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Quality in Customer service

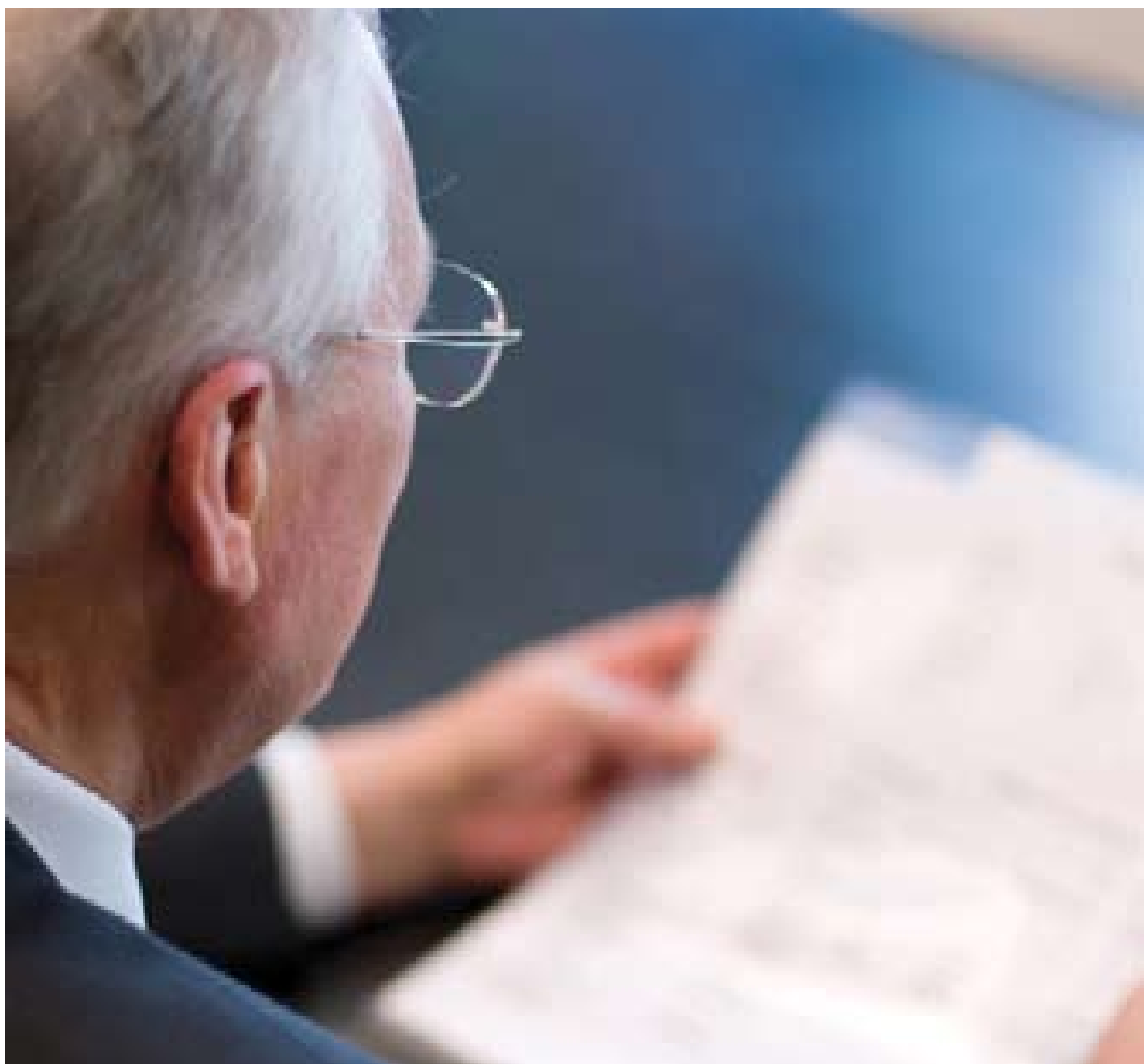


The customer: centre of the organisation

149,382 individuals and 8,687 companies and organisms were added to the customer network of SegurCaixa Holding in 2009

More than 3.4 million people from all over the country trust the management of SegurCaixa Holding. This is a broad portfolio of customers that grows year after year –5% more than the previous year—and whose most outstanding characteristic is their loyalty. In all, some 149,382 people joined SegurCaixa Holding's individual customer network in 2009, thus keeping up the steady growth the company has undergone since its foundation in 1992.

In the corporative client segment, 45,687 companies and organisms trusted SegurCaixa Holding in 2009. Of these, many were SMEs, a group the company has bet on decisively over the last few years. As far as large corporations and collectives are concerned, there are 20 companies that make up the Ibex 35, 734 multi-national companies and 157 public bodies.



Security and transparency in dealing with customers

Trust together with quality and dynamism are the three corporate values SegurCaixa Holding shares with its customers as well as with the rest of its stakeholders.

For the company, trust is based on maintaining a transparent, ethical and responsible relationship with its customers on par with its excellent service management embedded in policies of security and respect for privacy and confidentiality.

Respect for the privacy and confidentiality of the Customer

Once again, 2009 was a year when SegurCaixa Holding was not subject to any sanction for reasons of infringing privacy or leaking the confidential information of its customers.

This was thanks to the scrupulous internal fulfilment of the law in force and the setting up of preventive measures that guaranteed a strict behaviour of all the SegurCaixa Holding professionals far beyond the legal standards and in line with the demanding level of the company.

Among the measures the company implemented to achieve those goals are the following:

- Technical and security measures were updated to preserve the privacy and confidentiality of customers within the framework of the Royal Decree 1720/2007 whose provisional period ends in 2010.
- The development and diffusion among all SegurCaixa's employees of a six-monthly newsletter that tackles such matters as the treatment of data and personal information of customers in accordance with what is set out in the legal framework of the Organic Law on Data Protection.
- The development of a standardised document of compliance with the Organic Law on Data Protection, which is made available to any Customer from Group business that asks for it.
- A specific online training course on those matters will be set up in the first quarter of 2010.

- One workday per year is set aside to improve the office panorama, through which fulfillment of the requirements of security in non-automated files is achieved.
- A biennial audit is carried out. The next one will be in 2010.
- A letter of conditions is drawn up for mediators, with the agreement of Adecose members, whereby legislation on laundering and use of customer data is adapted. ADECOSE (acronym for the Spanish Association of Insurance Brokers) is an independent association founded to defend the interests of insurance brokers and represents more than 100 leading companies in the sector.

Ethics and transparency of commercial information

SegurCaixa Holding wholeheartedly assumes the commitment to provide customers with information that is clear, exact and reliable in all its communications whether general or commercial so that customers find it easy to take a decision.

The main novelty in 2009 was the creation of a guide to Correspondance directed at those employees involved in preparing communications sent to customers. Through this guide it is hoped that all communications improve from the point of view of clarity, transparency and understanding of the information by the customer.

Moreover, throughout this year several studies were carried out to determine the opinion and appraisal of our customers regarding the key product communications undertaken. In the five studies completed, customer feedback concerning product information provided was rated as being good and very well explained.

