result of this recovery, the market value of these investments amounted to EUR 7,594 million at 31 December 2009 (EUR 6,150 million at 31 December 2008, considering the same portfolio) unrealised gains before tax of EUR 3,055 million (31 December 2008: EUR 1,965 million).

The Group has specialised teams which continually monitor investee transactions, more or less in accordance with the Group's level of influence in them, using a combination of indicators which are updated periodically. Also, in conjunction with the Strategic Risk Management Division of "la Caixa", investment risk measurements are taken, both from the standpoint of the risk inherent in market price volatility, using VaR (Value at Risk) models on the risk-free interest rate yield spread as proposed for banks by the New Basel Capital Accord (NBCA), and from the point of view of the possibility of default, applying models based on the Probability of Default and Loss Given Default ("PD" and "LGD") approaches, also in accordance with the provisions of the NBCA.

Management monitors these indicators on an individualised basis to be able to take at any moment the most appropriate decisions on the basis of the market performance observed and predicted and the Group's strategy.

In relation to risk concentration and as detailed in the Note on "Financial Assets", the available-for-sale equity instruments relate mainly to Telefónica and Repsol, the fair values of which amount to EUR 4,601 million and EUR 2,898 million, which represent approximately 9.4% and 5.9% of consolidated assets. The Group applies an active policy that enables it to mitigate the concentration of risk through the arrangement of hedging instruments. In accordance with the detailed disclosures of the Note on "Derivative Financial Instruments" at 31 December 2009 a hedging instrument was held on 1% of the ownership interest in Telefónica, thereby reducing the concentration of the risk in relation to this asset.

Interest rate risk

Interest rate risk mainly takes the form of a change in (a) the finance charges for debt at a floating rate, and (b) the value of the fixed rate financial assets (mainly loans granted and debt securities). Accordingly, the risk basically arises from financial and insurance activities and Group borrowings. In this regard, in interest rate risk management, the sensitivity of the fair value of the assets and liabilities to changes in the structure of the market rate curve is considered.

Interest rate risk is managed and controlled directly by the management of the companies involved.

The Group's financial services entities are exposed to the interest rate risk arising from their financial assets and fixed-rate credits and loans, acquired in accordance with their activities while borrowing is mostly arranged at a floating rate. The risks associated with these financial assets are measured periodically based on the market conditions at any given time in order to decide whether to arrange new cash flow hedges or to alter the floating rate terms and conditions, for example by arranging loans at fixed rates. The policies adopted enable the Group to mitigate the interest rate risk associated with financial assets at a fixed rate.

The insurance companies are obliged to calculate mathematical provisions based on the maximum interest rate published by the Directorate-General of Insurance. If the actual rate of return on investments is lower, the insurance provision will be calculated using the effective interest rate. When certain investments are assigned to insurance transactions, the interest rate used to calculate the mathematical provisions will be determined using the internal rate of return on the investments.

In 2009 Criteria CaixaCorp refinanced a portion of its borrowings from "la Caixa" through the arrangement therewith of two fixed-interest loans of EUR 1,000 million each maturing at four and seven years. Also, a bond issue amounting to EUR 1,000 million maturing in five years was carried out. These transactions are described in detail in the Note on "Financial Liabilities". Also, the Group's financial services entities arranged fixed-interest loans with "la Caixa", the balance in this connection at 31 December 2009 being EUR 620 million.

Foreign currency risk

The functional currency for most of the assets and liabilities in the Group's consolidated balance sheet is the euro. The main asset items on the consolidated balance sheet are subject to exchange rate fluctuations, the detail being as follows:

Balance sheet heading	Asset	Currency	Millions of euros (1)	Observations
Investments accounted for using the equity method	GF Inbursa	MXN	1,449	
	The Bank of East Asia	HKK	715	In 2010 an investment of EUR 331 million was made
Available-for-sale financial assets - Debt instruments	Fixed income - insurance segment	USD	205	
		GBP	37	Risk hedged with euro-denominated swaps
		JPY	5	

(1) Equivalent euro value at 31 December 2009.

The Company hedges items that affect the income statement. Therefore, it hedges cash flows but not investment positions as they are considered to be very long-term items.

The Group may also be indirectly exposed to foreign currency risk through the foreign currency investments made by the companies accounted for using the equity method due to the major international presence of certain of these companies.

The Group's policies, on the basis of the overall quantification of risk, take into account the advisability of arranging either derivative financial instruments or debt in the same currency or currencies of the economic environment as the assets in which the investment is made.

Sensitivity analysis

The financial variables which could have a significant impact on the Group's profit and equity are as follows:

- Changes in the price of shares of listed companies
- Changes in interest rates

<u>Changes in the price of shares of listed companies</u>

The fluctuations in the price of shares of the investees recognised under "Available-for-Sale Financial Assets" could have a direct effect on equity at the balance sheet date. Indirectly, it could affect profit, but only within the context of an impairment test. An adverse change in the market value of the investments recognised under "Investments Accounted for Using the Equity Method" would not directly affect the value of the investment, although, together with other indicators, it might indicate the need to perform an impairment test.

The impact of a 10% increase or decrease in the market price of the shares representing over 95% of the share portfolio classified under "Available-for-Sale Financial Assets" would give rise to an increase or a decrease in the Group's equity of approximately EUR 466 million in each case under "Valuation Adjustments" at 31 December 2009. In any case, the decrease in equity that would arise in the event of a drop in the market price of the shares is EUR 3,055 million lower than the unrealised gain recognised under "Equity - Valuation Adjustments".

Changes in interest rates

The market interest rate affects the financial profit since most financial liabilities and certain financial assets (basically cash and cash equivalents) are arranged at a floating rate (tied to Euribor). Accordingly, there is considerable exposure to interest rate changes. The effect on profit, based on the instruments indicated at the balance sheet date plus the instruments that might reasonably be expected to be arranged in 2009 in line with the investment commitments existing at year-end, would be as follows:

	Millions of euros
Change	Effect on profit
-0.5%	13
+0.5%	(13)
+1%	(26)

The Group's financial activities also include debt at a floating rate. The related exposure to changes in interest rates is mitigated using swaps (cash flow hedges) and, therefore, would not have a material impact on profit. Additionally, the impact on the insurance activity of a change in interest rates is shown in the sensitivity analyses detailed in the “Insurance Business Risks" section of this Note.

Following is a detail of the analysis of the sensitivity (changes in equity at 31 December 2009) of the fair values of derivatives to changes in the euro interest rate curve (parallel shifts):

	Millions of euros
Change	Effect on equity
-0.5%	(10)
+0.5%	10
+1%	19

21.2. Liquidity risk

Liquidity risk relates to the possibility of a company not being able to meet its payment obligations because it cannot sell a financial instrument sufficiently quickly without incurring significant additional costs. The liquidity risk associated with the possibility of financial investments being converted into cash is of little significance since they are generally listed on deep, active markets.

In its investing activity, the Group takes into account in the management of its liquidity the generation of sustained and significant cash flows by its businesses and investments and the capacity to realise its investments which, in general, are listed on deep, active markets.

In its insurance activity, the Group manages liquidity in such a way that it can always cover any obligations which might arise. This objective is achieved by actively managing liquid assets, through ongoing monitoring, by maturity term, of the balance sheet structure to detect, in advance, the occurrence of inadequate short- and medium-term liquidity structures, whilst adopting a strategy lending stability to financing sources. Within the framework of the cash flow immunisation policy, the investment portfolio is only settled in the event of surrender and of possible changes in credit risk.

In addition, the Group receives, in terms of liquidity, ongoing financing from its significant shareholder ("la Caixa"), without prejudice to the possibility of turning in the future to alternative sources of financing in the capital markets.

The following tables detail the maturities of the financial assets and liabilities of the Group, including those relating to the insurance business, so as to present the liquidity situation at 31 December 2009:

	Maturity (in thousands of euros)			
Type of financing item	Within 3 months	Between 3 and 12 months	1 to 5 years	After 5 years or no set maturity
Assets				
ASSETS				
Available-for-sale financial assets				
- Debt instruments	-	-	-	18,394
- Equity instruments	-	-	-	7,594
Loans and receivables	475	303	588	84
Reinsurance assets	-	-	-	38
Short-term bank deposits	5,534	828	-	-
Cash and cash equivalents	354	-	-	-
Other financial assets	-	-	-	449
Total	**6,363**	**1,131**	**588**	**26,559**
LIABILITIES				
Provisions relating to insurance contracts	-	487	-	17,524
Liabilities at amortised cost	1,391	92	5,975	1,301
Reverse repurchase agreements	4,887	828	-	-
Other financial liabilities	482	-	-	196
Total	**6,760**	**1,407**	**5,975**	**19,021**

The provisions relating to insurance contracts, which relate to mathematical provisions, and the available-for-sale fixed-income financial assets allocated to cover these provisions were presented in the foregoing table at more than five years due to the uncertainty as to the maturities of these types of liabilities. In any case, the maturities of these assets and liabilities have been immunised pursuant to the applicable insurance legislation.

The liabilities at amortised cost maturing in less than twelve months include renewable credit facilities with "la Caixa" amounting to EUR 1,031 million at 31 December 2009 (EUR 1,700 million at 31 December 2008). The Group's financial services companies (Finconsum EFC, S.A. and Caixarenting, S.A.) use these facilities as ongoing financing for their activities and, therefore, they are classified as non-current liabilities in the consolidated balance sheet. It should also be borne in mind that the Parent had unused credit facilities at 31 December 2009 amounting to EUR 1,953 million, as detailed in the Note on "Financial Liabilities at Amortised Cost".

21.3. Credit risk

Credit risk refers to the risk of incurring losses through breach of contractual payment obligations by a debtor or changes in the risk premium relating to the financial solvency of the debtor. The main credit risks relate to the investments in fixed-income securities of the portfolios assigned to the insurance activity and, in the financial activity, through the loans and credits granted to customers. A credit risk also arises from the investment in associates, mainly listed associates, which differs from the risk related to the market value of their shares.

Group credit risk management is controlled by strict internal compliance with the policies defined by management. This procedure defines the asset category suitable for inclusion in the investment portfolio using definition parameters such as the main rating scales, terms, counterparties and concentration. These procedures are of importance in the area of the insurance activity in which most of the fixed-income security investments are made.

The detail of the fixed-income investment portfolio assigned to the insurance activity, by rating, is as follows (millions of euros):

Rating	**31/12/09**	**31/12/08**
AAA	3,886	6,190
AA+	5,049	1,394
AA	577	682
AA-	1,152	1,559
A+	2,959	2,509
A	1,607	1,862
A-	1,818	1,548
BBB+	579	534
BBB	448	131
BBB-	165	50
BB+	24	-
BB	65	43
B	1	30
Not rated	64	40
Total	**18,394**	**16,572**

The Group's financial activity has a credit risk control and monitoring policy consisting of the measurement and control of the current and future risk level using specialised tools (e.g. scoring matrixes, transaction capture rules, recovery management) and the monitoring of the compliance and effectiveness of these tools. The risk is always counterbalanced by the level of transaction acceptance targeted.

The value of investments in jointly controlled entities and associates, EUR 11,969 million, is in principle not subject to the risk of a change in the price of the shares, since their market price does not affect the figures in the consolidated balance sheet or consolidated income statement because of the way investments of this nature are accounted for. The risk for the Group in investments of this nature is associated with the performance of the business of the investee, and the possible bankruptcy thereof, since the market price of the shares is a mere indicator. In general, this risk can be classified as a credit risk. The tools used to measure these risks are models based on the PD/LGD (Probability of Default and Loss Given Default) approach, also as provided for in the New Basel Capital Accord (NBCA).

The “Net Impairment Losses” in the consolidated income statement for the year amounting to EUR 329 million include the estimated losses on various assets of the Group, mainly property, plant and equipment and accounts receivable of the financial services business and valuation adjustments to investments in associates of the banking segment amounting to EUR 155 million and EUR 169 million, respectively. In any case, most of these estimated impairment losses are reversible.

21.4. Insurance business risks

The risks associated with the insurance business within the existing business lines and types of insurance are directly managed by management of the SegurCaixa Holding Group, through the preparation and monitoring of a Mathematical Executive Information System (EIS), for the purpose of keeping the synthetic vision of the mathematical evolution of the products up to date. This EIS defines the following policies:

- **Mathematical risk from Insurance business:**

  a) **Underwriting.** Acceptance of risks on the basis of the main actuarial variables (age, insured sum and duration of the guarantee).

  b) **Rating.** In accordance with the legislation in force of the Directorate-General of Insurance and Pension Funds, the rates for the life business line are determined using the mortality tables allowed under applicable legislation. Additionally, the interest rates applied are those used for rating in accordance with the maximum rate established by the private insurance regulations approved by Royal Decree 2486/1998, of 20 November.

  c) **Reinsurance.** An adequate diversification of risk among several reinsurance companies with sufficient capacity to absorb unexpected losses is established, whereby stability is achieved in terms of claims incurred.

The definition and follow-up of the aforementioned policies enables them to be changed, if required, to adapt risks to the Group's global strategy.

Treatment of claims and the adequacy of the provisions are basic principles of insurance management. Mathematical provisions are estimated using specific procedures and systems.

Sensitivity to insurance risk

The main results of the sensitivity analysis of the calculation of the embedded value for 2008, the most recent information available, are as follows:

Transaction	Millions of euros
Discount rate (1% increase)	(26)
Discount rate (1% decrease)	(34)
Decrease in minimum required capital (150% to 100%)	30
10% decrease in the maintenance costs allocated to policyholders	30
Decline in mortality rate (5%) (1)	35
10% decrease in surrender rate	62

(1) Increase in risk products and decrease in savings products.

In the case of the non-life insurance business, the risk sensitivity measurement may be established on the basis of the impact on results of changes in the combined ratio (incurred loss ratio, expenses as a percentage of net earned premium). Calculation of this ratio establishes that sensitivity to the combined ratio applicable to the non-life segment will be 4.35% (2008: 2.64%) and the impact on profit of a 1% change would amount to EUR 2.2 million (2008: EUR 1.7 million).

- **Concentration of the insurance risk**

There is a high level of risk diversification in the insurance lines offered by the Group in terms of the extremely high number of insureds, the diversification of insurance lines, and the low individual amount of the premiums to be paid per claim. Therefore, management considers that the concentration of insurance risk in the Group's business activities is very low.

- **Claims**

The Group offers different types of life and non-life insurance lines. The information on historical claims is not relevant since the period elapsed between the reporting of a claim and its settlement is very short, less than twelve months in nearly all cases.

21.5. Country risk

The Group’s policy for managing or mitigating country risk consists mainly of monitoring the geographical area in which it makes its investments both before making the investment and periodically after the investments have been made. In addition, country risk is taken into account when deciding on whether to sell investments or spread them over different geographical areas.

21.6. Operational risk

This is defined as the risk of incurring a loss as a result of errors in operating processes. Operational risk relates to any event that might give rise to a loss as a result of inadequate internal processes, human error, the incorrect functioning of information systems and/or external events.

The risk management process covers issues in relation to systems and staff, administrative processes, information security and legal matters. These issues are managed with the purpose of establishing adequate controls to minimise possible losses.

The Parent has policies in place and a Procedures Manual as part of the continuous improvement of its internal control systems and for the purpose of ensuring adequate control of operational risk through controls designed to reduce or eliminate exposure to such risk.

22. Leases

The Group's financial activities include entering into operating and finance leases with its customers. Therefore, the Group acts as the lessor and the following notes detail the disclosures required in order to reflect these activities. The leases entered into by the Group in which it acts as the lessee are scantly material.

The leases relate mainly to the medium- and long-term lease of capital goods and the lease of vehicles where, in addition to use, the lease payment covers services such as registration, insurance, repairs and maintenance.

Operating leases

The minimum lease payments receivable in operating leases are as follows:

	Thousands of euros	
Maturity of minimum lease payments receivable	31/12/09	31/12/08
Within 1 year	174,838	202,520
1 to 5 years	338,478	408,871
After 5 years	106,324	80,786
	619,640	**692,177**

Finance leases

The minimum lease payments receivable in finance leases are as follows:

	Thousands of euros					
	31/12/09			31/12/08		
Transaction	Minimum lease payments receivable	Present value of minimum lease payments receivable	Total gross investment	Minimum lease payments receivable	Present value of minimum lease payments receivable	Total gross investment
Within 1 year	99,769	83,631	99,769	113,927	98,100	113,927
1 to 5 years	248,184	213,489	248,184	184,617	161,129	184,617
After 5 years	68,289	59,859	68,289	52,005	43,321	52,005
Total minimum lease payments receivable	416,242			350,549		
Less:						
Unaccrued interest	(59,263)			(47,999)		
Present value of minimum lease payments receivable	**356,979**	**356,979**	**416,242**	**302,550**	**302,550**	**350,549**

There are no individually significant leases.

23. Contingencies and obligations

The calculation of the risks and contingent obligations at 31 December 2009 and 2008 is as follows:

	Thousands of euros	
Transaction	31/12/09	31/12/08
Contingent liabilities from financial guarantees	6,000	47,131
Contingent obligations:		
Drawable by third parties	402,277	451,623
Total	**408,277**	**498,754**

The resolution of the contingency of EUR 47 million recognised at 31 December 2008 in connection with litigation in France gave rise to a payment of approximately EUR 850 thousand.

The contingent obligations drawable by third parties relate to the undrawn balances on the credit cards issued by the financial services companies in the normal course of the Group's business activities.

24. Business combinations and other acquisitions

There were no business combinations in 2009. The main business combinations in 2008 were the separate acquisitions in June 2008 of the collective investment undertaking management and pension fund management businesses from “la Caixa”, which it had acquired from Morgan Stanley. Towards the end of 2007 the business combination with the SegurCaixa Holding Group acquired from Fortis was effected, the definitive allocation for which was made in 2008. The main disclosures relating to the two business combinations are set forth below:

24.1. Acquisition of the collective investment undertaking management and pension fund management businesses of Morgan Stanley from “la Caixa”

On 31 March 2008, “la Caixa” acquired from the Morgan Stanley Group the private banking business carried on by the latter in Spain. Once the requisite authorisations had been obtained from the competent authorities, “la Caixa” transferred the collective investment undertaking management and pension fund management businesses to the specialised Group entities InverCaixa Gestión and VidaCaixa, respectively. Control was obtained over these businesses in the second quarter, although the acquisition was formalised on 25 June 2008 as follows:

- InverCaixa Gestión acquired all the shares of “la Caixa” Gestión de Activos, SGIIC, S.A. for a final price of EUR 89,676 thousand.

- VidaCaixa acquired all the shares of “la Caixa” Gestión de Fondos de Pensiones EFGP, S.A. for a final price of EUR 21,517 thousand.

Once the combination of the assets managed (collective investment undertakings and pension funds) had been effected, the products and names identified with the “Morgan Stanley” brand became part of the product portfolio of InverCaixa Gestión and VidaCaixa and, where appropriate, the related mergers took place in line with the objectives and synergies expected in the combination process.

The balance sheets included in the two combinations at the date on which control was obtained are as follows:

Transaction	Thousands of euros			
	"la Caixa" Gestión de Activos SGIIC, S.A.		"la Caixa" Gestión de Pensiones EGPF, S.A.	
	Fair value	**Carrying amount**	**Fair value**	**Carrying amount**
Assets acquired:	47,543	31,743	19,705	12,752
Intangible assets	15,800	-	6,953	-
Non-current financial assets	3,478	3,478	680	680
Other non-current investments				
Cash, cash equivalents and other current financial assets	28,031	28,031	12,039	12,039
Other current investments	234	234	33	33
Liabilities assumed:	(4,541)	(4,543)	(1,595)	(1,595)
Non-current liabilities	(88)	(88)	(3)	(3)
Financial liabilities at amortised cost	(3,431)	(3,431)	(1,460)	(1,460)
Other current liabilities	(1,022)	(1,024)	(132)	(132)
Net assets acquired	43,002	27,200	18,110	11,157
Purchase price and related expenses	89,676		21,517	
Goodwill	46,674		3,407	

The difference between the prices paid in the two acquisitions and the carrying amounts of the assets and liabilities of the companies acquired totalled EUR 73 million, and this amount was partially allocated to relations with the collective investment undertaking and pension fund management customer bases acquired by the Group from "la Caixa" within the framework of the joint acquisition of these assets from Morgan Stanley in 2008. Customer relations are regulated and divided through various contracts between relations with "la Caixa" (for third-party funds) and relations with customers (for own investment funds, discretionary portfolios and OEICs).

The value of the intangible assets identified in the combination of the collective investment undertaking management business was calculated on the basis of the present value of the expected future cash flows and certain financial assumptions, including most notably a discount rate of 8.9%, an average period for the decrease in the portfolio of 10.5 years and operating expenses in line with historical levels.

In addition to the business acquired, the customer base existing at the date of the acquisition led to an upgrading of business expectations, including most notably an increase in the customer base. Therefore, the goodwill that arose in these business combinations reflects the expected synergies, which will lead to an increase in income and cost savings that cannot be separately recognised.

The assets of the collective investment undertakings managed (investment funds and OEICs) and of the pension funds managed by the consolidated companies at 2008 year-end, including the portfolios acquired, are detailed in Note 3.11 on "Assets of Collective Investment Undertakings, Pension Funds and Other Assets under Management".

Had the business combination occurred at the beginning of 2008, the effect on the Group's revenue and net profit would have amounted to approximately EUR 24 million and EUR 2 million, respectively.

24.2. Acquisition of the 50% stake in the SegurCaixa Holding Group owned by Fortis

On 11 July 2007, the Group reached a preliminary agreement with the Fortis Group to acquire the latter's ownership interest in the SegurCaixa Holding Group for a total amount of EUR 950 million. The acquisition was completed on 12 November 2007 once the related authorisations had been obtained from the regulatory bodies and the purchase agreement had been formalised. Since that date total control has been exercised over the insurance business.

At 2007 year-end the initial accounting for this business combination was performed on the basis of the information available on the date on which the consolidated financial statements for 2007 were prepared. The process of measuring and determining the fair value of the assets, liabilities and contingent liabilities at fair value at the acquisition date was completed in the second half of 2008.

This gave rise to the recognition of certain intangible assets and goodwill, the allocation being as follows:

	Thousands of euros	
Transaction	**Fair value**	**Carrying amount**
Assets acquired:		
Intangible assets	404,733	342
Financial assets	7,891,694	7,891,694
Other assets	180,582	180,582
Liabilities assumed:		
Provisions for insurance contracts	(6,804,520)	(6,804,520)
Other liabilities	(1,185,904)	(1,064,586)
Net assets acquired	486,585	203,512
Acquisition price	950,000	
Goodwill	463,415	

The intangible assets identified in the combination are shown at the present value of the future flows relating to insurance policies already in force at the date of acquisition, which comprise basically (a) the present value of a group of life insurance line policies and (b) the estimated value of the portfolio of policies of the household insurance line which, based on past experience, it is reasonable to consider will be renewed. These assets are classified as life portfolio and non-life portfolio, respectively, and basically coincide with the companies engaging in the respective insurance lines, as detailed below:

Intangible assets	Measurement (before tax)	Estimated useful life	Assigned CGU	Goodwill allocable to the CGU
Life portfolio (VidaCaixa, S.A. de Seguros y Reaseguros)	323,997	10 years	Life insurance	330,929
Non-life portfolio (SegurCaixa, S.A. de Seguros y Reaseguros)	80,394	15 years	Non-life insurance	132,486
Total	404,391			463,415

The present value was calculated considering the expected future cash flows, the cost of the capital required and using certain actuarial and financial assumptions.

For the life portfolio the most significant financial and actuarial assumptions used in the calculations were Pe M/F 2000 mortality tables and a discount rate of 8.5%. The Market Consistent Embedded Value approach was used on the basis of the figures for 2007, which was verified by an independent expert. A discount rate of 9.5%, a lapse rate and operating expenses based on historical rates were used for the non-life portfolio.

The goodwill arising in the combination reflects the growth potential of the insurance market in Spain, the geographical presence throughout the whole of Spain through the distribution network provided by the "la Caixa" branches, a high market share in certain insurance lines and the training and skills of SegurCaixa Holding Group employees. Based on an analysis by management, the intangible assets identified are not capable of being individually identified and separately recognised.

25. Segment reporting

General information

The Group presents its segment information in accordance with IFRS 8 in order to disclose the information that makes it possible to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

The new standard requires that segment information be prepared and presented in the same way as it is provided to management for making decisions about operating matters. To this end, the components that share the nature of the products and services offered and the nature of the regulatory framework to which they are subject are grouped together. This segmentation coincides, in general terms, with the internal organisation and information habitually used by management in conducting the Group's business.

Therefore, the operating segments defined by the Group are as follows:

- The **insurance segment**, which includes the activity engaged in by the Segurcaixa Holding Group, comprising three operating companies: VidaCaixa (life insurance), SegurCaixa (non-life insurance) and AgenCaixa, S.A. Also, this segment includes the 67% ownership interest in the insurance broker GDS-Correduría, S.L. These companies are considered to be components of the insurance segment. The segment operates in the following lines of insurance through its insurance companies: accident insurance, health insurance, life insurance, travel insurance, funeral insurance, defence costs insurance, fire and environmental insurance, goods in transit insurance, insurance against other loss or damage, sundry loss of profit insurance, third party motor insurance, non-rail land vehicle insurance, motor insurance and pension fund management.

- The **banking segment,** which includes mainly the activities relating to the investments in GF Inbursa, Banco BPI, S.A., Boursorama, S.A., The Bank of East Asia, Ltd. and Erste Group Bank AG.

- The **specialised financial services segment,** which encompasses the activities carried on by the investees Finconsum, EFC, S.A. (consumer credit and other financial services), CaixaRenting, S.A. (capital goods and vehicle operating and finance lease services), InverCaixa Gestión SGIIC, S.A.U. (collective investment undertaking manager) and GestiCaixa SGFT, S.A. ("la Caixa" securitisation fund manager).

- The **listed utilities segment**, which encompasses the ownership interests in listed companies, including activities in the energy industry (Gas Natural, Repsol-YPF), infrastructure (Abertis) and other utilities (Agbar, Telefónica and Bolsa y Mercados Españoles).

The information included in the column **"Other Non-Allocable"** in the accompanying segment information consists of the income, expenses and assets not allocable to any of the aforementioned segments and makes it possible to reconcile the information with the amounts presented in the consolidated financial statements. The finance costs included in this category correspond substantially in full to the finance costs of the Parent. Also, this segment includes the discontinued operations in 2009 of Port Aventura Entertainment, S.A. (see Note 2.5 on "Changes in the Scope of Consolidation"), as well as those of Mediterranea Beach & Golf Resort, SA.

Information on the profit or loss and assets of the operating segments

The procedure used to obtain the segment income, expenses and assets was to detail the contribution of the companies allocated to each segment, after eliminations and adjustments on consolidation. Also, each segment was allocated the amounts from the holding companies and the Parent that are reasonably attributable thereto.

The goodwill and other intangible assets arising in the business combinations were allocated to the related segments. Also, the gains arising from the recognition of available-for-sale financial assets at fair value were allocated to the related segments.

In 2009 there were no significant transactions between the Group's various segments and there were no material inter-segment balances at 31 December 2009, except for the dividend income and balances eliminated on consolidation.

In order to permit comparison of the segment information for 2009, which, as specified in the Note on "Comparative Information", has been brought into line with the new legislation, the segment information for 2008 was restated. Although for the purpose of classifying components among the segments there were no changes, there were changes in the detail of the information presented in order to adapt it to the data and information handled by management in conducting the business of the Group.

The segmented information for 2009 and 2008 is as follows:

Segment information for 2009

Transaction	Insurance	Financial services	Banking	Listed utilities	Other non-allocable	Total Group
			Thousands of euros			
Income and expenses:						
Revenue	4,267,084	403,220	-	-	15,355	4,685,659
Income from equity instruments	-	93	15,641	367,554	-	383,288
Result of companies accounted for using the equity method	-	-	153,759	685,290	-	839,049
Depreciation and amortisation charge (*)	(39,894)	(109,243)	-	-	(6,484)	(155,621)
Net impairment losses (*)	-	(157,070)	(171,732)	-	19	(328,783)
Other non-monetary items (*)	(4,600)	(16,913)	-	-	934	(20,579)
Gains (Losses) on financial assets and liabilities	-	-	2,237	360,657	-	362,894
Finance costs	(1,459)	(47,506)	(103)	-	(135,708)	(184,776)
Finance income	564	459	125	9	5,522	6,679
Income tax	(76,904)	43,562	48,818	(95,263)	52,375	(27,412)
Consolidated profit for the year	187,865	(100,487)	48,678	1,318,204	(119,182)	1,335,078
Assets:						
Available-for-sale financial assets – Other equity instruments	-	-	-	688,812[1]	1	688,813
Investments in associates and joint ventures	-	-	661,886	1,312,924	-	1,974,810
Total assets	26,123,706	2,073,311	4,384,674	15,357,127	1,166,776	49,105,594

Segment information for 2008

Transaction	Insurance	Financial services	Banking	Listed utilities	Other non-allocable	Total Group
			Thousands of euros			
Income and expenses:						
Revenue	3,192,237	398,889	-	-	20,540	3,611,666
Income from equity instruments	-	-	20,009	372,203	291	392,503
Result of companies accounted for using the equity method	-	-	60,402	651,019	-	711,421
Depreciation and amortisation charge (*)	(39,603)	(110,540)	-	-	(5,822)	(155,965)
Net impairment losses (*)	-	(71,233)	(94,134)	(82,609)	(1,361)	(249,337)
Other non-monetary items (*)	-	(3,306)	-	-	(81,112)	(84,418)
Gains (Losses) on financial assets and liabilities	-	-	(4,421)	(2,628)	5	(7,044)
Finance costs	(15)	(32,324)	-	(7,255)	(201,825)	(241,419)
Finance income	2,010	6,363	1,200	339	81,934	91,846
Income tax	(72,355)	13,913	23,869	24,776	200,699	190,902
Consolidated profit for the year	169,533	(28,151)	6,822	931,388	(5,505)	1,074,087
Assets:						
Goodwill and other intangible assets	10,360	62,474	-	-	-	72,834
Available-for-sale financial assets – Other equity instruments	-	-	695,858	378,518	111	1,074,487
Investments in associates and joint ventures	-	-	1,798,683	1,481,788	-	3,280,471
Total assets	23,735,041	2,268,292	3,299,767	12,529,746	1,668,645	43,501,491

(*) Not involving cash outflows or inflows.

[1] This includes the investment made in Erste Group Bank in 2009 since at 31 December 2009 it was accounted for using the equity method.

Insurance segment

The increase in the contribution of the insurance segment to Group profit in 2009 (EUR 188 million) with respect to 2008 (EUR 170 million) was due mainly to the excellent performance of the savings insurance business as discussed in the Note on "Income and Expenses".

Financial services segment

The main factor that led to the worsening of the result of the financial segment -the losses of which increased from EUR 28 million to EUR 100 million- was the increase in the period provisions for non-performing loans based on the unfavourable expectations of recovering the loans granted and the actual non-payments arising in the year.

Banking segment

The increase of EUR 42 million in the contribution of the banking segment to consolidated profit was due to two factors. Firstly, the inclusion of 12 months of profit contributed by GF Inbursa in 2009, whereas in 2008 only three months were included because the acquisition was performed in the third quarter of 2008 (see Note on "Investments in Companies Accounted for Using the Equity Method") and, second, with the opposite effect, the impairment on assets recognised in the year which were EUR 78 million higher than in 2008.

Listed utilities segment

The increase in the profit in 2009 (EUR 1,318 million) with respect to 2008 (EUR 931 million) was due primarily to the sale of 1% of the investment in Telefónica (see Note on "Gains/Losses on Financial Assets and Liabilities").

Information on geographical areas

In 2008 and 2009 all the Group's revenue was generated in the country of origin, i.e. Spain. Of the non-current assets (without taking into account financial instruments or deferred tax assets), EUR 9,358 million are located in Spain or relate to investments in companies whose registered office is in Spain (2008: EUR 8,495 million), while EUR 4,527 million (2008: EUR 2,321 million) relate to investments in companies whose registered office is located abroad, which in 2009 meant Austria, Mexico, Hong Kong, Portugal and France.

26. Related party disclosures

Transactions between Criteria CaixaCorp and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this Note. In all cases, All the transactions were carried out in the ordinary course of business on an arm's length basis. The transactions with its most significant shareholders, members of the Board of Directors and senior executives are provided below.

26.1. Significant shareholders

"Significant shareholders" means the shareholders with the right to propose a director or who have an ownership interest in the Parent of more than 3%.

Since the admission to listing on 10 October 2007, per the information available, "la Caixa" has been the only significant shareholder. At 31 December 2009, the ownership interest of "la Caixa" in Criteria CaixaCorp was 79.45%.

26.1.1. Description of relations with "la Caixa"

In view of the nature of the business activities carried on by the Parent's main shareholder, the fact that the Parent belongs to the group of companies controlled by "la Caixa" and the complementary nature of the business activities carried on by the Criteria CaixaCorp Group and the "la Caixa" Group (e.g. in the area of bancassurance), a large number of transactions took place with related parties in the period covered by the historical financial information and it is foreseeable that they will continue to take place in the future.

All transactions with related parties, as defined in Ministry of Economy and Finance Order EHA/3050/2004, of 15 September, performed in 2009 and 2008 were carried out in the course of the Company's ordinary activities and were performed on an arm's length basis.

In order to strengthen the Group's transparency, autonomy and good governance and to reduce and regulate conflicts of interest, Criteria CaixaCorp and "la Caixa" signed an internal protocol governing relations between Criteria CaixaCorp and "la Caixa" ("the Protocol") on 19 September 2007. This Protocol addresses:

- The definition of the main areas of activity of Criteria CaixaCorp and the subsidiaries;
- The establishment of general criteria for the performance of operations or the provision of intra-Group services on an arm's length basis; and
- The establishment of mechanisms to achieve the flow of information between "la Caixa", Criteria CaixaCorp and the other subsidiaries of the "la Caixa" Group required for internal management of the Group and to fulfil obligations to the related regulators.

Under the terms of the Protocol, which is available to the general public at www.criteria.com, any new intra-Group service or transaction will always be on a contractual basis and must comply with the general principles established therein.

26.1.2. Detail of balances and transactions with "la Caixa"

All the transactions with "la Caixa" are carried out in the ordinary course of business and on an arm's length basis.

The detail of the Group's most significant balances with "la Caixa" as a related party and of the net changes therein in 2009 is as follows:

	Thousands of euros		
Balances and transactions of Criteria CaixaCorp and subsidiaries with "la Caixa"	Balances at 31/12/08	Net change	Balances at 31/12/09
ASSETS			
Loans and receivables	4,417,287	1,723,135	6,140,422
Available-for-sale financial assets (debt)	440,372	346,035	786,407
Cash and cash equivalents	1,329,447	(1,024,384)	305,063
Other assets	17,720	(12,920)	4,800
Total	**6,204,826**	**1,031,866**	**7,236,692**
LIABILITIES			
Bank borrowings	12,233,017	1,010,715	13,243,732
Other liabilities	122,913	(21,142)	101,771
Total	**12,355,930**	**989,573**	**13,345,503**

Balances and transactions of Criteria CaixaCorp and subsidiaries with "la Caixa"	Balances at 31/12/07	Net change	Balances at 31/12/08
	Thousands of euros		
ASSETS			
Loans and receivables	2,091,470	2,325,817	4,417,287
Available-for-sale financial assets	261,790	178,582	440,372
Cash and cash equivalents	1,133,075	196,372	1,329,447
Other assets	38,641	(20,921)	17,720
Total	**3,524,976**	**2,679,850**	**6,204,826**
LIABILITIES			
Bank borrowings	5,596,753	6,636,264	12,233,017
Other liabilities	181,203	(58,290)	122,913
Total	**5,777,956**	**6,577,974**	**12,355,930**

Balances and transactions of companies accounted for using the equity method with "la Caixa" (*)	Balances at 31/12/08	Net change	Balances at 31/12/09
	Thousands of euros		
ASSETS			
Loans and receivables	-	-	-
Available-for-sale financial assets	-	-	-
Cash and cash equivalents	109,927	483,918	593,845
Other assets	9,132	(9,132)	-
Total	**119,059**	**474,786**	**593,845**
LIABILITIES			
Bank borrowings	357,875	967,993	1,325,868
Other liabilities	2,203	(2,203)	-
Total	**360,078**	**965,790**	**1,325,868**

(*) These balances are not included in the balance sheet of Criteria CaixaCorp, but rather in the balance sheets of the associates.

Balances and transactions of companies accounted for using the equity method with "la Caixa" (*)	Balances at 31/12/07	Net change	Balances at 31/12/08
	Thousands of euros		
ASSETS			
Loans and receivables	-	-	-
Available-for-sale financial assets	-	-	-
Cash and cash equivalents	52,152	57,775	109,927
Other assets	1,382	7,750	9,132
Total	**53,534**	**65,525**	**119,059**
LIABILITIES			
Bank borrowings	264,410	93,465	357,875
Other liabilities	2,801	(598)	2,203
Total	**267,211**	**92,867**	**360,078**

(*) These balances are not included in the balance sheet of Criteria CaixaCorp, but rather in the balance sheets of the associates.

The detail of the income and expenses arising from transactions carried out in 2009 and 2008 is as follows:

2009

	Thousands of euros	
Arising from balances and transactions with "la Caixa"	Criteria CaixaCorp and Group companies	Companies accounted for using the equity method (*)
INCOME		
Finance income	120,359	22,905
Income from sales and services	2,041	-
Income from property sales and rental	5	-
Other income	105	2,231
Total	**122,510**	**25,136**
EXPENSES		
Finance costs	258,680	42,868
Fee and commission expense	211,418	4,054
Operating expenses	5,800	3,587
Other losses	837	-
Total	**476,735**	**50,509**

(*) Reflected in the income statements of the respective companies.

2008

	Thousands of euros	
Arising from balances and transactions with "la Caixa"	Criteria CaixaCorp and Group companies	Companies accounted for using the equity method (*)
INCOME		
Finance income	208,105	12,234
Income from sales and services	1,774	-
Income from property sales and rental	5	-
Other income	26	-
Total	**209,910**	**12,234**
EXPENSES		
Finance costs	419,792	18,255
Fee and commission expense	202,636	13,360
Operating expenses	5,215	-
Other losses	519	-
Total	**628,162**	**31,615**

(*) Reflected in the income statements of the respective companies.

The detail of the content of the main line items in the foregoing tables relating to 2009 and 2008 is as follows:

- "Loans and Receivables" relates to investments in consolidated Group companies with their shareholder "la Caixa", including most notably:

  a) Term deposits made by the Group insurance companies at "la Caixa", basically VidaCaixa. These deposits relate to the investment of the funds obtained from assets sold by the companies under repurchase agreement to "la Caixa" and/or the investment of a portion of their mathematical provisions.

  b) Reverse repurchase agreements between the Group companies and "la Caixa" as a cash investment.

- "Cash and Cash Equivalents" in the columns "Criteria CaixaCorp and Group Companies" and "Associates and Jointly Controlled Entities" relates basically to cash investments of the Group companies in demand and term deposits with "la Caixa".

- "Bank Borrowings" relates basically to the financing obtained from "la Caixa" by the Group companies in order to be able to carry on their business activities, including most notably:

  a) Assets sold under repurchase agreement by the insurance companies in the Group to "la Caixa". As indicated, the funds obtained are largely reinvested in term deposits.

  b) The remainder relates to loans granted by "la Caixa" to Group companies, as detailed in the Note on "Financial Liabilities at Amortised Cost". The related amount includes two long-term loans of EUR 1,000 million each arranged by Criteria CaixaCorp with "la Caixa". The principal is repayable on maturity and the loans mature in November 2013 and November 2016, respectively. It also includes the balance drawn down against the credit facility granted to Criteria CaixaCorp by "la Caixa" amounting to EUR 3,547 million at 31 December 2009.

- "Income and Expenses" includes the finance income and costs relating to the assets and liabilities described above and the fees paid relate mainly to the fees received by "la Caixa" in connection with the investment and pension funds managed by its branch network.

In 2009 the majority shareholder was paid a total amount of EUR 427,471 thousand as a final dividend out of the profit for 2008 and an interim dividend out of the profit for 2009.

In the debenture issue totalling EUR 1,000 million launched by Criteria, "la Caixa" is the placing bank and earned fees of EUR 500 thousand, the same as the other placing banks.

In addition, in 2009 Criteria CaixaCorp arranged foreign currency hedges with "la Caixa" to hedge exposure to changes in exchange rates in relation to the collection of dividends from its investments in Hong Kong and Mexico for notional amounts of HKD 60 million and MXN 300 million, respectively. At 31 December 2009, these derivatives had expired and had been settled.

In 2009 IRS and CFM transactions were performed with "la Caixa" in the context of the fixed income activities of the insurance companies (see Note on "Financial Assets"), as well as the arrangement of financial swaps in the context of the operations of the specialised financial services segment (see Note on "Derivative Financial Instruments").

Also, Abertis Infraestructuras, Gas Natural, Banco BPI and Agbar have arranged interest rate and foreign currency hedges for notional amounts of EUR 961,515 thousand, EUR 3,099,712 thousand, EUR 800,000 thousand and EUR 57,600 thousand, respectively.

Furthermore, "la Caixa" provided guarantees for companies accounted for using the equity method, specifically Abertis, Agbar and Gas Natural, amounting to EUR 127,446 thousand, EUR 70,800 thousand and EUR 164,102 thousand, respectively.

It should be noted that Boursorama and "la Caixa" entered into a joint venture agreement in July 2008, which started to be implemented in 2009, for the creation of an on-line bank, Self Bank, owned 51% by Boursorama and 49% by "la Caixa".

In 2008 the following significant transactions took place with related parties, which are explained in detail in other Notes to the consolidated financial statements:

- Acquisition of the Morgan Stanley collective investment undertaking management and pension fund management business from "la Caixa" (see Note on "Business Combinations and Other Acquisitions").

- IRS and CFM swap transactions with "la Caixa" in the context of the fixed-income activities of the insurance companies (see the Note on "*Financial Assets*").

- Swap transactions with "la Caixa" in the context of the operations of the financial services segment (see Note on "Derivative Financial Instruments").

- Foreign currency hedge arranged by Criteria CaixaCorp with "la Caixa" to hedge the disbursement of MXN 25,688 million for the acquisition of Grupo Financiero Inbursa.

- Discharge of the guarantee of EUR 882,721 thousand provided by "la Caixa" in the context of the takeover bid for Sociedad General de Aguas de Barcelona launched by Hisusa, Suez Environnement and Criteria CaixaCorp, which was completed on 18 January 2008.

Per the information available at the Parent, all the transactions between the jointly controlled entities and associates and the majority shareholder "la Caixa" were carried out on an arm's length basis, took place in the ordinary course of business and were of scantly material amounts in relation to the understanding of the Group's financial information.

26.1.3. Detail of balances and transactions between Criteria and subsidiaries, jointly controlled entities and associates

All the transactions were carried out on an arm's length basis and took place in the ordinary course of business.

The balances between the Group and the jointly controlled entities and associates that were not eliminated on consolidation are as follows:

Balances and transactions with jointly controlled entities and associates	Thousands of euros	
	2009	2008
ASSETS		
Loans and receivables	18,497	16,356
Cash and cash equivalents	40,781	191,648
Other assets	118,197	83,914
Total	**177,475**	**291,918**
LIABILITIES		
Other liabilities	119	-
Total	**119**	**-**
INCOME		
Finance income	371	8,882
Income from sales and services	369	-
Income from property sales and rental	-	-
Other income	194	14
Total	**934**	**8,896**
EXPENSES		
Fee and commission expense	1	21
Other operating expenses	84	140
Total	**85**	**161**

The balance of "*Loans and Receivables*" at 31 December 2009 includes a deposit held by the Group company SCI Caixa Dulud at Boursorama amounting to EUR 16 million.

The balance of *"Cash and Cash Equivalents"* at 31 December 2009 includes basically the demand deposits held at Boursorama by Cegipro, SAS and Sodemi, SAS amounting to EUR 30 million and EUR 5 million, respectively. At 31 December 2008, it included a demand deposit with a balance of EUR 143 million held by Catalunya de Valores at Banco PBI.

The balance of "Other Assets" at 31 December 2009 amounting to EUR 118 million relates to dividends receivable from Gas Natural.

Also, in 2009 the following transactions took place between the Group and its associates and jointly controlled entities:

- Criteria CaixaCorp entered into securities deposit agreements with Banco BPI, GF Inbursa and BEA whereby the shares of BPI, GF Inbursa and BEA owned by Criteria are deposited at the respective banks.

- VidaCaixa invested in debentures and bonds in issues of companies accounted for using the equity method. At 31 December 2009, VidaCaixa had invested EUR 160,000 thousand in bonds of Abertis Infraestructuras and EUR 11,819 thousand in bonds of Gas Natural.

In 2008 Criteria CaixaCorp acquired 2.8% of the share capital of Port Aventura, S.A. from Abertis Logísitica, S.A.U. for EUR 19,970 thousand.

Also, on 23 January 2008 Criteria CaixaCorp granted Hisusa-Holding de Infraestructuras de Servicios Urbanos, S.A. a loan of EUR 255,094 thousand, which at 31 December 2008, had been repaid in full. The interest income relating to this loan that was not eliminated on consolidation are recognised under "Finance Income" in the foregoing table and amounted to EUR 7 million in 2008.

26.2. Remuneration of directors

The detail of the fees for attending meetings of the management bodies and other remuneration received by the members of the Board of Directors of Criteria CaixaCorp and of the remuneration received by them for representing the Parent on the Boards of Directors of listed companies and other companies in which the Parent has a significant presence or representation in 2009 and 2008 is as follows:

2009

	Thousands of euros			
	Remuneration paid by Criteria	Attendance of other Board meetings of Group companies	Attendance of other companies' Board meetings	Total
Executive directors	1,230	1,090	573	2,893
Proprietary directors	1,465	286	4,709	6,460
Independent directors	590	32	69	691
Non-executive directors	474	-	-	474
Total	**3,759**	**1,408**	**5,351**	**10,518**

2008

	Thousands of euros			
	Remuneration paid by Criteria	Attendance of other Board meetings of Group companies	Attendance of other companies' Board meetings	Total
Executive directors	1,112	1,000	-	2,112
Proprietary directors	870	467	5,003	6,340
Independent directors	525	24	-	549
Non-executive directors	410	-	-	410
Total	**2,917**	**1,491**	**5,003**	**9,411**

Also, Criteria CaixaCorp paid EUR 652 thousand to the International Advisory Board, of which EUR 180 thousand were paid to members of the Advisory Board who were also members of the Board of Directors.

The expense incurred by Criteria CaixaCorp in relation to a third-party liability insurance premium paid to cover the directors and executives amounted to EUR 358 thousand and EUR 316 thousand in 2009 and 2008, respectively.

The contributions to directors' pension plans made by Criteria CaixaCorp in 2009 amounted to EUR 125 thousand.

Criteria CaixaCorp does not have any pension obligations to former and current members of the Board of Directors in their capacity as such or any other obligations to them other than those disclosed above.

The maximum termination benefits in the event of the unilateral termination by the Parent of the members of the managing bodies of Criteria CaixaCorp amount to EUR 2 million.

The Parent's directors did not perform any transaction other than in the normal course of business or other than on an arm's length basis with the Parent or with the Group companies in 2009. Also, none of these transactions is of a significant amount that might hinder the proper interpretation of the Group's consolidated financial statements.

26.3. Remuneration of executives

In 2009 the remuneration received by management, including the members of the Executive Committee, amounted to EUR 2,387 thousand, which includes EUR 372 thousand of fees for attending the Board meetings of investees.

In 2008 the remuneration received by management, including the members of the Executive Committee, amounted to EUR 3,572 thousand, which included EUR 490 thousand of fees for attending the Board meetings of investees.

The contributions to pension plans of the members of the Executive Committee made by the Company in 2009 amounted to EUR 885 thousand.

26.4. Other disclosures concerning the Board of Directors

Pursuant to Article 127 ter. 4 of the Spanish Public Limited Liability Companies Law, introduced by Law 26/2003, of 17 July, which amends Securities Market Law 24/1988, of 28 July, and the Consolidated Spanish Public Limited Liability Companies Law, in order to reinforce the transparency of corporations, listed below are the companies engaging in activities that are identical, similar or complementary to those constituting the company object of the Parent Criteria CaixaCorp or of its subsidiaries at which in 2009 the members of the Board of Directors had ownership interests or hold or have held a position:

Owner	Company	Shares	%	Line of business	Position	Company represented
Isidro Fainé Casas	Hisusa-Holding de Infraestructuras y Servicios Urbanos, S.A.	N/A	N/A	Holding company	Representative of the director Criteria CaixaCorp, S.A.	Criteria CaixaCorp, S.A.
Susana Gallardo Torrededía	Sugainvest, S.L.	26,666	100%	Financial services	N/A	-
Susana Gallardo Torrededía	Susanvest, S.L.	3,010	100%	Financial services- Real estate	N/A	-
Susana Gallardo Torrededía	Percibil, S.L.	15,000	100%	Financial services- Real estate	N/A	-
Susana Gallardo Torrededía	Plaproin, S.L.	1,000	100%	Financial services	N/A	-
Susana Gallardo Torrededía	Badrocom, S.L.	1,000	100%	Financial services	N/A	-
Susana Gallardo Torrededía	Landon Investments, SCR de Régimen Simplificado, S.A.	N/A	N/A	Private equity	Director	-
Susana Gallardo Torrededía	Gesprisa, SICAV	N/A	N/A	Financial investment	Director	-
Javier Godó Muntañola	Grupo Godó de Comunicación, S.A.	434,800	98.58%	Holding company	Chairman	-
Javier Godó Muntañola	Privat Media, S.L.	3,040,000	40.00%	Holding company	Director	-
Javier Godó Muntañola	Catalunya Comunicació, S.L.	N/A	N/A	Holding company	Chairman	-
Javier Godó Muntañola	Sociedad de servicios radiofónicos unión radio, S.A.	N/A	N/A	Holding company	Deputy Chairman	-
Gonzalo Gortázar Rotaeche	Morgan Stanley	N/A	N/A	Financial services	Head of FIG in Europe (until May 2009)	-
Gonzalo Gortázar Rotaeche	Port Aventura Entertainment, S.A.	N/A	N/A	Theme park	Director (since 04/12/09)	-
Maria Dolors Llobet Maria	Microbank de la Caixa, S.A.	N/A	N/A	Financial services	Director (since 01/10/09)	-
Miquel Noguer Planas	Microbank de la Caixa, S.A.	N/A	N/A	Financial services	Director	-
Juan Rosell Lastortras	Port Aventura Entertainment, S.A.	N/A	N/A	Theme park	Director (since 04/12/09)	-
Juan Rosell Lastortras	Mediterranea Beach & Golf Resort, SA	N/A	N/A	Leaseure – Real estate	Director (until 29/12/09)	-
Juan Rosell Lastortras	Miura Fund I, F.C.R.	N/A	N/A	Private equity fund	Chairman of Investment Committee	-
Juan Rosell Lastortras	Civislar	N/A	N/A	Holding company	Director	-
Jordi Mercader Miró	Hacia, SA	N/A	N/A	Holding company	Chairman	-

At 31 December 2009, the direct and indirect investments of the members of the Board of Directors in the capital of the Company are as follows:

	No. of shares	%
Javier Godó Muntañola	1,230,000	0.037%
Isidre Fainé Casas	567,505	0.017%
Gonzalo Gortázar Rotaeche	300,100	0.009%
Joan Maria Nin Génova	234,491	0.007%
Isabel Estapé Tous	201,090	0.006%
Susana Gallardo Torrededia	58,700	0.002%
Juan Rosell Lastortras	32,382	0.001%
Alain Minc	10,000	0.000%
Leopoldo Rodés Castañé	9,700	0.000%
Salvador Gabarró Serra	7,003	0.000%
Immaculada Juan Franch	5,611	0.000%
Miquel Noguer Planas	3,561	0.000%
Maria Dolors Llobet Maria	2,100	0.000%
Jordi Mercader Miró	1,496	0.000%
David K.P. Li	-	-
Xavier Vives Torrents	-	-
Total	**2,663,739**	**0.079%**

27. Information on the environment and corporate responsibility

In view of the Group's business activities, it does not have any environmental expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the consolidated financial statements. However, it should be noted that since September 2009 the Parent has been included in the FTSE4 Good Index, which reflects companies' sound conduct of business in relation to economic, social and environmental issues in their business activities and investments. In 2009 Criteria CaixaCorp was included in the Dow Jones Sustainability Index, with an improved rating with respect to the preceding year, representing further acknowledgment of Criteria CaixaCorp's commitment to sustainability and corporate reputation.

In 2009 Criteria CaixaCorp joined the United Nations Global Compact, a United Nations international initiative for businesses that are voluntarily committed to aligning their operations and strategies in the social responsibility field with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

Criteria CaixaCorp is continuing -in close co-operation with "la Caixa" and through its "Active Management" policy based on its presence on the managing bodies of its investees- with the development of internal processes for assessing and controlling the social and environmental risk of its investees in order to be able to guarantee that these organisations work in a responsible and ethical manner.

The energy companies and utilities in which Criteria CaixaCorp has ownership interests have well defined corporate responsibility strategies and, in addition, are multinationals which report periodically using best reporting practices in relation to the implementation of their sustainability strategies. Their commitment and responsibility have been acknowledged by various Spanish and international bodies in prestigious rankings or indexes such as, among others, "Monitor Español de Reputación Corporativa" (Spanish Corporate Reputation Monitor), "The Good Company Ranking 2007" and "FTSE4good".

The insurance group and Port Aventura also have advanced practices in these areas, as evidenced by their adhesion to UN world initiatives (Global Compact and Principles for Responsible Investment) as well as the social and environmental certification that they have achieved. As regards the investment portfolio, efforts also focused on reporting transparency and preventing fraud and money laundering, through the periodic presentation of internal control reports to the Company's Audit and Control Committee.

28. Events after the reporting period

On 14 January 2010, The Bank of East Asia Limited completed a capital increase in which the Group subscribed 120,837,000 new shares for HKD 3,697.6 million (EUR 331 million), thereby increasing its percentage of ownership to 14.99%.

29. Explanation added for translation to English

These consolidated financial statements are presented on the basis of IFRSs as adopted by the European Union. Certain accounting practices applied by the Group that conform with IFRSs may not conform with other generally accepted accounting principles.

APPENDIX I

Investments in Group companies

Company name and line of business	Registered office	% of ownership Direct	% of ownership Total	Share capital	Reserves and interim diviedend	Profit / (loss)	Other equity	Total equity	Dividends accrued in the year on direct ownership interest	Carrying amount of direct ownership interest	Auditor
				Thousands of euros							
AGENCAIXA, SA Agencia de Seguros Grupo SegurCaixa Holding Insurance broker	Complejo Torres Cerdà. Juan Gris, 20-26 08014 Barcelona España	-	100.00	601	7,959	(2,899)	-	5,661	-	-	Deloitte
SEGURCAIXA HOLDING, SAU Insurance	Complejo Torres Cerdà. Juan Gris, 20-26 08014 Barcelona España	100.00	100.00	394,187	30,350	162,657	-	587,194	50,000	1,227,335	Deloitte
CaixaRenting, SA Lease of vehicles and machinery	Gran Via de les Corts Catalanes, 130 - 136 08038 Barcelona España	100.00	100.00	10,518	28,342	(25,182)	(18,650)	(4,972)	-	62,000	Price Waterhouse Coopers
Catalunya de Valores SGPS, UL Holding company	Rua Júlio Dinis, 891 4º 4050-327 Massarelos (Porto) Portugal	100.00	100.00	5	19	39	-	62	322	7	Deloitte y Associados SROC, S.A.
Cegripro, SAS Property	20, rue d´Armenonville 92200 Neuilly Sur Seine París Francia	-	100.00	38,000	1,007	2,060	-	41,067	-	-	Cabinet RSM RSA
Finconsum, EFC, SA Consumer finance	Gran Via Carles III, 87, bajos 1º B 08028 Barcelona España	100.00	100.00	126,066	46,580	(60,145)	(9,103)	103,398	-	123,000	Price Waterhouse Coopers
GDS-Correduría de Seguros, SL Insurance broker	Av. Diagonal, 427 bis - 429 1ª Pl 08036 Barcelona España	67.00	67.00	30	(2,392)	2,771	-	409	1,926	241	KPMG/Peat Marwick
GestiCaixa, SGFT, SA Securitisation SPV management company	Av. Diagonal, 621-629 Torre II Pl.8 08028 Barcelona España	91.00	100.00	1,503	301	2,147	-	3,950	1,967	2,630	Deloitte
GP Desarrollos Urbanísticos Tarraconenses, SLU Real estate and holding company	Av. Diagonal, 621-629 Torre II Pl.8 08028 Barcelona España	-	100.00	21,115	(749)	(88)	-	20,278	-	-	-
Hodefi, SAS Holding company	20, rue d´Armenonville 92200 Neuilly-sur-Seine París Francia	-	100.00	182,699	3,478	965	-	187,141	-	-	Cailliau, Dedouit&Associés /Deloitte&Touche
Holret, SAU Real estate services	Avda. Diagonal, 621-629 Torre II Pl.8 08028 Barcelona España	100.00	100.00	221,935	61,951	15,280	-	299,166	-	267,898	Deloitte
InverCaixa Gestión, SGIIC, SA CIU management company	Av. Diagonal, 621-629 Torre II Pl.7 08028 Barcelona España	100.00	100.00	81,910	6,269	6,783	-	94,963	4,346	89,350	Deloitte
Inversiones Autopistas, SL Holding company	Av. Diagonal, 621-629 08028 Barcelona España	50.10	50.10	100,000	44,921	31,945	-	176,866	16,013	524,214	Deloitte
Invervida Consulting, SL Holding company	Complejo Torres Cerdà. Juan Gris, 20-26 08014 Barcelona España	-	100.00	2,905	143	3,710	-	6,758	-	-	Deloitte
Mediterranea Beach & Golf Resort (formerly Port Aventura) Management of the areas closed to the theme park and real estate management	Avinguda Alcalde Pere Molas, km.2 43480 Vila-Seca Tarragona España	80.58	100.00	135,135	20,154	(27,781)	(1,044)	126,464	-	131,124	-
Negocio de Finanzas e Inversiones I, SL Holding company	Av. Diagonal, 621-629 08028 Barcelona España	100.00	100.00	318,337	474,812	(37,607)	(94,752)	660,791	-	712,434	Deloitte
Recouvrements Dulud, SA Finance	20, rue d´Armenonville 92200 Neuilly Sur Seine París Francia	-	100.00	3,272	(1,318)	29	-	1,983	-	-	Cailliau, Dedouit&Associés
SCI Caixa Dulud Property management	20, rue d´Armenonville 92200 Neuilly Sur Seine París Francia	-	100.00	15,652	-	1	-	15,653	-	-	Cabinet d'Expertise Comptable
SEGURCAIXA, SA de Seguros y Reaseguros Insurance	Complejo Torres Cerdà. Juan Gris, 20-26 08014 Barcelona España	-	100.00	9,100	19,882	23,518	4,016	56,515	-	-	Deloitte
Sodemi, SAS Real estate development and lease	20, rue d´Armenonville 92200 Neuilly-sur-Seine París Francia	-	100.00	9,405	583	(149)	-	9,839	-	-	Cabinet RSM RSA
Tenedora de Vehículos, SA Renting	Edificio Estación de Renfe Local nº 3 p 08256 Rajadell Barcelona España	-	65.00	600	698	426	(63)	1,660	-	-	Price Waterhouse Coopers
VidaCaixa, SA de Seguros y Reaseguros Insurance	Complejo Torres Cerdà. Juan Gris, 20-26 08014 Barcelona España	-	100.00	380,472	(39,770)	191,742	-	532,443	-	-	Deloitte

Note: The foregoing information reflects the latest (actual or estimated) available figures at the date if preparing these notes to the financial statements

APPENDIX II

Investments in jointly controlled entities and associates

Company name and line of business	Registered office	% of ownership Direct	% of ownership Total	Share capital (Thousands of euros)	Reserves and interim dividend	Profit/ (loss)	Other equity	Total equity	Dividends accrued in the year on total ownership interest	Carrying amount of direct ownerchip interest (net)	Auditor	Share price at 31/12/2009	Average share price in last quarter
Abertis Infraestructuras, SA Management of transport and communications infrastructur	Av. del Parc Logístic, 12-20 08040 Barcelona España	20.65	25.04	2,111,536	1,825,194	332,465	987,513	5,256,708	103,243	2,549,557	Price Waterhouse Coopers	15.72	15.37
Banco BPI, SA Banking	Rua Tenente Valadim, 284 4100 476 Porto Portugal	30.10	30.10	900,000	994,460	130,592	302,613	2,327,665	17,859	797,258	Deloitte	2.12	2.31
Bank of East Asia Banking	10 des Voex Road Central Hong Kong	-	9.81	420,303	2,366,807	106,719	202,574	3,096,403	4,901	-	KPMG	30.85 (1)	30.57 (1)
Boursorama Banking	18 Quai du Point du Jour 92659 Boulogne Billancourt Cedex Francia	-	20.85	34,927	n.d	37,310	n.d.	644,598	-	-	Deloitte / Ernst & Young	9.67	9.01
Erste Group Bank AG Banking	Graben 21 A-1010 Wien Austria Austria	10.10	10.10	755,850	7,551,000	720,000	3,416,000	12,442,850	10,097	1,185,109	Ernst & Young m.b.H./ Sparkassen-Prüfungsverband	26.06	28.57
Gas Natural, SDG, SA Energy	Plaça del Gas, 1 08003 Barcelona España	36.43	36.43	895,552	8,548,615	621,675	2,307,756	12,373,598	286,090	3,313,544	Price Waterhouse Coopers	15.09	14.23
Grupo Financiero Inbursa, SAB de CV Banking	Paseo de las Palmas Nº 736 Lomas de Barcelona 11000 Mèxico D.F. México	20.00	20.00	139,689	2,615,961	304,091	(45,186)	3,014,555	18,221	1,608,173	Mancera / Ernst & Young	38.13 (1)	38.80 (1)
Hotel Caribe Resort, SL Hotel	Rambla del Parc s/n 43840 Salou Tarragona España	-	30.00	17,936	306	63	(116)	18,189	-	-	Deloitte	-	-
Hisusa-Holding de Infraestructuras de Serv.Urbanos, SA (2) Holding company	Torre Agbar. Av. Diagonal, 211 08018 Barcelona España	49.00	49.00	274,743	584,866	201,997	-	1,061,606	117,265	571,000	Deloitte	-	-
Port Aventura Entertainment, SA Theme park	Avinguda Alcalde Pere Molas, km.2 43480 Vila-Seca Tarragona España	40.29	50.00	77,579	56,889	4,500	242	139,210	-	58,517	Deloitte	-	-
Repinves, SA (2) Holding company	Av. Diagonal, 621-629 Torre II 8ª plant 08028 Barcelona España	67.60	67.60	61,304	780,478	58,238	175,020	1,075,040	39,353	643,541	Deloitte	-	-
Sociedad General de Aguas de Barcelona, SA Public services (integral water cycle and health)	Torre Agbar. Av. Diagonal, 211 08018 Barcelona España	11.54	44.10	149,642	1,519,945	78,379	729,882	2,477,848	131,867	449,463	Deloitte	19.91	19.24

(1) Price in local currency
(2) Proportionally consolidated companies. The rest of jointly controlled entities and associates are accounted for using the equity method.
Note: The informations relating to listed companies is the plublicly available at the date of preparation of these notes to the financial statements

APPENDIX III

Available-for-sale financial assets- Equity instruments

Company name and line of business	Registered office	% of ownership Direct	% of ownership Total	Dividends accrued in the year on direct ownership interest (ousands of euros)	;ahre price a 31/12/2009	Average share price in last quarter
Bolsas y Mercados Españoles Sociedad Hold Securities markets and financial systems	Plaza de la Lealtad,1 28014 Madrid España	5.01	5.01	8,321	22.50	23.25
Repsol YPF, SA Operations in oil and gas markets	P. de la Castellana, 278-280 28046 Madrid España	9.28	12.68	107,663	18.73	18.59
Telefónica, SA Telecommunications	Distrito C C/.Ronda de la comunicación s/n 28050 Madrid España	5.16	5.16	212,195	19.52	19.25

Note: The informations relating to listed companies is the plublicly available at the date of preparation of these notes to the financial statements

APPENDIX IV

List of companies forming part of the tax group

The composition of the "la Caixa" consolidated Group for 2009 income tax purposes is as follows:

AgenCaixa, S.A.
Aris Rosen, S.A.U.
SegurCaixa Holding, S.A.
Caixa Barcelona Seguros Vida, S.A. de Seguros y Reaseguros
Caixa Capital Desarrollo, SCR de Régimen Simplificado, SA
Caixa Capital Pyme Innovación, S.C.R. de Régimen Simplificado, S.A.
Caixa Capital Risc, SGECR, S.A.
Caixa Capital Semilla, SCT de Régimen Simplificado, S.A.
Caixa d'Estalvis i Pensions de Barcelona (Parent of the tax group)
Caixa Preference, S.A.U.
CaixaCorp, S.A.
CaixaRenting, S.A.
Corporación Hipotecaria Mutual, E.F.C., S.A.
Crisegen Inversiones, SL
Criteria CaixaCorp, S.A.
e-la Caixa, S.A.
Financiacaixa 2, E.F.C., S.A.
Finconsum, E.F.C., S.A.
Grand Península Desarrollos Urbanísticos Tarraconenses, S.L.U.
GDS-CUSA, S.A.
GestiCaixa, SGFT, S.A.
GestorCaixa, S.A.
Holret, S.A.U.
Iniciativa Emprendedor XXI, S.A.
InverCaixa Gestión, S.G.I.I.C., S.A.
Invervida Consulting, S.L.
MediCaixa, S.A.
Mediterranea Beach&Golf Resort, S.A.
MicroBank de la Caixa, S.A.
Negocio de Finanzas e Inversiones I, S.A.
PromoCaixa, S.A.
RentCaixa, S.A. de Seguros y Reaseguros
SegurCaixa, S.A., de Seguros y Reaseguros
Segurvida Consulting, S.A.
Serveis Informàtics de la Caixa, S.A.
Servihabitat XXI, S.A.
Serviticket, S.A.
Suministros Urbanos y Mantenimientos, S.A. - SUMASA
TradeCaixa I, S.A.
VidaCaixa, S.A. de Seguros y Reaseguros
Valoraciones y Tasaciones Hipotecarias, S.A.

Note: The tax group also includes 67 companies that are currently dormant.

APPENDIX V

Tax credit for the reinvestment of extraordinary income

Income qualifying for the tax credit for the reinvestment of extraordinary gains established in Article 42 of the Consolidated Spanish Corporation Tax Law, approved by Legislative Royal Decree 4/2004, of 5 March.

	Thousands of euros					
	Criteria CaixaCorp			Criteria Group		
Year	Income qualifying for the tax credit	Qualifying income	Tax credit	Income qualifying for the tax credit	Qualifying income	Tax credit
2001 and prior years	110,380	110,380	18,765	150,926	150,926	25,658
2002	-	-	-	16,236	16,236	2,760
2003	41,221	41,221	8,244	55,291	55,291	11,058
2004	7,770	7,770	1,554	18,675	18,675	3,735
2005	30,300	30,300	6,060	110,545	110,545	22,109
2005	18,272	-	-	18,272	-	-
2006	1,141,899	-	-	1,151,432	9,533	1,907
2007	-	617,623	123,525	3,717	617,623	123,525
2008	-	542,548	108,510	-	545,669	108,884

The total income obtained in the transfer of assets that gave rise to a tax credit for reinvestment of extraordinary profit in the years from 2001 to 2004 and part of 2005 was reinvested in the period between the year prior to the date of transfer and the year of transfer.

The gains were reinvested in equity securities giving rise to an ownership interest of more than 5% and in property, plant and equipment and intangible assets.

At 31 December 2006, the companies in the "la Caixa" consolidated tax group had not yet reinvested amounts entitling Criteria CaixaCorp to take tax credits on income amounting to EUR 18,272 thousand in 2005 and EUR 1,141,899 thousand in 2006 which provide the basis for calculating the tax credit. Consequently, Criteria Caixacorp had not yet recognised income for the reinvestment tax credit amounting to EUR 232,034 thousand, which would accrue, as indicated below, in 2007 and 2008 when the related reinvestment is made.

The reinvestments made in 2007 by the companies in the "la Caixa" consolidated tax group made it possible to take a tax credit for the reinvestment of extraordinary gains in the 2007 income tax return of EUR 123,525 thousand (which correspond to Criteria CaixaCorp, of which EUR 104,545 thousand were recognised as income at 2007 year-end and EUR 18,980 thousand were recognised as income in 2008) in relation to the obtainment of extraordinary gains of EUR 18,272 thousand and EUR 599,351 thousand in 2005 and 2006, respectively.

The gains were reinvested in equity securities giving rise to an ownership interest of more than 5%, and in property, plant and equipment and intangible assets.

At 2008 year-end, the companies in the consolidated tax group of the "la Caixa" group made reinvestments in 2008, which may be assigned to gains qualifying for the tax credit earned in 2006 amounting to EUR 545,669 thousand and accordingly, income of EUR 108,884 thousand was recognised for tax credits for the reinvestment of extraordinary gains.

2009 tax credit for the reinvestment of extraordinary gains will be stated in the Consolidated financial statements for the year 2010, after having submitted the 2009 income tax return.

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

CRITERIA CAIXACORP, S.A. and subsidiaries

CONSOLIDATED DIRECTORS' REPORT FOR 2009

1- GROUP PERFORMANCE IN 2009

Criteria CaixaCorp, S.A., (hereinafter Criteria CaixaCorp, Criteria or the Parent) engages mainly in the active management, with controlled risk, of its portfolio of investments, through:

- Investment in top-level companies with a significant presence in their respective markets and with the capacity to create recurring value and profits.

- Participation in the managing bodies of those companies, taking an active role in the definition of their future policies and strategies and contributing to their growth and development.

- An experienced executive team with the support of a high-quality team of professionals, which enables the Company to detect investment and divestment opportunities and to execute them at the appropriate time on the basis of the cycle of each market.

The Group operates in the financial, insurance and services industries through subsidiaries, jointly controlled entities and associates.

Criteria has focused on leading the "la Caixa" Group's international expansion through significant investments in banks whose areas of influence are markets with high growth potential and relatively low bankarisation such as the Mexican market (GF Inbursa), the Central and Eastern European market (Erste Group Bank) and Honk Kong – China (The Bank of East Asia). Also, in the last quarter of 2009, an agreement was reached for the acquisition of the leading insurance company in Spain (Adeslas).

Since its admission to trading in October 2007, Criteria CaixaCorp has consolidated its position as a company listed on the four official Spanish stock exchanges and was included in the IBEX-35 index on 4 February 2008. Currently, Criteria, in addition to the IBEX35, is included in the following indexes: MSCI Europe (Morgan Stanley Capital International), MSCI Pan-Euro, DJ STOXX 600, FTSE Eurofirst 300, DJSI (Dow Jones Sustainability Index), Spain Titans 30 Index, BCN Top Euro and FTSE4 Goods.

2008 was noted for being one of the most economically turbulent in recent years. Events in the world financial system generated considerable uncertainty in the financial markets throughout the year. Faced with shrinking liquidity in most credit markets, share prices dropped sharply. This had a significant effect on the market value of Criteria CaixaCorp's shareholdings and, from the accounting standpoint, led to the recognition of impairment losses on some of its investments. In 2009 some signs of recovery began to appear and the market value of the investments rose significantly. Nevertheless, as a result of the impairment tests carried out, Criteria CaixaCorp recognised additional impairment losses on its share portfolio using conservative assumptions and the utmost prudence.

