

BAXTER INTERNATIONAL INC
Form 11-K
June 19, 2015

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 11-K

x **ANNUAL REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the year ended December 31, 2014

OR

.. **TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 1-4448

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:
Baxter Healthcare of Puerto Rico Savings and Investment Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:
Baxter International Inc.

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

One Baxter Parkway

Deerfield, IL 60015

(224) 948-2000

Baxter Healthcare of Puerto Rico

Savings and Investment Plan

Financial Statements and Supplemental Schedule

December 31, 2014 and 2013

Baxter Healthcare of Puerto Rico

Savings and Investment Plan

Index

December 31, 2014 and 2013

	Page(s)
<u>Report of Independent Registered Public Accounting Firm</u>	1
Financial Statements	
<u>Statements of Net Assets Available for Benefits as of December 31, 2014 and 2013</u>	2
<u>Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2014 and 2013</u>	3
<u>Notes to Financial Statements</u>	4-15
<u>Schedule H, Line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2014</u>	16-37

Report of Independent Registered Public Accounting Firm

To the Participants and Administrative Committee of

the Baxter Healthcare of Puerto Rico Savings and Investment Plan

Deerfield, Illinois

We have audited the accompanying statements of net assets available for benefits of the Baxter Healthcare of Puerto Rico Savings and Investment Plan (the Plan) as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2014 and 2013, and the changes in net assets available for benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

The supplemental Schedule H, Line 4i Schedule of Assets (Held at End of Year) as of December 31, 2014 has been subjected to audit procedures performed in conjunction with the audit of the Baxter Healthcare of Puerto Rico Savings and Investment Plan s financial statements. The supplemental schedule is the responsibility of the Plan s management. Our audit procedures included determining whether the information presented in the supplemental schedule reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental schedule is fairly stated in all material respects in relation to the financial statements as a whole.

/s/ Crowe Horwath LLP

Oak Brook, Illinois

June 19, 2015

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Statements of Net Assets Available for Benefits**

December 31, 2014 and 2013 (in thousands)

	2014	2013
Assets		
Investments		
Cash and cash equivalents	\$ 926	\$ 672
Common stock (including securities on loan of \$46 in 2014 and \$26 in 2013)	11,377	10,984
U.S. government and government agency issues (including securities on loan of \$81 in 2014 and \$71 in 2013)	469	418
Corporate and other obligations (including securities on loan of \$44 in 2014 and \$87 in 2013)	528	511
Commingled funds	19,137	15,625
Synthetic guaranteed investment contracts	21,773	20,329
Registered investment companies		
Collateral held on loaned securities	175	188
Total investments at fair value	54,385	48,727
Receivables		
Note receivables from participants	3,853	4,073
Sponsor contributions	698	540
Accrued interest and dividends	72	66
Due from brokers for securities sold	5	9
Total receivables	4,628	4,688
Total assets	59,013	53,415
Liabilities		
Accounts payable	448	424
Due to brokers for securities purchased	101	
Collateral to be paid on loaned securities	175	188
Total liabilities	724	612
Net assets available for benefits, reflecting investments at fair value	58,289	52,803
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(1,279)	(1,023)
Net assets available for benefits	\$ 57,010	\$ 51,780

The accompanying notes are an integral part of these financial statements.

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Statements of Changes in Net Assets Available for Benefits****For the Years Ended December 31, 2014 and 2013** (in thousands)

	2014	2013
Additions to net assets attributed to		
Investment income		
Net appreciation in fair value of investments	\$ 2,153	\$ 4,544
Interest	615	645
Dividends	271	247
Net investment income	3,039	5,436
Participant loan interest	160	156
Contributions		
Sponsor	2,234	2,011
Participant	3,533	3,281
	5,767	5,292
Total additions	8,966	10,884
Deductions from net assets attributed to		
Benefits paid	3,313	3,346
Plan expenses	423	423
Total deductions	3,736	3,769
Net increase	5,230	7,115
Net assets available for benefits		
Beginning of year	51,780	44,665
End of year	\$ 57,010	\$ 51,780

The accompanying notes are an integral part of these financial statements.

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Notes to Financial Statements****December 31, 2014 and 2013****1. General Description of the Plan**

The following description of the Baxter Healthcare of Puerto Rico Savings and Investment Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document and summary plan description for more complete information. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan is a defined contribution plan which became effective on January 1, 1998. The Plan was created for the purpose of providing retirement benefits to Puerto Rico employees of Baxter Healthcare S.A., the Sponsor or the Company, a subsidiary of Baxter International Inc. (Baxter) and to encourage and assist employees in adopting a regular savings program by means of payroll deductions through a plan that qualifies under the applicable laws of both the Puerto Rico and the United States Internal Revenue Codes. Plan participants may authorize the Company to make payroll deductions under the Plan ranging from 1% to 50% of their pre-tax monthly compensation, limited to a maximum of \$15,000 a year in both 2014 and 2013. Participants who have attained the age of 50 by the end of the year may contribute up to an additional \$1,500 per year in catch-up contributions. Newly hired employees are deemed to have elected to contribute 3% of compensation unless they make a contrary election. The Company matches a participant's savings contributions at the rate of 50 cents for each dollar of a participant's pre-tax contribution, up to a maximum of 6% of a participant's compensation. The Company also contributes an additional non-matching 3% of compensation for employees that are not eligible to participate in the Company's Puerto Rico defined benefit pension plan, which includes all new employees hired on or after January 1, 2008. Participants are immediately vested in their elective contributions plus actual earnings thereon. Vesting in the Company's matching and non-matching contributions plus actual earnings thereon is based on years of service. The matching contributions vest in accordance with the following vesting schedule:

Years of Service	Vesting %
1	20%
2	40%
3	60%
4	80%
5 or more	100%

The additional non-matching contributions become fully vested after three years of service. Employees are fully vested in the Company's matching contributions and non-matching account, regardless of years of service with the Company, upon attaining age 65, upon becoming disabled in accordance with the provisions of the Plan or upon dying while employed by the Company. Forfeitures of nonvested accounts are used to reduce future Company contributions.

Participants may borrow from their vested accounts a minimum of \$500 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at the prime rate at the last day of the month prior to loan request, plus one percent.

Participants or their beneficiaries may elect lump-sum benefit payments, or benefits may be paid in installments. Shares of Baxter common stock may also be distributed in kind at the participant's election. Subject to certain provisions specified in the Plan agreement, employed participants may withdraw their pre-tax contributions (but not the earnings on the contributions) in cases of financial hardship. In the case of a participant termination by reason of death or disability, the entire vested amount is paid to the person or persons legally entitled thereto.

Each participant's account is credited with the participant's contributions and an allocation of the Company's contributions and Plan earnings, and is charged with his or her withdrawals and an allocation of Plan-related

Baxter Healthcare of Puerto Rico

Savings and Investment Plan

Notes to Financial Statements

December 31, 2014 and 2013

expenses. Allocations are based on participant earnings or account balances, as defined in the Plan document. The net income of the Plan is posted to the participant's accounts on a daily basis. Each participant directs the investment of his or her account to any of the investment options available under the Plan.

Upon enrollment in the Plan, a participant may direct contributions into any of 19 investment options: Stable Income Fund, Baxter Common Stock Fund, Composite Fund, General Equity Fund, State Street Global Advisors S&P 500 Flagship Fund (SSgA S&P 500 Fund), State Street Global Advisors International EAFE Equity Index Fund (SSgA EAFE Equity Fund), State Street Global Advisors Small Cap Fund (SSgA Small Cap Fund), Northern Trust Domestic Mid Cap Fund, State Street Global Advisors Emerging Markets Fund (SSgA Emerging Markets Fund) and ten different Target Date Retirement Funds. However, non-matching contributions may not be invested in the Baxter Common Stock Fund. In addition, certain participants maintain shares in Edwards Lifesciences Corporation. These shares were placed into the Edwards Lifesciences Common Stock Fund in connection with Baxter's 2000 spin-off of its cardiovascular business. Participants are not able to make contributions or transfer existing account balances to the Edwards Lifesciences Common Stock Fund, but may make transfers out of these funds at any time. Starting in 2013, participants are no longer able to make contributions to the Composite Fund and General Equity Fund, but may make transfers out of these funds at any time.

In March 2014, Baxter announced plans to create two separate, independent global healthcare companies—one focused on lifesaving medical products and the other on developing and marketing innovative biopharmaceuticals. The transition is intended to take the form of a tax-free distribution to Baxter shareholders of more than 80% of the publicly traded stock in the new biopharmaceuticals company (the spin). The transaction is expected to be completed by mid-year 2015, subject to market, regulatory and certain other conditions, including final approval by the Baxter Board of Directors, receipt of a favorable opinion and/or rulings with respect to the tax-free nature of the transaction in the United States, and the effectiveness of the Form 10 registration statement filed with the United States Securities and Exchange Commission.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting. Accordingly, investment income is recognized when earned and expenses are recognized when incurred.

Valuation of Investments and Collateral

The fair value of Plan investments and collateral is determined as follows:

Cash and cash equivalents	These largely consist of a short-term investment fund and a money market fund, the fair value of which is based on the net asset value. The investment objectives for these funds are to provide safety for principal, daily liquidity and a competitive yield by investing in high quality instruments.
Common stock	Value based on closing prices on the valuation date in an active market on national securities exchanges.

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

U.S. government and government agency issues

Value based on reputable pricing vendors that typically use pricing matrices or models.

Corporate and other obligations

Value based on reputable pricing vendors that typically use pricing matrices or models.

Baxter Healthcare of Puerto Rico

Savings and Investment Plan

Notes to Financial Statements

December 31, 2014 and 2013

Commingled funds	Value based on net asset values reported by the fund managers as of the Plan's financial statement dates and recent transaction prices. The investment objectives of certain funds are to track the performances of the S&P 500, Europe, Australasia and the Far East (EAFE), or Russell 2000 indexes. In addition, these funds include target date retirement funds, whose objective is to provide investors, who have a specific date in mind for retirement with a portfolio of investments. The underlying investments for all funds vary, with some holding diversified portfolios of domestic stocks, government agency and corporate bonds, and others holding collective investment funds. Each fund provides for daily redemptions by the Plan at reported net asset values per share, with no advance notice requirement.
Registered investment companies	Value based upon the closing price from a national security exchange on the valuation date.
Synthetic guaranteed investment contracts	Value based on the fair value of the underlying securities in the contract on the valuation date plus the fair value of the wrapper contracts, which is calculated using a replacement cost approach. The underlying securities are valued based upon the methodologies described above. In addition, this investment includes an individual separate account with Metropolitan Life Insurance Company (MetLife). The value of this separate account is based upon the unit value provided by MetLife as of the Plan's financial statement date plus the fair value of the wrapper contracts, which is calculated using a replacement cost approach. The underlying securities primarily of the account, managed by a sub-advisor of the insurance company, consist of fixed income securities. See below for more information.
Collateral held on loaned securities	Value based upon the net asset value per unit of the short-term investment funds where the collateral is invested. Refer to Note 7 for more information on the securities lending program.
Collateral to be paid on loaned securities	Value based on the fair value of the underlying securities loaned on the valuation date, plus an incremental margin.

Income Recognition

Plan investment return includes dividend and interest income, gains and losses on sales of investments and unrealized depreciation or appreciation of investments. Purchases and sales of investments are recorded on a trade date basis. Dividends are recorded on the ex-dividend date. Interest is earned on an accrual basis.

The financial statements reflect the net depreciation or appreciation in the fair value of the Plan's investments. This net depreciation or appreciation consists of realized gains and losses calculated as the difference between proceeds from a sales transaction and cost determined on a moving average basis, and unrealized gains and losses calculated as the change in the fair value between beginning of the year (or purchase date if later) and the end of the year.

Baxter Healthcare of Puerto Rico

Savings and Investment Plan

Notes to Financial Statements

December 31, 2014 and 2013

Synthetic Guaranteed Investment Contracts

The Plan holds synthetic guaranteed investment contracts (GICs) as part of the Stable Income Fund. The synthetic GICs provide for a fixed return on principal over a specified time through fully benefit-responsive contracts issued by Transamerica, Prudential and MetLife. During 2014, the GIC with Bank of America was terminated and the Plan entered into a new GIC with Prudential. During 2013, certain assets underlying the synthetic GICs were transferred to an individual separate account with MetLife. The portfolio of assets underlying the synthetic GICs primarily includes cash and cash equivalents, U.S. government and government agency issues, and corporate and other obligations.