It should be said that SegurCaixa Holding, apart from complying with the regulation on publicity and consumer protection, takes on certain self-complying codes such as the "Código General de Conducta Publicitaria de

In 2009, SegurCaixa Holding did not receive a single sanction for the violation of intimacy of their customers nor for leaking confidential information

A new Guide to Writing improves the quality, transparency and understanding of all communications sent to customers

las Instituciones de Inversión Colectiva y Fondos de Pensiones (INVERCO)" (The General Code of Conduct in Publicity from the Collective Investment and Pension Funds Institution) or INVERCO, as per the Spanish acronym.

The very nature of insurance and social welfare products requires a greater comprehension by customers, so SegurCaixa Holding compels itself to permanently improve the information given to them by writing footnotes and providing examples that greatly help the calculation of the different tariffs. Furthermore, all the information offered to the insured in the policy has been improved. All the main data is included in a single page of the policy in such a way that it is clear and intelligible so that the insured knows exactly what he is contracting: the terms and conditions of the service, the type of insurance, the premium, the length of the contract, the cover included and its limits.

SegurCaixa Holding also collaborates with institutions within the scope of insurance and social welfare like UNESPA, acronym in Spanish for The Spanish Union of Insurance and Reinsurance Institutions, which is the Business Association for the Insurance Sector. The company publicises and applies the principles of The Guide to Good Practices related to the transparency of information given to customers, both in the informative stage and in the contract itself.

Similarly, UNESPA are working on a standard design of informative notes, within the framework of their Guide to Good Practices, with the aim of helping the consumer compare products. SegurCaixa Holding is determined to adopt these informative notes for its insurance products.

SOME EXAMPLES OF THESE IMPROVEMENTS IN THE TRANSPARENCY OF INFORMATION ARE:

- In disability insurance there is an unmistakable explanation of the criteria and variables to rate the claim or degree of disability and it guarantees the channels for complaints and claims, informing the policyholders of their right to reject, when applicable.
- In the health questionnaires the potential customer is reminded of the need and usefulness to read the questions carefully and to answer honestly and truthfully. All the information provided is kept stored and protected in high security files.
- In savings insurance the customer is informed of the conditions of the guarantee offered and of the guaranteed technical interest. In Unit-linked products the policyholder is informed that they are the one assuming the risk of the investment linked to the contract.
- The Contracting parties of Planes de Previsión Asegurados and Pension Plans are informed of the conditions required to cash them in accordance with the legal criteria in force.
- In home insurance, SegurCaixa Holding renounces the application of the proportional rule in claims below a certain amount and offers a rough evaluation so as to avoid any possible under-insurance.
- In the social welfare area for groups and companies, some initiatives have been developed to diffuse this type of product. Among them are the creation of a social welfare forum in collaboration with the *Expansión.com* (www.expansion.com) media and the publishing of a quarterly information bulletin that is sent to all customers and mediators with the aim of publicizing topics of interest on company social welfare.

It is also worth mentioning that the commitment of SegurCaixa Holding to the transparency of information extends to the social area. Throughout 2009, SegurCaixa Holding made a total of 233 appearances in the media and prepared 76 press releases, of which 4 were about the results of the company, 18 about the launching of new products and services and 54 about different matters like studies undertaken and novelties. Internally the use of the Internet must be mentioned; the magazine *Área Informativa*, which is published quarterly, and the Canal Caixa, which

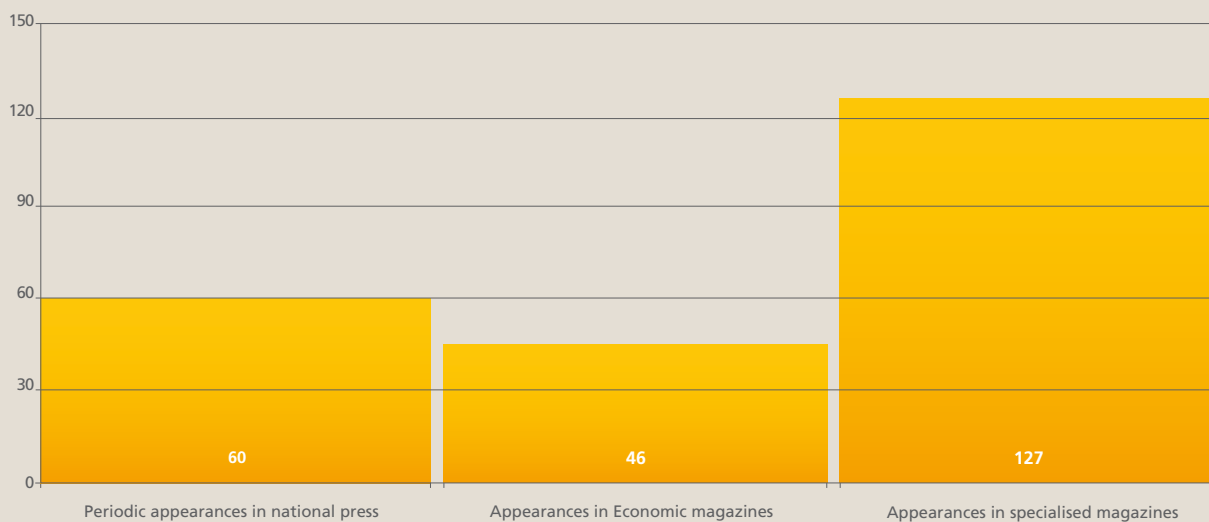
is the media of communication of "la Caixa" with the employees of the Group.

Lastly, there is a communications committee that meets once a month and defines the directives of corporate communications toward those outside SegurCaixa Holding. This committee comprises the General Manager, the Director of Customer Care and Communications, the Commercial and Marketing Manager, the Motor Insurance manager and the Department of Corporate Development.

MAILINGS: NOTES AND COLLABORATIONS DRAWN UP



APPEARANCES IN THE MEDIA



Accessibility to insurance and social welfare products

With the aim of improving accessibility to the SegurCaixa Holding web, a project was developed in 2009 to identify improvement opportunities

Innovation in SegurCaixa Holding covers not only the creation of new products and services but setting up new relationship channels with customers.

In order to provide easy Access to insurance and social welfare products, SegurCaixa Holding has developed strategy based on geographic proximity, multi-channels and the elimination of physical and sensorial barriers.

Geographic proximity

Through the more than 5,000 offices of the "la Caixa" branch office network, the 419 AgenCaixa assessors, the network of consultants and the internal and external mediators, SegurCaixa Holding offers a professional service and assessment to its more than 3.4 million customers.

SegurCaixa Holding has the most important network of offices and self-service terminals in Spain, with a presence of 100% in all towns of 20,000 inhabitants. SegurCaixa Holding uses the 5,000 plus branches of "la Caixa" and its 7,900 self-service terminals to inform about and sell the insurance and welfare products of the company.

Bankassurance with multi-channel management

Along with the network of consultants and mediators, SegurCaixa Holding provides all its customers with comprehensive communications channels including telephone platform and the Internet.

Using the telephone platform, customers can receive information and assessment, make claims and also directly buy many of the products in the Group's catalogue like accident insurance or pension plans, among others.

Through the Internet, or more precisely through the Línea Abierta Web, the online banking service of "la Caixa", many procedures can be carried out such as contracting different products from the SegurCaixa Holding insurance and social welfare portfolio. In this regard the SegurCaixa Hogar and the Vida Familiar life insurance processes have been improved so that the customer does not have to go to the branch office to perform the following tasks: ask for duplications of documents, get more information, cancel or surrender a product. Similarly a Video-Agent was set up. This means that the customer can see the telemarketing agent online but the agent cannot see the customer. With this service the customer can apply for home, life or health insurance. Finally, a benchmarking of SegurCaixa's corporate web took place in 2009 in order to compare it with the best practices in the sector and identify opportunities to improve.

