



Integrated Annual Report 2016

In your present and your future

Index

Integrated Annual Report VidaCaixa 2016

VidaCaixa consolidates its leadership

What VidaCaixa is

VidaCaixa	Good Corporate Governance
Business model	Responsible behaviour
CaixaBank	A centennial history

Responsible Management

Anticipation of and adaptation to the environment	An excellent place to work
Legal and financial environment	Advances in transparency
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Risk and solvency	Measurements of quality
Responsible investment	Closer to customers
VidaCaixa awards	Operational excellence
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Letter from the Chairman

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Creating Value

Leaders with excellent results	Pension fund management
Resources, premiums and contributions	Private pensions and the culture of saving
Leaders in pension plans	Obra Social “la Caixa”
Life-savings	Environmental management
Life-risk	

Addenda

VidaCaixa consolidates its leadership

Financial highlights 2016

Business in figures

Leader in life insurance

9,473 M€ in premiums
30.4% of all premiums

Leader in premiums and contributions

11,699 M€
28.8% more than in 2015

Leaders in pension plans

25,188.8 M€
22.9% market share

Leader in managed funds

67,891 M€
12.4% more than in 2015

Results

492.3 M€ net profit
44.6% more than in 2015

4.5+ M customers
8% average year on year growth

3,811 M€ in paid out benefits
Almost **1 million** beneficiaries

Responsibility and excellence

Qualification A in the PRI Summary
Assessment Report

96.6% in quality management

Employees

500+ staff

57.4% women

461 employees underwent training



Letter from the Chairman

An excellent year

After closing a historic 2015, in which we celebrated 110 years of history and became leaders in the sector, we once again had the satisfaction of bringing another successful year to a close. 2016 continued our line of growth, providing us with a new impulse towards reaching our objective, which is to improve the well-being of people and protect their quality of life in retirement.

It was an excellent year: we consolidated our leadership in life insurance and pension plans with market shares of 30.4% and 22.9% respectively. We maintained our position as the largest insurance company in Spain with a volume of premiums and contributions of 11,699 million euros and more than 67,000 millions in managed funds. Growth was also reflected in our bottom line where we achieved a consolidated net profit of 492 million euros, a full 44.6% more than in 2105.

We feel proud to fulfil our commitments to all our customers by contributing to preserving their quality of life and income during their retirement as well as allowing them to face contingencies. This has been our social mission

for more than 100 years when our first pension book was issued, which laid the foundations for what VidaCaixa is today.

Aligned with these commitments, we maintain our priority in service to customers. We continue striving to provide an effective response to their requests and needs through comprehensive advice and a range of innovative products. We create new retirement savings solutions and innovative advice tools that improve our effectiveness and bring us even closer to our customers.

The future presents us with some interesting challenges and I am certain we will be able to turn them into opportunities, thereby responding to any new needs or personal and family circumstances.

Our aim is to continue growing. Consequently, in parallel with our business, we increased VidaCaixa's staff to 500, adding talent and new professional profiles that will be key to our development.



Gonzalo Gortázar
Chairman of VidaCaixa

Today, more than 4.5 million customers trust VidaCaixa. For us it is a source of pride and, at the same time, a challenge that reaffirms our principles of action. Their future well-being is a huge responsibility, which we will continue to shoulder with the utmost diligence while being guided by our principles of sustainability and responsibility and backed up by our experience.



What VidaCaixa is

VidaCaixa

The largest insurance company in the country

VidaCaixa, CaixaBank's insurance filial company, carries out its activity in the life insurance and pension plans business and participates, with 49.9% of the equity, as a referenced shareholder in SegurCaixa Adeslas, whose activity is focussed on the non-life insurance market.



* There is an 0.8% of minority shareholders.

 **MORE INFORMATION**
VidaCaixa and
SegurCaixa Adeslas

In 2016 VidaCaixa consolidated its leadership, thereby confirming itself as the largest insurance company in Spain. Under its corporate values of quality, trust and dynamism the Company assumes its commitments to its customers, shareholder and employees as well as to society and the environment.



Business model

Focussed on expert advice

VidaCaixa offers a wide range of specialised solutions in life insurance and pension plans, responding to the needs of its individual customers, SMEs, the

self-employed and large enterprises, as well as to CaixaBank's Premier and Private Banking customers.

Key elements of VidaCaixa's business model

Efficient and strict management of risk and solvency.



Investments based on sustainable criteria.



Innovation in savings and welfare products.



Multiple sales channels*.



Focus on advising customers.



Commitment to quality of service.



Excellence in technology, automation and efficiency.



Development and leadership of professionals.

* Bancassurance channel –CaixaBank's branch office network– face to face channels –professional mediators and consultants– and direct channels –telephone and the Internet.

CaixaBank

Leading Retail Bank in Spain

CaixaBank, VidaCaixa's sole shareholder, is the leading Retail Bank in Spain, with 13.8 million customers and a market share of 29.5%.

The Bank maintains a broad commercial leadership thanks to its banking model based on proximity, quality of service, a wide range of products and services and a powerful technological base. Its performance is also built on its solid corporate values: quality, trust and social commitment.

CaixaBank has crossed its half-way point in its 2015-2018 Strategic Plan whose aim is to strengthen its leadership in the Spanish market and be recognised for its social responsibility, quality of service, financial strength and innovative capacity. After its first two years, significant advances have been made in all the strategic lines, with greater commercial leadership, diversification of income, maintenance of high levels of solvency as well as consolidation in digital leadership and a boost in staff training.



Main Figures

CaixaBank is the **bank of choice** for 1 out of 4 individual customers in Spain.



It has the **largest sales network** in Spain with 5,027 branch offices and 9,479 Automatic Teller Machines (ATMs).



It has the greatest **number of active digital customers**: 5.3 millions in digital banking and 3.7 millions in mobile banking.



347,927 million euros in total assets.



12.4% Common Equity Tier 1 fully loaded, among the highest of listed Spanish banks.



1,047 million euros in attributable profit (28.6% over that in 2015).



Present in the main **sustainability** indexes: DJSI, FTSE4Good, CDP A-List.



CaixaBank

Consolidating leadership and improving the positive impact for society



Principal awards and recognitions

**Best Bank
in Spain**

The Banker

**Best responsible
bank in Europe**

Euromoney

**Best retail digital
bank in Western
Europe**

Global Finance

2016 witnessed marked growth in the market share of our main retail products and services thanks to our intense sales effort.

The share of domiciled payrolls reached 26.0% and that of pension plans rose to 22.9%. Managed funds grew by 2.5% to 303,895 million euros and customer loans hit 204,857 million euros (up 0.4% on the 2015 figure in healthy loans). On the other hand, the attributable profit increased by 28.6% to 1,047 million euros.