The fair value of the synthetic GICs equals the total of the fair value of the underlying assets plus the fair value of the wrapper contracts. The fair value of the wrapper contracts is computed using a replacement cost approach that incorporates a comparison of the current fee rate on similar wrapper contracts to the fee being paid by the Plan. Using this approach, the fair value of the wrapper contracts were a loss of \$13 thousand and a loss of \$4 thousand at December 31, 2014 and 2013, respectively.

While Plan investments are presented at fair value in the Statement of Net Assets Available for Benefits, any material difference between the fair value of the Plan's direct and indirect interests in fully benefit-responsive investment contracts and their contract value is presented as an adjustment line in the Statements of Net Assets Available for Benefits, because contract value is the relevant measurement attribute for that portion of the Plan's net assets available for benefits. Contract value represents contributions, plus earnings, less participant withdrawals and administrative expenses. The wrapper contracts used by the Plan are fully benefit-responsive because the wrapper contract issuers are contractually obligated to make up any shortfall in the event that the underlying asset portfolio has been liquidated and is inadequate to cover participant withdrawals and transfers at contract value. There are currently no reserves against contract values for credit risk of the contract issuers or any other risk. The contract value for the synthetic GICs was \$20.5 million and \$19.3 million at December 31, 2014 and 2013, respectively.

The crediting interest rate, which is reset quarterly, can never fall below zero. The crediting rate formula smoothes the impact of interest rate changes on participant returns by amortizing any difference between market value and book value over a period of years equal to the duration of the portfolio benchmark. The average yield on the synthetic GICs was approximately 1.9% and 2.0% at December 31, 2014 and 2013, respectively. The average interest rate credited to participants on the synthetic GICs was approximately 2.8% and 2.7% for the years ended December 31, 2014 and 2013. The credit ratings for Transamerica were AA- at both December 31, 2014 and 2013, the credit rating for Prudential was AA- at December 31, 2014, the credit ratings for MetLife were AA- at both December 31, 2014 and 2013, and the credit rating for Bank of America was A at December 31, 2013.

Events that lead to market value withdrawals that exceed 15 percent of the GICs of Prudential and Transamerica or 10 percent of the contract value of the GIC of MetLife would limit the ability of the Plan to transact at contract value with participants. These events include restructurings, early retirement plans, divestitures, bankruptcies, or legal, tax or regulatory changes. The Plan sponsor believes that the occurrence of any such event is remote. The spin does not constitute an event under the GICs.

The wrapper providers can only terminate at a value different than contract value under an event of default (that was not remedied) such as failure to follow the terms of the contract. If a wrapper provider would like to exit the contract for another reason, the Plan can maintain the contract through an extended termination process designed to ensure continued benefit-responsive treatment for withdrawals.

Baxter Healthcare of Puerto Rico

Savings and Investment Plan

Notes to Financial Statements

December 31, 2014 and 2013

Notes Receivables from Participants

Participant loans are reported at their unpaid principal balance plus any accrued but unpaid interest, with no allowance for credit losses, as repayments of principal and interest are received through payroll deductions and the notes are collateralized by the participant's account balances.

Payment of Benefits and Fees

Benefits are recorded when paid. Loan origination fees associated with notes receivable from participants and the Plan's record keeping and trustee fees are paid by the Plan and are reflected in the financial statements as Plan expenses. Investment management fees are charged to the Plan as a reduction of investment return and included in the investment income (loss) reported by the Plan. All other expenses of the Plan are paid by the Company.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes to the financial statements. Changes in such estimates may affect amounts reported in future periods.

Other

Due from brokers for securities sold represent the net cash value of security trades initiated but not yet settled at each respective year-end.

Risks and Uncertainties

The Plan provides for various investment options which invest in any combination of registered investment companies, U.S. government and government agency issues, corporate and other obligations, common stock, commingled funds, synthetic guaranteed investment contracts and short-term investments. Investment securities are exposed to various risks, such as interest rate, market, liquidity and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statements of Changes in Net Assets Available for Benefits. Individual participants' accounts bear the risk of loss resulting from fluctuations in investment values.

Investments underlying the Plan's synthetic GICs include securities with contractual cash flows, such as asset-backed securities, collateralized mortgage obligations and commercial mortgage-backed securities, including securities backed by subprime mortgage loans (corporate and other obligations). The value, liquidity and related income of these securities are sensitive to changes in economic conditions, including real estate values, delinquencies and/or defaults, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

3. Eligibility Requirements

Employees become eligible to participate in the Plan as of the first day of the month following the completion of thirty days of employment. Eligible employees are those who meet the following requirements:

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

- A. Puerto Rico employees of the Puerto Rico Branch, or the Company, both subsidiaries of Baxter;
- B. Puerto Rico employees not covered by a collective bargaining agreement unless the agreement provides for coverage under the Plan;
and
- C. Puerto Rico employees who are not leased employees.

Baxter Healthcare of Puerto Rico

Savings and Investment Plan

Notes to Financial Statements

December 31, 2014 and 2013

4. Administration of the Plan

Banco Popular de Puerto Rico (the Trustee) and State Street Bank and Trust Company (the Custodian) serve as trustee and custodian, respectively, for the Plan. Voya Institutional Plan Services, LLC, formerly ING Institutional Plan Services, LLC, serves as recordkeeper for the Plan.

The Administrative Committee administers the Plan. The Investment Committee has authority, responsibility and control over the management of the assets of the Plan. Members of both committees are appointed by the Board of Directors of Baxter and are employees of Baxter.

Substantially all investment manager, trustee and administrative fees incurred in the administration of the Plan were paid from the assets of the Plan.

5. Fair Value of Measurements

The fair value hierarchy under the accounting standard for fair value measurements consists of the following three levels:

Level 1 - Quoted prices in active markets that the Plan has the ability to access for identical assets or liabilities;

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuations in which all significant inputs are observable in the market; and

Level 3 - Valuations using significant inputs that are unobservable in the market and include the use of judgment by the Plan's management about the assumptions market participants would use in pricing the asset or liability.

Baxter Healthcare of Puerto Rico

Savings and Investment Plan

Notes to Financial Statements

December 31, 2014 and 2013

The following tables summarize the bases used to measure the Plan's financial instruments and liabilities that are carried at fair value on a recurring basis.

(in thousands)	Balance at December 31, 2014	Basis of Fair Value Measurement		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash and cash equivalents	\$ 926	\$	\$ 926	\$
Common stock:				
Healthcare	8,739	8,739		
Consumer products	866	866		
Information technology	970	970		
Financial services	296	296		
Industrial services and materials	331	331		
Energy	143	143		
Other	32	32		
Total common stock	11,377	11,377		
U.S. government and government agency issues	469		469	
Corporate and other obligations	528		528	
Commingled funds:				
SSgA S&P 500 fund	7,777		7,777	
SSgA EAFE equity fund	2,387		2,387	
SSgA Small cap fund	2,848		2,848	
Target date retirement funds	5,762		5,762	
Other	363		363	
Total commingled funds	19,137		19,137	
Synthetic guaranteed investment contracts:				
Corporate and other obligations	6,524		6,524	
U.S. government and government agency issues	9,398		9,398	
Individual separate account	5,121		5,121	
Cash and cash equivalents	743		743	
Wrapper contracts	(13)			(13)
Total synthetic guaranteed investment contracts	21,773		21,786	(13)

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

Collateral held on loaned securities		175		175	
Total assets	\$	54,385	\$ 11,377	\$ 43,021	\$ (13)
Liability					
Collateral to be paid on loaned securities	\$	175	\$ 47	\$ 128	\$

Baxter Healthcare of Puerto Rico

Savings and Investment Plan

Notes to Financial Statements

December 31, 2014 and 2013

(in thousands)	Balance at December 31, 2013	Basis of Fair Value Measurement		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash and cash equivalents	\$ 672	\$	\$ 672	\$
Common stock:				
Healthcare	8,165	8,165		
Consumer products	936	936		
Information technology	836	836		
Financial services	334	334		
Industrial services and materials	417	417		
Energy	228	228		
Other	68	68		
Total common stock	10,984	10,984		
U.S. government and government agency issues	418		418	
Corporate and other obligations	511		511	
Commingled funds:				
SSgA S&P 500 fund	6,405		6,405	
SSgA EAFE equity fund	2,298		2,298	
SSgA Small cap fund	2,632		2,632	
Target date retirement funds	4,124		4,124	
Other	166		166	
Total commingled funds	15,625		15,625	
Synthetic guaranteed investment contracts:				
Corporate and other obligations	6,438		6,438	
U.S. government and government agency issues	8,666		8,666	
Individual separate account	4,783		4,783	
Cash and cash equivalents	446		446	
Wrapper contracts	(4)			(4)
Total synthetic guaranteed investment contracts	20,329		20,333	(4)
Collateral held on loaned securities	188		188	
Total assets	\$ 48,727	\$ 10,984	\$ 37,747	\$ (4)

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

Liability

Collateral to be paid on loaned securities	\$	188	\$	26	\$	162	\$
--	----	-----	----	----	----	-----	----

Transfers between hierarchy measurement levels are recognized by the Plan as of the beginning of the reporting period. The fair value of commingled funds is valued based upon the net asset value of the underlying securities and is classified as Level 2. The Plan did not have any transfers between Levels 1 and 2 during 2014. In 2013, due to a change in the structure of the investment, the target date retirement funds are classified as commingled funds and classified as Level 2.

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Notes to Financial Statements****December 31, 2014 and 2013**

The following table sets forth a summary of changes in the fair values of the Plan's level 3 financial instruments.

(in thousands)	Wrapper Contracts
Balance at December 31, 2012	\$ (26)
Additions	1
Unrealized gains (relating to assets held at end of year)	21
Balance at December 31, 2013	(4)
Additions	(3)
Settlements	(2)
Unrealized losses (relating to assets held at end of year)	(4)
Balance at December 31, 2014	\$ (13)

The unrealized losses from the wrapper contracts are excluded from the net appreciation reported for the Plan, but are instead reflected in the change in adjustment from fair value to contract value for fully benefit responsive contracts reported on the statements of net assets available for benefits. In 2014, the additions are due to the new contract with Prudential and the settlements are due to termination of the contract with Bank of America as detailed in Note 2. The additions in 2013 are due to the new contract with MetLife as detailed in Note 2.

See Valuation of Investments and Collateral in Note 2 above for a discussion of the methodologies used to determine the fair values of the Plan's investments and collateral. These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

6. Investments

Investments representing five percent or more of the Plan's net assets available for benefits at December 31, 2014 and 2013 are summarized as follows:

(values in thousands, except per share)	2014	2013
Baxter common stock, 108,705 shares and 107,710 shares at December 31, 2014 and 2013, respectively	\$ 7,967	\$ 7,491
SSgA S&P 500 Fund	7,777	6,405
MetLife Individual Separate Account	5,121	4,783
SSgA Small Cap Fund	2,848	2,632

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Notes to Financial Statements****December 31, 2014 and 2013**

Investments as of December 31, 2014 and 2013 are segregated into various investment fund options as follows:

	2014	2013
(in thousands)		
Cash (available for investment)	\$ 171	\$ 135
Stable Income Fund	22,358	20,738
Baxter Common Stock Fund	8,021	7,584
Composite Fund	2,202	2,132
General Equity Fund	2,206	2,263
SSgA S&P 500 Fund	7,777	6,405
SSgA EAFE Equity Fund	2,387	2,298
Edwards Lifesciences Common Stock Fund	114	62
SSgA Small Cap Fund	2,849	2,632
Northern Trust Domestic Mid Cap Fund	323	145
SSgA Emerging Markets Fund	40	21
Target Date Retirement Funds	5,762	4,124
Collateral held on loaned securities	175	188
Total investments at fair value	54,385	48,727
Adjustment from fair value to contract value for Stable Income Fund	(1,279)	(1,023)
Total investments	\$ 53,106	\$ 47,704

Net appreciation (depreciation) in fair value for each significant class of investment, which includes realized and unrealized gains and losses, is as follows:

	2014	2013
(in thousands)		
Baxter common stock	\$ 419	\$ 324
Other common stock	327	949
U.S. government and government agency issues	23	(22)
Corporate and other obligations	7	(23)
Commingled funds	1,377	3,316
	\$ 2,153	\$ 4,544

7. Securities Lending Transactions

The Plan participates in a securities lending program with the Custodian. The program allows the Custodian to loan securities, which are assets of the Plan, to approved brokers (the Borrowers).