Elimination of physical and communications barriers

Accessibility to products and services is a commitment undertaken by SegurCaixa Holding. For this it relies on the network of branch offices of "la Caixa", which from the point of view of its nationwide presence enables the company to offer a service that is close to customers, agile and free from architectural and sensorial barriers.

The SegurCaixa Holding and VidaCaixa Previsión Social web pages have the double accessibility certificate of the Web Accessibility Initiative Initiative (WAI) for use by people with disability.



Innovation as a permanent challenge

SegurCaixa Holding is working to incorporate innovation into its corporate culture on a permanent basis as can be seen in its Strategic Plan 2007-2010. The aim of innovation is to translate ideas into value for our customers and this is reflected in the development and sale of new products, the implementation of new technological applications to provide a better service and in the participation of our employees through their suggestions and improvements.

New products

Throughout 2009, SegurCaixa Holding continued its development of new products to satisfy the needs of its different segments of clients.

In all, six new products were created.

Three of them were new individual pension plans with a guaranteed profitability and were added to the extensive portfolio of pension plans: PlanCaixa 5 Ya, PlanCaixa 5 Ya II and PlanCaixa Doble Opción. All three pension

plans were well received by customers thereby strengthening the leadership SegurCaixa Holding holds in this business segment. It is worth noting that VidaCaixa was awarded the best fixed interest fund manager given by the *Expansión* newspaper and the Interactive Data Consultancy. In like fashion, the PlanCaixa Ambición and PlanCaixa 10 Seguridad funds were awarded the best pension plans in 2008.

The new Seviám Protect was also launched. This is a life insurance linked to mortgages or personal loans that covers the amortisation of these operations in the case of death and optionally in the case of absolute disability. Additionally, in reply to the new social reality of high unemployment and the economic slowdown in our country in 2009, some covers were included in the case of unemployment or temporary unemployment in the case of the self employed.

2009 witnessed the launching of new products for self-employed customers and small

3 pension plans, 1 life insurance and 2 products for the self-employed and SMEs extended SegurCaixa Holding's catalogue in 2009



**SegurCaixa Holding
adapted its Life Annuity
product to the needs
derived from situations
of dependency**



enterprises, thereby developing a strategic segment that is a priority for the Group. This is SegurCaixa Negocio, a new highly flexible multi-risk insurance for shops with differential covers, such as a telephone helpline, a web page to solve computer problems and a remote computer backup copy and data recovery service should data be lost. On the other hand, SegurCaixa Auto Negocio is an insurance product for commercial vehicles that completes the offer of SegurCaixa Auto y Moto, which incorporates broad covers like a 100% indemnity of the value of a new vehicle for write-off claims for vehicles less than 2 years old.

Cover for dependence

Lastly, after the approval of the law Ley de Promoción de Autonomía Personal y Atención a las Personas en Situación de Dependencia (Law Promoting Personal Autonomy and Attending people in a Dependence Situation) [Law 39/2006, of 14th December 2006], VidaCaixa started to develop cover for dependence. For this it adapted Renta Vitalicia, one of its best accepted products among customers. This product was previously known as Pensión Vitalicia Inmediata and it was first contracted more than 100 years ago. With the Renta Vitalicia products, by paying an initial premium, the policyholder receives a life-annuity paid monthly and can choose the term guarantee and the rate of interest that best suits his needs from annual to life. In the event of the policyholder's death, beneficiaries receive a capital.

With the new cover for grade II and III dependence, there is the possibility to increase the monthly payment received without having to make a new contribution, transforming the death capital from a constant sum to a decreasing one with a constant life interest. This allows the insured to obtain a monetary complement to face the costs derived from his dependence.

Technological innovation

The total investment made by SegurCaixa Holding in technology and information systems in 2009 reached 17.5 million Euros, in line with the effort made in 2008. The priority objective is to improve the service to the customer. Moreover, the investment in R&D projects was 148,000 Euros.

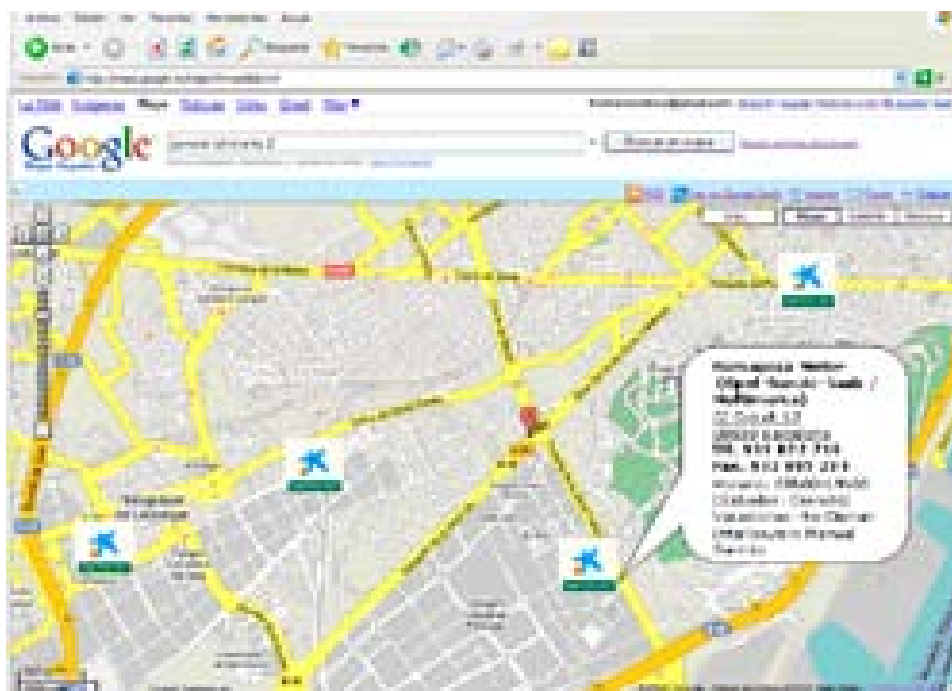
Among the principal technological novelties implemented in 2009 are:

- The kick-off of CRM (Customer Relationship Management), extended to all Individual and Group customers, which enables the company to gain comprehensive knowledge of each customer and , as a result, provide a better service.
- The introduction of several improvements and the broadening of content in the corporate web page www.segurcaixaholding.com.
- The consolidation of the specific web page for Groups and Companies www.vidacaixaprevisionsocial.com, with new functionalities to help online access, information transparency and the management of group insurance contracts for customers and mediators.
- The incorporation of Google Maps to make it more efficient to find SegurCaixa Auto's Network of Collaborating Repair Garages. This visualises, without errors, the exact address of the customer and informs him of the location of each repair garage as well as any changes or data updates. This appli-

cation has also been introduced for home insurance, which lets SegurCaixa Holding pinpoint all insured homes on a map and so provides a quick and easy localisation from an address or determined area. This tool increases our capacity to react in the face of relevant events like fires, flooding, etc., as we are able to provide the service to the insured as soon as the claim is received without having to wait for the declaration from each of them and better coordinate the visits of the loss-adjuster or repair services.