CaixaBank also continued to be a social bank, promoting financial inclusion and collaborating in solving the most urgent social challenges.


CaixaBank is the sole shareholder of MicroBank, the principal entity of microfinance in Europe that granted 167,669 microcredits in 2016. Another outstanding point is the 33,000 social homes of the “la Caixa” Group, the largest number of private social houses in Spain. There were 15,000 participants in Corporate Volunteering with almost 5,000 employee volunteers.


Good Corporate Governance

Governance and management bodies

The decision-taking process in the Company is governed by the principals of good governance and transparency with the aim of safeguarding the interests of all stakeholders.

 MORE INFORMATION
Audit and Control
Committee

 MORE INFORMATION
Appointments
and Retributions
Committee

 MORE INFORMATION
Management
Committee

To guarantee these principles, Management and Control is distributed among the Board of Directors, the Audit Committee, the Appointments and Retributions Committee and the Management Committee.

In 2016 a total of 7 Boards of Directors were held, 1 of them in writing without a session.

VidaCaixa Board of Directors

Chairman

Gonzalo Gortázar Rotaeché

Executive Vice-Chairman - Chief Executive Officer

Tomás Muniesa

Vice-Chairman

Jorge Mercader Miró

Board Members

Josep Delfí Guàrdia Canela

Jaime Gil Aluja

Javier Ibarz Alegría

Miquel Valls Maseda

José Vilarasau Salat

*Víctor Manuel Allende
Fernández

*Natividad Pilar Capella Pifarré

*José María Leal Villalba

*Antonio López López

*Juan Rosell Lastortras

*Members appointed with effect from 1st November 2016.



Responsible behaviour

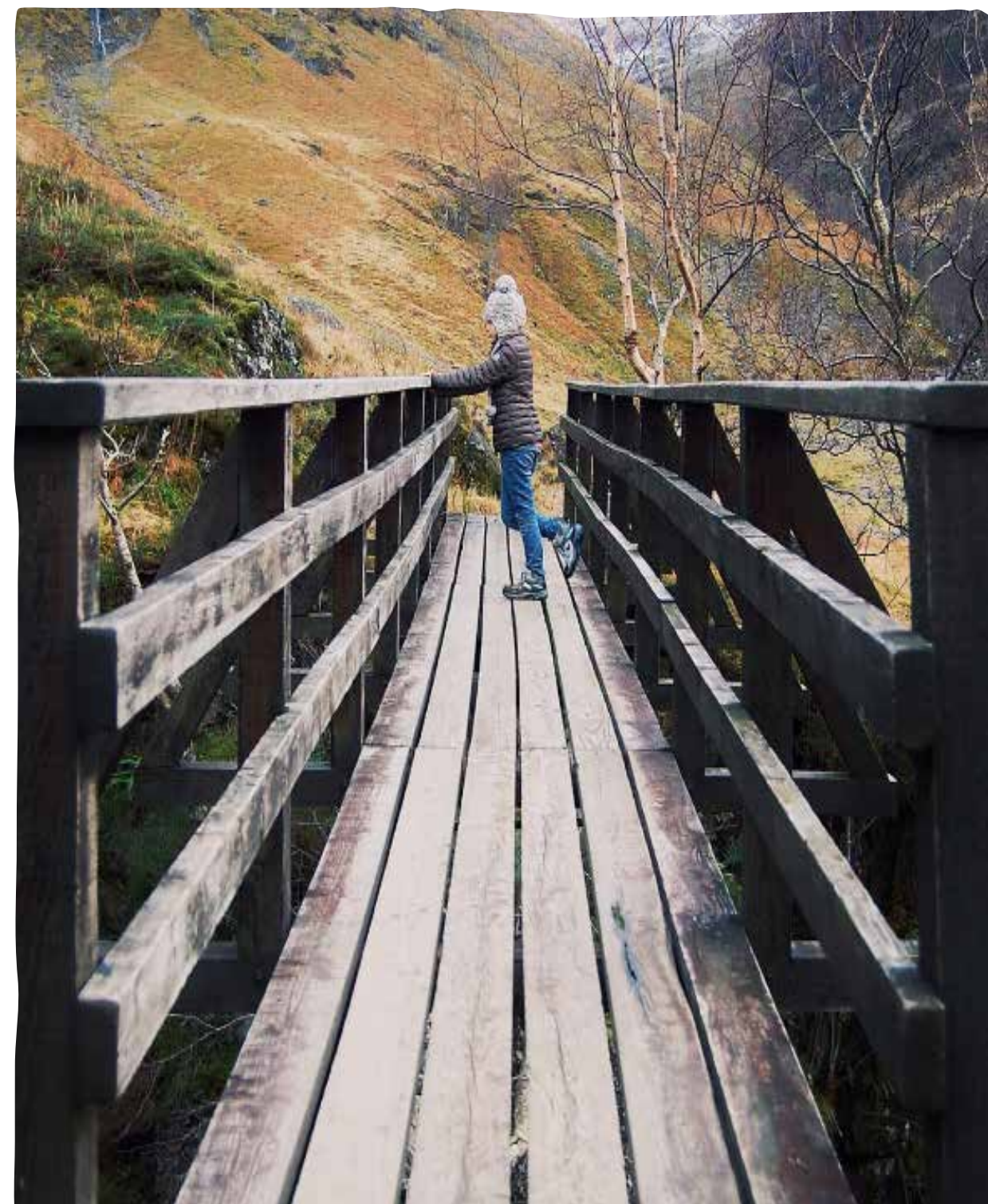
Management aligned with corporate values



VidaCaixa's Code of Ethics

Apart from operating in accordance with its corporate values, VidaCaixa promotes the principles of responsible action among its employees based on the Code of Ethics of the Company. It ensures the fulfilment of the law at all times.

In 2016, with the aim of strengthening our model of crime prevention and reinforcing the Company's compliance culture, we set up a project, which will end in the first quarter of 2107, to automate the consultation and complaints channel. This new channel will work through the corporate intranet, thereby strengthening VidaCaixa's commitment to greater confidentiality and traceability of all the complaints filed. It is worth mentioning that there were no complaints in 2016.



A centennial history

Pioneers in social welfare

1904 The *Caja de Pensiones para la Vejez* was founded

1905 The first pension book in Spain was launched.

1915 The first homage to old age was held.

1992 CaiFor was set up, fruit of the shareholder agreement with Fortis.

2003 Swiss Life was acquired.

2004 Santander *Previsión* was acquired. Santander *Previsión* and Génesis were integrated.

2007 The shares held by Fortis in the Insurance Group were acquired.

2008 The Morgan Stanley equity business was integrated.

2009 Adhesion to the United Nations Global Compact. 1st Spanish insurance firm to adhere to the Principles of Responsible Investment (PRI). Recognition as a Family Responsible Enterprise. Company changed its name to SegurCaixa Holding.