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

The Custodian requires the Borrowers, pursuant to a security loan agreement, to deliver collateral to secure each loan in an amount that is at least equal to the fair value of the securities loaned. The Plan bears the risk of loss with respect to any unfavorable change in fair value of the invested cash collateral. However, the Borrower bears the risk of loss related to the decrease in the fair value of the non-cash collateral and, therefore, would have to deliver additional securities to maintain the required collateral. In the event of default by the Borrower, the Custodian shall indemnify the Plan by purchasing replacement securities equal to the number of unreturned loaned securities, to the extent that such replacement securities are available on the open market and if to the extent that such proceeds are insufficient or the collateral is unavailable, the purchase of replacement securities shall be made at Trustee expense or, if replacement securities are not able to be purchased, the Custodian shall credit the Plan for the market value of the unreturned securities. In each case, the Custodian would apply the proceeds from the collateral for such a loan to make the Plan whole.

Baxter Healthcare of Puerto Rico

Savings and Investment Plan

Notes to Financial Statements

December 31, 2014 and 2013

The fair value of the investment of cash collateral received pursuant to securities lending transactions is reflected on the Statements of Net Assets Available for Benefits as an asset and the obligation to return the amount received is reflected as a liability.

As of December 31, 2014 and 2013, the Plan had securities on loan with a fair market of \$171 thousand and \$184 thousand, respectively, with cash collateral received of \$175 thousand and \$188 thousand, respectively, which was invested in the State Street Quality D Short-Term Investment Fund. Investments underlying this fund primarily consisted of cash and cash equivalents and asset-backed securities as of both December 31, 2014 and 2013, and the net asset value of this fund was approximately \$1.00 per unit. As of December 31, 2014 and 2013 the cash collateral received is reflected at its fair value of \$175 thousand and \$188 thousand in the 2014 and 2013 Statements of Net Assets Available for Benefits, respectively.

Non-cash collateral of \$6 thousand and \$23 thousand received for securities on loan at December 31, 2014 and December 31, 2013, respectively, consisted of U.S. government and government agency issues, equity securities, and corporate and other obligations held by the Custodian on behalf of the Plan. Non-cash collateral is not included with the collateral balance on the 2014 and 2013 Statement of Net Assets Available for Benefits because it may not be sold or repledged. A portion of the income generated upon investment of cash collateral is remitted to the Borrowers, and the remainder is allocated between the Plan and the Custodian in its capacity as a security agent. Securities lending income allocated to the Plan amounted to \$326 and \$422 for 2014 and 2013, respectively. Securities lending income is classified as interest income in the Statements of Changes in Net Assets Available for Benefits.

8. Plan Termination

Although it has not expressed any intent to do so, the Plan sponsor has the right under the Plan to reduce, suspend or discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event the Plan terminates, the interest of each participating employee in the Plan shall become fully vested and such termination of the Plan would not reduce the interest of any participating employee or their beneficiaries accrued under the Plan up to the date of such termination.

9. Tax Status of the Plan

As of August 13, 2012, the Puerto Rico Treasury Department has determined and informed the Plan sponsor that the Plan and the related trust are designed in accordance with applicable sections entitling exemption from income taxes. The Plan sponsor has also obtained a favorable determination letter dated October 22, 2011, from the Internal Revenue Service (IRS) stating that the Plan is in compliance with IRS regulations.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2014 and 2013, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2011.

10. Parties-in-Interest

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

Parties-in-interest are defined under Department of Labor regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer, and certain others.

Baxter Healthcare of Puerto Rico

Savings and Investment Plan

Notes to Financial Statements

December 31, 2014 and 2013

At December 31, 2014 and 2013, the Plan held units of participation in certain shares of common stock of State Street Corporation, commingled funds and short-term investment funds of State Street Bank and Trust Company, the Plan's Custodian; shares of common stock, dividend income on those shares and bonds of Baxter, the Plan sponsor's parent; loans with participants; units of registered investment companies managed by Pacific Investment Management Company, an investment manager for the Plan; shares of common stock, bonds, and interest rate wrapper contracts of Prudential for 2014 only, issuer of the Plan's fully benefit-responsive contracts; interest rate wrapper contracts of Transamerica, issuer of the Plan's fully benefit-responsive contracts; and shares of common stock, bonds, an individual separate account and interest rate wrapper contracts of MetLife, issuer of the Plan's fully benefit-responsive contracts; and units of commingled funds managed by Northern Trust Corporation, an investment manager for the Plan. These transactions are allowable party-in-interest transactions under ERISA and the regulations promulgated thereunder.

Fees paid by the Plan for investment management, recordkeeping and consulting services, also qualify as party-in-interest transactions and are included in Plan expenses in the accompanying financial statements. The Company pays certain expenses for the administration of the Plan. These transactions are exempt from the party-in interest transaction prohibitions of ERISA.

11. Subsequent Event

In June 2015, Baxter announced that its board of directors had approved the planned separation of its biopharmaceuticals business, which will be known as Baxalta Incorporated(Baxalta), and declared a special dividend distribution of 80.5 percent of the outstanding shares of Baxalta common stock. Baxter will retain a 19.5 percent ownership stake in Baxalta immediately following the distribution. The distribution of Baxalta common stock in form of a special dividend has been structured to qualify as a tax-free distribution to U.S. holders of Baxter's common stock for U.S. federal income tax purposes. The distribution of Baxalta common stock will complete the proposed separation and Baxalta expects to begin trading as an independent company beginning July 1, 2015 on the New York Stock Exchange (NYSE) under the ticker symbol BXLT.

The Plan will continue after separation and all Plan balances will remain with the Plan.

SUPPLEMENTAL SCHEDULE

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 66-0678126 and Plan Number 024****December 31, 2014**

Identity of Issue	Description of Investment	Cost (1)	Current Value
Cash & Cash Equivalents:			
US Dollar	Cash	\$	297
* State Street Bank & Trust Co	Short-Term Investment Fund		584,842
* State Street Bank & Trust Co	Short-Term Investment Fund		125,312
* State Street Bank & Trust Co	Short-Term Investment Fund		99,522
* State Street Bank & Trust Co	Short-Term Investment Fund		53,270
* State Street Bank & Trust Co	Short-Term Investment Fund		45,466
* State Street Bank & Trust Co	Short-Term Investment Fund		6,807
* State Street Bank & Trust Co	Short-Term Investment Fund		6,692
* State Street Bank & Trust Co	Short-Term Investment Fund		2,433
* State Street Bank & Trust Co	Short-Term Investment Fund		803
* State Street Bank & Trust Co	Short-Term Investment Fund		249
		\$	925,693

**** Common Stock:**

Abbott Laboratories	Common Stock		42,335
Ace Ltd	Common Stock		8,506
Actavis Plc	Common Stock		40,298
Actavis Plc	Common Stock		4,447
Adobe Systems Inc	Common Stock		41,394
AES Corp	Common Stock		6,627
Agilent Technologies Inc	Common Stock		4,244
Alexion Pharmaceuticals Inc	Common Stock		42,346
Alibaba Group Holding Sp Adr	Common Stock		50,189
Allergan Inc	Common Stock		29,632
Amazon.Com Inc	Common Stock		66,603
American International Group	Common Stock		5,806
American Tower Corp	Common Stock		29,540
American Tower Corp	Common Stock		6,709
Ameriprise Financial Inc	Common Stock		10,771
Anthem Inc	Common Stock		5,273
Aon Plc	Common Stock		6,202
Apple Inc	Common Stock		152,312
Applied Materials Inc	Common Stock		12,260
Applied Materials Inc	Common Stock		4,951
Arm Holdings Plc Spons Adr	Common Stock		27,240
Asml Holding Nv	Common Stock		7,318
Bank of America	Common Stock		16,446
Bank of America	Common Stock		6,027
* Baxter International Inc	Common Stock		7,967,051

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

Biogen Idec Inc	Common Stock	69,099
Boeing Co	Common Stock	43,163
Boeing Co	Common Stock	17,242
BP Plc Spons Adr	Common Stock	5,880

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 66-0678126 and Plan Number 024****December 31, 2014**

Identity of Issue	Description of Investment	Cost (1)	Current Value
Bristol Myers Squibb Co	Common Stock		58,216
Bristol Myers Squibb Co	Common Stock		7,576
Broadcom Corp	Common Stock		4,652
Cameron International Corp	Common Stock		6,256
Canadian Pacific Railway Ltd	Common Stock		39,655
Capital One Financial Corp	Common Stock		5,297
Cardinal Health Inc	Common Stock		
CBS Corp	Common Stock		5,190
Celgene Corp	Common Stock		47,816
Chipotle Mexican Grill Inc	Common Stock		31,852
Cit Group Inc	Common Stock		5,784
Citigroup Inc	Common Stock		13,187
Citigroup Inc	Common Stock		5,809
Citizens Financial Group	Common Stock		5,675
Comcast Corp	Common Stock		21,152
Comcast Corp	Common Stock		5,369
Concho Resources Inc	Common Stock		33,825
Costco Wholesale Corp	Common Stock		53,250
Covidien Plc	Common Stock		13,820
CVS Caremark Corp	Common Stock		4,992
Discovery Communications	Common Stock		5,452
Discovery Communications	Common Stock		5,442
Du Pont (E.I.) De Nemours	Common Stock		5,110
Dunkin Brands Group Inc	Common Stock		8,244
Edwards Lifesciences Corp	Common Stock		113,039
Encana Corp	Common Stock		3,791
Eog Resources Inc	Common Stock		30,538
Exelon Corp	Common Stock		8,534
Express Scripts Holding Co	Common Stock		10,866
Facebook Inc	Common Stock		91,037
Fireeye Inc	Common Stock		12,241
Flextronics Intl Ltd	Common Stock		4,387
Ford Motor Co	Common Stock		7,756
General Electric Co	Common Stock		18,896
General Electric Co	Common Stock		6,486
Gilead Sciences Inc	Common Stock		38,675
Goldman Sachs Group	Common Stock		28,890
Goldman Sachs Group	Common Stock		13,992
Google Inc	Common Stock		43,217
Google Inc	Common Stock		43,097
Google Inc	Common Stock		3,274
Google Inc	Common Stock		3,248
Hess Corp	Common Stock		5,010

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

Honeywell International Inc	Common Stock	13,748
Hospira Inc	Common Stock	4,913
Illumina Inc	Common Stock	40,765
Inditex Unspn Adr	Common Stock	42,238

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 66-0678126 and Plan Number 024****December 31, 2014**

Identity of Issue	Description of Investment	Cost (1)	Current Value
Intercontinental Exchange	Common Stock		7,577
International Paper Co	Common Stock		5,951
Invesco Ltd	Common Stock		5,121
Johnson Controls Inc	Common Stock		12,497
Keysight Technologies	Common Stock		5,647
Las Vegas Sands Corp	Common Stock		10,541
Las Vegas Sands Corp	Common Stock		5,024
Lendingclub Corp	Common Stock		1,457
Liberty Media Corp	Common Stock		4,863
Linkedin Corp	Common Stock		48,461
Lowes	Common Stock		4,330
Marriott International	Common Stock		42,616
Marsh & McLennan Cos	Common Stock		5,086
Mastercard Inc	Common Stock		93,303
McGraw Hill Financial Inc	Common Stock		25,535
Merck & Co. Inc.	Common Stock		37,099
Michael Kors Holdings Ltd	Common Stock		14,532
Microsoft Corp	Common Stock		5,274
Mohawk Industries Inc	Common Stock		4,601
Mondelez International Inc	Common Stock		37,112
Monsanto Co	Common Stock		48,999
Monsanto Co	Common Stock		15,037
Morgan Stanley	Common Stock		37,892
Mosaic Co	Common Stock		5,831
Netapp Inc	Common Stock		7,647
Netflix Inc	Common Stock		35,147
Nike Inc	Common Stock		62,706
Northern Trust Corp	Common Stock		9,398
Novartis Ag Adr	Common Stock		5,946
Novo Nordisk Adr	Common Stock		35,356
O Reilly Automotive Inc	Common Stock		32,753
Occidental Petroleum Corp	Common Stock		15,418
Omnicom Group	Common Stock		10,755
Oracle Corp	Common Stock		12,569
Oracle Corp	Common Stock		6,437
Owens Illinois Inc	Common Stock		4,347
Owens Illinois Inc	Common Stock		5,296
Pentair Plc	Common Stock		1,681
Perrigo Co Plc	Common Stock		9,014
Pfizer Inc	Common Stock		16,759
PNC Financial Services Group	Common Stock		13,171
Precision Castparts Corp	Common Stock		43,803
Priceline.Com Inc	Common Stock		50,425