- The development of a new computer application that enables the branch offices of "la Caixa" and the AgenCaixa agents to visualise in real time the state of the home claim and the exchange of information with the SegurCaixa Holding managers.
- Setting up the new Ideas application, within the Innova+ portal, for the communication and management of new ideas contributed by employees. This application shows at any time the state of each idea, lets everyone consult proposals from other employees and improves the management, follow-up and response by managers and administrators.

In 2009 the company invested 17.5 million Euros in technology and information systems



In 2009 some 865 ideas and proposals to innovate products and services were received from employees of SegurCaixa Holding and the branch offices of "la Caixa"

A Culture that favours innovation

SegurCaixa Holding promotes a participative culture that favours innovation in which employees can contribute their opinions, suggestions and ideas through the different internal communication channels.

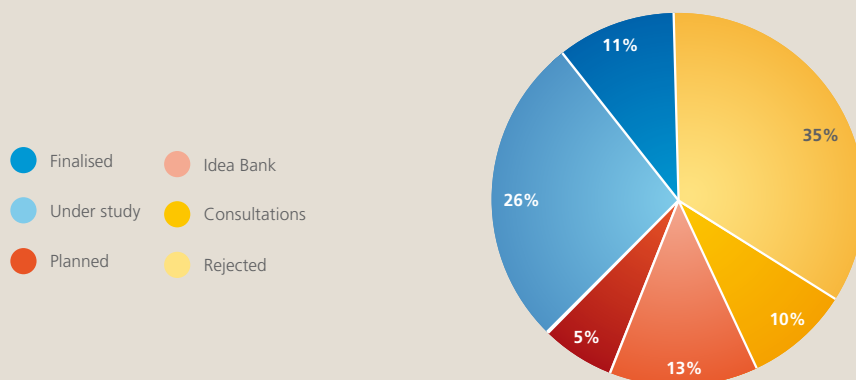
In 2009 the Innova+ Project continued to promote the development of innovation lines and dynamic teams through 5 informative and participative campaigns that dealt with the following topics: tendencies, customer

retention and loyalty, efficiency and corporate responsibility, channels and cross-selling.

In all some 865 ideas were received, representing an increase of 2% over the number in 2008. Of those ideas, 424 came from SegurCaixa Holding employees and 441 from the branch offices of "la Caixa". These figures clearly show the excellent level of participation and proactiveness of the SegurCaixa Holding and "la Caixa" employees as promoters of innovation.



RECEIVED IDEAS 2009



Customer satisfaction

Achieving the complete satisfaction of individual and Group customers is a permanent goal for SegurCaixa Holding and an indicator that measures the quality of the products and services it offers.

SegurCaixa Holding has always worked hard to offer products with the broadest possible cover on the market combined with the best customer service so that the more than 3 million customers can feel the value of having peace of mind. The Group is convinced that the most significant moment the customer really perceives the value of the insurance is when they require a service or file a claim. For this the most agile and innovative processes on the market have been put together so that the customer's experience enables them to check for themselves that the product fulfils their expectations.

2009 saw the development of a Project that consists of extending the Customer Relationship Management system (CRM) to all individual and Group customers, which enabled the company to avail of an all-round analysis tool

that improves the degree of information and knowledge about customers through the centralising of all phone and e-mail contact with SegurCaixa holding.

It should be said that all the enquiries and claims from our customers are managed and systemised for a suitable and fast response.

Moreover, in the home insurance area, the company continued to work on the development of a predictive quality model, which consists of providing information to the SegurCaixa Holding managers on the likelihood of dissatisfaction of a customer in the treatment of a claim. With this information the managers can anticipate possible incidents and act proactively with the services companies and the loss adjusters to speed up the service.

Lastly, it was also possible to improve the invoice payment term to customers. In the case of those customers who undertake the cost of the repair, the term was reduced from 2.32 days in 2008 to 1.44 days in 2009.

The extension of the CRM information system enabled us to know all our customers better and let us respond to their needs

SegurCaixa Holding was awarded the Premio Dirigentes Catalunya prize for Quality. The jury valued the excellence in its management, taking into account the business strategy of the company focused on the customer, which is something that contributes value added solutions in the field of protection and social security for individuals as well as for companies and enterprises.



Measuring Quality

72,956 surveys were carried out in 2009 to find out the satisfaction of the customers who received a service from SegurCaixa Holding

In 2009 the SegurCaixa Holding system of surveys was improved. This enhancement meant the inclusion of new options that provide more information about customers' expectations, as well as the unification of all the surveys carried out by the Group.

Home Insurance

In 2009 a total of 58,072 surveys were given to customers with home insurance claims. SegurCaixa Holding's customer satisfaction once again hit a high note. Just 2% of customers attended said they were not satisfied. The time taken for the repair of the claims and defects in the repairs were the main aspects to improve among the reasons for dissatisfaction.

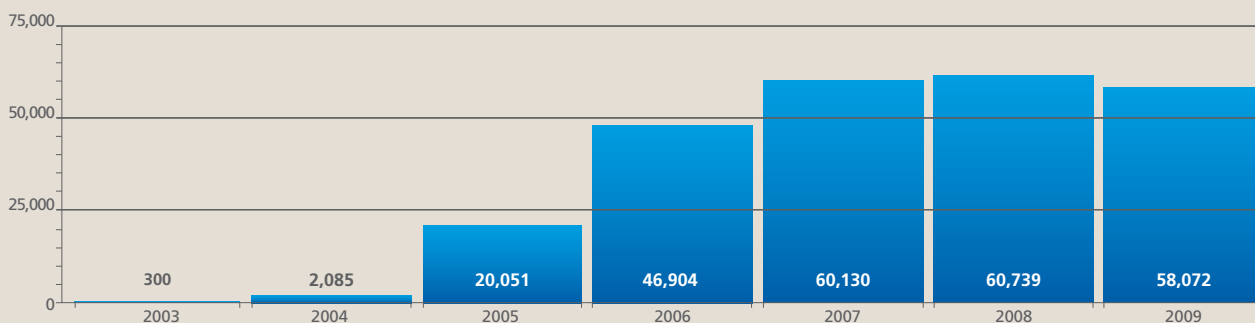
Car Insurance

In the motor insurance business, SegurCaixa Holding set up a new system of surveys in 2009 to measure customer satisfaction. A total of 14,884 surveys were carried out with satisfaction hitting 93% in the management of claims and 96% in providing breakdown assistance.