However, even against this backdrop, Criteria CaixaCorp met the objectives it had proposed, particularly the active management of the share portfolio in order to create greater value for the shareholder, increase the dividends received from investees and redress the balance between the financial asset portfolio and the industrial asset portfolio. All of this took place within the scope of a growth-based business project generating adequate profitability and risk control and a top-quality asset portfolio which guarantees the Company's solvency.

Basic share-related information

The performance of the main aggregates of Criteria CaixaCorp's shares from 31 December 2008 to the end of 2009 was as follows:

Indicators of interest concerning share performance

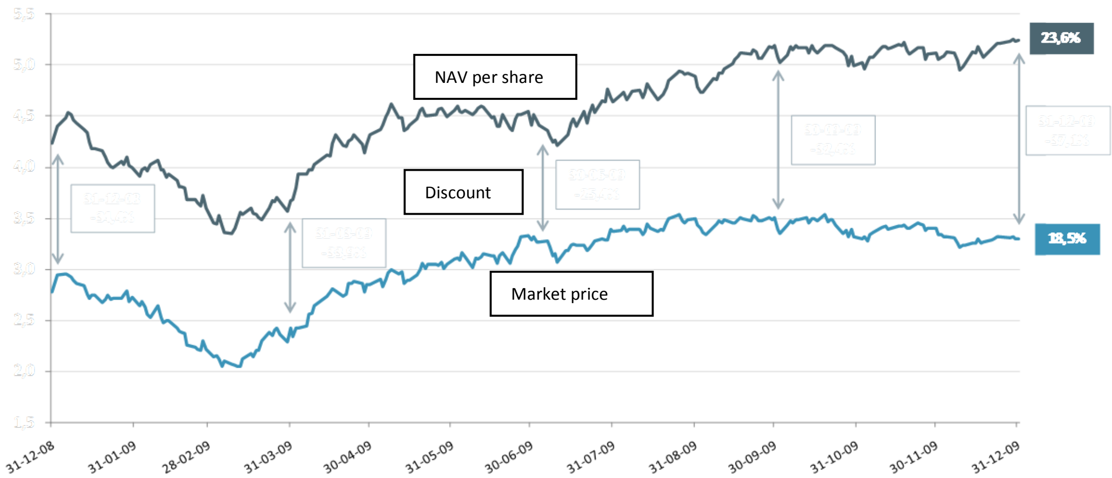
Market capitalisation at year-end	EUR 11,081 million
Highest share price (19/10/09) [1]	EUR 3.54
Lowest share price (12/03/09) [1]	EUR 2.05
Share price at year-end [1]	EUR 3.30
Share price at beginning of year (31/12/2008)[1]	EUR 2.78
Maximum daily trading volume (shares) (30/11/09)	EUR 38,177,990
Minimum daily trading volume (shares) (25/05/09)	EUR 870,309
Average daily trading volume (shares)	EUR 3,200,832

Note: [1] Market price at the end of the trading session

Trend in the share price of Criteria CaixaCorp with respect to the main reference indicators

The comparative graph above shows that the share price increased by 18.5% with respect to the beginning of the year to close at EUR 3.295/share. The Ibex35 and the Eurostoxx50 increased by 29.8% and 21.1%, respectively.

Discount



Taking the discount to be the difference between the net asset value of Criteria CaixaCorp and its capitalisation at the year-end market price, it can be seen that in 2009 it was 37.1%, significantly higher than in the previous quarter and the levels at 2008 year-end when it was 34.4%. This indicates that the market value of the assets is higher than the price per share as a whole, from which it can be inferred that there is room for a rise in the share price as the difference between the two variables narrows.

This potential is backed by analysts' views on Criteria CaixaCorp, the majority of whom recommend buying or holding shares.

Information on asset values

The **Net Asset Value (NAV)** of Criteria CaixaCorp is as follows:

Millions of euros	31/12/08	31/12/09
GAV (Gross asset value)[1]	18,196	24,380
Pro forma net debt position [2]	(3,944)	(6,764)
NAV (Net asset value)	14,252	17,616
Net debt/GAV	22%	28%
Millions of shares	3,363	3,363
NAV/share (€)	4.24	5.24

(1) The GAVs of listed holdings were calculated as the number of shares multiplied by the closing price at the date in question. For unlisted holdings internal valuations were used.
(2) Pro forma information obtained from the aggregate net debt/cash position in the individual financial statements of Criteria CaixaCorp and the holding companies and transactions in progress not yet materialised.

Change in GAV

Following is a detail, by investee, of the changes in the GAV in 2009:

Millions of euros	Market value 31/12/08	Investments/ Divestments	Change in value	Market value 31/12/09
Treasury shares	18	19	10	47
Gas natural	3,239	1,313	513	5,065
Repsol-YPF	2,337	-	561	2,898
Abertis	2,115	-	656	2,771
Agbar	964	-	350	1,314
Telefónica	3,736	(48)	684	4,372
BME	77	-	17	94
Banco BPI	463	10	101	574
Boursorama	84	-	92	176
The Bank of East Asia	248	-	253	501
GF Inbursa	1,121	-	222	1,343
Erste Group Bank	252	652	91	995
Other listed	40	(39)	(1)	-
Total listed	**14,694**	**1,907**	**3,549**	**20,150**
Total unlisted	**3,502**	**240**[1]	**(374)**[2]	**3,368**
Other committed investments:				
The Bank of East Asia	-	331	-	331
Adeslas	-	1,178	-	1,178
Agbar	-	(647)	-	(647)
TOTAL GAV	**18,196**	**3,009**	**3,175**	**24,380**

Notes: both the investments carried out by Criteria CaixaCorp directly and those of the Group's holding companies are included.

(1) Relates to capital call payments of VidaCaixa and subscriptions of capital increases in SegurCaixa Holding, VidaCaixa, Finconsum and CaixaRenting.

(2) It corresponds to changes in value due to new valuations of unlisted companies at 31 December 2009

The foregoing table shows that in 2009 the market values of the investments recovered after the turbulence suffered in the financial markets and the across-the-board drop in share prices in 2008 which led to a significant increase in the GAV. In addition, significant investments were made, which increased borrowings and which are explained in the paragraphs below.

<u>Summarised accounting information</u>

Criteria CaixaCorp's earnings performance was positive, as evidenced by the Company's most significant financial information:

Consolidated financial statements

	January-December		
Millions of euros	**2009**	**2008**	**% Change**
Net income from equity instruments (available-for-sale financial assets)	379	386	(2%)
Net profit of companies accounted for using the equity method	813	688	18%
Net profit of fully consolidated companies	139	164	(15%)
Net finance costs	(89)	(99)	(10%)
Net operating expenses	(17)	(22)	(23%)
Recurring net profit	**1,225**	**1,117**	10%
Net gains/(losses) on the disposal of investments and other non-recurring items	92	(58)	-
Net profit attributable to the Parent	**1,317**	**1,059**	24%

Note: The consolidated income statement in this graph was prepared in accordance with International Financial Reporting Standards, although it is presented in accordance with the model used by Group management.

Net profit of companies accounted for using the equity method increased by EUR 125 million (18%) with respect to 2008 basically due to:

- The increase in the profit of Gas Natural, BPI and Abertis which led to an increase of EUR 79 million in contributed profit;
- The inclusion in 2009 of the profits of GF Inbursa, a holding which was acquired in the third quarter of 2008 (EUR 78 million); and
- The EUR 30 million decrease in Agbar's contribution to profit because profits contributed in 2008 included EUR 35 million related to the gain generated from Agbar's sale of Suez shares.

Net profit of fully consolidated companies decreased by EUR 25 million, mainly due to:

- The EUR 17 million increase in the contribution to profit of the insurance business basically as a result of the excellent performance of the savings products business;
- The EUR 21 million decrease in profit from the consumer finance business due to the worsening of economic activities, the drop in consumption and the increase in default; and
- Financial income decrease by EUR 20 million due to the settlement of some deposits on the first quarter of 2009 amounting to EUR 500 million, approximately. These deposits were valid during 2008.

The EUR 10 million change in the **Net finance cost** attributable to Criteria CaixaCorp was fundamentally due to the fall in interest rates, which offset the increase in borrowings as a result of the Group's investment activities.

Net gains/(losses) on the disposal of investments and other non-recurring items in 2009 amounted to EUR 92 million and related, basically, to the gains arising on the sale of 1% of Telefónica (EUR 265 million) less impairment losses recognised (EUR 118 million) at associates and on the loan portfolio at companies in the specialized financing industry (EUR 38 million).

In 2008 "Net Gains/(Losses) on the Disposal of Investments and Other Non-Recurring Items" included EUR 124 million arising from the impairment of available-for-sale investments in equity instruments and EUR 56 million for the recognition of provisions for contingencies and charges. In addition, EUR 127 million were also included for tax credits for the reinvestment of gains from sales of ownership interests in prior years.

Performance of the Group

The Group's portfolio of investees at 31 December 2009 was as follows:

Utilities	Total ownership interest	Seats on the Board of Directors	Fair value (millions of Euros)
Listed			**16,514**
Energy			**7,963**
Gas Natural	36.43%	5 of 17	5,065
Repsol YPF	12.68%	2 of 16	2,898
Infrastructure			**2,771**
Abertis	25.04%	7 of 21	2,771
Services/other			**5,780**
Agbar	44.10%	5 of 13	1,314
Telefónica [1]	5.16%	2 of 17	4,372
BME	5.01%	1 of 15	94
Unlisted			**566**
Port Aventura Group[2]	-	-	505
Property portfolio	100.00%	5 of 5	61

Financial services and insurance			
Listed			**3,589**
International banking			**3,589**
Banco BPI	30.10%	4 of 25	574
Boursorama	20.85%	2 of 10	176
The Bank of East Asia	9.81%	1 of 18	501
GF Inbursa	20.00%	3 of 17	1,343
Erste Group Bank	10.10%	1 of 18	995
Unlisted			**2,802**
Insurance			**2,409**
SegurCaixa Holding Group	100.00%	9 of 10	2,384
GDS-Correduría de Seguros	67.00%	1 of 1	25
Specialised financial services			**393**
InverCaixa Gestión	100.00%	7 of 7	186
CaixaRenting	100.00%	5 of 5	62
Finconsum	100.00%	8 of 8	123
GestiCaixa	100.00%	7 of 7	22
Treasury shares			**47**
Investment commitments			**862**
TOTAL GAV			**24,380**

(1) Includes 1% held through financing contracts

(2) Comprised of Port Aventura Entertainment (50% with 6 of 13 directors) and Mediterranea Beach & Golf Resort (100% with 5 of 6 directors)

Note: Value of unlisted companies at 31 December 2009

Currently, taking into account the investment and divestment commitments, utilities account for 67% of GAV, while the financial services industry represents 33%. Since the Company's admission to trading, the relative importance of the financial services industry has increased by 16 percentage points. In this way, Criteria CaixaCorp is continuing to pursue its strategy of making the structure of its assets more balanced by increasing the weight of financial services without overlooking investments in utilities that might be of particular interest. One of Criteria CaixaCorp's strategic medium- to long-term objectives is to change this portfolio mix and increase the percentage represented by the financial services industry to around 40%-60%. At 31 December 2009, the listed portfolio represents 81% of the GAV.

Investments in 2009

The total net accumulated investment (divestment) by the Parent amounted to EUR 3,009 million.

Millions de euros	Accumulated 2009	
	% acquired	Amount paid
Treasury shares	0.23	19
Gas Natural	-	1,313
Telefónica	-	(48)
Banco BPI	0.72	10
Erste Group Bank	5.20	652
Other	-	(39)
Total listed		**1,907**
Total unlisted (1)		**240**
Total actually invested		**2,147**
The Bank of East Asia		331
Adeslas		1,178
Agbar(2)		(647)
Total commitments		**862**
Total investments		**3,009**

(1) The amount of the investment in unlisted companies includes, inter alia, the capital increases at Finconsum (EUR 100 million), Caixa Renting (EUR 30 million), Vida Caixa (EUR 25 million) and SegurCaixa Holding (EUR 84 million).

(2) Considering a final participaction on Agbar of 25%

The portfolio transactions carried out in 2009 include most notably:

- The disbursement of EUR 1,313 million by Criteria CaixaCorp in the capital increase at Gas Natural, which was performed in the Unión Fenosa acquisition process and which relates to the proportional part of its ownership interest in the share capital of Gas Natural. At 31 December 2009, the ownership interest in Gas Natural was 36.43%.

- Criteria increased its ownership interest in BPI with a disbursement of EUR 10 million.

- In 2009 Criteria invested EUR 652 million in Erste Group Bank, EUR 17 million of which were purchases on the stock market and EUR 635 million were paid in a capital increase in November 2009 in which the subscription rights of Fundación DIE Erste were acquired. With this investment, the Company achieved an ownership interest of 10.10%. The increase in its ownership interest, which made Criteria the second largest shareholder, together with the cooperation and co-investment agreements entered into and the nomination of Juan María Nin as a member of the Supervisory Board and the Strategy Committee of the Austrian bank, meant that the Company could be considered to exercise significant influence over the bank and, therefore, the ownership interest was recognised using the equity method at 2009 year-end.
- With respect to Telefónica, in 2009 an ownership interest of 1% was acquired with an investment of EUR 689 million together with a fair value hedge. In addition, 1% of this holding was sold, giving rise to a consolidated gain net of taxes of EUR 265 million. At 31 December 2009, the ownership interest was 5.16%.

Also, commitments have been made to carry out the following transactions:

- On 30 December 2009, Criteria CaixaCorp entered into an agreement with The Bank of East Asia ("BEA") to subscribe 120,837,000 shares which, together with its existing ownership interest of 9.81%, brought Criteria's total ownership interest in BEA to 14.99% of the share capital with voting rights after the increase. Criteria's investment in the aforementioned increase amounted to EUR 331 million and was carried out through the subsidiary Negocio de Finanzas e Inversiones I (100% owned by Criteria) in January 2010 once all of the necessary authorisations had been obtained. This investment took place within the framework of the strategic investment agreement entered into in the first half of the year with BEA for the purpose of regulating shareholder relations at the bank and which formalises the friendly nature and strategic and long-term orientation of Criteria CaixaCorp's investment in BEA. Under the agreement, Criteria CaixaCorp may increase its ownership interest to 12.5% and, subject to BEA's prior consent, from 12.5% to 20%. Simultaneously, Criteria, "la Caixa" and BEA entered into a strategic cooperation agreement in order to maximise their respective commercial and business opportunities. In addition to these agreements, at the beginning of June 2009 Isidro Fainé Casas, Chairman of Criteria, was nominated as a non-executive member of the Board of Directors of BEA. Also, at the end of August 2009 he was also nominated as a member of the Bank's Nomination Committee. As a result of these actions, it was considered that the Company had a significant influence over the BEA and, therefore, the ownership interest was recognised using the equity method at 2009 year-end.
- On 22 October 2009, Criteria entered into two memorandums of understanding, on the one hand with Suez Environnement and on the other with Malakoff Médéric (a mutual health insurer based in France) to acquire 99.79% of the share capital of Adeslas for EUR 1,178 million. The main objective is to strengthen the Criteria Group's presence in the insurance industry, bringing this company into the structure of SegurCaixa Holding. The final agreements were signed on 14 January 2010. Prior to this transaction, the main shareholders of Agbar, Criteria CaixaCorp and Suez Environnement, which between them control 90% of the company's shares, will support a delisting takeover bid by Agbar for 10% of its share capital in the hands of non-controlling shareholders for EUR 20 per share, with a subsequent capital reduction at Agbar through the retirement of the treasury shares acquired.

  Once the takeover bid has been completed, and based on the degree of acceptance thereof, Criteria CaixaCorp will sell to Suez Environnement the portion of its ownership interest in Agbar required for Suez Environnement to have a 75.01% stake in Agbar, in a transaction valued at between EUR 647 million and EUR 871 million. Therefore, Criteria CaixaCorp's subsequent ownership interest in Agbar will be between 15% (if no non-controlling shareholders accept the takeover bid) and 25% (if all the shares making up the free float (10%) are sold in the takeover bid).

Criteria CaixaCorp will continue to be represented on the Board of Directors of Agbar as a principal shareholder in the framework of the excellent historical relations between "la Caixa"-Criteria and the GDF-Suez Group.

Both the acquisition of Adeslas by Criteria and the partial sale of Agbar to Suez Environnement were authorised by the respective managing bodies and/or Boards of Directors of Criteria CaixaCorp, Suez Environnement and Malakoff Médéric. In principle, the transaction is scheduled for completion in the first half of 2010 once the legal conditions and formalities customary in transactions of this nature have been met, in particular the requisite authorisations of regulators, such as the CNMV and the Directorate-General of Insurance and Pension Funds, and of the anti-trust authorities.

The most significant aspects of the investment portfolio are as follows:

UTILITIES

Listed

This group is composed of leading companies, mainly located in Spain, which have a capacity to generate growth and create value, in the energy, infrastructure and utilities industries in which Criteria CaixaCorp has knowledge and experience. A profitable portfolio has been built up, with the capacity to generate attractive dividends, with an excellent track record and a controlled level of risk. It is aimed to create additional value at these companies by taking up significant positions in the shareholder structure that facilitate active participation in the managing bodies, in the taking of key decisions and in the development of business strategies.

Gas Natural became one of the top ten European energy companies and the leading integrated gas and electricity utility in Spain after the merger with Unión Fenosa on 7 September 2009. It is the number one LNG operator in the Atlantic basin and one of the main operators of combined cycle plants in the world. The new company has more than 20 million customers (9 million in Spain) and 17 GW installed capacity around the globe. It has total assets in excess of EUR 48,100 million.

Repsol YPF is an integrated international oil and gas company, with operations in more than 30 countries, and it is the market leader in Spain and Argentina. It is one of the ten largest private oil companies in the world and the largest private company in the energy industry in Latin America by volume of assets. Total assets exceed EUR 49,400 million.

Abertis is one of the leading European companies in infrastructure development and management, with more than 3,700 kilometres of managed toll roads and total assets in excess of EUR 24,000 million. In the last four years, it has intensified its geographical and business diversification with investments of over EUR 5,800 million in motorways, telecommunications, airports and parking and logistics facilities. Currently, approximately 50% of revenue is earned outside Spain.

Aguas de Barcelona (AGBAR) is a multiconcessionary operator working in the public services field: integral water cycle and health. It has a total volume of assets in excess of EUR 6,000 million. Agbar is the leading privately-owned urban water management operator in Spain, where it supplies water to a population of close to 13 million and provides water treatment services to a population of over 8.3 million. On the international stage, the Agbar Group supplies potable water and provides water treatment services to a population of more than 10 million in Chile, the UK, China, Colombia, Algeria, Cuba and Mexico. In the framework of the acquisition of Adeslas, Criteria will reduce its ownership interest of Agbar in 2010.

Telefónica is one of the leading integrated telecommunications operators in the world. It is a benchmark company in the Spanish and Portuguese-speaking markets and is present in Spain, the rest of Europe and the main Latin American countries, with a total volume of assets of more than EUR 105,000 million. With almost 268 million accesses, Telefónica has an outstanding international profile, generating over 60% of its business outside Spain: (i) in Spain, with more than 47 million accesses, it is the leader in all business segments; (ii) in Europe (the UK, Germany, Ireland, the Czech Republic and Slovakia), it has almost 49 million customers; and (iii) in Latin America, with more than 163 million accesses, it is the market leader in the principal countries (Brazil, Argentina, Chile and Peru) and has significant business operations in other countries such as Mexico, Colombia, Venezuela and Central America.

Bolsas y Mercados is the company which brings together all the systems for the registration, clearing and settlement of securities and secondary markets in Spain. In 2009 more than 114,000 million shares were traded on the stock exchanges with total cash of close to EUR 900,000 million changing hands.

Unlisted

Port Aventura is a theme park which had more than 3 million visitors and continues with the aim to expand its offering and consolidate itself as a unique product in both the Spanish and foreign market. Accordingly, it inaugurated a new theme hotel (Hotel Gold River) in July and a conference centre in October with capacity for 4,000 people. As a result of the corporate reorganisation carried out in order to introduce a new shareholder, Port Aventura was spun off into two independent companies:

- **Port Aventura Entertainment** (50%), which includes the theme park, Caribe Aquatic Park and the operation of four hotels (two of which it owns) and the conference centre.

- **Mediterranea Beach & Golf Resort** (100%) owns two of the four hotels and the conference centre in addition to the lands for residential and commercial use, the golf business and the Beach Club.

FINANCIAL SERVICES SEGMENT

International banking

In the scope of investments in the financial services sector, Criteria CaixaCorp acts as the vehicle for the international expansion of “la Caixa” through the acquisition of financial institutions, mainly in the international banking industry, in the countries in which “la Caixa” can contribute added value and harness growth potential.

Banco BPI is a multi-specialised, universal financial group, focused on commercial banking aimed at business, institutional and private customers, and is the fourth largest private financial group in Portugal.

It has total assets of more than EUR 46,000 million and a commercial network of over 700 branches in Portugal and 100 branches in Angola.

Boursorama, formed in 1995, forms part of the Société Générale Group and is one of the leading brokers and distributors on-line ofsavings products in Europe with total assets of almost EUR 3,000 million.

It has a presence in four countries, and in France it leads the market in on-line financial information and has a notable position in Internet banking. It is one of the three leading on-line brokers in the UK and Spain. Boursorama also has a presence in Germany under the OnVista Bank brand name.

The Bank of East Asia (BEA), founded in 1918 and with assets totalling more than EUR 37,000 million, more than 250 branches and 10,000 employees, is the number one private independent bank in Hong Kong, and one of the best positioned foreign banks in China, where, through its subsidiary BEA China, it has over 70 branches. It plans to continue with its expansion strategy in that country, aiming for 100 branches in the first phase.

It offers commercial, personal, business and investment banking services to its customers. It provides services to the Chinese community abroad by operating in other South-East Asian countries, the US, Canada and the UK.

In 2009 Strategic Investment and Cooperation Agreements were entered into with the bank, together with an agreement between Foundations. In January 2010, the ownership interest of 9.81% was increased to 14.99% by way of a subscription to part of a capital increase.

Grupo Financiero Inbursa, with total assets exceeding EUR 15,000 million, more than 160 branches, more than 5,700 employees and 14,700 financial advisers, is the sixth largest financial group in Mexico in terms of total assets and is one of the biggest in Latin America in terms of market capitalisation.

Founded in Mexico in 1965, it offers commercial banking services, in which it is a benchmark, retail banking, asset management, life and non-life insurance and pensions, as well as stock broking and securities custody services. It is currently the leading financial group in Mexico in terms of asset management and custody services and is market leader in liability insurance, with a sound positioning in the other insurance segments.

Erste Group Bank AG was founded in 1819 as the first Austrian savings bank. In 1997 it was admitted to trading with a view to developing the retail banking business in Central and Eastern Europe. It is currently the second largest banking group in Austria and one of the largest in Central and Eastern Europe, with total assets of approximately EUR 200,000 million. In addition to Austria, Erste Bank controls banks in seven countries (Czech Republic, Slovakia, Romania, Hungary, Croatia, Serbia and the Ukraine) and is the market leader in the Czech Republic, Slovakia and Romania. It serves 17.5 million customers and operates with more than 3,000 branches.

In 2009, Strategic Investment and Cooperation Agreements were entered into with the bank and with the main shareholder, together with an agreement between Foundations.

Insurance

The holding company **SegurCaixa Holding**, which carries on its activity through its subsidiaries VidaCaixa and SegurCaixa, has a wide range of life and non-life insurance products, which it offers its customers on a personalised basis. Over 3.3 million customers and 44,000 companies and groups have taken out pension and insurance plans.

VidaCaixa's business is focused on life insurance, dealing with all of the group's insurance sales and the management of pension plan assets totalling EUR 13,500 million, ranking second in the industry in this branch of activity.

The organic growth of the business strengthens VidaCaixa as the leading life insurance company with a volume of technical provisions of more than EUR 17,200 million. Also, VidaCaixa has consolidated its position as leader in the private pension and health insurance business, with managed assets (technical provisions and pension plans) exceeding EUR 30,700 million.

SegurCaixa is the company within the holding company that focuses on non-life insurance and mention should be made of its sound position in home insurance. In 2009 it continued to consolidate the car business, a process which commenced in 2007, and launched two new products for SMEs and the self-employed, thereby strengthening the products offered by the group in this market segment. Following the execution in 2010 of the agreement to acquire Adeslas (see Note 5.2 to the consolidated financial statements), the resulting group will lead various classes in the insurance industry in Spain, which is one of the areas expected to experience increased growth in the coming years. In addition, the harnessing of synergies between the two groups will benefit existing and future customers since Adeslas, the leading health insurance company, will team up with SegurCaixa Holding, the leading life insurance and pension plan company.

Specialised financial services

InverCaixa Gestión manages collective investment undertakings. It manages a wide range of products: investment funds, OEICs and investment portfolios. In addition, it advises “la Caixa” on sales activities relating to investment funds managed by third-party management companies. At 31 December the Company had achieved a volume of managed assets of approximately EUR 15,457 million, increasing its market share from 6.9% (December 2008) to 8.5% in investment funds, making it the third leading fund manager.

CaixaRenting specialises in renting transactions in the car, capital goods and real estate areas**.** The commercial policy developed over the past few years has been to distribute products through “la Caixa”, which has intensified its presence in the SMEs sector. In 2009 new vehicle, capital goods and property rental transactions amounting to EUR 362 million were arranged. CaixaRenting manages a total of 34,894 cars, 31,965 under renting agreements and 2,929 under fleet management.

Finconsum engages mainly in consumer financing at the point of sale, (distributors of goods and services and car dealerships). In 2009 it contributed EUR 574 million of new business.

GestiCaixa has continued to develop its business in the financial markets as an asset securitisation management company. In 2009 five new funds were structured and set up with total issues of EUR 8,925 million. At 31 December 2009, the company was managing 35 securitisation funds, with EUR 20,000 million in outstanding bonds.

2- RISK MANAGEMENT

Criteria Caixa Corp’s main risk is that associated with the investee portfolio.

This risk is associated with the possibility of incurring losses due to changes in market prices and/or for the losses on the positions composing the investment portfolio at medium to long term.

Criteria CaixaCorp and the Strategic Risk Management Division of “la Caixa” measure the risk involved with these positions, both from the standpoint of the risk inherent in market price volatility, using VaR (Value at Risk) models on the risk-free interest rate yield spread as proposed by the New Basel Capital Accord (NBCA) for banks, and from the point of view of the possibility of default, applying models based on the Probability of Default and Loss Given Default (“PD” and “LGD”) approaches, also in accordance with the provisions of the NBCA.

These indicators are monitored on an ongoing basis to be able, at anytime, to take the most appropriate decisions on the basis of the market performance observed and predicted and of the Group's strategy.

These measures and their development are necessary for the purpose of enabling senior management to monitor the management of the investee portfolio and to take strategic decisions relating to the composition of the portfolio.

Also, as part of the active management of the investments and of the ongoing monitoring thereof, Criteria teams of specialists monitor the investees. At least once a year and whenever there are indications that the Company's investments might have become impaired, internal impairment tests are conducted using generally accepted valuation methods.

Criteria CaixaCorp has policies to minimise the other risks to which the Group is exposed, such as credit risk, interest rate risk, foreign currency risk and liquidity risk. Evaluation procedures have been established whereby management decides at any given time whether or not the risks assumed should be hedged using financial instruments (see Note 21 to the consolidated financial statements).

3- USE OF FINANCIAL INSTRUMENTS

The Group uses different types of financial derivatives to hedge the financial risks to which it is exposed.

The most significant instruments were designated for accounting purposes as:

(a) Fair value hedges. For example, in 2009 equity swap agreements were used to hedge the risk of a change in value of a portion of the investment in Telefónica, S.A. The Group regularly assesses the need to use hedges of this nature for certain of its investments.

(b) Cash flow hedges. These instruments are used mainly to hedge currency risk in relation to the expected cash flows. In 2009 cash flow hedges were used to hedge the currency risk to which the dividends expected to be collected on investments in currencies other than the euro were exposed. In 2008 the Group purchased a Mexican peso forward to hedge the value in euros of the disbursement to be made for the acquisition of GF Inbursa.

(c) Interest rate cash flow hedges. The Group arranges derivative financial instruments, basically interest rate swaps, to minimise the effect of potential changes in interest rates on its floating rate debt.

4- OUTLOOK

The international economy was plagued by an unusually high level of uncertainty. However, the figures for GDP growth in the main developed economies for the second half of 2009 evidence that the worst of the crisis is now over. Certain economies are already officially out of recession (e.g. Germany, France and Japan) and others have considerably mitigated its severity, although a slow and unstable recovery can be expected. Nonetheless, this heightened optimism does not imply that growth rates will return to the levels recorded before the crisis since agents will continue to delever, a process that will take time and limit the medium-term growth potential, particularly in a scenario with such a depressed job market.

In this context, central banks have pegged interest rates at extremely low levels and have implemented unorthodox monetary policy measures to guarantee liquidity and inject credit into the system, which has been a significant support to the markets. Taking into consideration the surplus production capacity in various industries, no imminent pressure is envisaged on prices, which will enable the central banks to guarantee low interest rates for some time. However, in view of the progress made in the economy and the markets, the monetary authorities are beginning to consider exit strategies for this situation of abundant liquidity. Specifically, withdrawing monetary and economic stimuli derived from government public spending constitutes the main risk to the financial markets.

There was a marked improvement in the stock markets, with advances of approximately 29% in the IBEX-35 index and of 21.2% on the Eurostoxx50 index in 2009. In terms of fixed-income securities, the risk premiums associated with corporate bonds have gradually decreased.

The recovery in Spain is also underway but it could be somewhat slower than in other developed economies, and the rate of unemployment is one of the highest in Europe.

Consequently, Criteria CaixaCorp will be carefully examining the following situations:

- The slumps and high volatility of the equities market in 2008 and, in particular, the financial services sector, which despite the clear improvement in 2009, make it necessary to implement an ongoing process of reviewing and monitoring the Group’s ownership interests. Criteria updated the impairment tests performed on its investments at 31 December, recognising additional impairment losses of EUR 169 million before tax with respect to those already recognised in December 2008, and will continue to be watchful in this regard. At 31 December 2009, the gross unrealised consolidated gains on the listed portfolio amounted to EUR 3,599 million compared to EUR 268 million at 31 December 2008.

- The possible decrease in corporate profits could mean lower dividend revenue for Criteria CaixaCorp or a lower contribution from the results of companies accounted for using the equity method. The investment portfolio built up by Criteria CaixaCorp is comprised of leading companies with potential for growth and the capacity to generate value. In 2009 a significant improvement was noted in the results of investees, and particularly the investments in international banks. The contribution to results from investments in associates and jointly controlled entities was up 18% compared to 2008. The 2010 profit is expected to continue to show an upward trend, with attractive dividend policies for Criteria.

- The evolution of exchange rates which could affect the value of investments made in currencies other than the euro. Criteria CaixaCorp monitors the evolution of currencies and in each case evaluates the need for arranging hedging instruments. Particular attention is paid to the performance of the Mexican peso and the Hong Kong dollar.

- Interest rates. Reference interest rates are expected to remain low in 2010. However, in order to reduce exposure to interest rates, in 2009 the Group renegotiated its financial conditions with “la Caixa”, and, accordingly, arranged long-term fixed-rate loans of EUR 2,000 million (at 4 and 7 years). The EUR 1,000 million five-year bond issue was also made at a fixed rate.

- Weaker consumption and the increase in non-performing loans could affect investments in specialised financial services. However, these companies recognised impairment losses on the loan portfolio in 2009, based on conservative criteria, and positive performances are expected in the coming years.

5- EVENTS AFTER THE REPORTING PERIOD

On 30 December 2009, the Group entered into an agreement with The Bank of East Asia ("BEA") to subscribe 120,837,000 shares which, together with its previous ownership interest of 9.81%, put Criteria's total investment in BEA at 14.99% of the share capital with voting rights after the increase. Criteria's investment in the aforementioned increase amounted to EUR 331 million and was performed through the subsidiary Negocio de Finanzas e Inversiones I (wholly owned by Criteria) in January 2010, upon obtainment of all the required authorisations.

6- RESEARCH AND DEVELOPMENT ACTIVITIES

Criteria CaixaCorp did not engage in any research and development activities. However, the jointly-controlled entities and associates of the services segment carry on research and development activities in the fields in which they operate.

7- TRANSACTIONS INVOLVING TREASURY SHARES

On 7 May 2009, the shareholders at the Annual General Meeting authorised the Board of Directors to derivatively acquire treasury shares, provided that the shares acquired added to the shares that the Parent already held did not exceed 5% of the share capital. This authorisation, ratified by the Board of Directors Meeting held on the same date, is valid for 18 months.

At 31 December 2009, Criteria CaixaCorp held 14,216,350 treasury shares, representing 0.423% of the share capital, the acquisition cost of which amounted to EUR 39,880 thousand. In 2009 the Parent sold 2,353,766 treasury shares on the market, with a gain of EUR 2 million, which was recognised in equity.

At 31 December 2008, the Parent held 6,534,397 treasury shares representing 0.194% of the share capital, the acquisition cost of which amounted to EUR 18,545 thousand.

8- SHARE CAPITAL STRUCTURE

At 31 December 2009, the share capital of Criteria CaixaCorp, S.A. amounted to EUR 3,362.9 million, represented by 3,362,889,837 fully subscribed and paid ordinary shares of EUR 1 par value each.

9- RESTRICTIONS ON THE TRANSFER OF SHARES

The shares of Criteria CaixaCorp and the dividend rights deriving therefrom, including the pre-emptive subscription rights, are freely transferable by all lawful means.

10- SIGNIFICANT DIRECT AND INDIRECT OWNERSHIP INTERESTS

At the end of the business year the only shareholder which appeared in the CNMV Register was “la Caixa”. According to Criteria CaixaCorp’s information, “la Caixa” owned 79.45% of its share capital at 31 December 2009.

11- RESTRICTIONS ON VOTING RIGHTS

All the outstanding Criteria CaixaCorp shares which, because they are ordinary shares belonging to a single class and series, confer on their holders the same voting and dividend rights, which are the full voting and dividend rights inherent thereto, as provided for in the Spanish Public Limited Liability Companies Law and the bylaws of Criteria CaixaCorp.

Each share carries one vote, without any restrictions on the maximum number of votes which may be cast by each shareholder or by companies belonging to the same group, in the case of legal entities.

With regard to the entitlement to attend the General Meetings, the bylaws and regulations of Criteria CaixaCorp’s General Meeting establish that shareholders who, individually or together with other shareholders, provide evidence of ownership of at least one thousand (1,000) shares, are entitled to attend General Meetings.

12- SIDE AGREEMENTS

The Group has not been informed of the existence of any side agreements the aim of which might be to exercise voting rights at General Meetings or which restrict or influence the free transferability of Criteria CaixaCorp’s shares.

13- REGULATIONS APPLICABLE TO THE NOMINATION AND REPLACEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS AND AMENDMENT OF THE BYLAWS

The regulations governing the nomination and replacement of the members of the Board of Directors of Criteria CaixaCorp are included in the bylaws (Articles 32 and 33) and Chapter VI of the Regulations of the Board of Directors relating to the Nomination and Removal of Directors (Articles 17 to 20), in addition to the general applicable legislation, established by the Spanish Public Limited Liability Companies Law (Articles 123 to 126, 131, 132, 137 and 138), and the Mercantile Registry Regulations (Section 5, Articles 138 to 148), which are summarised below.

The Nomination and Remuneration Committee shall present to the Board of Directors the proposals for the nomination of independent directors so that the Board may co-opt them onto the Board or adopt such proposals as its own and submit them for approval by the Annual General Meeting. Furthermore, the Nomination and Remuneration Committee will inform the Board of Directors in relation to the nomination of the other types of directors.

When a director vacates his position before the end of his mandate, the Board of Directors may co-opt a person to fill a vacancy until the date of the next Annual General Meeting, provided that it has been provided with a prior proposal or report from the Nomination and Remuneration Committee, as appropriate.

With regard to amendments to the bylaws, since the Parent does not have special regulations, the general regulations established by the Spanish Public Limited Liability Companies Law (Chapter VI, Article 144 et seq.) and by Mercantile Registry Regulations (sections 9 and 10, Articles 158 to 173), are applicable.

14- POWERS OF THE MEMBERS OF THE BOARD OF DIRECTORS

At 31 December 2009, Juan Maria Nin Génova and Gonzalo Gortázar Rotaeche had been granted general powers.

In relation to powers regarding the possibility of issuing shares, on 6 September 2007, the Parent’s sole shareholder granted the Board of Directors of Criteria CaixaCorp the power to increase share capital, at any time within a period of five years from the adoption of the resolution, by an equivalent maximum nominal amount of EUR 1,314,935,400, with power to disapply pre-emptive subscription rights.

With regard to powers to acquire treasury shares, at the Annual General Meeting held on 7 May 2009, the shareholders rendered the authorisation approved by the shareholders at the Annual General Meeting held on 5 June 2008 null and void in respect of the portion not used and resolved to grant a new authorisation to the Board of Directors of Criteria CaixaCorp to derivatively acquire treasury shares (either directly or indirectly through the subsidiaries), and to sell, retire or use them for the remuneration schemes provided for in paragraph three, Article 75.1 of the Spanish Public Limited Liability Companies Law, in the following terms:

(a) the acquisition can be made in the form of a purchase, swap or accord and satisfaction, at one or several times, provided that the shares acquired, together with those already held by Criteria CaixaCorp, do not represent more than 5% of the share capital;

(b) the price or consideration will be the closing price of the Criteria CaixaCorp shares on the Spanish Stock Market Interconnection System the day immediately prior to the acquisition, with a limit of 15% upwards or downwards; and

(c) the authorisation will remain valid for 18 months from the day after the resolution.

Also, the Board was empowered to delegate the authorisation to the person or persons it deemed appropriate.

Within the framework of the authorisation for the acquisition of treasury shares granted by the Parent’s shareholders at the Annual General Meeting held on 7 May, in order to facilitate the liquidity of Criteria CaixaCorp’s shares in the market and the regularity of their trading, on 7 May 2009, the Board of Directors of Criteria CaixaCorp, S.A. resolved to ratify the approval by the Board of Directors, through a circular resolution adopted on 18 July 2008, of the acquisition of up to 44.25 million shares, representing approximately 1.32% of Criteria CaixaCorp’s share capital, provided that the net investment did not exceed EUR 177 million, based on the market conditions prevailing at any given time. This approval also includes the power to dispose of the treasury shares acquired on the basis of the market conditions prevailing at any given time.

15- SIGNIFICANT AGREEMENTS WHICH MAY BE AMENDED OR TERMINATED IN THE EVENT OF A CHANGE OF CONTROL

In relation to the effects of a potential change of control over the Parent, Criteria CaixaCorp is a party to agreements that might be amended or terminated in this event.

On 11 January 2000, ”la Caixa”, as the controlling shareholder of Criteria CaixaCorp, and Repsol-YPF entered into a shareholders’ agreement in relation to Gas Natural, which was subsequently amended and completed through agreements dated 16 May 2002, 16 December 2002 and 20 June 2003.

Under this agreement, ”la Caixa” and Repsol-YPF undertake to exercise their voting power in the governing bodies of Gas Natural so that at all times there is a balance between the number of members of the Board of Directors and of the Executive Committee of Gas Natural designated at the proposal of Repsol-YPF and those designated at the proposal of ”la Caixa”. Also, the parties undertake to agree on the strategic plan of Gas Natural prior to submitting it to the Board of Directors.

The agreement will remain in force provided that each party maintains or increases its ownership interest or retains it up to at least 15% of the share capital of Gas Natural. A change in the control structure at either party or at Gas Natural will constitute grounds for the termination of the agreement at the request of either party.

The agreement dated 11 January 2000 and each of the subsequent agreements were notified to the CNMV and published when they were signed. Also, pursuant to Transitional Provision Three of Law 26/2003, of 17 July (Transparency Law), in July 2006 they were filed at the Barcelona Mercantile Registry.

Pursuant to the aforementioned agreements, “la Caixa”, as the controlling shareholder of Criteria, and Repsol YPF, which each own separately a controlling interest pursuant to the legislation governing takeover bids, hold a position of joint control over Gas Natural for regulatory and competition purposes, since they jointly hold an ownership interest in the company of over 50% and have nominated between them more than one-half of the members of the managing body. Under current legislation, these agreements constitute concerted action between “la Caixa” and Repsol at Gas Natural.

As regards Sociedad General de Aguas de Barcelona, S.A. (“Agbar”), under the agreement and subsequent addenda signed by Suez, “la Caixa”, Suez Environnement, Suez Environnement España and Criteria CaixaCorp regarding Hisusa and its ownership interest in Agbar, which was notified to the CNMV, it was agreed that in the event of a change in the control over any of the signatory companies, any shareholder of Hisusa belonging to the group not affected by this change in control would be entitled to demand the dissolution and liquidation of Hisusa, in conformity with the terms of the aforementioned agreements.

On 22 October 2009, Criteria CaixaCorp and Suez Environnement, in connection with their ownership interests in Agbar , in which they jointly own 90% of the share capital, announced that they had decided to refocus their strategic interests in the group health services business and in the water and environmental management sector and, to this end, they entered into a Memorandum of Understanding encompassing various transactions, including the launch by Agbar of a public to private takeover bid in order to have its shares delisted from the Spanish Stock Exchange and to reorganise the ownership interests of Criteria and Suez Environnement in Agbar in order to channel them all through Hisusa and to terminate the current shareholders’ agreements regulating the situation of joint control over Agbar after the transactions provided for in the Memorandum of Understanding have been carried out, with the signing of a new agreement to regulate their relations as direct shareholders of Hisusa and indirect shareholders of Agbar on the basis of the new shareholder structure.

Also, the Parent’s bond issue in the terms established in the Final Conditions published envisages the possibility of redeeming the securities early in the event of a change of control.

Lastly, the Preferred Partnership Agreement with the main shareholder of Erste Group Bank and the shareholders’ agreement at Port Aventura Entertainment also contain change of control-related clauses.

Without prejudice to the foregoing, as established by the Internal Relationship Memorandum of Understanding between Criteria CaixaCorp and “la Caixa”, when the latter no longer exercises effective control over the Parent, both entities will be entitled to terminate the provision of the corresponding services, by giving reasonable notice (which will depend on the type of service involved), subject to the determination, in good faith, by the parties, of the costs, if any, that might arise from early termination. “La Caixa” is considered to exercise control over Criteria CaixaCorp when it holds, either directly or indirectly, a majority stake in Criteria CaixaCorp or, even if this ownership interest is equal to or less than 50%, whilst more than one-half of the directors of Criteria CaixaCorp have been appointed at the proposal of “la Caixa”.

16- AGREEMENTS BETWEEN CRITERIA CAIXACORP, DIRECTORS, EXECUTIVES OR EMPLOYEES THAT PROVIDE FOR INDEMNITY PAYMENTS ON TERMINATION OF THEIR RELATIONSHIP WITH THE PARENT AS A RESULT OF A TAKEOVER BID

Lastly, with respect to the agreements between the Group and its directors, executives or employees who are entitled to receive termination benefits when they resign or are unjustly dismissed, or if the employment relationship is terminated as a result of a takeover bid, the maximum termination benefits in the event of the unilateral termination by the Parent of the members of the managing bodies and senior management of Criteria CaixaCorp amount to EUR 2 million.

17- ANNUAL CORPORATE GOVERNANCE REPORT

The 2009 Annual Corporate Governance Report is attached.

ANNUAL CORPORATE GOVERNANCE REPORT

PUBLIC LIMITED COMPANIES

ISSUER'S PARTICULARS

YEAR ENDED: December 31, 2009

Company Tax ID No.: A-08663619

Corporate name: CRITERIA CAIXACORP, S.A.

ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLIC LIMITED COMPANIES

For a better understanding of the model and its subsequent preparation, please read the instructions provided at the end before filling it out.

A. - OWNERSHIP STRUCTURE

A.1 Complete the following table on the company's share capital.

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
07/11/07	3,362,889,837.00	3,362,889,837	3,362,889,837

Indicate whether different types of shares exist with different associated rights.

NO

A.2 List the direct and indirect holders of significant ownership interests in your organization year-end, excluding directors.

Name or corporate name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
CAJA DE AHORROS Y PENSIONES DE BARCELONA, LA CAIXA	2,671,699,600	0	79.447

Indicate the most significant movements in the shareholder structure during the year.

A.3 Complete the following charts on company directors holding voting rights through company shares.

Name or corporate name of director	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
ISIDRO FAINÉ CASAS	567,505	0	0.017
JUAN MARÍA NIN GÉNOVA	234,491	0	0.007
ALAIN MINC	10,000	0	0.000
GONZALO GORTÁZAR ROTAECHE	300,100	0	0.009
IMMACULADA JUAN FRANCH	5,611	0	0.000
ISABEL ESTAPÉ TOUS	200,000	1,090	0.006
JAVIER GODÓ MUNTAÑOLA	0	1,230,000	0.037
JORGE MERCADER MIRÓ	1,496	0	0.000
JUAN ROSELL LASTORTRAS	0	32,382	0.001
LEOPOLDO RODÉS CASTAÑÉ	9,700	0	0.000
MARIA DOLORS LLOBET MARIA	2,100	0	0.000
MIQUEL NOGUER PLANAS	3,561	0	0.000
SALVADOR GABARRÓ SERRA	7,003	0	0.000
SUSANA GALLARDO TORREDEDIA	0	58,700	0.002

% of total voting rights held by the Board of Directors	0.079

Complete the following charts on share options held by directors.

A.4 Indicate, as applicable, any family, commercial, contractual or corporate relationships between owners of significant shareholdings, insofar as they become known by the company, unless they are insignificant or arise from ordinary trading or exchange activities.

A.5 Indicate, as applicable, any commercial, contractual or corporate relationships between owners of significant shareholdings, and the company and/or its group, unless they are insignificant or arise from ordinary trading or exchange activities.

Type of relationship:

Commercial

Brief description

There are commercial and contractual relationships which derive from ordinary trading or exchange activities and which are regulated by the Internal Protocol of Relationships between Criteria CaixaCorp and "la Caixa" submitted to the CNMV on October 4, 2007.

Related name or corporate name
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"

A.6 Indicate whether any shareholders' agreements have been notified to the company pursuant to article 112 of the Securities' Market Act (Ley del Mercado de Valores). Provide a brief description and list the shareholders bound by the agreement, as applicable.

NO

Indicate whether the company is aware of the existence of any concerted actions among its shareholders. Give a brief description as applicable.

NO

Expressly indicate any amendments to or termination of such agreements or concerted actions during the year.

A.7 Indicate whether any individuals or bodies corporate currently exercise control or could exercise control over the company in accordance with article 4 of the Spanish Securities' Market Act. If so, identify.

YES

Name or corporate name
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"

Comments
Caja de Ahorros y Pensiones de Barcelona, "la Caixa" exercises control over Criteria CaixaCorp as stipulated in article 4 of the Spanish Securities Market Act (Ley de Mercado de Valores). In order to foster the company's transparency, autonomy and good governance, and in accordance with recommendation two of the Unified Good Governance Code, Criteria CaixaCorp and "la Caixa", as controlling shareholder, signed an Internal Protocol of Relationships. This Protocol aims to demarcate Criteria CaixaCorp's area of activity, the general parameters governing any mutual business or social dealings between Criteria CaixaCorp and "la Caixa" and other companies belonging to" la Caixa" group, as well as a correct flow of information allowing "la Caixa" and the company to draw up its Financial Statements and comply with the requirement to issue periodical information to the Bank of Spain and other regulatory bodies.

A.8 Complete the following tables on the company's treasury shares.

At year-end:

Number of shares held directly	Number of shares held indirectly (*)	% of total share capital
14,216,350	0	0.423

(*) Through:

Total	0

Give details of any significant changes during the year, in accordance with Royal Decree 1362/2007.

Gain/(loss) on treasury shares during the year (In thousand €)	2,000

A.9 Give details of the applicable conditions and time periods governing any resolutions of the General Shareholders' Meeting authorizing the Board of Directors to purchase and/or transfer the treasury shares.

On May 7, 2008, shareholders at the Annual General Meeting rendered null the decision adopted on June 5, 2008, and agreed to grant Criteria CaixaCorp's Board of Directors powers for the derivative acquisition of treasury stock, directly or through group companies for the purpose of either disposals, redemption or for remuneration schemes specified in paragraph 3, section 1 of article 75 of the LSA, under the following terms:

(a) the acquisition may be in the form of a trade, swap or dation in payment, in one or more installments, provided that the shares acquired do not amount to more than 5% of the share capital when added to those already owned by the company.

(b) the price or equivalent value shall be the price of Criteria CaixaCorp's shares on the Continuous Market at the close of the day prior to the acquisition, +/-15%; and

(c) the authorization shall be valid for 18 months from the day after the date of this resolution.

Additionally, the Board was empowered to delegate that authorization to any person or persons its so deemed appropriate.

A.10 Indicate, as applicable, any restrictions imposed by Law or the company's bylaws on exercising voting rights, as well as any legal restrictions on the acquisition or transfer of ownership interests in the share capital. Indicate whether there are any legal restrictions on exercising voting rights.

NO

Maximum percentage of legal restrictions on voting rights a shareholder can exercise	0

Indicate whether there are any restrictions included in the company's bylaws on exercising voting rights.

NO

Maximum percentage of restrictions under the company's bylaws on voting rights a shareholder can exercise	0

Indicate if there are any legal restrictions on the acquisition or transfer of share capital.

NO

A.11 Indicate whether the General Shareholders' Meeting has agreed to take neutralization measures to prevent a public takeover bid by virtue of Act 6/2007.

NO

If applicable, explain the measures adopted and the terms under which these restrictions may be lifted.

B. COMPANY MANAGEMENT STRUCTURE

B.1 Board of Directors

B.1.1 List the maximum and minimum number of directors included in the bylaws.

Maximum number of directors	17
Minimum number of directors	12

B.1.2 Complete the following table with board members' details.

Name or corporate name of director	Representative	Position on the board	Date of first appointment	Date of last appointment	Election procedure
ISIDRO FAINÉ CASAS	--	CHAIRMAN	07/07/00	02/05/05	VOTE AT SHAREHOLDERS' MEETING
JUAN MARÍA NIN GÉNOVA	--	VICE CHAIRMAN	21/06/07	21/06/07	VOTE AT SHAREHOLDERS' MEETING
ALAIN MINC	--	DIRECTOR	06/09/07	06/09/07	VOTE AT SHAREHOLDERS' MEETING
DAVID K. P. LI	--	DIRECTOR	06/09/07	06/09/07	VOTE AT SHAREHOLDERS' MEETING
FRANCESC XAVIER VIVES TORRENTS	--	DIRECTOR	05/06/08	05/06/08	VOTE AT SHAREHOLDERS' MEETING
GONZALO GORTÁZAR ROTAECHE	--	DIRECTOR	26/05/09	26/05/09	CO-OPTION
IMMACULADA JUAN FRANCH	--	DIRECTOR	07/05/09	07/05/09	CO-OPTION
ISABEL ESTAPÉ TOUS	--	DIRECTOR	06/09/07	06/09/07	VOTE AT SHAREHOLDERS' MEETING

Name or corporate name of director	Representative	Position on the board	Date of first appointment	Date of last appointment	Election procedure
JAVIER GODÓ MUNTAÑOLA	--	DIRECTOR	02/05/05	02/05/05	VOTE AT SHAREHOLDERS' MEETING
JORGE MERCADER MIRÓ	--	DIRECTOR	07/07/00	02/05/05	VOTE AT SHAREHOLDERS' MEETING
JUAN ROSELL LASTORTRAS	--	DIRECTOR	06/09/07	06/09/07	VOTE AT SHAREHOLDERS' MEETING
LEOPOLDO RODÉS CASTAÑÉ	--	DIRECTOR	30/07/09	30/07/09	CO-OPTION
MARIA DOLORS LLOBET MARIA	--	DIRECTOR	07/05/09	07/05/09	CO-OPTION
MIQUEL NOGUER PLANAS	--	DIRECTOR	06/06/03	05/06/08	VOTE AT SHAREHOLDERS' MEETING
SALVADOR GABARRÓ SERRA	--	DIRECTOR	06/06/03	05/06/08	VOTE AT SHAREHOLDERS' MEETING
SUSANA GALLARDO TORREDEDIA	--	DIRECTOR	06/09/07	06/09/07	VOTE AT SHAREHOLDERS' MEETING

Total number of directors	16

Indicate any board members who left during this period.

Name or corporate name of director	Status of the director at the time	Leaving date
MARÍA AMPARO CAMARASA CARRASCO	PROPRIETARY	07/05/09
RICARDO FORNESA RIBÓ	EXECUTIVE	07/05/09
MANUEL GARCÍA BIEL	PROPRIETARY	07/05/09
MANUEL RAVENTÓS NEGRA	PROPRIETARY	30/07/09
RODRIGO DE RATO Y FIGAREDO	OTHER EXTERNAL DIRECTOR	17/12/09

B.1.3 Complete the following tables on board members and their respective categories.

EXECUTIVE DIRECTORS

Name or corporate name of director	Committee proposing appointment	Post held in the company
JUAN MARÍA NIN GÉNOVA	--	VICE CHAIRMAN
GONZALO GORTÁZAR ROTAECHE	APPOINTMENTS AND REMUNERATIONS COMMITTEE	CHIEF EXECUTIVE OFFICER

Total number of executive directors	2
% of the board	12.500

EXTERNAL PROPRIETARY DIRECTORS

Name or corporate name of director	Committee proposing appointment	Name or corporate name of significant shareholder represented or proposing appointment
ISIDRO FAINÉ CASAS	--	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”
IMMACULADA JUAN FRANCH	APPOINTMENTS AND REMUNERATIONS COMMITTEE	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”
JAVIER GODÓ MUNTAÑOLA	--	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”
JORGE MERCADER MIRÓ	--	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”
LEOPOLDO RODÉS CASTAÑÉ	APPOINTMENTS AND REMUNERATIONS COMMITTEE	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”
MARIA DOLORS LLOBET MARIA	APPOINTMENTS AND REMUNERATIONS COMMITTEE	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”
MIQUEL NOGUER PLANAS	APPOINTMENTS AND REMUNERATIONS COMMITTEE	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”
SALVADOR GABARRÓ SERRA	APPOINTMENTS AND REMUNERATIONS COMMITTEE	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”

Total number of proprietary directors	8
% of the board	50.000

INDEPENDENT EXTERNAL DIRECTORS

Name or corporate name of director

ALAIN MINC

Profile

In 1991 Mr. Minc founded his own consultancy firm, AM Conseil. Born in 1949, he is a graduate of the École des Mines de Paris and the École Nationale d'Administration (ENA) in Paris.

He was Chairman of the Supervisory Board of the French daily Le Monde. He has acted as vice-chairman to Compagnie Industriali Riunite International and has held the position of general manager of Cerus Compagnies Européennes Réunies.

He was also a finance inspector and CFO at Saint-Gobain.

He has also written over 20 books since 1978, many of them best-sellers which include *Une sorte de Diable, les vies de John M. Keynes*; *Le Créupscule des petits dieux*; *Ce monde qui vient*; *Les Prophètes du bonheur: historie personnelle de la pensée économique*; *Epître à nos nouveaux maîtres, Rapport sur la France de l'an 2000*; *Le Nouveau Moyen-âge*; *Les vengeances des Nations*; *La Machine égalitaire*, y *Rapport sur l´informatisation de la société*.

Name or corporate name of director

FRANCESC XAVIER VIVES TORRENTS

Profile

Professor of Economics and Finance and academic director of the Public-Private Research Centre at the IESE Business School, Mr. Vives Torrents also holds a PhD in Economics from the University of California, Berkeley.

He was also a Professor of European Studies at INSEAD in 2001-2005; Director of the Institute of Economic Analysis at the High Council of Scientific Research in 1991-2001; and a visiting lecturer at the universities of California (Berkeley), Harvard, New York (King Juan Carlos I Chair 1999-2000), and Pennsylvania, as well as the Universitat Autònoma de Barcelona and the Universitat Pompeu Fabra.

He has published numerous articles in international journals and written various books as well as advising the World Bank, the Inter-American Development Bank, the European Commission and various international companies. Mr. Vives Torrents has also received several Spanish research awards including the King Juan Carlos I Prize for Research into Social Sciences in 1988; the Catalan Society for Economics prize in 1996; the Narcís Monturiol Medal from the Catalonia regional government in 2002 and the Catalonia Economics Prize in 2005. He also served as Chairman of the Spanish Economic Association (2008) and has received the European Research Council Advanced Grant (2009-2013).

He is currently vice president of the Spanish Association for Energy Economics; a member of the European Academy of Sciences and Arts; Research Fellow of the CESifo and the Center for Economic Policy Research; Fellow of the European Economic Association since 2004 and Fellow of the Econometric Society since 1992.

Name or corporate name of director

ISABEL ESTAPÉ TOUS

Profile

Ms. Estapé holds a degree in Economics and Business from the University Central of Barcelona (1981) and is a qualified auditor.

In 1982 she joined the Stock Exchange as a broker, working as such until 1989. She served on the Boards of Directors of both the Barcelona (1989-1991) and Madrid (1990-1995) Stock Exchanges. Since 2000 she has been a Notary Public of Madrid.

She is also an Academic Director, member of the Advisory Board of the Institute of Market Studies (Instituto de Estudios Bursátiles) and member of the Spanish Directors' Association (A.E.D). In 2006 she joined the Royal Academy of Economics and Finance and in May 2007 she was awarded the "Women Together" prize by the United Nations.

Name or corporate name of director

JUAN ROSELL LASTORTRAS

Profile

Chairman of OMB, Sistemas Integrados para la Higiene Urbana and Congost Plastic. Born in 1957, he is industrial engineering graduate from the Polytechnic University of Barcelona

and has been awarded the Gold Medal of Merit from the Feria Oficial e Internacional de Muestras de Barcelona; the Silver Medal from the Barcelona Chamber of Commerce; the Commendatore al Merito della Repubblica Italiana, and the Keys to the City of Barcelona.

He has served as Managing Director of Juguetes Congost and has been Chairman of Enher (1996-1999), Fecsa-Enher (1999-2002) and Corporación Unliand (2005-2006). He has also been a board member of Sociedad General de Aguas de Barcelona, Endesa Italia and Endesa.

He is currently a director of Port Aventura Entertainment, Siemens España, Applus Servicios tecnológicos, Corporación Uniland and a member of the Zona Franca Consortium in Barcelona. In 2009 he was appointed to the board of Gas Natural.

He is also Chairman of the Fomento de Trabajo Nacional, the Instituto de Logística Internacional, Trustee of the FC Barcelona Foundation, Deputy Chairman of the Confederación Española de Organizaciones Empresariales (CEOE), Deputy Chairman of the Spanish Modern Pentathlon Federation and member of the Mont Pelerin Society.

Name or corporate name of director

SUSANA GALLARDO TORREDEDIA

Profile

Born in Barcelona in 1964, she holds a degree in Politics and Economics from Oxford Brookes University (UK).

She has worked as a money market trader at the Bank of Europe and as a financial advisor to REVELAM S.L.

She is a member of the Board of Directors of Landon and she has been a member of the Picking Pack Board of Directors.

She is also Chairman of the Bienvenido Foundation, a member of the board of trustees of Fundación Palau de la Música Catalana and of the Fundación Hospitalitat Mare de Déu de Lourdes.

Total number of independent directors	5
% of the board	31.250

OTHER EXTERNAL DIRECTORS

Name or corporate name of director	Committee proposing appointment
DAVID K. P. LI	--

Total number of other external directors	1
% of the board	6.250

List the reasons why these directors cannot be considered proprietary or independent and detail their relationships with the company, its executives or shareholders.

Name or corporate name of director

DAVID K. P. LI

Company, executive or shareholder with whom the relationship is maintained

THE BANK OF EAST ASIA, LIMITED

Reasons

David K. P. Li is not - neither does he represent - a shareholder with representation rights on Criteria CaixaCorp's Board of Directors, and so he cannot be considered a proprietary director. Mr. Li became an independent director on September 6, 2007. However, once Criteria's participation in The Bank of East Asia exceeded 5%, the Appointments and Remuneration Committee revised Mr. Li's position and decided – at the Ordinary Shareholder Meeting on June 5, 2008 – to change his status from independent director to other external director in accordance with the stipulations of article 16.4 of Criteria CaixaCorp's International Offering Memorandum.

List any changes in the category of each director which have occurred during the year.

Name or corporate name of director	Date of change	Previous category	Current category
JUAN MARÍA NIN GÉNOVA	01/01/09	PROPRIETARY	EXECUTIVE

B.1.4 Explain, when applicable, the reasons why proprietary directors have been appointed upon the request of shareholders who hold less than 5% of the share capital.

Provide details of any rejections of formal requests for board representation from shareholders whose equity interest is equal to or greater than that of other shareholders who have successfully requested the appointment of proprietary directors. If so, explain why these requests have not been entertained.

NO

B.1.5 Indicate whether any director has resigned from office before their term of office has expired, whether that director has given the board his/her reasons and through which channel. If made in writing to the whole board, list below the reasons given by that director.

YES

Name of director

MANUEL GARCÍA BIEL

Reasons for resignation

He tendered his resignation as he ceased to be a director and member of the Executive Committee of la Caixa.

Name of director

MANUEL RAVENTÓS NEGRA

Reasons for resignation

He tendered his resignation as he ceased to be a director and member of the Executive Committee of la Caixa.

Name of director

MARÍA AMPARO CAMARASA CARRASCO

Reasons for resignation

He tendered his resignation as he ceased to be a director and member of the Executive Committee of la Caixa.

Name of director

RICARDO FORNESA RIBÓ

Reasons for resignation

He resigned for personal reasons.

Name of director

RODRIGO DE RATO Y FIGAREDO

Reasons for resignation

He tendered his resignation following his appointment as chairman of Caja Madrid.

B.1.6 Indicate what powers, if any, have been delegated to the Chief Executive Officer.

B.1.7 List the directors, if any, who hold office as directors or executives in other companies belonging to the listed company's group.

Name or corporate name of director	Name of group company	Post
ISIDRO FAINÉ CASAS	HISUSA-HOLDING DE INFRAESTRUCTURAS Y SERVICIOS URBANOS, S.A.	REPRESENTING CRITERIA CAIXACORP. S.A.
JUAN MARÍA NIN GÉNOVA	GAS NATURAL, S.D.G., S.A.	DIRECTOR
JUAN MARÍA NIN GÉNOVA	SEGURCAIXA HOLDING. S.A.U.	DIRECTOR
GONZALO GORTÁZAR ROTAECHE	INVERSIONES AUTOPISTAS. S.L.	CHAIRMAN
GONZALO GORTÁZAR ROTAECHE	PORT AVENTURA ENTERTAINMENT. S.A.	DIRECTOR
GONZALO GORTÁZAR ROTAECHE	SEGURCAIXA. S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
GONZALO GORTÁZAR ROTAECHE	VIDACAIXA. S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
IMMACULADA JUAN FRANCH	SOCIEDAD GENERAL DE AGUAS DE BARCELONA S.A.	DIRECTOR
JAVIER GODÓ MUNTAÑOLA	SEGURCAIXA HOLDING. S.A.U.	DIRECTOR
JORGE MERCADER MIRÓ	SEGURCAIXA HOLDING. S.A.U.	DIRECTOR
JORGE MERCADER MIRÓ	SOCIEDAD GENERAL DE AGUAS DE BARCELONA S.A.	CHAIRMAN & CEO
JUAN ROSELL LASTORTRAS	GAS NATURAL. S.D.G..S.A.	DIRECTOR
JUAN ROSELL LASTORTRAS	MEDITERRANEA BEACH & GOLF RESORT. S.A.	DIRECTOR (until 28/12/09)
JUAN ROSELL LASTORTRAS	PORT AVENTURA ENTERTAINMENT. S.A.	DIRECTOR

Name or corporate name of director	Name of group company	Post
MIQUEL NOGUER PLANAS	SOCIEDAD GENERAL DE AGUAS DE BARCELONA S.A.	DIRECTOR
SALVADOR GABARRÓ SERRA	GAS NATURAL. S.D.G. S.A.	CHAIRMAN

B.1.8 List any company board members who likewise sit on the boards of directors of other non-group companies that are listed on official securities markets in Spain, insofar as these have been disclosed to the company.

Name or corporate name	Name of listed company	Post
ISIDRO FAINÉ CASAS	TELEFONICA. S.A.	VICE CHAIRMAN
ISIDRO FAINÉ CASAS	ABERTIS INFRAESTRUCTURAS. S.A.	1st VICE-CHAIRMAN
ISIDRO FAINÉ CASAS	REPSOL YPF. S.A.	2nd VICE-CHAIRMAN
JUAN MARÍA NIN GÉNOVA	REPSOL YPF. S.A.	DIRECTOR
JORGE MERCADER MIRÓ	MIQUEL & COSTAS & MIQUEL. S.A.	CHAIRMAN
LEOPOLDO RODÉS CASTAÑÉ	ABERTIS INFRAESTRUCTURAS. S.A.	DIRECTOR
SALVADOR GABARRÓ SERRA	ENAGÁS. S.A.	DIRECTOR
SALVADOR GABARRÓ SERRA	INDRA SISTEMAS. S.A.	DIRECTOR
SALVADOR GABARRÓ SERRA	UNIÓN FENOSA. S.A.	CHAIRMAN

B.1.9 Indicate and, where appropriate, explain whether the company has established rules about the number of boards on which its directors may sit.

YES

Explanation
Article 32. 4 of the Board of Directors' Regulations stipulates that Criteria CaixaCorp directors may not form part - apart from the company's Board - of more than four Boards of Directors of commercial companies. It also stipulates that for purposes of computing the number of Boards, the following rules shall be borne in mind: a) those boards of which he/she forms part as a stakeholding director proposed by the company or by any company belonging to its group shall not be computed. b) all boards of companies that form part of the same group, as well as those of which he forms part as a stakeholding director of any group company shall be computed as one single board, although the stake in the capital of the company or its degree of control does not allow considering it to form part of the group; c) those boards of asset-holding companies or companies that constitute vehicles or complements for the professional exercise of the Director himself, his spouse or a person having an analogous affective relationship, or his closest relatives shall not be

computed; and d) those boards of companies, even though they are commercial in nature, whose purpose is complementary or accessory to another activity which for the Director implies an activity related to leisure, assistance or aid to third parties, or any other one which does not imply for the Director a true dedication to a commercial business shall not be considered for computation.

B.1.10 In relation to Recommendation 8 of the Unified Code, indicate the company's general policies and strategies that are reserved for approval by the Board of Directors in plenary session.

Investment and financing policy	YES
Design of the structure of the corporate group	YES
Corporate Governance policy	YES
Corporate social responsibility policy	YES
The strategic or business plan, management targets and annual budgets	YES
Remuneration and evaluation of senior officers	YES
Risk control and management, and the periodic monitoring of internal information and control systems	YES
Dividend policy, as well as the policies and limits applying to treasury stock	YES

B.1.11 Complete the following tables on the aggregate remuneration paid to directors during the year.

a) In the reporting company:

Concept	In thousand €
Fixed remuneration	3,759
Variable remuneration	0
Per diems	0
Statutory compensation	0
Options on shares and/or other financial instruments	0
Other	0

Total	3,759

Other benefits	In thousand €
Advances	0
Loans	0
Funds and pension plans: contributions	125
Funds and pension plans: obligations	0
Life insurance premiums	0
Guarantees issued by the company in favor of directors	0

b) For company directors sitting on other governing boards and/or holding senior management posts within group companies:

Concept	In thousand €
Fixed remuneration	1,408
Variable remuneration	0
Per diems	0
Statutory compensation	0
Options on shares and/or other financial instruments	0
Other	0

Total	1,408

Other benefits	In thousand €
Advances	0
Loans	0
Funds and pension plans: contributions	0
Funds and pension plans: obligations	0
Life insurance premiums	0
Guarantees issued by the company in favor of directors	0

c) Total remuneration by type of director:

Type of director	By company	By group
EXECUTIVE	1,230	1,090
EXTERNAL PROPRIETARY	1,465	286
EXTERNAL INDEPENDENT	590	32
OTHER EXTERNAL	474	0

Total	**3,759**	1,408

d) Remuneration as percentage of profit attributable to the parent company:

Total remuneration received by directors (in thousand €)	5,167
Total remuneration received by directors/profit attributable to parent company (%)	0.4

B.1.12 List any members of senior management members who are not executive directors and indicate total remuneration paid to them during the year.

Name or corporate name	Post
LLUIS VENDRELL PI	HEAD OF LEGAL ADVISORY SERVICES
CARMEN GIMENO OLMOS	DIRECTOR OF INSURANCE AND FINANCIAL SERVICES INVESTMENT PORTFOLIO
JUAN MARÍA HERNÁNDEZ PUÉRTOLAS	DIRECTOR OF EXTERNAL COMMUNICATIONS
FRANCESC BELLAVISTA AULADELL	DIRECTOR OF INTERNAL AUDIT AND RISK CONTROL
ANTONI GARRIGA TORRES	DIRECTOR OF CORPORATE OFFICE AND INVESTOR RELATIONS
FRANCISCO REYNÉS MASSANET	MANAGING DIRECTOR
ADOLFO FEIJÓO REY	SECRETARY GENERAL

Name or corporate name	Post
ALMUDENA GALLO MARTÍNEZ	DIRECTOR OF HUMAN RESOURCES AND CORPORATE SOCIAL RESPONSIBILITY
XAVIER MORAGAS FREIXA	DIRECTOR OF FINANCE
JORDI MORERA CONDE	DIRECTOR OF BANK INVESTMENT PORTFOLIO

Total remuneration received by senior management (in thousand €)	2,387

B.1.13 Identify, in aggregate terms, any indemnity or "golden parachute" clauses that exist for members of the senior management (including executive directors) of the company or of its group in the event of dismissal or changes in control. Indicate whether these agreements must be reported to and/or authorized by the governing bodies of the company or its group.

Number of beneficiaries	3

	Board of Directors	General Shareholders' Meeting
Body authorizing clauses	YES	NO

Is the General Shareholders' Meeting informed of such clauses?	NO

B.1.14 Describe the procedures for establishing remuneration for board members and the relevant provisions in the bylaws.

Procedures for establishing board members' remuneration and relevant provisions in the bylaws
Article 4 of the Regulation of the Board of Directors of Criteria CaixaCorp states that the Board shall approve, subsequent to a report from the Appointments and Remuneration Committee, the remuneration of Directors, as well as, in the case of executive Directors, additional remuneration for their executive duties and other conditions which their contracts must respect. This is within the system and the limits stipulated in article 34 of the By-laws.

Indicate whether the board has reserved for plenary approval the following decisions:

At the proposal of the company's chief executive, the appointment and removal of senior officers, and their compensation clauses.	YES
Directors' remuneration and, in the case of executive directors, the additional remuneration for their executive functions and other contract conditions	YES

B.1.15 Indicate whether the Board of Directors approves a detailed remuneration policy and specify the points included.

YES

The amount of the fixed components, itemized where necessary, of board and board committee attendance fees, with an estimate of the fixed annual payment they give rise to.	YES
Variable components	YES
The main characteristics of pension systems, including an estimate of their amount of annual equivalent cost.	YES
The conditions that the contracts of executive directors exercising executive functions shall respect	YES

B.1.16 Indicate whether the board submits a report on the directors' remuneration policy to the advisory vote of the General Shareholders' Meeting, as a separate point on the agenda. Explain the points of the report regarding the remuneration policy as approved by the board for forthcoming years, the most significant departures in those policies with respect to that applied during the year in question and a global summary of how the remuneration policy was applied during the year. Describe the role played by the Remuneration Committee and whether external consultancy services have been procured, including the identity of the external consultants.