2010 Adeslas was integrated as well as the insurance business of Caixa Girona and Bankpyme. The company's name was changed to VidaCaixa Grupo.

2011 Mutua Madrileña acquired 50% of SegurCaixa Adeslas after an agreement with CaixaBank.

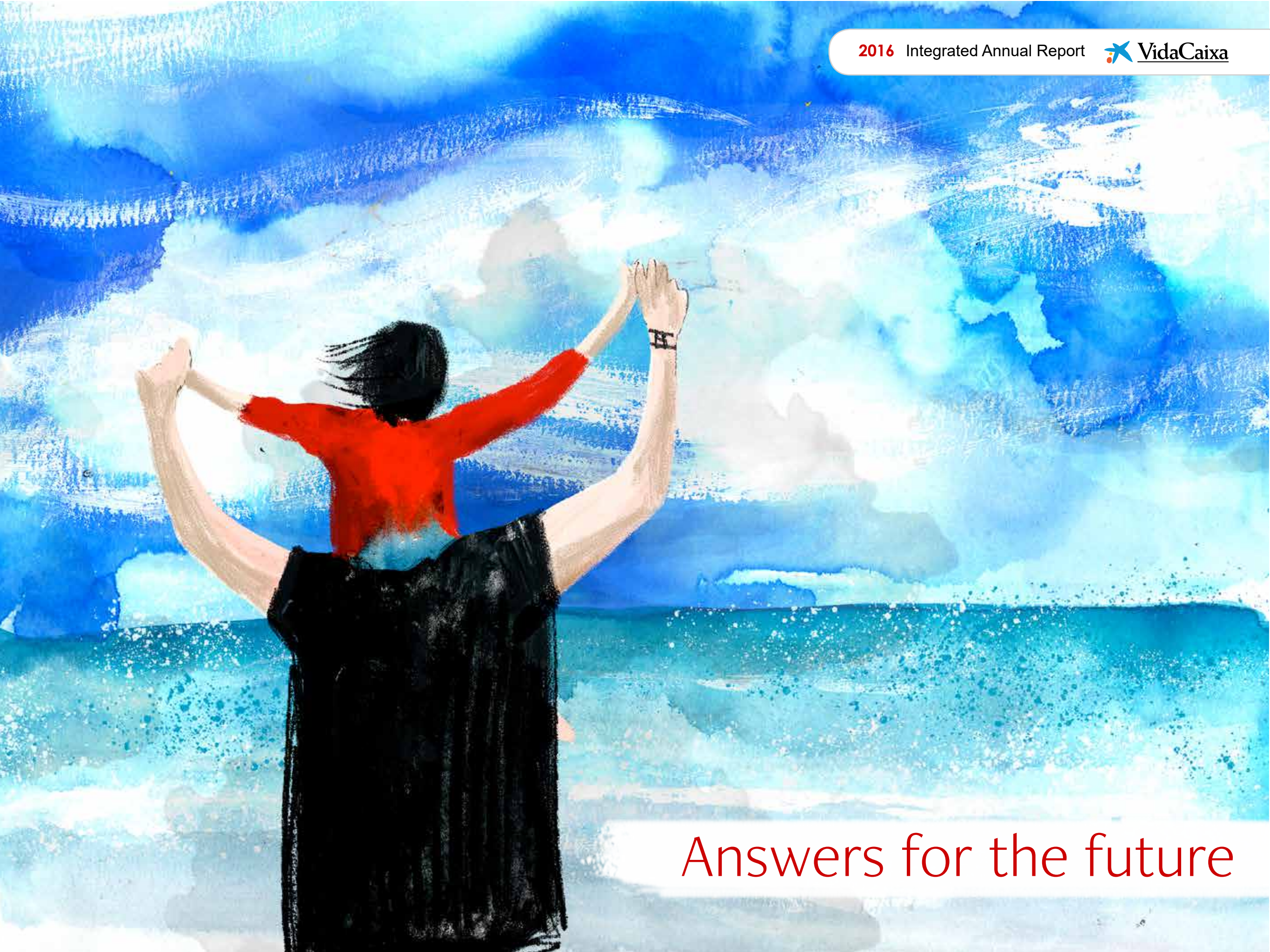
2012 The insurance business of Banca Cívica was merged and the individual life-risk portfolio was ceded.

2013 The operational integration of the savings banks from Banca Cívica finalised. The Banco de Valencia was incorporated.

2014 Caixafu[Tu]ro was set up.

2015 VidaCaixa became the largest insurance company in Spain, leading the life insurance and pension funds market.

2016 VidaCaixa consolidated its leadership. Barclays *Vida y Pensiones* was integrated.



Answers for the future

CaixaFu[tu]ro sessions

Advice on the transition to retirement

The CaixaFu[tu]ro sessions are informative meetings held all over the country. Their aim is to provide advice on how to face and plan for retirement based on the present situation, needs and expected standard of living on reaching retirement.

Given the aging of the population, the increase in life expectancy and the dependency rate, the CaixaFu[tu]ro meetings are focussed on guiding and advising on how to prepare a savings plan and how the proper organisation of one's estate is a great opportunity to maintain one's standard of living and well-being during retirement.

The focus in 2016 was to respond to the needs of savers, who were near retirement, giving them advice and solutions that provide guarantees for customers on the amount of their private pensions before reaching retirement.

CaixaFu[tu]ro Meetings 2016

236 Sessions



943 Accumulated sessions
since 2014

13,811 Attendees



55,081 Accumulated number
of attendees since 2014

79 Towns



Innovation in saving solutions for retirement

Responding to the new needs of individual customers

In 2016 VidaCaixa launched *CaixaBank Doble Tranquilidad*, a new offer in *Rentas Plan* and the new *PIAS Destino*, providing individual customers with innovative savings solutions for their retirement.



Accumulation

PIAS Destino

After the success of the *Destino* pension plans, *CaixaBank Destino PIAS* was launched in 2016. This Systemic Savings Plan for individuals maintains the investment philosophy of all the *Destino* range of products. It has a defined investment plan that adapts to the most rational risk profile according to the time frame. Moreover, it provides a capital sum in the case of death and has fiscal advantages if it is converted into an annuity.

Cuenta Caixafuturo SIALP

This periodic long-term savings insurance for individuals enjoys a specific fiscal treatment.



Transition

CaixaBank Doble Tranquilidad

This solution is specially thought of for people nearing retirement age. It allows a customer to group together his accumulated savings in other products so that he can receive an annuity, the amount of which is known beforehand. This is guaranteed on subscription and complements income from a specified date.