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

Procter & Gamble Co	Common Stock	5,396
Qualcomm Inc	Common Stock	9,493
Qualcomm Inc	Common Stock	4,128
Realogy Holdings Corp	Common Stock	5,984

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 66-0678126 and Plan Number 024****December 31, 2014**

Identity of Issue	Description of Investment	Cost ⁽¹⁾	Current Value
Red Hat Inc	Common Stock		40,784
Reliance Steel & Aluminum	Common Stock		6,124
Salesforce.com Inc	Common Stock		50,678
Sanofi Adr	Common Stock		5,741
Schlumberger Ltd	Common Stock		42,072
Shire Plc Adr	Common Stock		31,346
Splunk Inc	Common Stock		24,253
Starbucks Corp	Common Stock		34,669
Tencent Holdings Ltd	Common Stock		7,013
Tesla Motors Inc	Common Stock		27,968
Texas Instruments Inc	Common Stock		8,808
Texas Instruments Inc	Common Stock		4,355
Thermo Fisher Scientific Inc	Common Stock		6,339
Tiffany & Co	Common Stock		39,875
Time Inc	Common Stock		4,579
Time Warner Inc	Common Stock		5,060
TJX Companies Inc	Common Stock		27,483
Tripadvisor Inc	Common Stock		19,095
Twenty First Century Fox	Common Stock		40,125
Twitter Inc	Common Stock		27,023
Under Armour Inc	Common Stock		31,259
Union Pacific Corp	Common Stock		45,398
UnitedHealth Group Inc	Common Stock		12,350
Valeant Pharmaceuticals	Common Stock		10,331
Vertex Pharmaceuticals Inc	Common Stock		28,181
Viacom Inc	Common Stock		13,696
Visa Inc	Common Stock		71,689
Vmware Inc	Common Stock		20,485
Vodafone Group Plc Sp Adr	Common Stock		10,664
Vodafone Group Plc Sp Adr	Common Stock		5,819
Walt Disney Co	Common Stock		48,433
Workday Inc	Common Stock		25,247
Common Stock			\$ 11,377,127

**** U.S Government and Government Agency Issues:**

Fannie Mae	7.25% 15 May 2030	5,300
Fannie Mae	6.625% 15 Nov 2030	18,340
Fed HM LN PC Pool C48827	6.0% 01 Mar 2031	80
Fed HM LN PC Pool G08443	4.5% 01 Apr 2041	
Fed HM LN PC Pool G12334	5.0% 01 Sep 2021	860
FNMA TBA Jan 30 Single Fam	4.5% 01 Feb 2099	9,790

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

FNMA Conv 15Yr TBA	2.5% 01 Dec 2099	9,180
FNMA Pool 256398	6.0% 01 Sep 2021	190
FNMA Pool 555541	1.0% 01 Apr 2033	
FNMA Pool 581043	6.0% 01 May 2016	30

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 66-0678126 and Plan Number 024****December 31, 2014**

Identity of Issue	Description of Investment	Cost (1)	Current Value
FNMA Pool 615005	6.0% 01 Dec 2016		80
FNMA Pool 694448	5.5% 01 Apr 2033		
FNMA Pool 725690	6.0% 01 Aug 2034		1,270
FNMA Pool 748115	6.0% 01 Oct 2033		520
FNMA Pool 815316	5.5% 01 May 2035		2,110
FNMA Pool 885504	6.0% 01 Aug 2021		600
FNMA Pool 902793	6.5% 01 Nov 2036		830
FNMA Pool AB1609	3.5% 01 Dec 2040		
FNMA Pool AB9703	3.5% 01 Jun 2043		4,370
FNMA Pool AH3979	4.0% 01 Feb 2041		3,720
FNMA Pool AH4008	4.0% 01 Mar 2041		5,030
FNMA Pool AO3540	3.0% 01 Jun 2042		2,390
FNMA Pool AP6604	3.0% 01 Sep 2042		9,420
FNMA Pool AT2032	3.5% 01 Apr 2043		11,070
FNMA Pool MA0734	4.5% 01 May 2031		3,410
FNMA Pool MA1437	3.5% 01 May 2043		3,330
FNMA TBA	3.5% 01 Sep 2026		
FNMA TBA 15Yr Single Family	3.0% 20 Jan 2030		13,260
FNMA TBA 30Yr Single Family	3.5% 01 Dec 2099		17,260
FNMA TBA Single Family Mortgage	4.0% 01 Dec 2099		41,670
GNMA II Pool 710082	4.698% 20 Jul 2061		800
GNMA II Pool 710089	4.7% 20 Oct 2061		570
GNMA II Pool 751415	4.616% 20 Aug 2061		510
GNMA II Pool 756731	4.673% 20 Mar 2062		290
GNMA II Pool 766519	4.668% 20 May 2062		720
GNMA II Pool 766522	4.538% 20 Nov 2062		860
GNMA II Pool 766544	4.499% 20 Dec 2062		840
GNMA II Pool 766549	4.616% 20 Jul 2062		1,240
GNMA II Pool 771800	4.627% 20 Jan 2064		1,150
GNMA II Pool AB8466	1.0% 20 Sep 2063		3,820
GNMA II Pool AC0988	4.423% 20 July 2063		610
GNMA II Pool AC9906	4.323% 20 May 2063		500
GNMA II Pool AC9910	4.515% 20 Jul 2063		520
Mex Bonos Desarr	6.5% 10 Jun 2021		21,400
Republic of Colombia	4.0% 26 Feb 2024		2,730
Republic Of Indonesia Sr Unsecured	6.75% 15 Jan 2044		5,540
Republic Of Philippines	3.9% 26 Nov 2022		2,920
Republic Of Philippines Sr Unsecured	4.2% 21 Jan 2024		2,900
Tenn Valley Authority	3.5% 15 Dec 2042		7,930
Tsy Infl Ix N/B	1.375% 15 Feb 2044		15,510
Tsy Infl Ix N/B	0.125% 15 Jul 2024		15,020
United Mexican States	6.05% 11 Jan 2040		5,230
United Mexican States Sr Unsecured	5.55% 21 Jan 2045		1,400

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

US Treasury N/B	3.75% 15 Nov 2043	30,090
US Treasury N/B	1.875% 31 Aug 2017	62,410
US Treasury N/B	1.0% 30 Jun 2019	17,920
US Treasury N/B	3.625% 15 Feb 2044	7,310

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 66-0678126 and Plan Number 024****December 31, 2014**

Identity of Issue	Description of Investment	Cost (1)	Current Value
US Treasury N/B	0.375% 31 Mar 2016		67,600
US Treasury N/B	0.5% 30 Sep 2016		11,070
US Treasury N/B	0.375% 31 Oct 2016		5,790
US Treasury N/B	0.5% 30 Nov 2016		9,530
U.S Government and Government Agency Issues			\$ 468,840

**** Corporate and Other Obligations:**

AES Corp	1.0% 01 Jun 2019		790
American Tower Corp	4.625% 01 Apr 2015		1,940
American Tower Corp	4.5% 15 Jan 2018		2,980
Americredit Automobile Receivables	1.19% 08 May 2018		1,340
Americredit Automobile Receivables	1.79% 08 Mar 2019		1,070
Anadarko Petroleum Corp	6.375% 15 Sep 2017		5,500
Arcelormittal	7.25% 01 Mar 2041		5,060
Asbury Automotive Group	6.0% 15 Dec 2024		1,770
Associates Corp NA	6.95% 01 Nov 2018		2,340
Avon Products Inc	4.6% 15 Mar 2020		610
Banc of America Commercial Mortgage	1.0% 10 Apr 2049		2,150
Banco Santander Bras Ci	4.625% 13 Feb 2017		5,540
Banco Santander Chile	3.875% 20 Sep 2022		2,650
Bank of America	6.4% 28 Aug 2017		2,680
Bank of America	5.625% 01 Jul 2020		6,010
Bank of America	5.0% 13 May 2021		2,020
Bear Stearns Commercial Mortgage	1.0% 11 Jun 2040		2,520
Braskem America Finance	7.125% 22 Jul 2041		4,370
Brocade Communications	6.875% 15 Jan 2020		630
Bunge Limited Finance Co	4.1% 15 Mar 2016		1,040
CBRE Services Inc	5.0% 15 Mar 2023		480
CCO Hldgs LLC	5.25% 15 Mar 2021		3,170
CCO Hldgs LLC/Cap Corp	6.5% 30 Apr 2021		1,480
CD Commercial Mortgage Trust	5.322% 28 Jun 2016		6,510
Celulosa Arauco	5.0% 21 Jan 2021		3,140
Centurylink Inc	5.625% 01 Apr 2020		1,180
Cielo Sa/Cielo Usa Inc	3.75% 16 Nov 2022		4,810
Citigroup Inc	4.45% 10 Jan 2017		4,590
Citigroup Inc	4.05% 30 Jul 2022		2,280
Citigroup Inc	1.3% 01 Apr 2016		3,010
CNPC General Capital	3.95% 19 Apr 2022		2,720
Colony American Homes	1.0% 17 May 2031		3,210
Comcast Corp	5.65% 15 Jun 2035		1,510

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

Comm Mortgage Trust	1.0% 10 Dec 2049	730
Contl Airlines	4.0% 29 Apr 2026	2,190
Contl Airlines	5.983% 19 Oct 2023	3,630
Credit Suisse Mortgage Trust	1.0% 15 Jan 2049	4,580
Crown Castle Towers LLC	3.214% 15 Aug 2035	1,360

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 66-0678126 and Plan Number 024****December 31, 2014**

Identity of Issue	Description of Investment	Cost (1)	Current Value
Deluxe Corp	6.0% 15 Nov 2020		7,520
Dolphin Energy Ltd	5.5% 15 Dec 2021		3,010
Dun & Bradstreet Corp	3.25% 01 Dec 2017		1,930
Dynegy Finance I/II Inc	6.75% 01 Nov 2019		7,610
Embarq Corp	7.995% 01 Jun 2036		9,390
Energy Transfer Partners	6.05% 01 Jun 2041		6,270
Energy Transfer Partners	5.2% 01 Feb 2022		1,220
Enesco Plc	4.5% 01 Oct 2024		1,630
Enesco Plc	5.75% 01 Oct 2044		1,340
Equifax Inc	7.0% 01 Jul 2037		3,390
Firstenergy Corp	2.75% 15 Mar 2018		1,960
Ford Motor	7.45% 16 Jul 2031		4,350
Ford Motor Credit Co LLC	5.75% 01 Feb 2021		4,590
Ford Motor Credit Co LLC	5.0% 15 May 2018		5,660
Freeport McMoran	2.375% 15 Mar 2018		2,650
Frontier Communications	7.875% 15 Jan 2027		3,870
Frontier Communications	8.5% 15 Apr 2020		3,500
Gamestop Corp	5.5% 01 Oct 2019		2,820
GCCFC Commercial Mortgage	5.736% 10 Dec 2049		1,740
GE Equipment	0.6% 23 May 2016		3,530
General Elec Cap Corp	2.95% 09 May 2016		2,620
General Motors Co	5.0% 01 Jan 2035		5,220
General Motors Co	5.2% 01 Jan 2045		4,510
Goldman Sachs Group	5.25% 27 Jul 2021		3,550
Goldman Sachs Group	6.15% 01 Apr 2018		3,750
GP Portfolio Trust	1.0% 15 Feb 2027		2,410
Grupo Televisa Sab	7.25% 14 May 2043		1,560
GS Mortgage Securities Trust	1.0% 10 Aug 2045		6,010
Halyard Health Inc Sr Unsecured	6.25% 15 Oct 2022		1,700
HCA Inc	7.5% 15 Feb 2022		5,720
Hewlett Packard Co	2.75% 14 Jan 2019		2,680
Huntington Ingalls Indus Company Guar	5.0% 15 Dec 2021		680
Ihs Inc Company Guar	5.0% 01 Nov 2022		930
Intl Bk Recon & Develop	2.625% 07 Nov 2016		680
Intl Finance Corp	10.5% 17 Apr 2018		12,930
Intl Finance Corp	10.0% 12 Jun 2017		8,455
Intl Lease Finance Corp	6.25% 15 May 2019		8,825
Ipic Gmtn Ltd	6.875% 01 Nov 2041		4,560
JP Morgan Chase Commercial Mor	5.336% 15 May 2047		1,540
JP Morgan Chase Commercial Mor	1.0% 15 Jul 2031		1,660
JP Morgan Chase Commercial Mor	1.0% 15 Jul 2031		1,330
JP Morgan Chase & Co	3.7% 20 Jan 2015		1,740
JP Morgan Chase & Co	4.25% 15 Oct 2020		650