NO

Issues covered in the remuneration policy report
Even though a remuneration policy report was not submitted to the vote at the General Meeting as a separate point on the agenda, Criteria CaixaCorp – at the proposal of the Appointments and Remuneration Committee - has prepared a report for the members of the Board of Directors, adopting principles of transparency and information, and including separately remunerations for executive directors and non-executive ones. This report contains the general principles that are to be applied to directors' remuneration, the remuneration structure established in the corporate documentation and the remuneration details regarding the corresponding fiscal year.

Role of the Remunerations Committee
According to article 14 of the Regulation of the Board of Directors, the Appointments and Remuneration Committee shall propose to the Board of Directors the system and amount of annual remuneration of Directors, the individual remuneration of executive directors and the further conditions of their contracts.

Have external consultancy firms used?	

Identity of external consultants

B.1.17 List any board members who are likewise members of the boards of directors, or executives or employees of companies that own significant holdings in the listed company and/or group companies.

Name or corporate name of director	Corporate name of significant shareholder	Post
ISIDRO FAINÉ CASAS	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	CHAIRMAN
JUAN MARÍA NIN GÉNOVA	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	MANAGING DIRECTOR
IMMACULADA JUAN FRANCH	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	DIRECTOR
JAVIER GODÓ MUNTAÑOLA	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	THIRD VICE CHAIRMAN
JORGE MERCADER MIRÓ	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	SECOND VICE CHAIRMAN
LEOPOLDO RODÉS CASTAÑÉ	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	DIRECTOR
MARIA DOLORS LLOBET MARIA	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	DIRECTOR
MIQUEL NOGUER PLANAS	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	DIRECTOR
SALVADOR GABARRÓ SERRA	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	FIRST VICE CHAIRMAN

List, if appropriate, any relevant relationships, other than those included under the previous heading, that link members of the Board of Directors with significant shareholders and/or their group companies.

B.1.18 Indicate whether any changes have been made to the regulations of the Board of Directors during the year.

NO

B.1.19 Indicate the procedures for the appointment, re-electing, appraising and removing directors. List the competent bodies and the processes and criteria to be followed for each procedure.

Articles 17-19 of the Regulation of the Board of Directors of Criteria CaixaCorp, stipulate that proposals for the appointment of Directors which the Board of Directors submits to the consideration of the General Meeting and the resolutions regarding appointments which the said body adopts by virtue of the powers of cooption legally attributed to it must be preceded by the pertinent proposal of the Appointments and Remuneration Committee, when entailing independent Directors and a report in the case of the remaining Directors.

In addition, when exercising its powers to propose appointments to the General Shareholders' Meeting and co-opt directors to cover vacancies, the Board shall endeavor to ensure that external directors or non-executive directors represent a majority over executive directors and that the latter should be the minimum.

The Board shall also procure that among the group of external directors, there are stable significant shareholders of the company or their representatives (stakeholder directors) and persons of recognized experience who have no relationship with the executive team or significant shareholders (independent directors). The above definitions of directors' profiles shall be interpreted in line with the recommendations of good corporate governance which are applicable at any given time.

In particular, with regard to independent directors, article 18.2 of the Regulation of the Board of Directors of Criteria CaixaCorp includes the same restrictions as the Unified Good Governance Code regarding appointing independent directors.

Its external directors shall include stakeholder and independent directors who reflect the existing proportion of the company's share capital represented by stakeholder directors and the rest of its capital. Independent directors shall comprise, at least, one third of the company's directors.

Directors shall remain in their posts for the term of office stipulated in the By-laws and may be reelected one or more times for periods of equal length. In the case of re-election, the procedure shall be the same as for the initial appointment.

The directors designated by co-option shall hold their post until the date of the next General Meeting or until the legal deadline for holding the General Meeting that is to decide whether to approve the accounts for the previous financial year has passed.

Article 15.6 of the Regulation of the Board of Directors stipulates that, at least once per year, the Board as a plenary body, shall evaluate the quality and efficiency of the functioning of the Board; the carrying out of the duties on the part of the Chairman of the Board and the chief executive of the company; and the functioning of the Committees.

Directors shall be removed from office when the period for which they were appointed has transpired, when decided by the General Meeting in use of the attributes legally or by the By-laws granted thereto, and when they resign.

In the event of the conditions described in B.1.20 below, Directors must place their position at the disposal of the Board of Directors and formalize, if it deems appropriate, the pertinent resignation.

When a Director leaves office prior to the end of his term, he must explain the reasons in a letter which he shall send to all members of the Board of Directors.

B.1.20 Indicate the cases in which directors must resign.

Article 20 of the Regulation of the Board of Directors stipulates that the Directors must place their position at the disposal of the Board of Directors and formalize, if it deems appropriate, the pertinent resignation, in the following cases:

a) when they depart the executive positions with which their appointment as Director was associated;

b) when they are subject to any of the cases of incompatibility or prohibition provided by law;

c) when they are indicted for an allegedly criminal act or are subject to a disciplinary proceeding for serious or very serious fault instructed by the supervisory authorities;

d) when their remainder on the Board may place in risk the company's interest or when the reason for which they were appointed disappear. In particular, in the case of stakeholding external Directors, when the shareholder they represent sells its stakeholding in its entirety. They must also do so when the said shareholder lowers its stakeholding to a level which requires the reduction of the number of external stakeholding Directors;

e) when significant changes in their professional status or in the conditions under which they were appointed director take place; and

f) when due to facts attributable to the Director, his remainder on the Board causes a serious damage to the corporate net worth or reputation in the judgment of the Board.

B.1.21 Indicate whether the duties of chief executive officer fall upon the Chairman of the Board of Directors. If so, describe the measures taken to limit the risk of powers being concentrated in a single person.

NO

Indicate, and if necessary, explain whether rules have been established that enable any of the independent directors to convene board meetings or include new items on the agenda, to coordinate and voice the concerns of external directors and oversee the evaluation by the Board of Directors.

YES

Explanation of rules
Articles 15 and 36.1 of the Regulation of the Board of Directors and Criteria CaixaCorp's By-laws stipulate that the Board of Directors must meet whenever at least two (2) of its members or one of the independent directors so requests, in which case it shall be called by order of the Chairman, through any written means addressed personally to each director, to meet within fifteen (15) days following the request. No director is expressly entrusted with the task of coordinating external directors. This task is considered to be unnecessary given the qualitative composition of Criteria CaixaCorp's Board where nearly all directors are external (14 out of the 16 members). The Board as a plenary body shall evaluate the quality and efficiency of the functioning of the Board; the carrying out of their duties on the part of the Chairman of the Board and the chief executive of the company; and the functioning of the Committees. The Chairman shall be responsible for directing these debates.

B.1.22 Are qualified majorities, other than legal majorities, required for any type of decisions?

NO

Describe how resolutions are adopted by the Board of Directors and specify, at least, the minimum attendance quorum and the type of majority for adopting resolutions.

B.1.23 Indicate whether there are any specific requirements, apart from those relating to the directors, to be appointed Chairman.

NO

B.1.24 Indicate whether the Chairman has the casting vote.

NO

B.1.25 Indicate whether the bylaws or the regulations of the Board of Directors set an age limit for directors.

NO

Age limit for Chairman	Age limit for CEO	Age limit for directors
0	0	0

B.1.26 Indicate whether the bylaws or the regulations of the Board of Directors set a limited term of office for independent directors.

NO

Maximum number of years in office	0

B.1.27 If there are few or no female directors, explain the reasons and describe the initiatives adopted to remedy this situation.

Explanation of reasons and initiatives
At December 31, 2009 women comprised 25% of the Board of Directors. Women comprise 40% of the independent directors and half of the members of the Executive Committee. This percentage, though not equal, and which could increase at any time, is higher than the average for companies on the IBEX 35. It is therefore deemed to be neither few nor non existent.

In particular, indicate whether the Appointments and Remunerations Committee has established procedures to ensure the selection processes are not subject to implicit bias that will make it difficult to select female directors, and make a conscious effort to search for female candidates who have the required profile.

YES

Indicate the main procedures
Women candidates are not discriminated against in the selection process of directors. Article 14 of the Regulation of the Board of Directors of Criteria CaixaCorp stipulates that one of the responsibilities of the Appointments and Remuneration Committee is to report to the Board on matters of gender diversity.

B.1.28 Indicate whether there are any formal processes for granting proxies at board meetings. If so, give brief details.

Article 16 of the Regulation of the Board of Directors stipulates that Directors shall do everything possible to attend the Board meetings. When they are unable to do so in person, they shall procure granting their proxy in writing, on a special basis for each meeting, to another Board member, including the appropriate instructions therein. The proxy may be granted by any postal, electronic means or by fax, provided that the identity of the director is assured.

B.1.29 Indicate the number of board meetings held during the year and how many times the board has met without the Chairman's attendance.

Number of board meetings	10
Number of board meetings held in the absence of its chairman	1

Indicate how many meetings of the various board committee were held during the year.

Number of meetings of the Executive or Delegated Committee	3
Number of meetings of the Audit and Compliance Committee	9
Number of meetings of the Appointments and Remuneration Committee	6
Number of meetings of the Appointments Committee	0
Number of meetings of the Remunerations Committee	0

B.1.30 Indicate the number of board meetings held during the financial year without the attendance of all members. Non-attendance will also include proxies granted without specific instructions.

Number of non-attendances by directors during the year	11
% of non-attendances of the total votes cast during the year	6.509

B.1.31 Indicate whether the individual and consolidated financial statements submitted for approval by the board are certified previously.

NO

Identify, if applicable, the person(s) who certified the company's individual and consolidated financial statements for preparation by the board.

B.1.32 Explain the mechanisms, if any, established by the Board of Directors to prevent the individual and consolidated financial statements it prepares from being submitted to the General Shareholders' Meeting with a qualified Audit Report.

The Audit and Control Committee is responsible for ensuring that the financial information is correctly drawn up in addition to other functions which include the following in order to avoid a qualified audit report:

. to serve as a channel of communication between the Board of Directors and the auditors, to evaluate the results of each audit and the responses of the management team to its recommendations and to mediate in cases of discrepancies between the former and the latter in relation to the principles and criteria applicable to the preparation of the financial statements, as well as to examine the circumstances which, as the case may be, motivated the resignation of the auditor;

. to carry relations with the external auditors in order to receive information on those matters which may place in risk their independence and any others related to the auditing process, as well as such other communications as are provided by auditing laws and technical auditing rules;

. to supervise the compliance with the auditing contract, procuring that the opinion of the Annual Financial Statements and the principal contents of the auditor's report are drafted clearly and precisely;

. to review the company's accounts and periodic financial reporting which the Board must furnish to the markets and their supervisory bodies and, in general, to monitor compliance with legal requisites on this subject matter and the correct application of generally accepted accounting principles, as well as to report on proposals for modification of accounting principles and criteria suggested by management;

B.1.33 Is the Secretary of the board also a director?

NO

B.1.34 Explain the procedure for appointing and removing the Secretary of the board, indicating whether his/her appointment and removal have been notified by the Appointments Committee and approved by the board in plenary session.

Appointment and removal procedure
Article 4 of the Regulation of the Board of Directors stipulates that the Secretary shall be appointed, and, as the case may be, removed, by the Board acting as a plenary body, subject to a report, in both cases, of the Appointments and Remuneration Committee.

Does the Appointments Committee propose appointments?	YES
Does the Appointments Committee advise on dismissals?	YES
Do appointments have to be approved by the board in plenary session?	YES
Do dismissals have to be approved by the board in plenary session?	YES

Is the Secretary of the board entrusted in particular with the function of overseeing corporate governance recommendations?

YES

B.1.35 Indicate the mechanisms, if any, established by the company to preserve the independence of the auditors, of financial analysts, of investment banks and of rating agencies.

As well as appointing the auditor, the Audit and Control Committee is responsible for maintaining relations with the external auditors in order to receive information on those matters that could jeopardize their independence and any other matters related to the process of auditing the accounts, as well as the other notifications envisaged in the auditing legislation and the technical auditing rules.

An additional measure taken to ensure the independence of the auditor is explained in article 45.4 of the By-laws which stipulates that the General Meeting may not dismiss the auditors until the period for which they were appointed ends, unless there is just cause. On April 29, 2008, the Audit and Control Committee of Criteria CaixaCorp approved the policies governing the relationship with the auditors to guarantee compliance with applicable legislation and the independence of the auditing work.

With regard to its relationship with shareholders, the company acts on the principles of transparency and non-discrimination set out in the applicable legislation and those stated in the Regulation of the Board of Directors which stipulate that the Board, through communications of material facts to the Spanish Securities Market Commission (CNMV) and the corporate website, shall inform the public immediately with regard to any material information. With regard to the company's relationship with analysts and investment banks, the Investor Relations Department shall coordinate the relationship with analysts, shareholders and institutional investors and manage their requests for information in order to ensure they are treated fairly and objectively.

With regard to the rating agencies, by virtue of the powers entrusted to the Audit and Control Committee under article 13 of the Regulation of the Board of Directors, this appointment has been submitted to said committee for approval. Therefore, until the rating was granted, the Audit and Control Committee was kept duly informed.

B.1.36 Indicate whether the company has changed its external audit firm during the year. If so, identify the new audit firm and the previous firm.

NO

Outgoing auditor	Incoming auditor

Explain any disagreements with the outgoing auditor and the reasons for the same.

NO

B.1.37 Indicate whether the audit firm performs other non-audit work for the company and/or its group. If so, state the amount of fees received for such work and the percentage they represent of the fees billed to the company and/or its group.

YES

	Company	Group	Total
Amount for other non-audit work (in thousand €)	232	18	250
Amount of other non-audit work as a % of total amount billed by audit firm	37.800	3.200	21.250

B.1.38 Indicate whether the audit report of the previous year's financial statements is qualified or includes reservations. Indicate the reasons given by the Chairman of the Audit Committee to explain the content and scope of those reservations of qualifications.

NO

B.1.39 Indicate the number of consecutive years during which the current audit firm has been auditing the financial statements of the company and/or its group. Likewise, indicate how many years the current firm has been auditing the accounts as a percentage of the total number of years over which the financial statements have been audited.

	Company	Group
Number of consecutive years	9	9

	Company	Group
Number of years audited by current audit firm /Number of years the company accounts have been audited (%)	100.0	100.0

B.1.40 List any equity holdings of the members of the company's Board of Directors in other companies with the same, similar or complementary types of activity to that which constitutes the corporate purpose of the company and/or its group, and which have been reported to the company. Likewise, list the posts or duties they hold in such companies.

Name or corporate name of director	Corporate name of the company in question	% share	Post or duties
JAVIER GODÓ MUNTAÑOLA	PRIVATMEDIA, S.L.	40.000	DIRECTOR
JAVIER GODÓ MUNTAÑOLA	SOCIEDAD DE SERVICIOS RADIOFÓNICAS UNIÓN RADIO, S.A.	0.000	VICE CHAIRMAN
JAVIER GODÓ MUNTAÑOLA	GRUPO GODÓ DE COMUNICACIÓN, S.A.	98.580	CHAIRMAN
JAVIER GODÓ MUNTAÑOLA	CATALUNYA COMUNICACIÓ, S.L.	0.000	CHAIRMAN
JORGE MERCADER MIRÓ	HACIA, S.A.	65,000	CHAIRMAN
JUAN ROSELL LASTORTRAS	CIVISLAR, S.A.	70,000	DIRECTOR
JUAN ROSELL LASTORTRAS	MIURA FUND I, F.C.R.	0.000	CHAIRMAN INVESTMENT COMMITTEE
LEOPOLDO RODÉS CASTAÑÉ	TRESUNO, S.L.	33.160	SOLE DIRECTOR
LEOPOLDO RODÉS CASTAÑÉ	GESTORA DE VIVIENDAS	0.000	REPRESENTATIVE OF THE SOLE DIRECTOR
SUSANA GALLARDO TORREDEDIA	LANDON INVESTMENTS, SCR DE RÉGIMEN SIMPLIFICADO	0.000	DIRECTOR
SUSANA GALLARDO TORREDEDIA	GESPRISA, SICAV	0.000	DIRECTOR
SUSANA GALLARDO TORREDEDIA	SUGAINVEST, S.L.	100.000	n/a

SUSANA GALLARDO TORREDEDIA	SUSANVEST, S.L.	100.000	n/a
SUSANA GALLARDO TORREDEDIA	BADROCOM, S.L.	100.000	n/a
SUSANA GALLARDO TORREDEDIA	PLAPROIN, S.L.	100.000	n/a
SUSANA GALLARDO TORREDEDIA	PERCIBIL, S.L.	100.000	n/a

B.1.41 Indicate and give details of any procedures through which directors may receive external advice.

YES

Details of procedure
Article 22 of the Regulation of the Board of Directors expressly covers the possibility that external Directors may request the hiring of external advisors at the expense of the company for specific problems of a certain entity and complexity which present themselves in the exercise of the position. The decision to contract must be notified to the Chairman of the company and may be vetoed by the Board of Directors, provided that it accredits: . that it is not necessary for the proper performance of the duties entrusted to the external Directors; that the cost thereof is not reasonable in view of the importance of the problem and of the assets and income of the company; . that the technical assistance being obtained may be adequately dispensed by experts and technical staff of the company; or . it may entail a risk to the confidentiality of the information that must be handled. Also, article 13.8 of the Regulation of the Board of Directors stipulates that in order to best comply with its functions, the Audit and Control Committee may avail itself of the advice of external experts, when it deems necessary for the adequate fulfillment of its duties.

B.1.42 Indicate whether there are procedures for directors to receive the information they need in sufficient time to prepare for the meetings of the governing bodies.

YES

Details of procedure
Article 21 of the Regulation of Board of Directors stipulates that the Director has the duty of diligently informing himself with regard to the running of the company. For such purpose, the Director may request information on any aspect of the company and examine its books, records, documents and further documentation. The right to information extends to investee companies provided that this is possible. The request for information must be addressed to the Chairman of the Board of Directors. If it entails confidential information in the judgment of the Chairman, he shall advise this circumstance of the Director requesting and receiving it,

as well as his duty of confidentiality.

B.1.43 Indicate and, where appropriate, give details of whether the company has established rules obliging directors to inform the board of any circumstance that might harm the organization's name or reputation, tendering their resignation as the case may be.

YES

Details of rules
Article 20 of the Regulation of Board of Directors of Criteria CaixaCorp stipulates that Directors must place their position at the disposal of the Board of Directors and formalize, if it deems appropriate, the pertinent resignation when his remainder on the Board causes a serious damage to the corporate net worth or reputation of the company.

B.1.44 Indicate whether any director has notified the company that he/she has been indicted or tried for any of the offences stated in article 124 of the Spanish Companies Act (LSA for its initials in Spanish).

NO

Indicate whether the Board of Directors has examined this matter If so, provide a justified explanation of the decision taken as to whether or not the director should continue to hold office.

NO

Decision	Explanation

B.2 Committees of the Board of Directors

B.2.1 Give details of all committees of the Board of Directors and their members.

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Name	Post	Type
JUAN ROSELL LASTORTRAS	CHAIRMAN	INDEPENDENT
FRANCESC XAVIER VIVES TORRENTS	MEMBER	INDEPENDENT
JORGE MERCADER MIRÓ	MEMBER	PROPRIETARY

AUDIT AND CONTROL COMMITTEE

Name	Post	Type
SUSANA GALLARDO TORREDEDIA	CHAIRMAN	INDEPENDENT
ALAIN MINC	MEMBER	INDEPENDENT
JUAN MARÍA NIN GÉNOVA	MEMBER	EXECUTIVE

EXECUTIVE COMMITTEE

Name	Post	Type
ISIDRO FAINÉ CASAS	CHAIRMAN	PROPRIETARY
ISABEL ESTAPÉ TOUS	MEMBER	INDEPENDENT
JUAN MARÍA NIN GÉNOVA	MEMBER	EXECUTIVE
MARIA DOLORS LLOBET MARIA	MEMBER	PROPRIETARY

B.2.2 Indicate whether the Audit Committee is responsible for the following:

To supervise the preparation process and monitoring the integrity of financial information on the company and, if applicable, the group, and revising compliance with regulatory requirements, the adequate boundaries of the scope of consolidation and correct application of accounting principles.	YES
To regularly review internal control and risk management systems, so main risks are correctly identified, managed and notified.	YES
To safeguard the independence and efficacy of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit ; propose the Department's budget; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.	YES
To establish and supervise a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the firm.	YES
To submit to the board proposals for the selection, appointment, reappointment and removal of the external auditor, and the engagement conditions.	YES
To receive regular information from the external auditor on the progress and findings of the audit program and check that senior management are acting on its recommendations.	YES
To ensure the independence of the external auditor.	YES
In the case of groups, the Committee should urge the group auditor to take on the auditing of all component companies.	

B.2.3 Describe the organizational and operational rules and the responsibilities attributed to each of the board committees.

Committee name

AUDIT AND CONTROL COMMITTEE

Brief description

Articles 40 and 13 of the By-laws and Regulation of the Board of Directors describe the organization and operation of the Audit and Control Committee.

1.1) Organization and operation

The Audit and Control Committee shall be convened by the Chairman of the Committee, either on his own initiative or at the request of the Chairman of the Board of Directors or two (2) members of the Committee itself and shall be validly assembled when the majority of its members attend in person or by proxy.

The Committee shall meet, ordinarily on a quarterly basis, in order to review the periodic financial information as well as the information which the Board of Directors must approve and include within its annual public documentation.

The meeting notice shall be given by letter, telegram, fax, e-mail, or any other means which allows keeping a record of its receipt.

Resolutions shall be adopted when the majority of its members attend in person or by proxy. Minutes of the resolutions adopted at each meeting shall be drawn up, which resolutions shall be reported to the Board as a plenary body, submitting or delivering a copy of the minutes to all Board members.

The Chairman must be replaced every four (4) years and may be re-elected once a period of one (1) year from his departure has transpired.

The Committee may also avail itself of the advice of external experts, when it deems necessary fro the adequate fulfillment of its duties.

1.2) Responsibilities

Notwithstanding any other task which may be assigned thereto from time to time by the Board of Directors, the Audit and Control Committee shall exercise the following basic functions:

. to report at the General Shareholders' Meeting on matters posed by shareholders in the area of its competence;

. to propose to the Board of Directors, for submission to the General Shareholders' Meeting, the appointment of the external auditors referred to in article 204 of the Spanish Corporations Law *(Ley de Sociedades Anónimas)*, as well as the contracting conditions thereof, the scope of their professional mandate and, as the case may be, the revocation or non-renewal thereof;

. to supervise the internal auditing services, verifying the adequacy and integrity thereof and to propose the selection, appointment and substitution of their responsible persons; to propose the budget for such services and verify that senior management bears in mind the conclusions and recommendations of their reports.

. to serve as a channel of communication between the Board of Directors and the auditors, to evaluate the results of each audit and the responses of the management team to its recommendations and to mediate in cases of discrepancies between the former and the latter in relation to the principles and criteria applicable to the preparation of the financial statements, as well as to examine the circumstances which, as the case may be, motivated the resignation of the auditor;

. to be familiar with the company's financial reporting process, internal control and risk management systems;

. to carry relations with the external auditors in order to receive information on those matters which may place in risk their independence and any others related to the auditing process, as well as such other communications as are provided by auditing laws and technical auditing rules;

. to supervise the compliance with the auditing contract, procuring that the opinion of the Annual Financial Statements and the principal contents of the auditor's report are drafted clearly and precisely;

. to review the company's accounts and periodic financial reporting which the Board must furnish to the markets and their supervisory bodies and, in general, to monitor compliance with legal requisites on this subject matter and the correct application of generally accepted accounting principles, as well as to report on proposals for modification of accounting principles and criteria suggested by management;

. to supervise the compliance with regulations with respect to Related Party Transactions. In particular, to endeavor that the market be reported information on said transactions, in compliance with the provisions of Ministry of Economy and Finance Order 3050/2004 of September 15 2004, and to report on transactions which imply or may imply conflicts of interest and, in general, on the subject matters contemplated in Chapter IX of the Regulation of the Board of Directors;

. to supervises the compliance with Internal Rules of Conduct on Matters Related to the Securities Market and, in general, of the rules of corporate governance;

. to report to the Board on the creation or acquisition of stakes in special purpose vehicles or entities domiciled in countries or territories considered to be tax havens, as well as any other transactions or operations of an analogous nature which, due to their complexity, may deteriorate the transparency of the company or of the group to which it belongs;

. to consider the suggestions submitted to it by the Chairman of the Board of Directors, Board members, executives and shareholders of the company and to establish and supervise a mechanism which allows the employees of the company or of the group to which it belongs, confidentially and, if deemed appropriate, anonymously, to report irregularities of potential significance, especially financial and accounting ones, which they observe within the company;

. to receive information and, as the case may be, issue a report on the disciplinary measures intended to be imposed upon members of the company's senior management team;

. the supervision of the compliance with the Internal Protocol governing the relationship between the majority shareholder and the company and the companies of their respective groups, as well as the carrying out of any other actions established in the protocol itself for the best compliance with the aforementioned supervisory duty.

Committee name

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Brief description Articles 39 and 14 of the By-laws and Regulation of the Board of Directors describe the organization and remit of the Appointments and Remuneration Committee.

1.1) Organization and operation

The Appointments and Remuneration Committee shall be convened by the Chairman of the Committee, either on his own initiative or at the request of the Chairman of the Board of Directors or two (2) members of the Committee itself and shall be validly assembled when the majority of its members attend in person or by proxy.

The meeting notice shall be given by letter, telegram, fax, e-mail, or any other means which allows keeping a record of its receipt.

The Committee shall meet every time it is convened by its Chairman, who must do so whenever the Board or its Chairman requests the issuance of a report or the adoption of proposals any, in any case, provided that it is appropriate for the proper development of its functions.

Resolutions shall be adopted when the majority of its members attend in person or by proxy. Minutes of the resolutions adopted at each meeting shall be drawn up, which resolutions shall be reported to the Board as a plenary body. The minutes shall available to all Board members through the office of the Secretary, but shall not be forwarded or delivered for reasons of discretion, unless otherwise ordered by the Chairman of the Committee.

1.2) Responsibilities

Notwithstanding other duties which may be assigned thereto by the Board of Directors, the Appointments and Remuneration Committee shall have the following basic responsibilities:

. to bring before the Board of Directors the proposals for appointment of independent Directors in order that the Board may proceed to appoint them (co-option) or take on such proposals for submission to the decision of the General Meeting, and report on the appointments of the other types of Directors;

. to propose to the Board of Directors (a) the system and amount of the annual remuneration of Directors and Senior Executives, (b) the individual remuneration of executive Directors and further conditions of their contracts, and (c) the basic conditions of Senior Executive contracts;

. to analyze, formulate and periodically review the remuneration programs, weighing their adequacy and performance;

. to report on the appointments and departures of Senior Executives which the chief executive proposes to the Board;

. to report to the Board on matters of gender Diversity; and to consider the suggestions posed thereto by the Chairman, the Board members, officers or shareholders of the company.

Committee name

EXECUTIVE COMMITTEE

Brief description

Articles 39 and 11 and 12 of the By-laws and Regulation of the Board of Directors describe the organization and remit of the Executive Committee.

1.1) The Executive Committee is governed by applicable law, the company's By-laws and the Regulation of the Board of Directors. Aspects not specifically defined for the Executive Committee shall be governed by the rules of procedure set forth by the Regulation of the Board of Directors for its own procedures. It will be considered to have a valid quorum when the majority of its members are present or represented at its meetings. Resolutions will be adopted by majority of the members in attendance, whether in person or by proxy.

1.2) The Executive Committee has been delegated all of the responsibilities and powers available to it both legally and under the company's By-laws. In terms of procedure, the Executive Committee is subject to the limitations set forth under article 4 of the Regulation of the Board of Directors.

B.2.4 Identify any advisory or consulting powers and, where applicable, the powers delegated to each of the committees.

Committee name

AUDIT AND CONTROL COMMITTEE

Brief description

See point B.2.3 above.

Committee name

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Brief description

See point B.2.3 above.

Committee name

EXECUTIVE COMMITTEE

Brief description

See point B.2.3 above.

B.2.5 Indicate, as appropriate, whether there are any regulations governing the board committees. If so, indicate where they can be consulted, and whether any amendments have been made during the year. Also Indicate whether an annual report on the activities of each committee has been prepared voluntarily.

Committee name

AUDIT AND CONTROL COMMITTEE

Brief description

There are no specific regulations for the Board committees. The organization and functions of Criteria CaixaCorp's Audit and Control and Appointments and Remuneration Committees are set out in the Regulation of the Board of Directors which is available on the company's corporate website (www.criteria.com) together with their structure and composition.

In compliance with article 13.6 of the Regulation of the Board of Directors, at its meeting on February 25, 2010 the Audit and Control Committee approved its annual activities report which includes the main aspects of its regulation as described in the various corporate documents. It also details the company's performance during 2009.

Committee name

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Brief description

There are no specific regulations for the Board committees. The organization and functions of Criteria CaixaCorp's Audit and Control and Appointments and Remuneration Committees are set out in the Regulation of the Board of Directors which is available on the company's corporate website (www.criteria.com) together with their structure and composition.

Unlike the Audit and Control Committee Control which is obliged to prepare an annual activities report as stipulated in the company's By-laws, the Appointments and Remuneration Committee is under no obligation to prepare an annual activities report. In spite of this, at its meeting on February 25, 2010 the Appointments and Remuneration Committee approved its annual activities report detailing its performance during 2009.

Committee name

EXECUTIVE COMMITTEE

Brief description

There are no specific regulations for the Board committees. The Executive Committee is governed by applicable law, the company's By-laws and the Regulation of the Board of Directors. Aspects not specifically defined for the Executive Committee shall be governed by the rules of procedure stipulated in the Regulation of the Board of Directors for its own procedures which are available on the company's corporate website (www.criteria.com) together with the structure and composition.

There is no express mention in the company's By-laws that the Committee must prepare an activities report. Nevertheless, and in line with its obligation to inform the Board of the main aspects covered and decisions taken at its meetings, at its meeting on February 25, 2010 the Committee approved its annual activities report which includes the main aspects of its regulation as described in the various corporate documents. It also details the company's performance during 2009.

B.2.6 Indicate whether the composition of the Executive Committee reflects the participation within the board of the different types of directors.

YES

C. RELATED-PARTY TRANSACTIONS

C.1. Indicate whether the board plenary sessions have reserved the right to approve, based on a favourable report from the Audit Committee or any other committee responsible for this task, transactions which the company carries out with directors, significant shareholders or representatives on the board, or related parties.

YES

C.2 List any relevant transactions entailing a transfer of assets or liabilities between the company or its group companies and the significant shareholders in the company.

Name or corporate name of significant shareholder	Name or corporate name of the company or its group company	Nature of the relationship	Type of transaction	Amount (thousand €)
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	AGENCAIXA, S.A.	LONG-TERM DEPOSITS 31/12/09	Financing of loans and capital contributions (borrower)	2,700
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	AGENCAIXA, S.A.	OTHER OPERATING EXPENSES	Other expenses	2,375
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	CAIXA CAPITAL DESARROLLO, S.C.R.R.S, S.A.	INTEREST FROM DEPOSITS AND CURRENT ACCOUNTS	Finance income	2,276
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	CAIXA RENTING, S.A.	INTEREST ON LOANS AND CREDIT FACILITIES	Finance cost	42,302
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	CAIXA RENTING, S.A.	FEE AND COMMISSION EXPENSE	Other expenses	2,509
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	CAIXA RENTING, S.A.	OTHER REVENUE	Rendering of services	2,041
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	CAIXA RENTING, S.A.	LOANS AND CREDITS 31/12/09	Financing of loans and capital contributions (borrower)	1,024,355

CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	CAIXA RENTING, S.A.	OTHER SHORT-TERM LIABILITIES 31/12/09	Financing of loans and capital contributions (borrower)	29,595
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	CAIXA RENTING, S.A.	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	1,785
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	CAIXA RENTING, S.A.	LONG-TERM PAYABLES 31/12/09	Financing of loans and capital contributions (borrower)	2,824
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	CRITERIA CAIXACORP, S.A.	INTEREST ON LOANS AND CREDIT FACILITIES	Finance cost	122,266
PENSIONES DE BARCELONA, "LA CAIXA"	CRITERIA CAIXACORP, S.A.	4-YEAR BULLET LOAN	Financing of loans and capital contributions (borrower)	1,000,000
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	CRITERIA CAIXACORP, S.A.	LONG-TERM PAYABLES 31/12/09	Financing of loans and capital contributions (borrower)	30,496
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	CRITERIA CAIXACORP, S.A.	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	4,394
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	CRITERIA CAIXACORP, S.A.	7-YEAR BULLET LOANS	Financing of loans and capital contributions (borrower)	1,000,000
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	CRITERIA CAIXACORP, S.A.	LOANS 31/12/09	Financing of loans and capital contributions (borrower)	3,546,701

CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	CRITERIA CAIXACORP, S.A.	OTHER SHORT-TERM LIABILITIES 31/12/09	Financing of loans and capital contributions (borrower)	16,665
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	CRITERIA CAIXACORP, S.A.	INTEREST FROM DEPOSITS AND CURRENT ACCOUNTS	Finance income	64
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	CRITERIA CAIXACORP, S.A.	OTHER OPERATING EXPENSES	Other expenses	2,248
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	CRITERIA CAIXACORP, S.A.	OPTION PREMIUMS PAID	Other expenses	10,119
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	FINCONSUM, ESTABLECIMIENTO FINANCIERO DE CRÉDITO, S.A.	LOANS AND CREDITS 31/12/09	Financing of loans and capital contributions (borrower)	650,826
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	FINCONSUM, ESTABLECIMIENTO FINANCIERO DE CRÉDITO, S.A.	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	5,861
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	FINCONSUM, ESTABLECIMIENTO FINANCIERO DE CRÉDITO, S.A.	OTHER SHORT-TERM LIABILITIES 31/12/09	Financing of loans and capital contributions (borrower)	12,996
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	FINCONSUM, ESTABLECIMIENTO FINANCIERO DE CRÉDITO, S.A.	INTEREST ON LOANS AND CREDIT FACILITIES	Finance cost	29,573
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	GDS - CORREDURIA DE SEGUROS, S.L.	OTHER ASSETS 31/12/09	Financing of loans and capital contributions (lender)	3,003
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	GESTICAIXA, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, S.A.	LONG-TERM DEPOSITS 31/12/09	Financing of loans and capital contributions (lender)	2,000

CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	GESTICAIXA, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, S.A.	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	1,104
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	HISUSA-HOLDING DE INFRAESTRUCTURAS Y SERVICIOS URBANOS, S.A.	DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	1,223
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	HISUSA- HOLDING DE INFRAESTRUCTURAS Y SERVICIOS URBANOS, S.A.	OTHER SHORT-TERM LIABILITIES 31/12/09	Financing of loans and capital contributions (borrower)	7
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	HODEFI, S.A.S.	LONG-TERM DEPOSITS 31/12/09	Financing of loans and capital contributions (lender)	7,046
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	HOLRET, S.A.U.	LONG-TERM PAYABLES 31/12/09	Financing of loans and capital contributions (borrower)	7,151
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	HOLRET, S.A.U.	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	38,742
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	INVERCAIXA GESTIÓN, S.A.U., S.G.I.IC.	FEE AND COMMISSION EXPENSE	Other expenses	70,710
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	INVERCAIXA GESTIÓN, S.A.U., S.G.I.IC.	OTHER SHORT-TERM LIABILITIES 31/12/09	Financing of loans and capital contributions (borrower)	7,703
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	INVERCAIXA GESTIÓN, S.A.U., S.G.I.IC.	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	39,872

CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	INVERCAIXA GESTIÓN, S.A.U., S.G.I.IC.	OTHER OPERATING EXPENSES	Other expenses	478
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	INVERCAIXA GESTIÓN, S.A.U., S.G.I.IC.	INTEREST FROM DEPOSITS AND CURRENT ACCOUNTS	Finance income	1,752
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	INVERVIDA CONSULTING, S.L.	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	3,283
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	MEDITERRANEA BEACH & GOLF RESORT, S.A.	INTEREST ON LOANS AND CREDIT FACILITIES	Finance cost	10,242
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	MEDITERRANEA BEACH & GOLF RESORT, S.A.	LOANS AND CREDITS 31/12/09	Financing of loans and capital contributions (borrower)	263,059
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	NEGOCIO DE FINANZAS E INVERSIONES I, S.L.U	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	63,120
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	OTHER GROUP COMPANIES (COMBINED AMOUNT)	FEE AND COMMISSION EXPENSE	Other expenses	2,873
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	OTHER GROUP COMPANIES (COMBINED AMOUNT)	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	2,911
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	OTHER GROUP COMPANIES (COMBINED AMOUNT)	OTHER SHORT-TERM LIABILITIES 31/12/09	Financing of loans and capital contributions (borrower)	5,782
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	OTHER GROUP COMPANIES (COMBINED AMOUNT)	OTHER ASSETS 31/12/09	Financing of loans and capital contributions (lender)	1,797

CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	OTHER GROUP COMPANIES (COMBINED AMOUNT)	INTEREST ON LOANS AND CREDIT FACILITIES	Finance cost	231
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	OTHER GROUP COMPANIES (COMBINED AMOUNT)	LONG-TERM DEPOSITS 31/12/09	Financing of loans and capital contributions (lender)	1,914
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	OTHER GROUP COMPANIES (COMBINED AMOUNT)	INTEREST FROM DEPOSITS AND CURRENT ACCOUNTS	Finance income	2,019
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	OTHER GROUP COMPANIES (COMBINED AMOUNT)	OTHER SALES AND INCOME FROM SERVICES RENDERED	Rendering of services	110
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	OTHER GROUP COMPANIES (COMBINED AMOUNT)	OTHER OPERATING EXPENSES AND OTHER LOSSES	Other expenses	1,536
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	REPINVES, S.A.	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	492
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	SEGURCAIXA HOLDING, S.A.U.	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	1,028
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	SEGURCAIXA HOLDING, S.A.U.	LONG-TERM DEPOSITS 31/12/09	Financing of loans and capital contributions	116,189
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	SEGURCAIXA, S.A. DE SEGUROS Y REASEGUROS	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	13,065
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	SEGURCAIXA, S.A. DE SEGUROS Y REASEGUROS	FEE AND COMMISSION EXPENSE	Other expenses	34,238

CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	Tenedora de Vehículos, S.A.	LOANS AND CREDITS 31/12/09	Financing of loans and capital contributions (borrower)	3,550
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS	OTHER SHORT-TERM LIABILITIES 31/12/09	Financing of loans and capital contributions (borrower)	29,023
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS	FEE AND COMMISSION EXPENSE	Other expenses	101,088
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS	TERM DEPOSITS AND ASSETS SOLD UNDER A REPURCHASE AGREEMENT 31/12/09	Financing of loans and capital contributions (lender)	6,010,573
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS	INTEREST FROM DEPOSITS AND CURRENT ACCOUNTS	Finance income	114,248
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS	INVESTMENT IN AFS 31/12/09	Financing of loans and capital contributions (lender)	786,407
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS	CURRENT ACCOUNTS AND SHORT-TERM DEPOSITS 31/12/09	Financing of loans and capital contributions (lender)	128,183
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS	BALANCE OF ASSETS SOLD UNDER A REPURCHASE AGREEMENT AND OTHER LIABILITIES 31/07/09	Financing of loans and capital contributions (borrower)	5,714,770
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS	INTEREST ON LOANS AND CREDIT FACILITIES	Finance cost	54,066
CAJA DE AHORROS Y PENSIONES DE BARCELONA, LA CAIXA	CRITERIA CAIXACORP, S.A.	DIVIDENDS PAID TO SHAREHOLDERS	Dividends and other profits distributed	427,471

LA CAIXA	GAS NATURAL	GUARANTEES ISSUED BY LA CAIXA	Guarantees issued by la caixa	164,102
LA CAIXA	GAS NATURAL	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS. BALANCE AT 31/12/09	Financing of loans and capital contributions (lender)	222,845
LA CAIXA	GAS NATURAL	BALANCE OF LOANS AND CREDITS 31/12/09	Financing of loans and capital contributions (lender)	532,800
LA CAIXA	GAS NATURAL	INTEREST ON LOANS AND CREDIT FACILITIES	Finance cost	14,563
LA CAIXA	GAS NATURAL	LEASES PAID	Other expenses	3,587
LA CAIXA	GAS NATURAL	INTEREST FROM DEPOSITS AND CURRENT ACCOUNTS	Finance income	2,233
LA CAIXA	GAS NATURAL	OTHER SALES AND INCOME FROM SERVICES RENDERED	Other income	2,231
LA CAIXA	AGBAR	GUARANTEES ISSUED BY LA CAIXA	Guarantees issued by la caixa	70,800
LA CAIXA	AGBAR	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS. BALANCE AT 31/12/09	Financing of loans and capital contributions (lender)	371,000
LA CAIXA	AGBAR	BALANCE OF LOANS AND CREDITS 31/12/09	Financing of loans and capital contributions (lender)	525,100
LA CAIXA	AGBAR	INTEREST FROM DEPOSITS AND CURRENT ACCOUNTS	Finance income	11,000

C.3 List any relevant transactions entailing the transfer of assets or liabilities between the company or its group companies and the company's managers or directors.

Name or corporate name of director or senior manager	Name or corporate name of the company or its group company	Nature of the relationship	Type of transaction	Amount (thousand €)
RODRIGO DE RATO Y FIGAREDO	CRITERIA CAIXACORP, S.A.	International Advisors Committee	Services received	180

C.4 List any relevant transaction undertaken by the company with other companies in its group that are not eliminated in the process of drawing up the consolidated financial statements and whose subject matter and terms set them apart from the company's ordinary trading activities.

C.5 Identify, where appropriate, any conflicts of interest affecting company directors pursuant to article 127 of the LSA.

NO

C.6 List the mechanisms established to detect, determine and resolve any possible conflicts of interest between the company and/or its group, and its directors, management or significant shareholders.

Directors

Article 26 of the Regulation of the Board of Directors regulates the duty not to compete of company directors.

Article 27 of the Regulation of the Board of Directors regulates the situations of conflicts of interest applicable to all Directors and establishes the obligation to report the existence of conflicts of interest to the Board of Directors and abstain from attending and intervening in deliberations and voting which might affect matters in which he is personally interested.

Article 28 of the same regulation stipulates that a Director may not make use of the company's assets or avail himself of his position at the company in order to obtain an economic advantage unless adequate consideration has been paid.

Meanwhile, article 29 stipulates that Directors are subject, with regard to the use of any non-public information of the company, to the duties of loyalty, fidelity, confidentiality, and secrecy inherent to their position, abstaining from using the said information in their own benefit or for the benefit of third parties.

Article 7 of the Internal Rules of Conduct of Criteria CaixaCorp, S.A. on Matters relating to the Securities Market regulates conflicts of interest and stipulates that persons subject to said rules are required to inform the Person Responsible for Compliance with regard to conflicts of interest of which they become aware, whether their own or in respect of their Related Persons.

Executives

Article 7 of the abovementioned Regulation is also applicable to the company's senior management.

Significant shareholders

In order to foster the company's transparency, autonomy and good governance as well as to limit and regulate conflicts of interest, Criteria CaixaCorp, S.A. and "la Caixa" signed an Internal Protocol of Relationships ("the Protocol") on September 19, 2007. The Protocol covers:

- defining the principle areas of activity of the company and of subsidiaries of “la Caixa” subsidiaries;
- establishing general criteria for carrying out transactions or rendering intragroup services under market conditions, as well as identifying the services that the company renders to Criteria CaixaCorp and the its group.
- determining mechanisms to achieve the necessary information flow between “la Caixa”, Criteria CaixaCorp and the other subsidiaries in order to meet their management requirements and obligations vis-à-vis the respective regulators.

The Protocol has been drawn up in accordance with the second recommendation of the Unified Good Governance Code and divides intragroup services into five categories, each one with a series of different control and operation regulations.

C.7 Is more than one group company listed in Spain?

NO

Indentify the listed subsidiaries in Spain.

D - RISK CONTROL SYSTEMS

D.1. Give a general description of risk policy in the company and/or its group, detailing and evaluating the risks covered by the system, together with evidence that the system is appropriate for the profile of each type of risk.

As a general rule, Criteria treats risk as any threat that a given event, act or omission may prevent it from attaining its objectives or pursuing its strategies successfully, including, in particular, those that could jeopardize the economic profitability of its business activities or its financial solvency, or otherwise lead to violations of applicable law and regulations or damage its corporate reputation.

With this in mind, the Board of Directors, either itself or through its Audit and Control Committee (see section D.3), is responsible for overseeing the performance of its investees and for regularly monitoring all implemented internal control and risk management systems.

Criteria CaixaCorp's Risk Control Department, reporting to the Audit and Control Committee, is responsible for monitoring compliance with financial information processes and internal risk management systems, as established in Article 13.1 of the Regulation of the Board of Directors of Criteria CaixaCorp.

Main functions of the Risk Control Department (see D.4.)

The Criteria Group has a priority to identify the main risks with regard to the significant businesses and apply policies with a high degree of decentralization given the wide range of businesses and their specialization, with the correct level of standardization and coordination between the parent company (´la Caixa´) and its investees. In order to apply these policies and control mechanisms, Criteria CaixaCorp has an Organization Department, a General Risk Control Department as well as a Legal and Advisory and Compliance Department. Also, and as part of the on-going process to improve its internal control systems and effectively manage risks, Criteria CaixaCorp complies with all the requirements stipulated in its Procedures and Control Manual aimed at reducing or eliminating exposure to these risks.

Criteria's Internal Audit Department also carries out its activities at Criteria as well as its investee companies. The aim of the Internal Audit function is to examine and evaluate the effectiveness and adequacy of the Criteria group's internal control system, i.e. the controls that senior management has designed and implemented. Its main role is to analyze the design and effectiveness of the internal control system of the different departments and functional activities within the company, and to report on their functioning and recommend, when necessary, improvements to ensure effective control at a reasonable cost, protect the company's equity and optimize available resources. This function works in conjunction with the Internal Audit Departments of ´la Caixa´ and the Criteria Group's investees.

See section G.1 – A description of the general policies followed for different kinds of risk (see sections D.1.1 and D.1.2). Also detailed is the framework under which the company collaborates with the "la Caixa" Group (see section D.1.3).

D.2 Indicate whether the company or group has been exposed to different types of risk (operational, technological, financial, legal, reputational, fiscal…) during the year.

YES

If so, indicate the circumstances and whether the established control systems worked adequately.

Risks occurring in the year	Circumstances responsible for this occurrence	Operation of control systems	
☐	Credit risk	The impairments recorded in the 2009 income statement largely include an estimate of losses of various group assets: receivables in the financial activity and corrections in the securities, credit risk of investments in investees in the banking sector, for €155 and €169 million, respectively. The majority can be reversed.	The control systems implemented by the company worked correctly, enabling it to manage the risk effectively and guarantee that it was monitored at all times by the Audit and Control Committee.

D.3 Indicate whether there is a committee or other governing body in charge of establishing and supervising these control systems.

YES

If so, explain its duties.

Name of Committee or Body

AUDIT AND CONTROL COMMITTEE

Description of duties

1. to report at the General Shareholders' Meeting on matters posed by shareholders in the area of its competence;
2. to propose to the Board of Directors, for submission to the General Shareholders' Meeting, the appointment of the external auditors, the contracting conditions thereof, the scope of their professional mandate and, as the case may be, the revocation or non-renewal thereof;
3. to supervise the internal auditing services;
4. to serve as a channel of communication between the Board of Directors and the auditors;
5. to be familiar with the company's financial reporting process, internal control and risk management systems;
6. to carry relations with the external auditors in order to receive information on those matters which may place in risk their independence;
7. to supervise the compliance with the auditing contract;
8. to review the company's accounts and periodic financial reporting which the Board must furnish to the markets and their supervisory bodies;
9. to supervise the compliance with regulations with respect to Related Party Transactions.

10. to supervise the compliance with the Internal Rules of Conduct;

11. to report to the Board on the creation or acquisition of stakes in special purpose vehicles or entities domiciled in countries or territories considered to be tax havens;

12. to consider the suggestions submitted to it by the Chairman of the Board of Directors, Board members, executives and shareholders of the company;

13. to receive information and, as the case may be, issue a report on the disciplinary measures intended to be imposed upon members of the company's senior management team;

14. to supervise compliance with the Internal Protocol governing the relationship between the majority shareholder and the company and the companies of their respective groups;

15. any others attributed thereto by law and other regulations applicable to the company.

D.4 Identify and describe the processes for compliance with the regulations applicable to the company and/or its group.

Criteria CaixaCorp has internal regulations and procedures which comply with the demands from the various legislations which apply to it and its group.

Prior to its IPO, the company adapted its organization, composition and regulations to the specific rules for listed companies in order to comply with the legal requirements in its new condition as a listed company as of October 10, 2007.

The company therefore has a two-tier support and supervisory structure which ensures compliance with the various regulations which directly affect the company and its group.

The Audit and Risk Control Department, reporting to the Audit and Control Committee, is responsible for monitoring compliance with financial information processes and internal risk management systems, as stipulated in article 13.1 of the Regulation of the Board of Directors of Criteria CaixaCorp.

The main functions of the Audit and Risk Control Department are:

1.- to define the strategy and risk control mechanisms of the listed portfolio: reporting line to the General Management team and Governing Body.

2.- Implementing an approved risk hedging strategy: Designing strategies arising from managing the value of the stakes.

3.-Supporting the various Management Control and Investment Analysis Groups to roll out and execute derivative operations. Trading, Follow-up and Valuation.

4.- Assessing the portfolio's risk (credit, market risks…) and drawing up follow-up reports.

5.- Acting as the internal body in charge of implementing Basle II (regulatory and economic capital).

6.- Preparing risk management documentation for regulatory bodies and the market.

7.- There is also coordination model between Criteria and the Strategic Risk Management (Economic and Regulatory Capital) and Operating and Market Risk (Market Risk) Departments of "la Caixa" via a committee which has the following duties:

. to define objectives and policies;
. to draw up a working plan;
. to ensure compliance with the working plan and its objectives;
. to pose issues of common interest.

The Legal Advisory and Compliance Department broadly monitors the company's compliance with all the legal requirements applicable to a listed company and supports the Audit and Control Committee in the task of informing the Board of Directors of the changes that need to be made to adapt the company's By-laws to regulatory changes and improve internal compliance practices and procedures. In the latter function, it works with the Secretary of the board to achieve excellence in the field of corporate governance.

The function of the Compliance Department at Criteria CaixaCorp is explained in detail in the Internal Rules of Conduct on Matters relating to the Securities Markets.

The Internal Rules of Conduct determines the standards of conduct and performance to be followed in relation to the operations described therein and the treatment, use and dissemination of confidential, privileged and significant information.

The Legal Advisory and Compliance Department oversees compliance with the legal requirements to which the group is subject. Subsidiaries subject to specific regulatory norms (SegurCaixa Holding, Invercaixa and Finconsum) have their own compliance staff and procedures in place, working in coordination with Criteria CaixaCorp's Legal Advisory and Compliance Department

E. GENERAL SHAREHOLDERS' MEETINGS

E.1 Indicate the quorum required for constitution of the General Shareholders' Meeting established in the company's bylaws. Describe how it differs from the system established in the LSA.

NO

	Quorum % other than that established in article 102 of the LSA for general cases	Quorum % other than that established in article 103 of the LSA for the special cases described in article 103
Quorum required for first call	0	0
Quorum required for second call	0	0

E.2 Indicate and, as applicable, describe the differences between the company's system for adopting corporate resolutions and the framework set for in the LSA.

NO

Describe how they differ from the rules established under the LSA.

E.3 List all shareholders' rights regarding the General Shareholders' Meetings other than those established under the LSA.

The company's By-laws and the Regulation of General Shareholders' Meeting recognize all shareholders' rights established under the LSA.

Shareholders may access information on the Annual Financial Statements, management report and audit report, both individual and consolidated, as well as proposed resolutions, reports and other documentation submitted at the General Shareholders' Meeting for approval on the company's corporate website www.criteria.com.

All shareholders or proxies who attended the General Shareholders' Meeting, may be informed of the resolutions adopted on the corporate website. Furthermore, they may at any time obtain certification of the resolutions adopted and a copy of the Meeting's Minutes.

Criteria CaixaCorp's By-laws, its Regulation of General Shareholders' Meeting and the Board of Directors as well as the Internal Rules of Conduct on Matters Relating to the Securities Market are available on its corporate website along with the Internal Protocol of Relationships with Caixa d'Estalvis i Pensions de Barcelona, "la Caixa".

The company's By-laws and Regulation of General Shareholders' Meeting stipulate that all shareholders who hold a minimum of one thousand (1,000) shares, individually or pooled together with other shareholders may attend the General Meeting.

E.4 Indicate the measures, if any, adopted to encourage participation by shareholders at General Shareholders' Meetings.

The Corporate By-laws and, more specifically, the Regulation of General Shareholders' Meeting, guarantee and facilitate the exercise of the shareholders' rights regarding the General Meeting; shareholders may request information – previously or at the Meeting – about the day's Agenda; they have access to the General Meeting documents through the company's website; they can benefit from simultaneous interpretation services at the General Meeting and have the possibility to delegate their right to vote on proposed resolutions pertaining to the items included on the agenda or to exercise this right by postal, electronic correspondence or any other remote communications medium.

As in previous years, and in addition to the measures expressly stated in its internal regulations, Criteria CaixaCorp, S.A. adopted further measures to encourage shareholder participation: the meeting notice was published in numerous media specifying the probability that the Meeting would be held at first call; information aimed at facilitating the attendance and participation of shareholders was published on the company's website including instructions on exercising or delegating voting rights through remote communications means; information about the venue for the General Meeting and instructions on how to get there, an e-mail address and telephone number for the shareholders to use should they have any doubts, and the possibility of following the Meeting live on the company's website.

E.5 Indicate whether the General Shareholders' Meeting is presided by the Chairman of the Board of Directors. List measures, if any, adopted to guarantee the independence and correct operation of the General Shareholders' Meeting.

YES

Details of measures
The General Meeting shall be chaired by the Chairman of the Board of Directors and, in the absence thereof by the applicable Vice Chairman. In the absence of the former and the latter, the oldest director shall act as Chairman. The company's Regulation of General Shareholders' Meeting details the operation of the meeting in order to guarantee its independence and correct operation. Additionally, on its own initiative, the Board of Directors requires the presence of a Notary to take minutes during the General Meeting, guaranteeing the neutrality to shareholders.

E.6 Indicate the amendments, if any, made to the General Shareholders' Meeting Regulations during the year.

The Regulation of General Shareholders' Meeting was approved on September 6, 2007 by its sole shareholder, Caja de Ahorros y Pensiones de Barcelona, la Caixa, prior to its IPO and in order to adapt the company to the legal requirements and good governance practices of listed companies. No amendments have been made subsequently.

E.7 Indicate the attendance figures for General Shareholders' Meetings held during the year.

Attendance data					
Date of general meeting	% attending in person	% by proxy	% remote voting		Total
			Electronic means	Other	
07/05/09	80.047	4.944	0.001	0.025	85.017

E.8 Briefly indicate the resolutions adopted at the General Shareholders' Meetings held during the year and the percentage of votes with which each resolution was adopted.

The resolutions adopted at the Annual General Meeting on May 7, 2009 and the percentage of votes by which each resolution was adopted are as follows:

1) Approve the annual accounts, both individual and consolidated, as well as their respective management reports (including the report on Remuneration Policy) relating to the financial period closed on 31 December 2008 - 99.5509%;

2) Approve the management of the company by the Board of Directors during the 2008 tax year- 99.5888%;

3) Approve the profit allocation proposal and the distribution of the corresponding dividend for the year ended December 31, 2008.– 99.59135%;

4) Approve the merger of Criteria CaixaCorp, S.A. (as absorbing company) and Crisegen Inversiones, S.L., Sole Shareholder Company (as absorbed company), and, if appropriate, to approve the merger balance sheet of the company as of December 31, 2008. – 99.5892%;

5) Approve the merger of Criteria Caixa Corp, S.A. (as absorbing company) and Caixa Capital Desarrollo, S.A., Sole Shareholder Company (as absorbed company), and, if appropriate, the merger balance sheet of the company – 99.5892%;

6) Authorize the Board of Directors for the derivative acquisition of its own shares – 99.5890%;

7) Re-elect the Auditor of Accounts of Criteria CaixaCorp, S.A. and its consolidated group for the financial year 2010 – 99.5813%; and

8) Authorize and delegate powers in favor of the Board of Directors in order to execute the resolutions that were adopted by the meeting – 99.5913%.

E.9 Indicate whether the bylaws impose any minimum requirement on the number of shares needed to attend the General Shareholders' Meetings.

YES

Number of shares required to attend the General Shareholders' Meetings	1,000

E.10 Indicate and explain the policies pursued by the company with reference to proxy voting at the General Shareholders' Meeting.

As stipulated in the By-laws and, more specifically, the Regulation of General Shareholders' Meeting, any shareholder entitled to attend may have himself represented at the General Meeting by means of another person, even if the latter is not a shareholder. The proxy must be granted on a special basis in writing, or through the remote communications means that duly guarantee the identity of the grantor.

Prior to the General Shareholders' Meeting of May 7, 2009, the Board of Directors approved the use of voting and delegation via electronic communication, and established the methods and rules to grant representation and the casting of votes via distance communication. Criteria CaixaCorp included this information in the General Meeting's call and on the company's website.

E.11 Indicate whether the company is aware of the policy of institutional investors on whether or not to participate in the company's decision-making processes.

NO

E.12 Indicate the address and mode of accessing corporate governance content on your company's website.

Disclosures required by Act 26/2003 of July 17 on transparency of listed companies, enacted by Order ECO/3722/2003 of December 26 and the CNMV's Circular 1/2004 of March 17 regarding the Annual Corporate Governance Report for listed companies, can be accessed directly from our corporate website www.criteria.com under the Shareholders and Investors section.

F. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the degree of the company's compliance with Corporate Governance recommendations. Should the company not comply with any of the afore-mentioned recommendations, explain the recommendations, rules, practices or criteria the company applies.

1. The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

See headings: A.9, B.1.22, B.1.23 and E.1, E.2

Complies

2. When a dominant and a subsidiary company are stock market listed, the two should provide detailed disclosure on:

   a) The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;

   b) The mechanisms in place to resolve possible conflicts of interest.

See headings: C.4 and C.7.

Complies

3. Even when not expressly required under company law,
any decisions involving a fundamental corporate change should be submitted to the General Shareholders' Meeting for approval or ratification. In particular: a) The transformation of listed companies into holding companies through the process of subsidiarisation, i.e. reallocating core activities to subsidiaries that were previously carried out by the originating firm, even though the latter retains full control of the former; b) Any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose; c) Operations that effectively add up to the company's liquidation.

Complies

4. Detailed proposals of the resolutions to be adopted at the General Shareholders' Meeting, including the information stated in Recommendation 28, should be made available at the same time as the publication of the Meeting notice.

Complies

5. Separate votes should be taken at the General Shareholders' Meeting on materially separate items, so shareholders can express their preferences in each case. This rule shall apply in particular to:

   a) The appointment or ratification of directors, with separate voting on each candidate;

   b) Amendments to the bylaws, with votes taken on all articles or groups of articles that are materially different.

See heading: E.8

Partially complies

The company complies with the principle with the exception of the remuneration policy which is approved jointly with the Financial Statements.

6. Companies should allow split votes, so financial intermediaries acting as nominees on behalf of different clients can issue their votes according to instructions.

See heading: E.4

Complies

7. The Board of Directors should perform its duties with unity of purpose and independent judgment, according all shareholders the same treatment. It should be guided at all times by the company's best interest and, as such, strive to maximize its value over time. It should likewise ensure that the company abides by the laws and regulations in its dealings with stakeholders; fulfils its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

Complies

8. The board should see the core components of its mission as to approve the company's strategy and authorize the organizational resources to carry it forward, and to ensure that management meets the objectives set while pursuing the company's interests and corporate purpose. As such, the board in full should reserve the right to approve:

a) The company's general policies and strategies, and in particular:

i) The strategic or business plan, management targets and annual budgets;

ii) Investment and financing policy;

iii) Design of the structure of the corporate group;

iv) Corporate Governance policy;

v) Corporate social responsibility policy;

vi) Remuneration and evaluation of senior officers;

vii) Risk control and management, and the periodic monitoring of internal information and control systems;

viii) Dividend policy, as well as the policies and limits applying to treasury stock.

See headings: B.1.10, B.1.13, B.1.14 and D.3

b) The following decisions :

i) On the proposal of the company's chief executive, the appointment and removal of senior officers, and their compensation clauses.

See heading: B.1.14

ii) Directors' remuneration and, in the case of executive directors, the additional consideration for their management duties and other contract conditions.

See heading: B.1.14

iii) The financial information that all listed companies must periodically disclose;

iv) Investments or operations considered strategic by virtue of their amount or special characteristics, unless their approval corresponds to the General Shareholders' Meeting;

v) the creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.

c) Transactions which the company conducts with directors, significant shareholders, shareholders with board representation or other persons related thereto ("related-party transactions").

However, board authorization need not be required for related-party transactions that simultaneously meet the following three conditions:

1. They are governed by standard form agreements applied on an across the-board basis to a large number of clients;

2. They go through at market rates, generally set by the person supplying the goods or services;

3. Their amount is no more than 1% of the company's annual revenues. It is advisable that related-party transactions should only be approved on the basis of a favorable report from the Audit Committee or some other committee handling the same function; and that the directors involved should neither exercise nor delegate their votes, and should withdraw from the meeting room while the board deliberates and votes.

Ideally the above powers should not be delegated with the exception of those mentioned in b) and c), which may be delegated to the Executive Committee in urgent cases and later ratified by the full board.

See headings: C.1 and C.6.

Complies

9. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise no fewer then five and no more than fifteen members.

See heading: B0.1.1

Explain

In 2009 there were various changes in the Board of Directors which, at December 31, 2009 comprised 16 members.

The composition of the Board is deemed to be suitable to ensure maximum effectiveness and participation with a wide variety of opinions.

10. External directors, proprietary and independent, should occupy an ample majority of board places, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

See headings: A.2, A.3, B.1.3 and B.1.14

Complies

11. In the event that some external director can be deemed neither proprietary nor independent, the company should disclose this circumstance and the links that person maintains with the company or its senior officers, or its shareholders.

See heading: B.1.3

Complies

12. That among external directors, the relation between proprietary members and independents should match the proportion between the capital represented on the board by proprietary directors and the remainder of the company's capital.

This proportional criterion can be relaxed so the weight of proprietary directors is greater than would strictly correspond to the total percentage of capital they represent:

1) In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings, despite the considerable sums actually invested.

2) In companies with a plurality of shareholders represented on the board but not otherwise related.

See headings: B.1.3, A.2 and A.3

Complies

13. The number of independent directors should represent at least one third of all board members.

See heading: B.1.3

Explain

In 2009 there were various changes in the Board of Directors which, at December 31, 2009 comprised 16 members, five of which are independent.

Five independent directors is not really one third as this has been rounded up. It must also be noted that Criteria CaixaCorp's free float represents 20.553% of its share capital (excluding treasury stock), a percentage lower than the 31.25% represented by the independent directors.

14. The nature of each director should be explained to the General Meeting of Shareholders, which will make or ratify his or her appointment. Such determination should subsequently be confirmed or reviewed in each year's Annual Corporate Governance Report, after verification by the Nomination Committee. The said Report should also disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 5% of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.
See headings: B.1.3 and B.1.4

Complies

15. When women directors are few or non existent, the board should state the reasons for this situation and the measures taken to correct it; in particular, the Nomination Committee should take steps to ensure that:

a) The process of filling board vacancies has no implicit bias against women candidates;

b) The company makes a conscious effort to include women with the target profile among the candidates for board places.
See headings: B.1.2, B.1.27 and B.2.3

Complies

16. The Chairman, as the person responsible for the proper operation of the Board of Directors, should ensure that directors are supplied with sufficient information in advance of board meetings, and work to procure a good level of debate and the active involvement of all members, safeguarding their rights to freely express and adopt positions; he or she should organize and coordinate regular evaluations of the board and, where appropriate, the company's chief executive, along with the chairmen of the relevant board committees.
See heading: B.1.42

Complies

17. When a company's Chairman is also its chief executive, an independent director should be empowered to request the calling of board meetings or the inclusion of new business on the agenda; to coordinate and give voice to the concerns of external directors; and to lead the board's evaluation of the Chairman.
See heading: B.1.21

Not applicable

18. The Secretary should take care to ensure that the board's actions:

a) Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulatory agencies;

b) Comply with the company bylaws and the regulations of the General Shareholders' Meeting, the Board of Directors and others;

C) Are informed by those good governance recommendations of the Unified Code that the company has subscribed to.

In order to strengthen the independence and professionalism of the Secretary post, the Code suggests that appointments and removals should require a report from the Nomination Committee, as in the case of board members.
See heading: B.1.34

Complies

19. The board should meet with the necessary frequency to properly perform its functions, in accordance with a calendar and agendas set at the beginning of the year, to which each director may propose the addition of other items.
See heading: B.1.29

Complies

20. Director absences should be kept to the bare minimum and quantified in the Annual Corporate Governance Report. When directors have no choice but to delegate their vote, they should do so with instructions.
See headings: B.1.28 and B.1.30

Partially complies

Director absences occur when directors are unable to attend. In these cases they delegate their votes with specific instructions so that the proxy may adhere to the matter under discussion by the Board.

21. When directors or the Secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, the person expressing them can request that they be recorded in the minute book.

Complies

22. The board in full should evaluate the following points on a yearly basis: a) The quality and efficiency of the board's operation; b) Starting from a report submitted by the Nomination Committee, how well the Chairman and chief executive have carried out their duties; c) The performance of its committees on the basis of the reports furnished by the same.
See heading: B.1.19

Complies

23. All directors should be able to exercise their right to receive any additional information they require on matters within the board's competence. Unless the bylaws or board regulations indicate otherwise, such requests should be addressed to the Chairman or Secretary.
See heading: B.1.42

Complies

24. All directors should be entitled to call on the company for the advice and guidance they need to carry out their duties. The company should provide suitable channels for the exercise of this right, extending in special circumstances to external assistance at the company's expense.
See heading: B.1.41

Complies

25. Companies should organize induction programmers for new directors to acquaint them rapidly with the workings of the company and its corporate governance rules. Directors should also be offered refresher programmers when circumstances so advise

Complies

26. Companies should require their directors to devote sufficient time and effort to perform their duties effectively, and, as such:

a) Directors should apprise the Nomination Committee of any other professional obligations, in case they might detract from the necessary dedication;

b) Companies should lay down rules about the number of directorships their board members can hold.
See headings: B.1.8, B.1.9 and B.1.17

Complies

27. The proposal for the appointment or renewal of directors which the board submits to the General Shareholders' Meeting, as well as provisional appointments by the method of co-option, should be approved by the board:

a) On the proposal of the Nomination Committee, in the case of independent directors.

b) Subject to a report from the Nomination Committee in all other cases.

See heading: B.1.2

Complies

28. Companies should post the following director particulars on their websites, and keep them permanently updated:

a) Professional experience and background;

b) Directorships held in other companies, listed or otherwise;

c) An indication of the director's classification as executive, proprietary or independent; in the case of proprietary directors, stating the shareholder they represent or have links with.

d) The date of their first and subsequent appointments as a company director, and;

e) Shares held in the company and any options on the same.

Complies

29. Independent directors should not stay on as such for a continuous period of more than 12 years.

See heading: B.1.2

Complies

30. Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter's number should be reduced accordingly.

See headings: A.2, A.3 and B.1.2

Complies

31. The Board of Directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where just cause is found by the board, based on a proposal from the Nomination Committee. In particular, just cause will be presumed when a director is in breach of his or her fiduciary duties or comes under one of the disqualifying grounds enumerated in section III.5 (Definitions) of this Code.

The removal of independents may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the company's capital structure, in order to meet the proportionality criterion set out in Recommendation 12.

See headings: B.1.2, B.1.5 and B.1.26

Complies

32. Companies should establish rules obliging directors to inform the board of any circumstance that might harm the organization's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent trial.

The moment a director is indicted or tried for any of the crimes stated in article 124 of the Public Limited Companies Law, the board should examine the matter and, in view of the particular circumstances and potential harm to the company's name and reputation, decide whether or not he or she should be called on to resign. The board should also disclose all such determinations in the Annual Corporate Governance Report.

See headings: B.1.43 and B.1.44

Complies

33. All directors should express clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other directors unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking board representation.

When the board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

The terms of this Recommendation should also apply to the Secretary of the board; director or otherwise.

Not applicable

34. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the board. Irrespective of whether such resignation is filed as a significant event, the motive for the same must be explained in the Annual Corporate Governance Report.

See heading: B.1.5

Complies

35. The company's remuneration policy, as approved by its Board of Directors, should specify at least the following points:

a) the amount of the fixed components, itemized where necessary, of board and board committee attendance fees, with an estimate of the fixed annual payment they give rise to;

b) Variable components, in particular:

i) The types of directors they apply to, with an explanation of the relative weight of variable to fixed remuneration items.

ii) Performance evaluation criteria used to calculate entitlement to the award of shares or share options or any performance-related remuneration;

iii) The main parameters and grounds for any system of annual bonuses or other, non cash benefits; and

iv) An estimate of the sum total of variable payments arising from the remuneration policy proposed, as a function of degree of compliance with pre-set targets or benchmarks.

c) The main characteristics of pension systems (for example, supplementary pensions, life insurance and similar arrangements), with an estimate of their amount of annual equivalent cost.

d) The conditions to apply to the contracts of executive directors exercising senior management functions; among them:

i) Duration;

ii) Notice periods; and

iii) Any other clauses covering hiring bonuses, as well as indemnities or ‘golden parachutes’ in the event of early termination of the contractual relation between company and executive director.

See heading: B.1.15

Complies

36. Remuneration comprising the delivery of shares in the company or other companies in the group, share options or other share-based instruments, payments linked to the company’s performance or membership of pension schemes should be confined to executive directors.

The delivery of shares is excluded from this limitation when directors are obliged to retain them until the end of their tenure.

See headings: A.3 and B.1.3

Complies

37. External directors' remuneration should sufficiently compensate them for the dedication, abilities and responsibilities that the post entails, but should not be so high as to compromise their independence.

Complies

38. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor’s report.

Not applicable

39. In the case of variable awards, remuneration policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company’s sector, atypical or exceptional transactions or circumstances of this kind.

Not applicable

40. The board should submit a report on the directors’ remuneration policy to the advisory vote of the General Shareholders’ Meeting, as a separate point on the agenda. This report can be supplied to shareholders separately or in the manner each company sees fit.

The report will focus on the remuneration policy the board has approved for the current year with reference, as the case may be, to the policy planned for future years. It will address all the points referred to in Recommendation 35, except those potentially entailing the disclosure of commercially sensitive information. It will also identify and explain the most significant changes in remuneration policy with respect to the previous year, with a global summary of how the policy was applied over the period in question.

The role of the Remuneration Committee in designing the policy should be reported to the Meeting, along with the identity of any external advisors engaged.

See heading: B.1.16

Partially complies

Despite not submitting a report on the company’s directors’ remuneration policy to the advisory vote of the General Shareholders’ Meeting, as a separate point on the agenda, at the Annual General Meeting held on May 7, 2009, shareholders approved the Annual Financial Statements, both individual and consolidated, as well as the corresponding Management Reports (which included a report on the directors’ remuneration policy) which had been approved by the company’s auditors.