Availability

New range of *Rentas Plan*

In 2016 the range of *Rentas Plan* was updated so that retired customers could complement their pension by moderating their fiscal impact regardless of their previous plan.

Protection and security

Responding to Company customers

With the goal of minimising the risks of the self-employed and entrepreneurs, VidaCaixa launched the *VidaCaixa Negocios y Empresas* and *VidaCaixa Empleados* products.



VidaCaixa Empleados

This product offers life insurance that covers the employees of a company, an entrepreneur or a self-employed person in the case of death or disability as well as better conditions in the collective agreement of the sector.

VidaCaixa Negocios y Empresas

This product is focussed on companies, professionals, entrepreneurs and the self-employed and offers benefits such as disability cover (depending on degree and cause), daily compensation for temporary incapacity, availability of anticipated capital in the case of dread disease and a capital payment due to death.



VidaCaixa Previsión Social

Market leaders once again in complementary social welfare in companies

 **MORE INFORMATION**

**9th Control
Commission Forum**

Companies from the IBEX 35	2015	28
	2016	30
Public bodies	2015	354
	2016	385
Companies from multi-national Groups	2015	811
	2016	916

In company business, VidaCaixa launches its range of products with the aim of providing a differential proposal for each kind of customer. To achieve this, the segmentation approach was updated, highlighting the recurrent business and the strategic importance of potential customers.

VidaCaixa deepened its relationship with mediators and consultants, which is a key channel for the leadership position of the Company. In line with previous years, meetings were held to strengthen our relationship with customers, offering solutions and advice on welfare matters:

- 9th Control Commission Forum. A benchmark, nation-wide forum for Control Commissions.
- *Encuentros Futuro 360*, directed at SMEs and the self-employed.

Over the last decade 35 new employment pension plans were attained.



9th Control Commission Forum

Highly rated by attendees

CaixaForum Barcelona hosted 9th edition of the Control Commission Forum, the leading annual conference for employment pension plans. The Forum, promoted by the CaixaBank employee pension plan and VidaCaixa, gathered together 355 professionals.

Main content:

- Retirement savings from the perspective of behavioural economics.
The model discussed how behavioural economics can be used to improve retirement planning and what the Control Commissions can do to overcome behavioural biases.
- The launch of **+ahorro**, a new advisory service for groups and companies.
- Implementation of risk hedging strategies. The panel discussed the different risk cover strategies and when it is suitable to implement them.



First person experience of behavioural biases by the participants to fuel the debate

Evaluation: **8.48**



International learning on the application of behavioural economics in the programme Save More Tomorrow: Cathy Smith, Manager of Digital (USA)

Evaluation: **8.42**



Improvement in the profitability-risk binomial of the portfolios in the current market and political environment

Evaluation: **8.02**

Average evaluation **8/10**

Recommendation **99%**

Barometer of VidaCaixa

Savings habits in the millennial generation

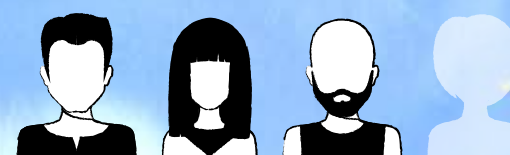
 LINK
Complete barometer

 LINK
Video. Discovering the millennials

 LINK
Video. Savings expectations of the millennials

Millennials: Demystifying the new generation of young people in Spain (25-35 years old)

Profile of the millennial saver:



3 out of 4 young people between 25 and 35 devote part of their earnings to savings.

155€ as average monthly savings, **17%** of their income.
61% would like to save more.



They save to ensure a **good future**, thinking about their **retirement** and the stability of their **family** economy.

80% do not know how much they must save to have the retirement they would like.

61% avoid risk when subscribing to savings products.

They **ask for** advice from their families before subscribing to savings products, which they **do at** a branch office, and they **follow up** personally with a face to face visit.

9 out of 10 do not know what the amount of their public pension will be.



7 out of 10 think it will not be enough to live.

Creating knowledge

Longevity and quality of life

VidaCaixa, together with the *Fundación Edad&Vida* and experts from the universities of Valencia, Extremadura and Castilla-La Mancha, undertook a study on revolution of longevity and its influence on the financial needs of the elderly.

Public pension

7 out of **10** only have the public pension as a source of income.

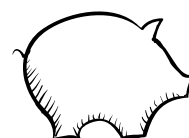
45% of them state they have difficulties making ends meet.



Savings

22% state that they will surely **not** have enough personal estate to cover their future needs.

56% prefer to **save** to be able to meet unforeseen expenses.



More about the study of *The Revolution of longevity and its influence on the financial needs of the elderly*

Income



67% of those who live at home receive income below **1,250 euros per month** with average monthly expenses of **953 euros**.

38% receive *income of less than 750 euros* per month and provide some financial assistance for their family members.

30% have **alternative income** that comes from financial products, pension plans and rental properties.

Inheritance



71% would opt to **leave all their estate to their heirs** while **24%** would prefer to spend it and only leave the family home in inheritance.

Channels and accessibility

Improving the Línea Abierta Móvil and the Bancassurance Channel



Products and actions available through CaixaBank's *Línea Abierta* in 2016



Línea Abierta Móvil

In 2016 our commitment to the *Línea Abierta Móvil* continued. Through this platform it is now possible to subscribe and make extraordinary contributions to VidaCaixa products, as well as make external transfers and consultations. Among all these possibilities, one can find some of the latest products such as *CaixaBank Doble Tranquilidad*, which accepts consultations. It is also possible to carry out other operations such as extraordinary contributions and subscription to *Cuenta Caixafuturo PIAS* and *Cuenta Caixafuturo SIALP*, among others. Similarly, other improvements were made in the network and in commercial communications.

Bancassurance Channel

With respect to Bancassurance, which includes companies and private banking, VidaCaixa commercialises its solutions through the network of 5,027 CaixaBank branches. Moreover, in the group and company business, VidaCaixa develops its activity through a network of more than 90 mediators.

Closer to our customers

New communication channels

VidaCaixa continued to develop its channels and online content with the aim of improving the proximity and digital experience of the customer. The quality of the initiatives was reflected in the impact data: 2016 was a record breaking year of visits.

Within the novelties carried out in channels and tools, the following stand out:

- Opening of our own channel in Facebook, which had an excellent response.
- New category of content on the VidaCaixa blog on Investments.
- The blog publishes quality content that responds to the principal needs of people and we experiment with new narrative forms online that adapt to each digital channel.
- VidaCaixa's experts answer personalised questions about retirement, pensions and long-term savings.
- Monthly Newsletter with more than 1,500 subscribers.
- VidaCaixa's content reaches more and more people: it achieved a record of more than 1.3 million visits.
- VidaCaixa has more than 30,000 followers on Social Networks.