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

JP Morgan Chase & Co	4.625% 10 May 2021	1,030
JP Morgan Chase & Co	4.5% 24 Jan 2022	3,580
KB Home Company	4.75% 15 May 2019	2,440
Kindred Healthcare Inc Company	8.0% 15 Jan 2020	1,570

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 66-0678126 and Plan Number 024****December 31, 2014**

Identity of Issue	Description of Investment	Cost (1)	Current Value
Kla Tencor Corp Sr Unsecured	3.375% 01 Nov 2019		960
Lotte Shopping Co Ltd	3.375% 09 May 2017		3,100
Methanex Corp	3.25% 15 Dec 2019		2,590
Mexichem Sab DE CV	6.75% 19 Sep 2042		3,050
ML CFC Commercial Mortgage Trust	1.0% 12 Aug 2049		4,630
ML CFC Commercial Mortgage Trust	1.0% 12 Mar 2051		3,520
Morgan Stanley	5.5% 24 Jul 2020		4,370
Morgan Stanley	5.55% 27 Apr 2017		3,630
Morgan Stanley	5.375% 15 Oct 2015		900
Morgan Stanley	5.5% 26 Jan 2020		2,480
Morgan Stanley Capital I Trust	1.0% 12 Apr 2049		9,025
Morgan Stanley Capital I Trust	5.569% 15 Dec 2044		8,815
Morgan Stanley Sr Unsecured	3.7% 23 Oct 2024		3,930
Mtn Mauritius Invstmnts Company	4.755% 11 Nov 2024		2,620
Myriad Int Holding BV	6.375% 28 Jul 2017		1,900
Myriad Int Holding BV	6.0% 18 Jul 2020		3,650
Nabors Industries Inc Company	5.1% 15 Sep 2023		3,170
National Rural Util Coop	1.0% 30 Apr 2043		2,450
Navient Corp Sr Unsecured	6.125% 25 Mar 2024		3,480
Newfield Exploration Co	5.75% 30 Jan 2022		2,910
Office Cherifien Des Pho Sr Unsecured	5.625% 25 Apr 2024		7,920
Olin Corp	5.5% 15 Aug 2022		750
Omnicare Inc Company	4.75% 01 Dec 2022		610
Omnicare Inc Company	5.0% 01 Dec 2024		350
Owens Corning Company	4.2% 01 Dec 2024		1,320
Perkinelmer Inc	5.0% 15 Nov 2021		3,200
Pertamina Persero	5.625% 20 May 2043		8,540
Petrobras Global Finance	5.625% 20 May 2043		2,020
Petrobras Global Finance Company	7.25% 17 Mar 2044		1,060
Petrobras Intl Fin Co	6.75% 27 Jan 2041		3,470
Petroleos Mexicanos	3.5% 18 Jul 2018		1,290
Phillips 66	4.3% 01 Apr 2022		2,260
Pko Fin Ab	4.63% 28 Sep 2022		3,360
Plains Exploration & Pro	6.875% 15 Feb 2023		3,050
Polyone Corp	5.25% 15 Mar 2023		2,410
Regal Entertainment Grp Sr Unsecured	5.75% 15 Mar 2022		1,600
Reynolds American Inc	7.25% 15 Jun 2037		7,210
Rio Oil Finance Trust Sr Secured	6.25% 06 Jul 2024		5,620
Rock Tenn Co	4.0% 01 Mar 2023		1,840
Rowan Companies Inc	5.0% 01 Sep 2017		3,340
RPM International Inc	6.125% 15 Oct 2019		3,460
Santander Drive Auto	2.7% 15 Aug 2018		1,570
Santander Drive Auto	1.94% 15 Dec 2016		3,130

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

Santander Drive Auto	1.94% 15 Mar 2018	1,950
Sealed Air Corp	5.25% 01 Apr 2023	1,980
Sealed Air Corp	6.5% 01 Dec 2020	1,320
Sequoia Mortgage Trust	1.0% 25 May 2043	3,370

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 66-0678126 and Plan Number 024****December 31, 2014**

Identity of Issue	Description of Investment	Cost (1)	Current Value
Service Corp Intl Sr Unsecured	5.375% 15 Jan 2022		1,300
Sidewinder Drilling Inc	9.75% 15 Nov 2019		820
SLM Corp	4.875% 17 Jun 2019		4,620
SM Energy Co	6.5% 01 Jan 2023		2,120
Springleaf Funding Trust	3.92% 16 Jan 2023		4,790
Sprint Capital Corp	6.875% 15 Nov 2028		3,290
Telefonica Emisiones Sau	5.134% 27 Apr 2020		2,220
Telefonica Emisiones Sau	5.462% 16 Feb 2021		150
Tencent Holdings Ltd Sr Unsecured	3.375% 02 May 2019		5,030
Tesoro Logistics LP	5.5% 15 Oct 2019		470
Tesoro Logistics LP	6.25% 15 Oct 2022		870
Textainer Marine Containers	3.27% 20 Oct 2039		3,590
Textron Inc Sr Unsecured	3.875% 01 Mar 2025		810
Thai Oil Pcl	4.875% 23 Jan 2043		5,170
Time Warner Cable Inc	5.875% 15 Nov 2040		1,520
Time Warner Cable Inc	5.5% 01 Sep 2041		2,490
Time Warner Cable Inc	4.5% 15 Sep 2042		1,930
Toyota Motor Credit Corp	1.75% 22 May 2017		4,580
Transelec SA	4.625% 26 Jul 2023		2,770
Transocean Inc	6.5% 15 Nov 2020		5,670
Transport De Gas Peru	4.25% 30 Apr 2028		4,580
Universal Health Svcs Sr Secured	3.75% 01 Aug 2019		670
Universal Health Svcs Sr Secured	4.75% 01 Aug 2022		740
USG Corp	9.75% 15 Jan 2018		2,440
Valeant Pharmaceuticals	6.375% 15 Oct 2020		1,890
Verizon Communications Sr Unsecured	5.05% 15 Mar 2034		1,220
Verizon Communications Sr Unsecured	4.4% 01 Nov 2034		6,170
Verizon Communications Sr Unsecured	2.625% 21 Feb 2020		3,690
Votorantim Cimentos SA	7.25% 05 Apr 2041		2,750
Western Union Co	2.375% 10 Dec 2015		1,150
Whirlpool Corp	4.7% 01 Jun 2022		3,370
Windstream Corp	8.125% 01 Sep 2018		910
Windstream Corp	7.5% 01 Apr 2023		2,400
Wolverine World Wide	6.125% 15 Oct 2020		780
World Financial Network	3.14% 17 Jan 2023		9,030
World Financial Network	1.76% 17 May 2021		9,400
Corporate and Other Obligations			\$ 528,480

Synthetic Guaranteed Investment Contracts:**Cash & Cash Equivalents**

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

* State Street Bank & Trust Co	Short-Term Investment Fund	112,036
* State Street Bank & Trust Co	Short-Term Investment Fund	495,424
* State Street Bank & Trust Co	Short-Term Investment Fund	20,608

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 66-0678126 and Plan Number 024****December 31, 2014**

Identity of Issue	Description of Investment	Cost ⁽¹⁾	Current Value
Svenska Handelsbnkn	Short-Term Investment Fund		55,456
Wells Fargo Bank NA	Short-Term Investment Fund		58,976
			742,500

U.S. Government and Government Agency Issues

California St Cas	5.75% 01 Mar 2017		13,345
Fed HM LN PC Pool 1L1358	1.0% 01 May 2036		22,779
Fed HM LN PC Pool G01843	6.0% 01 Jun 2035		12,294
Fed HM LN PC Pool G03205	5.5% 01 Jul 2035		2,386
Fed HM LN PC Pool G03737	6.5% 01 Nov 2037		11,967
Fed HM LN PC Pool G07823	4.25% 01 Sep 2044		27,481
Fed HM LN PC Pool G08542	4.0% 01 Aug 2043		75,706
Fed HM LN PC Pool G12743	5.5% 01 Aug 2022		2,804
Fed HM LN PC Pool J16933	3.0% 01 Oct 2026		935
Fed HM LN PC Pool Q03572	4.0% 01 Sep 2041		69,656
Fed HM LN PC Pool Q11095	3.5% 01 Sep 2042		76,481
Fed HM LN PC Pool Q27465	4.5% 01 Jul 2044		27,595
Fed HM LN PC Pool U92432	4.0% 01 Feb 2044		10,952
FNMA TBA Jan 30 Single Fam	5.0% 01 Dec 2099		136,693
FNMA TBA Jan 30 Single Fam	4.5% 01 Feb 2099		53,108
FNMA Pool 254693	5.5% 01 Apr 2033		4,329
FNMA Pool 725222	5.5% 01 Feb 2034		5,522
FNMA Pool 725423	5.5% 01 May 2034		4,164
FNMA Pool 725424	5.5% 01 Apr 2034		1,886
FNMA Pool 725690	6.0% 01 Aug 2034		1,691
FNMA Pool 725946	5.5% 01 Nov 2034		4,939
FNMA Pool 735141	5.5% 01 Jan 2035		
FNMA Pool 743132	5.0% 01 Oct 2018		8,671
FNMA Pool 745327	6.0% 01 Mar 2036		
FNMA Pool 831540	6.0% 01 Jun 2036		9,393
FNMA Pool 889361	6.0% 01 Mar 2038		
FNMA Pool 914789	5.0% 01 Apr 2037		27,673
FNMA Pool 931745	5.0% 01 Aug 2024		40,972
FNMA Pool 986148	5.5% 01 Jan 2038		30,897
FNMA Pool AB5519	3.5% 01 Jul 2042		58,918
FNMA Pool AB5688	3.5% 01 Jul 2037		18,943
FNMA Pool AB6282	3.5% 01 Sep 2042		86,549
FNMA Pool AB7016	4.0% 01 Nov 2042		53,652
FNMA Pool AB9096	4.0% 01 Apr 2043		30,542
FNMA Pool AD8529	4.5% 01 Aug 2040		
FNMA Pool AL0139	1.0% 01 Feb 2039		15,046

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

FNMA Pool AL4408	1.0% 01 Nov 2043	27,456
FNMA Pool AO4163	3.5% 01 Jun 2042	52,303
FNMA Pool AO5515	3.5% 01 Jul 2042	11,198
FNMA Pool AO8169	3.5% 01 Sep 2042	36,789

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 66-0678126 and Plan Number 024****December 31, 2014**

Identity of Issue	Description of Investment	Cost ⁽¹⁾	Current Value
FNMA Pool AQ5046	3.0% 01 Dec 2042		973
FNMA Pool AQ6238	3.5% 01 Dec 2042		14,024
FNMA Pool AR4445	3.0% 01 Mar 2043		12,883
FNMA Pool AR6071	3.0% 01 Apr 2043		672
FNMA Pool AR9225	3.0% 01 Mar 2043		51,019
FNMA Pool AU1149	3.0% 01 Sep 2043		
FNMA Pool AU1628	3.0% 01 Jul 2043		54,567
FNMA Pool AU6101	4.0% 01 Sep 2043		
FNMA Pool MA1217	4.0% 01 Oct 2042		31,777
FNMA Pool MA1404	3.5% 01 Apr 2042		30,724
FNMA TBA 30Yr Single Family	3.5% 01 Dec 2099		41,364
FNMA TBA Single Family Mortgage	4.0% 01 Dec 2099		194,067
GNMA II TBA 30 Yr	3.5% 21 Jan 2045		56,366
Illinois St	2.42% 01 Apr 2017		12,956
New Jersey St Econ Dev Auth	1.802% 15 Jun 2017		27,661
North Carolina State Education	1.0% 25 Jul 2025		42,946
Province of Ontario	4.0% 07 Oct 2019		62,066
Province of Quebec	4.6% 26 May 2015		35,852
Republic of Poland	6.375% 15 Jul 2019		1,387
Republic of Poland	3.875% 16 Jul 2015		13,004
State of Qatar	4.5% 20 Jan 2022		9,136
Treasury Bill	0.01% 19 Mar 2015		136,606
Tsy Infl Ix N/B	0.125% 15 Apr 2019		171,607
United States of America Treasury	1.0% 31 Oct 2016		109,402
US Treasury Frn	1.0% 31 Jul 2016		105,645
US Treasury N/B	0.625% 15 Feb 2017		61,634
US Treasury N/B	2.0% 28 Feb 2021		22,528
US Treasury N/B	0.375% 30 Apr 2016		112,741
US Treasury N/B	0.875% 15 Aug 2017		186,984
US Treasury N/B	1.5% 31 Oct 2019		108,537
US Treasury N/B	2.0% 31 Oct 2021		51,846
US Treasury N/B	2.25% 15 Nov 2024		194,664
US Treasury N/B	1.5% 30 Nov 2019		8,687
US Treasury N/B	3.625% 15 Feb 2020		55,561
US Treasury N/B	2.5% 30 Apr 2015		175,327
US Treasury N/B	1.875% 30 Jun 2015		57,387
US Treasury N/B	2.0% 15 Nov 2021		99,491
US Treasury N/B	0.625% 30 Sep 2017		195,692
US Treasury N/B	0.25% 15 Oct 2015		74,388
US Treasury N/B	0.25% 31 Dec 2015		578,520
US Treasury N/B	0.375% 31 Jan 2016		275,136
US Treasury N/B	2.375% 15 Aug 2024		27,147
US Treasury N/B	0.5% 31 Aug 2016		810,745
US Treasury N/B	0.5% 30 Sep 2016		305,933