41. The notes to the annual accounts should list individual directors' remuneration in the year, including:

a) a breakdown of the compensation obtained by each company director, to include where appropriate:

i) Participation and attendance fees and other fixed director payments;

ii) Additional compensation for acting as chairman or member of a board committee;

iii) Any payments made under profit-sharing or bonus schemes, and the reason for their accrual;

iv) Contributions on the director's behalf to defined-contribution pension plans, or any increase in the director's vested rights in the case of contributions to defined-benefit schemes;

v) Any severance packages agreed or paid;

vi) Any compensation they receive as directors of other companies in the group;

vii) The remuneration executive directors receive in respect of their senior management posts;

viii) Any kind of compensation other than those listed above, of whatever nature and provenance within the group, especially when it may be accounted a related-party transaction or when its omission would detract from a true and fair view of the total remuneration received by the director.

b) An individual breakdown of deliveries to directors of shares, share options or other share-based instruments, itemized by:

i) Number of shares or options awarded in the year, and the terms set for their execution;

ii) Number of options exercised in the year, specifying the number of shares involved and the exercise price;

iii) Number of options outstanding at the annual close, specifying their price, date and other exercise conditions;

iv) Any change in the year in the exercise terms of previously awarded options.

c) Information on the relation in the year between the remuneration obtained by executive directors and the company's profits, or some other measure of enterprise results.

Explain

The company complies with applicable legislation and includes the information in aggregate terms. Even though, for reasons of privacy, the individual information is not listed, it is specified by type of director.

42. When the company has an Executive Committee, the breakdown of its members by director category should be similar to that of the board itself. The Secretary of the board should also act as secretary to the Executive Committee.

See headings: B.2.1 and B.2.6

Complies

43. The board should be kept fully informed of the business transacted and decisions made by the Executive Committee. To this end, all board members should receive a copy of the Committee's minutes.

Complies

Explain

The board is kept fully informed of the Business transacted and decisions made by the Executive Committee. However, it does not receive a copy of the Committee minutes.

44. In addition to the Audit Committee mandatory under the Securities Market Law, the Board of Directors should form a committee, or two separate committees, of Nomination and Remuneration.

The rules governing the make-up and operation of the Audit Committee and the committee or committees of Nomination and Remuneration should be set forth in the board regulations, and include the following:

a) The Board of Directors should appoint the members of such committees with regard to the knowledge, aptitudes and experience of its directors and the terms of reference of each committee; discuss their proposals and reports; and be responsible for overseeing and evaluating their work, which should be reported to the first board plenary following each meeting;

b) These committees should be formed exclusively of external directors and have a minimum of three members. Executive directors or senior officers may also attend meetings, for information purposes, at the Committees' invitation.

c) Committees should be chaired by an independent director.

d) They may engage external advisors, when they feel this is necessary for the discharge of their duties.

e) Meeting proceedings should be minuted and a copy sent to all board members.

See headings: B.2.1 and B.2.3

Partially complies

As stipulated in article 14.4 of the Regulation of the Board of Directors, minutes of Criteria CaixaCorp's Appointments and Remuneration Committee meetings shall be available to all Board members through the office of the Secretary, but shall not be forwarded or delivered for reasons of discretion, unless otherwise ordered by the Chairman of the Committee.

The Audit and Control Committee comprises three members (two independent directors and one executive director). Despite not being formed exclusively by external directors, its composition is in accordance with article 13 of the Regulation of the Board of Directors which stipulates that the Audit and Control Committee shall be formed in its majority by non-executive directors.

45. The job of supervising compliance with internal codes of conduct and corporate governance rules should be entrusted to the Audit Committee, the Nomination Committee or, as the case may be, separate Compliance or Corporate Governance committees.

Complies

46. All members of the Audit Committee, particularly its chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management matters.

Complies

47. Listed companies should have an internal audit function, under the supervision of the Audit Committee, to ensure the proper operation of internal reporting and control systems.

Complies

48. The head of internal audit should present an annual work programmed to the Audit Committee; report to it directly on any incidents arising during its implementation; and submit an activities report at the end of each year.

Complies

49. Control and risk management policy should specify at least:

a) The different types of risk (operational, technological, financial, legal, reputational…) the company is exposed to, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks;

b) The determination of the risk level the company sees as acceptable;

c) Measures in place to mitigate the impact of risk events should they occur;

d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

`See heading: D`

Complies

50. The Audit Committee's role should be:

1. With respect to internal control and reporting systems:

   a) Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.

   b) Review internal control and risk management systems on a regular basis, so main risks are properly identified, managed and disclosed.

   c) Monitor the independence and efficacy of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the department's budget; receive regular report-backs on its activities; and verifying that senior management are acting on the findings and recommendations of its reports.

   d) Establish and supervise a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the firm.

2. With respect to the external auditor:

   a) Make recommendations to the board for the selection, appointment, reappointment and removal of the external auditor, and the terms and conditions of his engagement.

   b) Receiving regular information from the external auditor on the progress and findings of the audit programmed, and checking that senior management are acting on its recommendation.

   c) Monitor the independence of the external auditor, to which end:

      i) The company should notify any change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

      ii) The Committee should ensure that the company and the auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other requirements designed to safeguard auditors' independence;

      iii) The Committee should investigate the issues giving rise to the resignation of any external auditor.

   d) In the case of groups, the Committee should urge the group auditor to take on the auditing of all component companies.

`See headings: B.1.35, B.2.2, B.2.3 and D.3`

Complies

51. The Audit Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Complies

52. The Audit Committee should prepare information on the following points from Recommendation 8 for input to board decision-making:

a) The financial information that all listed companies must periodically disclose.

The Committee should ensure that interim statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review.

b) The creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.

c) Related-party transactions, except where their scrutiny has been entrusted to some other supervision and control committee.

See heading: B.2.2 and B.2.3

Complies

53. The Board of Directors should seek to present the annual accounts to the General Shareholders' Meeting without reservations or qualifications in the audit report. Should such reservations or qualifications exist, both the Chairman of the Audit Committee and the auditors should give a clear account to shareholders of their scope and content.

See heading: B.1.38

Complies

54. The majority of Nomination Committee members – or Nomination and Remuneration Committee members as the case may be – should be independent directors.

See heading: B.2.1

Complies

55. The Nomination Committee should have the following functions in addition to those stated in earlier recommendations:

a) Evaluate the balance of skills, knowledge and experience on the board, define the roles and capabilities required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties.

b) Examine or organize, in appropriate form, the succession of the chairman and chief executive, making recommendations to the board so the handover proceeds in a planned and orderly manner.

c) Report on the senior officer appointments and removals which the chief executive proposes to the board.

d) Report to the board on the gender diversity issues discussed in Recommendation 14 of this Code.

See heading: B.2.3

Complies

56. The Nomination Committee should consult with the company's Chairman and chief executive, especially on matters relating to executive directors. Any board member may suggest directorship candidates to the Nomination Committee for its consideration.

Complies

57. The Remuneration Committee should have the following functions in addition to those stated in earlier recommendations:

a) Make proposals to the Board of Directors regarding:

i) The remuneration policy for directors and senior officers;

ii) The individual remuneration and other contractual conditions of executive directors.

iii) The standard conditions for senior officer employment contracts.

b) Oversee compliance with the remuneration policy set by the company.

See heading: B.1.14 and B.2.3

Complies

58. The Remuneration Committee should consult with the Chairman and chief executive, especially on matters relating to executive directors and senior officers.

Complies

G. OTHER INFORMATION OF INTEREST

List and explain below the contents of any relevant principles or aspects of corporate governance applied by the company that have not been covered by this report.

NOTES:

A.2 - Criteria CaixaCorp's IPO on October 10, 2007 as stipulated in Royal Decree 1362/2007.

A.8 - Within the framework of the authorization to acquire treasury stock granted at the company's Annual General Meeting on May 7, 2009, a measure devised to increase the liquidity of the company's shares on the market and regular trading thereof, on July 18, 2008 the Board of Directors of Criteria CaixaCorp, S.A. approved the acquisition of up to 44.25 million shares, representing around 1.32% of the company's share capital, provided the net investment did not exceed €177 million, depending on prevailing market conditions. Despite not having reached the notification threshold stipulated in RD 1362/2007, of October 19, in its endeavor to foster greater transparency and on the occasion of its earnings releases, the company publishes details of its treasury stock and will continue to do so until disclosure is obligatory under the terms and conditions stipulated in the Royal Decree.

A.10 - Criteria CaixaCorp's By-laws and Regulation of General Shareholders' Meeting stipulate that all shareholders that individually, or in a group with other shareholders, own a minimum of one thousand (1,000) shares, and who have registered ownership in the relevant book-entry ledger at least five (5) days in advance of the date the General Meeting is to be held, may attend.

B.1.3 – Those Criteria CaixaCorp directors whose appointment was not proposed by the Appointments and Remuneration Committee were appointed by the sole shareholder prior to the creation of said Committee and the company's IPO.

B.1.7 – Multigroup and Associate companies are included under this heading. The information on directors refers to board members at year-end 2009.

B.1.8 - The information on directors refers to board members at year-end 2009

B.1.11 – The Chairman of the Board of Directors has the powers to set a bonus for the company's Chief Executive Officer and must inform the Appointments and Remuneration Committee.

B.1.11.b) – Group companies are those controlled by the company, therefore we have not included remuneration for company directors holding directorships at other companies – listed or otherwise – in which the company owns a stake or which are not controlled by it.

B.1.17 - The information on directors refers to board members at year-end 2009

B.1.40 - The information on directors refers to board members at year-end 2009

D.1. Set forth below is a description of the general policies followed for different kinds of risk (see sections D.1.1 and D.1.2). Also detailed is the framework under which the company collaborates with the "la Caixa" Group (see section D.1.3).

D.1. Set forth below is a description of the general policies followed for different kinds of risk (see sections D.1.1 and D.1.2). Also detailed is the framework under which the company collaborates with the "la Caixa" Group (see section D.1.3).

D.1.1 Risk management policy

As explained in Note 21 to the 2009 Financial Statements of the Criteria CaixaCorp Group, the group engages in a wide variety of activities including most notably (a) equity investments in listed and non-listed companies; (b) insurance activities in the life and non-life business lines and; (c) consumer credit financing activities. The group's policy to mitigate its risk exposure is based on a prudent equity and fixed-income security investment policy. Its equity investments have been made in sound companies of acknowledged solvency. Substantially all its investments in the insurance segment have been made in highly diversified fixed-income securities.

The group's main financial risks are those associated with the investee portfolio, and to a lesser extent, the risks common to the insurance and financial business. In 2009 exposure to changes in exchange rates increased the foreign currency risk for several currencies against the euro.

The group classifies its main risks in the following categories:

. Market risk. This includes the value of the ownership interests in other companies, classified as available-for-sale financial assets, and changes in interest rates and foreign exchange rates.
. Liquidity risk. This relates mainly to the lack of liquidity of certain of its investments or needs arising from their commitments or investment plans.
. Credit risk. Arising when counterparties fail to meet their payment obligations and the possible losses due to changes in their credit quality. Conceptually, this type of risk includes investments in the portfolio of jointly controlled entities and associates.
. Operational risk. Relating to errors in the implementation and execution of operations. Operational risk is considered to be all the events which could give rise to a loss caused by shortcomings in internal processes, human error, malfunctioning of information systems and/or external events.
. Insurance business risks. Relating to the mathematical or the underwriting risk. Exhaustive control is exercised over technical-actuarial risks.

Also, the group is exposed to country risk (relating to market, liquidity and credit risk) which consists of the possibility of assets becoming impaired or of a decrease in funds generated or transferred to the Parent as a result of political, economic or social instability in the countries in which investments are held.

Management's priority is to identify the main risks in terms of the most significant businesses and apply policies with a high degree of decentralization in view of the wide variety of businesses and their high level of specialization.

Various methods and tools are used to measure and monitor the risks:

. For holdings not classified as available for sale, and for holdings classified as available for sale but intended to be held on a long-term basis, the most significant risk is default risk and, therefore, the PD/LGD approach is used.
For other holdings classified as available for sale, the most significant risk is market risk and, therefore, the market (VaR) approach is used.
These methods and tools make it possible to adequately assess and measure the group's exposure the risk and, as a result, take the decisions required to minimize the impact of these risks with a view to making the following more stable:
. Cash flows, to facilitate financial planning and to be able to take appropriate investment and divestment decisions.
. The income statement, with the aim of promoting medium- and long-term stability and growth.
. The value of equity, in order to safeguard the value of the investment made by the shareholders and minimize any impact on the "la Caixa" Group's solvency (see section D.1.3).

D.1.2 Main risks and policies adopted to minimize their impact on the group's financial statements. For more information please see Note 20 to the 2009 Financial Statements of the Criteria CaixaCorp Group.

a) Market risk:

This refers to the risk that the value of a financial instrument may vary as a result of changes in price of shares, interest rates or foreign exchange rates. Possible consequences of these risks are decreases in equity and losses arising due to changes in market prices and/or for the losses on the positions composing the investment portfolio, rather than the trading portfolio, at medium to long term.

Price risk

At December 31, 2008 and 2009, practically all of the group's investments in equity instruments corresponded to listed assets. As a result, the group is exposed to the market risk generally associated with listed companies. The listed securities are exposed to fluctuations in price and trading volume due to factors beyond the group's control.
The group has specialized teams which continually monitor investee transactions, more or less in accordance with the group's level on influence in them, using a combination of indicators which are updated periodically. Also, in conjunction with the Strategic Risk Management Division of "la Caixa", investment risk measurements are taken, both from the standpoint of the risk inherent in market price volatility, using VaR (Value at Risk) models on the risk-free interest rate yield spread as proposed for banks by the New Basel Capital Accord (NBCA), and from the point of view of the possibility of default, applying models based on the Probability of Default and Loss Given Default ("PD" and "LGD") approaches, also in accordance with the provisions of the NBCA. (See section D.1.3).
Management monitors these indicators on an individualized basis to be able to take at any moment the most appropriate decisions on the basis of the market performance observed and predicted and the group's strategy.

Interest rate risk

Interest rate risk mainly takes the form of a change in (a) the finance charges for debt at a floating rate; and (b) the value of the fixed rate financial assets (mainly loans granted and debt securities). Accordingly, the risk basically arises from financial and insurance activities and group borrowings. In this regard, in interest rate risk management, the sensitivity of the fair value of the assets and liabilities to changes in the structure of the market rate curve is considered.
Interest rate risk is managed and controlled directly by the management of the companies involved.

Foreign currency risk

The functional currency for most of the assets and liabilities in the group's consolidated balance sheet is the euro.
The company hedges items that affect the income statement. Therefore, it hedges cash flows but not investment positions as they are considered to be very long-term items.
The group may also be indirectly exposed to foreign currency risk through the foreign currency investments made by the companies accounted for using the equity method due to the major international presence of certain of these companies.
The group's policies, on the basis of the overall quantification of risk, take into account the advisability of arranging either derivative financial instruments or debt in the same currency or currencies of the economic environment as the assets in which the investment is made.

b) Liquidity risk

Liquidity risk relates to the possibility of a company not being able to meet its payment obligations because it cannot sell a financial instrument sufficiently quickly without incurring significant additional costs. The liquidity risk associated with the possibility of financial investments being converted into cash is of little significance since they are generally listed on deep, active markets.
In its investing activity, the group takes into account in the management of its liquidity the generation of sustained and significant cash flows by its businesses and investments and the capacity to realize its investments which, in general, are listed on deep, active markets.
In its insurance activity, the group manages liquidity in such a way that it can always cover any obligations with might arise. This objective is achieved by actively managing liquid assets, through ongoing monitoring, by maturity item, of the balance sheet structure to detect, in advance, the occurrence of inadequate short- and medium-term term liquidity structures, whilst adopting a strategy lending stability to financing sources. Within the framework of the cash flow immunization policy, the investment portfolio is only settled in the event of surrender and of possible changes in credit risk.

c) Credit risk

Credit risk refers to the risk of incurring losses through breach of contractual payment obligations by a debtor or changes in the risk premium relating to the financial solvency of the debtor. The main credit risks relate to the investments in fixed-income securities of the portfolios assigned to the insurance activity and, in the financial activity, through the loans and credits granted to customers. A credit risk also arises from the investment in associates, mainly listed associates, which differs from the risk related to the market value of their shares.
Group credit risk management is controlled by strict internal compliance with procedures defined by management. This procedure defines the asset category suitable for inclusion in the investment portfolio using definition parameters such as the main rating scales, terms, counterparties and concentration. These procedures are of importance in the area of the insurance activity in which most of the fixed-income security investments are made. The group's financial activity has a credit risk control and monitoring policy consisting of the measurement and control of the current and future risk level using specialized tools (e.g. scoring matrixes, transaction capture rules, recovery management) and the monitoring of the compliance and effectiveness of these tools. The risk is always counterbalanced by the level of transaction acceptance targeted.

d) Insurance business technical risks

The risks associated with the insurance business within the existing business lines and types of insurance are directly managed by management of the SegurCaixa Holding Group (formerly Caifor), through the preparation and monitoring of a technical Executive Information System (EIS), for the purpose of keeping the synthetic vision of the technical progress of the products up to date. The EIS defines the following policies:

<u>Insurance business technical risks</u>

a) Underwriting
Acceptance of risks on the basis of main actuarial variables (age, insured sum and duration of the guarantee).

b) Rating

In accordance with the legislation in force of the Directorate-General of Insurance and Pension Funds, the rates for the life business line are determined using the mortality tables allowed under applicable legislation. Additionally, the interest rates applied are those used for rating in accordance with the maximum rate established by the private insurance regulations approved by Royal Decree 2486/1998, of November 20.

c) Reinsurance
An adequate diversification of risk among several reinsurance companies with sufficient reinsurance capacity to absorb unexpected losses is established, whereby stability is achieved in terms of claims incurred.

The definition and follow-up of the aforementioned policies enables them to be changed, if required, to adapt risks to the group's global strategy.

Treatment of claims and the adequacy of the provisions are basic principles of insurance management. Mathematical provisions are estimated using specific procedures and systems.

Concentration of the insurance risk

There is a high level of risk diversification in the insurance lines offered by the group in terms of the extremely high number of insureds, the variety of sectors in which is present and the low individual amount to be paid per claim. Therefore, management considers that the concentration of insurance risk in the group's business activities is very low.

Claims

The group offers different types of life and no life insurance lines. The information on historical claims is not relevant since the period elapsed between the reporting of a claim and its settlement is very short, below 12 months in the majority of the cases.

e) Country risk

The group’s policy for managing or mitigating country risk consists mainly of monitoring the geographical area in which it makes its investments both before making the investment and periodically after the investments have been made. In addition, country risk is taken into account when deciding on whether to sell investments or spread them over different geographical areas.

f) Operational risk

This is defined as the risk of incurring a loss as a result of errors in operating processes. Operational risk is considered to be all the events which could give rise to a loss caused by shortcomings in internal processes, human error, malfunctioning of information systems and/or external events.

The risk management processes covers issues in relation to systems and staff, administrative processes, information security and legal matters. These issues are managed with the purpose of establishing adequate controls to minimize possible losses.

As part of the ongoing process to improve its internal control systems and ensure that operational risk is effectively controlled, the company has policies and a Procedures Manual aimed at reducing or eliminating exposure to these risks.

D.1.3 Control and risk management systems. Framework collaboration agreement with “la Caixa”

As regards collaboration with the Global Risk Management Department of “la Caixa”, the various analyses concerning risk control at Criteria are governed by the overriding notion of integral risk management whereby portfolio investments and divestments are all addressed from a “holistic” approach. This effectively means that investments and divestments are always analyzed in relation to the amount of total portfolio risk they account for. Likewise, and so as to streamline capital allocation, the “la Caixa” Group considers Criteria’s portfolio as an additional business unit, along with the other business segments (mortgages, consumer loans, loans to SMEs, corporate financing, project financing, etc.).

In order to perform these risk control functions, Criteria possesses various mechanisms and tools, which it manages and presents to the management on a regular basis. It also collaborates continuously with the Investee Risk Control Unit of “la Caixa”.
These mechanisms are as follows:

1) Analysis and monitoring of the risk parameters of portfolio assets: PD, LGD, EAD, correlations.

2) Analysis of the risk-investment relationship of the main investees comprising the Criteria portfolio at 31/12/09.

3) Preparation of a weekly alerts report, which acts as an indicator of current positions in investees, warns of sudden changes in risk perception and helps estimate risk impacts on the group's solvency. This report draws from various sources of information, the traceability and homogeneity of which are fully guaranteed.

The following alerts are worthy of particular note:

a. Comparison of implied PDs (CDSs) with internal PDs.
b. Sudden changes to volatility estimates that alter the assigned internal capital.
c. Funding ratio based on acquisition cost or market value.
d. Changes in asset correlations based on sector-wide ratios.

4) On a final note, we would highlight a further mechanism enabling effective risk control within Criteria, in that Criteria's CEO is a regular and full member of the Global Risk Committee of "la Caixa" (which meets monthly to analyze all risks affecting the group, including its investees), thereby ensuring fluid and uninterrupted risk reporting between both companies.

F.2 - Even though the controlling shareholder is a non-listed company, the measures described in sections C.4 and C.7 have been adopted.

F.19 - Article 7.2 of the Regulation of the Board of Directors stipulates that the Chairman is vested with the ordinary authority to form the agenda for such meetings and to direct the debates.
That said, all directors may request that additional items be included in the agenda.

F.29 - Criteria CaixaCorp's By-laws stipulate that directors shall remain in their posts for a term of six (6) years and may be reelected one or more times for periods of equal length.
No independent director has yet remained in their post for six years. Therefore, and should an independent director come to the end of his second consecutive mandate in the future, the Board shall, in accordance with Recommendation 29 and the definition of an independent director as set out in the Unified Good Governance Code and based on a report from the Appointments and Remuneration Committee, study the advisability of reelecting said independent director.

F.31 - Pursuant to article 33.2 of Criteria CaixaCorp's By-laws, the post of director may be resigned from or revoked and directors may be reappointed regardless of the type of director.
Article 20 of the Regulation of the Board of Directors covers the removal of directors and when they must place their position at the disposal of the Board of Directors and formalize, if it deems appropriate, the pertinent resignation.
The above is also applicable to independent directors.

F.35 – The Board has set fixed remuneration for directors according to their responsibilities and dedication. However, the CEO receives a bonus and pension plan.

F.39 – The Chairman of the Board of Directors has the powers to set a bonus for the company's Chief Executive Officer and must inform the Appointments and Remuneration Committee.

This section may include any other relevant but not re-iterative information, clarification or detail related to previous sections of the report.

Specifically indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include the compulsory information to be provided when different from that required by this report.

Binding definition of independent director:

List any independent directors who maintain, or have maintained in the past, a relationship with the company, its significant shareholders or managers, when the significance or importance thereof would dictate that the directors in question may not be considered independent pursuant to the definition set forth in section 5 of the Unified Good Governance Code.

NO

Date and signature:

This annual corporate governance report was approved by the company's Board of Directors at its meeting held on:

25/02/2010

List any directors who voted against or abstained from voting on the approval of this report.

NO

Criteria CaixaCorp, S.A.

Financial Statements for the Year Ended December 31, 2009 and Director's Report together with Auditor's Report

Deloitte.

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Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Note 25). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Shareholders of
Criteria CaixaCorp, S.A.:

We have audited the financial statements of Criteria CaixaCorp, S.A. comprising the balance sheet at 31 December 2009, the related income statement, statement of changes in equity, cash flow statement and notes to the financial statements for the year then ended. The preparation of these financial statements is the responsibility of the Company's directors. Our responsibility is to express an opinion on the 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 financial statements and evaluation of their presentation, of the accounting policies applied and of the estimates made.

As required by Spanish corporate and commercial law, for comparison purposes the Directors present, in addition to the 2009 figures for each item in the balance sheet, income statement, statement of changes in equity and cash flow statement, the figures for the preceding year. The presentation of the figures in the income statement for 2008 differs from that in the approved financial statements for that year as a result of the reclassification of income detailed in the accompanying Notes 2-a and 2-c. Our opinion refers only to the financial statements for 2009. On 27 February 2009, we issued our auditors' report on the 2008 financial statements, in which we expressed an unqualified opinion.

Since the Company is the head of the Criteria CaixaCorp Group and meets certain requirements, it is obliged under current legislation to prepare separate consolidated financial statements, on which we issued our auditors' report on this same date containing an unqualified opinion, based on our audit and on the reports of other auditors (see Appendixes I and II to the notes to the financial statements). These consolidated financial statements were prepared from the accounting records of the companies composing the Criteria CaixaCorp Group, in accordance with International Financial Reporting Standards as adopted by the European Union, and reflect equity, 2009 profit attributable to the Group and total assets of EUR 14,321 million, EUR 1,317 million and EUR 49,106 million, respectively.

In our opinion, the accompanying financial statements for 2009 present fairly, in all material respects, the equity and financial position of Criteria CaixaCorp, S.A. at 31 December 2009 and the results of its operations, the changes in equity and its cash flows for the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with the generally accepted accounting principles and standards under the Spanish regulations applicable to the Company, which are consistent with those applied in the preparation of the figures and information for 2008, which were included in these financial statements for comparison purposes.

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

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

Miguel Antonio Pérez

26 February 2010

COL·LEGI
DE CENSORS JURATS
DE COMPTES
DE CATALUNYA

Membre exercent:
DELOITTE, S.L.

Any 2010 Núm. 20/10/00067
CÒPIA GRATUÏTA

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

CRITERIA CAIXACORP, S.A.

FINANCIAL STATEMENTS AND DIRECTORS' REPORT

FOR 2009

CONTENTS

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 25). In the event of a discrepancy, the Spanish-language version prevails.

CRITERIA CAIXACORP, S.A.

BALANCE SHEETS AT 31 DECEMBER 2009 AND 31 DECEMBER 2008

(Thousands of euros)

ASSETS	2009	2008 (*)
NON-CURRENT ASSETS:		
Intangible assets	**1,101**	**528**
Computer software	3,289	2,057
Other intangible assets	2	2
Accumulated amortisation	(2,190)	(1,531)
Property, plant and equipment	**3,028**	**3,697**
Fixtures, tools, furniture and other	5,308	5,215
Accumulated depreciation	(2,280)	(1,518)
Non-current investments in Group companies, jointly controlled entities and associates (Note 5)	**14,126,107**	**12,480,761**
Investments in Group companies (Note 5.1)	3,140,319	3,567,225
Investments in associates and jointly controlled entities (Note 5.2)	10,985,788	8,731,637
Long-term loans to Group companies (Note 5.3)	-	181,899
Non-current financial assets (Note 6)	**6,817,935**	**5,776,262**
Available-for-sale financial assets - Equity instruments	6,817,621	5,776,125
Long-term deposits and guarantees given	314	137
Deferred tax assets	**582,746**	**355,250**
Due to available-for-sale financial assets	-	112,987
Other deferred tax assets (Note 17)	582,746	242,263
Total non-current assets	**21,530,917**	**18,616,498**
CURRENT ASSETS:		
Accounts receivable	**295**	**141,020**
Receivable from Group companies (Note 7)	168	140,817
Other accounts receivable	85	198
Tax receivables (Note 17)	42	5
Current financial assets	**357,066**	**247,747**
Dividends receivable (Note 8)	118,197	247,422
Other (Note 9)	238,869	325
Current prepayments and accrued income	**736**	**668**
Cash (Note 10)	**4,547**	**1,701**
Total current assets	**362,644**	**391,136**
TOTAL ASSETS	**21,893,561**	**19,007,634**

EQUITY AND LIABILITIES	2009	2008 (*)
EQUITY (Note 11):		
Shareholders' equity:		
Share capital	**3,362,890**	**3,362,890**
Share premium	**7,711,244**	**7,711,244**
Reserves	**918,447**	**825,529**
Legal reserve	672,578	672,578
Voluntary and first-time application reserves	245,869	152,951
Treasury shares	**(39,880)**	**(18,545)**
Profit for the year	**1,013,340**	**803,349**
Interim dividend paid during the year	**(335,322)**	**(503,780)**
Total shareholders' equity	**12,630,719**	**12,180,687**
Valuation adjustments:		
Available-for-sale financial assets (Notes 6 and 11.7)	1,459,914	774,063
Cash flow hedges	(85)	-
Total valuation adjustments	**1,459,829**	**774,063**
Total equity	**14,090,548**	**12,954,750**
NON-CURRENT LIABILITIES:		
Provisions for contingencies and charges (Note 12)	33,521	90,835
Debt instruments and other marketable securities (Note 13)	992,198	-
Other financial liabilities	10	-
Non-current payables to Group companies (Note 14)	5,610,421	5,189,313
Deferred tax liabilities arising from available-for-sale financial assets (Note 6)	860,096	657,890
Other deferred tax liabilities (Note 17)	22,915	18,817
Total non-current liabilities	**7,519,161**	**5,956,855**
CURRENT LIABILITIES:		
Current payables	**251,092**	**18,637**
Bank borrowings (Note 14)	16,679	18,637
Interest payable on debt instruments and other marketable securities (Note 13)	4,583	-
Hedging derivatives (Notes 6 and 16)	229,830	-
Current payables to Group companies associates and jointly controlled entities (Note 15)	**5,730**	**54,118**
Payable to Group companies	5,730	54,118
Trade and other payables	**27,030**	**23,274**
Accounts payable	12,966	9,311
Tax payables (Note 17)	12,598	12,752
Other	1,466	1,211
Total current liabilities	**283,852**	**96,029**
TOTAL EQUITY AND LIABILITIES	**21,893,561**	**19,007,634**

The accompanying Notes 1 to 25 are an integral part of the balance sheet at 31 December 2009.

(*) The figures at 31 December 2008 are presented for comparison purposes only.

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 25). In the event of a discrepancy, the Spanish-language version prevails.

CRITERIA CAIXACORP, S.A.

INCOME STATEMENTS

FOR THE YEARS ENDED

31 DECEMBER 2009 AND 2008

(Thousands of euros)

	2009	2008 (*)
Revenue:	1,397,579	1,001,815
Services	42	57
Revenue for equity investments (Note 18)	1,087,234	1,005,058
Change in fair value of financial instruments:		
Held-for-trading financial assets/liabilities and other (Note 6)	(10)	(8,277)
Gains or losses on disposals and other (Note 6)	310,313	4,977
Other operating income	2	-
Staff costs (Note 18)	(10,970)	(9,610)
Depreciation and amortisation charge	(1,421)	(1,017)
Other operating expenses (Note 18)	(25,885)	(20,740)
Impairment and gains or losses on disposals of property, plant and equipment	-	(87)
Period provision for contingencies and charges (Note 12)	-	(81,112)
Excessive provisions (Note 12)	933	-
Exchange differences	(651)	894
Impairment and losses of financial instruments (Note 18)	(255,732)	(223,352)
PROFIT FROM OPERATIONS	**1,103,855**	**666,791**
Finance income (Note 18):	2,397	61,044
From marketable securities and other financial instruments of Group companies and associates	65	34,675
From third parties	2,332	26,369
Finance and similar costs (Note 18):	(127,725)	(192,338)
On debts to Group companies and associates	(122,972)	(192,251)
On debts to third parties	(4,753)	(87)
FINANCIAL LOSS	**(125,328)**	**(131,294)**
PROFIT BEFORE TAX	**978,527**	**535,497**
Current period income tax (Note 17)	34,890	248,882
Prior period income tax (Note 17)	(77)	18,970
NET PROFIT	**1,013,340**	**803,349**

The accompanying Notes 1 to 25 are an integral part of the income statement for 2009.

(*) The figures for the financial year 2008 are presented for comparison purposes only.

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 25). In the event of a discrepancy, the Spanish-language version prevails.

CRITERIA CAIXACORP, S.A.

STATEMENTS OF CHANGES IN EQUITY

A) STATEMENTS OF RECOGNISED INCOME AND EXPENSE
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008
(Thousands of euros)

	Note	2009	2008(*)
A) PROFIT FOR THE YEAR (per income statement)		**1,013,340**	**803,349**
B) INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY:		**818,400**	**(2,069,601)**
I. Arising from revaluation of financial instruments:	**Note 11.7**	**828,671**	**(2,051,690)**
Available-for-sale financial assets		1,183,831	(2,931,367)
Tax effect		(355,160)	879,677
II. Arising from other expenses recognised directly in reserves		**(10,186)**	**(17,911)**
Expenses recognised directly		(14,551)	(25,587)
Tax effect		4,365	7,676
III. Arising from cash flow hedges		**(85)**	**-**
Cash flow hedges		(121)	-
Tax effect		36	-
C) TOTAL TRANSFERS TO PROFIT OR LOSS		**(142,821)**	**54,354**
I. Arising from revaluation of financial instruments:	**Note 11.7**	**67,900**	**57,826**
Available-for-sale financial assets		97,000	82,609
Tax effect		(29,100)	(24,783)
II. Arising from sale of financial instruments:	**Note 11.7**	**(210,721)**	**(3,472)**
Available-for-sale financial assets		(309,987)	(4,977)
Tax effect		99,266	1,505
TOTAL RECOGNISED INCOME AND EXPENSE		**1,688,919**	**(1,211,898)**

The accompanying Notes 1 to 25 are an integral part of the statement of recognised income and expense for 2009.

(*) The figures for the financial year 2008 are presented for comparison purposes only.

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 25). In the event of a discrepancy, the Spanish-language version prevails.

CRITERIA CAIXACORP, S.A.

STATEMENTS OF CHANGES IN EQUITY

B) STATEMENTS OF CHANGES IN TOTAL EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008
(Thousands of Euros)

	Share capital	Share premium	Legal reserve	Voluntary reserves and adjustments to the new Spanish National Chart of Accounts	Treasury shares	Profit for the year	Final dividend	Interim dividend	**Share capital and reserves**	**Valuation adjustments**	**Total equity**
Balances at 31 December 2007	**3,362,890**	**7,711,244**	**525,974**	**(54,495)**	**-**	**2,400,106**	**-**	**(1,960,887)**	**11,984,832**	**2,771,399**	**14,756,231**
I. Total recognised income and expense	**-**	**-**	**-**	**(17,911)**	**-**	**803,349**	**-**	**-**	**785,438**	**(1,997,336)**	**(1,211,898)**
II. Transactions with shareholders	**-**	**-**	**146,604**	**225,357**	**(18,545)**	**(2,400,106)**	**-**	**1,457,107**	**(589,583)**	**-**	**(589,583)**
Distribution of profit	-	-	146,604	141,298	-	(2,316,047)	67,258	1,960,887	-	-	-
Distribution of 2007 profit - adjustment to new Spanish National Chart of Accounts	-	-	-	84,059	-	(84,059)	-	-	-	-	-
Final dividend for 2007	-	-	-	-	-	-	(67,258)	-	**(67,258)**	-	**(67,258)**
Interim dividend for the year	-	-	-	-	-	-	-	(503,780)	**(503,780)**	-	**(503,780)**
Treasury share acquisitions	-	-	-	-	**(18,545)**	-	-	-	**(18,545)**	-	**(18,545)**
Balances at 31 December 2008 (*)	**3,362,890**	**7,711,244**	**672,578**	**152,951**	**(18,545)**	**803,349**	-	**(503,780)**	**12,180,687**	**774,063**	**12,954,750**
I. Total recognised income and expense	**-**	**-**	**-**	**(10,186)**	**-**	**1,013,340**	**-**	**-**	**1,003,154**	**685,765**	**1,688,919**
II. Transactions with shareholders	**-**	**-**	**-**	**103,104**	**(21,335)**	**(803,349)**	**-**	**168,458**	**(553,122)**	**-**	**(553,122)**
Distribution of profit	-	-		98,517	-	(803,349)	201,052	503,780	-	-	-
Final dividend for 2008	-	-	-	-	-	-	(201,052)	-	**(201,052)**	-	**(201,052)**
Interim dividend for the year	-	-	-	-	-	-	-	(335,322)	**(335,322)**	-	**(335,322)**
Treasury share sales	-	-	-	1,944	6,083	-	-	-	**8,027**	-	**8,027**
Caixa Capital Desarrollo and Crisegen Inv. merger reserves	-	-	-	2,643	-	-	-	-	**2,643**	-	**2,643**
Treasury share acquisitions	-	-	-	-	(27,418)	-	-	-	**(27,418)**	-	**(27,418)**
Balances at 31 December 2009	**3,362,890**	**7,711,244**	**672,578**	**245,869**	**(39,880)**	**1,013,340**	**-**	**(335,322)**	**12,630,719**	**1,459,828**	**14,090,547**

The accompanying Notes 1 to 25 are an integral part of the statement of changes in total equity for 2009.

(*) The figures for the financial year 2008 are presented for comparison purposes only.

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 25). In the event of a discrepancy, the Spanish-language version prevails.

CRITERIA CAIXACORP, S.A.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED

31 DECEMBER 2009 AND 2008

(Thousands of euros)

	2009	2008 (*)
A) Cash flows from operating activities	**888,883**	**785,499**
1. Profit for the year before tax	**978,527**	**535,497**
2. Adjustments for:	**(1,015,348)**	**(574,067)**
- Depreciation and amortisation charge	1,421	1,017
- Changes in provisions and impairment losses	254,799	304,464
- Gains/Losses on disposal of property, plant and equipment (+/-)	-	87
- Gains/Losses on disposal of investments (+/-)	(310,313)	(4,977)
- Revenue from equity investments	(1,087,234)	(1,005,058)
- Finance income (-)	(2,397)	(61,044)
- Finance costs (+)	127,725	192,338
- Exchange differences (+/-)	651	(894)
3. Changes in working capital. Changes in:	**(168,318)**	**148,439**
- Accounts receivable	140,727	(130,099)
- Current financial assets	(238,800)	295,508
- Other current assets	(68)	(32,636)
- Current payables	(70,177)	15,666
4. Other cash flows from operating activities	**1,094,022**	**675,630**
- Interest paid	(125,089)	(178,857)
- Interest received	2,653	63,096
- Dividends received	1,216,458	901,842
- 2006 income tax paid	-	(214,260)
- 2007 income tax recovered	-	103,809
B) Cash flows from investing activities	**(2,188,859)**	**(3,695,712)**
Investments (-)	**(2,935,850)**	**(4,984,161)**
- Investments in intangible assets and property, plant and equipment	1,325	(3,945)
- Investments in Group companies and associates	(1,596,337)	(3,973,438)
- Investments in available-for-sale financial assets	(1,340,661)	(1,006,778)
- Guarantees and deposits	(177)	-
Disposals (+)	**746,991**	**1,288,449**
- Group companies, joint ventures and associates	534	-
- Available-for-sale financial assets	716,762	736,229
- Reduction of cost of portfolio due to dividends received and other	29,695	196,086
- Collections from loans to Group companies, associates and jointly controlled entities	-	356,134
C) Cash flows from financing activities	**1,302,822**	**2,909,514**
Dividends and returns on other equity instruments paid	**(555,765)**	**(690,469)**
Interim dividend for prior year paid	-	(100,887)
Interim dividend for the current year	(335,322)	(503,780)
Final dividend for prior year	(201,052)	(67,257)
Treasury share acquisitions	(27,418)	(18,545)
Treasury share sales	8,027	-
Proceeds and payments relating to financial liabilities	**1,858,587**	**3,599,983**
Obtainment of long-term loans from "la Caixa"	2,000,000	-
Proceeds from issue of debt instruments	992,198	-
Net amount drawn down against credit facility	(1,133,611)	3,599,983
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	**2,846**	**(699)**
Cash at beginning of year	1,701	2,400
Cash at end of year	4,547	1,701
Cash generated in the year	**2,846**	**(699)**

The accompanying Notes 1 to 25 are an integral part of this statement of cash flows for 2009.

(*) The figures for the financial year 2008 are presented for comparison purposes only.

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 25). In the event of a discrepancy, the Spanish-language version prevails.

CRITERIA CAIXACORP, S.A.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

(1) COMPANY ACTIVITIES

Criteria CaixaCorp, S.A. has its registered office at Avenida Diagonal 621, Barcelona, and it was incorporated under the name GDS-Grupo de Servicios, S.A. for an indefinite period of time on 12 December 1980.

The company object of Criteria CaixaCorp, S.A. ("Criteria", "Criteria CaixaCorp" or "the Company"), per Article 2 of its bylaws, is to carry on the following business activities both in Spain and abroad:

a) the administration and management of companies;

b) the provision of financial, tax, technical, stock market and any other advisory services; and the performance of activities as consultants, advisers and promoters of industrial, commercial, property development, agricultural and any other projects;

c) the indirect performance, i.e. through the ownership of shares or other equity interests in other companies formed for the purpose, of private insurance transactions; and

d) operation as a holding company, being able to form or participate, as a partner or shareholder, in other companies, whatever their nature or object, through the subscription or acquisition and ownership of shares or holdings.

On 1 June 2000, GDS-Grupo de Servicios, S.A. carried out the merger by absorption of CaixaHolding, S.A., a dormant company, and adopted its company name. On 31 July 2000, capital was increased by EUR 2,625 million, with a share premium of EUR 7,288 million, which was subscribed by the sole shareholder at that date, Caixa d'Estalvis i Pensions de Barcelona ("la Caixa"), and paid through the contribution of most of the shares that made up its equity portfolio at that time. These shares were recognised by Criteria CaixaCorp at the amount at which they had been carried in the consolidated financial statements of "la Caixa" at the above-mentioned date, and the gross amount of the shares was presented separately from the allowances recognised.

In order to ascertain the market's perception of the Company's portfolio management and to achieve the ideal platform for the international expansion of the banking and financial services business, in November 2006 the Board of Directors of "la Caixa" resolved to study a process for the admission to listing of its equity investments through Criteria CaixaCorp.

In the first half of 2007 and prior to the admission to listing, Criteria CaixaCorp's investment portfolio was reorganised in order to achieve a scope of consolidation that would guarantee the future development of the business with the priority of maximising value, in line with the strategy defined.

On 7 June 2007, the Annual General Assembly of "la Caixa" approved the admission to listing of Criteria CaixaCorp and authorised the sale of shares of this Company up to a limit of 49% of its share capital. On 19 July 2007, the Extraordinary General Assembly of "la Caixa" ratified these resolutions, in particular with regard to the broadening of the shareholder structure through a public offering and/or initial public offering ("the offering").

Following the approval of the prospectus for the offering by the Spanish National Securities Market Commission (CNMV), on 10 October 2007, Criteria CaixaCorp successfully completed its admission to listing and its shares started to be publicly traded on that date. Initially, the offering consisted of the issuance of 657,500,000 new shares with a par value of EUR 1 each. The initial price of the shares was established at EUR 5.25, giving rise to a share premium of EUR 2,794,375 thousand. The transaction was completed on 7 November with the partial exercise of the "green-shoe" subscription option by the Global Coordinators on 75,519,037 shares with a par value of EUR 1 each, which gave rise to an additional capital increase of EUR 75,519 thousand and a share premium of EUR 320,956 thousand.

As a result of this process, Criteria CaixaCorp ceased to be a sole-shareholder company, and this circumstance was registered at the Barcelona Mercantile Registry through a public deed dated 7 November 2007.

During the financial year 2008 "la Caixa" stated its intention to promote an increase in the number of shares held by shareholders other than "la Caixa" until this number reaches 25% of the share capital of Criteria CaixaCorp (excluding, where applicable, treasury shares), with the objective of more widely distributing the shares and increasing their liquidity. In line with this objective, on 9 June 2008, "la Caixa" launched an issue of bonds, which mature on 19 June 2011, exchangeable for 148 million Criteria CaixaCorp shares, equal to 4.40% of its share capital. At 31 December 2009, 20.13% of the share capital was held by minority shareholders.

In July 2009 Standard & Poor's (S&P) assigned Criteria CaixaCorp a long-term credit rating of "A" with a stable outlook and a short-term credit rating of "A-1". The rating agency attributed its decision to the conservative and stable capital structure of Criteria, to its high level of financial flexibility and to the composition and quality of its portfolio. These ratings still stood at the date of formal preparation of these financial statements.

Since its floatation on the stock markets, Criteria CaixaCorp has progressively consolidated its position as a company listed on the four official Spanish Stock Exchanges and was included in the IBEX-35 index on 4 February 2008 and in other international stock market indexes such as, inter alia, MSCI Europe, MSCI Pan-Euro, FTSE Eurofirst 300 -consisting of the 300 leading European companies by market capitalisation- and the Dow Jones Sustainability Index, which reflects the Company's commitment to sustainability and corporate reputation in its business activities and investments. In 2009 Criteria was included for the first time in the FTSE4Good index, another of the principal sustainability indexes in the world, which selects companies that meet certain standards relating to the environment, stakeholder relations, human rights, relations with suppliers, anti-corruption and the fight against climate change.

Also, as part of its Corporate Social Responsibility Action Plan, in 2009 Criteria CaixaCorp joined the United Nations Global Compact, a United Nations international strategic policy initiative for businesses that are voluntarily committed to aligning their operations and strategies in the social responsibility field with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

(2) BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

a) Fair presentation

The accompanying financial statements, which were prepared by the directors from the Company's accounting records, are presented in accordance with the Spanish National Chart of Accounts approved by Royal Decree 1514/2007, of 16 November, and, accordingly, present fairly the Company's equity and financial position at 31 December 2009 and the results of its operations and the changes in equity and its cash flows for the year then ended.

These financial statements, which were authorised for issue by the Board of Directors at its meeting held on 25 February 2010, will be submitted for approval by the shareholders at the Annual General Meeting, and it is considered that they will be approved without any changes.

The financial statements for 2008 were approved by the shareholders at the Annual General Meeting held on 7 May 2009.

The directors of Criteria CaixaCorp, whose business activities include acting as a holding company (see Note 1), took into account when presenting the accompanying income statements the ruling of the Spanish Institute of Certified Public Accountants in connection with the request for a ruling published in Official Gazette no. 79 of the Spanish Accounting and Audit Institute (ICAC) in relation to the accounting classification in separate financial statements of the income and expenses of holding companies and to the determination of the revenue of entities of this nature.

According to this ruling all the income obtained by a company as a result of its "financial" activities will constitute "Revenue" provided that these activities are considered to be ordinary activities. Therefore, both dividends and income obtained from the disposal of the investments, their derecognition or changes in their fair value constitute, on the basis of the foregoing, "Revenue".

Based on the foregoing and on the premise that the Company's ordinary activities include the strategic and long-term ownership of equity investments in other companies, certain decisions were taken in relation to the reclassification of items in the Company's' income statement.

In 2009, the 2008 balances were reclassified and restated to make them comparable.

Set forth below is a description of the line items that are now included in "Revenue":

- Services rendered: including services rendered to other companies;
- Income from equity investments: including dividends received as a result of the ownership of equity investments in other companies;
- Changes in the fair value of financial instruments; and
- Gains on the disposal of financial instruments.

Impairment and losses on financial instruments and exchange differences are included in the Company's profit or loss from operations.

Based on the ICAC's instructions, the line item "Financial Loss" was introduced, which includes the net finance income earned and finance costs incurred in the year. The finance income obtained from the loans granted to subsidiary are retained in the financial profit or loss because the financing of subsidiaries does not for part of the Company's ordinary operations.

The accompanying financial statements do not present fairly the equity, results of operations or financial position of the group headed by Criteria CaixaCorp. These aggregates are presented in the consolidated financial statements prepared, in conjunction with the separate financial statements, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, the main aggregates of which at 31 December 2009 and 2008 were as follows:

	Millions of euros	
	2009	2008
Consolidated equity	14,321	12,413
Profit for the year attributable to the Group	1,317	1,059
Total consolidated assets	49,106	43,501
Revenue	4,686	3,775

b) *Non-obligatory accounting principles applied*

The directors formally prepared these financial statements by taking into account all the obligatory accounting principles and standards with a significant effect hereon. All obligatory accounting principles were applied. No non-obligatory accounting principles were applied

c) *Comparative information*

In 2009, pursuant to a ruling of the Spanish Institute of Certified Public Accountants in connection with the request for a ruling published in Official Gazette no. 79 of the ICAC in relation to the accounting classification in separate financial statements of the income and expenses of holding companies and to the determination of the revenue of entities of this nature, the Company took certain decisions in relation to the reclassification of items in its income statement, as described in Note 2-a. above and opted to present comparative information for the prior year adapted accordingly.

Therefore, the presentation of the income statement for 2008 differs from that included in the 2008 financial statements.

d) *Use of judgements and estimates*

The preparation of the financial statements in conformity with the new Spanish National Chart of Accounts requires that the directors make judgements, estimates and assumptions which affect the application of accounting policies and the balances of assets, liabilities, income and expenses. The estimates and assumptions made are based on historical experience and on various other factors which are understood to be reasonable in accordance with the circumstances, the results of which will be used as the basis for establishing the judgements on the carrying amount of the assets and liabilities.

The respective estimates and assumptions are reviewed on an ongoing basis; the effects of the reviews of the accounting estimates are recognised in the period in which they are made, if these only affect that period, or in the period of the review and in future periods, if the review affects both. In any event, the final results deriving from a situation which required that estimates be made may differ from those projections, and the final effects would be reflected prospectively.

Aside from the process of systematic estimates and their subsequent review, the Company's directors complete certain value judgements on matters with a particular impact on the financial statements. The most significant judgements relate to the assessment of the possible impairment of investments and to the calculation and recognition of provisions and contingent liabilities.

(3) DISTRIBUTION OF PROFIT

The distribution of the profit for 2009 proposed by Criteria CaixaCorp's directors and the distribution of the profit for 2008 are as follows:

	Thousands of euros	
	2009	2008
Distribution basis:		
Profit for the year	1,013,340	803,349
Distribution:		
To voluntary reserves (minimum)	237.479	97,796
Dividends (maximum)	775.861	705,553
Total	1,013,340	803,349

On 7 May 2009, the shareholders at the Annual General Meeting resolved to pay a final dividend out of the profit for 2008 of EUR 0.06 per share, equal to a maximum amount of EUR 201,773 thousand. This dividend was paid in May 2009 to the holders of the shares outstanding at that date, and gave rise to a disbursement of EUR 201,052 thousand and, therefore, EUR 98,517 thousand were ultimately appropriated to voluntary reserves.

On 8 October 2009, the Board of Directors of Criteria CaixaCorp resolved to pay an interim dividend out of the profit for 2009 of EUR 0.10 per share, which led to a disbursement of EUR 335,322 thousand, after taking into account the treasury shares. The Board of Directors will propose to the shareholders at the Annual General Meeting that a final dividend of EUR 0.131 gross, per share be distributed on all the existing shares of the Company in circulation, for a total of EUR 440,539 thousand, be paid out of the profit for 2009.

The provisional accounting statement prepared in accordance with legal requirements to evidence the existence of sufficient liquidity for the distribution of the aforementioned interim dividend is as follows:

	Thousands of euros
Date of declaration of interim dividend	08/10/09
Accounting-close date used	31/08/09
Profit since 1 January 2009	**828,984**
Transfer to legal reserve	-
Maximum amount distributable	**828,984**
Maximum amount of interim dividend declared	(336,289)
Profits not specifically appropriated	**492,695**
Drawable against credit accounts and cash	852,146
Projected changes in cash	185,018
Interim dividend	(336,289)
Remaining liquidity	**700,875**

In 2008 the Board of Directors resolved to distribute two interim dividends totalling EUR 504,433 thousand. The provisional accounting statements prepared in accordance with legal requirements to evidence the existence of sufficient liquidity are as follows:

	Thousands of euros	
Date of declaration of interim dividend	05/06/08	06/11/08
Accounting-close date used	30/04/08	30/09/08
Profit since 1 January 2008	**302,193**	**672,270**
Transfer to legal reserve	-	-
Interim dividend paid	-	(168,144)
Maximum amount distributable	**302,193**	**504,126**
Maximum amount of interim dividend	(168,144)	(336,289)
Profits not specifically appropriated	**134,049**	**167,837**
Drawable against credit accounts and cash	2,162,498	1,037,107
Projected changes in cash	(687,844)	(593,952)
Interim dividend	(168,144)	(336,289)
Remaining liquidity	**1,306,510**	**106,866**

(4) ACCOUNTING POLICIES AND MEASUREMENT BASES

The principal measurement bases used by the Company in preparing its financial statements for 2009, in accordance with the Spanish National Chart of Accounts now in force, were as follows:

1. *Current/Non-current classification*

In the accompanying balance sheets the following assets are classified as current assets:

- Assets expected to mature, be sold or be realised within twelve months after the reporting date.
- Financial assets classified as held for trading, except for financial derivatives expected to be settled within more than twelve months.
- Cash and cash equivalents the use of which is not restricted for at least twelve months after the reporting period.

All other assets are classified as non-current.

The current liabilities are made up of:

- Obligations expected to mature or be settled within twelve months after the reporting period.
- Financial liabilities classified as held for trading, except for financial derivatives expected to be settled within more than twelve months.

2. *Intangible assets*

Intangible assets are initially recognised at cost and include basically the cost of developing new computer software, the useful life of which was estimated to be three years. They are subsequently reduced by any accumulated amortisation and any accumulated impairment losses.

The intangible asset additions in 2009 amounted to EUR 1,232 thousand and EUR 659 thousand and EUR 403 thousand of amortisation of intangible assets were charged to "Depreciation and Amortisation Charge" in the accompanying income statements for 2009 and 2008, respectively.

3. *Property, plant and equipment*

Property, plant and equipment relate to tangible assets for own use and are initially recognised at cost.

After initial recognition, property, plant and equipment are measured at cost less any accumulated depreciation and any recognised accumulated impairment losses.

The cost of the property, plant and equipment is depreciated on a straight-line basis over the following years of estimated useful life:

	Years of estimated useful life
Fixtures, furniture and tools	5 to 10
Computer hardware	2 to 3
Other items of property, plant and equipment	3 to 8

The costs of expansion or improvements leading to a lengthening of the useful lives of the assets are capitalised.

Upkeep and maintenance costs are charged to the income statement for the year in which they are incurred.

The additions in the financial years 2009 and 2008 amounted to EUR 93 thousand and EUR 3,166 thousand, respectively. EUR 762 thousand and EUR 614 thousand of depreciation of property, plant and equipment were charged to "Depreciation and Amortisation Charge" in the accompanying income statements for 2009 and 2008, respectively.

4. *Investments in Group companies, jointly controlled entities and associates*

Group companies are defined as companies with which the Company constitutes a decision-making unit because it owns directly or indirectly more than 50% of the voting power, or, even if this percentage is lower, because there are agreements with other shareholders of these companies that give the Company the majority of the voting power.

Jointly controlled entities are defined by the Company as entities that are not subsidiaries but which, under a contractual arrangement, are jointly controlled by it and other unrelated shareholders.

Associates are companies over which the Company directly or indirectly exercises significant influence but which are not subsidiaries or jointly controlled entities. In most cases, significant influence exists when the Company holds 20% or more of the voting power of the investee, although it is considered that such influence might also exist through (i) voting power held by other shareholders; (ii) representation on the managing bodies; and (iii) the existence of agreements between entities (see Note 5.2).

Equity investments in Group companies, jointly controlled entities and associates are initially recognised at cost, which is the fair value of the consideration paid plus directly attributable transaction costs, and includes the amount of any pre-emptive subscription rights acquired.

These investments are subsequently measured at cost less any accumulated impairment losses.

At least at each reporting date, and whenever there is objective evidence that the carrying amount might not be recoverable, the Company conducts the related impairment tests to quantify the possible write-down. The impairment loss is calculated as the difference between the carrying amount of the investment and its recoverable amount, which is the higher of fair value at that date less costs to sell and the present value of the future cash flows from the investment.

Impairment losses recognised and reversed are charged and credited, respectively, to the income statement.

Where an impairment loss reverses, the carrying amount of the investment is increased, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised.

If an investment was made in a company prior to its classification as a Group company, jointly controlled entity or associate, and prior to that classification valuation (either positive or negative) adjustments had been made that were recognised directly in equity as a result of the investment, these adjustments must be maintained after the classification until the investment is sold or derecognised, at which time the adjustment will be transferred to profit or loss, or until the following circumstances arise:

a) In the case of prior positive valuation adjustments, impairment losses are recognised in the equity item in which the valuation adjustments previously made had been recognised up to the amount thereof, and any excess is recognised in profit or loss. Impairment losses recognised directly in equity must not be reversed in a subsequent period.

b) In the case of prior negative valuation adjustments, when subsequently the recoverable amount is higher than the carrying amount of the investments, the carrying amount is increased but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised, and the new adjustment is recognised under the same line item as that in which the valuation adjustments previously made were recognised, and the new carrying amount is considered to be the cost of the investment. However, where there is objective evidence that the investment has become impaired, the accumulated losses recognised in equity are recognised in the income statement.

5. *Financial instruments*

The Company recognises a financial instrument in its balance sheet when it becomes a party to the contract or legal transaction giving rise to it.

a. Financial assets

Financial assets other than cash and cash equivalents

The Company accounts for its current and non-current financial assets as follows:

a) Loans and receivables

The Company initially recognises financial assets included in this category at fair value, which is generally the price of the transaction. Transactions maturing within twelve months where there is no contractual interest rate, dividends receivable and capital calls on equity instruments expected to be received at short term are measured at face value, since the effect of not discounting the cash flows is not material.

These financial assets are subsequently measured at amortised cost, and the accrued interest is recognised in profit or loss using the effective interest method. At least once a year, and whenever there is objective evidence that a loan or account receivable has become impaired, the Company conducts an impairment test. Based on these tests, the Company recognises such impairment losses as might be required.

Impairment losses on these financial assets are measured as the difference between their carrying amount and the present value of the future cash flows that they are expected to generate, discounted at the effective interest rate.

Impairment losses recognised and reversed are charged and credited, respectively, to the income statement. Where an impairment loss reverses, the carrying amount of the receivable is increased, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised.

b) Financial assets held for trading

The Company includes in this category held-for-trading financial assets, since they are held with the intention of generating a profit from short-term fluctuations in their prices. Also, this category includes derivative financial instruments that are not financial guarantee contracts under standard 9 of the Spanish National Chart of Accounts.

These assets are measured at their fair value without deducting such transaction costs as might be incurred in disposing of them. Changes in fair value are recognised in profit or loss.

c) Available-for-sale financial assets

The Company includes in this category financial assets that are not held-for-trading financial assets, financial assets classified as at fair value through profit or loss, held-to-maturity investments, loans and receivables or investments in Group companies, jointly controlled entities and associates. At 31 December 2009 and 2008, this category included only equity investments in listed companies.

Available-for-sale financial assets are initially recognised at fair value, i.e. the price of the transaction.

In the case of listed companies, these assets are subsequently measured at their market value at the balance sheet date. Changes in market value are recognised directly in equity under “Valuation Adjustments – Available-for-Sale Financial Assets” until the asset is derecognised or becomes impaired, at which time the amount thus recognised is allocated to the income statement.

When there is objective evidence that an available-for-sale financial asset has become impaired, the Company recognises the related impairment loss. Certain indicators have been identified, which are reviewed at least once a year, to detect whether there are indications of impairment and, if such indications exist, to recognise the related impairment loss. These indicators include the following:

- The existence of operating losses at the investee.
- A significant drop in profit from operations with respect to the same period in the preceding year and/or the budget.
- A prolonged fall in the market price and an indication that the recoverable amount is below cost.
- The objective price determined by the most prestigious international analysts is below cost.
- Across-the-board recommendations to sell by analysts.
- Adverse regulatory and legal changes affecting the investee.
- Adverse technological, economic or market situation in the industry in which the investee operates, with an impact on its margins.

The Company uses its expert judgement to make case-by-case valuations of all its investments, using generally accepted valuation methods, opinions of analysts, etc. In general, it is presumed that the instrument has become impaired if the market value of the asset has fallen continuously over a period of 18 months or by more than 40% without the value having recovered without prejudice to the possibility that an impairment loss might have to be recognised before that period has elapsed or before the market value has dropped by that percentage.

Cash and cash equivalents

The Company recognises under “Cash and Cash Equivalents” cash on hand and in bank accounts, short-term deposits and other highly liquid investments that will mature within three months from the date on which they were arranged.

b. Financial liabilities

The financial liabilities include bank borrowings and debt instruments issued, which are initially recognised at the amount received, net of transaction costs. These liabilities are subsequently measured at amortised cost. The borrowing costs incurred are recognised in profit or loss using the effective interest method.

c. Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments as a financial risk management tool. When these transactions meet certain requirements, they qualify for hedge accounting.

When the Group designates a transaction as a hedge, it does so from inception of the transaction or of the instrument included in the hedge and the transaction is documented appropriately in accordance with the regulations in force. The hedge accounting documentation duly identifies the hedged instrument or instruments and the hedging instrument or instruments, the nature of the risk to be hedged, and the criteria or methods used by the Company to assess the effectiveness of the hedge over its entire life, taking into account the risk intended to be hedged.

The Company applies hedge accounting for hedges that are highly effective. A hedge is considered to be highly effective if, during its expected life, the changes in fair value or in the cash flows that are attributed to the hedged risk are almost entirely offset by changes in the fair value or in the cash flows, as appropriate, of the hedging instrument or instruments.

To measure the effectiveness of hedges, the Company analyses whether, from the beginning to the end of the term defined for the hedge, it may be expected, prospectively, that the changes in fair value or in the cash flows of the hedged item that are attributable to the hedged risk will be almost entirely offset by changes in the fair value or in the cash flows, as appropriate, of the hedging instrument or instruments and, retrospectively, that the results of the hedge will be within a range of 80% to 125% of the results of the hedged item. Periodically, the effectiveness of the hedge is analysed retrospectively from the date on which the instrument was arranged.

Hedging transactions performed are classified into the following two categories:

- Fair value hedges, which hedge the exposure to changes in fair value of financial assets and liabilities or unrecognised firm commitments, or an identified portion of such assets, liabilities or firm commitments, that is attributable to a particular risk, provided that it affects the income statement.

- Cash flow hedges, which hedge the exposure to changes in cash flows that is attributed to a particular risk associated with a financial asset or liability or with a highly probable forecast transaction, provided that it could affect the income statement.

In the specific case of financial instruments designated as hedged items or qualifying for hedge accounting, gains and losses are recognised as follows:

- In fair value hedges, the gains or losses arising on both the hedging instruments and the hedged items attributable to the type of risk being hedged are recognised directly in the income statement.

- In cash flow hedges, the gains or losses arising on the portion of the hedging instruments qualifying as an effective hedge are recognised temporarily in equity under “Valuation Adjustments - Cash Flow Hedges”, and are not recognised in the income statement until the gains or losses on the hedged item are recognised in the income statement or until the date of maturity of the hedged item in certain situations in which hedge accounting is discontinued. The gains or losses on the hedging instrument are recognised under the same heading in the income statement as the gains or losses on the hedged item.

The gains or losses on the ineffective portion of the hedging instruments are recognised directly as gains or losses on financial transactions in the income statement.

The Company discontinues hedge accounting when the hedging instrument expires or is sold, when the hedge no longer qualifies for hedge accounting or, lastly, when the designation as a hedge is revoked.

6. *Treasury shares*

Treasury shares acquired by the Company are recognised at cost and are deducted from equity. If these shares are sold, the gain or loss obtained will be recognised in equity. In no case are they recognised as financial assets of the Company, and no gain or loss is recognised in the income statement.

7. *Income tax*

The current income tax expense or income is calculated by aggregating the current tax arising from the application of the tax rate to the taxable profit (tax loss) for the year, after deducting the tax relief and tax credits allowable for tax purposes, plus the change in deferred tax assets and liabilities recognised. In this regard, the current tax expense or income is the estimated amount payable or recoverable on the basis of the tax rates in force at the balance sheet date.

Deferred tax assets and liabilities are recognised for all temporary differences between the tax base of assets and liabilities and their carrying amounts. Therefore, the Company recognises a deferred tax liability for all taxable temporary differences that do not constitute the exceptions established in accounting legislation for being able not to recognise such a liability. Deferred tax assets are recognised for all deductible temporary differences and tax credit and tax loss carryforwards, to the extent that it is probable that there will be a taxable profit against which the related tax asset can be utilised. Criteria CaixaCorp forms part of the “la Caixa” consolidated tax group and files consolidated tax returns (see Note 17) and, accordingly, the deferred tax assets and deferred tax liabilities arising from the eliminations of the results obtained from the transactions performed with other Group companies for the calculation of the consolidated tax base and which may be included in the future are recognised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The tax benefit relating to tax credits for double taxation, reinvestment and staff training costs is deducted from the income tax expense for the year in which entitlement to the tax credit arises or is exercised (see Note 17). Compliance with the requirements set forth in current legislation is required in order to be able to use these tax credits.

The income tax expense is recognised in the income statement, unless the tax relates to items recognised directly in equity, in which case the income tax is also recognised in equity.

8. *Foreign currency transactions*

The Company’s financial statements are presented in thousands of euros, since the euro is the Company’s functional currency.

All foreign currency transactions are initially translated to euros by applying the exchange rates prevailing at the date of the transaction.

Monetary items are translated at year-end at the exchange rates then prevailing. Both foreign exchange losses and exchange gains arising in this process and those arising when the related items are settled are recognised in income in the year in which they arise.

Non-monetary items measured at their historical cost are translated to euros at the exchange rates prevailing at the date of the transaction, provided that the value thus obtained does not exceed, at subsequent reporting dates, the recoverable amount at those dates.

In the case of non-monetary items measured at fair value, for which gains and losses are recognised directly in equity, such as available-for-sale financial assets, any exchange differences included in these gains and losses are also recognised directly in equity. However, when valuation gains and losses relating to a non-monetary item are recognised in profit or loss, any exchange difference is also recognised in profit or loss.

9. VAT

In 2008 the Company started to be taxed for VAT purposes under the deductible proportion system. Therefore, non-deductible input VAT forms part of the acquisition cost of current and non-current assets and of services the supply of which is subject to VAT.

In 2009 the Company became part of the "la Caixa" consolidated VAT group which enables it not to pay input VAT with respect to the portion of the price of the services provided by the consolidated VAT group companies, corresponding to the costs on which VAT was not borne.

10. *Revenue and expense recognition*

Revenue and expenses are recognised when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises, always on the basis of the economic substance of the transaction.

"Revenue" includes the dividends received from financial investments, which are recognised as revenue in the year in which the dividends are declared by the Board of Directors of the related investee.

11. *Provisions and contingencies*

Based on the related definition and the applicable accounting rules, the Company recognises as provisions liabilities that are uncertain as to their amount and/or timing. These provisions are measured at the end of each reporting period as the present value of the best possible estimate of the amount that will be required to settle the liability.

12. *Statement of cash flows*

The statement of cash flows was prepared using the indirect method and is made up of the following items:

- <u>Cash flows from operating activities</u>: relating to the Company's payments and collections, including interest payments, dividends received and taxes, together with other activities that are not investing or financing activities.

- <u>Cash flows from investing activities</u>: cash flows from the acquisition and disposal of non-current assets and other investments not included in cash and cash equivalents.

- <u>Cash flows from financing activities</u>: these include the proceeds received as a result of the acquisition by third parties of securities issued by the Company or from loans and other financing instruments granted by banks or third parties, together with the payments made to repay such loans and financing instruments. They also include the dividends paid to shareholders.

(5) NON-CURRENT INVESTMENTS IN GROUP COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES

The most significant information relating to the securities included under "Investments in Group Companies" and "Investments in Jointly Controlled Entities and Associates" is attached in Appendixes I and II, respectively.

The changes in 2009 and 2008 in "Non-Current Investments in Group Companies, Jointly Controlled Entities and Associates" were as follows:

5.1. Investments in Group companies

Changes in 2009

	Thousands of euros					
	Capital increases (1)	Sales	Mergers and reclassification	Transfers and other	Impairment losses	Total
Balance at 31/12/08						**3,567,225**
Caixa Capital Desarrollo, S.A.U. (2)	-	-	(479,569)	-	-	(479,569)
Caixa Participaçoes, Ltda (3)	-	-	-	(153)	-	(153)
Caixa Renting, S.A.	30,000	-	-	-	(20,000)	10,000
Catalunya de Valores, S.G.P.S., U.L. (4)	-	-	-	(2,647)	-	(2,647)
Crisegen Inversiones, S.L.U. (2)	-	-	(844,318)	(31,284)	-	(875,602)
Finconsum, E.F.C., S.A.	100,000	-	-	-	(64,000)	36,000
Mediterranea Beach and Golf Resort, S.A.(formerly Port Aventura, S.A.	-	-	-	(73,020)	-	(73,020)
Negocio de Finanzas e Inversiones I, S.L.	-	-	-	-	(60,844)	(60,844)
Port Aventura Entertainment, S.A. (formerly Negocio de Finanzas e Inversiones IV, S.L.) (5)	36	(3)	(58,517)	58,468	-	(16)
SegurCaixa Holding, S.A.(2) (6)	165,687	-	909,352	-	-	1,075,039
VidaCaixa, S.A. (6)	25,500	-	-	(81,594)	-	(56,094)
Changes in 2009	321,223	(3)	(473,052)	(130,230)	(144,844)	(426,906)
Balance at 31/12/09						**3,140,319**

(1) "Capital Increases" also includes the amounts disbursed in capital calls.
(2) Caixa Capital Desarrollo, S.A.U. and Crisegen Inversiones, S.L.U. were merged into and absorbed by Criteria CaixaCorp, S.A. in 2009.
(3) Caixa Participaçoes, Ltda was liquidated in 2009.
(4) Catalunya de Valores, S.G.P.S., U.L. reduced capital in 2009.
(5) The company formerly known as Port Aventura, S.A. was partially spun off, leaving the company, which changed its name to Mediterranea Beach and Golf Resort, S.A., and the beneficiary company Port Aventura Entertainment, S.A. (formerly Negocio de Finanzas e Inversiones IV, S.L.). The investment in the latter was reclassified to "Investments in Associates and Jointly Controlled Entities".
(6) The Company subscribed a capital increase at SegurCaixa Holding through the contribution of its investment in VidaCaixa, S.A.

Changes in 2008

	Thousands of Euros					
	Purchases	Capital increases	Sales	Transfers and other	Impairment losses	Total
Balance at 31/12/07						**3,289,249**
Catalunya de Valores, S.G.P.S., U.L. (1)	-	36,000	-	(36,000)	-	-
Finconsum, E.F.C., S.A.	-	65,999	-	(19,098)	(57,263)	(10,362)
Hotel Caribe Resort, S.L. (2)	-	-	-	(17,130)	-	(17,130)
InverCaixa Gestión, S.G.I.I.C., S.A. (1)	-	91,986	-	(30,000)	-	61,986
Negocio de Finanzas e Inversiones I, S.L.	-	295,002	-	-	(83,480)	211,522
Mediterranea Beach and Golf Resort, S.A. (formerly Port Aventura, S.A.) (2)	21,312	17,130	-	(6,488)	-	31,954
Other companies	-	6	-	-	-	6
Changes in 2008	21,312	506,123	-	(108,716)	(140,743)	277,976
Balance at 31/12/08						**3,567,225**

(1) "Transfers and Other" relates to the dividends distributed against reserves and/or share premium and deducted from the cost of the investment in each company.

(2) Hotel Caribe Resort was contributed to Mediterranea Beach and Golf Resort S.A. (formerly Port Aventura, S.A.) in the non-monetary capital increase at the latter in 2008.

In 2009 and 2008 Criteria CaixaCorp carried out the following transactions at Group companies:

Caixa Capital Desarrollo, SCR de Régimen Simplificado, S.A.U.: on 7 May 2009, the shareholders at the Annual General Meeting of Criteria approved the merger by absorption of Caixa Capital Desarrollo, S.A., with its dissolution without liquidation, with the whole transfer of all its assets and liabilities and legal and contractual obligations and rights, effective for accounting purposes from 1 April 2009. This corporate restructuring transaction did not have a material effect on the Company's financial position or results as this company was wholly owned by the Parent at 31 December and at the date of the merger.