Investment contents



Corporate web



VidaCaixa blog



CaixaBankFuturo

Linkedin



Twitter



Facebook

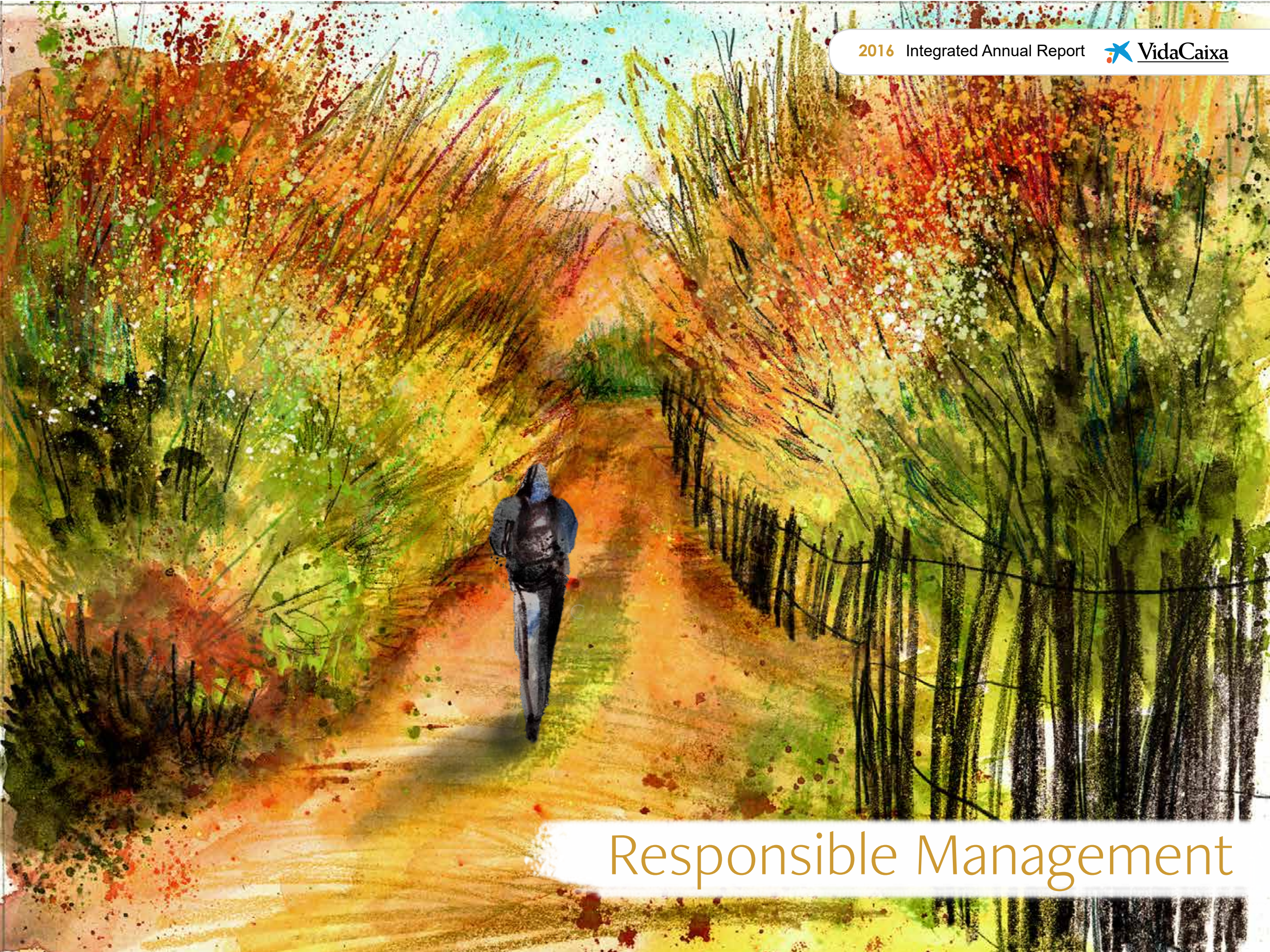


YouTube



Instagram





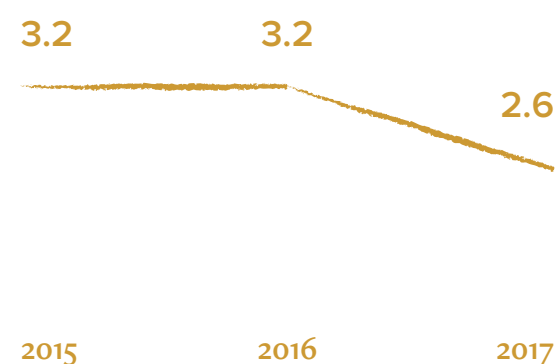
Responsible Management

Anticipation and adaptation to the environment

The Spanish economy is moving forward at a good pace

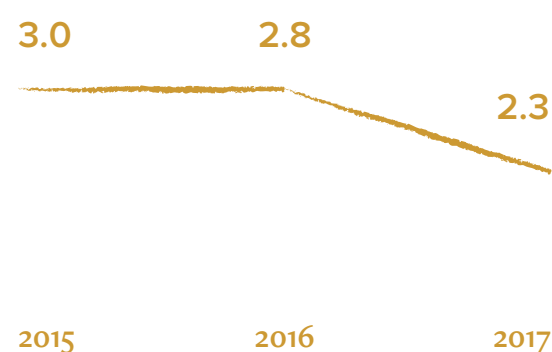
In 2016 there were improvements to the main figures of the Spanish economy:

GDP



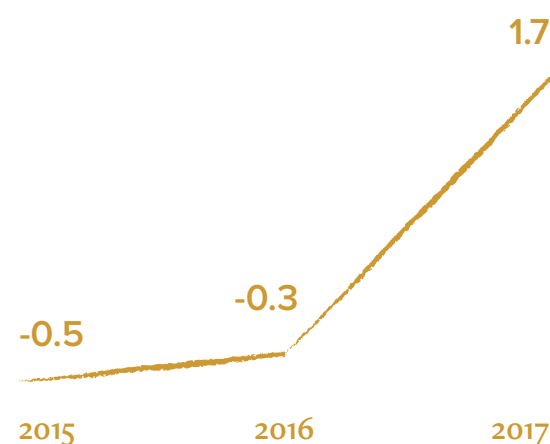
The growth of the economy in 2016 was kept above the Eurozone average.