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

US Treasury N/B	0.375% 31 Oct 2016	138,997
US Treasury N/B	2.25% 15 Nov 2024	18,220
US Treasury N/B	0.5% 30 Nov 2016	218,456

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 66-0678126 and Plan Number 024****December 31, 2014**

Identity of Issue	Description of Investment	Cost ⁽¹⁾	Current Value
US Treasury N/B	0.125% 30 Apr 2015		172,957
US Treasury N/B	2.5% 15 May 2024		44,791
US Treasury N/B	0.25% 31 Dec 2015		1,069,928
US Treasury N/B	1.5% 31 Dec 2018		695,961
US Treasury N/B	0.75% 15 Jan 2017		1,343,813
			9,398,490
Corporate and Other Obligations			
21St Century Fox America Company	4.5% 15 Feb 2021		12,489
Abn Amro Bank Nv	2.5% 30 Oct 2018		14,667
Abn Amro Bank Nv	4.25% 02 Feb 2017		12,490
Abn Amro Bank Nv	2.5% 30 Oct 2018		16,463
Ace Ina Holdings	2.7% 13 Mar 2023		144
Actavis Funding Scs	3.85% 15 Jun 2024		3,783
Aflac Inc	3.625% 15 Nov 2024		11,029
Agilent Technologies Inc	6.5% 01 Nov 2017		2,764
Albemarle Corp	3.0% 01 Dec 2019		8,151
Alcoa Inc	6.75% 15 Jul 2018		14,148
Alibaba Group Holding	2.5% 28 Nov 2019		28,212
Allegheny Technologies	5.95% 15 Jan 2021		13,054
Allied World Assurance	7.5% 01 Aug 2016		5,338
Ally Master Owner Trust	1.29% 15 Jan 2019		20,074
Ally Master Owner Trust	1.54% 15 Sep 2019		36,911
Ally Master Owner Trust	1.0% 15 Feb 2018		21,215
Ally Master Owner Trust	1.29% 15 Jan 2019		18,922
Altria Group Inc	2.85% 09 Aug 2022		26,492
Altria Group Inc	2.625% 14 Jan 2020		13,969
Amazon.Com Inc	3.3% 05 Dec 2021		5,408
American Express Credit	1.125% 05 Jun 2017		19,645
American Express Credit	1.26% 15 Jan 2020		6,150
American Intl Group	5.45% 18 May 2017		12,934
American Intl Group	4.875% 01 Jun 2022		9,987
American Intl Group	6.4% 15 Dec 2020		30,038
American Tower Corp	2.45% 15 Sep 2021		26,659
American Tower Corp	5.05% 01 Sep 2020		12,379
Americredit Automobile Receivables	1.27% 08 Jul 2019		15,228
Americredit Automobile Receivables	0.96% 09 Jan 2017		4,277
Americredit Automobile Receivables	0.92% 09 Apr 2018		20,036
Americredit Automobile Receivables	0.96% 09 Apr 2018		8,308
Ameriprise Financial Inc	3.7% 15 Oct 2024		10,608
Amgen Inc	5.7% 01 Feb 2019		7,001

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

Amgen Inc	2.2% 22 Feb 2019	2,066
Anadarko Petroleum Corp	6.375% 15 Sep 2017	26,358
Anheuser Busch	5.0% 01 Mar 2019	989
Anthem Inc	3.5% 15 Aug 2024	26,716
Anthem Inc	2.3% 15 Jul 2018	18,624

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 66-0678126 and Plan Number 024****December 31, 2014**

Identity of Issue	Description of Investment	Cost (1)	Current Value
Apple Inc	2.85% 06 May 2021		14,582
Apple Inc	2.85% 06 May 2021		11,520
Arc Properties Operating Company	3.0% 06 Feb 2019		21,663
Ares Capital Corp	3.875% 15 Jan 2020		19,946
Asciano Finance	3.125% 23 Sep 2015		7,316
Asciano Finance Ltd	5.0% 07 May 2018		7,710
AT&T Inc	5.8% 15 Feb 2019		13,801
AT&T Inc	1.0% 27 Nov 2018		22,885
Bank of America	1.0% 15 Jun 2021		15,398
Bank of America	1.0% 22 Mar 2018		17,463
Bank of America	6.4% 28 Aug 2017		28,726
Bank of America	6.875% 25 Apr 2018		7,319
Bank of America	3.3% 11 Jan 2023		11,499
Bank of America	4.0% 01 Apr 2024		8,548
Bank of America	4.2% 26 Aug 2024		7,367
Bank of America	6.875% 25 Apr 2018		5,106
Bank of America	6.0% 01 Sep 2017		22,057
Bank of America	5.65% 01 May 2018		4,445
Bank of America	5.625% 01 Jul 2020		28,512
Bank of America	3.875% 22 Mar 2017		3,721
Bank of America	2.6% 15 Jan 2019		6,302
Bank of America	5.42% 15 Mar 2017		9,532
Bank of America	6.1% 15 Jun 2017		10,422
Bank of America	3.75% 12 Jul 2016		13,659
Bank of America	1.0% 15 Jan 2019		29,755
Bank of America	6.05% 18 May 2016		12,710
Bank of America	6.5% 15 Jul 2018		43,934
Bank of Montreal	1.4% 11 Sep 2017		8,289
Bank of Nova Scotia	2.8% 21 Jul 2021		27,720
Barclays Bank	5.125% 08 Jan 2020		12,461
Barclays Dryrock Issuance Trust	2.41% 15 Jul 2022		31,408
Barclays Dryrock Issuance Trust	1.0% 16 Mar 2020		14,297
Barclays Dryrock Issuance Trust	2.41% 15 Jul 2022		10,440
Barrick NA Finance LLC	4.4% 30 May 2021		24,238
* Baxter International Inc	1.85% 15 Jan 2017		6,594
Bayer US Finance LLC	3.375% 08 Oct 2024		6,604
Bear Stearns Commercial Mortgage	1.0% 11 Jun 2040		32,443
Bear Stearns Commercial Mortgage	1.0% 11 Sep 2038		
Bear Stearns Commercial Mortgage	1.0% 12 Jan 2045		22,952
Bear Stearns Cos LLC	7.25% 01 Feb 2018		25,788
Becton Dickinson & Co	2.675% 15 Dec 2019		8,768
Becton Dickinson & Co	2.675% 15 Dec 2019		10,059
Becton Dickinson & Co	2.675% 15 Dec 2019		20,417

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

BNP Paribas	5.0% 15 Jan 2021	14,078
Boston Properties LP	3.7% 15 Nov 2018	8,281
BP Capital Markets Plc	3.561% 01 Nov 2021	14,231
BP Capital Markets Plc	2.521% 15 Jan 2020	10,978

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 66-0678126 and Plan Number 024****December 31, 2014**

Identity of Issue	Description of Investment	Cost (1)	Current Value
BP Capital Markets Plc	1.846% 05 May 2017		28,384
BP Capital Markets Plc	4.5% 01 Oct 2020		16,834
British Telecom Plc	1.625% 28 Jun 2016		12,537
British Telecom Plc	1.625% 28 Jun 2016		14,626
Brown & Brown Inc	4.2% 15 Sep 2024		5,245
Bunge Limited Finance Co	8.5% 15 Aug 2019		9,116
Burlingtn North Santa Fe	5.75% 15 Mar 2018		8,969
Canadian Natl Railway	1.45% 15 Dec 2018		28,345
Capital One Financial Co	5.25% 21 Feb 2017		12,129
Capital One NA	2.4% 05 Sep 2019		27,267
Capital One NA	1.5% 22 Mar 2018		40,850
Carmax Auto Owner Trust	0.89% 15 Sep 2016		3,181
CBS Corp	5.75% 15 Apr 2020		8,617
CD Commercial Mortgage Trust	5.322% 28 Jun 2016		43,926
Centerpoint Energy Resources	4.5% 15 Jan 2021		3,250
Chase Issuance Trust	2.77% 15 Mar 2023		14,470
Chevron Corp	2.193% 15 Nov 2019		14,575
CIT Equipment Collateral	1.13% 20 Jul 2020		13,986
Citibank Credit Card Issuance	2.88% 23 Jan 2023		27,807
Citibank Credit Card Issuance	1.02% 22 Feb 2019		56,827
Citigroup Commercial Mortgage	1.0% 10 Dec 2049		12,855
Citigroup Commercial Mortgage	5.431% 15 Oct 2045		7,218
Citigroup Commercial Mortgage	1.0% 15 Mar 2049		8,155
Citigroup Inc	3.875% 25 Oct 2023		14,169
Citigroup Inc	4.5% 14 Jan 2022		23,899
Citigroup Inc	5.375% 09 Aug 2020		14,483
Cleveland Electric	5.7% 01 Apr 2017		6,648
CNH Equipment Trust	0.49% 15 Mar 2017		
CNH Equipment Trust	0.94% 15 May 2017		
Coca Cola Co	3.3% 01 Sep 2021		43,562
Comcast Corp	5.15% 01 Mar 2020		10,237
Comcast Corp	4.95% 15 Jun 2016		5,180
Comcast Corp	6.5% 15 Jan 2017		5,727
Comm Mortgage Trust	1.0% 11 Jun 2027		9,488
Comm Mortgage Trust	3.147% 15 Aug 2045		7,438
Comm Mortgage Trust	1.8726% 12 Apr 2035		6,533
Comm Mortgage Trust	3.689% 10 Aug 2046		19,062
Conagra Foods Inc	1.9% 25 Jan 2018		31,792
Conocophillips	3.35% 15 Nov 2024		19,312
Cons Edison Co	5.3% 01 Dec 2016		25,628
Constellation Energy	5.15% 01 Dec 2020		2,855
Consumers Energy	6.12% 15 Mar 2019		9,461
Countrywide Finl Corp	6.25% 15 May 2016		2,297

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

Coventry Health Care Inc	6.125% 1/15/2015	891
Coventry Health Care Inc	5.95% 3/15/2017	2,756
Cox Communications Inc	6.2% 01 Jun 2018	27,104
Credit Based Asset Servicing	1.0% 25 Jan 2033	3,181

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 66-0678126 and Plan Number 024****December 31, 2014**