Caixa Renting, S.A.: in December 2009 Criteria CaixaCorp subscribed a capital increase of EUR 30,000 thousand. At 31 December 2009, the Company owned all the shares of Caixa Renting.

Catalunya de Valores S.G.P.S., Unipessoal, L.D.A.: in October 2009 the shareholders at the General Meeting of Catalunya de Valores S.G.P.S. resolved to reduce capital by EUR 2,206 thousand and to distribute reserves amounting to EUR 761 thousand, of which EUR 441 thousand were recognised as a reduction of the cost of the investment and the remainder was recognised as dividend revenue.

in June 2008 Criteria CaixaCorp disbursed EUR 36,000 thousand as supplementary contributions. As a result of the purchase by Criteria CaixaCorp of its holding in Banco BPI, in December 2008 this company approved the distribution of the supplementary contributions, which were recognised at Criteria CaixaCorp as a reduction of the cost of the investment. This investee was wholly owned at 31 December 2009.

Crisegen Inversiones, S.L.: on 7 May 2009, the shareholders at the Annual General Meeting approved the merger by absorption of Crisegen Inversiones, S.L., with its dissolution without liquidation, with the whole transfer of all its assets and liabilities and its legal and contractual obligations and rights, effective for accounting purposes from 1 April 2009. This corporate restructuring transaction did not have a material effect on the Company's financial position or results as this company was wholly owned by the Parent at 31 December and at the date of the merger. Crisegen Inversiones held 50% of the shares of SegurCaixa Holding, S.A. and the investment was acquired in 2007 from the Fortis Group in order to hold all the shares of this insurance group. As a result of the merger, Criteria owns all the shares of SegurCaixa Holding, S.A.U.

Finconsum, E.F.C., S.A.: in September 2009 a capital increase of EUR 100,000 thousand (share capital of EUR 33,333 thousand and the remainder in the form of a share premium) was paid in full by Criteria CaixaCorp.

Also, in 2008 three capital increases were paid in full by Criteria CaixaCorp, amounting to EUR 18,507 thousand in June 2008, EUR 11,493 thousand in July 2008 and EUR 35,999 thousand in December 2008. Criteria CaixaCorp was the sole shareholder of Finconsum, E.F.C., S.A. at 31 December 2009.

Mediterranea Beach and Golf Resort, S.A. (formerly Port Aventura, S.A.) and Port Aventura Entertainment, S.A. (formerly Negocio de Finanzas e Inversiones IV, S.L.): in September 2009 Criteria CaixaCorp publicly announced the agreement with Investindustrial for its inclusion as a shareholder of a new company, Port Aventura Entertainment, S.A. (formerly Negocio de Finanzas e Inversiones IV, S.L.) to engage in the operation of the theme park and hotel business. The objective of this transaction was to optimise, by including a shareholder with extensive experience in the leisure industry, the management of the businesses in which the company engaged, segregating the two principal business activities (on the one hand, the operation of the theme park and the hotels, and on the other, the property business, the golf courses and the Beach Club) the basis of their respective needs and the degree of maturation of each of the businesses.

Investindustrial acquired an investment in December 2009 through the subscription, exclusively by Investindustrial, of a capital increase of EUR 94.8 million, giving it an ownership interest of 50% in Port Aventura Entertainment, S.A. Previously, in November 2009 a corporate restructuring process took place at the company formerly known as Port Aventura, S.A., through a partial spin-off, as a result of which the assets were divided between two independent companies:

- ***Mediterranea Beach and Golf Resort, S.A. (formerly Port Aventura, S.A.)*****:** after its spin-off, it owned the land for residential and commercial use, the three golf course, the Beach Club, “El Paso” and “Gold River” hotels and the conference centre. The hotels and the conference centre were leased to Port Aventura Entertainment, S.A.

  The company’s spin-off reduced capital by EUR 60,260 thousand, and EUR 58,468 thousand represented a direct reduction of the ownership interest of Criteria CaixaCorp. At 31 December 2009, Criteria CaixaCorp had a direct ownership interest of 80.58% and a direct ownership interest of 100%.

- ***Port Aventura Entertainment, S.A. (formerly Negocio de Finanzas e Inversiones IV, S.L.):*** this company, as the beneficiary of the partial spin-off, owns the Port Aventura theme park and Caribe Aquatic Park and the Port Aventura and Caribe Resort hotels and operates the Gold River and El Paso hotels and the conference centre. The assets were contributed to an existing dormant company through a capital increase of EUR 60,260 thousand. The acquisition of a 50% ownership interest by Investindustrial in this company took place in December through a capital increase of EUR 94.8 million. As a result of this transaction, which did not give rise to any gain or loss in the income statement of Criteria CaixaCorp, the investment in this company was reclassified to “Investments in Associates and Jointly Controlled Entities” in the Company’s balance sheet, as a result of the loss of control over the company and on the basis of the shareholders’ agreement with the new shareholder.

  “Transfers and Other” in the table showing the changes in 2009 relates mainly to the change in classification of this investment which at 31 December 2009 was classified under “Investments in Associates and Jointly Controlled Entities” (see Note 5.2.)

At 31 December 2009, Criteria CaixaCorp held direct and indirect ownership interests of 40.29% and 50%, respectively.

In 2008 Criteria CaixaCorp acquired from Abertis Logística, S.A.U. 2.88% of the share capital of Port Aventura, S.A. (currently Mediterranea Beach and Golf Resort, S.A.) for EUR 19,970 thousand and subscribed in full the capital increase of EUR 23,971 thousand at this company through the non-monetary contribution of 10,761,411 shares of Hotel Caribe Resort, S.L. representing 60% of the latter's share capital. The cost of this non-monetary contribution recognised by Criteria CaixaCorp was EUR 17,130 thousand, i.e. the carrying amount of these shares at Criteria CaixaCorp.

SegurCaixa Holding, S.A.U. de Seguros y Reaseguros: as part of the merger by absorption, with the dissolution without liquidation of Crisegen Inversiones, S.L., Criteria CaixaCorp acquired the direct 50% ownership interest in SegurCaixa Holding previously held by Crisegen Inversiones, representing an increase of EUR 875,602 thousand in the cost of the insurance holding company. Consequently, at 31 December 2009, Criteria wholly owns the shares of SegurCaixa Holding.

In June and November 2009 two capital increases were subscribed in full by Criteria CaixaCorp. The increases consisted of EUR 70,000 thousand of share capital plus a share premium of EUR 14,093 thousand and of EUR 67,920 thousand plus a share premium of EUR 13,674 thousand, and were subscribed through a non-monetary contribution of the investment in Vidacaixa, S.A. In 2009 capital calls totalling EUR 33,750 thousand were paid.

VidaCaixa, S.A. de Seguros y Reaseguros.: pursuant to the resolutions of the Board of Directors of VidaCaixa adopted on 19 June 2009, Criteria CaixaCorp disbursed EUR 18,000 thousand in outstanding capital calls plus EUR 7,500 thousand in a capital increase. In November 2009 Criteria CaixaCorp made a non-monetary contribution of all the shares of VidaCaixa owned by it representing 20% of its share capital in the aforementioned capital increase at SegurCaixa Holding.

Hotel Caribe Resort, S.L.: in September 2008 Criteria CaixaCorp contributed the full amount of its 60% investment in Hotel Caribe Resort, S.L. in the non-monetary capital increase at Port Aventura, S.A.

Invercaixa Gestión, S.G.I.I.C., S.A.: in June 2008 capital was increased by EUR 91,986 thousand (share capital of EUR 63,159 thousand and the remainder in the form of a share premium), which was paid in full by Criteria CaixaCorp, in order to cover the acquisition from “la Caixa” of the investment funds acquired from Morgan Stanley. Subsequently, following the completion of this acquisition, the company approved the payment to its sole shareholder, Criteria CaixaCorp, of a share premium of EUR 29,000 thousand and voluntary reserves of EUR 1,000 thousand, which was recognised as a reduction of the cost of the investment. Criteria CaixaCorp was the sole shareholder of Invercaixa Gestión, S.G.I.I.C., S.A. at 31 December 2009.

Negocio de Finanzas e Inversiones I, S.L.U.: in 2008 Criteria CaixaCorp subscribed in full two further capital increases at this company: the first, on 31 March 2008, for a nominal amount of EUR 83,334 thousand and a share premium of EUR 166,668 thousand; and the second, on 7 October 2008, for a nominal amount of EUR 15,000 thousand and a share premium of EUR 30,000 thousand. At 31 December 2009, Criteria CaixaCorp owned all the shares of this company.

Impairment of investments in Group companies

The Company, particularly in the light of the international economic situation, analysed the possible existence of impairment on all its investments in order to be able to recognise such impairment losses as might be required.

The Company calculated the recoverable amounts of all the investments in Group companies using generally accepted valuation methods based mainly on estimating its share of the cash flows expected to be generated by the investees from both their ordinary activities and their disposal or derecognition.

As a result of the increase in default in the financial services industry and, to a greater extent, in the consumer finance and operating lease industries, the analysis performed disclosed the need to recognise, during the financial year 2009, an impairment loss for the investment in Finconsum of EUR 64,000 thousand. The accumulated impairment loss recognised for Finconsum at 31 December 2009 amounted to EUR 121,263 thousand. Also, an impairment loss of EUR 20,000 thousand was recognised for the investment in CaixaRenting.

Furthermore, the Company recognised an impairment loss for its investee Negocio de Finanzas e Inversiones I as a result of the losses incurred by it as a result of the impairment losses recognised on its investments, basically in companies in the financial services industry. Negocio, Finanzas e Inversiones I uses the same measurement bases as Criteria CaixaCorp in order to assess the possible impairment of available-for-sale financial assets. The impairment loss amounted to EUR 60,844 thousand in 2009 (2008: EUR 83,480 thousand).

These impairment losses were recognised under “Impairment and Gains or Losses on Disposals of Financial Instruments” in the accompanying income statement.

5.2. Investments in associates and jointly controlled entities:

Following is a description of the transactions involving investments in associates and jointly controlled entities:

Changes in 2009

	Thousands of euros		
	Purchases	Transfers and other	Total
Balance at 31/12/08			**8,731,637**
Banco BPI, S.A.	9,910	-	9,910
Erste Group Bank AG (1)	-	1,091,721	1,091,721
Grupo Financiero Inbursa, S.A. de C.V.	-	127	127
Gas Natural, S.D.G., S.A.	1,312,924	-	1,312,924
Sociedad General de Aguas de Barcelona, S.A. (2)	-	(27,048)	(27,048)
Port Aventura Entertainment, S.A. (3)	-	58,517	58,517
Changes in 2009	1,322,834	1,123,317	2,446,151
Balance before impairment losses at 31/12/09			**11,177,788**
Impairment losses on investments in associates			**(192,000)**
Balance after impairment losses at 31/12/09			**10,985,788**

(1) “Transfers and Other” relates to the reclassification of the investment from “Available-for-Sale Financial Assets” to “Investments in Associates and Jointly Controlled Entities”.

(2) “Transfers and Other” in relation to this investment corresponds to the dividends paid out of reserves and/or share premium and deducted from the cost of the Company’s investment.

(3) The investment in Port Aventura Entertainment was reclassified from “Investments in Group Companies” (see Note 5.1).

Changes in 2008

	Thousands of euros				
	Purchases	Capital Increases	Sales	Transfers and other	Total
Balance at 31/12/07					**5,373,238**
Abertis Infraestructuras, S.A.	515,555	-	-	-	515,555
Banco BPI, S.A. (1)	241,101	53,117	-	(104,500)	189,718
Grupo Financiero Inbursa, S.A. de C.V.	1,608,046	-	-	-	1,608,046
Gas Natural, S.D.G., S.A. (2)	518,965	-	-	-	518,965
Hisusa, Holding de Servicios e Infraestructuras	-	121,785	-	-	121,785
Sociedad General de Aguas de Barcelona, SA.	404,564	-	(234)	-	404,330
Changes in 2008	3,288,231	174,902	(234)	(104,500)	3,358,399
Balance at 31/12/08					**8,731,637**

(1) In December 2008 Criteria CaixaCorp reorganised the structure of its investment in Banco BPI, and the investment in BPI held by Catalunya de Valores was acquired. Also, as a result of this transaction, Catalunya de Valores distributed its unrestricted reserves, which Criteria CaixaCorp recognised as a reduction of the cost of the investment in Banco BPI.

(2) Including the acquisition in October 2008 of 11,036,680 shares from Hisusa, Holding de Infraestructuras y Servicios Urbanos, S.A.

Following is a description of the main transactions involving investments in associates and jointly controlled entities:

Banco BPI, S.A.: in the first half of 2009 the Group increased its ownership interest in Banco BPI, S.A. by 0.72% through an investment of EUR 9,910 thousand. At 31 December 2009, Criteria CaixaCorp had a direct ownership interest of 30.10% in Banco BPI, S.A.

In 2008 Criteria CaixaCorp acquired on the market an ownership interest of 4.32% for EUR 98,536 thousand. Also, on 16 June 2008 Criteria CaixaCorp subscribed a capital increase for EUR 53,117 thousand. In addition, in order to restructure its investment in Banco BPI, in December 2008 Criteria CaixaCorp acquired from its subsidiary Catalunya de Valores, S.G.P.S. its 10.063% ownership interest in Banco BPI for its market price on the day of the transaction, giving rise to a disbursement of EUR 142,565 thousand. As a result of this transaction, Catalunya de Valores, S.G.P.S. distributed its unrestricted reserves amounting to EUR 104,500 thousand, which Criteria CaixaCorp recognised as a reduction of the cost of the investment in Banco BPI.

Erste Group Bank AG: in December 2009 the investment in Erste Group Bank AG was reclassified from “Available-for-Sale Financial Assets – Equity Instruments” to “Investments in Associates and Jointly Controlled Entities”.

In 2008, in line with the strategy aimed at international expansion in the banking sector and, specifically, to cover one of the areas established as strategic, namely Central and Eastern Europe, Criteria CaixaCorp acquired on the market 4.90% of the share capital of Erste Bank for EUR 628,259 thousand.

In 2009 Criteria CaixaCorp increased its ownership interest in Erste Group Bank from 4.90% at 31 December 2008 to 10.10% at 31 December 2009 (see Note 6), and it is now the second largest shareholder after the Erste Foundation, which holds 26.3% of the shares.

It was determined that, as defined in the Spanish National Chart of Accounts, Criteria CaixaCorp is in a position to exercise significant influence over this company, evidenced by: (i) the voting power corresponding to the second shareholder; (ii) representation on the managing bodies; and (iii) the existence of agreements, which materialised in the following events:

- In the first half of 2009 Criteria CaixaCorp entered into a Preferential Cooperation Agreement with the Erste Foundation in order to regulate their relations as shareholders of the Group and to formalise the friendly nature and strategic and long-term orientation of Criteria CaixaCorp's investment. Under this agreement, the percentage of ownership may be increased to 20% if an agreement is reached with the Erste Foundation.
- In parallel, a Cooperation and Co-Investment Agreement was entered into by Criteria CaixaCorp, "la Caixa" and Erste Group Bank in order to establish certain areas of business and commercial cooperation and to give Criteria CaixaCorp a preferential right to acquire a stake in the investments in which the Group seeks a co-investor.
- Also, a Cooperation Agreement was entered into by the "la Caixa" Foundation and the Erste Foundation in order to cooperate in the welfare projects carried out by the two entities.
- At the Annual General Meeting of Erste Group Bank held on 12 May 2009, Juan María Nin, General Manager of "la Caixa" and Deputy Chairman of Criteria CaixaCorp, was appointed to Erste Group Bank's Supervisory Board and Strategy Committee.

This investment was reclassified from "Available-for-Sale Financial Assets" to "Investments in Associates and Jointly Controlled Entities" considering that negative valuation adjustments existed prior to this classification. These adjustments amounted to a net of EUR 131,871 thousand at 31 December 2009 and will be included under "Valuation Adjustments" until the investment is sold or derecognised or the fair value of these assets increases, at which time the cost of the investment will be increased.

Gas Natural, S.D.G., S.A.: in the framework of the acquisition of Unión Fenosa by Gas Natural, the Board of Directors of Criteria CaixaCorp, at its meeting held on 30 July 2008, resolved to back the acquisition of 45.306% of Unión Fenosa and the concomitant takeover bid for the remaining share capital by Gas Natural. Criteria CaixaCorp resolved to contribute to Gas Natural's equity in order to maintain a stable rating immediately after the settlement of the takeover bid.

On 28 March 2009, Criteria CaixaCorp subscribed the capital increase at Gas Natural SDG, S.A. for EUR 1,312,924 thousand in proportion to its ownership interest which was 37.50%. The capital increase, totalling EUR 3,502 million, formed part of the process of merging Unión Fenosa, S.A. into Gas Natural SDG, S.A. and was used to finance in part the takeover bid presented by Gas Natural SDG, S.A., which was successfully completed in April. The Criteria Group, the main shareholder of Gas Natural SDG, S.A., has supported the acquisition performed by its investee at all times. In 2009, as indicated in the Unión Fenosa, S.A. takeover bid prospectus filed at the Spanish National Securities Market Commission (CNMV), the Group's ownership interest in Gas Natural SDG, S.A. was recognised for accounting purposes as a jointly controlled entity, whereas in 2008 it had been recognised as an associate. This accounting treatment did not entail any changes to the balance sheet or income statement since in both cases the investment was classified under "Investments in Associates and Jointly Controlled Entities". On 24 April the Board of Directors of Gas Natural SDG, S.A. approved the plan for the merger by absorption of Unión Fenosa, S.A. and Unión Fenosa Generación, S.A. into Gas Natural SDG, S.A., an event that was notified on that date to the CNMV. The merger process was completed on 7 September 2009. At 31 December 2009, Criteria CaixaCorp had a direct ownership interest of 36.43% in Gas Natural.

In 2008 Criteria CaixaCorp acquired on the market shares representing 1.828% of the company's share capital for EUR 267,912 thousand. Also, in October 2008 the sale by Hisusa, Holding de Infraestructuras y Servicios Urbanos, S.A. to its shareholders Criteria CaixaCorp (49%) and Suez Environnement (51%) of 22,523,832 shares of Gas Natural SDG, S.A., representing 5.03% of its share capital at that date was completed. As a result of the acquisition, Criteria CaixaCorp acquired 11,036,680 shares of Gas Natural SDG, S.A. for a price of EUR 20.91 per share, for a total disbursement of EUR 230,779 thousand. In addition, through a derivatives transaction, Criteria CaixaCorp acquired 628,108 shares representing 0.14% of the share capital for EUR 20,273 thousand. The contract for this transaction expired in November 2008.

Sociedad General de Aguas de Barcelona, S.A. (Agbar): in April 2009 the shareholders at the Annual General Meeting of Agbar resolved to pay an extraordinary dividend out of reserves, for an amount of EUR 27,048 thousand, that was recognised as a reduction in the cost of the investment. At 31 December 2009, Criteria CaixaCorp had a direct holding of 11.55% and the Group had a holding 44.10% in the share capital of Agbar.

On 22 October Criteria CaixaCorp entered into two memorandums of understanding, on the one hand with Suez Environnement and on the other with Malakoff Médéric (a mutual health insurer based in France) to acquire 99.79% of the share capital of Compañía de Seguros Adeslas, S.A. ("Adeslas") for EUR 1,178 million. The main objective is to strengthen the Criteria Group's presence in the insurance industry, bringing this company into the structure of SegurCaixa Holding. On 14 January 2010, the definitive agreements were signed for, firstly, the sale of the related Agbar and Hisusa shares to Suez Environnement and, second, the acquisition of the Adeslas shares from Agbar and Malakof Médéric.

Prior to this transaction, the main shareholders of Agbar, Criteria CaixaCorp and Suez Environnement, which between them control 90% of the company's shares, have supported a delisting takeover bid by Agbar for 10% of its share capital in the hands of non-controlling shareholders for EUR 20 per share, with a subsequent capital reduction at Agbar through the retirement of the treasury shares acquired.

Once the takeover bid has been completed, and based on the degree of acceptance thereof, Criteria CaixaCorp will sell to Suez Environnement the portion of its ownership interest in Agbar required for Suez Environnement to have a 75.01% stake in Agbar, in a transaction valued between EUR 647 million and EUR 871 million. Therefore, Criteria CaixaCorp's subsequent ownership interest in Agbar will be between 15% (if no non-controlling shareholders accept the takeover bid) and 25% (if all the shares making up the free float (10%) are sold in the takeover bid).

Criteria CaixaCorp will continue to be represented on the Board of Directors of Agbar as a principal shareholder in the framework of the excellent historical relations between "la Caixa"-Criteria and the GDF-Suez Group.

Both the acquisition of Adeslas by Criteria and the partial sale of Agbar to Suez Environnement were authorised by the respective managing bodies and/or Boards of Directors of Criteria CaixaCorp, Suez Environnement and Malakoff Médéric. In principle, the transaction is scheduled for completion in the first half of 2010 once the legal conditions and formalities customary in transactions of this nature have been met, in particular the requisite authorisations of regulators, such as the CNMV and the Directorate-General of Insurance and Pension Funds, and of the anti-trust authorities.

The acceptance period for the takeover bid for Agbar launched at the end of 2007 ended on 16 January 2008. The outstanding shares affected by the takeover bid totalled 65,152,672, representing 43.54% of the share capital of Agbar. After the end of the acceptance period and in accordance with the results of the takeover bid published by the CNMV on 18 January 2008, the number of shares in the bid totalled 50,205,817 at a price of EUR 27.65 per share. Therefore, the bid was accepted by the holders of 33.55% of the share capital and the bidders gained control over 90.01% of the shares. The shares were distributed among the bidders as follows:

		Thousands of Euros
Bidders	No. of shares	Amount paid
Hisusa	20,260,160	560,193
Suez Environnement	15,272,286	422,279
Criteria CaixaCorp	14,673,371	405,719
	50,205,817	1,388,191

Subsequently, Agbar paid a dividend, which was recognised by Criteria CaixaCorp as a reduction of the cost of its investment, amounting to EUR 2,568 thousand, and costs directly attributable to the transaction totalling EUR 1,413 thousand were capitalised.

Criteria CaixaCorp's direct ownership interest in Agbar following settlement of the takeover bid was 11.55% and the Group's ownership interest was 44.11%. In compliance with the obligation indicated in the bid prospectus to ensure that 10% of the shares were held by third parties after a maximum period of three months, the shareholders sold 0.01% of the share capital, in proportion to their ownership interests at 29 February, signifying that Criteria CaixaCorp sold 8,485 shares for a total price of EUR 234 thousand. This transaction did not give rise to any gain or loss in the accompanying income statement. Also, the bidders stated their intention to ensure that the shares of Agbar continue to be traded with an appropriate level of liquidity and, to this end, around 30% of the capital of Agbar be held by third parties within two years following the date on which the takeover bid was settled.

The guarantee of EUR 608,226 thousand received from “la Caixa” by Criteria CaixaCorp in 2007 in connection with this transaction was discharged in 2008.

Abertis Infraestructuras, S.A.: in May 2009 the Company received 6,922,800 shares of Abertis Infraestructuras in the capital increase by issue of bonus shares at the latter.

In 2008 Criteria CaixaCorp acquired on the market an ownership interest of 3.92% for EUR 515,555 thousand. Also, it received 6,593,144 shares in a capital increase by issue of bonus shares.

At 31 December 2009, the Criteria CaixaCorp Group owned 25.04% of the shares of Abertis Infraestructuras, S.A. and controlled 28.91% of the share capital (control taken to be the total percentage of ownership held through subsidiaries).

Grupo Financiero Inbursa, S.A. de C.V.: at 31 December 2009, the Company had an ownership interest of 20% in GFI. On 8 October 2008, Criteria CaixaCorp acquired 20% of the shares of this Mexican company once all the requisite authorisations had been obtained. As a result of this transaction, GFI became the vehicle for the expansion of the “la Caixa” Group’s retail banking business in America.

The transaction to achieve 20% of the share capital was structured through the subscription of a capital increase and a takeover bid targeted at the private investors in GFI. The acquisition price was MXN 38.5 per share, giving rise to a disbursement of MXN 25,668 million. On 19 June 2008, the Company arranged a Mexican peso/euro hedge with “la Caixa” at MXN 16.0292/EUR 1 for the expected total amount. The acquisition of the investment was recognised using this hedged exchange rate, and the expenses incurred that were directly attributable to the acquisition were recognised as an addition to the cost of the investment.

Hisusa- Holding de Infraestructuras y Servicios Urbanos, S.A.: in December 2008 Criteria CaixaCorp subscribed 49% of the capital increase at Hisusa and disbursed EUR 121,785 thousand in this connection.

The equivalent euro market values of the investments in associates and jointly controlled entities at 31 December 2009 and 2008 were as follows:

	2009		2008	
Listed investee	%	Thousands of euros	%	Thousands of euros
Gas Natural, S.D.G., S.A.	36.4	5,065,356	37,5	3,238,658
Abertis Infraestructuras, S.A.	20.7	2,285,237	20,7	1,744,546
Grupo Financiero INBURSA, S.A.	20.0	1,343,461	20,0	1,121,380
Erste Group Bank AF (1)	10.1	994,721	-	-
Soc. General de Aguas de Barcelona, S.A.	11.5	343,953	11,5	252,221
Banco B.P.I., S.A.	30.1	574,308	29,4	462,721
		10,607,036		6,819,526

(1) The information on the fair value of Erste Group Bank at 31 December 2008 is detailed in Note 6 – “Available-for-sale financial assets”.

<u>Impairment of investments in associates and jointly controlled entities</u>

2008 witnessed the existence of certain adverse indicators relating to the sharp drop in the market values of companies and the reduction of the margins of certain companies classified as jointly controlled entities and associates. Although in 2009 there have been signs of recovery and share prices and, in general, stock market indexes, have risen, in accordance with the Company’s policy, the appropriate impairment tests were carried out on these investments in order to ascertain their fair value. Generally accepted valuation methods were used, including most notably:

a) For the industrial companies, the sum of parts discounted cash flows (DCF) valuation methodology was mainly used. Assumptions obtained from sources of renowned prestige were used. Individual cost of capital (wacc) as discount rates were used for each business and country (ranging from 5.9% to 9%), and control premiums were not used in the valuation of the investees. The basic assumptions used were as follows:

- Return on ten-year bond
- Market risk premium of 5%
- Betas obtained from Bloomberg
- GDP and CPI: forecasts presented by The Economist Intelligence Unit

- The projection periods were tailored to the characteristics of each business, mainly the terms of the related concessions

b) For the investments in banks, basically the dividend discount model was used, in accordance with generally accepted international practices for valuing banks. The costs of equity (Ke) as discount rates ranging from 9.5% to 13% were used and no potential control premiums were considered in the valuation. The basic assumptions used were as follows:

- Return on ten-year bond
- Market risk premium of 5%
- Betas obtained from Bloomberg
- Country risk premiums based on the default spread adjusted to current volatility
- Macroeconomic and banking sector assumptions of The Economist Intelligence Unit
- The projected time periods were adapted to the specific circumstances of each investment (such as significant investment plans, the location thereof in emerging countries, etc.)

Based on the analyses performed, and applying conservative criteria of utmost prudence, it was considered advisable to recognise impairment losses in connection with the fair value of certain of the investments in banks. At 31 December 2009, the valuation adjustment for investments in associates and jointly controlled entities amounted to EUR 192,000 thousand, of which EUR 81,112 thousand relate to the allocation to profit or loss of the provision for contingencies and charges recognised in 2008 (see Note 12) and, therefore, the net impairment loss recognised in the accompanying income statement for investments in associates and jointly controlled entities amounts to EUR 110,888 thousand. Company management reviews the valuation of the investments on an ongoing basis.

5.3. Long-term loans to Group companies

At 31 December 2008, the balance of EUR 181,899 thousand related to the estimated balance receivable from “la Caixa” for the income tax settlement for 2008, since Criteria CaixaCorp files consolidated tax returns together with its majority shareholder (see Note 17). When the definitive income tax settlement is made in July, the Company adjusts the amounts estimated at the end of the reporting period on the basis of the tax return ultimately filed. In July 2009, since the consolidated tax group did not have sufficient taxable profit to enable all the related tax credits to be deducted, the definitive tax return filed showed a balance payable to “la Caixa” of EUR 25,031 thousand (see Notes 14 and 17).

The projected income tax return for 2009 shows a balance payable to “la Caixa” of EUR 37,754 thousand, and this amount was recognised under “Non-Current Payables to Group Companies” on the liability side of the accompanying balance sheet (see Note 14).

(6) NON-CURRENT FINANCIAL ASSETS

The most significant information relating to the securities included under “Available-for-Sale Financial Assets – Equity Instruments” is disclosed in Appendix III. This line item in the balance sheet includes basically equity instruments classified as available-for-sale financial assets. The detail at 31 December 2009 and 2008 is as follows:

	2009		2008	
		Thousands of euros		Thousands of euros
	%	Fair value	%	Fair value
Repsol YPF, S.A.	9.28%	2,122,101	9,28%	1,711,281
Telefónica, S.A.	5.16%	4,601,264	5,01%	3,736,170
Bolsas y Mercados Españoles	5.01%	94,256	5,01%	77,038
Erste Group Bank AG (1)	-	-	4,90%	251,636
Total fair value		**6,817,621**		**5,776,125**
Total acquisition cost		**4,131,982**		**4,539,767**
Change in fair value:		**2,685,639**		**1,236,358**
Through equity		***2,455,929***		***1,236,358***
Through profit or loss (2)		***229,710***		-

(1) The investment in Erste Bank Group AG was reclassified to "Investments in Associates and Jointly Controlled Entities" (see Note 5.2).

(2) The Company uses equity linked swaps to hedge the fair value of certain of its investments in Available-for-Sale Financial Assets. The most significant at 31 December 2009 related to a 1% ownership interest in Telefónica, which was hedged with equity swaps which qualify as fair value hedges. Therefore, changes in the value of these shares are recognised in profit or loss. Also, the fair value of the fair value hedging derivative was recognised in the income statement and the net impact was zero. The derivative was recognised under "Hedging Derivatives" on the liability side of the balance sheet (see Note 16). At 31 December 2008, there were no outstanding equity swaps.

The Company recognises these assets at fair value and differences, net of the related tax effect, between fair value and acquisition cost are recognised under "Equity - Valuation Adjustments" in the accompanying balance sheet. The tax effect is included under "Deferred Tax Liabilities" and "Deferred Tax Assets" in the balance sheet. To calculate the tax effect of the gain/loss on these assets, the Company based itself on the tax base of the assets and not their cost for accounting purposes arising , basically, from the non-monetary contribution by "la Caixa" on 31 July 2000 (see Note 1). Also, when calculating the tax effect the Company does not take into account the potential tax credits that could be taken in the event of the sale of the asset, such as double taxation and/or reinvestment tax credits.

The transactions involving available-for-sale financial assets carried out in 2009 and 2008 were as follows:

Changes in 2009

	Purchases and capital increases	Sales	Changes in fair value	Reclassifications and other	Total
Balance at 31/12/08					**5,776,125**
Bolsas y Mercados Españoles	-	-	17,217	-	17,217
Erste Group Bank AG (1)	651,849	-	91,236	(994,721)	(251,636)
Repsol YPF, S.A.	-	-	410,820	-	410,820
Telefónica, S.A.	688,812	(716,762)	893,045	-	865,095
Changes in 2009	1.340.661	(716,762)	1,412,318	(994,721)	1,041,496
Balance at 31/12/09					**6,817,621**

(1) Reclassification of the investment to "Investments in Associates and Jointly Controlled Entities" (see Note 5.2).

Changes in 2008

	Thousands of euros					
	Purchases	Sales	Changes in fair value	Transfers and other		Total
Balance at 31/12/07						**8,710,691**
Bolsas y Mercados Españoles	37,086	-	(97,670)	-		(60,584)
Repsol YPF, S.A.	3,233	-	(1,051,284)	-		(1,048,051)
Telefónica, S.A.	338,200	(5,100)	(1,405,790)	(4,977)		(1,077,667)
Telefónica, S.A. equity swap	-	(726,152)	-	(273,748)	(1)	(999,900)
Erste Group Bank AG	628,259	-	(376,623)	-		251,636
Changes in 2008	1,006,778	(731,252)	(2,931,367)	(278,725)		(2,934,566)
Balance at 31/12/08						**5,776,125**

(1) The 45,000,000 shares of Telefónica hedged by equity swaps at 31 December 2007 had a cost of EUR 726,152 thousand, with an amount of EUR 273,748 thousand to adjust the carrying amount to the fair value at that date. The transaction did not have any impact on profit or loss, since the balancing item in the income statement was the fair value of the hedging derivative.

Erste Group Bank AG: in 2009 Criteria CaixaCorp increased its investment in Erste Group Bank AG through an investment of EUR 16,446 thousand by subscribing the capital increase performed in November 2009 in proportion to its percentage ownership of the Austrian bank at that date (5.1%). Also, Criteria acquired and exercised the subscription rights of the ERSTE Foundation, the principal shareholder of Erste Group Bank, which corresponded to 30.9% shares of the Central European bank. The total outlay in this capital increase amounted to EUR 635,403 thousand, strengthening Criteria CaixaCorp's position as a strategic partner of Erste Group Bank. The increase in Criteria's ownership interest was the result of the Preferential Cooperation Agreement signed by Criteria and the ERSTE Foundation in June 2009 in order to regulate their relations as shareholders of Erste Group Bank. The aim of this capital increase at Erste Group Bank was to increase its capital ratios and improve its financial structure, while at the same time increasing the weight of investments in the financial services industry in Criteria CaixaCorp's asset portfolio, in line with the strategy established when its shares were admitted to trading.

The ownership interest, which at 31 December 2009 was 10.10% of the share capital of Erste Group Bank AG, the Cooperation agreements between the two parties and the representation on the management bodies gave Criteria CaixaCorp a significant influence over the bank and, therefore, in December 2009 the investment was reclassified to "Investments in Associates and Jointly Controlled Entities" in the accompanying balance sheet (see Note 5.2).

In 2008, in line with the strategy aimed at international expansion in the banking sector and, specifically, to cover one of the areas established as strategic, namely Central and Eastern Europe, Criteria CaixaCorp acquired on the market 4.90% of the share capital of Erste Bank for EUR 628,259 thousand. Erste Group Bank AG was founded in 1819 as the first Austrian savings bank. In 1997 it was admitted to trading with a view to developing the retail banking business in Central and Eastern Europe. It is currently the second largest banking group in Austria and one of the largest in Central and Eastern Europe. In addition to Austria, Erste Bank controls banks in seven countries (Czech Republic, Slovakia, Romania, Hungary, Croatia, Serbia and the Ukraine) and is the market leader in the Czech Republic, Slovakia and Romania. It serves 17.5 million customers and operates out of more than 3,000 branches.

Teléfonica, S.A.**:** in 2009 the Company acquired 1% of the share capital of Telefónica, S.A. (47,050,000 shares) for EUR 688,812 thousand. Also, a financial derivative was arranged on this 1% ownership interest in order to establish a hedging relationship for the changes in the fair value of this investment and changes in the fair value of the derivative financial instrument. This derivative expires in April 2010 and may be renewed at the decision of Criteria CaixaCorp. The instrument makes it possible to exchange dividend rights arising from the hedged shares for the assumption by the counterparty of the risk of changes in the value and for interest on the investment in the hedged item tied to Euribor. The voting rights carried by the investment were retained in full. Both the hedged item and the derivative are measured at fair value with changes recognised under "Held-for-Trading Financial Assets/Liabilities and Other" in the accompanying income statement.

In addition, in June 2009 the Company sold 1% of its investment in Telefónica, S.A. for EUR 737 million, giving rise to a net gain of EUR 215 million, which is recognised under "Gains or Losses on Disposals and Other" in the accompanying income statement. In December 2009 Telefónica retired the treasury shares that it held meaning that at 31 December 2009, the ownership interest of Criteria CaixaCorp in Telefónica was 5.16%.

En 2008 Criteria CaixaCorp acquired on the market 0.28% of the share capital for EUR 197,572 thousand. Through a derivatives contract, an additional 8,730,879 shares representing 0.19% of the share capital were acquired for EUR 140,628 thousand. In December 2008 0.013% of the investment was sold, giving rise to a pre-tax gain of EUR 4,977 thousand, and this amount is recognised under "Impairment and Gains or Losses on Disposals of Financial Instruments" in the accompanying income statement. In the second half of 2008 the equity swaps were terminated early, which did not have any impact on the income statement.

Repsol-YPF, S.A.**:** in 2008 the Company acquired 149,700 shares for EUR 3,233 thousand representing 0.012% of the share capital. At 31 December 2009, the Company had a direct ownership interest of 9.28% and the Group had a holding of 12.68%.

Bolsas y Mercados Españoles S.H.M.S.F., S.A.: at 31 December 2009, Criteria CaixaCorp held an ownership interest of 5.01%.

In 2008 the percentage of ownership increased by 1.478% with an investment of EUR 37,086 thousand.

Impairment of available-for-sale financial assets – equity instruments

In 2008 and in part of 2009 there was a worsening in various of the indicators used by management to analyse the possible impairment of the Company's investments in available-for-sale financial assets (see Note 4.5.a.c). This worsening was not so much attributable to the individual actions of the investees as to the Spanish and international economic situation. The main indicator observed was a drop in market prices. Based on management's criteria, and in the face of the aforementioned economic situation and the drop in market prices, management reviewed the objective evidence of impairment of the available-for-sale financial assets on a regular basis by conducting the appropriate impairment tests.

At 31 December 2008, taking a prudent approach in conditions of uncertainty, management decided to recognise impairment losses on certain of the Company's investments classified as available-for-sale financial assets not considered to be strategic, which had a pre-tax impact of EUR 82,609 thousand (EUR 57,826 thousand net of tax), and this amount was recognised under "Impairment and Gains or Losses on Disposals of Financial Instruments" in the accompanying income statement for 2008.

During the second half of 2009 the leading developed economies started to show slight signs of recovery in financial markets and in certain economic indicators. There was a marked improvement in the financial markets on all fronts. Specifically, there was a significant rise in the principal stock market indexes, which increased the market values of Criteria CaixaCorp's investment portfolio. Company management observed that in no case did the market value of the investments classified as available-for-sale financial assets fall over a period of 18 months on a continuous basis or by more than 40%. Therefore, it was not necessary to recognise impairment losses additional to those recognised in 2008.

However, as a basic tool in the management and ongoing monitoring of the portfolio of investments, the Company also made its own internal valuations of the investments classified as available-for-sale financial assets, using the same methodology as that applied in the measurement of the investments in associates and jointly controlled entities (see Note 5.2). On the basis of in-house assessments, it was determined that it was not necessary to recognise impairment losses on investments in 2009.

(7) CURRENT ASSETS – RECEIVABLE FROM GROUP COMPANIES

At 31 December 2008, this heading included mainly an account receivable of EUR 140,500 thousand from the subsidiary Catalunya de Valores, S.G.P.S. arising from the resolution adopted by this subsidiary on 23 December 2008 to distribute additional dividends and voluntary reserves. The account receivable was settled at the beginning of January 2009.

(8) CURRENT FINANCIAL ASSETS – DIVIDENDS RECEIVABLE

The detail of the accrued dividends receivable at 31 December 2009 and 2008 is as follows:

	Thousands of euros	
Company	2009	2008
Gas Natural	118,197	80,589
Repsol	-	59,498
Holret	-	69,000
Repinves	-	21,769
Hisusa	-	9,109
Bolsas y Mercados Españoles	-	4,131
Soc. General de Aguas de Barcelona	-	3,326
Total	**118,197**	**247,422**

All the dividends receivable at 31 December 2009 and 2008 were collected in January 2010 and 2009, respectively.

(9) CURRENT FINANCIAL ASSETS - OTHER

"Current Financial Assets – Other" in the accompanying balance sheet at 31 December 2009 includes "Financial Derivative Guarantee Deposits" amounting to EUR 238,800 thousand relating to the financial derivative arranged on 1% of the shares of Telefónica, S.A. (see Note 6).

The contract relating to this financial derivative provided for the creation of a guarantee deposit to be adjusted over the term of the derivative by contributions either by the counterparties or by Criteria CaixaCorp based on the changes in the market price of the shares of Telefónica. This deposit guarantees the availability of funds at all times for the two parties in the event of the partial or total termination of the contract in advance or on the expiry date. The contract also established an interest rate tied to overnight Eonia on these deposits paid monthly in arrears. At 31 December 2008, the aforementioned financial derivative contracts had expired and the related guarantee deposits had been settled. The interest on the guarantee deposits is recorded under "Finance Income – From Third Parties" in the income statements and amounted to EUR 344 thousand in 2009 (2008: EUR 3,362 thousand).

(10) CASH

"Cash" in the accompanying balance sheets at 31 December 2009 and 2008 relates basically to cash on hand and demand deposits held with "la Caixa".

The interest rate on the debit balances in the demand deposits is average overnight Euribor less 25 basis points.

The interest earned in 2009 and 2008 on the demand deposits amounted to EUR 65 thousand and EUR 467 thousand, respectively, and is recognised under "Finance Income" in the accompanying income statement (see Note 18).

(11) EQUITY

The changes in 2009 and 2008 are shown in the statement of changes in total equity. The most significant changes, by heading, are detailed and discussed below.

11.1. Share capital

At 31 December 2009 and 2008, the share capital consisted of 3,362,889,837 fully subscribed and paid shares. All the shares are traded by the book-entry system and have a par value of EUR 1 each. At 31 December 2009 and 2008, "la Caixa" had an ownership interest of 79.45% in the share capital of Criteria Caixa Corp.

11.2. Share premium

The "Share Premium" account balance arose initially as a result of the capital increase performed on 31 July 2000 (see Note 1).

The Consolidated Spanish Public Limited Liability Companies Law expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to its use.

At 31 December 2009, there were no changes in this connection with respect to 2008 year-end.

11.3. Legal reserve

Under the consolidated Spanish Public Limited Liability Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At 31 December 2009, the legal reserve had reached the legally required minimum.

11.4. Voluntary reserves

As explained in Note 3, the shareholders at the Annual General Meeting held on 7 May 2009 resolved to distribute EUR 97,796 thousand of the profit for 2008 to voluntary reserves. Since the final dividend actually paid was lower than the approved maximum, due to the existence of treasury shares, the final amount appropriated to voluntary reserves was EUR 98,517 thousand.

11.5. Treasury shares

On 7 May 2009, the shareholders at the Annual General Meeting authorised the Board of Directors to derivatively acquire treasury shares, provided that the shares acquired added, to the shares that the Parent already held, did not exceed 5% of the share capital. This authorisation, ratified by the Board of Directors at its meeting held on the same date, is valid for 18 months. The shareholders at the Annual General Meeting held on 5 June 2008 authorised the Board of Directors to derivatively acquire treasury shares, either directly through the Parent or indirectly through its subsidiaries up to a total limit of 5% and for a period of 18 months.

The changes in treasury shares in 2009 and 2008 were as follows:

	2008	Acquisitions	Disposals	2009
Number of treasury shares	6,534,397	10,035,719	2,353,766	14,216,350
% of share capital	0.194%	0.298%	0.070%	0.423%
Acquisition cost/Selling price (thousands of euros)	18,545	27,418	6,083	39,880

At 31 December 2009, Criteria CaixaCorp held 14,216,350 treasury shares, representing 0.423% of the share capital, the acquisition cost of which amounted to EUR 39,880 thousand. In 2009 Criteria CaixaCorp sold 2,353,766 treasury shares on the market, with a gain of EUR 2 million, which was recognised in equity.

At 31 December 2008, the Company held 6,534,397 shares, representing 0.194% of the share capital, with an acquisition cost of EUR 18,545 thousand.

11.6. Dividends declared in the year

The detail of the dividends paid in 2009 is as follows:

Description	Managing body	Date: Resolution	Date: Payment	Amount: EUR/share	Amount: Total Thousands of euros	
2008 final dividend	General Meeting	07/05/09	27/05/09	0.06	201,052	
First interim dividend	Board of Directors	08/10/09	01/12/09	0.10	335,322	(1)

(1) The accounting liquidity statements approved by the Board of Directors are presented in Note 3, "Distribution of Profit".

11.7. Valuation adjustments

"Valuation Adjustments" in the accompanying balance sheets includes primarily the amount, net of the related tax effect, of the differences between the fair value and the acquisition cost of the assets classified as available for sale (see Note 6). These differences are transferred to profit or loss when the assets are sold or when an impairment loss is recognised for them.

The changes in the valuation adjustments in 2008 and 2009 were as follows:

	2009 Thousands of euros				
	Balance at 31/12/08	Revaluation gains (losses) before tax	Deferred tax liabilities	Amounts transferred to profit or loss net of tax	Balance at 31/12/09
Available-for-sale financial assets	774,063	1,183,831	(355,160)	(142,821)	1,459,914
Cash flow hedges	-	(85)	-	-	(85)

	2008 Thousands of euros				
	Balance at 31/12/07	Revaluation gains (losses) before tax	Deferred tax liabilities	Amounts transferred to profit or loss net of tax	Balance at 31/12/08
Available-for-sale financial assets	2,771,399	(2,931,367)	879,677	54,354	774,063

The amounts transferred to profit or loss in 2009 relate mainly to the net effect of:

- The gain after tax obtained from the sale of 1% of the shares of Telefónica (see Note 6) for EUR 215 million.
- The impairment, for a net amount of EUR 68 million, relating to the investments reclassified to investments in associates, since the valuation adjustments made prior to the reclassification were retained in this equity account.

The detail of the amounts transferred to profit or loss in 2008 is as follows:

- The gain after tax obtained from the sale of 0.013% of the shares of Telefónica (see Note 6) for EUR 3,472 thousand.
- The impairment loss after tax of EUR 57,826 thousand (see Note 6).

11.8. Earnings per share

The earnings per share were calculated by deducting the average number of treasury shares from the total number of shares, the detail being as follows:

	Thousands of euros	
	2009	2008
Net profit after tax (thousands of euros)	**1,013,340**	**803,349**
Weighted average number of shares outstanding	3,352,823	3,361,457
Earnings per share (euros/share)	**0.30**	**0.24**

The change in the weighted average number of shares outstanding was affected by the purchases and sales of treasury shares carried out by the Company from July 2008 onwards.

(12) PROVISIONS FOR CONTINGENCIES AND CHARGES

The changes in 2009 and 2008 in "Provisions for Contingencies and Charges" in the accompanying balance sheets were as follows:

	Thousands of euros	
	2009	2008
Beginning balance:	**90,835**	**9,723**
Add:		
Period provisions charged to profit or loss	-	81,112
Obligations acquired as a result of the merger with Caixa Capital Desarrollo	24,731	-
Less:		
Reclassification to impairment of losses on investments in investees	(81,112)	-
Amounts used	(933)	-
Ending balance	**33,521**	**90,835**

The period provision in 2008 amounting to EUR 81,112 thousand reflected the expected losses and contingencies associated with the investment portfolio in view of the adverse performance of the financial markets in 2008. This provision was recognised under "Period Provision for Contingencies and Charges" in the accompanying income statement for 2008. In 2009 the provision was reclassified as impairment losses on the portfolio of investments in associates (see Note 5.2).

Also, as a result of the merger by absorption of Caixa Capital Desarrollo into Criteria CaixaCorp, registered at the Mercantile Registry on 29 June 2009, Caixa Capital Desarrollo was dissolved and its assets and liabilities were wholly transferred to Criteria CaixaCorp. In this connection, Criteria CaixaCorp has recognised a provision of EUR 24,731 thousand, corresponding to the provisions recognised by Caixa Capital Desarrollo to meet the future contingencies arising from the share purchase and sale agreements entered into in prior years.

(13) NON-CURRENT LIABILITIES – DEBT INSTRUMENTS AND OTHER MARKETABLE SECURITIES

On 12 November 2009, Criteria CaixaCorp made its first bond issue amounting to EUR 1,000 million, maturing in November 2014. The final conditions of the issue were registered at the CNMV on 26 November 2009.

The issue, whose demand was 2.2 times higher than the value of the issue, was taken up by 200 investors. The bonds will pay a coupon rate of 4.125% per annum and have an implicit return of 4.233%.

This security issue was made as part of Criteria CaixaCorp's Fixed-income Security Programme -the issue prospectus was registered at the CNMV on 29 September- which provides for the possibility of issuing up to a maximum of EUR 3,000 million. This issue sets out to diversify the sources of financing, lengthen maturities and, in addition, achieve a reference for the value of the Company's credit on the European market.

At 31 December 2009, the debt corresponding to the bonds at amortised cost amounted to EUR 992,198 thousand and the interest incurred in 2009 totalled EUR 4,746 thousand, which was recognised under "Finance and Similar Costs - On Debts to Third Parties" in the accompanying income statement (see Note 18). The accrued interest payable to bondholders amounts to EUR 4,583 thousand, which is recognised under «Current Liabilities - Interest Payable on Debt Instruments and Other Marketable Securities" in the accompanying balance sheet.

(14) NON-CURRENT PAYABLES TO GROUP COMPANIES

At 31 December 2009, "Non-Current Payables to Group Companies" on the liability side of the accompanying balance sheet relates mainly to the amount drawn down against the long-term credit facility and two long-term loans arranged by Criteria CaixaCorp with "la Caixa", the detail being as follows:

	Amount (thousands of euros)	Interest rate	Maturing in
Credit facility	3,546,701	1-month Euribor + 100 b.p.	July 2011
Bullet loan	1,000,000	3.579%	November 2013
Bullet loan	1,000,000	4.416%	November 2016
Income tax estimate payable to "la Caixa" for 2009	37,754	-	-
Income tax settlement payable to "la Caixa" for 2008	25,031	-	-
Income tax payable to "la Caixa" for 2009 Crisegen and Caixa Capital Desarrollo	935	-	-
Total	**5,610,421**		

At 31 December 2008, the Company had a credit facility with "la Caixa" of EUR 6,500 million maturing on 31 December 2009 (with an unconditional option to extend it beyond the second half of 2010), against which EUR 5,189,313 thousand had been drawn down. In 2009 Criteria CaixaCorp restructured its financial liabilities, reducing the facility's limit to EUR 5,500 million and fixing a new maturity date in July 2011. The interest rate on the balances receivable is the average of overnight Euribor less 25 basis points, and on the balances payable, 1-month Euribor plus 100 basis points.

Also, in November 2009 two long-term loans of EUR 1,000 million each were arranged with "la Caixa". The first loan matures on 5 November 2013 and bears fixed annual interest of 3.579% and the second loan matures on 5 November 2016 and bears fixed annual interest of 4.416%. The interest is payable quarterly.

The interest incurred in 2009 and 2008 on the balances drawn down against the credit facility amounted to EUR 110,051 thousand and EUR 192,251 thousand, respectively (see Note 18), of which at 31 December 2009 and 2008, EUR 4,450 thousand and EUR 18,626 thousand, respectively, were pending payment and were recognised under "Current Liabilities - Payable to Group Companies" on the liability side of the accompanying balance sheets.

The interest incurred on the two long-term loans amounted to EUR 12,215 thousand and was recognised under “Finance and Similar Costs” in the accompanying income statement (see Note 18). At 31 December 2009, this interest had not yet been paid.

Also, this heading in the accompanying balance sheet includes the balance payable to “la Caixa” for the settlement of the 2008 income tax, amounting to EUR 25,031 thousand. This amount will be offset to the extent that the tax group can use the tax credits not yet deducted (see Note 17). The balance also includes the estimate of the income tax settlement for 2009, amounting to EUR 37,754 thousand (see Notes 5.3 and 17).

(15) CURRENT LIABILITIES – CURRENT PAYABLES TO GROUP COMPANIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

At 31 December 2008, “Payable to Group Companies” included EUR 54,000 thousand payable to Crisegen Inversiones, which was paid in January 2009.

(16) DERIVATIVES TRANSACTIONS

In 2009 and 2008 the Company performed the following transactions with derivatives:

Hedging derivatives

The Company arranges foreign currency hedges -both fair value and cash flow hedges- on transactions related with its investment portfolio. The significant transactions performed in 2009 and 2008 were as follows:

- The Company designated as fair value hedges the equity swap contracts on Telefónica shares, as described in Note 6. At 31 December 2009, these derivatives had a negative fair value of EUR 229,604 thousand, and this amount was recognised under “Current Payables – Hedging Derivatives” on the liability side of the accompanying balance sheet. The changes in value of the shares of Telefónica subject to this financial contract and classified as available-for-sale financial assets were offset by the changes in the value of the derivative arranged and, therefore, the effect on profit or loss was not material.
- In 2009 the Company arranged cash flow hedges with “la Caixa” to hedge the changes in the exchange rate applicable to dividends receivable in foreign currency. At 31 December 2009, there derivatives had matured.
- On 19 June 2008, in order to cover the disbursement to be made in Mexican pesos for the acquisition of a 20% stake in GF Inbursa (see Note 5.2.), the Company arranged with “la Caixa” a Mexican peso futures contract for MXN 26,300 million, expiring on 2 September 2008. The derivative was designated as a cash flow hedge.

Trading derivatives

Certain derivatives arranged by the Company to hedge investment portfolio transactions do not qualify for hedge accounting. The transactions performed in 2009 and 2008 were as follows:

- In 2008 the Company arranged derivatives for the acquisition of shares of Gas Natural and Telefónica. These transactions gave rise to a loss of EUR 9,474 thousand which was recognised under “Change in Fair Value of Financial Instruments – Trading Portfolio and Other” in the accompanying income statement. At 31 December 2008, these derivatives had expired.

- Also, in 2008 the Company arranged derivatives for Telefónica and Repsol shares, by selling put options, which gave rise to a net gain of EUR 1,197 thousand in 2008, which is recognised under "Change in Fair Value of Financial Instruments – Held-for-Trading Financial Assets/Liabilities" in the accompanying income statement.

(17) TAX MATTERS

Tax consolidation

Criteria CaixaCorp and certain of its subsidiaries form part of the "la Caixa" consolidated tax group. The companies that form part of the "la Caixa" consolidated tax group are listed in Appendix IV.

Reconciliation of the accounting profit to the taxable profit

Income tax is calculated on the basis of accounting profit obtained by applying generally accepted accounting principles, which does not necessarily coincide with taxable profit.

The reconciliation of the income tax expense (income) recognised in the income statements for 2009 and 2008 to the accounting profit before tax for those years is as follows:

	2009		2008	
Thousands of euros	Income Statement	Income and expenses recognised in equity	Income Statement	Income and expenses recognised in equity
	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)
Profit before tax	**978,527**	**(14,551)** [(1)]	**535,497**	**(25,586)** [(1)]
Permanent differences:				
Increase	71,313	-	1,068	-
Decrease	(37,347)	-	(39,153)	-
	33,966		(38,085)	-
Temporary differences:				
Arising in the year:	339,626	-	125,753	-
Arising in prior years:	(93,568)	-	118,277	-
	246,058		244,030	-
Taxable profit	**1,258,551**	**(14,551)**	**741,442**	**(25,586)**
Gross tax payable	**377,565**	**(4,365)**	**222,433**	**(7,676)**
Tax credits and tax relief	**(337,994)**		**(399,040)**	-
Current income tax expense (income)	39,571	-	(176,607)	-
Expense (income) due to change in temporary differences	(73,818)	-	(73,209)	-
Income tax expense for the year	**(34,247)**	**-**	**(249,816)**	**-**
Withholdings at source – non-resident companies	(643)	-	934	-
Adjustment to prior year's income tax	77	-	(18,970)	-
Total income tax expense (revenue)	**(34,813)**	**-**	**(267,852)**	**-**

(1) See accompanying statement of recognised income and expense

The permanent differences in 2009 and 2008 relate basically to dividends received from non-resident entities, pursuant to Article 21 of the Consolidated Spanish Income Tax Law, approved by Legislative Royal Decree 4/2004, of 5 March, and to differences between the cost for tax and accounting purposes of the ownership interests transferred in the current period and other items such as the reversal of certain provisions.

As a result of the differences between accounting and tax legislation and Criteria CaixaCorp's taxation as part of the "la Caixa" consolidated tax group, the tax expense (income) calculated on the basis of accounting profit differs from the tax settlement that determines the income tax payable to the tax authorities; this results in the recognition of deferred tax assets, for the excess tax paid with respect to the accrued tax, and deferred tax liabilities, for the excess accrued income tax with respect to the tax payable.

Most of the amounts relating to the deferred income tax assets and liabilities are mainly a result of (i) the impairment losses for investments in investees recognised by Criteria CaixaCorp which are not deductible for income tax purposes; (ii) the elimination, for the purpose of calculating the taxable profit of the tax group, of the impairment losses recognised by Criteria CaixaCorp on its investments in certain companies forming part of the "la Caixa" consolidated tax group; (iii) the amount relating to the amortisation for tax purposes of the goodwill arising on the acquisition of the investment in Banco BPI.

In this regard, pursuant to Article 12.3 of the Consolidated Spanish Corporation Tax Law, as amended by Law 4/2008, of 23 December, eliminating wealth tax, the system for the monthly refund of VAT became applicable to nearly all taxable persons and other changes were made to tax legislation ("Law 4/2008"). Following is a detail of the value adjustments deducted.

Because of the fact that the Company only has provisional information regarding the definitive equity for which impairment was recognised for accounting purposes, no amounts were included in the tax base by virtue of Article 12.3 of the Consolidated Spanish Corporation Tax Law. However, the amounts ultimately deducted corresponding to the 2009 tax period will be disclosed in the notes to the 2010 financial statements, once the 2009 income tax return has been filed.

The following table shows the amounts deducted in this connection in 2008:

	Thousands of euros	
Investee	Impairment loss included in the tax base	Difference in equity at beginning and end of period (1)
Negocio de Finanzas e Inversiones I	51,609	51,609
Finconsum	8,098	8,098
Finconsum (2)	8,783	8,783

1. The difference between the equity at the beginning and at the end of the period was adjusted for the period expenses that are not considered to deductable for tax purposes.
2. Pursuant to Transitional Provision Twenty-Nine of Law 4/2008.

Pursuant to Article 42 of the Consolidated Spanish Corporation Tax Law in relation to the tax credit for reinvestment of income, in 2006 the income qualifying for this tax credit arising from the transfer for consideration of equity items amounted to EUR 1,141,899 thousand. Additionally, in 2005 income of EUR 18,272 thousand arose which was eliminated from the consolidated taxable profit of the tax group. In 2007, since the aforementioned income materialised vis-à-vis third parties, it was included in the taxable profit and may qualify for the reinvestment tax credit for as it fulfils all the requirements established in the related legislation.

The reinvestments made in 2007 and 2008 by the companies in the "la Caixa" consolidated tax group made it possible to take tax credits of EUR 123,525 thousand (of which EUR 104,545 thousand were recognised as income at 2007 year-end and EUR 18,980 thousand were recognised as income in 2008) and EUR 108,510 thousand for the reinvestment of extraordinary income in the 2007 and 2008 income tax returns, respectively.

The main parameters of the tax credit pursuant to Article 42 of the Consolidated Spanish Corporation Tax Law are shown in Appendix V.

The nature and amount of the tax credits deducted each year are as follows:

	Thousands of euros	
	2009	2008
Dividend double taxation tax credit	317,852	289,786
Tax credit for the double taxation of undistributed profits	18,594	266
Reinvestment tax credit	-	108,510
Other	1,548	478
Total	**337,994**	**399,040**

Based on the foregoing, the income tax settlement gave rise to an account payable to “la Caixa”, net of tax withholdings and prepayments, amounting to EUR 37,754 thousand and to an account receivable from “la Caixa”, net of tax withholdings and prepayments, totalling EUR 181,899 thousand in 2009 and 2008 (see Note 5.3).

However, subsequent to filing the consolidated income tax return for 2008, the tax group was unable to use all the tax credits earned by Criteria in that year and, consequently, a portion of the amount thereof has not yet been paid (see the changes in the deferred tax assets for unused tax credits). Payment in this connection will be made to the extent that the tax credits can be used in the tax group’s income tax returns.

Composition of current tax receivables and payables

The composition of the current tax receivables and payables is as follows:

	Thousands of euros	
	2009	2008
Assets		
Current portion of deferred tax assets – cash flow hedges	36	-
VAT refundable	6	5
	42	**5**
Liabilities:		
Tax withholdings payable	12,405	12,605
Accrued social security taxes payable	109	104
Output VAT	84	43
	12,598	**12,752**

Changes in deferred tax assets and liabilities

The detail of the deferred tax assets and liabilities and of the changes therein is as follows:

Deferred tax assets - 2009	Balance at 31/12/08	Additions	2008 tax regularisation	Reclassification Reductions	Balance at 31/12/20
Deferred tax assets relating to available-for-sale financial assets	***112,987***	***-***	***-***	***(112,987)***	***-***
Deferred tax assets due to provisions recognised	24,333	-	-	(24,333)	-
Deferred tax assets due to eliminations on consolidation for tax purposes	141,150	441	24,782	(5,165)	161,208
Deferred tax assets due to non-deductible impairment losses	13,145	100,612	-	-	113,757
Deferred tax assets relating to tax credits for undistributed profits	5,836	-	-	-	5,836
Deferred tax assets relating to reinvestment tax credits not deducted	49,378	-	181,908	-	231,286
Deferred tax assets due to expenses recognised directly in equity	7,676	4,365	-	-	12,041
Deferred tax assets due to sundry provisions recognised	745	1,277	80	-	2,102
Deferred tax assets due to available-for-sale financial assets reclassified to investments in associates	-	56,516	-	-	56,516
Other deferred tax assets	***242,263***	***163,211***	***206,770***	***(29,498)***	***582,746***

Deferred tax assets - 2008	Thousands of euros			
	Balance at 31/12/07	Additions	Reductions	Balance at 31/12/08
Deferred tax assets relating to available-for-sale financial assets	***-***	***112,987***	***-***	***112,987***
Deferred tax assets due to provisions recognised	-	24,333	-	24,333
Deferred tax assets due to eliminations on consolidation for tax purposes	112,072	29,078	-	141,150
Deferred tax assets due to non-deductible impairment losses	-	13,145	-	13,145
Deferred tax assets relating to tax credits for undistributed profits	5,735	101	-	5,836
Deferred tax assets relating to reinvestment tax credits not deducted	-	49,378	-	49,378
Deferred tax assets due to expenses recognised directly in equity	-	7,676	-	7,676
Deferred tax assets due to sundry provisions recognised	-	745	-	745
Other deferred tax assets	***117,807***	***124,456***		***242,263***

Deferred tax liabilities – 2009	Thousands of euros				
	Balance at 31/12/08	Additions	2008 tax regularisation	Reductions	Balance at 31/12/09
Deferred tax liabilities relating to available-for-sale financial assets	***657,890***	***327,789***	***-***	***(125,583)***	***860,096***
Deferred tax liabilities due to amortisation of goodwill	9,661	4,178	(73)	-	13,766
Deferred tax liabilities due to eliminations on consolidation	8,660	-	(8)	-	8,652
Deferred tax liabilities due to other differences	497	-	-	-	497
Other deferred tax liabilities	***18,818***	***4,178***	***(81)***	***-***	***22,915***

Deferred tax liabilities – 2008	Thousands of euros			
	Balance at 31/12/07	Additions	Reductions	Balance at 31/12/08
Deferred tax liabilities relating to available-for-sale financial assets	***1,401,303***	***-***	***(743,413)***	***657,890***
Deferred tax liabilities due to amortisation of goodwill	5,361	4,300	-	9,661
Deferred tax liabilities due to eliminations on consolidation for tax	10,064	-	(1,404)	8,660
Deferred tax liabilities - reversals of allowances due to application	9,300	-	(9,300)	-
Deferred tax liabilities due to other differences	-	497	-	497
Other deferred tax liabilities	***24,725***	***4,797***	***(10,704)***	***18,818***

The deferred tax assets and liabilities relating to available-for-sale financial asset arise when the "Available-for-Sale Financial Assets – Equity Instruments" are measured at fair value (see Note 6).

Transactions qualifying for taxation under the special tax regime

Criteria CaixaCorp was a party to the following transactions that qualified for taxation under the special tax regime provided for in Chapter VIII of Title VII of the Consolidated Spanish Corporation Tax Law.

2009

- Special non-monetary contribution by Criteria CaixaCorp to Segurcaixa Holding, S.A. of shares of Vidacaixa S.A. de Seguros y Reaseguros, carried at EUR 81,594,173.04, for which Criteria CaixaCorp received shares of Segurcaixa Holding carried at the same amount.

- Merger by absorption of the investee Caixa Capital Desarrollo, S.A. (Sole-Shareholder Company) into Criteria CaixaCorp.

- Merger by absorption of the investee Crisegen Inversiones, S.L. (Sole-Shareholder Company) into Criteria CaixaCorp. As a result of this merger, the ownership interest in Segurcaixa Holding was included in the accounting records of Criteria CaixaCorp at value different to that at which it had been carried at Crisegen. In the accounting records of Crisegen it was carried at EUR 224,358,830.22 and at Criteria CaixaCorp at EUR 909,352,342.70.

- Spin-off of the Portaventura, S.A. line of business to Negocio de Finanzas e Inversiones IV as a result of which Criteria CaixaCorp reduced the amount at which it had been carried at Portaventura, S.A. to EUR 58,468,243.40, which is the same value at which it recognised the shares of Negocio de Finanzas e Inversiones IV received.

2008

- Special non-monetary contribution by Criteria CaixaCorp to Port Aventura, S.A. of shares of Hotel Caribe Resort, S.A. carried at EUR 17,130 thousand, for which Criteria CaixaCorp received shares of Port Aventura, S.A. carried at the same amount.

2007

- Special non-monetary contribution by Criteria CaixaCorp to Negocio de Finanzas e Inversiones I, S.L. of shares of Atlantia, S.p.A., Banco Comercial Portugués S.A. and Boursorama, S.A. with a carrying amount of EUR 297,940 thousand. As consideration for the non-monetary contribution, the Company's capital was increased by EUR 100,000 thousand, and the remaining value of the contribution was allocated to share premium.

- Special non-monetary contribution by Criteria CaixaCorp to Holret, S.A. of shares of Hodefi, S.A.S. with a carrying amount of EUR 258,639 thousand, equal to the carrying amount of Hodefi's ownership interest in Criteria CaixaCorp.

2006

- No transactions qualifying for taxation under the special tax regime provided for in Chapter VIII of Title VII of the Consolidated Spanish Corporation Tax Law were carried out in 2006.

2005

- Merger by absorption of G.P. Comercial, S.A., G.P. Resort, S.A. and USPA Hotel Ventures I, S.A. into Port Aventura, S.A.

2004

- Special non-monetary contribution by Criteria CaixaCorp to Caixa Barcelona Seguros de Vida, S.A. de Seguros y Reaseguros of shares of Inmobiliaria Colonial, S.A., with a carrying amount of EUR 175,618 thousand, for which Criteria CaixaCorp received shares of Caixa Barcelona Seguros de Vida, S.A. de Seguros y Reaseguros, which were recognised for the same amount.

- Special non-monetary contribution by Criteria CaixaCorp to Repinves, S.A. of shares of Repsol YPF, S.A. with a carrying amount of EUR 206,272 thousand, for which Criteria CaixaCorp received shares of Repinves, S.A. which were recognised for the same carrying amount.

2003

- No transactions of this type were carried out.

2002

- Merger by absorption of BuildingCenter, S.A. into Prominmo, S.A.

- Merger by absorption of Corporació de Participacions Estrangeres, S.L. into Criteria CaixaCorp. The merger balance sheet of the absorbed company at 31 December 2001 is presented in the Company's financial statements for 2002.

2001

- Special non-monetary contribution by Criteria CaixaCorp to InverCaixa Holding, S.A. of shares of GesCaixa I, S.A., S.G.I.I.C. with a carrying amount of EUR 28,268 thousand, for which Criteria CaixaCorp received shares of InverCaixa Holding, S.A. which were recognised for the same carrying amount.

- Special non-monetary contribution by Criteria CaixaCorp to e-"la Caixa", S.A. of shares of Caixa On Line Services, S.A. with a carrying amount of EUR 10,515 thousand, for which Criteria CaixaCorp received shares of e-"la Caixa", S.A. which were recognised for the same carrying amount.

- Special non-monetary contribution by Criteria CaixaCorp to Banco de Sabadell, S.A. of shares of Banco Herrero, S.A. with a carrying amount of EUR 310,486 thousand, for which Criteria CaixaCorp received shares of Banco de Sabadell, S.A. which were recognised for the same carrying amount.

- Special non-monetary contribution by Criteria CaixaCorp to Hotel Caribe Resort, S.L. (formerly Hotel Occidental Salou, S.L.) of buildable land valued at EUR 7,513 thousand whereby Criteria CaixaCorp received shares of Hotel Caribe Resort, S.L. recognised for the same carrying amount.

2000

- Special non-monetary contribution and exchange of shares of "la Caixa" with Criteria CaixaCorp of shares of various companies with a carrying amount of EUR 8,236,330 thousand, whereby "la Caixa" received shares of Criteria CaixaCorp recognised for the same carrying amount.

Years open for review by the tax authorities

In May 2009 Criteria CaixaCorp received notification from the tax authorities of the commencement of an audit of income tax for 2004, 2005 and 2006 as well as an audit of VAT for 2005 (period April-December) and 2006. This review is not expected to give rise to significant liabilities.

In addition, 2007, 2008 and 2009 are open for review by the tax authorities for all the main taxes.

The audit carried out by the tax authorities of the tax group for 2000 to 2003 was completed in 2006 with no tax assessments being issued against Criteria CaixaCorp.

(18) INCOME AND EXPENSES

Revenue from equity investments

"Revenue from Equity Investments" in the accompanying income statements relates to dividends received from investees, the detail for 2009 and 2008 being as follows:

	Thousands of euros	
Company	2009	2008
Abertis Infraestructuras, S.A.	85,150	71,900
Banco BPI, S.A.	17,859	21,318
Bolsas y Mercados Españoles, S.A.	8,321	4,131
Caixa Capital Desarrollo, SCR, de Régimen Simplificado, S.A.U.	8,035	94,210
Catalunya de Valores, S.G.P.S., U.L.	322	14,000
Crisegen Inversiones	87,858	-
Erste Bank Group	10,097	2,127
Gas Natural, S.D.G., S.A.	286,090	185,728
GF Inbursa	18,221	-
Hisusa, Holding de Infraestructuras y Servicios Urbanos, S.A.	117,265	25,907
Holret, S.A.	-	89,000
Inversiones Autopistas, S.L.	16,013	14,750
Negocio de Finanzas e Inversiones I, S.L.	-	10,756
Repinves, S.A.	39,353	42,488
Repsol YPF, S.A.	107,663	116,163
SegurCaixa Holding, S.A. (formerly Caifor, S.A.)	50,000	60,500
Soc. General de Aguas de Barcelona, S.A.	14,552	9,735
Telefónica, S.A.	212,195	203,419
VidaCaixa, S.A. de Seguros y Reaseguros	-	25,400
Other	8,240	13,526
Total	**1,087,234**	**1,005,058**

Staff costs

The detail of “Staff Costs” in the income statements for 2009 and 2008 is as follows:

	Thousands of euros	
	2009	2008
Wages and salaries	8,071	7,349
Employer social security costs	1,068	961
Other employee benefit costs	1,831	1,300
Total	**10,970**	**9,610**

The average number of employees at the Company in 2009 and 2008, by professional category and gender, was as follows:

	2009			2008		
	Women	Men	Total	Women	Men	Total
Senior executives	-	1	1	-	1	1
Managers	2	7	9	2	7	9
Graduates, other line personnel	45	30	75	41	29	70
Clerical staff	11	1	12	10	1	11
Temporary employees	1	-	1	-	-	-
Total	**59**	**39**	**98**	**53**	**38**	**91**

Other operating expenses

“Other Operating Expenses” in 2009 includes EUR 2,081 thousand relating to the lease from “la Caixa” of Criteria CaixaCorp’s head offices at Avenida Diagonal 621, Barcelona. In 2008 EUR 1,622 thousand were recognised in this connection.