Creation of employment



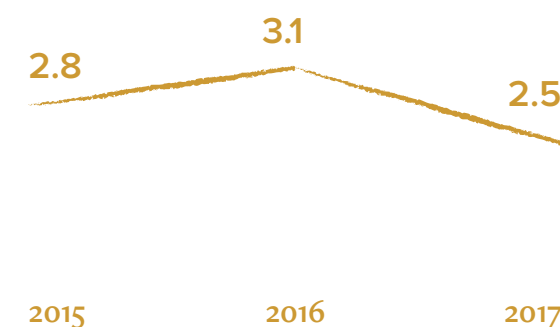
The rate of unemployment closed the year at 18.6%, reaching the lowest rate since 2009.

Inflation



Inflation continued to recover, although it is still below that of the Eurozone. An increase of 1.7% is expected in 2017.

Private consumption



Household consumption recovered in 2016.

Legal and financial environment

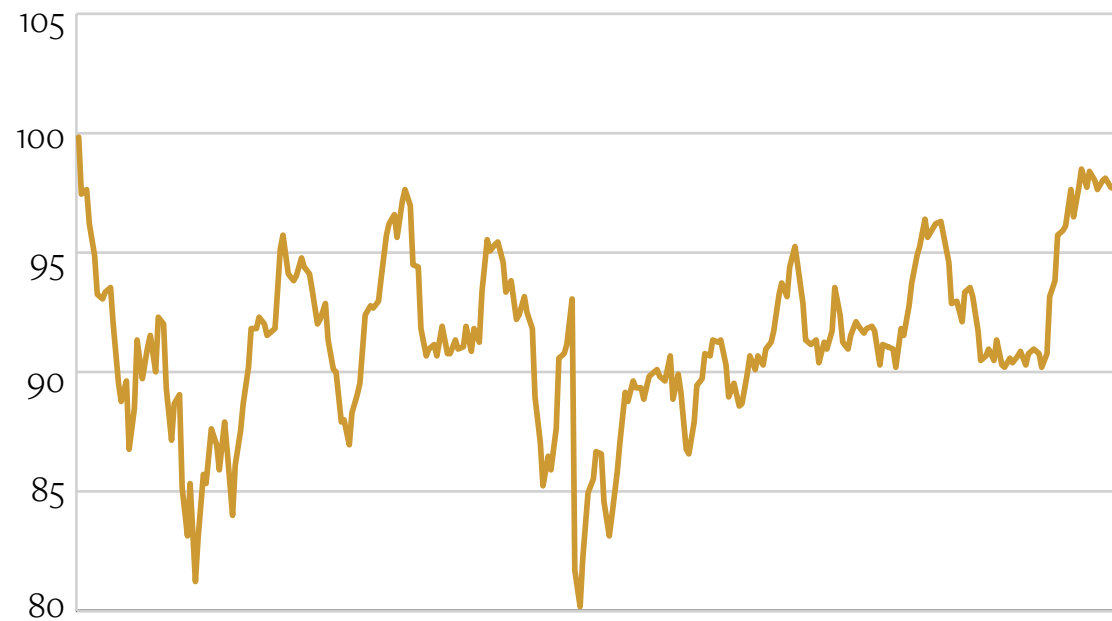
Transforming a demanding environment into an opportunity

Although the political uncertainty in 2016 marked a year of high volatility in financial markets, VidaCaixa managed to maintain an interesting offer for its customers.

This was achieved thanks to the good management of the portfolio and a value proposition that went beyond the interest rates. At the same time, the legislative environment continued its increase in regulatory pressure with the coming into force of Solvency II in January 2016.

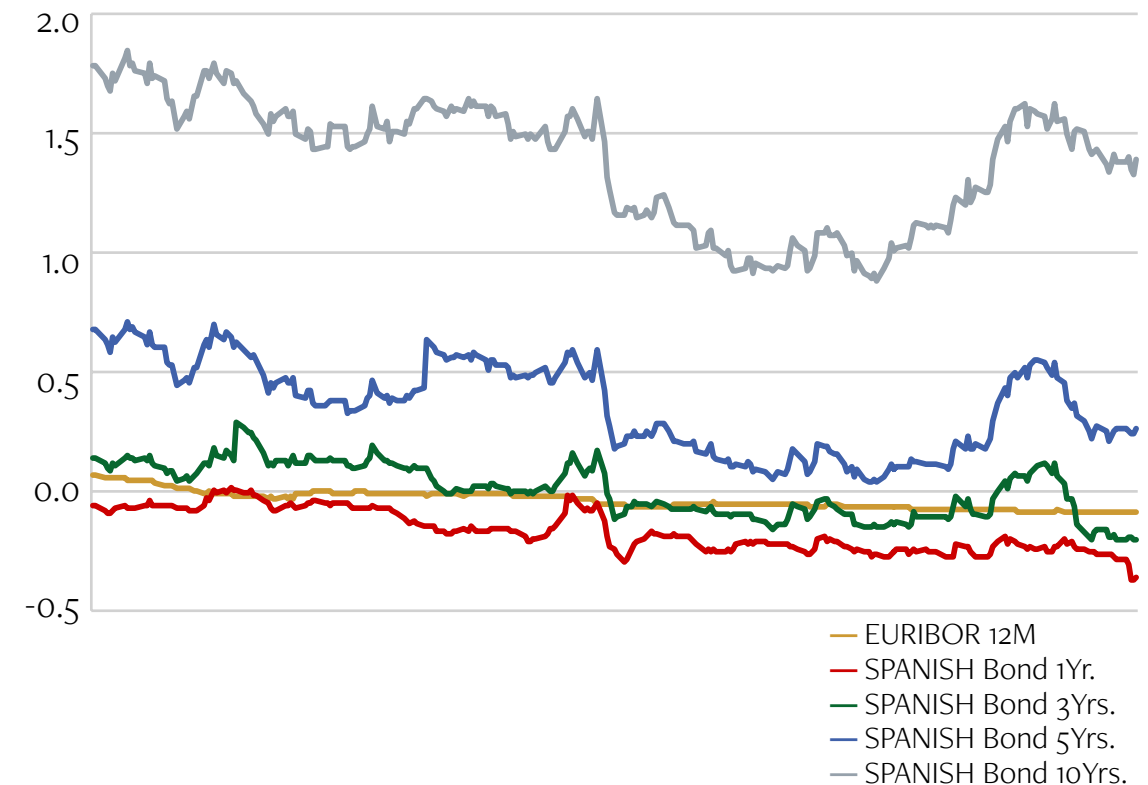
Stock Market

(January 2016 = 100)



Source: CaixaBank Research. Monthly Report. December 2016

Interest rates



Strategic lines

Adapting to our environment and the needs of our customers

In order to respond to the changes and opportunities of the environment and to improve the customers' experience, VidaCaixa developed a responsible and sustainable strategy that led it to continue as the foremost insurance company in Spain.