Identity of Issue	Description of Investment	Cost (1)	Current Value
Credit Suisse	3.0% 29 Oct 2021		13,893
Credit Suisse	5.3% 13 Aug 2019		29,917
Credit Suisse Mortgage Trust	1.0% 15 Jun 2038		
Credit Suisse Mortgage Trust	5.467% 15 Sep 2039		
CVS Caremark Corp	2.25% 05 Dec 2018		32,143
Daimler Finance NA LLC	1.25% 11 Jan 2016		26,001
DCP Midstream Operating Company	4.95% 01 Apr 2022		11,953
Delmarva Pwr & Light Co	3.5% 15 Nov 2023		19,740
Delta Air Lines	7.75% 17 Jun 2021		14,717
Directv Holdings	4.6% 15 Feb 2021		7,936
Directv Holdings	3.8% 15 Mar 2022		2,533
DirecTV Holdings LLC	5.0% 01 Mar 2021		5,494
DirecTV Holdings LLC	4.45% 01 Apr 2024		3,535
Discover Bank	7.0% 15 Apr 2020		13,971
Discover Card	1.04% 15 Apr 2019		19,096
Discover Card	0.86% 15 Nov 2017		8,043
Dominion Gas Hldgs LLC	3.6% 15 Dec 2024		19,294
Dominion Resources Inc	1.95% 15 Aug 2016		28,156
Dominion Resources Inc	1.95% 15 Aug 2016		19,022
Duke Energy Progress Inc	1.0% 06 Mar 2017		13,148
Duke Realty LP	8.25% 15 Aug 2019		2,194
Eli Lilly & Co	1.95% 15 Mar 2019		16,685
Empresa De Transporte	4.75% 04 Feb 2024		6,921
Enel Finance Intl NV	6.25% 15 Sep 2017		12,993
Energy Transfer Partners	4.65% 01 Jun 2021		10,378
Energy Transfer Partners	6.7% 01 Jul 2018		16,395
Energy Transfer Partners	4.15% 01 Oct 2020		28,102
Enterprise Products	5.2% 01 Sep 2020		8,335
Enterprise Products	3.35% 15 Mar 2023		10,113
Ericsson	4.125% 15 May 2022		682
Exelon Generation Co	4.25% 15 Jun 2022		12,935
Exelon Generation Co	4.25% 15 Jun 2022		5,728
Extended Stay America Trust	1.0% 05 Dec 2031		7,820
Extended Stay America Trust	2.2952% 05 Dec 2031		10,086
FHLMC Multifamily Structured	3.23% 25 Jul 2021		31,961
FHLMC Multifamily Structured	2.917% 25 Aug 2020		14,160
FHLMC Multifamily Structured	1.603% 25 Jan 2022		24,016
FHLMC Multifamily Structured	2.615% 25 Mar 2023		17,678
FHLMC Multifamily Structured	3.49% 25 Jan 2024		24,123
Fifth Third Bancorp	3.5% 15 Mar 2022		5,742
First National	1.0% 15 Oct 2019		10,388
Ford Credit Auto Lease Trust	0.89% 15 Sep 2017		9,973
Ford Credit Auto Owner Trust	2.26% 15 Nov 2025		10,428

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

Ford Credit Auto Owner Trust	1.0% 15 Sep 2017	9,656
Ford Credit Floorplan Master	0.85% 15 Jan 2018	9,127
Ford Credit Floorplan Master	1.2% 15 Feb 2019	13,888
Ford Motor Credit Co LLC	1.0% 13 Mar 2019	43,755

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 66-0678126 and Plan Number 024****December 31, 2014**

Identity of Issue	Description of Investment	Cost (1)	Current Value
Ford Motor Credit Co LLC	5.75% 01 Feb 2021		27,507
Ford Motor Credit Co LLC	5.875% 02 Aug 2021		25,905
Ford Motor Credit Co LLC	5.875% 02 Aug 2021		9,436
Freeport McMoran	2.375% 15 Mar 2018		7,503
Freeport McMoran	2.15% 01 Mar 2017		6,679
Freeport McMoran	3.1% 15 Mar 2020		6,631
FS Investment Corp	4.25% 15 Jan 2020		19,169
GCCFC Commercial Mortgage	5.444% 10 Mar 2039		35,720
GCCFC Commercial Mortgage	5.444% 10 Mar 2039		24,970
GDF Suez	1.625% 10 Oct 2017		5,269
GE Capital	1.76% 15 Sep 2022		41,818
GE Capital Credit Card Master	2.22% 15 Jan 2022		16,554
GE Dealer Floorplan Master	1.0% 20 Oct 2017		11,142
General Elec Cap Corp	1.0% 14 Jan 2019		26,089
General Elec Cap Corp	4.65% 17 Oct 2021		6,514
Glaxosmithkline Capital Company	1.5% 5/08/20 17		27,382
Glencore Funding LLC	4.125% 30 May 2023		3,673
Glencore Funding LLC	2.5% 15 Jan 2019		26,846
Goldman Sachs Group	7.5% 15 Feb 2019		14,100
Goldman Sachs Group	6.0% 15 Jun 2020		10,621
Goldman Sachs Group	5.75% 24 Jan 2022		11,142
Goldman Sachs Group	7.5% 15 Feb 2019		26,437
Goldman Sachs Group	1.0% 29 Nov 2023		27,554
Goldman Sachs Group	5.95% 18 Jan 2018		25,351
Goldman Sachs Group	1.0% 15 Nov 2018		28,728
Goldman Sachs Group	4.0% 03 Mar 2024		10,645
Grupo Bimbo Sab De Cv	3.875% 27 Jun 2024		7,617
GS Mortgage Securities Trust	4.751% 10 Jul 2039		11,779
GS Mortgage Securities Trust	3.68% 10 Apr 2047		25,637
Harley Davidson Motorcycle	0.68% 15 Apr 2017		3,477
Hartford Finl Svcs Grp	4.0% 30 Mar 2015		2,390
Hartford Finl Svcs Grp	5.5% 30 Mar 2020		8,004
Hartford Finl Svcs Grp	5.125% 15 Apr 2022		6,663
HCP Inc	5.375% 01 Feb 2021		16,977
Health Care Reit Inc	5.25% 15 Jan 2022		16,794
Health Care Reit Inc	2.25% 15 Mar 2018		11,332
Healthcare Realty Trust	3.75% 15 Apr 2023		2,327
Hess Corp	8.125% 15 Feb 2019		15,514
Hewlett Packard Co	4.30% 01 Jun 2021		27,770
Hewlett Packard Co	3.75% 01 Dec 2020		6,132
Hewlett Packard Co	2.75% 1 4 Jan 2019		26,705
Hewlett Packard Co	4.65% 09 Dec 2021		3,142
Hewlett Packard Co	2.75% 14 Jan 2019		2,285

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

Hilton USA Trust	2.662% 05 Nov 2030	32,194
HSBC Holdings PLC	5.1% 05 Apr 2021	7,705
HSBC USA Inc	2.375% 13 Nov 2019	27,552
Humana Inc	7.2% 15 Jun 2018	15,060

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 66-0678126 and Plan Number 024****December 31, 2014**

Identity of Issue	Description of Investment	Cost (1)	Current Value
Huntington Auto Trust	1.18% 15 Jun 2017		34,209
Hutch Whampoa Int 14 Ltd	1.625% 31 Oct 2017		6,466
Hyundai Auto Receivables Trust	0.79% 16 Jul 2018		12,579
ING Bank	2.0% 25 Sep 2015		15,232
Ingersoll Rand Lux Finance	3.55% 01 Nov 2024		24,300
Ingram Micro Inc	4.95% 15 Dec 2024		34,957
International Paper Co	3.65% 15 Jun 2024		1,540
Intl Bk Recon & Develop	9.25% 15 Jul 2017		4,436
Israel Electric Corp Ltd Sr Secured	5.0% 12 Nov 2024		7,614
Jabil Circuit Inc	5.625% 15 Dec 2020		9,419
Jabil Circuit Inc	8.25% 15 Mar 2018		3,033
John Deere Owner Trust	1.5% 15 Jun 2021		33,031
JP Morgan Chase & Co	3.625% 13 May 2024		14,712
JP Morgan Chase Commercial Mortgage	5.42% 15 Jan 2049		40,513
JP MBB Commercial Mortgage Secu	2.878% 15 Feb 2047		56,306
JP Morgan Chase & Co	6.0% 15 Jan 2018		29,509
JP Morgan Chase & Co	4.4% 22 Jul 2020		9,156
JP Morgan Chase & Co	6.0% 15 Jan 2018		13,263
JP Morgan Chase Commercial Mortgage	1.0% 12 Jun 2043		18,219
JP Morgan Chase Commercial Mortgage	5.439% 15 Jan 2049		31,448
JP Morgan Chase Commercial Mortgage	1.0% 12 Feb 2051		
JP Morgan Chase Commercial Mortgage	2.7493% 15 Nov 2043		8,148
Kinder Morgan	5.95% 15 Feb 2018		13,414
Kinder Morgan	6.85% 15 Feb 2020		21,104
Kinder Morgan	4.15% 01 Mar 2022		18,217
Kinder Morgan	4.15% 01 Mar 2022		5,854
Kinder Morgan	3.95% 01 Sep 2022		11,020
KLA Tencor Corp	4.65% 01 Nov 2024		14,420
Korea Finance Corp	2.25% 07 Aug 2017		26,944
Korea National Oil Corp	3.125% 03 Apr 2017		15,052
Kroger Co	2.95% 01 Nov 2021		6,907
LB UBS Commercial Mortgage	5.3% 15 Nov 2038		9,162
Liberty Property LP	5.5% 15 Dec 2016		2,228
Liberty Property LP	6.625% 01 Oct 2017		1,329
Life Technologies Corp	6.0% 01 Mar 2020		18,452
Lincoln National Corp	8.75% 01 Jul 2019		3,777
Lloyds Banking Group Plc	4.5% 04 Nov 2024		9,271
Lorillard Tobacco Co	8.125% 23 Jun 2019		21,017
Lyondellbasell Ind	5.0% 15 Apr 2019		27,799
Macquarie Bank Ltd	5.0% 22 Feb 2017		2,940
Macquarie Group Ltd	4.875% 10 Aug 2017		6,085
Macys Retail Hldgs Inc	3.875% 15 Jan 2022		12,937
Magna International Inc	3.625% 15 Jun 2024		9,948

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

Marathon Petroleum Corp	5.125% 01 Mar 2021	4,956
Mckesson Corp	3.25% 01 Mar 2016	19,267
Medtronic Inc	2.5% 15 Mar 2020	26,593
Medtronic Inc	3.5% 15 Mar 2025	9,701

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 66-0678126 and Plan Number 024****December 31, 2014**

Identity of Issue	Description of Investment	Cost (1)	Current Value
Medtronic Inc	3.15% 15 Mar 2022		13,955
Mercedes Benz Auto Lease Trust	0.59% 15 Feb 2016		6,331
Merrill Lynch Mortgage	1.0% 12 Aug 2043		10,017
Methanex Corp	3.25% 15 Dec 2019		7,053
Met Life Inc	7.717% 15 Feb 2019		4,238
Met Life Inc	6.817% 15 Aug 2018		12,758
Met Life Inc	6.75% 01 Jun 2016		9,745
Mizuho Bank Ltd	2.45% 16 Apr 2019		14,132
ML CFC Commercial Mortgage Trust	1.0% 12 Mar 2051		35,793
ML CFC Commercial Mortgage Trust	5.166% 12 Dec 2049		37,154
ML CFC Commercial Mortgage Trust	5.7% 12 Sep 2049		23,717
Morgan Stanley	5.5% 24 Jul 2020		9,262
Morgan Stanley	3.875% 29 Apr 2024		7,754
Morgan Stanley	5.5% 28 Jul 2021		10,494
Morgan Stanley	5.625% 23 Sep 2019		17,328
Morgan Stanley	5.55% 27 Apr 2017		6,595
Morgan Stanley	5.95% 28 Dec 2017		22,886
Morgan Stanley	6.625% 01 Apr 2018		43,038
Morgan Stanley	6.625% 01 Apr 2018		25,316
Morgan Stanley BAML Trust	3.669% 15 Feb 2047		28,262
Morgan Stanley Capital I	4.89% 12 Jun 2047		23,557
Morgan Stanley Capital I	1.0% 11 Jun 2042		17,097
Motel 6 Trust	1.9483% 05 Oct 2025		15,066
Murray St Inv Trust I	1.0% 08 Mar 2017		1,439
Mylan Inc	4.2% 29 Nov 2023		29,179
Mylan Inc	2.6% 24 Jun 2018		14,261
Mylan Inc	2.55% 28 Mar 2019		22,731
Nabors Industries Inc	5.1% 15 Sep 2023		4,868
Nabors Industries Inc	5.0% 15 Sep 2020		17,755
Natl Grid PLC	6.3% 01 Aug 2016		15,995
NCUA Guaranteed Notes	1.0% 07 Oct 2020		20,359
NCUA Guaranteed Notes	1.0% 08 Dec 2020		75,529
NCUA Guaranteed Notes	2.9% 29 Oct 2020		21,605
Nevada Power Co	6.5% 01 Aug 2018		8,584
Nisource Finance Corp	6.8% 15 Jan 2019		12,873
Nisource Finance Corp	5.25% 15 Sep 2017		11,342
Nisource Finance Corp	6.8% 15 Jan 2019		17,744
Nisource Finance Corp	6.125% 01 Mar 2022		14,403
Nissan Auto Lease Trust	0.57% 15 Jan 2016		8,865
Noble Energy Inc	3.9% 15 Nov 2024		7,030
Noble Energy Inc	8.25% 01 Mar 2019		12,329
Noble Energy Inc	3.9% 15 Nov 2024		7,293
Noble Holding Intl Ltd	4.9% 01 Aug 2020		1,028