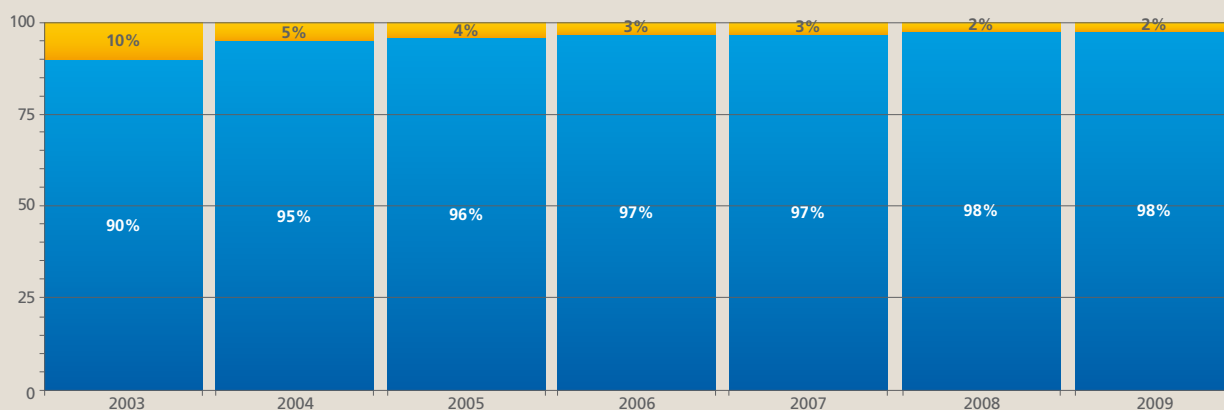
Other Insurances

In Travel and Legal Defence Insurance we conducted an exhaustive follow-up of the suppliers that provide those services with optimum results in the quality of service offered.

EVOLUTION OF N° SURVEYS



QUESTIONS PUT TO CUSTOMERS WITH HOME INSURANCE CLAIMS.
ARE YOU SATISFIED OR DISSATISFIED WITH THE SERVICE PROVIDED BY THE COMPANY?



● Satisfied ● Dissatisfied

Customer Service



The economic climate has increased the consultations and claims by customers

In 2009 our Call Center received almost 1 million calls, an increase that did not translate into a loss of quality in our attention to our customers

SegurCaixa Holding provides letters to the General Manager, e-mails and a Customer Care telephone for over 3 million customers so they can make enquiries and suggestions. There is also the figure of the Insurance Ombudsman and the Service of the Director General of Insurance and Pension Plans to whom customers can make their claims.

At tough economic times like in 2009, there is a significant increase in the number of enquiries and claims by customers. SegurCaixa Holding was not an exception. There were 986,225 calls to our Call Center, 24% more than the previous year. Thanks to the great effort made by the professionals of the Group, this significant increase in enquiries and claims took place without affecting the average quality of the call, which remained at 98%.

Letters to the Director

In 2009 a total of 233 letters to the Director were received, which was 54% more than

in 2008. This also shows the increase in this type of communications in a difficult economic period not to mention in a year when especially adverse climate conditions took place, such as the Klaus Storm. The maximum response time is 5 natural days, although the average response time was 2.5 days.

Queries from the branch office network of "la Caixa"

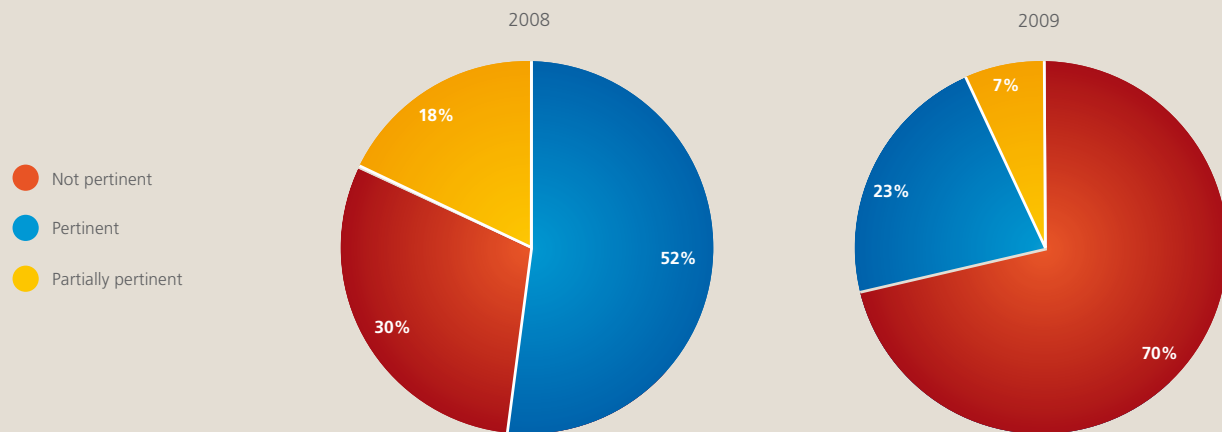
In 2009 some 41,303 queries from customers were received through the 5,000 plus strong network of "la Caixa".

For SegurCaixa Holding it is vital to respond individually to each customer quickly. For this reason, there is a commitment to respond to petitions from the branch offices of "la Caixa" within a maximum of 2 days. The average response time in 2009 was less than 1 day, as against 1.25 days in 2008 and just 6% of the queries were answered outside this term.

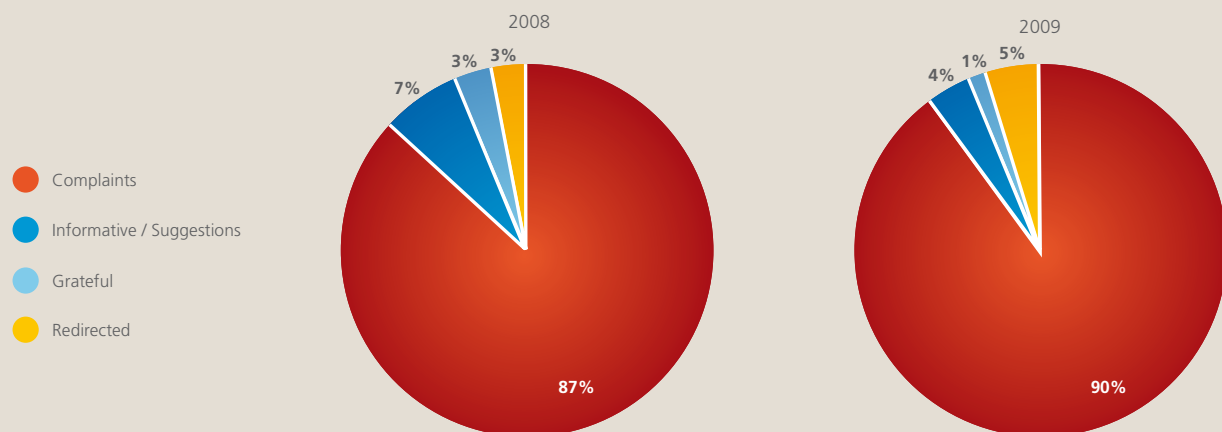
The 233 letters to the Director were all replied to with an average of 2.5 days, half of the set maximum time

The 41,303 requests received through the branch office network of "la Caixa" were all answered in an average of one day

