

5

Shareholders of the SegurCaixa Holding Group



Shareholders of the SegurCaixa Holding Group

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

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

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

Criteria CaixaCorp



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

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

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

Apart from Criteria's presence in the banking and financial sectors, through stakes in compa-

nies it is also present in strategic sectors such as the energy, telecommunications, infrastructures and services sectors.

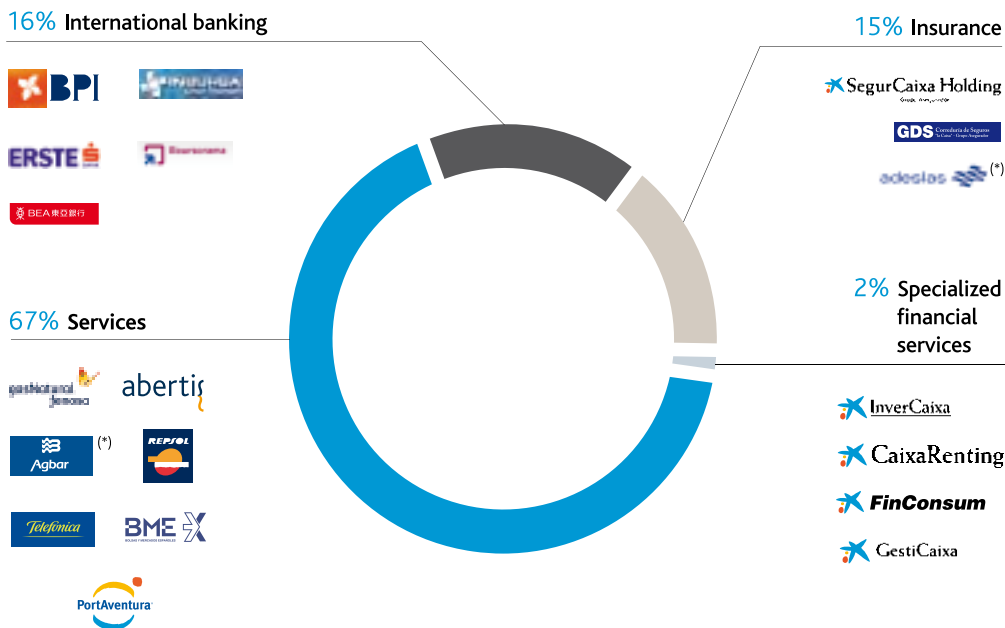
The advancement of active management in investments is reflected in its taking up influential positions at the heart of the companies where it has stakes, intervening in the Governing Body and actively getting involved in the definition of the business strategy and policies, therefore contributing to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

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

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



Gross asset value: €24,380 ⁽¹⁾ million



(1) Pro-forma

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

Vision

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

Corporate Values

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

Business Lines

Criteria CaixaCorp has a multi-sectorial portfolio that combines investments in listed and non-listed companies that are leading or referenced companies in their respective environments and that make up a diversified and unmatched

portfolio. Activity is organised into two separate business lines: financial and services.

- Financial Business:** On the one hand, there is the international banking activity through stakes held in banks outside Spain and on the other there are the non-listed filial companies that carry on the domestic business in insurance and specialised financial services, such as asset management, leasing and consumer credit, among others.
- Services Business:** This includes the stakes in companies that are leaders in their markets and have a proven track record for capacity of growth and creation of value. Criteria CaixaCorp's investments are focused on Spanish companies with an international presence in non-cyclical sectors such as infrastructures, energy and services to name a few. These portfolio stakes are capable of generating recurrent income and profits with a margin for more and can give an attractive dividend.

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

Management and strategy of the company

- Greater exposition to financial businesses:** It is the wish of Criteria CaixaCorp to restore the balance of the portfolio, which at present is top-heavy with a predominance of investments in services companies, by acquiring stakes in financial entities. A major differential factor is that Criteria can count on the experience in retail banking of its controlling shareholder “la Caixa”, as well as its capacity to generate value and synergies in the new acquisitions.
- Active management of our investments:** Criteria has an active participation in the Governing Bodies of the companies it has stakes in. It gets involved in the definition of their future strategies in coordination with the management teams of those companies and contributes to the medium and long term sustainable development of their businesses.
- Management by value of investments:** Criteria undertakes investments, disinvestments and corporative projects depending on the opportunity the market offers, always prioritising the creation of value and profitability for its shareholders. In this regard, the position to buy or sell by Criteria depends on the climate offered by markets at any given time. For this, Criteria has more than enough flexibility and experience to identify opportunities and act at the best moment.
- Focus on the medium and long term investment:** The management philosophy of the active management of Criteria CaixaCorp entails that its investment horizon is medium to long term, maximising the value by concentrating on corporative development and involvement in the strategies of the portfolio company while deciding on an acquisition or disposal at the best possible moment.
- Maximum transparency in its relationship with shareholders and other stakeholders:** It is Criteria CaixaCorp’s will to ensure the maximum level of transparency in relation to its shareholders and other stakeholders. This policy is shown through bringing the company closer to all the stakeholders, offering them all the relevant information for each of them at all times and which may concern results, corporate management and strategy or any other issue of interest to them.



A strategy for each business line

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

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

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

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

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

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



“la Caixa”

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

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

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

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

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



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

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



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

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

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

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

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

Finally, during the 2009 financial year, the organisation consolidated its role as a committed social actor to the needs of the more needy sectors of society. With a budget of 500 million Euros allocated to hundreds of different social, cultural, educational, environmental and scien-

tific projects, the Obra Social, or the Social and Cultural Outreach Projects of "la Caixa" places specific emphasis on those initiatives that aim to provide basic cover for situations stemming from social exclusion or marginalisation.

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