“Other Operating Expenses” in the accompanying income statement for 2009 includes EUR 10,457 thousand relating to legal and tax advisory services and other professional services, including EUR 381 thousand corresponding to the audit of the separate and consolidated financial statements of Criteria CaixaCorp for 2009. Also, EUR 232 thousand were paid to Deloitte, S.L. for other services.

In 2008 “Other Operating Expenses” included EUR 5,828 thousand relating to technical reports and legal and tax advisory and other professional services, including EUR 370 thousand corresponding to the audit of the separate and consolidated financial statements of Criteria CaixaCorp for 2008. Also, EUR 174 thousand were paid to Deloitte, S.L. for other services.

Finance income

The detail of “Finance Income” in the accompanying income statements is as follows:

	Thousands of euros		
	Note	2009	2008
Interest on accounts with "la Caixa" (1)		63	13,792
Interest on other bank accounts		2	2,777
Interest on loan to Negocio de Finanzas e Inv. I		-	3,593
Interest on loan to Crisegen Inversiones		-	288
Interest on loan to Hisusa		-	14,225
Income from marketable securities and other financial instruments of Group companies	Note 10	**65**	**34,675**
Finance income from equity swaps	Note 9	1,859	23,007
Collateral finance income from derivatives	Note 9	344	3,362
Other finance income		129	-
Third parties		**2,332**	**26,369**
Total		**2,397**	**61,044**

(1) In 2008 the interest on the cash in demand deposits with "la Caixa" amounted to EUR 467 thousand. Also, EUR 13,325 thousand were received in relation to a deposit in Mexican pesos held at "la Caixa", as part of the transaction to acquire a 20% stake in Grupo Financiero Inbursa.

Finance and similar costs

The detail of finance costs is as follows:

	Thousands of euros		
	Note	2009	2008
Interest on "la Caixa" credit facility and loans	Note 14	122,266	192,251
Interest on Caixa Capital Desarrollo loan		706	-
On debts to Group companies and associates		**122,972**	**192,251**
Interest on debentures issued	Note 13	4,746	-
Other finance costs		7	87
Third parties		**4,753**	**87**
Total		**127,725**	**192,338**

Impairment and gains or losses on disposals of financial instruments

As explained in the Notes on investments in Group companies and available-for-sale financial assets, Criteria CaixaCorp recognised the following impairment losses under this heading:

	Thousands of euros	
	2009	2008
Investments in Group companies (Note 5.1)	144,844	140,743
Investments in associates and jointly controlled entities (Note 5.2)	110,888	-
Investments in available-for-sale financial assets (Note 6)	-	82,609
Total	**255,732**	**223,352**

Transactions with related parties

As a result of the Initial Public Offering of Criteria CaixaCorp, on 19 September 2007 Criteria CaixaCorp and its Parent, "la Caixa", signed a "Relationship Memorandum of Understanding" with the purpose of strengthening the Company's transparency, autonomy and good governance. This agreement basically regulates:

- The definition of the main areas of activity of Criteria CaixaCorp and the Group companies;
- The establishment of general criteria for the performance of operations or the provision of intra-Group services on an arm's length basis; and
- The establishment of mechanisms to achieve the flow of information required between the Company and "la Caixa" to enable them to fulfil their management needs and their obligations to the respective regulators.

Also, on that same date, a "Tax Consolidation" agreement was signed which governs the relations between Criteria CaixaCorp and "la Caixa" specifically in the tax area, within the framework of the consolidated tax group to which they belong, and an "Exchange of Information" agreement was also signed whereby Criteria CaixaCorp and "la Caixa" will share the information required to fulfil their legal and tax obligations.

All transactions with related parties, pursuant to the definition provided in Ministry of Economy and Finance Order EHA/3050/2004, of 15 September, performed in 2009 and 2008, were performed in the course of the Company's ordinary activities and on an arm's length basis. The transactions performed with related companies are disclosed in the preceding Notes, the summary being as follows:

- Credit facility with "la Caixa", with a drawn down balance at 31 December 2009 of EUR 3,547 million, maturing in July 2011 and bearing interest at 1-month Euribor plus 100 basis points. The limit of the facility is EUR 5,500 million (see Note 14).
- On 6 November 2009, a long-term four-year loan amounting to EUR 1,000 million was arranged with "la Caixa" (maturing on 5 November 2013), bearing fixed annual interest at 3.579% (see Note 14).
- On 6 November 2009, a long-term seven-year loan of EUR 1,000 million was arranged with "la Caixa" (maturing on 5 November 2016), bearing fixed annual interest at 4.416% (see Note 14).
- During 2009 foreign currency hedges were arranged with "la Caixa" in relation to the collection of dividends in Mexican pesos, for a notional amount of MXN 300 million. This derivative instrument had matured at 31 December 2009 (see Note 16).
- In the debenture issue carried out by Criteria, totalling EUR 1,000 million, VidaCaixa subscribed EUR 72 million. Also, "la Caixa" acted as the placing bank and earned commissions of EUR 500 thousand (see Note 13).
- The Company entered into deposit agreements with Banco BPI and GF Inbursa, whereby the shares of BPI and GF Inbursa owned by Criteria are deposited at the respective banks.

Also, on 5 March 2009, Caixa Capital Desarrollo granted a loan of EUR 509 million to Criteria CaixaCorp, initially maturing on 31 December 2009 and bearing interest at 1-month Euribor plus 50 basis points, payable on maturity of the loan. As a result of the merger by absorption, with dissolution without liquidation, of Caixa Capital Desarrollo, S.A. into the Company (see Note 5.1), with the whole transfer of all its assets and liabilities and legal and contractual obligations and rights, the loan was repaid.

In addition to the aforementioned transactions, the transactions performed in 2009 with Group companies, associates and jointly controlled entities are summarised as follows:

	Thousands of euros					
	2009			2008		
	Criteria Group	"la Caixa" Group	Associates and jointly controlled entities	Criteria Group	"la Caixa" Group	Associates and jointly controlled entities
Services received	1,074	2,907 (1)	64	185	2,858	42
Services rendered	96	-	20	24	-	21
Interest paid	-	65	-	3,881	13,792	288
Interest charged	706	122,266	-	-	192,251	-
Dividends received	170,466	-	472,035	316,136	-	357.076
Dividends deducted from cost of investment	33,931	-	27,048	170,500	-	-
Gain on sale of property, plant and equipment	-	-	-	-	6	-
Dividends, reserves and share premiums distributed	-	427,471	-	-	531,929	-

(1) The services received from "la Caixa" Group companies include EUR 2,081 thousand in relation to the lease of offices from "la Caixa".

In 2008 the following transactions were performed between Group companies:

- On 27 December 2007, the Company granted a loan of EUR 250,000 thousand to Negocio de Finanzas e Inversiones I, S.L. which was repaid on maturity on 31 March 2008. On 12 June 2008, it was agreed to grant a new loan of EUR 45,000 thousand maturing on 31 December 2008, which was repaid early on 31 October 2008.

  The interest on these loans, amounting to EUR 3,593 thousand, was recognised under "Finance Income" in the accompanying income statement for 2008.

- Loan of EUR 6,260 thousand granted to Crisegen Inversiones, S.L. on 20 December 2007, maturing on 30 June 2008 and extended until 31 January 2009. The loan principal was repaid early in full on 17 December 2008 for an amount of EUR 6,260 thousand. The interest income recognised in relation to this loan in 2008 amounted to EUR 9 thousand.

- Loan of EUR 255,094 thousand granted to Hisusa-Holding de Infraestructuras de Servicios Urbanos, S.A. on 23 January 2008, to cater for the takeover bid described in Note 5.2 The maturity date for the loan was 23 January 2009; however, on 30 October the company partially repaid EUR 130,903 thousand of the principal and in December 2008 it was repaid in full.

  In connection with the interest on the loans to Hisusa- Holding de Infraestructuras de Servicios Urbanos, S.A., in 2008 the Company recognised EUR 14,225 thousand under "Finance Income" in the accompanying income statement for 2008.

- Arrangement of a foreign currency hedge with "la Caixa" in relation to the disbursement of MXN 25,688 million for the acquisition of Grupo Financiero Inbursa.

Foreign currency transactions

On 8 October 2008, Criteria CaixaCorp acquired 20% of the Mexican holding company Grupo Financiero Inbursa (see Note 5.2)

The transaction to achieve 20% of the share capital was structured through the subscription of a capital increase and a takeover bid targeted at the private investors in GFI. The acquisition price was MXN 38.5 per share, giving rise to a disbursement of MXN 25,668 million. On 19 June 2008, the Company arranged a Mexican peso/euro hedge at MXN 16.0292/EUR 1. The acquisition of the ownership interest was recognised using this exchange rate for the translation to euros.

In 2009 the Company collected MXN 333 million in dividends from GFI which were recognised under "Revenue from Equity Investments" in the accompanying income statement.

(19) NOTE TO THE STATEMENT OF CASH FLOWS

Cash and cash equivalents increased by EUR 2,846 thousand with respect to 2008. This increase is explained by the net effect of the significant impact of investing activities, which gave rise to a net negative cash flow of EUR 1,679,859 thousand, offset by the cash flows of EUR 793,822 thousand from financing activities and by the cash flows of EUR 888,883 thousand from operating activities.

The positive cash flows from operating activities included most notably the cash flows obtained from the dividends received from investments in Criteria CaixaCorp Group companies, which amounted to EUR 1,216,458 thousand. These flows were reduced by the interest of EUR 125,089 thousand paid.

Noteworthy in relation to the cash flows from investing activities was the volume of investments in Group companies, associates, jointly controlled entities and available-for-sale financial assets (equity instruments), as detailed in Notes 5 and 6. Total investments, which amounted to EUR 2,935,850 thousand, were partially offset by divestments amounting to EUR 1,255,991 thousand, the most significant sale being that of the shares of Telefónica and the cash inflow arising from the merger with Caixa Capital Desarrollo.

As regards the cash flows from financing activities, total dividends paid to shareholders amounted to EUR 536,374 thousand, and EUR 1,642,611 thousand were drawn down against the credit facility arranged with "la Caixa", since the funds obtained from the loans arranged with "la Caixa" and from the bond issue were used to reduce the drawn down balance.

(20) INFORMATION ON THE ENVIRONMENT – SUSTAINABILITY INDEX AND CORPORATE RESPONSIBILITY

In view of the Company's business activities, it does not have any environmental expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements. However, it should be noted that since September 2009, the Company has been included in the FTSE 4 Good Index, which reflects the right management of the companies in economic, social and environmental matters, not only in its business activities but in its investments. In 2009, the Company has been included again in the Dow Jones Sustainability index, improving its qualification from the previous year, recognising the commitment with the sustainability and corporate reputation.

In 2009 Criteria CaixaCorp joined the United Nations Global Compact, a United Nations international initiative for businesses that are voluntarily committed to aligning their operations and strategies in the social responsibility field with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

Criteria CaixaCorp continues, with the close co-operation of “la Caixa” and through its “Active Management” policy, which means to participate in the director’s boards of its stakes, the development of internal processes for assessing and controlling the social and environmental risk of its investees in order to be able to guarantee that these organisations work in a responsible and ethical manner.

The energy companies and utilities in which Criteria CaixaCorp has ownership interests have well defined corporate responsibility strategies and, in addition, are multinationals which report periodically using best reporting practices in relation to the implementation of their sustainability strategies. Their commitment and responsibility have been acknowledged by various Spanish and international bodies in prestigious rankings or indexes such as, among others, “Monitor Español de Reputación Corporativa” (Spanish Corporate Reputation Monitor), “The Good Company Ranking 2007” and “FTSE4good.

The insurance group and Port Aventura have advanced practices in these matters, as they joined international initiatives from United Nations (Global Compact and Responsible Investment Principles), and they own social and environmental certifications. As regards the financial portfolio, efforts also focused on reporting transparency and preventing fraud and money laundering, through the periodic presentation of internal control reports to the Company’s Audit and Control Committee.

(21) RISK MANAGEMENT POLICY

1. Risk management policy

Criteria CaixaCorp’s policy to mitigate its risk exposure is based on a prudent equity security investment policy. Its equity investments have been made in sound companies of acknowledged solvency.

The Company’s main financial risks are those associated with its portfolio of investees. The exposure to changes in exchange rates increased due to the acquisition in 2008 of an investment in the Mexican holding company Grupo Financiero Inbursa giving the Company a significant influence over the investee.

The Company classified its main risks in the following categories:

- Market risk. This includes the value of the ownership interests in other companies, classified as available-for-sale financial assets, and changes in interest rates and foreign exchange rates.
- Liquidity risk. This relates mainly to the lack of liquidity of certain of its investments or needs arising from their commitments or investment plans.
- Credit risk. Arising when counterparties fail to meet their payment obligations and the possible losses as a result of changes in their credit quality. Conceptually, this type of risk includes investments in the portfolio of jointly controlled entities and associates.
- Operational risk. Relating to errors in the implementation and execution of operations.

Also, the Group is exposed to country risk (relating to market, liquidity and credit risk) which consists of the possibility of assets becoming impaired or of a decrease in funds generated or transferred to the Parent as a result of political, economic and social instability in the countries in which investments are held.

Various methods and tools are used to measure and monitor the risks:

- For investments not classified as available for sale and for available-for-sale investments intended to be held for strategic purposes, the most significant risk is default risk and, therefore, the PD/LGD approach is used.
- For the other investments classified as available for sale, the most significant risk is market risk and, therefore, the market (VaR) approach is used.

These methods and tools make it possible to adequately assess and measure exposure to the risk and, as a result, take the decisions required to minimise the impact of these risks with a view to making the following more stable.

- Cash flows, to facilitate financial planning and to be able to take appropriate investment or divestment decisions.

- The income statement, with the aim of promoting medium- and long-term stability and growth.

- The value of equity, in order to safeguard the value of the investment made by the Company's shareholders.

Following is a description of the main risks and of the policies adopted to minimise their impact on the Company's financial statements.

1.1. Market risks

This refers to the risk that the value of a financial instrument may vary as a result of changes in the price of shares, interest rates or foreign exchange rates. Possible consequences of these risks are decreases in equity and losses arising due to changes in market prices and/or for the losses on the positions composing the investment portfolio, rather than the trading portfolio, at medium to long term.

Price risk

At 31 December 2009, the market value of the Company's directly and indirectly held portfolio of investments in listed companies and classified as available-for-sale financial assets was EUR 6,818 million, with unrealised pre-tax gains of EUR 2,686 million. 82% of the market value of the Group's assets at 31 December 2009 relate to investments in listed securities. As a result, the Group is exposed to the market risk generally associated with listed companies. The listed securities are exposed to fluctuations in price and trading volume due to factors beyond the Company's control.

The Company has specialised teams which continually monitor investee transactions, to a greater or lesser extent on the basis of the Company's level of influence over them, using a combination of indicators which are updated periodically. Also, in conjunction with the Strategic Risk Management Division of "la Caixa", investment risk measurements are taken, both from the standpoint of the risk inherent in market price volatility, using VaR (Value at Risk) models on the risk-free interest rate yield spread as proposed by the New Basel Capital Accord (NBCA) for banks, and from the point of view of the possibility of default, applying models based on the Probability of Default and Loss Given Default ("PD" and "LGD") approaches, also in accordance with the provisions of the NBCA.

Management monitors these indicators on an ongoing case-by-case basis to be able, at anytime, to take the most appropriate decisions on the basis of the market performance observed and predicted and of the Company's strategy. Also, the values are subject to ongoing monitoring, in order to assess whether there is any objective evidence of impairment, as described in Note 6. Although the measurement bases for available-for-sale financial assets are based on fair value, and both the losses and gains are recognised in equity, the Company uses discounted cash flow methods to measure, on a regular basis, its investments classified as available-for-sale financial assets.

Interest rate risk

This relates mainly to changes in interest costs on floating-rate debt. Therefore, the risk lies basically in the Group's indebtedness. In this regard, in interest rate risk management, the sensitivity of the fair value of the assets and liabilities to changes in the structure of the market interest rate curve is considered.

In 2009 the Company arranged two long-term loans of EUR 1,000 million each with "la Caixa", at a fixed rate of interest. Also, bonds were issued on the debt market at five years, also at a fixed interest rate (see Note 13). The funds obtained were used to reduce the amount drawn down against the credit facility. With these transactions, a substantial reduction in the exposure to interest rate risk was achieved.

Foreign currency risk

The functional currency of most of the assets and liabilities recognised in the Company's balance sheet is the euro, except for the investment in Grupo Financiero Inbursa. This investment was made in Mexican pesos, and the disbursement amounted to MXN 25,668 million.

During the year management considered taking positions to mitigate the exposure to foreign currency risk of its investments or the cash flows expected from them. Management regularly assesses the advisability or otherwise of taking positions to hedge foreign currency risk.

The Group may also be indirectly exposed to currency risk through the foreign currency investments made by its investees.

The Group's policies, on the basis of the overall quantification of risk, take into account the advisability of arranging either derivative financial instruments or debt in the same currency or currencies of the economic environment as the assets in which the investment is made.

Country risk

The Group's policy for managing or mitigating country risk consists mainly of monitoring the geographical area in which it makes its investments both before making the investment and periodically after the investments have been made. In addition, country risk is taken into account when deciding on whether to sell investments or spread them over different geographical areas.

Sensitivity analysis

The variables which could have a significant impact on the Group's profit and equity are as follows:

- Changes in the price of shares of listed companies.
- Changes in interest rates.

The fluctuations in the price of shares of the investees recognised under “Available-for-Sale Financial Assets” could have a direct effect on equity at the balance sheet date. It could affect profit indirectly, but only within the context of an impairment test.

An adverse change in the market value of the investments recognised under “Investments in Associates and Jointly Controlled Entities” would not affect the value of the investment, although, together with other indicators, it might indicate the need to perform an impairment test.

The impact on the year-end market price of a 10% increase or decrease in the value of the shares classified under “Available-for-Sale Financial Assets” would be an increase or a decrease in equity, under “Valuation Adjustments”, at 31 December 2009 of EUR 412 million. In any case, the decrease in equity that would arise in the event of a drop in the market price of the shares is EUR 1,460 million lower than the unrealised gain recognised under “Equity - Valuation Adjustments”.

Changes in market interest rates affect financial results, basically as a result of the Company’s borrowings at rates tied to Euribor. A 1% rise in the interest rate on the average balance of the credit line drawn down in 2008 would have reduced the profit for the year after tax by approximately EUR 41 million. A 1% drop in interest rates would have increased the profit for the year by the same amount.

1.2. Liquidity risk

Liquidity risk relates to the possibility of a company not being able to meet its payment obligations because it cannot sell a financial instrument sufficiently quickly without incurring significant additional costs. The liquidity risk associated with the possibility of financial investments being converted into cash is of little significance since they are generally listed on deep, active markets.

In its investing activity, Criteria CaixaCorp takes into account in the management of its liquidity the generation of sustained and significant cash flows by its businesses and investments and the capacity to realise its investments which, in general, are listed on deep, active markets.

In addition, the Company mainly receives, in terms of liquidity, financing from its majority shareholder, without prejudice to the possibility of turning to alternative sources of financing in Spanish and international capital markets.

In order to be able to adequately interpret the Company’s liquidity position, following is a detail of the maturities of its assets and liabilities:

31 December 2009	Maturity (in thousands of euros)				
Type of financing item	Demand	Within 3 months	Between 3 and 12 months	1 to 5 years	After 5 years
Assets					
Investments in Group companies	-	-	-	-	3,140,319
Investments in associates and jointly controlled entities	-	-	-	-	10,985,788
Non-current financial assets	-	-	-	-	6,817,935
Deferred tax assets	-	-	-	582,746	-
Accounts receivable	-	295	-	-	-
Short-term investments-	-	357,066	-	-	-
Current accrued expenses and deferred income	-	184	552	-	-
Cash and cash equivalents	4,547	-	-	-	-
Total	**4,547**	**357,545**	**552**	**582,746**	**20,944,042**
Liabilities					
Provisions	-	-	-	33,521	-
Debentures issued	-	-	-	992,198	-
Short-term payables to Group companies	-	-	-	4,610,421	1,000,000
Deferred tax liabilities	-	-	-	-	860,096
Other deferred tax liabilities	-	-	-	22,915	-
Current payables	16,679		234,413	-	-
Other current liabilities	-	32,760	-	-	-
Total	**16,679**	**32,760**	**234,413**	**5,659,055**	**1,860,096**

1.3. Credit risk

Credit risk refers to the risk of incurring losses through breach of contractual payment obligations by a debtor or changes in the risk premium relating to the financial solvency of the debtor. The main credit risks are the investments in associates, mainly listed associates, which is not the same as the risk related to the market value of their shares.

Management of the Company's credit risk is controlled by strict internal compliance with procedures defined by management. This procedure defines the asset category suitable for inclusion in the investment portfolio using definition parameters such as the main rating scales, terms, counterparties and concentration.

The cost of investments in jointly controlled entities and associates, EUR 10,986 million, is in principle not subject to the risk of a change in the price of the shares, since their market price does not affect the figures in the balance sheet or income statement because these investments are accounted at acquisition cost. The risk in investments of this nature is associated with the performance of the business of the investee, and the possible bankruptcy thereof, since the market price of the shares is a mere indicator. In general, this risk can be classified as a credit risk. The tools used to measure these risks are models based on the PD/LGD (Probability of Default and Loss Given Default) approach, also as provided for in the New Basel Capital Accord (NBCA).

1.4. Operational risk

This is defined as the risk of incurring a loss as a result of errors in operating processes.

The risk management process covers issues in relation to systems and staff, administrative processes, information security and legal matters. These issues are managed with the purpose of establishing adequate controls to minimise possible losses.

(22) SEGMENT REPORTING

Since Criteria CaixaCorp engages mainly in the acquisition, sale and management of all manner of marketable securities and investments in other companies, it would be of little purpose to present financial statements by segment. As a result, the management information presented to management was defined for the purpose of ensuring the active management of investments, optimising control processes and strengthening the strategy of investment/divestment in holdings and, accordingly, Criteria CaixaCorp's internal management was not based on business segments.

However, it is meaningful to present the dividends by business segment of the investees based on the following types of business:

- **Financial services segment**, which includes the insurance, specialised financial services and banking activities on an individual basis; and

- **Utilities segment**, which includes the listed utilities and other unlisted companies.

The segment information on dividends for 2009 and 2008 is as follows:

	Thousands of euros	
Segment	2009	2008
Financial services		
Insurance	139,785	88,763
Specialised financial services	6,314	2,999
Banking	46,497	48,199
Utilities		
Listed companies	713,972	680,229
Unlisted companies	180,666	184,868
Total	**1,087,234**	**1,005,058**

Also, the breakdown of the Company's revenue by geographical market, taking into account the area in which the companies issuing accrued dividends are resident, is as follows:

	Thousands of euros	
Geographic area	2009	2008
Spain	1,040,736	967,663
Mexico	18,221	-
European Union	28,277	37,452
Total	**1,087,234**	**1,005,115**

(23) DISCLOSURES RELATING TO THE BOARD OF DIRECTORS

Remuneration and other benefits

In 2009 and 2008 the members of the Board of Directors earned attendance fees and remuneration amounting to EUR 3,759 thousand and EUR 2,917 thousand, respectively.

In 2009 and 2008 the remuneration received by the directors of Criteria CaixaCorp in connection with their duties as representatives of the Company on the Boards of Directors of Group companies amounted to EUR 1,408 thousand and EUR 1,491 thousand, respectively. Also, the remuneration received by the directors in connection with their attendance of the Board meetings of listed companies and other companies in which the Company has a significant presence or representation amounted to EUR 5,351 thousand and EUR 5,003 thousand, respectively, and these amounts are recognised in the income statements of the respective companies.

The detail of the aforementioned remuneration is as follows:

	Thousands of euros							
	2009				2008			
	Remuneration paid by Criteria	Attendance of other Group companies' Board meetings	Attendance of other companies' Board meetings	Total	Remuneration paid by Criteria	Attendance of other Group companies' Board meetings	Attendance of other companies' Board meetings	Total
Executive directors	1,230	1,090	573	2,893	1,112	1,000	-	2,112
Nominee directors	1,465	286	4,709	6,460	870	467	5,003	6,340
Independent directors	590	32	69	691	525	24	-	549
Other non-executive directors	474	-	-	474	410	-	-	410
Total	**3,759**	**1,408**	**5,351**	**10,518**	**2,917**	**1,491**	**5,003**	**9,411**

Also, Criteria CaixaCorp paid remuneration to the International Advisory Board amounting to EUR 652 thousand, of which EUR 180 thousand were paid to members of the Advisory Board who are also members of the Board of Directors.

The expense incurred by Criteria CaixaCorp in relation to a third-party liability insurance premium paid to cover the directors and executives amounted to EUR 358 thousand and EUR 316 thousand in 2009 and 2008, respectively.

The contribution to directors' pension plans made by the Company in 2009 amounted to EUR 125 thousand.

Criteria CaixaCorp does not have any pension obligations to former and current members of the Board of Directors in their capacity as such or any other obligations to them other than those disclosed above.

The maximum termination benefits in the event of the unilateral termination by the Company of the members of the managing bodies of Criteria CaixaCorp amount to EUR 2 million.

The Company's directors did not perform any transaction other than in the normal course of business or other than on an arm's length basis with Criteria CaixaCorp or with Criteria CaixaCorp Group companies in 2009 or 2008.

Remuneration of executives

In 2009 the remuneration paid to management, which include the members of the Management Committee, totalled EUR 2,387 thousand, which included EUR 372 thousand for attendance fees for attending the Board meetings of investees. It does not include the remuneration received by the executives who are also directors, since this is disclosed in the preceding section.

In 2008 the remuneration paid to management, which include the members of the Management Committee, totalled EUR 3,572 thousand, which included EUR 490 thousand for attending the Board Meetings.

The contributions to the pension plans of the members of the Management Committee made by the Company in 2009 amounted to EUR 885 thousand.

Purchase of shares by Board members and/or senior executives

At 31 December 2009, the direct and indirect investments of the members of the Board of Directors in the share capital of the Company were as follows:

	No. of shares	%
Javier Godó Muntañola	1,230,000	0.037%
Isidre Fainé Casas	567,505	0.017%
Gonzalo Gortázar Rotaeche	300,100	0.009%
Joan Maria Nin Génova	234,491	0.007%
Isabel Estapé Tous	201,090	0.006%
Susana Gallardo Torrededia	58,700	0.002%
Juan Rosell Lastortras	32,382	0.001%
Alain Minc	10,000	0.000%
Leopoldo Rodés Castañé	9,700	0.000%
Salvador Gabarró Serra	7,003	0.000%
Immaculada Juan Franch	5,611	0.000%
Miquel Noguer Planas	3,561	0.000%
Maria Dolors Llobet Maria	2,100	0.000%
Jordi Mercader Miró	1,496	0.000%
David K.P. Li	-	-
Francesc Xavier Vives Torrents	-	-
Total	**2,663,739**	**0.079%**

Detail of ownership interests, positions and duties in companies engaging in similar activities and performance, as independent professionals or as employees, of similar activities

Pursuant to Article 127 ter. 4 of the Spanish Public Limited Liability Companies Law, introduced by Law 26/2003, of 17 July, which amends Securities Market Law 24/1988, of 28 July, and the Consolidated Public Limited Liability Companies Law, in order to reinforce the transparency of corporations, listed below are the companies engaging in activities that are identical, similar or complementary to those constituting the company object of Criteria CaixaCorp at which the members of the Board of Directors in 2009 hold or have held a position:

Director	Company	Shares	Line of business	Position	Company represented
Isidre Fainé Casas	Hisusa-Holding de Infraestructuras de Servicios Urbanos, S.A.	N/A	Holding company	Director	Criteria CaixaCorp
Javier Godó Muntañola	Grupo Godó de Comunicación, S.A.	90.58%	Holding company	Chairman	-
Javier Godó Muntañola	Privatmedia, S.L.	40%	Holding company	Director	-
Javier Godó Muntañola	Catalunya Comunicació, S.L.	N/A	Holding company	Chairman	-
Javier Godó Muntañola	Sociedad de Servicios Radiofónicos Unión Radio, S.A.	N/A	Holding company	Deputy Chairman	-
Gonzalo Gortázar Rotaeche	Inversiones Autopistas, S.L.	N/A	Holding company	Chairman	-
Jordi Mercader Miró	Hacia, S.A.	65%	Holding company	Chairman	-
Juan Rosell Lastortras	Civislar, S.A.	N/A	Holding company	Director	-

Also, it is hereby stated that no member of the Board of Directors has performed or is currently performing any activity, as an independent professional or as an employee, that is identical, similar or complementary to the activity that constitutes the company object of Criteria CaixaCorp.

(24) EVENTS AFTER THE BALANCE SHEET DATE

In December 2009 Criteria CaixaCorp entered into an agreement with The Bank of East Asia ("BEA") in order to subscribe a capital increase to augment Criteria's ownership interest in the Asian bank to 14.99%. This capital increase, ended the 14 January 2010, has been subscribed through the wholly-owned subsidiary of Criteria CaixaCorp, Negocio de Finanzas e Inversiones I, S.A. The transaction forms part of the framework of the agreements entered into by BEA, "la Caixa" and Criteria in June 2009 and will entail an investment by Criteria of HKD 3,698 million, around EUR 331 million at the exchange rate prevailing at year-end.

The capital increase has taken the form of a private placement (without pre-emption rights) offered to Criteria which has subscribed approximately 120.8 million shares, which added to the 9.81% that it held has enabled it to achieve 14.99% of the share capital of BEA, and to Sumitomo Mitsui Banking Corporation, which has subscribed approximately 46.3 million shares, thereby achieving a total holding in BEA of 4.05%. The transaction will enable BEA to strengthen the development of its business, in particular with respect to its strategy of growth in the Chinese market, and promote its Total Tier Capital and Tier 1 Capital ratios to approximately 16.0% and 11.7%, respectively.

As part of the Strategic Investment Agreement entered into by Criteria and BEA in June 2009, it was agreed that Criteria could increase its ownership interest up to 12.5% when it so deemed fit and, subject to BEA's agreement, increase it beyond this percentage up to a maximum of 20%. Criteria, which already had the relevant authorisations from both the Bank of Spain and the Hong Kong Monetary Authority to increase its interest in BEA above 10%, strengthened its position in BEA with the new ownership interest of 14.99%. Also, Isidro Fainé, Chairman of Criteria, was appointed as director of BEA on 1 June 2009 and David K.P. Li (President and CEO at BEA) was appointed as a director of Criteria in 2007.

In order to finance the acquisition, it was previously necessary to increase capital at Negocio de Finanzas e Inversiones I, which was subscribed in full by Criteria.

With this new transaction, Criteria increased its relative importance of the financial services sector in its asset portfolio and achieved a percentage of 33%, thereby following the strategy defined when it was floated just over two years ago.

(25) EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These financial statements are presented on the basis of accounting principles generally accepted in Spain. Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Spain may not conform with generally accepted accounting principles in other countries.

APPENDIX I

Investments in Group companies

Company name and line of business	Registered office	% of ownership Direct	% of ownership Total	Share capital	Reserves and interim diviedend	Profit / (loss)	Other equity	Total equity	Dividends accruec in the year n direct ownershi interest	Carrying amount of direct ownership interest	Auditor
				Thousands of euros							
AGENCAIXA, S.A. Agencia de Seguros Grupo SegurCaixa Holding Insurance broker	Complejo Torres Cerdà. Juan Gris, 20-26 08014 Barcelona España	-	100,00	601	7.959	(2.899)	-	5.661	-	-	Deloitte
SEGURCAIXA HOLDING, S.A.U.(formerly Caifor, S.A.) Insurance	Complejo Torres Cerdà. Juan Gris, 20-26 08014 Barcelona España	100,00	100,00	394.187	30.350	162.657	-	587.194	50.000	1.227.335	Deloitte
CaixaRenting, S.A. Lease of vehicles and machinery	Gran Via de les Corts Catalanes, 130 - 136 08038 Barcelona España	100,00	100,00	10.518	28.342	(25.182)	(18.650)	(4.972)	-	62.000	Price Waterhouse Coopers
Catalunya de Valores SGPS, UL Holding company	Rua Júlio Dinis, 891 4º 4050-327 Massarelos (Porto) Portugal	100,00	100,00	5	19	39	-	62	322	7	Deloitte y Associados SROC, S.A.
Cegripro, SAS Property	20, rue d´Armenonville 92200 Neuilly Sur Seine París Francia	-	100,00	38.000	1.007	2.060	-	41.067	-	-	Cabinet RSM RSA
Finconsum, EFC, S.A. Consumer finance	Gran Via Carles III, 87, bajos 1º B 08028 Barcelona España	100,00	100,00	126.066	46.580	(60.145)	(9.103)	103.398	-	123.000	Price Waterhouse Coopers
GDS-Correduría de Seguros, SL Insurance broker	Av. Diagonal, 427 bis - 429 1ª Pl 08036 Barcelona España	67,00	67,00	30	(2.392)	2.771	-	409	1.926	241	KPMG/Peat Marwick
GestiCaixa, SGFT, S.A. Securitisation SPV management company	Av. Diagonal, 621-629 Torre II Pl.8 08028 Barcelona España	91,00	100,00	1.503	301	2.147	-	3.950	1.967	2.630	Deloitte
G.P. Desarrollos Urbanísticos Tarraconenses, S.L.U. Real estate and holding company	Av. Diagonal, 621-629 Torre II Pl.8 08028 Barcelona España	-	100,00	21.115	(749)	(88)	-	20.278	-	-	-
Hodefi, SAS Holding company	20, rue d´Armenonville 92200 Neuilly-sur-Seine París Francia	-	100,00	182.699	3.478	965	-	187.141	-	-	Cailliau, Dedouit&Associés /Deloitte&Touche
Holret, S.A.U. Real estate services	Avda. Diagonal, 621-629 Torre II Pl.8 08028 Barcelona España	100,00	100,00	221.935	61.951	15.280	-	299.166	-	267.898	Deloitte
InverCaixa Gestión, SGIIC, S.A. CIU management company	Av. Diagonal, 621-629 Torre II Pl.7 08028 Barcelona España	100,00	100,00	81.910	6.269	6.783	-	94.963	4.346	89.350	Deloitte
Inversiones Autopistas, SL Holding company	Av. Diagonal, 621-629 08028 Barcelona España	50,10	50,10	100.000	44.921	31.945	-	176.866	16.013	524.214	Deloitte
Invervida Consulting, S.L. Holding company	Complejo Torres Cerdà. Juan Gris, 20-26 08014 Barcelona España	-	100,00	2.905	143	3.710	-	6.758	-	-	Deloitte
Mediterranea Beach & Golf Resort (formerly Port Aventura) Management of the areas closed to the theme park and real estate management	Avinguda Alcalde Pere Molas, km.2 43480 Vila-Seca Tarragona España	80,58	100,00	135.135	20.154	(27.781)	(1.044)	126.464	-	131.124	-
Negocio de Finanzas e Inversiones I, S.L. Holding company	Av. Diagonal, 621-629 08028 Barcelona España	100,00	100,00	318.337	474.812	(37.607)	(94.752)	660.791	-	712.434	Deloitte
Recouvrements Dulud, S.A. Finance	20, rue d´Armenonville 92200 Neuilly Sur Seine París Francia	-	100,00	3.272	(1.318)	29	-	1.983	-	-	Cailliau, Dedouit&Associés
SCI Caixa Dulud Property management	20, rue d´Armenonville 92200 Neuilly Sur Seine París Francia	-	100,00	15.652	-	1	-	15.653	-	-	Cabinet d'Expertise Comptable
SEGURCAIXA, S.A. de Seguros y Reaseguros Insurance	Complejo Torres Cerdà. Juan Gris, 20-26 08014 Barcelona España	-	100,00	9.100	19.882	23.518	4.016	56.515	-	-	Deloitte
Sodemi, SAS Real estate development and lease	20, rue d´Armenonville 92200 Neuilly-sur-Seine París Francia	-	100,00	9.405	583	(149)	-	9.839	-	-	Cabinet RSM RSA
Tenedora de Vehículos, S.A. Renting	Edificio Estación de Renfe Local nº 3 p 08256 Rajadell Barcelona España	-	65,00	600	698	426	(63)	1.660	-	-	Price Waterhouse Coopers
VidaCaixa, S.A. de Seguros y Reaseguros Insurance	Complejo Torres Cerdà. Juan Gris, 20-26 08014 Barcelona España	-	100,00	380.472	(39.770)	191.742	-	532.443	-	-	Deloitte

Note: The foregoing information reflects the latest (actual or estimated) available figures at the date if preparing these notes to the financial statements

APPENDIX II

Investments in jointly controlled entities and associates

Company name and line of business	Registered office	% of ownership		Thousands of euros									
		Direct	Total	Share capital	Reserves and interim dividend	Profit/ (loss)	Other equity	Total equity	Dividends accrued in the year on total ownership interest	Carrying amount of direct ownerchip interest (net)	Auditor	Share price at 31/12/2009	Average share price in last quarter
Abertis Infraestructuras, S.A. Management of transport and communications infrastru	Av. del Parc Logístic, 12-20 08040 Barcelona España	20,65	25,04	2.111.536	1.825.194	332.465	987.513	5.256.708	103.243	2.549.557	Price Waterhouse Coopers	15,72	15,37
Banco BPI, S.A. Banking	Rua Tenente Valadim, 284 4100 476 Porto Portugal	30,10	30,10	900.000	994.460	130.592	302.613	2.327.665	17.859	797.258	Deloitte	2,12	2,31
Bank of East Asia Banking	10 des Voex Road Central Hong Kong	-	9,81	420.303	2.366.807	106.719	202.574	3.096.403	4.901	-	KPMG	30,85 (1)	30,57 (1)
Boursorama Banking	18 Quai du Point du Jour 92659 Boulogne Billancourt Cedex Francia	-	20,85	34.927	n.d	37.310	n.d.	644.598	-	-	Deloitte / Ernst & Young	9,67	9,01
Erste Group Bank AG Banking	Graben 21 A-1010 Wien Austria Austria	10,10	10,10	755.850	7.551.000	720.000	3.416.000	12.442.850	10.097	1.185.109	Ernst & Young m.b.H./ Sparkassen-Prüfungsverband	26,06	28,57
Gas Natural, SDG, S.A. Energy	Plaça del Gas, 1 08003 Barcelona España	36,43	36,43	895.552	8.548.615	621.675	2.307.756	12.373.598	286.090	3.313.544	Price Waterhouse Coopers	15,09	14,23
Grupo Financiero Inbursa, S.A.B. de C.V. Banking	Paseo de las Palmas Nº 736 Lomas de Barcelona 11000 Mèxico D.F. México	20,00	20,00	139.689	2.615.961	304.091	(45.186)	3.014.555	18.221	1.608.173	Mancera / Ernst & Young	38,13 (1)	38,80 (1)
Hotel Caribe Resort, S.L. Hotel	Rambla del Parc s/n 43840 Salou Tarragona España	-	30,00	17.936	306	63	(116)	18.189	-	-	Deloitte	-	-
Hisusa-Holding de Infraestructuras de Serv.Urbanos, S.A. Holding company	Torre Agbar. Av. Diagonal, 211 08018 Barcelona España	49,00	49,00	274.743	584.866	201.997	-	1.061.606	117.265	571.000	Deloitte	-	-
Port Aventura Entertainment, S.A. Theme park	Avinguda Alcalde Pere Molas, km.2 43480 Vila-Seca Tarragona España	40,29	50,00	77.579	56.889	4.500	242	139.210	-	58.517	Deloitte	-	-
Repinves, S.A. Holding company	Av. Diagonal, 621-629 Torre II 8ª plant 08028 Barcelona España	67,60	67,60	61.304	780.478	58.238	175.020	1.075.040	39.353	643.541	Deloitte	-	-
Sociedad General de Aguas de Barcelona, S.A. Public services (integral water cycle and health)	Torre Agbar. Av. Diagonal, 211 08018 Barcelona España	11,54	44,10	149.642	1.519.945	78.379	729.882	2.477.848	131.867	449.463	Deloitte	19,91	19,24

(1) Price in local currency

Note: The informations relating to listed companies is the plublicly available at the date of preparation of these notes to the financial statements

APPENDIX III

Available-for-sale financial assets- Equity instruments

Company name and line of business	Registered office	% of ownership Direct	Total	housands of euros Dividends accrued in the year on direct ownership interest	;ahre price a 31/12/2009	Average share price in last quarter
Bolsas y Mercados Españoles Sociedad Hold Securities markets and financial systems	Plaza de la Lealtad,1 28014 Madrid España	5,01	5,01	8.321	22,50	23,25
Repsol YPF, S.A. Operations in oil and gas markets	P. de la Castellana, 278-280 28046 Madrid España	9,28	12,68	107.663	18,73	18,59
Telefónica, S.A. Telecommunications	Distrito C C/.Ronda de la comunicación s/n 28050 Madrid España	5,16	5,16	212.195	19,52	19,25

Note: The informations relating to listed companies is the plublicly available at the date of preparation of these notes to the financial statements

APPENDIX IV

Companies filing consolidated tax returns

The composition of the "la Caixa" consolidated group for 2009 income tax purposes is as follows:

AgenCaixa, S.A. (*)
Aris Rosen, S.A.U.
SegurCaixa Holding (formerly Caifor, S.A.) (*)
Caixa Barcelona Seguros Vida, S.A. de Seguros y Reaseguros
Caixa Capital Pyme Innovación, SCR de Régimen Simplificado, S.A.
Caixa Capital Risc, SGECR, S.A.
Caixa Capital Semilla, SCT de Régimen Simplificado, S.A.
Caixa d'Estalvis i Pensions de Barcelona (parent of the tax group)
Caixa Preference, S.A.U.
CaixaCorp, S.A.
CaixaRenting, S.A.(*)
Corporación Hipotecaria Mutual, EFC, S.A.
Criteria CaixaCorp, S.A.(*)
e-la Caixa, S.A.
Financiacaixa 2, EFC, S.A.
Finconsum, EFC, S.A. (*)
Grand Península Desarrollos Urbanísticos Tarraconenses, S.L.U.(*)
GDS-CUSA, S.A.
GestiCaixa, SGFT, S.A.(*)
GestorCaixa, S.A.
Holret, S.A.U.(*)
Iniciativa Emprendedor XXI, S.A.
InverCaixa Gestión, SGIIC, S.A.(*)
Invervida Consulting, SL(*)
MediCaixa, S.A.
Mediterranea Beach and Golf Resort, S.A. (formerly Port Aventura, S.A.) (*)
MicroBank de la Caixa, S.A.
Negocio de Finanzas e Inversiones, I, S.A. (*)
PromoCaixa, S.A.
RentCaixa,, S.A. de Seguros y Reaseguros
SegurCaixa, S.A. (*)
Segurvida Consulting, S.A.
Serveis Informàtics de la Caixa, S.A.
Servihabitat XXI, S.A.
Serviticket, S.A.
Suministros Urbanos y Mantenimientos, S.A.- SUMASA
TradeCaixa I, S.A.
VidaCaixa, S.A. de Seguros y Reaseguros (*)
Valoraciones y Tasaciones Hipotecarias, S.A.

Note: the consolidated tax group also includes 66 companies that are currently dormant.
(*) Companies of the Criteria CaixaCorp group

APPENDIX V
Tax credits for the reinvestment of extraordinary income

Income qualifying for the tax credit provided for in Article 42 of the Consolidated Spanish Corporation Tax Law approved by Legislative Royal Decree 4/2004, of 5 March:

	Thousands of euros		
Year	Income qualifying for the tax credit	Income used to qualify for the tax credit	Tax credit
2001 and prior years	110,380	110,380	18,765
2002	-	-	-
2003	41,221	41,221	8,244
2004	7,770	7,770	1,554
2005	30,300	30,300	6,060
	18,272	-	-
2006	1,141,899	-	-
2007	-	617,623	123,525
2008	-	542,548	108,510

The total proceeds obtained in the transfer of assets that gave rise to a tax credit for reinvestment of extraordinary income in the years from 2001 to 2004 and in a portion of 2005 were reinvested in the period between the year prior to the date of transfer and the year of transfer.

The related amounts were reinvested in equity securities giving rise to an ownership interest of more than 5% and in property, plant and equipment and intangible assets.

At 31 December 2006, the companies in the “la Caixa” consolidated tax group had income not yet reinvested entitling Criteria CaixaCorp to take tax credits on income relating to 2005 and 2006 of EUR 18,272 thousand and EUR 1,141,899 thousand, respectively, which provide the basis for calculating the tax credit. Consequently, Criteria CaixaCorp had not yet recognised income for the reinvestment tax credit amounting to EUR 232,034 thousand, which would accrue in 2007 and subsequent years when the related reinvestment was made.

The reinvestments made in 2007 by the companies in the ”la Caixa” consolidated tax group made it possible to take a tax credits for the reinvestment of extraordinary income in the 2007 income tax return of EUR 123,525 thousand (of which, EUR 104,545 thousand were recognised as income at 2007 year-end and EUR 18,980 thousand were recognised as income in 2008) in relation to the obtainment of extraordinary income of EUR 18,272 thousand and EUR 599,351 thousand in 2005 and 2006, respectively.

At 2008 year-end, the companies in the consolidated tax group made reinvestments in 2008 that was assigned to income qualifying for the tax credit earned in 2006 amounting to EUR 542,548 thousand and, accordingly, income of EUR 108,510 thousand was recognised in this connection.

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

CRITERIA CAIXACORP, S.A.

DIRECTORS' REPORT FOR 2009

1- COMPANY PERFORMANCE IN 2009

Criteria CaixaCorp, S.A. (hereinafter Criteria CaixaCorp, Criteria or the Company) engages mainly in the active management, with controlled risk, of a portfolio of investments, through:

- Investment in top-level companies with a significant presence in their respective markets and with the capacity to create recurring value and profits.
- Participation in the managing bodies of those companies, taking an active role in the definition of their future policies and strategies and contributing to their growth and development.
- An experienced executive team with the support of a high-quality team of professionals, which enables the Company to detect investment and divestment opportunities and to execute them at the appropriate time on the basis of the cycle of each market.

Creating long term value for the shareholders is the first objective for Criteria since its admission to trading in October 2007. To achieve this goal, it manages actively its portfolio and it focuses on increasing the weight in the financial stakes up to 40-60%.

Ir order to meet this goals, Criteria has focused to be the international expansion vehicle of "la Caixa", through significant banks whose influence areas are in high potential growth markets with relatively low bankarisation, such as the Mexican market (GF Inbursa), the Central and Eastern European market (Erste Group Bank) and Honk Kong- China (the Bank of East Asia). During the last quarter of 2009, an agreement was reached to acquire a leader company in health insurance in Spain (Adeslas).

Since going listed, Criteria CaixaCorp has consolidated its position as a company listed on the four official Spanish stock exchanges and was included in the IBEX-35 index on 4 February 2008. Nowadays, it is included in the following indexes: MSCI Europe (Morgan Stanley Capital International), MSCI Pan-Euro, DJ STOXX 600, FTSE Eurofirst 300, DJSI (Dow Jones Sustainability Index), Spain Titans 30 Index, BCN Top Euro and FTSE4 Good.

In July 2009 Standard & Poor's (S&P) assigned Criteria CaixaCorp a long-term credit rating of "A" with a stable outlook and a short-term credit rating of "A-1". The rating agency attributed its decision to the conservative and stable capital structure of Criteria, to its high level of financial flexibility and to the composition and quality of its portfolio. These ratings still stood at the date of formal preparation of these financial statements.

2008 was noted for being one of the most economically turbulent in recent years. Events in the world financial system generated considerable uncertainty in the financial markets throughout the year. Faced with shrinking liquidity in most credit markets, share prices dropped sharply. This had a significant effect on the market value of Criteria CaixaCorp's shareholdings and, from the accounting standpoint, led to the recognition of impairment losses on some of its investments. In 2009 some signs of recovery began to appear and the market value of the investments rose significantly. Nevertheless, as a consequence of the impairment test done by the Company with high prudence and conservative hypothesis, Criteria CaixaCorp recognised additional impairment losses on its share portfolio.

However, even against this backdrop, Criteria CaixaCorp met the objectives it had proposed, particularly the commitment towards active management of the share portfolio in order to create greater value for the shareholder, increase the dividends received from investees and redress the balance between the financial asset portfolio and the industrial asset portfolio. All of this took place within the scope of a growth-based business project generating adequate profitability, risk controlled, and a top-quality asset portfolio which guarantees the Company's solvency.

Basic share-related information

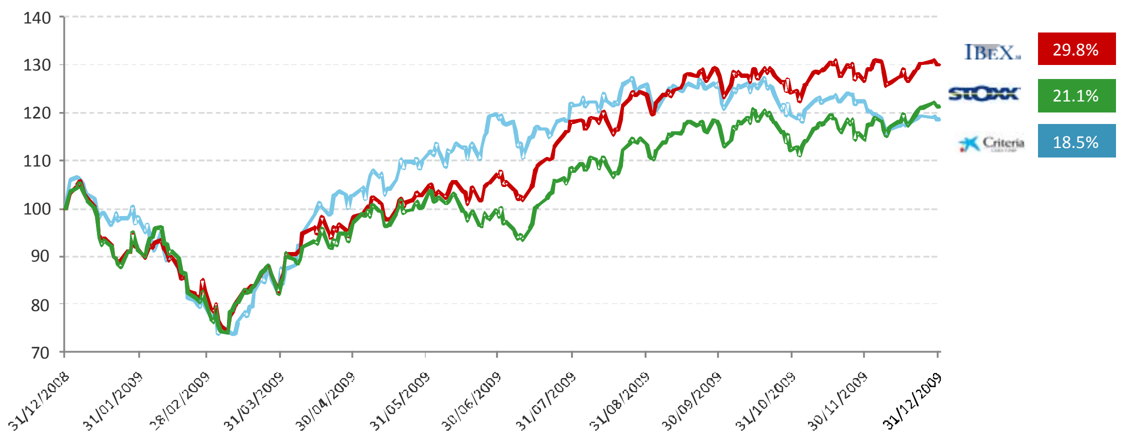
The performance of the main aggregates of Criteria CaixaCorp's shares from 31 December 2008 to the end of 2009 was as follows:

Indicators of interest concerning share performance

Market capitalisation at year-end	EUR 11,081 million
Highest share price (19/10/09) [1]	EUR 3.54
Lowest share price (12/03/09) [1]	EUR 2.05
Share price at year-end [1]	EUR 3.295
Share price at year-beginning [1]	EUR 2.78
Maximum daily trading volume (shares) (30/11/09)	38,177,990
Minimum daily trading volume (shares) (25/05/09)	870,309
Average daily trading volume (shares)	3,200,832

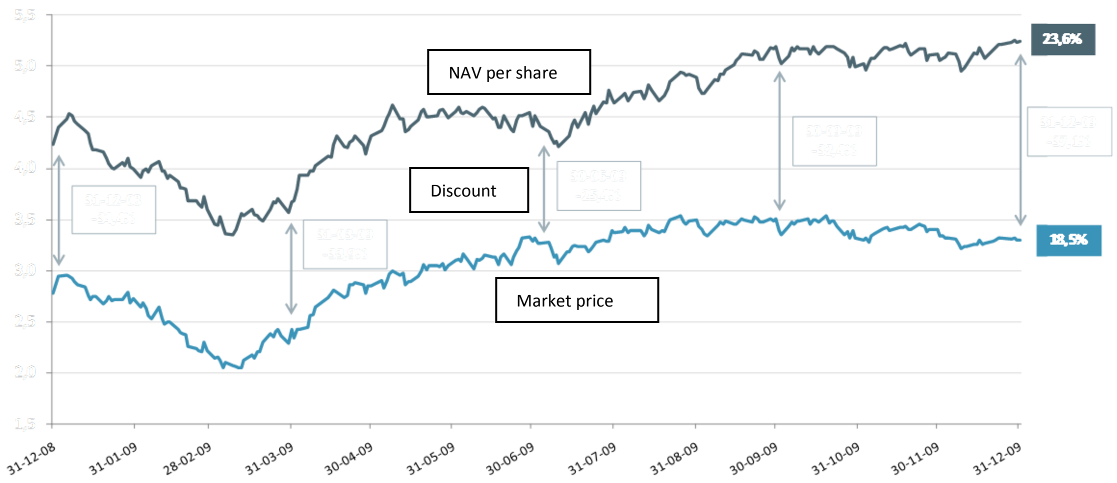
Note: [1] Market price at the end of the trading session.

Trend in the share price of Criteria CaixaCorp with respect to the main reference indicators



The comparative graph above shows that the share price increased by 18.5% with respect to the beginning of the year to close at EUR 3.30/share. The Ibex35 and the Eurostoxx50 indices performed better, increasing by 29.8% and 21.1%, respectively.

Discount



Taking the discount to be the difference between the net asset value of Criteria CaixaCorp and its capitalisation at the year-end market price, it can be seen that in 2009 it was 37.1%, significantly higher than in the previous quarter and the levels at 2008 year-end when it was 34.4%. This indicates that the market value of the assets is higher than the price per share as a whole, from which it can be inferred that there is room for a rise in the share price as the difference between the two variables narrows.

This potential is backed by analysts' views on Criteria CaixaCorp and their majority recommendation to buy or to keep.

Information on asset values

The **Net Asset Value (NAV)** of Criteria CaixaCorp is as follows:

Millions of euros	31/12/08	31/12/09
GAV (Gross asset value)[1]	18,196	24,380
Pro forma net debt position [2]	(3,944)	(6,764)
NAV (Net asset value)	14,252	17,616
Net debt/GAV	22%	28%
Millions of shares	3,363	3,363
NAV/share (€)	4.24	5.24

(1) The GAVs of listed holdings were calculated as the number of shares multiplied by the closing price at the date in question. For unlisted holdings internal valuations were used.

(2) Pro forma information obtained from the aggregate net debt/cash position in the individual financial statements of Criteria CaixaCorp and the holding companies and transactions in progress not yet materialised.

Change in GAV

Following is a detail, by investee, of the changes in the GAV in 2009:

Millions of euros	Market value 31/12/08	Investments/ Divestments	Change in value	Market Value 31/12/09
Treasury shares	18	19	10	47
Gas Natural	3,239	1,313	513	5,065
Repsol-YPF	2,337	-	561	2,898
Abertis	2,115	-	656	2,771
Agbar	964	-	350	1,314
Telefónica	3,736	(48)	684	4,372
BME	77	-	17	94
Banco BPI	463	10	101	574
Boursorama	84	-	92	176
The Bank of East Asia	248	-	253	501
GF Inbursa	1,121	-	222	1,343
Erste Group Bank	252	652	91	995
Other listed	40	(39)	(1)	-
Total listed	**14,694**	**1,907**	**3,549**	**20,150**
Total unlisted	**3,502**	**240** [1]	**(374)** [2]	**3.368**
Other committed investments:				
The Bank of East Asia	-	331	-	331
Adeslas	-	1,178	-	1,178
Agbar	-	(647)	-	(647)
TOTAL GAV	**18,196**	**3,009**	**3,175**	**24,380**

Notes: both the investments carried out by Criteria CaixaCorp directly and those of the Group's holding companies are included.

(1) It corresponds, mainly, to capital calls from VidaCaixa and capital subscriptions from SegurCaixa Holding, VidaCaixa, Finconsum and CaixaRenting.

(2) It corresponds to changes in value due to new valuations at 31 december 2009.

The foregoing table shows that in 2009 the market values of the investments recovered after the turbulence suffered in the financial markets and the across-the-board drop in share prices in 2008 which led to a significant increase in the GAV. In addition, significant investments were made, which increased borrowings and which are explained in the paragraphs below.

Summarised accounting information

Criteria CaixaCorp's earnings performance was positive, as evidenced by the Company's most significant financial information:

Separate financial statements

Millions of euros	31/12/09	31/12/08
Recurring net profit	871	803
Total net profit	1,013	803
No. of shares (in millions)*	3,353	3,361
EPS/total net profit (€)	**0.26**	**0.24**
EPS/recurring net profit (€)	**0.30**	**0.24**

Note:
(*) Taking into account the average treasury shares for the period.

The recurring net profit increased by 9% with respect to 2008, due basically to the 7% rise in recurring dividends from investees, the 7% increase in expenses and the 4% drop in borrowing costs, caused by the lowering of interest rates, which offset the increase in borrowings.

There was no non-recurring profit in 2008, since the non-recurring income obtained was offset by the impairment losses recognised on certain investments and by certain provisions to cover possible risks which could arise in the future. In 2009 the non-recurring net profit amounted to EUR 142 million and consisted mainly of:

- EUR 106 million relating to non-recurring dividends as a result of the extraordinary dividends paid by Aguas de Barcelona.
- EUR 215 million relating to the net gain on the sale of 1% of the ownership interest in Telefónica.
- EUR 179 million net of taxes relating to impairment losses recognised as a result of the impairment tests performed largely on the portfolio of investments in Group companies, jointly controlled entities and associates.

These earnings will enable the Board of Directors to propose to the shareholders that a dividend of EUR 0.21 per share be paid out of the profit for 2009, of which EUR 0.10 per share have already been distributed in the form of an interim dividend.

Performance of the Group

The Group's portfolio of investees at 31 December 2009 was as follows:

Utilities	Total ownership interest	Seats on the Board of Directors	Fair value (millions of Euros)
Listed			**16,514**
Energy			**7,963**
Gas Natural	36.43%	5 of 17	5,065
Repsol YPF	12.68%	2 of 16	2,898
Infrastructure			**2,771**
Abertis	25.04%	7 of 21	2,771
Services/other			**5,780**
Agbar	44.10%	5 of 13	1,314
Telefónica [1]	5.16%	2 of 17	4,372
BME	5.01%	1 of 15	94
Unlisted			**566**
Port Aventura Group [2]	-	-	505
Property portfolio	100.00%	5 of 5	61
Financial services and insurance			
Listed			**3,589**
International banking			**3,589**
Banco BPI	30.10%	4 of 25	574
Boursorama	20.85%	2 of 10	176
The Bank of East Asia	9.81%	1 of 18	501
GF Inbursa	20.00%	3 of 17	1,343
Erste Group Bank	10.10%	1 of 18	995
Unlisted			**2,802**
Insurance			**2,409**
SegurCaixa Holding Group (formerly CaiFor)	100.00%	9 of 10	2,384
GDS-Correduría de Seguros	67.00%	1 of 1	25
Specialised financial services			**393**
InverCaixa Gestión	100.00%	7 of 7	186
CaixaRenting	100.00%	5 of 5	62
Finconsum	100.00%	8 of 8	123
GestiCaixa	100.00%	7 of 7	22
Treasury shares			**47**
Investment commitments			**862**
TOTAL GAV			**24,380**

(1) Includes the 1% held through financial contracts

(2) The group is Port Aventura Entertainment (50% with 6 of 13 directors) and Mediterranea Beach & Golf Resort (100% with 5 of 6 directors)

Currently, taking into account the investment and divestment commitments, utilities account for 67% of GAV, while the financial services industry represents 33%. Since the Company's admission to trading, the relative importance of the financial services industry has increased by 15 percentage points. In this way, Criteria CaixaCorp is continuing to pursue its strategy of making the structure of its assets more balanced by increasing the weight of financial services without overlooking investments in utilities that might be of particular interest. One of Criteria CaixaCorp's strategic medium- to long-term objectives is to change this portfolio mix and increase the percentage represented by the financial services industry to around 40%-60%. At December 2009, the listed portfolio is 81% of GAV.

Investments in 2009

The total net accumulated investment (divestment), taking into account the investments made by the Company and by the Group's holding companies, amounted to EUR 3,009 million.

	Accumulated 2009	
Millions of euros	% acquired	Amount paid
Treasury shares	0.23	19
Gas Natural	-	1,313
Repsol YPF	-	(1)
Telefónica	-	(47)
Banco BPI	0.72	10
Erste Group Bank	5.20	652
Other	-	(39)
Total listed		**1,907**
Total unlisted (1)		**240**
Total actually invested		**2,147**
The Bank of East Asia	-	331
Adeslas	-	1,178
Agbar(2)	-	(647)
Total commitments		**862**
Total investments		**3,009**

(1) The amount of the investment in unlisted companies includes, inter alia, the capital increases at Finconsum (EUR 100 million), Caixa Renting (EUR 30 million), Vida Caixa (EUR 25 million) and SegurCaixa Holding (EUR 84 million).
(2) Considering a final participation on Agbar of 25%

The portfolio transactions carried out in 2009 include most notably:

- The disbursement of EUR 1,313 million by Criteria CaixaCorp in the capital increase at Gas Natural, which was performed in the Unión Fenosa acquisition process and which relates to the proportional part of its ownership interest in the share capital of Gas Natural. At 31 December 2009, the ownership interest in Gas Natural was 36.43%.

- Criteria increased its ownership interest in BPI with a disbursement of EUR 10 million.

- In 2009 Criteria invested EUR 652 million in Erste Group Bank, EUR 17 million of which were purchases on the stock market and EUR 635 million were paid in a capital increase in November 2009 in which the subscription rights of Fundación Erste were acquired. With this investment, the Company achieved an ownership interest of 10.10%. The increase in its ownership interest, which made Criteria the second largest shareholder, together with the cooperation and co-investment agreements entered into and the nomination of Juan María Nin as a member of the Supervisory Board and the Strategy Committee of the Austrian bank, meant that the Company could be considered to exercise significant influence over the bank and, therefore, the ownership interest was reclassified as an investment in an associate.

- With respect to Telefónica, in 2009 an ownership interest of 1% was acquired with an investment of EUR 689 million together with a fair value hedge. In addition, 1% of this holding was sold, giving rise to an individual gain net of taxes of EUR 215 million. At 31 December 2009, the ownership interest was 5.16%.

Also, commitments have been made to carry out the following transactions:

- On 30 December 2009, the Company entered into an agreement with The Bank of East Asia ("BEA") to subscribe 120,837,000 shares which, together with its existing ownership interest of 9.81%, brought Criteria's total ownership interest in BEA to 14.99% of the share capital with voting rights after the increase. Criteria's investment in the aforementioned increase amounted to EUR 331 million and was carried out through the subsidiary Negocio de Finanzas e Inversiones I (100% owned by Criteria) in January 2010 once all of the necessary authorisations had been obtained. This investment took place within the framework of the strategic investment agreement entered into in the first half of the year with BEA for the purpose of regulating shareholder relations at the bank and which formalises the friendly nature and strategic and long-term orientation of Criteria CaixaCorp's investment in BEA. Under the agreement, Criteria CaixaCorp may increase its ownership interest to 12.5% and, subject to BEA's prior consent, from 12.5% to 20%. Simultaneously, Criteria, "la Caixa" and BEA entered into a strategic cooperation agreement in order to maximise their respective commercial and business opportunities. In addition to these agreements, at the beginning of June 2009 Isidro Fainé Casas, Chairman of Criteria, was nominated as a non-executive member of the Board of Directors of BEA. Also, at the end of August 2009 he was also nominated as a member of the Bank's Nomination Committee. As a result of these actions, it was considered that the Company had a significant influence over the BEA and, therefore, the ownership interest was reclassified as an investment in an associate.
- On 22 October 2009, Criteria entered into two memorandums of understanding, on the one hand with Suez Environnement and on the other with Malakoff Médéric (a mutual health insurer based in France) to acquire 99.79% of the share capital of Adeslas for EUR 1,178 million. The main objective is to strengthen the Criteria Group's presence in the insurance industry, bringing this company into the structure of SegurCaixa Holding. The final agreements were signed on 14 January 2010.

Prior to this transaction, the main shareholders of Agbar, Criteria CaixaCorp and Suez Environnement, which between them control 90% of the company's shares, will support a delisting takeover bid by Agbar for 10% of its share capital in the hands of non-controlling shareholders for EUR 20 per share, with a subsequent capital reduction at Agbar through the retirement of the treasury shares acquired.

Once the takeover bid has been completed, and based on the degree of acceptance thereof, Criteria CaixaCorp will sell to Suez Environnement the portion of its ownership interest in Agbar required for Suez Environnement to have a 75.01% stake in Agbar, in a transaction valued at between EUR 647 million and EUR 871 million. Therefore, Criteria CaixaCorp's subsequent ownership interest in Agbar will be between 15% (if no non-controlling shareholders accept the takeover bid) and 25% (if all the shares making up the free float (10%) are sold in the takeover bid).

Criteria CaixaCorp will continue to be represented on the Board of Directors of Agbar as a principal shareholder in the framework of the excellent historical relations between “la Caixa”-Criteria and the GDF-Suez Group.

Both the acquisition of Adeslas by Criteria and the partial sale of Agbar to Suez Environnement were authorised by the respective managing bodies and/or Boards of Directors of Criteria CaixaCorp, Suez Environnement and Malakoff Médéric. In principle, the transaction is scheduled for completion in the first half of 2010 once the legal conditions and formalities customary in transactions of this nature have been met, in particular the requisite authorisations of regulators, such as the CNMV and the Directorate-General of Insurance and Pension Funds, and of the anti-trust authorities.

The most significant aspects of the investment portfolio are as follows:

UTILITIES

Listed

This group is composed of leading companies, mainly located in Spain, which have a capacity to generate growth and create value, in the energy, infrastructure and utilities industries in which Criteria CaixaCorp has knowledge and experience. A profitable portfolio has been built up, with the capacity to generate attractive dividends, with an excellent track record and a controlled level of risk. It is aimed to create additional value at these companies by taking up significant positions in the shareholder structure that facilitate active participation in the managing bodies, in the taking of key decisions and in the development of business strategies.

Gas Natural became one of the top ten European energy companies and the leading integrated gas and electricity utility in Spain after the merger with Unión Fenosa on 7 September 2009. It is the number one LNG operator in the Atlantic basin and one of the main operators of combined cycle plants in the world. The new company has more than 20 million customers (9 million in Spain) and 17 GW installed capacity around the globe. It has total assets in excess of EUR 48,100 million.

Repsol YPF is an integrated international oil and gas company, with operations in more than 30 countries, and it is the market leader in Spain and Argentina. It is one of the ten largest private oil companies in the world and the largest private company in the energy industry in Latin America by volume of assets. Total assets exceed EUR 49,400 million.

Abertis is one of the leading European companies in infrastructure development and management, with more than 3,700 kilometres of managed toll roads and total assets in excess of EUR 24,000 million. In the last four years, it has intensified its geographical and business diversification with investments of over EUR 5,800 million in motorways, telecommunications, airports and parking and logistics facilities. Currently, approximately 50% of revenue is earned outside Spain.

Aguas de Barcelona (AGBAR) is a multiconcessionary operator working in the public services field: integral water cycle and health. It has a total volume of assets in excess of EUR 6,600 million. Agbar is the leading privately-owned urban water management operator in Spain, where it supplies water to a population of close to 13 million and provides water treatment services to a population of over 8.3 million. On the international stage, the Agbar Group supplies potable water and provides water treatment services to a population of more than 10 million in Chile, the UK, China, Colombia, Algeria, Cuba and Mexico. With the acquisition of Adeslas, Criteria will reduce its participation in Agbar during 2010.

Telefónica is one of the leading integrated telecommunications operators in the world. It is a benchmark company in the Spanish and Portuguese-speaking markets and is present in Spain, the rest of Europe and the main Latin American countries, with a total volume of assets of more than EUR 105,000 million. With almost 268 million accesses, Telefónica has an outstanding international profile, generating over 60% of its business outside Spain: (i) in Spain, with more than 47 million accesses, it is the leader in all business segments; (ii) in Europe (the UK, Germany, Ireland, the Czech Republic and Slovakia), it has almost 49 million customers; and (iii) in Latin America, with more than 163 million accesses, it is the market leader in the principal countries (Brazil, Argentina, Chile and Peru) and has significant business operations in other countries such as Mexico, Colombia, Venezuela and Central America.

Bolsas y Mercados is the company which brings together all the systems for the registration, clearing and settlement of securities and secondary markets in Spain. In 2009 more than 114,000 million shares were traded on the stock exchanges with total cash of close to EUR 900,000 million changing hands.

Unlisted

Port Aventura is a theme park which had more than 3 million visitors and continues with the aim to expand its offering and consolidate itself as a unique product in both the Spanish and foreign market. Accordingly, it inaugurated a new theme hotel (Hotel Gold River) in July and a conference centre in October with capacity for 4,000 people. As a result of the corporate reorganisation carried out in order to introduce a new shareholder, Port Aventura was spun off into two independent companies:

Port Aventura Entertainment (50%), which includes the theme park, Caribe Aquatic Park and the operation of four hotels (two of which it owns) and the conference centre. **Mediterranea Beach & Golf Resort** (100%) owns two of the four hotels and the conference centre in addition to the lands for residential and commercial use, the golf business and the Beach Club.

FINANCIAL SERVICES SEGMENT

International banking

In the scope of investments in the financial services sector, Criteria CaixaCorp acts as the vehicle for the international expansion of "la Caixa" through the acquisition of financial institutions, mainly in the international banking industry, in the countries in which "la Caixa" can contribute added value and harness growth potential.

Banco BPI is a multi-specialised, universal financial group, focused on commercial banking aimed at business, institutional and private customers, and is the fourth largest private financial group in Portugal.

It has total assets of more than EUR 46,000 million and a commercial network of over 700 branches in Portugal and 100 branches in Angola.

Boursorama, formed in 1995, forms part of the Société Générale Group and is one of the leading brokers and distributors on-line of savings products in Europe with total assets of almost EUR 3,000 million.

It has a presence in four countries, and in France it leads the market in on-line financial information and has a notable position in Internet banking. It is one of the three leading on-line brokers in the UK and Spain. Boursorama also has a presence in Germany under the OnVista Bank brand name.

The Bank of East Asia (BEA), founded in 1918 and with assets totalling more than EUR 37,000 million, more than 250 branches and 10,000 employees, is the number one private independent bank in Hong Kong, and one of the best positioned foreign banks in China, where, through the subsidiary BEA China, it has over 70 branches and plans to continue with its expansion strategy in China and to have 100 branches in a first stage.

It offers commercial, personal, business and investment banking services to its customers. It provides services to the Chinese community abroad by operating in other South-East Asian countries, the US, Canada and the UK.

In 2009 Strategic Investment and Cooperation Agreements were entered into with the bank, together with an agreement between Foundations. In January 2010, Criteria has increased the participation from 9.81% to 14.99%, with the subscription of a capital increase.

Grupo Financiero Inbursa, with total assets exceeding EUR 15,000 million, more than 160 branches, more than 5,700 employees and 14,700 financial advisers, is the sixth largest financial group in Mexico in terms of total assets and is one of the biggest in Latin America in terms of market capitalisation.

Founded in Mexico in 1965, it offers commercial banking services, in which it is a benchmark, retail banking, asset management, life and non-life insurance and pensions, as well as stock broking and securities custody services. It is currently the leading financial group in Mexico in terms of asset management and custody services and is market leader in liability insurance, with a sound positioning in the other insurance segments.

Erste Group Bank AG was founded in 1819 as the first Austrian savings bank. In 1997 it was admitted to trading with a view to developing the retail banking business in Central and Eastern Europe. It is currently the second largest banking group in Austria and one of the largest in Central and Eastern Europe, with total assets of approximately EUR 200,000 million. In addition to Austria, Erste Bank controls banks in seven countries (Czech Republic, Slovakia, Romania, Hungary, Croatia, Serbia and the Ukraine) and is the market leader in the Czech Republic, Slovakia and Romania. It serves 17.5 million customers and operates with more than 3,000 branches.