Greater implication of IT and people resources.

Incorporation of new capabilities.

Implementation of the necessary requirements to comply with Solvency II.

Excellence in the management of investments.

Active risk and capital management, guaranteeing a sustainable profitability.

CaixaBank *Doble Tranquilidad* and the new range of *Rentas Plan* to provide recurring income.

Enlargement of the *Destino* range.

Innovation in accumulation, disposal and protection solutions.

Increase in the number of operations available from *Línea Abierta*.

Simulators to define savings goals and risk cover.

Personalised savings recommendations.

New interaction models: remote advice.

CaixaFu[tu]ro meetings.

Greater proximity to customers: differential advice and progress in the digital transformation.

Risk and solvency

Active management to optimise risk and profitability

 MORE INFORMATION
Main risks managed

After the initiation of the process with the publication of the European Directive, VidaCaixa successfully adapted to the Solvency II regulation, which came into force on 1st January 2016. During the year progress was made on the definition and monitoring of the limits of tolerance and risk appetite and this work will continue into 2017 to integrate those aspects of management into the decision-taking of the business.

Solvency margin

Surplus capital
Millions of euros

407



2016

times the solvency margin, above
the legally required minimum

Principal improvements in 2016:

- Presentation of the Solvency II opening balance sheet as well as the final quarterly reports to the supervisor (QRT).
- Completion of the first self-evaluation report on own risks and solvency in the final phase of Solvency II.
- Update of the corporate policies to align with the Solvency II framework.
- Promoting active participation in the different working groups at Unespa, among which the solvency group stands out.
- Participation in the Stress Test and other European studies conducted by EIOPA.

All this effort to adapt to regulations will culminate in two milestones in 2017: VidaCaixa's presentation of its first Annual Report and the Financial and Solvency Report.

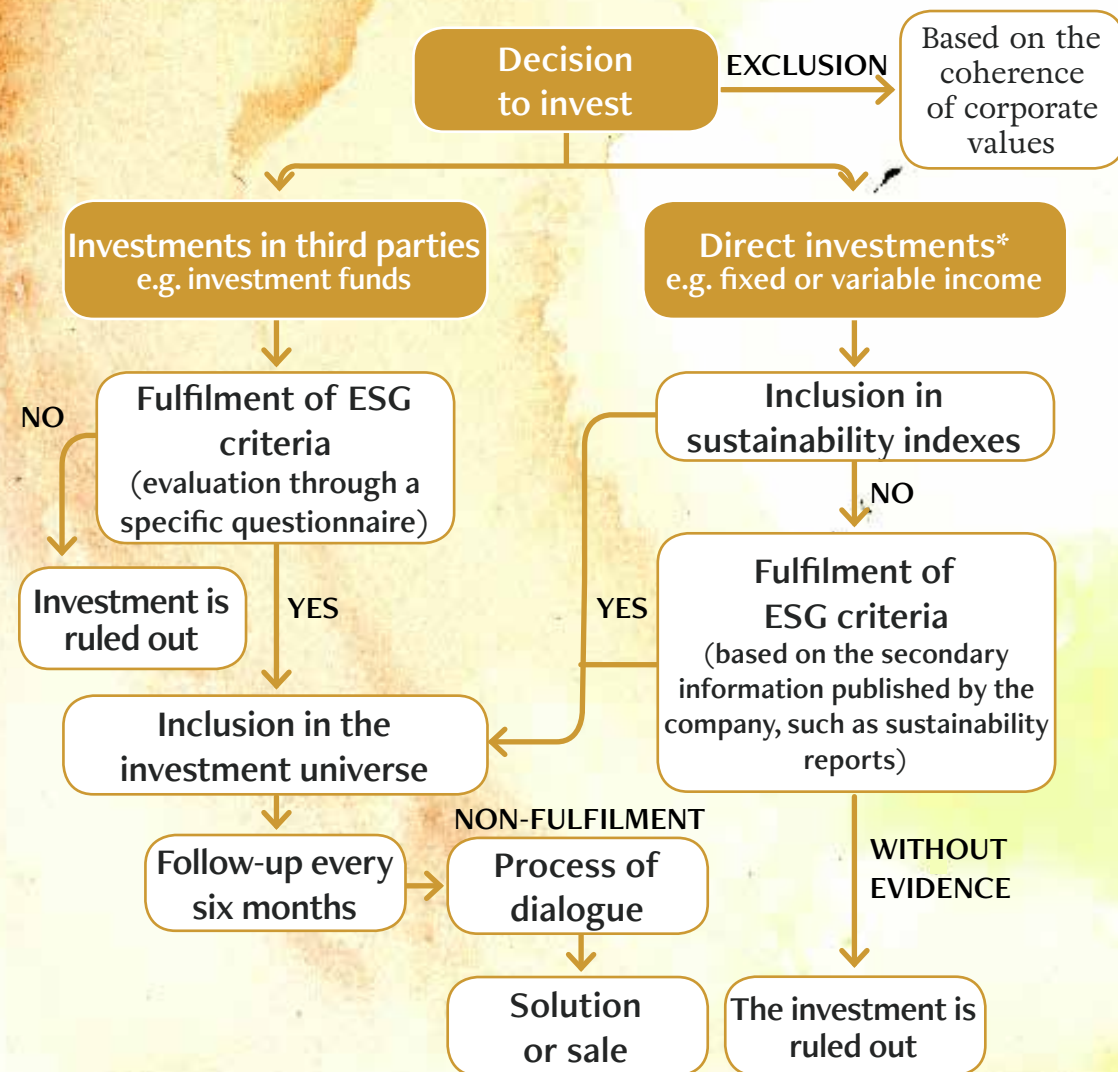
Responsible investment

Aspiring to excellence in ESG management



United Nations Principles of Responsible Investment (PRI)

Application in the investment management process



*The debt issued or guaranteed by States, Autonomous Communities, local corporations, agencies and supranational bodies is excluded from a specific analysis as it belongs to OECD countries and therefore they are countries that fulfil the international standards of good governance.

In the Summary Assessment Report of the United Nations Principles of Responsible Investment (UNPRI), VidaCaixa achieved an A qualification with A+ being the highest possible score. This places VidaCaixa above its peers (those that signed the UNPRI) as they achieved an average of a B qualification.

According to PRI, the advances in Socially Responsible Investments (SRI) management in 2016 were:

- Development of governance criteria in the pension fund of CaixaBank employees, Pensions Caixa 30, which included, among other points, going more in depth into the application of SRI criteria.
- The scoring analysis of the suppliers of financial products went much deeper, based on Environmental, Social and Governance (ESG) aspects.
- In line with VidaCaixa's investment policy, VidaCaixa continued the follow-up of extraordinary cases that had started in previous years.