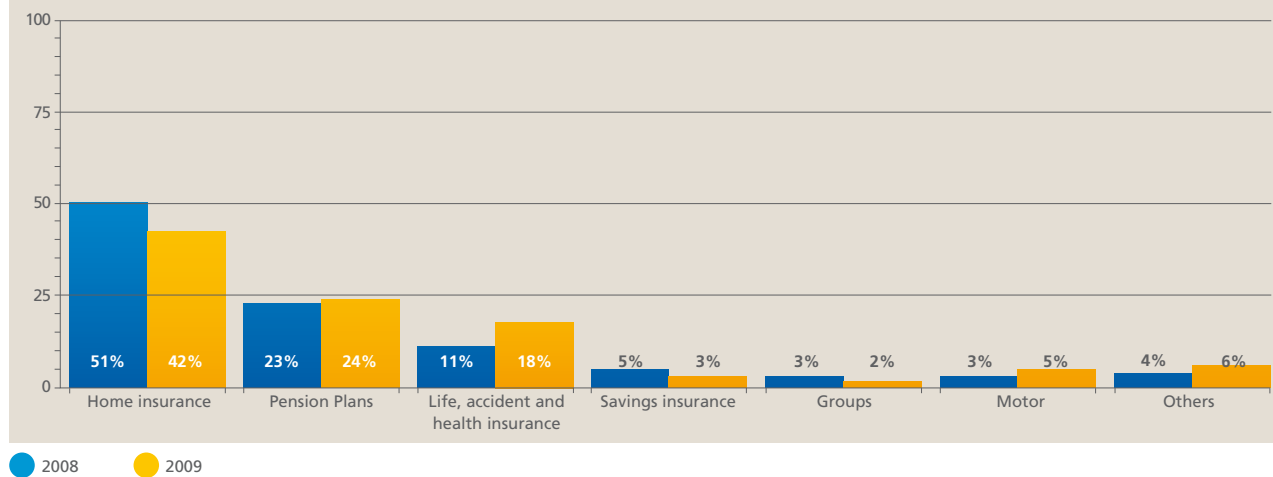
LETTERS TO THE DIRECTOR



TYPES OF LETTER



TOTAL CLAIMS PRESENTED PER PRODUCT



Home insurance customer care

The number of home insurance claims filed in 2009 was 22% more than in 2008. It should be pointed out that this increase in claims was mostly due to the meteorological phenomenon Klaus, which affected the entire northern and eastern area of the peninsula on 23rd, 24th and 25th January 2009 with hurricane-force winds. Without taking into account the exceptional Klaus storm, the increase would have been 12%.

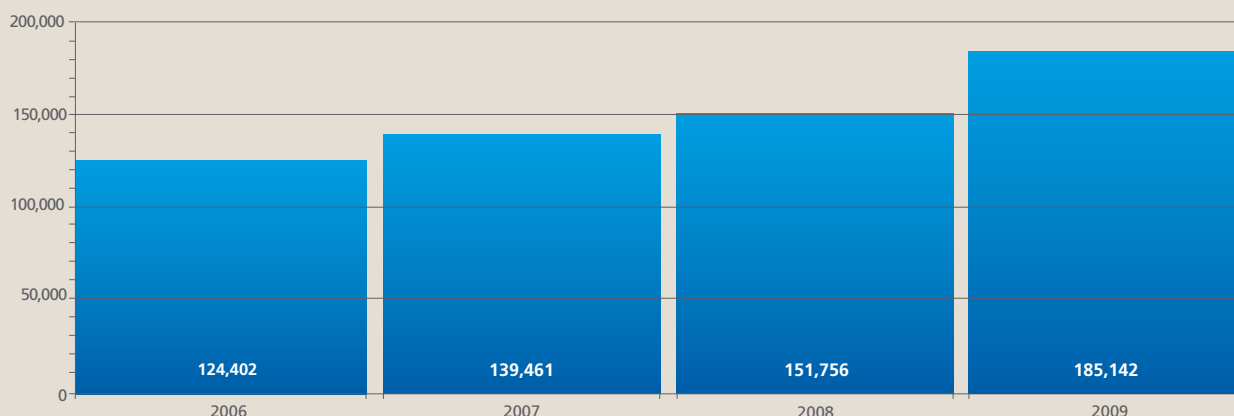
SegurCaixa Holding's priority is to attend to customers with a claim and offer them the best possible service. In home insurance claims, one of the main reasons for dissatisfaction is the delays in repair times and defects in the repairs. For that reason, SegurCaixa Holding has intensified its efforts, in collaboration with its suppliers, to reduce the time in handling a claim. Accordingly, a whole new set of measures to improve the service provided by our suppliers was implemented, among which the following stand out:

El seguro para lo que más le ha costado en esta vida



The increase in the number of claims declared in 2009 can be explained, in part, by the meteorological phenomenon Klaus

EVOLUTION IN THE NUMBER OF HOME INSURANCE CLAIMS HANDLED



Klaus, the meteorological phenomenon, affected northern and eastern Spain with hurricane-force winds from 23rd to 25th January 2009. Its consequences were devastating: more than 380,000 claims with a cost of 620 million Euros. This had a major effect on SegurCaixa Holding because in the space of three days 13,900 claims were filed when, under normal conditions there would be about 400 claims per day. In the face of this situation all our protocols of action in the case of claims in extraordinary scenarios were activated; our Call Center platform was strengthened, our management team was reorganised and resources were adapted hourly to the payment of invoices, loss adjusters' processes and the follow-up of the workload of the loss adjusters and the companies that provide assistance. All of this was done without the level of satisfaction dropping among those customers involved in the claims.

**Every day some
5 to 10% of all calls
made will be audited**

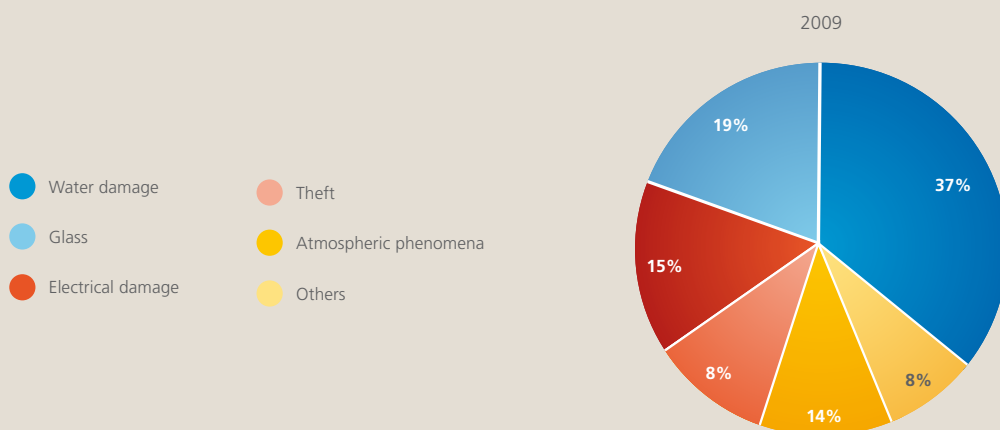
- All the telephone care activity of the suppliers will be monitored.
- A daily audit will be undertaken that will include the revision of between 5 and 10% of all calls in order to measure the quality of the attention given and detect possible incidents.
- Attention commitments of less than three hours in urgent claims will be set up.
- Workloads will be assigned to each of the assistance companies depending on their

individual results in the service quality surveys given to each customer after their home insurance claim has been arranged.