In 2009, Strategic Investment and Cooperation Agreements were entered into with the bank and with the main shareholder, together with an agreement between Foundations.

Insurance

The holding company **SegurCaixa Holding**, which carries on its activity through its subsidiaries VidaCaixa and SegurCaixa, has a wide range of life and non-life insurance products, which it offers its customers on a personalised basis. Over 3.3 million customers and 44,000 companies and groups have taken out pension and insurance plans.

VidaCaixa's business is focused on life insurance, in which all of the group's new business is done, and the management of pension plan assets totalling EUR 13,500 million, ranking it in second place in the industry in this branch of activity.

The organic growth of the business strengthens VidaCaixa as the leading life insurance company with a volume of technical provisions of more than EUR 17,200 million. Also, VidaCaixa has consolidated its position as leader in the private pension and health insurance business, with managed assets (technical provisions and pension plans) exceeding EUR 30,700 million.

SegurCaixa is the company within the holding company that focuses on non-life insurance and mention should be made of its sound position in home insurance. In 2009 it continued to consolidate the car business, a process which commenced in 2007, and launched two new products for SMEs and the self-employed, thereby strengthening the products offered by the group in this market segment. Following the execution in 2010 of the agreement to acquire Adeslas (see Note 5.2 to the financial statements), the resulting group will lead various lines in the insurance industry in Spain, which is one of the areas expected to experience increased growth in the coming years. In addition, the harnessing of synergies between the two groups will benefit existing and future customers since Adeslas, the leading health insurance company, will team up with SegurCaixa Holding, the leading life insurance and pension plan company.

Specialised financial services

InverCaixa Gestión manages collective investment undertakings. It manages a wide range of products: investment funds, OEICs and investment portfolios. In addition, it advises "la Caixa" on sales activities relating to investment funds managed by third-party management companies. At 31 December the Company had achieved a volume of approximately EUR 15,457 million, increasing its market share from 6.9% (December 2008) to 8.5% in investment funds, making it the third leading fund manager.

CaixaRenting specialises in renting transactions in the car, capital goods and real estate areas**.** The commercial policy developed over the past few years has been to distribute products through "la Caixa", which has intensified its presence in the SMEs sector. In 2009 new vehicle, capital goods and property rental transactions amounting to EUR 362 million were arranged. CaixaRenting manages a total of 34,894 cars, 31,965 under renting agreements and 2,929 under fleet management.

Finconsum engages mainly in consumer financing at the point of sale, (distributors of goods and services and car dealerships). In 2009 it contributed EUR 574 million of new business.

GestiCaixa has continued to develop its business in the financial markets as an asset securitisation management company. In 2009 five new funds were structured and set up with total issues of EUR 8,925 million. At 31 December 2009, the company was managing 35 securitisation funds, with EUR 20,000 million in outstanding bonds.

2- RISK MANAGEMENT

Criteria Caixa Corp's main risk is that associated with the investee portfolio.

This risk is associated with the possibility of incurring losses due to changes in market prices and/or for the losses on the positions composing the investment portfolio at medium to long term.

Criteria CaixaCorp and the Strategic Risk Management Division of "la Caixa" measure the risk involved with these positions, both from the standpoint of the risk inherent in market price volatility, using VaR (Value at Risk) models on the risk-free interest rate yield spread as proposed by the New Basel Capital Accord (NBCA) for banks, and from the point of view of the possibility of default, applying models based on the Probability of Default and Loss Given Default ("PD" and "LGD") approaches, also in accordance with the provisions of the NBCA.

These indicators are monitored on an ongoing basis to be able, at anytime, to take the most appropriate decisions on the basis of the market performance observed and predicted and of the Group's strategy.

These measures and their development are necessary for the purpose of enabling senior management to monitor the management of the investee portfolio and to take strategic decisions relating to the composition of the portfolio.

Also, as part of the active management of the investments and of the ongoing monitoring thereof, Criteria teams of specialists monitor the investees. At least once a year and whenever there are indications that the Company's investments might have become impaired, internal impairment tests are conducted using generally accepted valuation methods.

Criteria CaixaCorp has policies to minimise the other risks to which it is exposed, such as credit risk, interest rate risk, foreign currency risk and liquidity risk. Evaluation procedures have been established whereby management decides at any given time whether or not the risks assumed should be hedged using financial instruments (see Note 22 to the financial statements).

3- USE OF FINANCIAL INSTRUMENTS

The Company uses different types of financial derivatives to hedge the financial risks to which it is exposed.

The most significant instruments were designated for accounting purposes as:

(a) Fair value hedges. For example, in 2009 equity swap agreements were used to hedge the risk of a change in value of a portion of the investment in Telefónica, S.A. The Company regularly assesses the need to use hedges of this nature for certain of its investments.

(b) Cash flow hedges. These instruments are used mainly to hedge currency risk in relation to the expected cash flows. In 2009 cash flow hedges were used to hedge the currency risk to which the dividends expected to be collected on investments in currencies other than the euro were exposed. In 2008 the Company purchased a Mexican peso forward to hedge the value in euros of the disbursement to be made for the acquisition of GF Inbursa.

4- OUTLOOK

The international economy was plagued by an unusually high level of uncertainty. However, the figures for GDP growth in the main developed economies for the second half of 2009 evidence that the worst of the crisis is now over. Certain economies are already officially out of recession (e.g. Germany, France and Japan) and others have considerably mitigated its severity, although a slow and unstable recovery can be expected. Nonetheless, this heightened optimism does not imply that growth rates will return to the levels recorded before the crisis since agents will continue to delever, a process that will take time and limit the medium-term growth potential, particularly in a scenario with such a depressed job market.

In this context, central banks have pegged interest rates at extremely low levels and have implemented unorthodox monetary policy measures to guarantee liquidity and inject credit into the system, which has been a significant support to the markets. Taking into consideration the surplus production capacity in various industries, no imminent pressure is envisaged on prices, which will enable the central banks to guarantee low interest rates for some time. However, in view of the progress made in the economy and the markets, the monetary authorities are beginning to consider exit strategies for this situation of abundant liquidity. Specifically, withdrawing monetary and economic stimuli derived from government public spending constitutes the main risk to the financial markets.

There was a marked improvement in the stock markets, with advances of approximately 29% in the IBEX-35 index and of 21% on the Eurostoxx50 index in 2009. In terms of fixed-income securities, the risk premiums associated with corporate bonds have gradually decreased.

The recovery in Spain is also underway but it could be somewhat slower than in other developed economies, and the rate of unemployment is one of the highest in Europe.

Consequently, Criteria CaixaCorp will be carefully examining the following situations:

- The slumps and high volatility of the equities market in 2008 and, in particular, the financial services sector, and despite the clear improvement in 2009, make it necessary to implement an ongoing process of reviewing and monitoring the Company's ownership interests. Criteria updated the impairment tests performed on its investments at 31 December, recognising additional impairment losses of EUR 256 million before tax with respect to those already recognised in December 2008, and will continue to be watchful in this regard. At 31 December 2009, the gross unrealised consolidated gains on the listed portfolio amounted to EUR 3,599 million compared to EUR 268 million at 31 December 2008.

- The possible decrease in corporate profits could mean lower dividend revenue for Criteria CaixaCorp or a lower contribution from the results of companies accounted for using the equity method. The investment portfolio built up by Criteria CaixaCorp is comprised of leading companies with potential for growth and the capacity to generate value. In 2009 a significant improvement was noted in the results of investees, and particularly the investments in international banks. The contribution to results from investments in associates and jointly controlled entities was up 18% compared to 2008. The 2010 profit is expected to continue to show an upward trend, with attractive dividend policies for Criteria.

- The evolution of exchange rates which could affect the value of investments made in currencies other than the euro. Criteria CaixaCorp monitors the evolution of currencies and in each case evaluates the need for arranging hedging instruments. Particular attention is paid to the performance of the Mexican peso and the Hong Kong dollar.

- Interest rates. Reference interest rates are expected to remain low in 2010. However, in order to reduce exposure to interest rates, in 2009 the Company renegotiated its financial conditions with "la Caixa" and, accordingly, arranged long-term fixed-rate loans of EUR 2,000 million (at 4 and 7 years). The EUR 1,000 million five-year bond issue was also made at a fixed rate.

- Weaker consumption and the increase in non-performing loans could affect investments in specialised financial services. However, these companies recognised write downs in 2009, based on conservative criteria, and positive performances are expected in the coming years.

5- EVENTS AFTER THE REPORTING PERIOD

On 30 December 2009, the Company entered into an agreement with The Bank of East Asia (“BEA”) to subscribe 120,837,000 shares which, together with its previous ownership interest of 9.81%, put Criteria’s total investment in BEA at 14.99% of the share capital with voting rights after the increase. Criteria’s investment in the aforementioned increase amounted to EUR 331 million and was performed through the subsidiary Negocio de Finanzas e Inversiones I (wholly owned by Criteria) in January 2010, upon obtainment of all the required authorisations.

6- RESEARCH AND DEVELOPMENT ACTIVITIES

Criteria CaixaCorp did not engage in any research and development activities in 2009.

7- TRANSACTIONS INVOLVING TREASURY SHARES

On 7 May 2009, the shareholders at the Annual General Meeting authorised the Board of Directors to derivatively acquire treasury shares, provided that the shares acquired added to the shares that the Company already held did not exceed 5% of the share capital. This authorisation, ratified by the Board of Directors Meeting held on the same date, is valid for 18 months.

At 31 December 2009, Criteria CaixaCorp held 14,216,350 treasury shares, representing 0.423% of the share capital, the acquisition cost of which amounted to EUR 39,880 thousand. In 2009 the Company sold 2,353,766 treasury shares on the market, with a gain of EUR 2 million, which was recognised in equity.

At 31 December 2008, Criteria CaixaCorp held 6,534,397 treasury shares representing 0.194% of the share capital, the acquisition cost of which amounted to EUR 18,545 thousand.

8- SHARE CAPITAL STRUCTURE

At 31 December 2009, the share capital of Criteria CaixaCorp, S.A. amounted to EUR 3,362.9 million, represented by 3,362,889,837 fully subscribed and paid ordinary shares of EUR 1 par value each.

9- RESTRICTIONS ON THE TRANSFER OF SHARES

The shares of Criteria CaixaCorp and the dividend rights deriving therefrom, including the pre-emptive subscription rights, are freely transferable by all lawful means.

10- SIGNIFICANT DIRECT AND INDIRECT OWNERSHIP INTERESTS

At the end of the business year the only shareholder which appeared in the CNMV Register was “la Caixa”. According to the Company’s information, “la Caixa” owned 79.45% of its share capital at 31 December 2009.

11- RESTRICTIONS ON VOTING RIGHTS

All the outstanding Criteria CaixaCorp shares which, because they are ordinary shares belonging to a single class and series, confer on their holders the same voting and dividend rights, which are the full voting and dividend rights inherent thereto, as provided for in the Spanish Public Limited Liability Companies Law and the Company's bylaws.

Each share carries one vote, without any restrictions on the maximum number of votes which may be cast by each shareholder or by companies belonging to the same group, in the case of legal entities.

With regard to the entitlement to attend the General Meetings, the bylaws and regulations of Criteria CaixaCorp's General Meeting establish that shareholders who, individually or together with other shareholders, provide evidence of ownership of at least one thousand (1,000) shares, are entitled to attend General Meetings.

12- SIDE AGREEMENTS

The Company has not been informed of the existence of any side agreements the aim of which might be to exercise voting rights at General Meetings or which restrict or influence the free transferability of Criteria CaixaCorp's shares.

13- REGULATIONS APPLICABLE TO THE NOMINATION AND REPLACEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS AND AMENDMENT OF THE BYLAWS

The regulations governing the nomination and replacement of the members of the Board of Directors of Criteria CaixaCorp are included in the bylaws (Articles 32 and 33) and Chapter VI of the Regulations of the Board of Directors relating to the Nomination and Removal of Directors (Articles 17 to 20), in addition to the general applicable legislation, established by the Spanish Public Limited Liability Companies Law (Articles 123 to 126, 131, 132, 137 and 138), and the Mercantile Registry Regulations (Section 5, Articles 138 to 148), which are summarised below.

The Nomination and Remuneration Committee shall present to the Board of Directors the proposals for the nomination of independent directors so that the Board may co-opt them onto the Board or adopt such proposals as its own and submit them for approval by the Annual General Meeting. Furthermore, the Nomination and Remuneration Committee will inform the Board of Directors in relation to the nomination of the other types of directors.

When a director vacates his position before the end of his mandate, the Board of Directors may co-opt a shareholder to fill the vacancy until the date of the next Annual General Meeting, provided that it has been provided with a prior proposal or report from the Nomination and Remuneration Committee, as appropriate.

With regard to amendments to the bylaws, since the Company does not have special regulations, the general regulations established by the Spanish Public Limited Liability Companies Law (Chapter VI, Article 144 et seq.) and by Mercantile Registry Regulations (sections 9 and 10, Articles 158 to 173), are applicable.

14- POWERS OF THE MEMBERS OF THE BOARD OF DIRECTORS

At 31 December 2009, Juan Maria Nin Génova and Gonzalo Gortázar Rotaeche had been granted general powers.

In relation to powers regarding the possibility of issuing shares, on 6 September 2007, the Company’s sole shareholder granted the Board of Directors of Criteria CaixaCorp the power to increase share capital, at any time within a period of five years from the adoption of the resolution, by an equivalent maximum nominal amount of EUR 1,314,935,400, with power to disapply pre-emptive subscription rights.

With regard to powers to acquire treasury shares, at the Annual General Meeting held on 7 May 2009 the shareholders rendered null and void, in the portion not used, the authorisation approved by the shareholders at the Annual General Meeting held on 5 June 2008, and resolved to grant a new authorisation to the Board of Directors of Criteria CaixaCorp to derivatively acquire treasury shares (either directly or indirectly through the subsidiaries), and to sell, retire or use them for the remuneration schemes provided for in paragraph three, section 1 of Article 75.1 of the Spanish Public Limited Liability Companies Law, in the following terms:

(a) the acquisition can be made in the form of a purchase, swap or accord and satisfaction, at one or several times, provided that the shares acquired, together with those already held by the Company, do not represent more than 5% of the share capital;

(b) the price or consideration will be the closing price of the Criteria CaixaCorp shares on the Spanish Stock Market Interconnection System the day immediately prior to the acquisition, with a limit of 15% upwards or downwards; and

(c) the authorisation will remain valid for 18 months from the day after the resolution.

Also, the Board was empowered to delegate the authorisation to the person or persons it deemed appropriate.

Within the framework of the authorisation for the acquisition of treasury shares granted by the shareholders at the Annual General Meeting held on 7 May, in order to facilitate the liquidity of the Company’s shares in the market and the regularity of their trading, on 7 May 2009, the Board of Directors of Criteria CaixaCorp, S.A. resolved to ratify the approval by the Board of Directors, through a circular resolution adopted on 18 July 2008, of the acquisition of up to 44.25 million shares ,representing approximately 1.32% of the Company’s share capital, provided that the net investment did not exceed EUR 177 million, based on the market conditions prevailing at any given time. This approval also includes the power to dispose of the treasury shares acquired on the basis of the market conditions prevailing at any given time.

15- SIGNIFICANT AGREEMENTS WHICH MAY BE AMENDED OR TERMINATED IN THE EVENT OF A CHANGE OF CONTROL

In relation to the effects of a potential change of control over the Company, Criteria CaixaCorp is a party to agreements that might be amended or terminated in this event.

On 11 January 2000, “la Caixa”, as the controlling shareholder of Criteria CaixaCorp, and Repsol-YPF entered into a shareholders’ agreement in relation to Gas Natural, which was subsequently amended and completed through agreements dated 16 May 2002, 16 December 2002 and 20 June 2003.

Under this agreement, ”la Caixa” and Repsol-YPF undertake to exercise their voting power in the governing bodies of Gas Natural so that at all times there is a balance between the number of members of the Board of Directors and of the Executive Committee of Gas Natural designated at the proposal of Repsol-YPF and those designated at the proposal of ”la Caixa”. Also, the parties undertake to agree on the strategic plan of Gas Natural prior to submitting it to the Board of Directors.

The agreement will remain in force provided that each party maintains or increases its ownership interest or retains it up to at least 15% of the share capital of Gas Natural. A change in the control structure at either party or at Gas Natural will constitute grounds for the termination of the agreement at the request of either party.

The agreement dated 11 January 2000 and each of the subsequent agreements were notified to the CNMV and published when they were signed. Also, pursuant to Transitional Provision Three of Law 26/2003, of 17 July (Transparency Law), in July 2006 they were deposited at the Barcelona Mercantile Registry.

Pursuant to the aforementioned agreements, “la Caixa”, as the controlling shareholder of Criteria, and Repsol YPF, which each own separately a controlling interest pursuant to the legislation governing takeover bids, hold a position of joint control over Gas Natural for regulatory and competition purposes, jointly hold an ownership interest in the company of over 50% and have nominated between them more than one-half of the members of the managing body. Under current legislation, these agreements constitute a concerted action by “la Caixa” and Repsol at Gas Natural.

As regards Sociedad General de Aguas de Barcelona, S.A. (“Agbar”), under the agreement and subsequent addenda signed by Suez, “la Caixa”, Suez Environnement, Suez Environnement España and Criteria CaixaCorp in connection with Hisusa and its ownership interest in Agbar, which were notified to the CNMV, it was agreed that in the event of a change in the control over any of the companies that had signed the agreement, any shareholder of Hisusa belonging to the group not affected by this change in control would be entitled to demand the dissolution and liquidation of Hisusa, in conformity with the terms of the agreements.

On 22 October 2009, Criteria CaixaCorp and Suez Environnement, in connection with their ownership interests in Agbar, in which they jointly own 90% of the share capital, announced that they had decided to refocus their strategic interests in the group health services business and in the water and environmental management sector and, to this end, they entered into a Memorandum of Understanding encompassing various transactions, including the launch by Agbar of a delisting takeover bid in order to have its shares delisted from the Spanish Stock Exchange, the reorganisation of the ownership interests of Criteria and Suez Environnement in Agbar in order to channel them all through Hisusa and the termination of the current shareholders’ agreements regulating the situation of joint control over Agbar after the transactions provided for in the Memorandum of Understanding had been carried out, with the signing of a new agreement to regulate their relations as direct shareholders of Hisusa and indirect shareholders of Agbar on the basis of the new shareholder structure.

Also, the Company’s bond issue in the terms established in the Final Conditions published envisages the possibility of redeeming the securities early in the event of a change of control.

Lastly, the Preferred Partnership Agreement with the main shareholder of Erste Group Bank and the shareholders’ agreement at Port Aventura Entertainment also contain change of control-related clauses.

Without prejudice to the foregoing, as established by the Internal Relationship Memorandum of Understanding between Criteria CaixaCorp and “la Caixa”, when the latter no longer exercises effective control over the Company, both entities will be entitled to terminate the provision of the corresponding services, by giving reasonable notice (which will depend on the type of service involved), subject to the determination, in good faith, by the parties, of the costs, if any, that might arise from early termination. “la Caixa” is considered to exercise control over Criteria CaixaCorp when it holds, either directly or indirectly, a majority stake in Criteria CaixaCorp or, even if this ownership interest is equal to or less than 50%, whilst more than one-half of the directors of Criteria CaixaCorp have been nominated at the proposal of “la Caixa”.

16- AGREEMENTS BETWEEN THE COMPANY, DIRECTORS, EXECUTIVES OR EMPLOYEES THAT PROVIDE FOR INDEMNITY PAYMENTS ON TERMINATION OF THEIR RELATIONSHIP WITH THE COMPANY AS A RESULT OF A TAKEOVER BID

Lastly, with respect to the agreements between the Company and its directors, executives or employees who are entitled to receive termination benefits when they resign or are unjustly dismissed, or if the employment relationship is terminated as a result of a takeover bid, the maximum termination benefits in the event of the unilateral termination by the Company of the members of the managing bodies and senior management of Criteria CaixaCorp amount to EUR 2 million.

17- ANNUAL CORPORATE GOVERNANCE REPORT

The 2009 Annual Corporate Governance Report is attached.

ANNUAL CORPORATE GOVERNANCE REPORT

PUBLIC LIMITED COMPANIES

ISSUER'S PARTICULARS

YEAR ENDED: December 31, 2009

Company Tax ID No.: A-08663619

Corporate name: CRITERIA CAIXACORP, S.A.

ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLIC LIMITED COMPANIES

For a better understanding of the model and its subsequent preparation, please read the instructions provided at the end before filling it out.

A. - OWNERSHIP STRUCTURE

A.1 Complete the following table on the company's share capital.

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
07/11/07	3,362,889,837.00	3,362,889,837	3,362,889,837

Indicate whether different types of shares exist with different associated rights.

NO

A.2 List the direct and indirect holders of significant ownership interests in your organization year-end, excluding directors.

Name or corporate name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
CAJA DE AHORROS Y PENSIONES DE BARCELONA, LA CAIXA	2,671,699,600	0	79.447

Indicate the most significant movements in the shareholder structure during the year.

A.3 Complete the following charts on company directors holding voting rights through company shares.

Name or corporate name of director	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
ISIDRO FAINÉ CASAS	567,505	0	0.017
JUAN MARÍA NIN GÉNOVA	234,491	0	0.007
ALAIN MINC	10,000	0	0.000
GONZALO GORTÁZAR ROTAECHE	300,100	0	0.009
IMMACULADA JUAN FRANCH	5,611	0	0.000
ISABEL ESTAPÉ TOUS	200,000	1,090	0.006
JAVIER GODÓ MUNTAÑOLA	0	1,230,000	0.037
JORGE MERCADER MIRÓ	1,496	0	0.000
JUAN ROSELL LASTORTRAS	0	32,382	0.001
LEOPOLDO RODÉS CASTAÑÉ	9,700	0	0.000
MARIA DOLORS LLOBET MARIA	2,100	0	0.000
MIQUEL NOGUER PLANAS	3,561	0	0.000
SALVADOR GABARRÓ SERRA	7,003	0	0.000
SUSANA GALLARDO TORREDEDIA	0	58,700	0.002

% of total voting rights held by the Board of Directors	0.079

Complete the following charts on share options held by directors.

A.4 Indicate, as applicable, any family, commercial, contractual or corporate relationships between owners of significant shareholdings, insofar as they become known by the company, unless they are insignificant or arise from ordinary trading or exchange activities.

A.5 Indicate, as applicable, any commercial, contractual or corporate relationships between owners of significant shareholdings, and the company and/or its group, unless they are insignificant or arise from ordinary trading or exchange activities.

Type of relationship:
Commercial
Brief description
There are commercial and contractual relationships which derive from ordinary trading or exchange activities and which are regulated by the Internal Protocol of Relationships between Criteria CaixaCorp and "la Caixa" submitted to the CNMV on October 4, 2007.

Related name or corporate name
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"

A.6 Indicate whether any shareholders' agreements have been notified to the company pursuant to article 112 of the Securities' Market Act (Ley del Mercado de Valores). Provide a brief description and list the shareholders bound by the agreement, as applicable.

NO

Indicate whether the company is aware of the existence of any concerted actions among its shareholders. Give a brief description as applicable.

NO

Expressly indicate any amendments to or termination of such agreements or concerted actions during the year.

A.7 Indicate whether any individuals or bodies corporate currently exercise control or could exercise control over the company in accordance with article 4 of the Spanish Securities' Market Act. If so, identify.

YES

Name or corporate name
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"

Comments
Caja de Ahorros y Pensiones de Barcelona, "la Caixa" exercises control over Criteria CaixaCorp as stipulated in article 4 of the Spanish Securities Market Act (Ley de Mercado de Valores). In order to foster the company's transparency, autonomy and good governance, and in accordance with recommendation two of the Unified Good Governance Code, Criteria CaixaCorp and "la Caixa", as controlling shareholder, signed an Internal Protocol of Relationships. This Protocol aims to demarcate Criteria CaixaCorp's area of activity, the general parameters governing any mutual business or social dealings between Criteria CaixaCorp and "la Caixa" and other companies belonging to" la Caixa" group, as well as a correct flow of information allowing "la Caixa" and the company to draw up its Financial Statements and comply with the requirement to issue periodical information to the Bank of Spain and other regulatory bodies.

A.8 Complete the following tables on the company's treasury shares.

At year-end:

Number of shares held directly	Number of shares held indirectly (*)	% of total share capital
14,216,350	0	0.423

(*) Through:

Total	0

Give details of any significant changes during the year, in accordance with Royal Decree 1362/2007.

Gain/(loss) on treasury shares during the year (In thousand €)	2,000

A.9 Give details of the applicable conditions and time periods governing any resolutions of the General Shareholders' Meeting authorizing the Board of Directors to purchase and/or transfer the treasury shares.

On May 7, 2008, shareholders at the Annual General Meeting rendered null the decision adopted on June 5, 2008, and agreed to grant Criteria CaixaCorp's Board of Directors powers for the derivative acquisition of treasury stock, directly or through group companies for the purpose of either disposals, redemption or for remuneration schemes specified in paragraph 3, section 1 of article 75 of the LSA, under the following terms:

(a) the acquisition may be in the form of a trade, swap or dation in payment, in one or more installments, provided that the shares acquired do not amount to more than 5% of the share capital when added to those already owned by the company.

(b) the price or equivalent value shall be the price of Criteria CaixaCorp's shares on the Continuous Market at the close of the day prior to the acquisition, +/-15%; and

(c) the authorization shall be valid for 18 months from the day after the date of this resolution.

Additionally, the Board was empowered to delegate that authorization to any person or persons its so deemed appropriate.

A.10 Indicate, as applicable, any restrictions imposed by Law or the company's bylaws on exercising voting rights, as well as any legal restrictions on the acquisition or transfer of ownership interests in the share capital. Indicate whether there are any legal restrictions on exercising voting rights.

NO

Maximum percentage of legal restrictions on voting rights a shareholder can exercise	0

Indicate whether there are any restrictions included in the company's bylaws on exercising voting rights.

NO

Maximum percentage of restrictions under the company's bylaws on voting rights a shareholder can exercise	0

Indicate if there are any legal restrictions on the acquisition or transfer of share capital.

NO

A.11 Indicate whether the General Shareholders' Meeting has agreed to take neutralization measures to prevent a public takeover bid by virtue of Act 6/2007.

NO

If applicable, explain the measures adopted and the terms under which these restrictions may be lifted.

B. COMPANY MANAGEMENT STRUCTURE

B.1 Board of Directors

B.1.1 List the maximum and minimum number of directors included in the bylaws.

Maximum number of directors	17
Minimum number of directors	12

B.1.2 Complete the following table with board members' details.

Name or corporate name of director	Representative	Position on the board	Date of first appointment	Date of last appointment	Election procedure
ISIDRO FAINÉ CASAS	--	CHAIRMAN	07/07/00	02/05/05	VOTE AT SHAREHOLDERS' MEETING
JUAN MARÍA NIN GÉNOVA	--	VICE CHAIRMAN	21/06/07	21/06/07	VOTE AT SHAREHOLDERS' MEETING
ALAIN MINC	--	DIRECTOR	06/09/07	06/09/07	VOTE AT SHAREHOLDERS' MEETING
DAVID K. P. LI	--	DIRECTOR	06/09/07	06/09/07	VOTE AT SHAREHOLDERS' MEETING
FRANCESC XAVIER VIVES TORRENTS	--	DIRECTOR	05/06/08	05/06/08	VOTE AT SHAREHOLDERS' MEETING
GONZALO GORTÁZAR ROTAECHE	--	DIRECTOR	26/05/09	26/05/09	CO-OPTION
IMMACULADA JUAN FRANCH	--	DIRECTOR	07/05/09	07/05/09	CO-OPTION
ISABEL ESTAPÉ TOUS	--	DIRECTOR	06/09/07	06/09/07	VOTE AT SHAREHOLDERS' MEETING

Name or corporate name of director	Representative	Position on the board	Date of first appointment	Date of last appointment	Election procedure
JAVIER GODÓ MUNTAÑOLA	--	DIRECTOR	02/05/05	02/05/05	VOTE AT SHAREHOLDERS' MEETING
JORGE MERCADER MIRÓ	--	DIRECTOR	07/07/00	02/05/05	VOTE AT SHAREHOLDERS' MEETING
JUAN ROSELL LASTORTRAS	--	DIRECTOR	06/09/07	06/09/07	VOTE AT SHAREHOLDERS' MEETING
LEOPOLDO RODÉS CASTAÑÉ	--	DIRECTOR	30/07/09	30/07/09	CO-OPTION
MARIA DOLORS LLOBET MARIA	--	DIRECTOR	07/05/09	07/05/09	CO-OPTION
MIQUEL NOGUER PLANAS	--	DIRECTOR	06/06/03	05/06/08	VOTE AT SHAREHOLDERS' MEETING
SALVADOR GABARRÓ SERRA	--	DIRECTOR	06/06/03	05/06/08	VOTE AT SHAREHOLDERS' MEETING
SUSANA GALLARDO TORREDEDIA	--	DIRECTOR	06/09/07	06/09/07	VOTE AT SHAREHOLDERS' MEETING

Total number of directors	16

Indicate any board members who left during this period.

Name or corporate name of director	Status of the director at the time	Leaving date
MARÍA AMPARO CAMARASA CARRASCO	PROPRIETARY	07/05/09
RICARDO FORNESA RIBÓ	EXECUTIVE	07/05/09
MANUEL GARCÍA BIEL	PROPRIETARY	07/05/09
MANUEL RAVENTÓS NEGRA	PROPRIETARY	30/07/09
RODRIGO DE RATO Y FIGAREDO	OTHER EXTERNAL DIRECTOR	17/12/09

B.1.3 Complete the following tables on board members and their respective categories.

EXECUTIVE DIRECTORS

Name or corporate name of director	Committee proposing appointment	Post held in the company
JUAN MARÍA NIN GÉNOVA	--	VICE CHAIRMAN
GONZALO GORTÁZAR ROTAECHE	APPOINTMENTS AND REMUNERATIONS COMMITTEE	CHIEF EXECUTIVE OFFICER

Total number of executive directors	2
% of the board	12.500

EXTERNAL PROPRIETARY DIRECTORS

Name or corporate name of director	Committee proposing appointment	Name or corporate name of significant shareholder represented or proposing appointment
ISIDRO FAINÉ CASAS	--	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”
IMMACULADA JUAN FRANCH	APPOINTMENTS AND REMUNERATIONS COMMITTEE	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”
JAVIER GODÓ MUNTAÑOLA	--	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”
JORGE MERCADER MIRÓ	--	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”
LEOPOLDO RODÉS CASTAÑÉ	APPOINTMENTS AND REMUNERATIONS COMMITTEE	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”
MARIA DOLORS LLOBET MARIA	APPOINTMENTS AND REMUNERATIONS COMMITTEE	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”
MIQUEL NOGUER PLANAS	APPOINTMENTS AND REMUNERATIONS COMMITTEE	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”
SALVADOR GABARRÓ SERRA	APPOINTMENTS AND REMUNERATIONS COMMITTEE	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”

Total number of proprietary directors	8
% of the board	50.000

INDEPENDENT EXTERNAL DIRECTORS

Name or corporate name of director

ALAIN MINC

Profile

In 1991 Mr. Minc founded his own consultancy firm, AM Conseil. Born in 1949, he is a graduate of the École des Mines de Paris and the École Nationale d'Administration (ENA) in Paris.

He was Chairman of the Supervisory Board of the French daily Le Monde. He has acted as vice-chairman to Compagnie Industriali Riunite International and has held the position of general manager of Cerus Compagnies Européennes Réunies.

He was also a finance inspector and CFO at Saint-Gobain.

He has also written over 20 books since 1978, many of them best-sellers which include *Une sorte de Diable, les vies de John M. Keynes*; *Le Créupscule des petits dieux*; *Ce monde qui vient*; *Les Prophètes du bonheur: historie personnelle de la pensée économique*; *Epître à nos nouveaux maîtres, Rapport sur la France de l'an 2000*; *Le Nouveau Moyen-âge*; *Les vengeances des Nations*; *La Machine égalitaire*, y *Rapport sur l´informatisation de la société*.

Name or corporate name of director

FRANCESC XAVIER VIVES TORRENTS

Profile

Professor of Economics and Finance and academic director of the Public-Private Research Centre at the IESE Business School, Mr. Vives Torrents also holds a PhD in Economics from the University of California, Berkeley.

He was also a Professor of European Studies at INSEAD in 2001-2005; Director of the Institute of Economic Analysis at the High Council of Scientific Research in 1991-2001; and a visiting lecturer at the universities of California (Berkeley), Harvard, New York (King Juan Carlos I Chair 1999-2000), and Pennsylvania, as well as the Universitat Autònoma de Barcelona and the Universitat Pompeu Fabra.

He has published numerous articles in international journals and written various books as well as advising the World Bank, the Inter-American Development Bank, the European Commission and various international companies. Mr. Vives Torrents has also received several Spanish research awards including the King Juan Carlos I Prize for Research into Social Sciences in 1988; the Catalan Society for Economics prize in 1996; the Narcís Monturiol Medal from the Catalonia regional government in 2002 and the Catalonia Economics Prize in 2005. He also served as Chairman of the Spanish Economic Association (2008) and has received the European Research Council Advanced Grant (2009-2013).

He is currently vice president of the Spanish Association for Energy Economics; a member of the European Academy of Sciences and Arts; Research Fellow of the CESifo and the Center for Economic Policy Research; Fellow of the European Economic Association since 2004 and Fellow of the Econometric Society since 1992.

Name or corporate name of director

ISABEL ESTAPÉ TOUS

Profile

Ms. Estapé holds a degree in Economics and Business from the University Central of Barcelona (1981) and is a qualified auditor.

In 1982 she joined the Stock Exchange as a broker, working as such until 1989. She served on the Boards of Directors of both the Barcelona (1989-1991) and Madrid (1990-1995) Stock Exchanges. Since 2000 she has been a Notary Public of Madrid.

She is also an Academic Director, member of the Advisory Board of the Institute of Market Studies (Instituto de Estudios Bursátiles) and member of the Spanish Directors' Association (A.E.D). In 2006 she joined the Royal Academy of Economics and Finance and in May 2007 she was awarded the "Women Together" prize by the United Nations.

Name or corporate name of director

JUAN ROSELL LASTORTRAS

Profile

Chairman of OMB, Sistemas Integrados para la Higiene Urbana and Congost Plastic. Born in 1957, he is industrial engineering graduate from the Polytechnic University of Barcelona

and has been awarded the Gold Medal of Merit from the Feria Oficial e Internacional de Muestras de Barcelona; the Silver Medal from the Barcelona Chamber of Commerce; the Commendatore al Merito della Repubblica Italiana, and the Keys to the City of Barcelona.

He has served as Managing Director of Juguetes Congost and has been Chairman of Enher (1996-1999), Fecsa-Enher (1999-2002) and Corporación Unliand (2005-2006). He has also been a board member of Sociedad General de Aguas de Barcelona, Endesa Italia and Endesa.

He is currently a director of Port Aventura Entertainment, Siemens España, Applus Servicios tecnológicos, Corporación Uniland and a member of the Zona Franca Consortium in Barcelona. In 2009 he was appointed to the board of Gas Natural.

He is also Chairman of the Fomento de Trabajo Nacional, the Instituto de Logística Internacional, Trustee of the FC Barcelona Foundation, Deputy Chairman of the Confederación Española de Organizaciones Empresariales (CEOE), Deputy Chairman of the Spanish Modern Pentathlon Federation and member of the Mont Pelerin Society.

Name or corporate name of director

SUSANA GALLARDO TORREDEDIA

Profile

Born in Barcelona in 1964, she holds a degree in Politics and Economics from Oxford Brookes University (UK).

She has worked as a money market trader at the Bank of Europe and as a financial advisor to REVELAM S.L.

She is a member of the Board of Directors of Landon and she has been a member of the Picking Pack Board of Directors.

She is also Chairman of the Bienvenido Foundation, a member of the board of trustees of Fundación Palau de la Música Catalana and of the Fundación Hospitalitat Mare de Déu de Lourdes.

Total number of independent directors	5
% of the board	31.250

OTHER EXTERNAL DIRECTORS

Name or corporate name of director	Committee proposing appointment
DAVID K. P. LI	--

Total number of other external directors	1
% of the board	6.250

List the reasons why these directors cannot be considered proprietary or independent and detail their relationships with the company, its executives or shareholders.

Name or corporate name of director

DAVID K. P. LI

Company, executive or shareholder with whom the relationship is maintained

THE BANK OF EAST ASIA, LIMITED

Reasons

David K. P. Li is not - neither does he represent - a shareholder with representation rights on Criteria CaixaCorp's Board of Directors, and so he cannot be considered a proprietary director. Mr. Li became an independent director on September 6, 2007. However, once Criteria's participation in The Bank of East Asia exceeded 5%, the Appointments and Remuneration Committee revised Mr. Li's position and decided – at the Ordinary Shareholder Meeting on June 5, 2008 – to change his status from independent director to other external director in accordance with the stipulations of article 16.4 of Criteria CaixaCorp's International Offering Memorandum.

List any changes in the category of each director which have occurred during the year.

Name or corporate name of director	Date of change	Previous category	Current category
JUAN MARÍA NIN GÉNOVA	01/01/09	PROPRIETARY	EXECUTIVE

B.1.4 Explain, when applicable, the reasons why proprietary directors have been appointed upon the request of shareholders who hold less than 5% of the share capital.

Provide details of any rejections of formal requests for board representation from shareholders whose equity interest is equal to or greater than that of other shareholders who have successfully requested the appointment of proprietary directors. If so, explain why these requests have not been entertained.

NO

B.1.5 Indicate whether any director has resigned from office before their term of office has expired, whether that director has given the board his/her reasons and through which channel. If made in writing to the whole board, list below the reasons given by that director.

YES

Name of director

MANUEL GARCÍA BIEL

Reasons for resignation

He tendered his resignation as he ceased to be a director and member of the Executive Committee of la Caixa.

Name of director

MANUEL RAVENTÓS NEGRA

Reasons for resignation

He tendered his resignation as he ceased to be a director and member of the Executive Committee of la Caixa.

Name of director

MARÍA AMPARO CAMARASA CARRASCO

Reasons for resignation

He tendered his resignation as he ceased to be a director and member of the Executive Committee of la Caixa.

Name of director

RICARDO FORNESA RIBÓ

Reasons for resignation

He resigned for personal reasons.

Name of director

RODRIGO DE RATO Y FIGAREDO

Reasons for resignation

He tendered his resignation following his appointment as chairman of Caja Madrid.

B.1.6 Indicate what powers, if any, have been delegated to the Chief Executive Officer.

B.1.7 List the directors, if any, who hold office as directors or executives in other companies belonging to the listed company's group.

Name or corporate name of director	Name of group company	Post
ISIDRO FAINÉ CASAS	HISUSA-HOLDING DE INFRAESTRUCTURAS Y SERVICIOS URBANOS, S.A.	REPRESENTING CRITERIA CAIXACORP. S.A.
JUAN MARÍA NIN GÉNOVA	GAS NATURAL, S.D.G., S.A.	DIRECTOR
JUAN MARÍA NIN GÉNOVA	SEGURCAIXA HOLDING. S.A.U.	DIRECTOR
GONZALO GORTÁZAR ROTAECHE	INVERSIONES AUTOPISTAS. S.L.	CHAIRMAN
GONZALO GORTÁZAR ROTAECHE	PORT AVENTURA ENTERTAINMENT. S.A.	DIRECTOR
GONZALO GORTÁZAR ROTAECHE	SEGURCAIXA. S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
GONZALO GORTÁZAR ROTAECHE	VIDACAIXA. S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
IMMACULADA JUAN FRANCH	SOCIEDAD GENERAL DE AGUAS DE BARCELONA S.A.	DIRECTOR
JAVIER GODÓ MUNTAÑOLA	SEGURCAIXA HOLDING. S.A.U.	DIRECTOR
JORGE MERCADER MIRÓ	SEGURCAIXA HOLDING. S.A.U.	DIRECTOR
JORGE MERCADER MIRÓ	SOCIEDAD GENERAL DE AGUAS DE BARCELONA S.A.	CHAIRMAN & CEO
JUAN ROSELL LASTORTRAS	GAS NATURAL. S.D.G..S.A.	DIRECTOR
JUAN ROSELL LASTORTRAS	MEDITERRANEA BEACH & GOLF RESORT. S.A.	DIRECTOR (until 28/12/09)
JUAN ROSELL LASTORTRAS	PORT AVENTURA ENTERTAINMENT. S.A.	DIRECTOR

Name or corporate name of director	Name of group company	Post
MIQUEL NOGUER PLANAS	SOCIEDAD GENERAL DE AGUAS DE BARCELONA S.A.	DIRECTOR
SALVADOR GABARRÓ SERRA	GAS NATURAL. S.D.G. S.A.	CHAIRMAN

B.1.8 List any company board members who likewise sit on the boards of directors of other non-group companies that are listed on official securities markets in Spain, insofar as these have been disclosed to the company.

Name or corporate name	Name of listed company	Post
ISIDRO FAINÉ CASAS	TELEFONICA. S.A.	VICE CHAIRMAN
ISIDRO FAINÉ CASAS	ABERTIS INFRAESTRUCTURAS. S.A.	1st VICE-CHAIRMAN
ISIDRO FAINÉ CASAS	REPSOL YPF. S.A.	2nd VICE-CHAIRMAN
JUAN MARÍA NIN GÉNOVA	REPSOL YPF. S.A.	DIRECTOR
JORGE MERCADER MIRÓ	MIQUEL & COSTAS & MIQUEL. S.A.	CHAIRMAN
LEOPOLDO RODÉS CASTAÑÉ	ABERTIS INFRAESTRUCTURAS. S.A.	DIRECTOR
SALVADOR GABARRÓ SERRA	ENAGÁS. S.A.	DIRECTOR
SALVADOR GABARRÓ SERRA	INDRA SISTEMAS. S.A.	DIRECTOR
SALVADOR GABARRÓ SERRA	UNIÓN FENOSA. S.A.	CHAIRMAN

B.1.9 Indicate and, where appropriate, explain whether the company has established rules about the number of boards on which its directors may sit.

YES

Explanation
Article 32. 4 of the Board of Directors' Regulations stipulates that Criteria CaixaCorp directors may not form part - apart from the company's Board - of more than four Boards of Directors of commercial companies. It also stipulates that for purposes of computing the number of Boards, the following rules shall be borne in mind: a) those boards of which he/she forms part as a stakeholding director proposed by the company or by any company belonging to its group shall not be computed. b) all boards of companies that form part of the same group, as well as those of which he forms part as a stakeholding director of any group company shall be computed as one single board, although the stake in the capital of the company or its degree of control does not allow considering it to form part of the group; c) those boards of asset-holding companies or companies that constitute vehicles or complements for the professional exercise of the Director himself, his spouse or a person having an analogous affective relationship, or his closest relatives shall not be

computed; and d) those boards of companies, even though they are commercial in nature, whose purpose is complementary or accessory to another activity which for the Director implies an activity related to leisure, assistance or aid to third parties, or any other one which does not imply for the Director a true dedication to a commercial business shall not be considered for computation.

B.1.10 In relation to Recommendation 8 of the Unified Code, indicate the company's general policies and strategies that are reserved for approval by the Board of Directors in plenary session.

Investment and financing policy	YES
Design of the structure of the corporate group	YES
Corporate Governance policy	YES
Corporate social responsibility policy	YES
The strategic or business plan, management targets and annual budgets	YES
Remuneration and evaluation of senior officers	YES
Risk control and management, and the periodic monitoring of internal information and control systems	YES
Dividend policy, as well as the policies and limits applying to treasury stock	YES

B.1.11 Complete the following tables on the aggregate remuneration paid to directors during the year.

a) In the reporting company:

Concept	In thousand €
Fixed remuneration	3,759
Variable remuneration	0
Per diems	0
Statutory compensation	0
Options on shares and/or other financial instruments	0
Other	0

Total	3,759

Other benefits	In thousand €
Advances	0
Loans	0
Funds and pension plans: contributions	125
Funds and pension plans: obligations	0
Life insurance premiums	0
Guarantees issued by the company in favor of directors	0

b) For company directors sitting on other governing boards and/or holding senior management posts within group companies:

Concept	In thousand €
Fixed remuneration	1,408
Variable remuneration	0
Per diems	0
Statutory compensation	0
Options on shares and/or other financial instruments	0
Other	0

Total	1,408

Other benefits	In thousand €
Advances	0
Loans	0
Funds and pension plans: contributions	0
Funds and pension plans: obligations	0
Life insurance premiums	0
Guarantees issued by the company in favor of directors	0

c) Total remuneration by type of director:

Type of director	By company	By group
EXECUTIVE	1,230	1,090
EXTERNAL PROPRIETARY	1,465	286
EXTERNAL INDEPENDENT	590	32
OTHER EXTERNAL	474	0

Total	**3,759**	1,408

d) Remuneration as percentage of profit attributable to the parent company:

Total remuneration received by directors (in thousand €)	5,167
Total remuneration received by directors/profit attributable to parent company (%)	0.4

B.1.12 List any members of senior management members who are not executive directors and indicate total remuneration paid to them during the year.

Name or corporate name	Post
LLUIS VENDRELL PI	HEAD OF LEGAL ADVISORY SERVICES
CARMEN GIMENO OLMOS	DIRECTOR OF INSURANCE AND FINANCIAL SERVICES INVESTMENT PORTFOLIO
JUAN MARÍA HERNÁNDEZ PUÉRTOLAS	DIRECTOR OF EXTERNAL COMMUNICATIONS
FRANCESC BELLAVISTA AULADELL	DIRECTOR OF INTERNAL AUDIT AND RISK CONTROL
ANTONI GARRIGA TORRES	DIRECTOR OF CORPORATE OFFICE AND INVESTOR RELATIONS
FRANCISCO REYNÉS MASSANET	MANAGING DIRECTOR
ADOLFO FEIJÓO REY	SECRETARY GENERAL

Name or corporate name	Post
ALMUDENA GALLO MARTÍNEZ	DIRECTOR OF HUMAN RESOURCES AND CORPORATE SOCIAL RESPONSIBILITY
XAVIER MORAGAS FREIXA	DIRECTOR OF FINANCE
JORDI MORERA CONDE	DIRECTOR OF BANK INVESTMENT PORTFOLIO

Total remuneration received by senior management (in thousand €)	2,387

B.1.13 Identify, in aggregate terms, any indemnity or "golden parachute" clauses that exist for members of the senior management (including executive directors) of the company or of its group in the event of dismissal or changes in control. Indicate whether these agreements must be reported to and/or authorized by the governing bodies of the company or its group.

Number of beneficiaries	3

	Board of Directors	General Shareholders' Meeting
Body authorizing clauses	YES	NO

Is the General Shareholders' Meeting informed of such clauses?	NO

B.1.14 Describe the procedures for establishing remuneration for board members and the relevant provisions in the bylaws.

Procedures for establishing board members' remuneration and relevant provisions in the bylaws
Article 4 of the Regulation of the Board of Directors of Criteria CaixaCorp states that the Board shall approve, subsequent to a report from the Appointments and Remuneration Committee, the remuneration of Directors, as well as, in the case of executive Directors, additional remuneration for their executive duties and other conditions which their contracts must respect. This is within the system and the limits stipulated in article 34 of the By-laws.

Indicate whether the board has reserved for plenary approval the following decisions:

At the proposal of the company's chief executive, the appointment and removal of senior officers, and their compensation clauses.	YES
Directors' remuneration and, in the case of executive directors, the additional remuneration for their executive functions and other contract conditions	YES

B.1.15 Indicate whether the Board of Directors approves a detailed remuneration policy and specify the points included.

YES

The amount of the fixed components, itemized where necessary, of board and board committee attendance fees, with an estimate of the fixed annual payment they give rise to.	YES
Variable components	YES
The main characteristics of pension systems, including an estimate of their amount of annual equivalent cost.	YES
The conditions that the contracts of executive directors exercising executive functions shall respect	YES

B.1.16 Indicate whether the board submits a report on the directors' remuneration policy to the advisory vote of the General Shareholders' Meeting, as a separate point on the agenda. Explain the points of the report regarding the remuneration policy as approved by the board for forthcoming years, the most significant departures in those policies with respect to that applied during the year in question and a global summary of how the remuneration policy was applied during the year. Describe the role played by the Remuneration Committee and whether external consultancy services have been procured, including the identity of the external consultants.

NO

Issues covered in the remuneration policy report
Even though a remuneration policy report was not submitted to the vote at the General Meeting as a separate point on the agenda, Criteria CaixaCorp – at the proposal of the Appointments and Remuneration Committee - has prepared a report for the members of the Board of Directors, adopting principles of transparency and information, and including separately remunerations for executive directors and non-executive ones. This report contains the general principles that are to be applied to directors' remuneration, the remuneration structure established in the corporate documentation and the remuneration details regarding the corresponding fiscal year.

Role of the Remunerations Committee
According to article 14 of the Regulation of the Board of Directors, the Appointments and Remuneration Committee shall propose to the Board of Directors the system and amount of annual remuneration of Directors, the individual remuneration of executive directors and the further conditions of their contracts.

Have external consultancy firms used?	

Identity of external consultants

B.1.17 List any board members who are likewise members of the boards of directors, or executives or employees of companies that own significant holdings in the listed company and/or group companies.

Name or corporate name of director	Corporate name of significant shareholder	Post
ISIDRO FAINÉ CASAS	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	CHAIRMAN
JUAN MARÍA NIN GÉNOVA	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	MANAGING DIRECTOR
IMMACULADA JUAN FRANCH	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	DIRECTOR
JAVIER GODÓ MUNTAÑOLA	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	THIRD VICE CHAIRMAN
JORGE MERCADER MIRÓ	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	SECOND VICE CHAIRMAN
LEOPOLDO RODÉS CASTAÑÉ	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	DIRECTOR
MARIA DOLORS LLOBET MARIA	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	DIRECTOR
MIQUEL NOGUER PLANAS	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	DIRECTOR
SALVADOR GABARRÓ SERRA	CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	FIRST VICE CHAIRMAN

List, if appropriate, any relevant relationships, other than those included under the previous heading, that link members of the Board of Directors with significant shareholders and/or their group companies.

B.1.18 Indicate whether any changes have been made to the regulations of the Board of Directors during the year.

NO

B.1.19 Indicate the procedures for the appointment, re-electing, appraising and removing directors. List the competent bodies and the processes and criteria to be followed for each procedure.

Articles 17-19 of the Regulation of the Board of Directors of Criteria CaixaCorp, stipulate that proposals for the appointment of Directors which the Board of Directors submits to the consideration of the General Meeting and the resolutions regarding appointments which the said body adopts by virtue of the powers of cooption legally attributed to it must be preceded by the pertinent proposal of the Appointments and Remuneration Committee, when entailing independent Directors and a report in the case of the remaining Directors.

In addition, when exercising its powers to propose appointments to the General Shareholders’ Meeting and co-opt directors to cover vacancies, the Board shall endeavor to ensure that external directors or non-executive directors represent a majority over executive directors and that the latter should be the minimum.

The Board shall also procure that among the group of external directors, there are stable significant shareholders of the company or their representatives (stakeholder directors) and persons of recognized experience who have no relationship with the executive team or significant shareholders (independent directors). The above definitions of directors’ profiles shall be interpreted in line with the recommendations of good corporate governance which are applicable at any given time.

In particular, with regard to independent directors, article 18.2 of the Regulation of the Board of Directors of Criteria CaixaCorp includes the same restrictions as the Unified Good Governance Code regarding appointing independent directors.

Its external directors shall include stakeholder and independent directors who reflect the existing proportion of the company's share capital represented by stakeholder directors and the rest of its capital. Independent directors shall comprise, at least, one third of the company's directors.

Directors shall remain in their posts for the term of office stipulated in the By-laws and may be reelected one or more times for periods of equal length. In the case of re-election, the procedure shall be the same as for the initial appointment.

The directors designated by co-option shall hold their post until the date of the next General Meeting or until the legal deadline for holding the General Meeting that is to decide whether to approve the accounts for the previous financial year has passed.

Article 15.6 of the Regulation of the Board of Directors stipulates that, at least once per year, the Board as a plenary body, shall evaluate the quality and efficiency of the functioning of the Board; the carrying out of the duties on the part of the Chairman of the Board and the chief executive of the company; and the functioning of the Committees.

Directors shall be removed from office when the period for which they were appointed has transpired, when decided by the General Meeting in use of the attributes legally or by the By-laws granted thereto, and when they resign.

In the event of the conditions described in B.1.20 below, Directors must place their position at the disposal of the Board of Directors and formalize, if it deems appropriate, the pertinent resignation.

When a Director leaves office prior to the end of his term, he must explain the reasons in a letter which he shall send to all members of the Board of Directors.

B.1.20 Indicate the cases in which directors must resign.

Article 20 of the Regulation of the Board of Directors stipulates that the Directors must place their position at the disposal of the Board of Directors and formalize, if it deems appropriate, the pertinent resignation, in the following cases:

a) when they depart the executive positions with which their appointment as Director was associated;

b) when they are subject to any of the cases of incompatibility or prohibition provided by law;

c) when they are indicted for an allegedly criminal act or are subject to a disciplinary proceeding for serious or very serious fault instructed by the supervisory authorities;

d) when their remainder on the Board may place in risk the company's interest or when the reason for which they were appointed disappear. In particular, in the case of stakeholding external Directors, when the shareholder they represent sells its stakeholding in its entirety. They must also do so when the said shareholder lowers its stakeholding to a level which requires the reduction of the number of external stakeholding Directors;

e) when significant changes in their professional status or in the conditions under which they were appointed director take place; and

f) when due to facts attributable to the Director, his remainder on the Board causes a serious damage to the corporate net worth or reputation in the judgment of the Board.

B.1.21 Indicate whether the duties of chief executive officer fall upon the Chairman of the Board of Directors. If so, describe the measures taken to limit the risk of powers being concentrated in a single person.

NO

Indicate, and if necessary, explain whether rules have been established that enable any of the independent directors to convene board meetings or include new items on the agenda, to coordinate and voice the concerns of external directors and oversee the evaluation by the Board of Directors.

YES

Explanation of rules
Articles 15 and 36.1 of the Regulation of the Board of Directors and Criteria CaixaCorp's By-laws stipulate that the Board of Directors must meet whenever at least two (2) of its members or one of the independent directors so requests, in which case it shall be called by order of the Chairman, through any written means addressed personally to each director, to meet within fifteen (15) days following the request. No director is expressly entrusted with the task of coordinating external directors. This task is considered to be unnecessary given the qualitative composition of Criteria CaixaCorp's Board where nearly all directors are external (14 out of the 16 members). The Board as a plenary body shall evaluate the quality and efficiency of the functioning of the Board; the carrying out of their duties on the part of the Chairman of the Board and the chief executive of the company; and the functioning of the Committees. The Chairman shall be responsible for directing these debates.

B.1.22 Are qualified majorities, other than legal majorities, required for any type of decisions?

NO

Describe how resolutions are adopted by the Board of Directors and specify, at least, the minimum attendance quorum and the type of majority for adopting resolutions.

B.1.23 Indicate whether there are any specific requirements, apart from those relating to the directors, to be appointed Chairman.

NO

B.1.24 Indicate whether the Chairman has the casting vote.

NO

B.1.25 Indicate whether the bylaws or the regulations of the Board of Directors set an age limit for directors.

NO

Age limit for Chairman	Age limit for CEO	Age limit for directors
0	0	0

B.1.26 Indicate whether the bylaws or the regulations of the Board of Directors set a limited term of office for independent directors.

NO

Maximum number of years in office	0

B.1.27 If there are few or no female directors, explain the reasons and describe the initiatives adopted to remedy this situation.

Explanation of reasons and initiatives
At December 31, 2009 women comprised 25% of the Board of Directors. Women comprise 40% of the independent directors and half of the members of the Executive Committee. This percentage, though not equal, and which could increase at any time, is higher than the average for companies on the IBEX 35. It is therefore deemed to be neither few nor non existent.

In particular, indicate whether the Appointments and Remunerations Committee has established procedures to ensure the selection processes are not subject to implicit bias that will make it difficult to select female directors, and make a conscious effort to search for female candidates who have the required profile.

YES

Indicate the main procedures
Women candidates are not discriminated against in the selection process of directors. Article 14 of the Regulation of the Board of Directors of Criteria CaixaCorp stipulates that one of the responsibilities of the Appointments and Remuneration Committee is to report to the Board on matters of gender diversity.

B.1.28 Indicate whether there are any formal processes for granting proxies at board meetings. If so, give brief details.

Article 16 of the Regulation of the Board of Directors stipulates that Directors shall do everything possible to attend the Board meetings. When they are unable to do so in person, they shall procure granting their proxy in writing, on a special basis for each meeting, to another Board member, including the appropriate instructions therein. The proxy may be granted by any postal, electronic means or by fax, provided that the identity of the director is assured.

B.1.29 Indicate the number of board meetings held during the year and how many times the board has met without the Chairman's attendance.

Number of board meetings	10
Number of board meetings held in the absence of its chairman	1

Indicate how many meetings of the various board committee were held during the year.

Number of meetings of the Executive or Delegated Committee	3
Number of meetings of the Audit and Compliance Committee	9
Number of meetings of the Appointments and Remuneration Committee	6
Number of meetings of the Appointments Committee	0
Number of meetings of the Remunerations Committee	0

B.1.30 Indicate the number of board meetings held during the financial year without the attendance of all members. Non-attendance will also include proxies granted without specific instructions.

Number of non-attendances by directors during the year	11
% of non-attendances of the total votes cast during the year	6.509

B.1.31 Indicate whether the individual and consolidated financial statements submitted for approval by the board are certified previously.

NO

Identify, if applicable, the person(s) who certified the company's individual and consolidated financial statements for preparation by the board.

B.1.32 Explain the mechanisms, if any, established by the Board of Directors to prevent the individual and consolidated financial statements it prepares from being submitted to the General Shareholders' Meeting with a qualified Audit Report.

The Audit and Control Committee is responsible for ensuring that the financial information is correctly drawn up in addition to other functions which include the following in order to avoid a qualified audit report:

. to serve as a channel of communication between the Board of Directors and the auditors, to evaluate the results of each audit and the responses of the management team to its recommendations and to mediate in cases of discrepancies between the former and the latter in relation to the principles and criteria applicable to the preparation of the financial statements, as well as to examine the circumstances which, as the case may be, motivated the resignation of the auditor;

. to carry relations with the external auditors in order to receive information on those matters which may place in risk their independence and any others related to the auditing process, as well as such other communications as are provided by auditing laws and technical auditing rules;

. to supervise the compliance with the auditing contract, procuring that the opinion of the Annual Financial Statements and the principal contents of the auditor's report are drafted clearly and precisely;

. to review the company's accounts and periodic financial reporting which the Board must furnish to the markets and their supervisory bodies and, in general, to monitor compliance with legal requisites on this subject matter and the correct application of generally accepted accounting principles, as well as to report on proposals for modification of accounting principles and criteria suggested by management;

B.1.33 Is the Secretary of the board also a director?

NO

B.1.34 Explain the procedure for appointing and removing the Secretary of the board, indicating whether his/her appointment and removal have been notified by the Appointments Committee and approved by the board in plenary session.

Appointment and removal procedure
Article 4 of the Regulation of the Board of Directors stipulates that the Secretary shall be appointed, and, as the case may be, removed, by the Board acting as a plenary body, subject to a report, in both cases, of the Appointments and Remuneration Committee.

Does the Appointments Committee propose appointments?	YES
Does the Appointments Committee advise on dismissals?	YES
Do appointments have to be approved by the board in plenary session?	YES
Do dismissals have to be approved by the board in plenary session?	YES

Is the Secretary of the board entrusted in particular with the function of overseeing corporate governance recommendations?

YES

B.1.35 Indicate the mechanisms, if any, established by the company to preserve the independence of the auditors, of financial analysts, of investment banks and of rating agencies.

As well as appointing the auditor, the Audit and Control Committee is responsible for maintaining relations with the external auditors in order to receive information on those matters that could jeopardize their independence and any other matters related to the process of auditing the accounts, as well as the other notifications envisaged in the auditing legislation and the technical auditing rules.

An additional measure taken to ensure the independence of the auditor is explained in article 45.4 of the By-laws which stipulates that the General Meeting may not dismiss the auditors until the period for which they were appointed ends, unless there is just cause. On April 29, 2008, the Audit and Control Committee of Criteria CaixaCorp approved the policies governing the relationship with the auditors to guarantee compliance with applicable legislation and the independence of the auditing work.

With regard to its relationship with shareholders, the company acts on the principles of transparency and non-discrimination set out in the applicable legislation and those stated in the Regulation of the Board of Directors which stipulate that the Board, through communications of material facts to the Spanish Securities Market Commission (CNMV) and the corporate website, shall inform the public immediately with regard to any material information. With regard to the company's relationship with analysts and investment banks, the Investor Relations Department shall coordinate the relationship with analysts, shareholders and institutional investors and manage their requests for information in order to ensure they are treated fairly and objectively.

With regard to the rating agencies, by virtue of the powers entrusted to the Audit and Control Committee under article 13 of the Regulation of the Board of Directors, this appointment has been submitted to said committee for approval. Therefore, until the rating was granted, the Audit and Control Committee was kept duly informed.

B.1.36 Indicate whether the company has changed its external audit firm during the year. If so, identify the new audit firm and the previous firm.

NO

Outgoing auditor	Incoming auditor

Explain any disagreements with the outgoing auditor and the reasons for the same.

NO

B.1.37 Indicate whether the audit firm performs other non-audit work for the company and/or its group. If so, state the amount of fees received for such work and the percentage they represent of the fees billed to the company and/or its group.

YES

	Company	Group	Total
Amount for other non-audit work (in thousand €)	232	18	250
Amount of other non-audit work as a % of total amount billed by audit firm	37.800	3.200	21.250

B.1.38 Indicate whether the audit report of the previous year's financial statements is qualified or includes reservations. Indicate the reasons given by the Chairman of the Audit Committee to explain the content and scope of those reservations of qualifications.

NO

B.1.39 Indicate the number of consecutive years during which the current audit firm has been auditing the financial statements of the company and/or its group. Likewise, indicate how many years the current firm has been auditing the accounts as a percentage of the total number of years over which the financial statements have been audited.

	Company	Group
Number of consecutive years	9	9

	Company	Group
Number of years audited by current audit firm /Number of years the company accounts have been audited (%)	100.0	100.0

B.1.40 List any equity holdings of the members of the company's Board of Directors in other companies with the same, similar or complementary types of activity to that which constitutes the corporate purpose of the company and/or its group, and which have been reported to the company. Likewise, list the posts or duties they hold in such companies.

Name or corporate name of director	Corporate name of the company in question	% share	Post or duties
JAVIER GODÓ MUNTAÑOLA	PRIVATMEDIA, S.L.	40.000	DIRECTOR
JAVIER GODÓ MUNTAÑOLA	SOCIEDAD DE SERVICIOS RADIOFÓNICAS UNIÓN RADIO, S.A.	0.000	VICE CHAIRMAN
JAVIER GODÓ MUNTAÑOLA	GRUPO GODÓ DE COMUNICACIÓN, S.A.	98.580	CHAIRMAN
JAVIER GODÓ MUNTAÑOLA	CATALUNYA COMUNICACIÓ, S.L.	0.000	CHAIRMAN
JORGE MERCADER MIRÓ	HACIA, S.A.	65,000	CHAIRMAN
JUAN ROSELL LASTORTRAS	CIVISLAR, S.A.	70,000	DIRECTOR
JUAN ROSELL LASTORTRAS	MIURA FUND I, F.C.R.	0.000	CHAIRMAN INVESTMENT COMMITTEE
LEOPOLDO RODÉS CASTAÑÉ	TRESUNO, S.L.	33.160	SOLE DIRECTOR
LEOPOLDO RODÉS CASTAÑÉ	GESTORA DE VIVIENDAS	0.000	REPRESENTATIVE OF THE SOLE DIRECTOR
SUSANA GALLARDO TORREDEDIA	LANDON INVESTMENTS, SCR DE RÉGIMEN SIMPLIFICADO	0.000	DIRECTOR
SUSANA GALLARDO TORREDEDIA	GESPRISA, SICAV	0.000	DIRECTOR
SUSANA GALLARDO TORREDEDIA	SUGAINVEST, S.L.	100.000	n/a

SUSANA GALLARDO TORREDEDIA	SUSANVEST, S.L.	100.000	n/a
SUSANA GALLARDO TORREDEDIA	BADROCOM, S.L.	100.000	n/a
SUSANA GALLARDO TORREDEDIA	PLAPROIN, S.L.	100.000	n/a
SUSANA GALLARDO TORREDEDIA	PERCIBIL, S.L.	100.000	n/a

B.1.41 Indicate and give details of any procedures through which directors may receive external advice.

YES

Details of procedure
Article 22 of the Regulation of the Board of Directors expressly covers the possibility that external Directors may request the hiring of external advisors at the expense of the company for specific problems of a certain entity and complexity which present themselves in the exercise of the position. The decision to contract must be notified to the Chairman of the company and may be vetoed by the Board of Directors, provided that it accredits: . that it is not necessary for the proper performance of the duties entrusted to the external Directors; that the cost thereof is not reasonable in view of the importance of the problem and of the assets and income of the company; . that the technical assistance being obtained may be adequately dispensed by experts and technical staff of the company; or . it may entail a risk to the confidentiality of the information that must be handled. Also, article 13.8 of the Regulation of the Board of Directors stipulates that in order to best comply with its functions, the Audit and Control Committee may avail itself of the advice of external experts, when it deems necessary for the adequate fulfillment of its duties.

B.1.42 Indicate whether there are procedures for directors to receive the information they need in sufficient time to prepare for the meetings of the governing bodies.

YES

Details of procedure
Article 21 of the Regulation of Board of Directors stipulates that the Director has the duty of diligently informing himself with regard to the running of the company. For such purpose, the Director may request information on any aspect of the company and examine its books, records, documents and further documentation. The right to information extends to investee companies provided that this is possible. The request for information must be addressed to the Chairman of the Board of Directors. If it entails confidential information in the judgment of the Chairman, he shall advise this circumstance of the Director requesting and receiving it,

as well as his duty of confidentiality.

B.1.43 Indicate and, where appropriate, give details of whether the company has established rules obliging directors to inform the board of any circumstance that might harm the organization's name or reputation, tendering their resignation as the case may be.

YES

Details of rules
Article 20 of the Regulation of Board of Directors of Criteria CaixaCorp stipulates that Directors must place their position at the disposal of the Board of Directors and formalize, if it deems appropriate, the pertinent resignation when his remainder on the Board causes a serious damage to the corporate net worth or reputation of the company.

B.1.44 Indicate whether any director has notified the company that he/she has been indicted or tried for any of the offences stated in article 124 of the Spanish Companies Act (LSA for its initials in Spanish).

NO

Indicate whether the Board of Directors has examined this matter If so, provide a justified explanation of the decision taken as to whether or not the director should continue to hold office.

NO

Decision	Explanation

B.2 Committees of the Board of Directors

B.2.1 Give details of all committees of the Board of Directors and their members.

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Name	Post	Type
JUAN ROSELL LASTORTRAS	CHAIRMAN	INDEPENDENT
FRANCESC XAVIER VIVES TORRENTS	MEMBER	INDEPENDENT
JORGE MERCADER MIRÓ	MEMBER	PROPRIETARY

AUDIT AND CONTROL COMMITTEE

Name	Post	Type
SUSANA GALLARDO TORREDEDIA	CHAIRMAN	INDEPENDENT
ALAIN MINC	MEMBER	INDEPENDENT
JUAN MARÍA NIN GÉNOVA	MEMBER	EXECUTIVE

EXECUTIVE COMMITTEE

Name	Post	Type
ISIDRO FAINÉ CASAS	CHAIRMAN	PROPRIETARY
ISABEL ESTAPÉ TOUS	MEMBER	INDEPENDENT
JUAN MARÍA NIN GÉNOVA	MEMBER	EXECUTIVE
MARIA DOLORS LLOBET MARIA	MEMBER	PROPRIETARY

B.2.2 Indicate whether the Audit Committee is responsible for the following:

To supervise the preparation process and monitoring the integrity of financial information on the company and, if applicable, the group, and revising compliance with regulatory requirements, the adequate boundaries of the scope of consolidation and correct application of accounting principles.	YES
To regularly review internal control and risk management systems, so main risks are correctly identified, managed and notified.	YES
To safeguard the independence and efficacy of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit ; propose the Department's budget; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.	YES
To establish and supervise a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the firm.	YES
To submit to the board proposals for the selection, appointment, reappointment and removal of the external auditor, and the engagement conditions.	YES
To receive regular information from the external auditor on the progress and findings of the audit program and check that senior management are acting on its recommendations.	YES
To ensure the independence of the external auditor.	YES
In the case of groups, the Committee should urge the group auditor to take on the auditing of all component companies.	

B.2.3 Describe the organizational and operational rules and the responsibilities attributed to each of the board committees.

Committee name

AUDIT AND CONTROL COMMITTEE

Brief description

Articles 40 and 13 of the By-laws and Regulation of the Board of Directors describe the organization and operation of the Audit and Control Committee.

1.1) Organization and operation

The Audit and Control Committee shall be convened by the Chairman of the Committee, either on his own initiative or at the request of the Chairman of the Board of Directors or two (2) members of the Committee itself and shall be validly assembled when the majority of its members attend in person or by proxy.

The Committee shall meet, ordinarily on a quarterly basis, in order to review the periodic financial information as well as the information which the Board of Directors must approve and include within its annual public documentation.

The meeting notice shall be given by letter, telegram, fax, e-mail, or any other means which allows keeping a record of its receipt.

Resolutions shall be adopted when the majority of its members attend in person or by proxy. Minutes of the resolutions adopted at each meeting shall be drawn up, which resolutions shall be reported to the Board as a plenary body, submitting or delivering a copy of the minutes to all Board members.

The Chairman must be replaced every four (4) years and may be re-elected once a period of one (1) year from his departure has transpired.

The Committee may also avail itself of the advice of external experts, when it deems necessary fro the adequate fulfillment of its duties.

1.2) Responsibilities

Notwithstanding any other task which may be assigned thereto from time to time by the Board of Directors, the Audit and Control Committee shall exercise the following basic functions:

. to report at the General Shareholders' Meeting on matters posed by shareholders in the area of its competence;

. to propose to the Board of Directors, for submission to the General Shareholders' Meeting, the appointment of the external auditors referred to in article 204 of the Spanish Corporations Law *(Ley de Sociedades Anónimas)*, as well as the contracting conditions thereof, the scope of their professional mandate and, as the case may be, the revocation or non-renewal thereof;

. to supervise the internal auditing services, verifying the adequacy and integrity thereof and to propose the selection, appointment and substitution of their responsible persons; to propose the budget for such services and verify that senior management bears in mind the conclusions and recommendations of their reports.