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

Noble Holding Intl Ltd	3.95% 15 Mar 2022	3,505
Nomura Holdings Inc	2.0% 13 Sep 2016	14,698
Norfolk Southern Corp	5.75% 01 Apr 2018	6,485
Occidental Petroleum Corp	1.75% 15 Feb 2017	28,763

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 66-0678126 and Plan Number 024****December 31, 2014**

Identity of Issue	Description of Investment	Cost (1)	Current Value
Oceaneering Intl Inc	4.65% 15 Nov 2024		10,592
Omnicom Group Inc	3.625% 01 May 2022		5,081
Orix Corp	4.71% 27 Apr 2015		8,817
Owens Corning Inc	6.5% 01 Dec 2016		388
Perrigo Finance Plc	3.5% 15 Dec 2021		11,543
Perrigo Finance Plc	3.5% 15 Dec 2021		6,116
Petroleos Mexicanos	3.5% 18 Jul 2018		8,042
Petronas Capital Ltd	5.25% 12 Aug 2019		12,967
Philip Morris Intl Inc	5.65% 16 May 2018		835
Philip Morris Intl Inc	2.9% 15 Nov 2021		3,459
Plains Exploration & Pro	6.875% 15 Feb 2023		26,375
PNC Bank NA	2.4% 18 Oct 2019		27,527
PNC Bank NA	2.2% 28 Jan 2019		12,602
Pride International Inc	8.5% 15 Jun 2019		6,669
* Prudential Financial Inc	3.5% 15 May 2024		28,165
* Prudential Financial Inc	4.5% 15 Nov 2020		9,135
Quest Diagnostic Inc	4.75% 30 Jan 2020		10,707
Quest Diagnostics Inc	4.7% 01 Apr 2021		4,011
Regency Centers LP	5.25% 01 Aug 2015		1,853
Regency Centers LP	5.875% 15 Jun 2017		4,727
Reliance Steel & Alum	4.5% 15 Apr 2023		2,469
Republic Services Inc	3.8% 15 May 2018		408
Residential Asset Securities	1.0% 25 May 2033		210
Reynolds American Inc	3.25% 01 Nov 2022		6,697
Rio Tinto Fin Usa Ltd	3.5% 02 Nov 2020		10,455
Rio Tinto Fin Usa PLC	3.5% 22 Mar 2022		13,777
Rio Tinto Fin Usa PLC	2.25% 14 Dec 2018		13,155
Rockwell Collins Inc	1.0% 15 Dec 2016		5,484
Ross Stores Inc	3.375% 15 Sep 2024		18,093
Rowan Companies Inc	5.0% 01 Sep 2017		10,963
Royal Bank of Canada	1.25% 16 Jun 2017		28,031
Royal Bank of Canada	1.4% 13 Oct 2017		13,292
Royal Bk of Scotland PLC	6.125% 11 Jan 2021		13,619
Royal Bk Scotlnd Grp PLC	2.55% 18 Sep 2015		16,762
Santander Drive Auto	0.64% 17 Apr 2017		1,814
Santander Drive Auto Receivabl	1.15% 15 Jan 2019		10,061
Santander Holdings USA	4.625% 19 Apr 2016		4,014
SCSLC 2010	1.0% 25 Jul 2025		52,250
Sempra Energy	4.05% 01 Dec 2023		15,362
Sempra Energy	6.5% 01 Jun 2016		9,388
Sinopec Grp	4.375% 17 Oct 2023		15,046
Sky Plc	2.625% 16 Sep 2019		27,274
SLM Student Loan Trust	1.0% 25 Sep 2019		39,654

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

Smart Trust	1.25% 14 Aug 2018	32,217
Snap On Inc	4.25% 15 Jan 2018	10,052
Societe Generale	5.0% 17 Jan 2024	9,386
Southern Cal Edison	5.5% 15 Aug 2018	13,355

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 66-0678126 and Plan Number 024****December 31, 2014**

Identity of Issue	Description of Investment	Cost (1)	Current Value
Southern Co	1.95% 01 Sep 2016		28,205
Southwest Airlines	5.75% 15 Dec 2016		4,803
Spectra Energy Capital	8.00% 01 Oct 2019		4,053
Spectra Energy Partners	2.95% 15 Aug 2018		13,527
Spectra Energy Partners	2.95% 25 Sep 2018		3,033
Standard Chartered PLC	1.0% 12 Jul 2022		15,061
Staples Inc	2.75% 12 Jan 2018		13,766
* State Street Corp	3.7% 20 Nov 2023		6,072
* State Street Corp	3.3% 16 Dec 2024		17,746
Stryker Corp	2.0% 30 Sep 2016		28,321
Svenska Handelsbanken AB Bank	2.875% 04 Apr 2017		7,658
Synchrony Financial Sr Unsecured	3.0% 15 Aug 2019		12,733
Talent Yield Investments	4.5% 25 Apr 2022		15,357
Talisman Energy Sr Unsecured	3.75% 01 Feb 2021		9,457
Teck Resources Limited	4.5% 15 Jan 2021		16,522
Teck Resources Limited	4.5% 15 Jan 2021		19,131
Telefonica Emisiones Sau	5.462% 16 Feb 2021		5,452
Thermo Fisher Scientific	4.15% 01 Feb 2024		5,532
Time Warner Cable Inc	5.0% 01 Feb 2020		3,919
Time Warner Inc	4.875% 15 Mar 2020		16,956
Time Warner Inc	3.55% 01 Jun 2024		19,631
Time Warner Inc	4.75% 29 Mar 2021		13,261
Time Warner Inc	2.1% 01 Jun 2019		21,313
Total Capital Intl	2.75% 19 Jun 2021		14,129
Total System Services	2.375% 01 Jun 2018		4,173
Transocean Inc	6.5% 15 Nov 2020		4,751
Transocean Inc	2.5% 15 Oct 2017		11,397
Transocean Inc	6.37% 15 Dec 2021		21,733
Transocean Inc	6.37% 15 Dec 2021		55
Travelers Cos Inc	5.75% 15 Dec 2017		12,237
Trust F/1401	5.25% 15 Dec 2024		11,906
Tyson Foods Inc	4.5% 15 Jun 2022		16,364
Tyson Foods Inc	2.65% 15 Aug 2019		2,662
Tyson Foods Inc	3.95% 15 Aug 2024		8,792
UBS AG	5.875% 15 Jul 2016		16,963
Unicredito Luxem Fin	6.0% 31 Oct 2017		7,262
Unitedhealth Group Inc	2.875% 15 Dec 2021		27,424
Unum Group	5.625% 15 Sep 2020		12,681
Vale Overseas Limited	5.625% 15 Sep 2019		26,635
Valero Energy Corp	6.125% 01 Feb 2020		8,840
Verizon Communications	3.5% 01 Nov 2024		8,968
Verizon Communications	3.65% 14 Sep 2018		40,235
Verizon Communications	5.15% 15 Sep 2023		20,125

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

Verizon Communications	5.15% 15 Sep 2023	20,256
Viacom Inc	3.875% 01 Apr 2024	4,790
Viacom Inc	5.625% 15 Sep 2019	2,164
Vodafone Group	2.95% 19 Feb 2023	12,711

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 66-0678126 and Plan Number 024****December 31, 2014**

Identity of Issue	Description of Investment	Cost ⁽¹⁾	Current Value
Volkswagen Auto Loan	0.91% 22 Oct 2018		16,402
Wachovia Bank Commercial Mortgage	1.0% 15 Jan 2045		27,719
Wachovia Bank Commercial Mortgage	1.0% 15 May 2043		
Walgreen Co	1.8% 15 Sep 2017		25,202
Walgreens Boots Alliance	3.8% 18 Nov 2024		14,206
Waste Management Inc	6.1% 15 Mar 2018		9,222
Waste Management Inc	4.75% 30 Jun 2020		13,643
Wells Fargo & Company	1.0% 15 Jun 2016		14,448
Wells Fargo & Company	3.5% 08 Mar 2022		20,264
Wells Fargo & Company	2.1% 08 May 2017		27,857
Western Union Co	3.65% 22 Aug 2018		13,989
Western Union Co	3.35% 22 May 2019		7,285
WF RBS Commercial Mortgage	3.337% 15 Jun 2046		13,982
WF RBS Commercial Mortgage	2.921% 15 Dec 2046		16,928
WF RBS Commercial Mortgage Trust	3.66% 15 Mar 2047		19,413
Williams Partners LP	5.25% 15 Mar 2020		21,865
Williams Partners LP	3.9% 15 Jan 2025		8,118
Williams Partners LP	4.0% 15 Nov 2021		10,101
Williams Partners LP	7.25% 01 Feb 2017		10,616
World Financial Network	3.14% 17 Jan 2023		44,355
World Financial Network	1.76% 17 May 2021		9,686
World Financial Network	1.61% 15 Dec 2021		7,575
World Financial Network Credit WFNMT	1.0% 15 Dec 2019		12,748
WPP Finance	4.75% 21 Nov 2021		6,287
Wyndham Worldwide Corp	2.5% 01 Mar 2018		15,088
Xerox Corporation	5.625% 15 Dec 2019		13,989
Yamana Gold Inc	4.95% 15 Jul 2024		11,309

6,524,490

Separate Investment Contract

* Metropolitan Life Insurance Company	Separate Account	5,120,920
---------------------------------------	------------------	-----------

Benefit Responsive Interest Rate Wrapper Contracts

* Metropolitan Life Insurance Company	Open Ended Maturity	(5,824)
* Prudential Financial Inc	Open Ended Maturity	(2,581)
* Transamerica Inc.	Open Ended Maturity	(5,297)

(13,702)

Edgar Filing: BAXTER INTERNATIONAL INC - Form 11-K

Synthetic Guaranteed Investment Contracts (contract value equals \$20,493,778)

\$ 21,772,698

Commingled Investments:

* SSgA Daily EAFE Fund	Commingled Investments	2,387,239
* Daily Emer Mkts Index Ser State Str Bk & Tr Co Inv	Commingled Investments	40,397

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 66-0678126 and Plan Number 024****December 31, 2014**

Identity of Issue	Description of Investment	Cost ⁽¹⁾	Current Value
* Northern Trust S&P 400 Ind Fnd Tier 3	Commingled Investments		322,520
* SSgA S&P 500 Flagship Fund	Commingled Investments		7,777,178
Vanguard Target Retirement 2010	Commingled Investments		58,801
Vanguard Target Retirement 2015	Commingled Investments		409,013
Vanguard Target Retirement 2020	Commingled Investments		611,609
Vanguard Target Retirement 2025	Commingled Investments		519,450
Vanguard Target Retirement 2030	Commingled Investments		797,800
Vanguard Target Retirement 2035	Commingled Investments		727,899
Vanguard Target Retirement 2040	Commingled Investments		973,289
Vanguard Target Retirement 2045	Commingled Investments		576,120
Vanguard Target Retirement 2050	Commingled Investments		854,311
Vanguard Target Retirement Income	Commingled Investments		233,920
* SSgA US Small Cap Index Futures Fd	Commingled Investments		2,847,735
	Commingled Investments		\$ 19,137,281
* Notes Receivables from Participants	Interest rates range from 4.25% to 9.25%		\$ 3,853,058
Collateral Held on Loaned Securities			
* SSgA Quality D Short-term Investment Fund			\$ 174,567
	Total Investments		\$ 58,237,744

* Party-in-interest

** These investments include securities that were loaned to brokers under the securities lending program with the Trustee.

(1) Cost information not required for participant-directed investments.

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

BAXTER HEALTHCARE of PUERTO RICO SAVINGS AND
INVESTMENT PLAN

Date: June 19, 2015

By: /s/ Robert J. Hombach
Robert J. Hombach
Member of the Administrative Committee