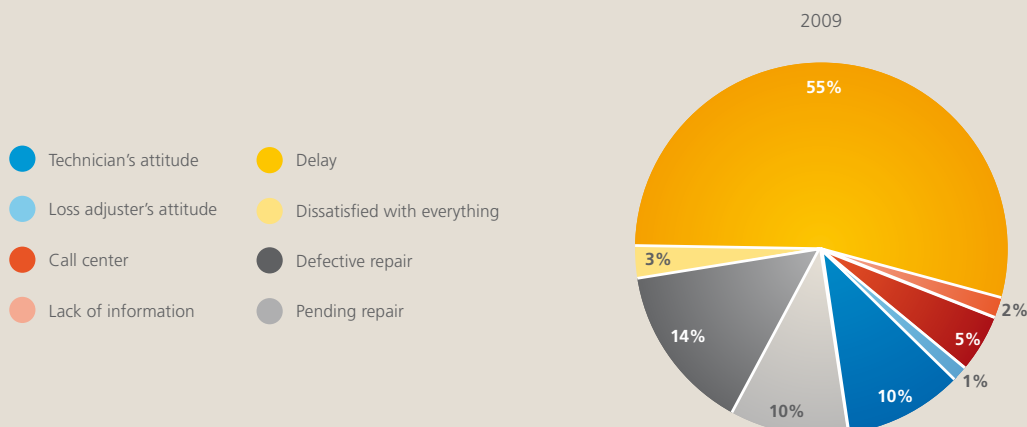
As we saw in the above, SegurCaixa Holding maintained its quality service for yet another year at 98%.

The 2% of customers who showed dissatisfaction pointed out delays, defects in the repairs and the length of repair time as the main reasons for their dissatisfaction.

TYPE OF CLAIM



REASONS FOR DISSATISFACTION. ALL CLAIMS.



Customer Ombudsman

SegurCaixa Holding customers can turn to the Customer Ombudsman of the Catalan Savings Banks for help. His decisions are binding on those entities but not on the customers.

In 2009 a total of 172 complaints entered via this channel. Of those 66 affected VidaCaixa and 106 SegurCaixa. 64 of the complaints against VidaCaixa were resolved, 9 were pending from 2008 and 55 were pending from those that entered in 2009. The numbers were broken down as follows: 20 were ruled in favour of the customer, 37 in favour of VidaCaixa, 1 was closed and another 6 were found inadmissible. In the case of SegurCaixa, 98 complaints were resolved, of which 23 were in favour of the customer, 41 in favour of SegurCaixa, 2 were closed,

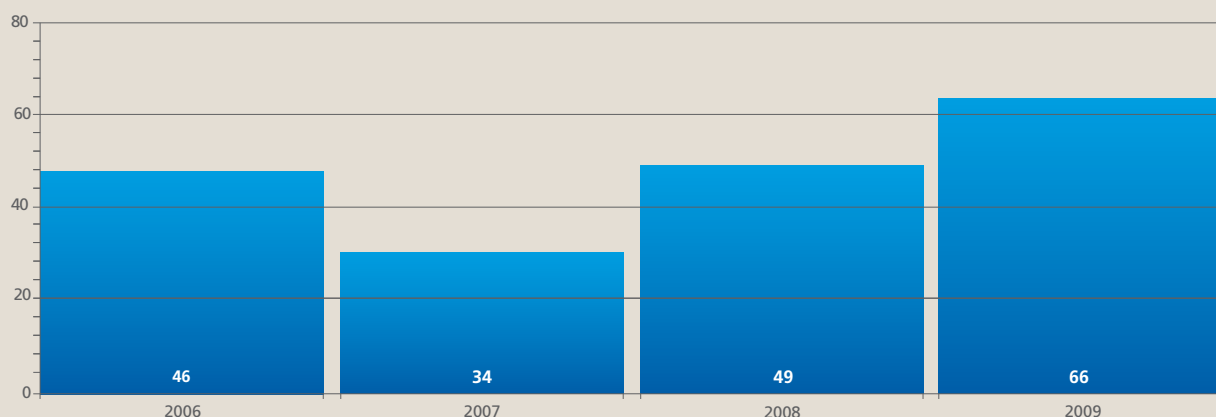
30 were found inadmissible with 2 being sent back to the customers for their attention.

Apart from complaints to the Customer Ombudsman, SegurCaixa Holding's customers can write to the Director General of Insurance. In 2009 17 complaints were lodged against VidaCaixa related to Pension Plans, of which 4 were resolved in favour of the customer, 3 against and 1 is pending. There were 12 complaints filed against VidaCaixa related to Insurance, of which 1 was resolved in favour of the customer and 1 against.

Finally, there were 32 complaints filed against SegurCaixa of which 5 were solved in favour of the customer, 4 were remitted to article 38 of the LCS and 1 is pending.

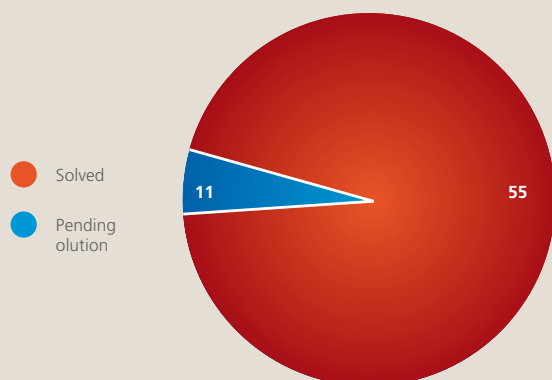
In 2009 some 172 claims were channelled to the Customer Ombudsman of the Catalan Savings Banks