. to serve as a channel of communication between the Board of Directors and the auditors, to evaluate the results of each audit and the responses of the management team to its recommendations and to mediate in cases of discrepancies between the former and the latter in relation to the principles and criteria applicable to the preparation of the financial statements, as well as to examine the circumstances which, as the case may be, motivated the resignation of the auditor;

. to be familiar with the company's financial reporting process, internal control and risk management systems;

. to carry relations with the external auditors in order to receive information on those matters which may place in risk their independence and any others related to the auditing process, as well as such other communications as are provided by auditing laws and technical auditing rules;

. to supervise the compliance with the auditing contract, procuring that the opinion of the Annual Financial Statements and the principal contents of the auditor's report are drafted clearly and precisely;

. to review the company's accounts and periodic financial reporting which the Board must furnish to the markets and their supervisory bodies and, in general, to monitor compliance with legal requisites on this subject matter and the correct application of generally accepted accounting principles, as well as to report on proposals for modification of accounting principles and criteria suggested by management;

. to supervise the compliance with regulations with respect to Related Party Transactions. In particular, to endeavor that the market be reported information on said transactions, in compliance with the provisions of Ministry of Economy and Finance Order 3050/2004 of September 15 2004, and to report on transactions which imply or may imply conflicts of interest and, in general, on the subject matters contemplated in Chapter IX of the Regulation of the Board of Directors;

. to supervises the compliance with Internal Rules of Conduct on Matters Related to the Securities Market and, in general, of the rules of corporate governance;

. to report to the Board on the creation or acquisition of stakes in special purpose vehicles or entities domiciled in countries or territories considered to be tax havens, as well as any other transactions or operations of an analogous nature which, due to their complexity, may deteriorate the transparency of the company or of the group to which it belongs;

. to consider the suggestions submitted to it by the Chairman of the Board of Directors, Board members, executives and shareholders of the company and to establish and supervise a mechanism which allows the employees of the company or of the group to which it belongs, confidentially and, if deemed appropriate, anonymously, to report irregularities of potential significance, especially financial and accounting ones, which they observe within the company;

. to receive information and, as the case may be, issue a report on the disciplinary measures intended to be imposed upon members of the company's senior management team;

. the supervision of the compliance with the Internal Protocol governing the relationship between the majority shareholder and the company and the companies of their respective groups, as well as the carrying out of any other actions established in the protocol itself for the best compliance with the aforementioned supervisory duty.

Committee name

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Brief description Articles 39 and 14 of the By-laws and Regulation of the Board of Directors describe the organization and remit of the Appointments and Remuneration Committee.

1.1) Organization and operation

The Appointments and Remuneration Committee shall be convened by the Chairman of the Committee, either on his own initiative or at the request of the Chairman of the Board of Directors or two (2) members of the Committee itself and shall be validly assembled when the majority of its members attend in person or by proxy.

The meeting notice shall be given by letter, telegram, fax, e-mail, or any other means which allows keeping a record of its receipt.

The Committee shall meet every time it is convened by its Chairman, who must do so whenever the Board or its Chairman requests the issuance of a report or the adoption of proposals any, in any case, provided that it is appropriate for the proper development of its functions.

Resolutions shall be adopted when the majority of its members attend in person or by proxy. Minutes of the resolutions adopted at each meeting shall be drawn up, which resolutions shall be reported to the Board as a plenary body. The minutes shall available to all Board members through the office of the Secretary, but shall not be forwarded or delivered for reasons of discretion, unless otherwise ordered by the Chairman of the Committee.

1.2) Responsibilities

Notwithstanding other duties which may be assigned thereto by the Board of Directors, the Appointments and Remuneration Committee shall have the following basic responsibilities:

. to bring before the Board of Directors the proposals for appointment of independent Directors in order that the Board may proceed to appoint them (co-option) or take on such proposals for submission to the decision of the General Meeting, and report on the appointments of the other types of Directors;

. to propose to the Board of Directors (a) the system and amount of the annual remuneration of Directors and Senior Executives, (b) the individual remuneration of executive Directors and further conditions of their contracts, and (c) the basic conditions of Senior Executive contracts;

. to analyze, formulate and periodically review the remuneration programs, weighing their adequacy and performance;

. to report on the appointments and departures of Senior Executives which the chief executive proposes to the Board;

. to report to the Board on matters of gender Diversity; and to consider the suggestions posed thereto by the Chairman, the Board members, officers or shareholders of the company.

Committee name

EXECUTIVE COMMITTEE

Brief description

Articles 39 and 11 and 12 of the By-laws and Regulation of the Board of Directors describe the organization and remit of the Executive Committee.

1.1) The Executive Committee is governed by applicable law, the company's By-laws and the Regulation of the Board of Directors. Aspects not specifically defined for the Executive Committee shall be governed by the rules of procedure set forth by the Regulation of the Board of Directors for its own procedures. It will be considered to have a valid quorum when the majority of its members are present or represented at its meetings. Resolutions will be adopted by majority of the members in attendance, whether in person or by proxy.

1.2) The Executive Committee has been delegated all of the responsibilities and powers available to it both legally and under the company's By-laws. In terms of procedure, the Executive Committee is subject to the limitations set forth under article 4 of the Regulation of the Board of Directors.

B.2.4 Identify any advisory or consulting powers and, where applicable, the powers delegated to each of the committees.

Committee name

AUDIT AND CONTROL COMMITTEE

Brief description

See point B.2.3 above.

Committee name

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Brief description

See point B.2.3 above.

Committee name

EXECUTIVE COMMITTEE

Brief description

See point B.2.3 above.

B.2.5 Indicate, as appropriate, whether there are any regulations governing the board committees. If so, indicate where they can be consulted, and whether any amendments have been made during the year. Also Indicate whether an annual report on the activities of each committee has been prepared voluntarily.

Committee name

AUDIT AND CONTROL COMMITTEE

Brief description

There are no specific regulations for the Board committees. The organization and functions of Criteria CaixaCorp's Audit and Control and Appointments and Remuneration Committees are set out in the Regulation of the Board of Directors which is available on the company's corporate website (www.criteria.com) together with their structure and composition.

In compliance with article 13.6 of the Regulation of the Board of Directors, at its meeting on February 25, 2010 the Audit and Control Committee approved its annual activities report which includes the main aspects of its regulation as described in the various corporate documents. It also details the company's performance during 2009.

Committee name

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Brief description

There are no specific regulations for the Board committees. The organization and functions of Criteria CaixaCorp's Audit and Control and Appointments and Remuneration Committees are set out in the Regulation of the Board of Directors which is available on the company's corporate website (www.criteria.com) together with their structure and composition.

Unlike the Audit and Control Committee Control which is obliged to prepare an annual activities report as stipulated in the company's By-laws, the Appointments and Remuneration Committee is under no obligation to prepare an annual activities report. In spite of this, at its meeting on February 25, 2010 the Appointments and Remuneration Committee approved its annual activities report detailing its performance during 2009.

Committee name

EXECUTIVE COMMITTEE

Brief description

There are no specific regulations for the Board committees. The Executive Committee is governed by applicable law, the company's By-laws and the Regulation of the Board of Directors. Aspects not specifically defined for the Executive Committee shall be governed by the rules of procedure stipulated in the Regulation of the Board of Directors for its own procedures which are available on the company's corporate website (www.criteria.com) together with the structure and composition.

There is no express mention in the company's By-laws that the Committee must prepare an activities report. Nevertheless, and in line with its obligation to inform the Board of the main aspects covered and decisions taken at its meetings, at its meeting on February 25, 2010 the Committee approved its annual activities report which includes the main aspects of its regulation as described in the various corporate documents. It also details the company's performance during 2009.

B.2.6 Indicate whether the composition of the Executive Committee reflects the participation within the board of the different types of directors.

YES

C. RELATED-PARTY TRANSACTIONS

C.1. Indicate whether the board plenary sessions have reserved the right to approve, based on a favourable report from the Audit Committee or any other committee responsible for this task, transactions which the company carries out with directors, significant shareholders or representatives on the board, or related parties.

YES

C.2 List any relevant transactions entailing a transfer of assets or liabilities between the company or its group companies and the significant shareholders in the company.

Name or corporate name of significant shareholder	Name or corporate name of the company or its group company	Nature of the relationship	Type of transaction	Amount (thousand €)
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	AGENCAIXA, S.A.	LONG-TERM DEPOSITS 31/12/09	Financing of loans and capital contributions (borrower)	2,700
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	AGENCAIXA, S.A.	OTHER OPERATING EXPENSES	Other expenses	2,375
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	CAIXA CAPITAL DESARROLLO, S.C.R.R.S, S.A.	INTEREST FROM DEPOSITS AND CURRENT ACCOUNTS	Finance income	2,276
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	CAIXA RENTING, S.A.	INTEREST ON LOANS AND CREDIT FACILITIES	Finance cost	42,302
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	CAIXA RENTING, S.A.	FEE AND COMMISSION EXPENSE	Other expenses	2,509
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	CAIXA RENTING, S.A.	OTHER REVENUE	Rendering of services	2,041
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	CAIXA RENTING, S.A.	LOANS AND CREDITS 31/12/09	Financing of loans and capital contributions (borrower)	1,024,355

CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	CAIXA RENTING, S.A.	OTHER SHORT-TERM LIABILITIES 31/12/09	Financing of loans and capital contributions (borrower)	29,595
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	CAIXA RENTING, S.A.	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	1,785
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	CAIXA RENTING, S.A.	LONG-TERM PAYABLES 31/12/09	Financing of loans and capital contributions (borrower)	2,824
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	CRITERIA CAIXACORP, S.A.	INTEREST ON LOANS AND CREDIT FACILITIES	Finance cost	122,266
PENSIONES DE BARCELONA, "LA CAIXA"	CRITERIA CAIXACORP, S.A.	4-YEAR BULLET LOAN	Financing of loans and capital contributions (borrower)	1,000,000
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	CRITERIA CAIXACORP, S.A.	LONG-TERM PAYABLES 31/12/09	Financing of loans and capital contributions (borrower)	30,496
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	CRITERIA CAIXACORP, S.A.	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	4,394
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	CRITERIA CAIXACORP, S.A.	7-YEAR BULLET LOANS	Financing of loans and capital contributions (borrower)	1,000,000
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	CRITERIA CAIXACORP, S.A.	LOANS 31/12/09	Financing of loans and capital contributions (borrower)	3,546,701

CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	CRITERIA CAIXACORP, S.A.	OTHER SHORT-TERM LIABILITIES 31/12/09	Financing of loans and capital contributions (borrower)	16,665
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	CRITERIA CAIXACORP, S.A.	INTEREST FROM DEPOSITS AND CURRENT ACCOUNTS	Finance income	64
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	CRITERIA CAIXACORP, S.A.	OTHER OPERATING EXPENSES	Other expenses	2,248
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	CRITERIA CAIXACORP, S.A.	OPTION PREMIUMS PAID	Other expenses	10,119
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	FINCONSUM, ESTABLECIMIENTO FINANCIERO DE CRÉDITO, S.A.	LOANS AND CREDITS 31/12/09	Financing of loans and capital contributions (borrower)	650,826
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	FINCONSUM, ESTABLECIMIENTO FINANCIERO DE CRÉDITO, S.A.	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	5,861
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	FINCONSUM, ESTABLECIMIENTO FINANCIERO DE CRÉDITO, S.A.	OTHER SHORT-TERM LIABILITIES 31/12/09	Financing of loans and capital contributions (borrower)	12,996
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	FINCONSUM, ESTABLECIMIENTO FINANCIERO DE CRÉDITO, S.A.	INTEREST ON LOANS AND CREDIT FACILITIES	Finance cost	29,573
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	GDS - CORREDURIA DE SEGUROS, S.L.	OTHER ASSETS 31/12/09	Financing of loans and capital contributions (lender)	3,003
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	GESTICAIXA, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, S.A.	LONG-TERM DEPOSITS 31/12/09	Financing of loans and capital contributions (lender)	2,000

CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	GESTICAIXA, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, S.A.	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	1,104
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	HISUSA-HOLDING DE INFRAESTRUCTURAS Y SERVICIOS URBANOS, S.A.	DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	1,223
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	HISUSA- HOLDING DE INFRAESTRUCTURAS Y SERVICIOS URBANOS, S.A.	OTHER SHORT-TERM LIABILITIES 31/12/09	Financing of loans and capital contributions (borrower)	7
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	HODEFI, S.A.S.	LONG-TERM DEPOSITS 31/12/09	Financing of loans and capital contributions (lender)	7,046
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	HOLRET, S.A.U.	LONG-TERM PAYABLES 31/12/09	Financing of loans and capital contributions (borrower)	7,151
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	HOLRET, S.A.U.	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	38,742
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	INVERCAIXA GESTIÓN, S.A.U., S.G.I.IC.	FEE AND COMMISSION EXPENSE	Other expenses	70,710
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	INVERCAIXA GESTIÓN, S.A.U., S.G.I.IC.	OTHER SHORT-TERM LIABILITIES 31/12/09	Financing of loans and capital contributions (borrower)	7,703
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	INVERCAIXA GESTIÓN, S.A.U., S.G.I.IC.	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	39,872

CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	INVERCAIXA GESTIÓN, S.A.U., S.G.I.IC.	OTHER OPERATING EXPENSES	Other expenses	478
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	INVERCAIXA GESTIÓN, S.A.U., S.G.I.IC.	INTEREST FROM DEPOSITS AND CURRENT ACCOUNTS	Finance income	1,752
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	INVERVIDA CONSULTING, S.L.	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	3,283
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	MEDITERRANEA BEACH & GOLF RESORT, S.A.	INTEREST ON LOANS AND CREDIT FACILITIES	Finance cost	10,242
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	MEDITERRANEA BEACH & GOLF RESORT, S.A.	LOANS AND CREDITS 31/12/09	Financing of loans and capital contributions (borrower)	263,059
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	NEGOCIO DE FINANZAS E INVERSIONES I, S.L.U	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	63,120
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	OTHER GROUP COMPANIES (COMBINED AMOUNT)	FEE AND COMMISSION EXPENSE	Other expenses	2,873
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	OTHER GROUP COMPANIES (COMBINED AMOUNT)	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	2,911
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	OTHER GROUP COMPANIES (COMBINED AMOUNT)	OTHER SHORT-TERM LIABILITIES 31/12/09	Financing of loans and capital contributions (borrower)	5,782
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	OTHER GROUP COMPANIES (COMBINED AMOUNT)	OTHER ASSETS 31/12/09	Financing of loans and capital contributions (lender)	1,797

CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	OTHER GROUP COMPANIES (COMBINED AMOUNT)	INTEREST ON LOANS AND CREDIT FACILITIES	Finance cost	231
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	OTHER GROUP COMPANIES (COMBINED AMOUNT)	LONG-TERM DEPOSITS 31/12/09	Financing of loans and capital contributions (lender)	1,914
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	OTHER GROUP COMPANIES (COMBINED AMOUNT)	INTEREST FROM DEPOSITS AND CURRENT ACCOUNTS	Finance income	2,019
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	OTHER GROUP COMPANIES (COMBINED AMOUNT)	OTHER SALES AND INCOME FROM SERVICES RENDERED	Rendering of services	110
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	OTHER GROUP COMPANIES (COMBINED AMOUNT)	OTHER OPERATING EXPENSES AND OTHER LOSSES	Other expenses	1,536
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	REPINVES, S.A.	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	492
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	SEGURCAIXA HOLDING, S.A.U.	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	1,028
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	SEGURCAIXA HOLDING, S.A.U.	LONG-TERM DEPOSITS 31/12/09	Financing of loans and capital contributions	116,189
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	SEGURCAIXA, S.A. DE SEGUROS Y REASEGUROS	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS 31/12/09	Financing of loans and capital contributions (lender)	13,065
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	SEGURCAIXA, S.A. DE SEGUROS Y REASEGUROS	FEE AND COMMISSION EXPENSE	Other expenses	34,238

CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	Tenedora de Vehículos, S.A.	LOANS AND CREDITS 31/12/09	Financing of loans and capital contributions (borrower)	3,550
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS	OTHER SHORT-TERM LIABILITIES 31/12/09	Financing of loans and capital contributions (borrower)	29,023
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS	FEE AND COMMISSION EXPENSE	Other expenses	101,088
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS	TERM DEPOSITS AND ASSETS SOLD UNDER A REPURCHASE AGREEMENT 31/12/09	Financing of loans and capital contributions (lender)	6,010,573
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS	INTEREST FROM DEPOSITS AND CURRENT ACCOUNTS	Finance income	114,248
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS	INVESTMENT IN AFS 31/12/09	Financing of loans and capital contributions (lender)	786,407
CAJA DE AHORROS Y PENSIONES DE BARCELONA, "LA CAIXA"	VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS	CURRENT ACCOUNTS AND SHORT-TERM DEPOSITS 31/12/09	Financing of loans and capital contributions (lender)	128,183
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS	BALANCE OF ASSETS SOLD UNDER A REPURCHASE AGREEMENT AND OTHER LIABILITIES 31/07/09	Financing of loans and capital contributions (borrower)	5,714,770
CAJA DE AHORROS Y PENSIONES DE BARCELONA, “LA CAIXA”	VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS	INTEREST ON LOANS AND CREDIT FACILITIES	Finance cost	54,066
CAJA DE AHORROS Y PENSIONES DE BARCELONA, LA CAIXA	CRITERIA CAIXACORP, S.A.	DIVIDENDS PAID TO SHAREHOLDER S	Dividends and other profits distributed	427,471

LA CAIXA	GAS NATURAL	GUARANTEES ISSUED BY LA CAIXA	Guarantees issued by la caixa	164,102
LA CAIXA	GAS NATURAL	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS. BALANCE AT 31/12/09	Financing of loans and capital contributions (lender)	222,845
LA CAIXA	GAS NATURAL	BALANCE OF LOANS AND CREDITS 31/12/09	Financing of loans and capital contributions (lender)	532,800
LA CAIXA	GAS NATURAL	INTEREST ON LOANS AND CREDIT FACILITIES	Finance cost	14,563
LA CAIXA	GAS NATURAL	LEASES PAID	Other expenses	3,587
LA CAIXA	GAS NATURAL	INTEREST FROM DEPOSITS AND CURRENT ACCOUNTS	Finance income	2,233
LA CAIXA	GAS NATURAL	OTHER SALES AND INCOME FROM SERVICES RENDERED	Other income	2,231
LA CAIXA	AGBAR	GUARANTEES ISSUED BY LA CAIXA	Guarantees issued by la caixa	70,800
LA CAIXA	AGBAR	SHORT-TERM DEPOSITS AND CURRENT ACCOUNTS. BALANCE AT 31/12/09	Financing of loans and capital contributions (lender)	371,000
LA CAIXA	AGBAR	BALANCE OF LOANS AND CREDITS 31/12/09	Financing of loans and capital contributions (lender)	525,100
LA CAIXA	AGBAR	INTEREST FROM DEPOSITS AND CURRENT ACCOUNTS	Finance income	11,000

C.3 List any relevant transactions entailing the transfer of assets or liabilities between the company or its group companies and the company's managers or directors.

Name or corporate name of director or senior manager	Name or corporate name of the company or its group company	Nature of the relationship	Type of transaction	Amount (thousand €)
RODRIGO DE RATO Y FIGAREDO	CRITERIA CAIXACORP, S.A.	International Advisors Committee	Services received	180

C.4 List any relevant transaction undertaken by the company with other companies in its group that are not eliminated in the process of drawing up the consolidated financial statements and whose subject matter and terms set them apart from the company's ordinary trading activities.

C.5 Identify, where appropriate, any conflicts of interest affecting company directors pursuant to article 127 of the LSA.

NO

C.6 List the mechanisms established to detect, determine and resolve any possible conflicts of interest between the company and/or its group, and its directors, management or significant shareholders.

Directors

Article 26 of the Regulation of the Board of Directors regulates the duty not to compete of company directors.

Article 27 of the Regulation of the Board of Directors regulates the situations of conflicts of interest applicable to all Directors and establishes the obligation to report the existence of conflicts of interest to the Board of Directors and abstain from attending and intervening in deliberations and voting which might affect matters in which he is personally interested.

Article 28 of the same regulation stipulates that a Director may not make use of the company's assets or avail himself of his position at the company in order to obtain an economic advantage unless adequate consideration has been paid.

Meanwhile, article 29 stipulates that Directors are subject, with regard to the use of any non-public information of the company, to the duties of loyalty, fidelity, confidentiality, and secrecy inherent to their position, abstaining from using the said information in their own benefit or for the benefit of third parties.

Article 7 of the Internal Rules of Conduct of Criteria CaixaCorp, S.A. on Matters relating to the Securities Market regulates conflicts of interest and stipulates that persons subject to said rules are required to inform the Person Responsible for Compliance with regard to conflicts of interest of which they become aware, whether their own or in respect of their Related Persons.

Executives

Article 7 of the abovementioned Regulation is also applicable to the company's senior management.

Significant shareholders

In order to foster the company's transparency, autonomy and good governance as well as to limit and regulate conflicts of interest, Criteria CaixaCorp, S.A. and "la Caixa" signed an Internal Protocol of Relationships ("the Protocol") on September 19, 2007. The Protocol covers:

- defining the principle areas of activity of the company and of subsidiaries of “la Caixa” subsidiaries;
- establishing general criteria for carrying out transactions or rendering intragroup services under market conditions, as well as identifying the services that the company renders to Criteria CaixaCorp and the its group.
- determining mechanisms to achieve the necessary information flow between “la Caixa”, Criteria CaixaCorp and the other subsidiaries in order to meet their management requirements and obligations vis-à-vis the respective regulators.

The Protocol has been drawn up in accordance with the second recommendation of the Unified Good Governance Code and divides intragroup services into five categories, each one with a series of different control and operation regulations.

C.7 Is more than one group company listed in Spain?

NO

Indentify the listed subsidiaries in Spain.

D - RISK CONTROL SYSTEMS

D.1. Give a general description of risk policy in the company and/or its group, detailing and evaluating the risks covered by the system, together with evidence that the system is appropriate for the profile of each type of risk.

As a general rule, Criteria treats risk as any threat that a given event, act or omission may prevent it from attaining its objectives or pursuing its strategies successfully, including, in particular, those that could jeopardize the economic profitability of its business activities or its financial solvency, or otherwise lead to violations of applicable law and regulations or damage its corporate reputation.

With this in mind, the Board of Directors, either itself or through its Audit and Control Committee (see section D.3), is responsible for overseeing the performance of its investees and for regularly monitoring all implemented internal control and risk management systems.

Criteria CaixaCorp's Risk Control Department, reporting to the Audit and Control Committee, is responsible for monitoring compliance with financial information processes and internal risk management systems, as established in Article 13.1 of the Regulation of the Board of Directors of Criteria CaixaCorp.

Main functions of the Risk Control Department (see D.4.)

The Criteria Group has a priority to identify the main risks with regard to the significant businesses and apply policies with a high degree of decentralization given the wide range of businesses and their specialization, with the correct level of standardization and coordination between the parent company (´la Caixa´) and its investees. In order to apply these policies and control mechanisms, Criteria CaixaCorp has an Organization Department, a General Risk Control Department as well as a Legal and Advisory and Compliance Department. Also, and as part of the on-going process to improve its internal control systems and effectively manage risks, Criteria CaixaCorp complies with all the requirements stipulated in its Procedures and Control Manual aimed at reducing or eliminating exposure to these risks.

Criteria's Internal Audit Department also carries out its activities at Criteria as well as its investee companies. The aim of the Internal Audit function is to examine and evaluate the effectiveness and adequacy of the Criteria group's internal control system, i.e. the controls that senior management has designed and implemented. Its main role is to analyze the design and effectiveness of the internal control system of the different departments and functional activities within the company, and to report on their functioning and recommend, when necessary, improvements to ensure effective control at a reasonable cost, protect the company's equity and optimize available resources. This function works in conjunction with the Internal Audit Departments of ´la Caixa´ and the Criteria Group's investees.

See section G.1 – A description of the general policies followed for different kinds of risk (see sections D.1.1 and D.1.2). Also detailed is the framework under which the company collaborates with the "la Caixa" Group (see section D.1.3).

D.2 Indicate whether the company or group has been exposed to different types of risk (operational, technological, financial, legal, reputational, fiscal…) during the year.

YES

If so, indicate the circumstances and whether the established control systems worked adequately.

Risks occurring in the year	Circumstances responsible for this occurrence	Operation of control systems	
☐	Credit risk	The impairments recorded in the 2009 income statement largely include an estimate of losses of various group assets: receivables in the financial activity and corrections in the securities, credit risk of investments in investees in the banking sector, for €155 and €169 million, respectively. The majority can be reversed.	The control systems implemented by the company worked correctly, enabling it to manage the risk effectively and guarantee that it was monitored at all times by the Audit and Control Committee.

D.3 Indicate whether there is a committee or other governing body in charge of establishing and supervising these control systems.

YES

If so, explain its duties.

Name of Committee or Body

AUDIT AND CONTROL COMMITTEE

Description of duties

1. to report at the General Shareholders' Meeting on matters posed by shareholders in the area of its competence;
2. to propose to the Board of Directors, for submission to the General Shareholders' Meeting, the appointment of the external auditors, the contracting conditions thereof, the scope of their professional mandate and, as the case may be, the revocation or non-renewal thereof;
3. to supervise the internal auditing services;
4. to serve as a channel of communication between the Board of Directors and the auditors;
5. to be familiar with the company's financial reporting process, internal control and risk management systems;
6. to carry relations with the external auditors in order to receive information on those matters which may place in risk their independence;
7. to supervise the compliance with the auditing contract;
8. to review the company's accounts and periodic financial reporting which the Board must furnish to the markets and their supervisory bodies;
9. to supervise the compliance with regulations with respect to Related Party Transactions.

10. to supervise the compliance with the Internal Rules of Conduct;

11. to report to the Board on the creation or acquisition of stakes in special purpose vehicles or entities domiciled in countries or territories considered to be tax havens;

12. to consider the suggestions submitted to it by the Chairman of the Board of Directors, Board members, executives and shareholders of the company;

13. to receive information and, as the case may be, issue a report on the disciplinary measures intended to be imposed upon members of the company's senior management team;

14. to supervise compliance with the Internal Protocol governing the relationship between the majority shareholder and the company and the companies of their respective groups;

15. any others attributed thereto by law and other regulations applicable to the company.

D.4 Identify and describe the processes for compliance with the regulations applicable to the company and/or its group.

Criteria CaixaCorp has internal regulations and procedures which comply with the demands from the various legislations which apply to it and its group.

Prior to its IPO, the company adapted its organization, composition and regulations to the specific rules for listed companies in order to comply with the legal requirements in its new condition as a listed company as of October 10, 2007.

The company therefore has a two-tier support and supervisory structure which ensures compliance with the various regulations which directly affect the company and its group.

The Audit and Risk Control Department, reporting to the Audit and Control Committee, is responsible for monitoring compliance with financial information processes and internal risk management systems, as stipulated in article 13.1 of the Regulation of the Board of Directors of Criteria CaixaCorp.

The main functions of the Audit and Risk Control Department are:

1.- to define the strategy and risk control mechanisms of the listed portfolio: reporting line to the General Management team and Governing Body.

2.- Implementing an approved risk hedging strategy: Designing strategies arising from managing the value of the stakes.

3.-Supporting the various Management Control and Investment Analysis Groups to roll out and execute derivative operations. Trading, Follow-up and Valuation.

4.- Assessing the portfolio's risk (credit, market risks…) and drawing up follow-up reports.

5.- Acting as the internal body in charge of implementing Basle II (regulatory and economic capital).

6.- Preparing risk management documentation for regulatory bodies and the market.

7.- There is also coordination model between Criteria and the Strategic Risk Management (Economic and Regulatory Capital) and Operating and Market Risk (Market Risk) Departments of "la Caixa" via a committee which has the following duties:

. to define objectives and policies;
. to draw up a working plan;
. to ensure compliance with the working plan and its objectives;
. to pose issues of common interest.

The Legal Advisory and Compliance Department broadly monitors the company's compliance with all the legal requirements applicable to a listed company and supports the Audit and Control Committee in the task of informing the Board of Directors of the changes that need to be made to adapt the company's By-laws to regulatory changes and improve internal compliance practices and procedures. In the latter function, it works with the Secretary of the board to achieve excellence in the field of corporate governance.

The function of the Compliance Department at Criteria CaixaCorp is explained in detail in the Internal Rules of Conduct on Matters relating to the Securities Markets.

The Internal Rules of Conduct determines the standards of conduct and performance to be followed in relation to the operations described therein and the treatment, use and dissemination of confidential, privileged and significant information.

The Legal Advisory and Compliance Department oversees compliance with the legal requirements to which the group is subject. Subsidiaries subject to specific regulatory norms (SegurCaixa Holding, Invercaixa and Finconsum) have their own compliance staff and procedures in place, working in coordination with Criteria CaixaCorp's Legal Advisory and Compliance Department

E. GENERAL SHAREHOLDERS' MEETINGS

E.1 Indicate the quorum required for constitution of the General Shareholders' Meeting established in the company's bylaws. Describe how it differs from the system established in the LSA.

NO

	Quorum % other than that established in article 102 of the LSA for general cases	Quorum % other than that established in article 103 of the LSA for the special cases described in article 103
Quorum required for first call	0	0
Quorum required for second call	0	0

E.2 Indicate and, as applicable, describe the differences between the company's system for adopting corporate resolutions and the framework set for in the LSA.

NO

Describe how they differ from the rules established under the LSA.

E.3 List all shareholders' rights regarding the General Shareholders' Meetings other than those established under the LSA.

The company's By-laws and the Regulation of General Shareholders' Meeting recognize all shareholders' rights established under the LSA.

Shareholders may access information on the Annual Financial Statements, management report and audit report, both individual and consolidated, as well as proposed resolutions, reports and other documentation submitted at the General Shareholders' Meeting for approval on the company's corporate website www.criteria.com.

All shareholders or proxies who attended the General Shareholders' Meeting, may be informed of the resolutions adopted on the corporate website. Furthermore, they may at any time obtain certification of the resolutions adopted and a copy of the Meeting's Minutes.

Criteria CaixaCorp's By-laws, its Regulation of General Shareholders' Meeting and the Board of Directors as well as the Internal Rules of Conduct on Matters Relating to the Securities Market are available on its corporate website along with the Internal Protocol of Relationships with Caixa d'Estalvis i Pensions de Barcelona, "la Caixa".

The company's By-laws and Regulation of General Shareholders' Meeting stipulate that all shareholders who hold a minimum of one thousand (1,000) shares, individually or pooled together with other shareholders may attend the General Meeting.

E.4 Indicate the measures, if any, adopted to encourage participation by shareholders at General Shareholders' Meetings.

The Corporate By-laws and, more specifically, the Regulation of General Shareholders' Meeting, guarantee and facilitate the exercise of the shareholders' rights regarding the General Meeting; shareholders may request information – previously or at the Meeting – about the day's Agenda; they have access to the General Meeting documents through the company's website; they can benefit from simultaneous interpretation services at the General Meeting and have the possibility to delegate their right to vote on proposed resolutions pertaining to the items included on the agenda or to exercise this right by postal, electronic correspondence or any other remote communications medium.

As in previous years, and in addition to the measures expressly stated in its internal regulations, Criteria CaixaCorp, S.A. adopted further measures to encourage shareholder participation: the meeting notice was published in numerous media specifying the probability that the Meeting would be held at first call; information aimed at facilitating the attendance and participation of shareholders was published on the company's website including instructions on exercising or delegating voting rights through remote communications means; information about the venue for the General Meeting and instructions on how to get there, an e-mail address and telephone number for the shareholders to use should they have any doubts, and the possibility of following the Meeting live on the company's website.

E.5 Indicate whether the General Shareholders' Meeting is presided by the Chairman of the Board of Directors. List measures, if any, adopted to guarantee the independence and correct operation of the General Shareholders' Meeting.

YES

Details of measures
The General Meeting shall be chaired by the Chairman of the Board of Directors and, in the absence thereof by the applicable Vice Chairman. In the absence of the former and the latter, the oldest director shall act as Chairman. The company's Regulation of General Shareholders' Meeting details the operation of the meeting in order to guarantee its independence and correct operation. Additionally, on its own initiative, the Board of Directors requires the presence of a Notary to take minutes during the General Meeting, guaranteeing the neutrality to shareholders.

E.6 Indicate the amendments, if any, made to the General Shareholders' Meeting Regulations during the year.

The Regulation of General Shareholders' Meeting was approved on September 6, 2007 by its sole shareholder, Caja de Ahorros y Pensiones de Barcelona, la Caixa, prior to its IPO and in order to adapt the company to the legal requirements and good governance practices of listed companies. No amendments have been made subsequently.

E.7 Indicate the attendance figures for General Shareholders' Meetings held during the year.

Attendance data					
Date of general meeting	% attending in person	% by proxy	% remote voting		Total
			Electronic means	Other	
07/05/09	80.047	4.944	0.001	0.025	85.017

E.8 Briefly indicate the resolutions adopted at the General Shareholders' Meetings held during the year and the percentage of votes with which each resolution was adopted.

The resolutions adopted at the Annual General Meeting on May 7, 2009 and the percentage of votes by which each resolution was adopted are as follows:

1) Approve the annual accounts, both individual and consolidated, as well as their respective management reports (including the report on Remuneration Policy) relating to the financial period closed on 31 December 2008 - 99.5509%;

2) Approve the management of the company by the Board of Directors during the 2008 tax year- 99.5888%;

3) Approve the profit allocation proposal and the distribution of the corresponding dividend for the year ended December 31, 2008.– 99.59135%;

4) Approve the merger of Criteria CaixaCorp, S.A. (as absorbing company) and Crisegen Inversiones, S.L., Sole Shareholder Company (as absorbed company), and, if appropriate, to approve the merger balance sheet of the company as of December 31, 2008. – 99.5892%;

5) Approve the merger of Criteria Caixa Corp, S.A. (as absorbing company) and Caixa Capital Desarrollo, S.A., Sole Shareholder Company (as absorbed company), and, if appropriate, the merger balance sheet of the company – 99.5892%;

6) Authorize the Board of Directors for the derivative acquisition of its own shares – 99.5890%;

7) Re-elect the Auditor of Accounts of Criteria CaixaCorp, S.A. and its consolidated group for the financial year 2010 – 99.5813%; and

8) Authorize and delegate powers in favor of the Board of Directors in order to execute the resolutions that were adopted by the meeting – 99.5913%.

E.9 Indicate whether the bylaws impose any minimum requirement on the number of shares needed to attend the General Shareholders' Meetings.

YES

Number of shares required to attend the General Shareholders' Meetings	1,000

E.10 Indicate and explain the policies pursued by the company with reference to proxy voting at the General Shareholders' Meeting.

As stipulated in the By-laws and, more specifically, the Regulation of General Shareholders' Meeting, any shareholder entitled to attend may have himself represented at the General Meeting by means of another person, even if the latter is not a shareholder. The proxy must be granted on a special basis in writing, or through the remote communications means that duly guarantee the identity of the grantor.

Prior to the General Shareholders' Meeting of May 7, 2009, the Board of Directors approved the use of voting and delegation via electronic communication, and established the methods and rules to grant representation and the casting of votes via distance communication. Criteria CaixaCorp included this information in the General Meeting's call and on the company's website.

E.11 Indicate whether the company is aware of the policy of institutional investors on whether or not to participate in the company's decision-making processes.

NO

E.12 Indicate the address and mode of accessing corporate governance content on your company's website.

Disclosures required by Act 26/2003 of July 17 on transparency of listed companies, enacted by Order ECO/3722/2003 of December 26 and the CNMV's Circular 1/2004 of March 17 regarding the Annual Corporate Governance Report for listed companies, can be accessed directly from our corporate website www.criteria.com under the Shareholders and Investors section.

F. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the degree of the company's compliance with Corporate Governance recommendations. Should the company not comply with any of the afore-mentioned recommendations, explain the recommendations, rules, practices or criteria the company applies.

1. The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

See headings: A.9, B.1.22, B.1.23 and E.1, E.2

Complies

2. When a dominant and a subsidiary company are stock market listed, the two should provide detailed disclosure on:
   a) The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;
   b) The mechanisms in place to resolve possible conflicts of interest.

See headings: C.4 and C.7.

Complies

3. Even when not expressly required under company law,
any decisions involving a fundamental corporate change should be submitted to the General Shareholders' Meeting for approval or ratification. In particular: a) The transformation of listed companies into holding companies through the process of subsidiarisation, i.e. reallocating core activities to subsidiaries that were previously carried out by the originating firm, even though the latter retains full control of the former; b) Any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose; c) Operations that effectively add up to the company's liquidation.

Complies

4. Detailed proposals of the resolutions to be adopted at the General Shareholders' Meeting, including the information stated in Recommendation 28, should be made available at the same time as the publication of the Meeting notice.

Complies

5. Separate votes should be taken at the General Shareholders' Meeting on materially separate items, so shareholders can express their preferences in each case. This rule shall apply in particular to:
   a) The appointment or ratification of directors, with separate voting on each candidate;
   b) Amendments to the bylaws, with votes taken on all articles or groups of articles that are materially different.

See heading: E.8

Partially complies

The company complies with the principle with the exception of the remuneration policy which is approved jointly with the Financial Statements.

6. Companies should allow split votes, so financial intermediaries acting as nominees on behalf of different clients can issue their votes according to instructions.

See heading: E.4

Complies

7. The Board of Directors should perform its duties with unity of purpose and independent judgment, according all shareholders the same treatment. It should be guided at all times by the company's best interest and, as such, strive to maximize its value over time. It should likewise ensure that the company abides by the laws and regulations in its dealings with stakeholders; fulfils its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

Complies

8. The board should see the core components of its mission as to approve the company's strategy and authorize the organizational resources to carry it forward, and to ensure that management meets the objectives set while pursuing the company's interests and corporate purpose. As such, the board in full should reserve the right to approve:

a) The company's general policies and strategies, and in particular:

i) The strategic or business plan, management targets and annual budgets;

ii) Investment and financing policy;

iii) Design of the structure of the corporate group;

iv) Corporate Governance policy;

v) Corporate social responsibility policy;

vi) Remuneration and evaluation of senior officers;

vii) Risk control and management, and the periodic monitoring of internal information and control systems;

viii) Dividend policy, as well as the policies and limits applying to treasury stock.

See headings: B.1.10, B.1.13, B.1.14 and D.3

b) The following decisions :

i) On the proposal of the company's chief executive, the appointment and removal of senior officers, and their compensation clauses.

See heading: B.1.14

ii) Directors' remuneration and, in the case of executive directors, the additional consideration for their management duties and other contract conditions.

See heading: B.1.14

iii) The financial information that all listed companies must periodically disclose;

iv) Investments or operations considered strategic by virtue of their amount or special characteristics, unless their approval corresponds to the General Shareholders' Meeting;

v) the creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.

c) Transactions which the company conducts with directors, significant shareholders, shareholders with board representation or other persons related thereto ("related-party transactions").

However, board authorization need not be required for related-party transactions that simultaneously meet the following three conditions:

1. They are governed by standard form agreements applied on an across the-board basis to a large number of clients;

2. They go through at market rates, generally set by the person supplying the goods or services;

3. Their amount is no more than 1% of the company's annual revenues. It is advisable that related-party transactions should only be approved on the basis of a favorable report from the Audit Committee or some other committee handling the same function; and that the directors involved should neither exercise nor delegate their votes, and should withdraw from the meeting room while the board deliberates and votes.

Ideally the above powers should not be delegated with the exception of those mentioned in b) and c), which may be delegated to the Executive Committee in urgent cases and later ratified by the full board.

See headings: C.1 and C.6.

Complies

9. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise no fewer then five and no more than fifteen members.

See heading: B0.1.1

Explain

In 2009 there were various changes in the Board of Directors which, at December 31, 2009 comprised 16 members.

The composition of the Board is deemed to be suitable to ensure maximum effectiveness and participation with a wide variety of opinions.

10. External directors, proprietary and independent, should occupy an ample majority of board places, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

See headings: A.2, A.3, B.1.3 and B.1.14

Complies

11. In the event that some external director can be deemed neither proprietary nor independent, the company should disclose this circumstance and the links that person maintains with the company or its senior officers, or its shareholders.

See heading: B.1.3

Complies

12. That among external directors, the relation between proprietary members and independents should match the proportion between the capital represented on the board by proprietary directors and the remainder of the company's capital.

This proportional criterion can be relaxed so the weight of proprietary directors is greater than would strictly correspond to the total percentage of capital they represent:

1) In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings, despite the considerable sums actually invested.

2) In companies with a plurality of shareholders represented on the board but not otherwise related.

See headings: B.1.3, A.2 and A.3

Complies

13. The number of independent directors should represent at least one third of all board members.

See heading: B.1.3

Explain

In 2009 there were various changes in the Board of Directors which, at December 31, 2009 comprised 16 members, five of which are independent.

Five independent directors is not really one third as this has been rounded up. It must also be noted that Criteria CaixaCorp’s free float represents 20.553% of its share capital (excluding treasury stock), a percentage lower than the 31.25% represented by the independent directors.

14. The nature of each director should be explained to the General Meeting of Shareholders, which will make or ratify his or her appointment. Such determination should subsequently be confirmed or reviewed in each year's Annual Corporate Governance Report, after verification by the Nomination Committee. The said Report should also disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 5% of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

See headings: B.1.3 and B.1.4

Complies

15. When women directors are few or non existent, the board should state the reasons for this situation and the measures taken to correct it; in particular, the Nomination Committee should take steps to ensure that:

a) The process of filling board vacancies has no implicit bias against women candidates;

b) The company makes a conscious effort to include women with the target profile among the candidates for board places.

See headings: B.1.2, B.1.27 and B.2.3

Complies

16. The Chairman, as the person responsible for the proper operation of the Board of Directors, should ensure that directors are supplied with sufficient information in advance of board meetings, and work to procure a good level of debate and the active involvement of all members, safeguarding their rights to freely express and adopt positions; he or she should organize and coordinate regular evaluations of the board and, where appropriate, the company's chief executive, along with the chairmen of the relevant board committees.

See heading: B.1.42

Complies

17. When a company's Chairman is also its chief executive, an independent director should be empowered to request the calling of board meetings or the inclusion of new business on the agenda; to coordinate and give voice to the concerns of external directors; and to lead the board's evaluation of the Chairman.

See heading: B.1.21

Not applicable

18. The Secretary should take care to ensure that the board's actions:

a) Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulatory agencies;

b) Comply with the company bylaws and the regulations of the General Shareholders' Meeting, the Board of Directors and others;

C) Are informed by those good governance recommendations of the Unified Code that the company has subscribed to.

In order to strengthen the independence and professionalism of the Secretary post, the Code suggests that appointments and removals should require a report from the Nomination Committee, as in the case of board members.

See heading: B.1.34

Complies

19. The board should meet with the necessary frequency to properly perform its functions, in accordance with a calendar and agendas set at the beginning of the year, to which each director may propose the addition of other items.

See heading: B.1.29

Complies

20. Director absences should be kept to the bare minimum and quantified in the Annual Corporate Governance Report. When directors have no choice but to delegate their vote, they should do so with instructions.
See headings: B.1.28 and B.1.30

Partially complies

Director absences occur when directors are unable to attend. In these cases they delegate their votes with specific instructions so that the proxy may adhere to the matter under discussion by the Board.

21. When directors or the Secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, the person expressing them can request that they be recorded in the minute book.

Complies

22. The board in full should evaluate the following points on a yearly basis: a) The quality and efficiency of the board's operation; b) Starting from a report submitted by the Nomination Committee, how well the Chairman and chief executive have carried out their duties; c) The performance of its committees on the basis of the reports furnished by the same.
See heading: B.1.19

Complies

23. All directors should be able to exercise their right to receive any additional information they require on matters within the board's competence. Unless the bylaws or board regulations indicate otherwise, such requests should be addressed to the Chairman or Secretary.
See heading: B.1.42

Complies

24. All directors should be entitled to call on the company for the advice and guidance they need to carry out their duties. The company should provide suitable channels for the exercise of this right, extending in special circumstances to external assistance at the company's expense.
See heading: B.1.41

Complies

25. Companies should organize induction programmers for new directors to acquaint them rapidly with the workings of the company and its corporate governance rules. Directors should also be offered refresher programmers when circumstances so advise

Complies

26. Companies should require their directors to devote sufficient time and effort to perform their duties effectively, and, as such:

a) Directors should apprise the Nomination Committee of any other professional obligations, in case they might detract from the necessary dedication;

b) Companies should lay down rules about the number of directorships their board members can hold.
See headings: B.1.8, B.1.9 and B.1.17

Complies

27. The proposal for the appointment or renewal of directors which the board submits to the General Shareholders' Meeting, as well as provisional appointments by the method of co-option, should be approved by the board:

a) On the proposal of the Nomination Committee, in the case of independent directors.

b) Subject to a report from the Nomination Committee in all other cases.

See heading: B.1.2

Complies

28. Companies should post the following director particulars on their websites, and keep them permanently updated:

a) Professional experience and background;

b) Directorships held in other companies, listed or otherwise;

c) An indication of the director's classification as executive, proprietary or independent; in the case of proprietary directors, stating the shareholder they represent or have links with.

d) The date of their first and subsequent appointments as a company director, and;

e) Shares held in the company and any options on the same.

Complies

29. Independent directors should not stay on as such for a continuous period of more than 12 years.

See heading: B.1.2

Complies

30. Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter's number should be reduced accordingly.

See headings: A.2, A.3 and B.1.2

Complies

31. The Board of Directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where just cause is found by the board, based on a proposal from the Nomination Committee. In particular, just cause will be presumed when a director is in breach of his or her fiduciary duties or comes under one of the disqualifying grounds enumerated in section III.5 (Definitions) of this Code.

The removal of independents may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the company's capital structure, in order to meet the proportionality criterion set out in Recommendation 12.

See headings: B.1.2, B.1.5 and B.1.26

Complies

32. Companies should establish rules obliging directors to inform the board of any circumstance that might harm the organization's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent trial.

The moment a director is indicted or tried for any of the crimes stated in article 124 of the Public Limited Companies Law, the board should examine the matter and, in view of the particular circumstances and potential harm to the company's name and reputation, decide whether or not he or she should be called on to resign. The board should also disclose all such determinations in the Annual Corporate Governance Report.

See headings: B.1.43 and B.1.44

Complies

33. All directors should express clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other directors unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking board representation.

When the board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

The terms of this Recommendation should also apply to the Secretary of the board; director or otherwise.

Not applicable

34. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the board. Irrespective of whether such resignation is filed as a significant event, the motive for the same must be explained in the Annual Corporate Governance Report.

See heading: B.1.5

Complies

35. The company's remuneration policy, as approved by its Board of Directors, should specify at least the following points:

a) the amount of the fixed components, itemized where necessary, of board and board committee attendance fees, with an estimate of the fixed annual payment they give rise to;

b) Variable components, in particular:

i) The types of directors they apply to, with an explanation of the relative weight of variable to fixed remuneration items.

ii) Performance evaluation criteria used to calculate entitlement to the award of shares or share options or any performance-related remuneration;

iii) The main parameters and grounds for any system of annual bonuses or other, non cash benefits; and

iv) An estimate of the sum total of variable payments arising from the remuneration policy proposed, as a function of degree of compliance with pre-set targets or benchmarks.

c) The main characteristics of pension systems (for example, supplementary pensions, life insurance and similar arrangements), with an estimate of their amount of annual equivalent cost.

d) The conditions to apply to the contracts of executive directors exercising senior management functions; among them:

i) Duration;

ii) Notice periods; and

iii) Any other clauses covering hiring bonuses, as well as indemnities or ‘golden parachutes’ in the event of early termination of the contractual relation between company and executive director.

See heading: B.1.15

Complies

36. Remuneration comprising the delivery of shares in the company or other companies in the group, share options or other share-based instruments, payments linked to the company’s performance or membership of pension schemes should be confined to executive directors.

The delivery of shares is excluded from this limitation when directors are obliged to retain them until the end of their tenure.

See headings: A.3 and B.1.3

Complies

37. External directors' remuneration should sufficiently compensate them for the dedication, abilities and responsibilities that the post entails, but should not be so high as to compromise their independence.

Complies

38. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.

Not applicable

39. In the case of variable awards, remuneration policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, atypical or exceptional transactions or circumstances of this kind.

Not applicable

40. The board should submit a report on the directors' remuneration policy to the advisory vote of the General Shareholders' Meeting, as a separate point on the agenda. This report can be supplied to shareholders separately or in the manner each company sees fit.

The report will focus on the remuneration policy the board has approved for the current year with reference, as the case may be, to the policy planned for future years. It will address all the points referred to in Recommendation 35, except those potentially entailing the disclosure of commercially sensitive information. It will also identify and explain the most significant changes in remuneration policy with respect to the previous year, with a global summary of how the policy was applied over the period in question.

The role of the Remuneration Committee in designing the policy should be reported to the Meeting, along with the identity of any external advisors engaged.

See heading: B.1.16

Partially complies

Despite not submitting a report on the company's directors' remuneration policy to the advisory vote of the General Shareholders' Meeting, as a separate point on the agenda, at the Annual General Meeting held on May 7, 2009, shareholders approved the Annual Financial Statements, both individual and consolidated, as well as the corresponding Management Reports (which included a report on the directors' remuneration policy) which had been approved by the company's auditors.

41. The notes to the annual accounts should list individual directors' remuneration in the year, including:

a) a breakdown of the compensation obtained by each company director, to include where appropriate:

i) Participation and attendance fees and other fixed director payments;

ii) Additional compensation for acting as chairman or member of a board committee;

iii) Any payments made under profit-sharing or bonus schemes, and the reason for their accrual;

iv) Contributions on the director's behalf to defined-contribution pension plans, or any increase in the director's vested rights in the case of contributions to defined-benefit schemes;

v) Any severance packages agreed or paid;

vi) Any compensation they receive as directors of other companies in the group;

vii) The remuneration executive directors receive in respect of their senior management posts;

viii) Any kind of compensation other than those listed above, of whatever nature and provenance within the group, especially when it may be accounted a related-party transaction or when its omission would detract from a true and fair view of the total remuneration received by the director.

b) An individual breakdown of deliveries to directors of shares, share options or other share-based instruments, itemized by:

i) Number of shares or options awarded in the year, and the terms set for their execution;

ii) Number of options exercised in the year, specifying the number of shares involved and the exercise price;

iii) Number of options outstanding at the annual close, specifying their price, date and other exercise conditions;

iv) Any change in the year in the exercise terms of previously awarded options.

c) Information on the relation in the year between the remuneration obtained by executive directors and the company's profits, or some other measure of enterprise results.

Explain

The company complies with applicable legislation and includes the information in aggregate terms. Even though, for reasons of privacy, the individual information is not listed, it is specified by type of director.

42. When the company has an Executive Committee, the breakdown of its members by director category should be similar to that of the board itself. The Secretary of the board should also act as secretary to the Executive Committee.

See headings: B.2.1 and B.2.6

Complies

43. The board should be kept fully informed of the business transacted and decisions made by the Executive Committee. To this end, all board members should receive a copy of the Committee's minutes.

Complies

Explain

The board is kept fully informed of the Business transacted and decisions made by the Executive Committee. However, it does not receive a copy of the Committee minutes.

44. In addition to the Audit Committee mandatory under the Securities Market Law, the Board of Directors should form a committee, or two separate committees, of Nomination and Remuneration.

The rules governing the make-up and operation of the Audit Committee and the committee or committees of Nomination and Remuneration should be set forth in the board regulations, and include the following:

a) The Board of Directors should appoint the members of such committees with regard to the knowledge, aptitudes and experience of its directors and the terms of reference of each committee; discuss their proposals and reports; and be responsible for overseeing and evaluating their work, which should be reported to the first board plenary following each meeting;

b) These committees should be formed exclusively of external directors and have a minimum of three members. Executive directors or senior officers may also attend meetings, for information purposes, at the Committees' invitation.

c) Committees should be chaired by an independent director.

d) They may engage external advisors, when they feel this is necessary for the discharge of their duties.

e) Meeting proceedings should be minuted and a copy sent to all board members.

See headings: B.2.1 and B.2.3

Partially complies

As stipulated in article 14.4 of the Regulation of the Board of Directors, minutes of Criteria CaixaCorp's Appointments and Remuneration Committee meetings shall be available to all Board members through the office of the Secretary, but shall not be forwarded or delivered for reasons of discretion, unless otherwise ordered by the Chairman of the Committee.

The Audit and Control Committee comprises three members (two independent directors and one executive director). Despite not being formed exclusively by external directors, its composition is in accordance with article 13 of the Regulation of the Board of Directors which stipulates that the Audit and Control Committee shall be formed in its majority by non-executive directors.

45. The job of supervising compliance with internal codes of conduct and corporate governance rules should be entrusted to the Audit Committee, the Nomination Committee or, as the case may be, separate Compliance or Corporate Governance committees.

Complies

46. All members of the Audit Committee, particularly its chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management matters.

Complies

47. Listed companies should have an internal audit function, under the supervision of the Audit Committee, to ensure the proper operation of internal reporting and control systems.

Complies

48. The head of internal audit should present an annual work programmed to the Audit Committee; report to it directly on any incidents arising during its implementation; and submit an activities report at the end of each year.

Complies

49. Control and risk management policy should specify at least:

a) The different types of risk (operational, technological, financial, legal, reputational…) the company is exposed to, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks;

b) The determination of the risk level the company sees as acceptable;

c) Measures in place to mitigate the impact of risk events should they occur;

d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

See heading: D

Complies

50. The Audit Committee's role should be:

1. With respect to internal control and reporting systems:

   a) Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.

   b) Review internal control and risk management systems on a regular basis, so main risks are properly identified, managed and disclosed.

   c) Monitor the independence and efficacy of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the department's budget; receive regular report-backs on its activities; and verifying that senior management are acting on the findings and recommendations of its reports.

   d) Establish and supervise a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the firm.

2. With respect to the external auditor:

   a) Make recommendations to the board for the selection, appointment, reappointment and removal of the external auditor, and the terms and conditions of his engagement.

   b) Receiving regular information from the external auditor on the progress and findings of the audit programmed, and checking that senior management are acting on its recommendation.

   c) Monitor the independence of the external auditor, to which end:

      i) The company should notify any change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

      ii) The Committee should ensure that the company and the auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other requirements designed to safeguard auditors' independence;

      iii) The Committee should investigate the issues giving rise to the resignation of any external auditor.

   d) In the case of groups, the Committee should urge the group auditor to take on the auditing of all component companies.

See headings: B.1.35, B.2.2, B.2.3 and D.3

Complies

51. The Audit Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Complies

52. The Audit Committee should prepare information on the following points from Recommendation 8 for input to board decision-making:

a) The financial information that all listed companies must periodically disclose.

The Committee should ensure that interim statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review.

b) The creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.

c) Related-party transactions, except where their scrutiny has been entrusted to some other supervision and control committee.

See heading: B.2.2 and B.2.3

Complies

53. The Board of Directors should seek to present the annual accounts to the General Shareholders' Meeting without reservations or qualifications in the audit report. Should such reservations or qualifications exist, both the Chairman of the Audit Committee and the auditors should give a clear account to shareholders of their scope and content.

See heading: B.1.38

Complies

54. The majority of Nomination Committee members – or Nomination and Remuneration Committee members as the case may be – should be independent directors.

See heading: B.2.1

Complies

55. The Nomination Committee should have the following functions in addition to those stated in earlier recommendations:

a) Evaluate the balance of skills, knowledge and experience on the board, define the roles and capabilities required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties.

b) Examine or organize, in appropriate form, the succession of the chairman and chief executive, making recommendations to the board so the handover proceeds in a planned and orderly manner.

c) Report on the senior officer appointments and removals which the chief executive proposes to the board.

d) Report to the board on the gender diversity issues discussed in Recommendation 14 of this Code.

See heading: B.2.3

Complies

56. The Nomination Committee should consult with the company's Chairman and chief executive, especially on matters relating to executive directors. Any board member may suggest directorship candidates to the Nomination Committee for its consideration.

Complies

57. The Remuneration Committee should have the following functions in addition to those stated in earlier recommendations:

a) Make proposals to the Board of Directors regarding:

i) The remuneration policy for directors and senior officers;

ii) The individual remuneration and other contractual conditions of executive directors.

iii) The standard conditions for senior officer employment contracts.

b) Oversee compliance with the remuneration policy set by the company.

See heading: B.1.14 and B.2.3

Complies

58. The Remuneration Committee should consult with the Chairman and chief executive, especially on matters relating to executive directors and senior officers.

Complies

G. OTHER INFORMATION OF INTEREST

List and explain below the contents of any relevant principles or aspects of corporate governance applied by the company that have not been covered by this report.

NOTES:

A.2 - Criteria CaixaCorp's IPO on October 10, 2007 as stipulated in Royal Decree 1362/2007.

A.8 - Within the framework of the authorization to acquire treasury stock granted at the company's Annual General Meeting on May 7, 2009, a measure devised to increase the liquidity of the company's shares on the market and regular trading thereof, on July 18, 2008 the Board of Directors of Criteria CaixaCorp, S.A. approved the acquisition of up to 44.25 million shares, representing around 1.32% of the company's share capital, provided the net investment did not exceed €177 million, depending on prevailing market conditions. Despite not having reached the notification threshold stipulated in RD 1362/2007, of October 19, in its endeavor to foster greater transparency and on the occasion of its earnings releases, the company publishes details of its treasury stock and will continue to do so until disclosure is obligatory under the terms and conditions stipulated in the Royal Decree.

A.10 - Criteria CaixaCorp's By-laws and Regulation of General Shareholders' Meeting stipulate that all shareholders that individually, or in a group with other shareholders, own a minimum of one thousand (1,000) shares, and who have registered ownership in the relevant book-entry ledger at least five (5) days in advance of the date the General Meeting is to be held, may attend.

B.1.3 – Those Criteria CaixaCorp directors whose appointment was not proposed by the Appointments and Remuneration Committee were appointed by the sole shareholder prior to the creation of said Committee and the company's IPO.

B.1.7 – Multigroup and Associate companies are included under this heading. The information on directors refers to board members at year-end 2009.

B.1.8 - The information on directors refers to board members at year-end 2009

B.1.11 – The Chairman of the Board of Directors has the powers to set a bonus for the company's Chief Executive Officer and must inform the Appointments and Remuneration Committee.

B.1.11.b) – Group companies are those controlled by the company, therefore we have not included remuneration for company directors holding directorships at other companies – listed or otherwise – in which the company owns a stake or which are not controlled by it.

B.1.17 - The information on directors refers to board members at year-end 2009

B.1.40 - The information on directors refers to board members at year-end 2009

D.1. Set forth below is a description of the general policies followed for different kinds of risk (see sections D.1.1 and D.1.2). Also detailed is the framework under which the company collaborates with the "la Caixa" Group (see section D.1.3).

D.1. Set forth below is a description of the general policies followed for different kinds of risk (see sections D.1.1 and D.1.2). Also detailed is the framework under which the company collaborates with the "la Caixa" Group (see section D.1.3).

D.1.1 Risk management policy

As explained in Note 21 to the 2009 Financial Statements of the Criteria CaixaCorp Group, the group engages in a wide variety of activities including most notably (a) equity investments in listed and non-listed companies; (b) insurance activities in the life and non-life business lines and; (c) consumer credit financing activities. The group's policy to mitigate its risk exposure is based on a prudent equity and fixed-income security investment policy. Its equity investments have been made in sound companies of acknowledged solvency. Substantially all its investments in the insurance segment have been made in highly diversified fixed-income securities.

The group's main financial risks are those associated with the investee portfolio, and to a lesser extent, the risks common to the insurance and financial business. In 2009 exposure to changes in exchange rates increased the foreign currency risk for several currencies against the euro.

The group classifies its main risks in the following categories:

. Market risk. This includes the value of the ownership interests in other companies, classified as available-for-sale financial assets, and changes in interest rates and foreign exchange rates.
. Liquidity risk. This relates mainly to the lack of liquidity of certain of its investments or needs arising from their commitments or investment plans.
. Credit risk. Arising when counterparties fail to meet their payment obligations and the possible losses due to changes in their credit quality. Conceptually, this type of risk includes investments in the portfolio of jointly controlled entities and associates.
. Operational risk. Relating to errors in the implementation and execution of operations. Operational risk is considered to be all the events which could give rise to a loss caused by shortcomings in internal processes, human error, malfunctioning of information systems and/or external events.
. Insurance business risks. Relating to the mathematical or the underwriting risk. Exhaustive control is exercised over technical-actuarial risks.

Also, the group is exposed to country risk (relating to market, liquidity and credit risk) which consists of the possibility of assets becoming impaired or of a decrease in funds generated or transferred to the Parent as a result of political, economic or social instability in the countries in which investments are held.

Management's priority is to identify the main risks in terms of the most significant businesses and apply policies with a high degree of decentralization in view of the wide variety of businesses and their high level of specialization.

Various methods and tools are used to measure and monitor the risks:

. For holdings not classified as available for sale, and for holdings classified as available for sale but intended to be held on a long-term basis, the most significant risk is default risk and, therefore, the PD/LGD approach is used.
For other holdings classified as available for sale, the most significant risk is market risk and, therefore, the market (VaR) approach is used.
These methods and tools make it possible to adequately assess and measure the group's exposure the risk and, as a result, take the decisions required to minimize the impact of these risks with a view to making the following more stable:
. Cash flows, to facilitate financial planning and to be able to take appropriate investment and divestment decisions.
. The income statement, with the aim of promoting medium- and long-term stability and growth.
. The value of equity, in order to safeguard the value of the investment made by the shareholders and minimize any impact on the "la Caixa" Group's solvency (see section D.1.3).

D.1.2 Main risks and policies adopted to minimize their impact on the group's financial statements. For more information please see Note 20 to the 2009 Financial Statements of the Criteria CaixaCorp Group.

a) Market risk:

This refers to the risk that the value of a financial instrument may vary as a result of changes in price of shares, interest rates or foreign exchange rates. Possible consequences of these risks are decreases in equity and losses arising due to changes in market prices and/or for the losses on the positions composing the investment portfolio, rather than the trading portfolio, at medium to long term.

Price risk

At December 31, 2008 and 2009, practically all of the group's investments in equity instruments corresponded to listed assets. As a result, the group is exposed to the market risk generally associated with listed companies. The listed securities are exposed to fluctuations in price and trading volume due to factors beyond the group's control.
The group has specialized teams which continually monitor investee transactions, more or less in accordance with the group's level on influence in them, using a combination of indicators which are updated periodically. Also, in conjunction with the Strategic Risk Management Division of "la Caixa", investment risk measurements are taken, both from the standpoint of the risk inherent in market price volatility, using VaR (Value at Risk) models on the risk-free interest rate yield spread as proposed for banks by the New Basel Capital Accord (NBCA), and from the point of view of the possibility of default, applying models based on the Probability of Default and Loss Given Default ("PD" and "LGD") approaches, also in accordance with the provisions of the NBCA. (See section D.1.3).
Management monitors these indicators on an individualized basis to be able to take at any moment the most appropriate decisions on the basis of the market performance observed and predicted and the group's strategy.

Interest rate risk

Interest rate risk mainly takes the form of a change in (a) the finance charges for debt at a floating rate; and (b) the value of the fixed rate financial assets (mainly loans granted and debt securities). Accordingly, the risk basically arises from financial and insurance activities and group borrowings. In this regard, in interest rate risk management, the sensitivity of the fair value of the assets and liabilities to changes in the structure of the market rate curve is considered.
Interest rate risk is managed and controlled directly by the management of the companies involved.

Foreign currency risk

The functional currency for most of the assets and liabilities in the group’s consolidated balance sheet is the euro.
The company hedges items that affect the income statement. Therefore, it hedges cash flows but not investment positions as they are considered to be very long-term items.
The group may also be indirectly exposed to foreign currency risk through the foreign currency investments made by the companies accounted for using the equity method due to the major international presence of certain of these companies.
The group’s policies, on the basis of the overall quantification of risk, take into account the advisability of arranging either derivative financial instruments or debt in the same currency or currencies of the economic environment as the assets in which the investment is made.

b) Liquidity risk

Liquidity risk relates to the possibility of a company not being able to meet its payment obligations because it cannot sell a financial instrument sufficiently quickly without incurring significant additional costs. The liquidity risk associated with the possibility of financial investments being converted into cash is of little significance since they are generally listed on deep, active markets.
In its investing activity, the group takes into account in the management of its liquidity the generation of sustained and significant cash flows by its businesses and investments and the capacity to realize its investments which, in general, are listed on deep, active markets.
In its insurance activity, the group manages liquidity in such a way that it can always cover any obligations with might arise. This objective is achieved by actively managing liquid assets, through ongoing monitoring, by maturity item, of the balance sheet structure to detect, in advance, the occurrence of inadequate short- and medium-term term liquidity structures, whilst adopting a strategy lending stability to financing sources. Within the framework of the cash flow immunization policy, the investment portfolio is only settled in the event of surrender and of possible changes in credit risk.

c) Credit risk

Credit risk refers to the risk of incurring losses through breach of contractual payment obligations by a debtor or changes in the risk premium relating to the financial solvency of the debtor. The main credit risks relate to the investments in fixed-income securities of the portfolios assigned to the insurance activity and, in the financial activity, through the loans and credits granted to customers. A credit risk also arises from the investment in associates, mainly listed associates, which differs from the risk related to the market value of their shares.
Group credit risk management is controlled by strict internal compliance with procedures defined by management. This procedure defines the asset category suitable for inclusion in the investment portfolio using definition parameters such as the main rating scales, terms, counterparties and concentration. These procedures are of importance in the area of the insurance activity in which most of the fixed-income security investments are made. The group's financial activity has a credit risk control and monitoring policy consisting of the measurement and control of the current and future risk level using specialized tools (e.g. scoring matrixes, transaction capture rules, recovery management) and the monitoring of the compliance and effectiveness of these tools. The risk is always counterbalanced by the level of transaction acceptance targeted.

d) Insurance business technical risks

The risks associated with the insurance business within the existing business lines and types of insurance are directly managed by management of the SegurCaixa Holding Group (formerly Caifor), through the preparation and monitoring of a technical Executive Information System (EIS), for the purpose of keeping the synthetic vision of the technical progress of the products up to date. The EIS defines the following policies:

Insurance business technical risks

a) Underwriting
   Acceptance of risks on the basis of main actuarial variables (age, insured sum and duration of the guarantee).

b) Rating

In accordance with the legislation in force of the Directorate-General of Insurance and Pension Funds, the rates for the life business line are determined using the mortality tables allowed under applicable legislation. Additionally, the interest rates applied are those used for rating in accordance with the maximum rate established by the private insurance regulations approved by Royal Decree 2486/1998, of November 20.

c) Reinsurance

An adequate diversification of risk among several reinsurance companies with sufficient reinsurance capacity to absorb unexpected losses is established, whereby stability is achieved in terms of claims incurred.

The definition and follow-up of the aforementioned policies enables them to be changed, if required, to adapt risks to the group's global strategy.

Treatment of claims and the adequacy of the provisions are basic principles of insurance management. Mathematical provisions are estimated using specific procedures and systems.

<u>Concentration of the insurance risk</u>

There is a high level of risk diversification in the insurance lines offered by the group in terms of the extremely high number of insureds, the variety of sectors in which is present and the low individual amount to be paid per claim. Therefore, management considers that the concentration of insurance risk in the group's business activities is very low.

<u>Claims</u>

The group offers different types of life and no life insurance lines. The information on historical claims is not relevant since the period elapsed between the reporting of a claim and its settlement is very short, below 12 months in the majority of the cases.

e) Country risk

The group's policy for managing or mitigating country risk consists mainly of monitoring the geographical area in which it makes its investments both before making the investment and periodically after the investments have been made. In addition, country risk is taken into account when deciding on whether to sell investments or spread them over different geographical areas.

f) Operational risk

This is defined as the risk of incurring a loss as a result of errors in operating processes. Operational risk is considered to be all the events which could give rise to a loss caused by shortcomings in internal processes, human error, malfunctioning of information systems and/or external events.

The risk management processes covers issues in relation to systems and staff, administrative processes, information security and legal matters. These issues are managed with the purpose of establishing adequate controls to minimize possible losses.

As part of the ongoing process to improve its internal control systems and ensure that operational risk is effectively controlled, the company has policies and a Procedures Manual aimed at reducing or eliminating exposure to these risks.

D.1.3 Control and risk management systems. Framework collaboration agreement with “la Caixa”

As regards collaboration with the Global Risk Management Department of “la Caixa”, the various analyses concerning risk control at Criteria are governed by the overriding notion of integral risk management whereby portfolio investments and divestments are all addressed from a “holistic” approach. This effectively means that investments and divestments are always analyzed in relation to the amount of total portfolio risk they account for. Likewise, and so as to streamline capital allocation, the “la Caixa” Group considers Criteria's portfolio as an additional business unit, along with the other business segments (mortgages, consumer loans, loans to SMEs, corporate financing, project financing, etc.).

In order to perform these risk control functions, Criteria possesses various mechanisms and tools, which it manages and presents to the management on a regular basis. It also collaborates continuously with the Investee Risk Control Unit of “la Caixa”.
These mechanisms are as follows:

1) Analysis and monitoring of the risk parameters of portfolio assets: PD, LGD, EAD, correlations.

2) Analysis of the risk-investment relationship of the main investees comprising the Criteria portfolio at 31/12/09.

3) Preparation of a weekly alerts report, which acts as an indicator of current positions in investees, warns of sudden changes in risk perception and helps estimate risk impacts on the group's solvency. This report draws from various sources of information, the traceability and homogeneity of which are fully guaranteed.

The following alerts are worthy of particular note:

a. Comparison of implied PDs (CDSs) with internal PDs.
b. Sudden changes to volatility estimates that alter the assigned internal capital.
c. Funding ratio based on acquisition cost or market value.
d. Changes in asset correlations based on sector-wide ratios.

4) On a final note, we would highlight a further mechanism enabling effective risk control within Criteria, in that Criteria's CEO is a regular and full member of the Global Risk Committee of "la Caixa" (which meets monthly to analyze all risks affecting the group, including its investees), thereby ensuring fluid and uninterrupted risk reporting between both companies.

F.2 - Even though the controlling shareholder is a non-listed company, the measures described in sections C.4 and C.7 have been adopted.

F.19 - Article 7.2 of the Regulation of the Board of Directors stipulates that the Chairman is vested with the ordinary authority to form the agenda for such meetings and to direct the debates.
That said, all directors may request that additional items be included in the agenda.

F.29 - Criteria CaixaCorp's By-laws stipulate that directors shall remain in their posts for a term of six (6) years and may be reelected one or more times for periods of equal length.
No independent director has yet remained in their post for six years. Therefore, and should an independent director come to the end of his second consecutive mandate in the future, the Board shall, in accordance with Recommendation 29 and the definition of an independent director as set out in the Unified Good Governance Code and based on a report from the Appointments and Remuneration Committee, study the advisability of reelecting said independent director.

F.31 - Pursuant to article 33.2 of Criteria CaixaCorp's By-laws, the post of director may be resigned from or revoked and directors may be reappointed regardless of the type of director.
Article 20 of the Regulation of the Board of Directors covers the removal of directors and when they must place their position at the disposal of the Board of Directors and formalize, if it deems appropriate, the pertinent resignation.
The above is also applicable to independent directors.

F.35 – The Board has set fixed remuneration for directors according to their responsibilities and dedication. However, the CEO receives a bonus and pension plan.

F.39 – The Chairman of the Board of Directors has the powers to set a bonus for the company's Chief Executive Officer and must inform the Appointments and Remuneration Committee.

This section may include any other relevant but not re-iterative information, clarification or detail related to previous sections of the report.

Specifically indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include the compulsory information to be provided when different from that required by this report.

Binding definition of independent director:

List any independent directors who maintain, or have maintained in the past, a relationship with the company, its significant shareholders or managers, when the significance or importance thereof would dictate that the directors in question may not be considered independent pursuant to the definition set forth in section 5 of the Unified Good Governance Code.

NO

Date and signature:

This annual corporate governance report was approved by the company's Board of Directors at its meeting held on:

25/02/2010

List any directors who voted against or abstained from voting on the approval of this report.

NO