VIDACAIXA: EVOLUTION OF THE COMPLAINTS

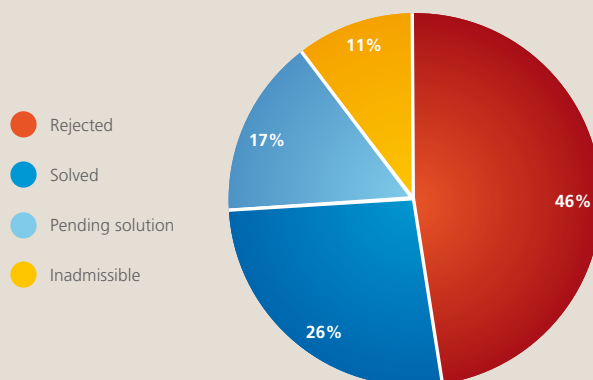


VIDACAIXA

NUMBER OF COMPLAINTS IN 2009

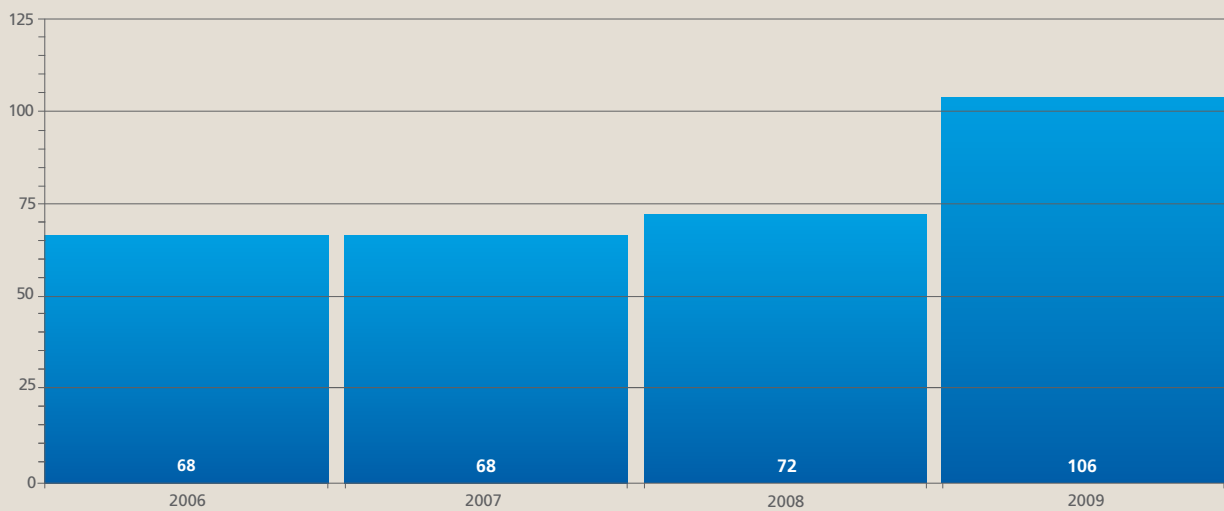


COMPLAINTS IN THE YEAR PER TYPE OF RESOLUTION



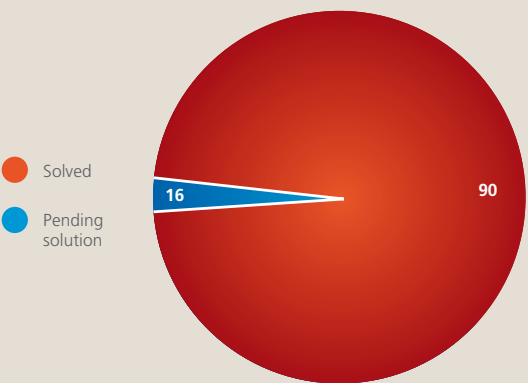


SEGURCAIXA: EVOLUTION OF THE COMPLAINTS

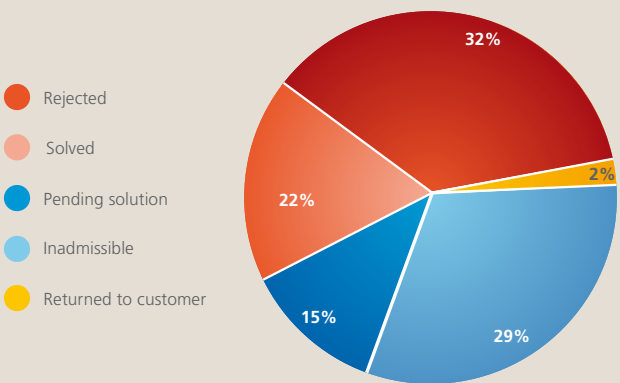


SEGURCAIXA

NUMBER OF COMPLAINTS IN 2009



COMPLAINTS IN THE YEAR PER TYPE OF RESOLUTION



Leadership in the sustainable management of investments, solvency and risk control

Application of sustainable criteria to investments

Since 2001, SegurCaixa Holding has applied sustainability criteria to the management of investments. The use of follow-up questionnaires, the selection of management teams that include socially responsible investment practices, as well as the use of investment exclusion criteria that do not take into account such aspects as the environment, social or good governance (ESG), have always formed part of the investment policy of the company.

The continuous improvement in working towards sustainability in investments has resulted in the current situation that any investment managed by SegurCaixa Holding today incorporates socially responsible investment criteria.

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

Although what lies behind any investment is the expectation of profitability and its risk, it is unquestionable that, given the same conditions, any company that is loyal to the PRI principles will be able to generate added value in the long term, which is at first glance

a greater guarantee of success in the investment. VidaCaixa committed itself to analysing all the investments from this perspective and even ruled out some of them that, in spite of being profitable in the short term, are considered incapable of being leaders in their sector and so have worse profit expectations in the long term.

In 2009, SegurCaixa Holding took another step forward to become the first life insurance company and pension plan manager in Spain to join the Principles of Responsible Investment (PRI) of the United Nations. VidaCaixa's adoption of these principles responds to the alignment of those principles with the corporate values of the company, which are Trust, Quality and Dynamism.

In the investment management area, joining the PRI is of major importance as all the investments, whether savings insurance or managed individual and group pension plans, adopt the principles as a guide and thereby guarantee customers that their savings are managed sustainably while generating a greater return for society in general.

VidaCaixa adhered to the Principles of Responsible Investment (PRI) of the United Nations, being the first life insurer and pension plan manager in Spain to do so

THE 6 PRI PRINCIPLES:

1. We will incorporate environmental, social and good governance (ESG) issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.



In practice these principles imply the incorporation of responsible and sustainable management criteria in investments. As of this year, the PRI principles are included explicitly in the procedures manual and are steadily becoming consolidated while defining challenges with the will to progress further in socially responsible investments.

Moreover, all companies adhering to the PRI must be active and involve their suppliers and managers in the proactive use of these principles. In this context, SegurCaixa Holding are already raising awareness among their suppliers in the usefulness of applying the principles and the company commits itself to improving this task as they gain a more active role in the activities of diffusion organised by the PRI.

Solvency

SegurCaixa Holding collaborated intensely, through UNESPA, in the application of directive of the Solvency II project of the European Union

In the social welfare arena, SegurCaixa Holding takes on long-term commitments to its customers, which in many cases are life-long. The company is the inheritor of the insurance tradition of "la Caixa", the enterprise that issued the first pension book more than 100 years ago and applies the criteria of prudence, responsibility and efficiency while maintaining a reserve policy above the minimum legally required level.

This management integrated responsible behaviour has provided SegurCaixa Holding with the trust of more than 3.4 million customers who have deposited 30,000 million Euros in the company to make it the leading entity in complementary social welfare in Spain.

It is worth pointing out that this leadership in social welfare in Spain has taken place while maintaining high levels of solvency at all times. SegurCaixa Holding has always adopted a proactive attitude and has collaborated with expert groups or participated in initiatives like the Guide to Good Practices in Internal Control and Good Corporate Governance that were promoted by UNESPA, or the European Union's Solvency II Project.

The Solvency II Project deserves special attention. Its directive was approved in 2009 and its aim was to guarantee the viability and sus-

tainability of insurance companies, set out a regime to supervise it and measure the capital required depending on the risk assumed individually for each company in the sector. SegurCaixa Holding collaborated intensely with UNESPA's workgroup in order to implement the measures of levels 2 and 3, which will be put into force from 2012. Moreover, SegurCaixa Holding participated in the quantitative impact study of the QIS5 solvency, whose goal is to determine the factors that will influence the new capital requirements derived from the Solvency II Project.

Lastly, and in accordance with the commitment adopted in 2008, SegurCaixa Holding started the analysis and design of its own model so that the measure of subscription risk is more exhaustive and comprises three principal objectives:

- Improve the subscription risk assessment to optimise future capital requirement.
- Know more deeply and systematically that risk through advanced methodology.
- Integrate the management of those risks and their parameters of capital consumption into the SegurCaixa Holding processes related to the design of products, subscription, pricing, provisioning and reinsurance.

Control Culture

It is most important for SegurCaixa Holding to implement and maintain a control culture and environment that guarantees the correct measuring and follow-up of the main risks the Group is exposed to and that these be all perfectly catalogued and identified.

In this way the following initiatives were set up in 2009:

- Development of a support application to document and maintain the risk management systems.
- Definition of the detailed map of processes.
- Definition of the detailed map of inherent risks.
- Inventory of implemented controls.
- Assessment of the effectiveness of the controls.

In 2009 improvements to the systems and processes of risk control were implemented