Awards given to VidaCaixa

Sixth award for the best pension fund in Spain



Pensions Caixa 30, managed by VidaCaixa, awarded the best pension fund in Spain for the sixth time

Pensions Caixa 30

- 2008** Best Spanish Pension Fund
IPE Magazine
- 2011**
- 2012**
- 2013**
- 2014**
- 2016**



VidaCaixa

- 2008** Best manager of fixed income plans
Expansión
- 2009** Best manager of fixed and mixed income pension plans
- 2010** *Expansión* and Interactive Data

PlanCaixa Ambición

- 2008** Best manager of fixed income plans
Expansión

PlanCaixa 10 Seguridad

- 2008** Best mixed income plans
Expansión

PPI Deleg.

- 2008** Best fixed and mixed pension plans
Expansión

PlanCaixa Ambición

- 2010** Best fixed income pension plan
Expansión
- 2011** Best fixed income pension plan
Morningstar and *El Economista*

PlanCaixa Activo Variable

- 2013** Best global variable income plan
Morningstar

PlanCaixa Selección

- 2013** Best European variable income pension fund
Allfunds Bank Investment Research
- 2014** Finalist in European variable income
Expansión

PlanCaixa Activo Oportunidad

- 2014** Best aggressive multi-active plan
- 2015** *Expansión-Allfunds Bank*

PlanCaixa 10 Ahorro

- 2014** Finalist in global fixed income plan
Expansión
- 2015** Best euro fixed income pension plan
Morningstar

PlanCaixa Bolsa Internacional

- 2014** Best global variable income pension fund
- 2015** *Allfunds Bank Investment Research*

PlanCaixa Ambición Global

- 2013** Best moderate mixed income pension plan
Morningstar

PlanCaixa Oportunidad

- 2015** Best aggressive mixed income pension plan
Morningstar

Our project

Talent, transversality and innovation to work better

VidaCaixa continued to create new opportunities while adding to internal talent with new profiles and incoming staff with the aim of developing the Strategic Plan of the Company and facing new challenges.

The best talent in key positions for our business

Accounting staff

Sales force

Actuaries

Process managers

Legal and regulatory compliance

IT technicians

Incorporation of new skills to adapt to new times

Expert in behavioural economics

Data scientist

App designer

Expert in design thinking

Expert in customer journeys

New technologies law

Community and branding manager HR

Online community manager



Creating opportunities

Permanent commitment to talent

 MORE INFORMATION
Training

461 employees
received training



34,603 hours of face to face
and online training
were given





One of the VidaCaixa's cornerstones in managing people is its commitment to attract and retain the best talent.

With the creation of a Talent Committee in 2016, the company aims to centralise the decision-taking process, foster meritocracy and promote professional career development. 80 new staff members were hired in 2016 and 13 people changed their jobs.

An excellent place to work

Committed to the development of people

 MORE INFORMATION
Training

 MORE INFORMATION
Incorporating talent and communication
Evaluation

Development of people

VidaCaixa's welfare school.

Training in skills: "Behavioural Economics" programme, given by the London School of Economics and Political Science.

CaixaBank's training channel.

Leadership school.

Sales school.

Communication and ties to the company

New **welcoming kit** for new employees.

Launching of the **"It's a match"** welcoming sessions.

Launching of **VidaCaixa Today**, a new internal communications service.

Welcoming new staff members through the "VidaCaixa Today" channel.

Return activities: a total of 17 activities (9 solidary, 6 team building and 2 sports).

Plan Familia to help employees who have family members with disability in their charge.



Meritocracy

Incorporation of the **transversal evaluation** in performance evaluative processes.

Commitment to place the **retribution level** at least at the market average for people with suitable performance.

Maintenance of the direct relationship between **evaluation and promotion**.

Compensation

VidaCaixa once again accredited itself as a **Family Responsible Company (EFR)** as per Spanish acronym) whereby employees can avail of the multiple measures that promote recognition and reconciliation:

- Fixed plus a more variable retribution for all the staff.
- Corporate contribution to the social welfare of employees.
- Life-insurance cover.
- University and English studies aid programme.
- Health insurance.
- Personal loans.
- Bonus policy for talent referrals.

Advances in transparency

Improvement in information and the prevention of crime

 MORE INFORMATION
Service contracts



In 2016 the Company continued its commitment to improve the transparency and security of the contractual information of customers and the prevention of crime by revising VidaCaixa's penal risks while adding improvements to the Penal Prevention Model of the Company.

Improvements implemented in 2016:

- In information to customers: we continued to encourage the use of clear language and to introduce examples in the pre-contractual, contractual and post-contractual documentation.
- In the Pension Plan and Pension Fund Regulation: a new mobilisation and partial payments functionality was prepared that enables participants and beneficiaries to pay or move contributions prior to or after 2007 (or both),
- Revision of the penal risks for the Company: in order to adapt the present Penal Prevention Model and incorporate improvements related to its adaptation to the new requirements derived from the Penal Code reform and the Circular from the State Prosecutor.

An excellent service

Improving the customer experience

The relationship with customers and the management of internal processes was a priority for VidaCaixa throughout the year, to constantly keep the goal in mind of creating unique experiences.

2016 saw the definition, communication and implementation of the Customer Scorecard, which all employees can access so that they can check the evolution of customer and channel satisfaction. Moreover, they can access all the customer and market studies carried out by the Company.

In addition, a new action was set up that consists of VidaCaixa employees spending some time in CaixaBank branch offices, which is the main individual business channel. This immersion gives our employees a chance to listen directly to the customer and the channel, understand the day to day business of the branches so as to gather information and come up with improvement opportunities to better respond to their needs and provide a better service for customers.

Results of channel and customer surveys

Satisfaction of healthcare centres	2015	8.4	Risk and savings groups and company	2015	7.8
	2016	8.4		2016	8.1
Control commissions employee pension plans	2015	8.2	Mediators	2015	8
	2016	8.4		2016	8
Consultors	2015	8.1	Tele-selection*	2015	-
	2016	8.2		2016	8.1

VidaCaixa recertified model ISO 9001, which was validated by an external company. The scope of ISO 9001 is management of funds and employee pension plans.




* New item.

Measurements of quality

High valuation by CaixaBank branch office network

The CaixaBank branch office network highly valued their satisfaction of the services provided by VidaCaixa.

 **2.5**point improvement in the overall evaluation of VidaCaixa, from 2015 (December) to 2016 (December)

The evaluation of all our services grew, especially the following:

3.8

Advice from Headquarters

3.1

Call Center

2.9

Training

2.8

VidaCaixa product portfolio

96.6%

evaluation of mobile media



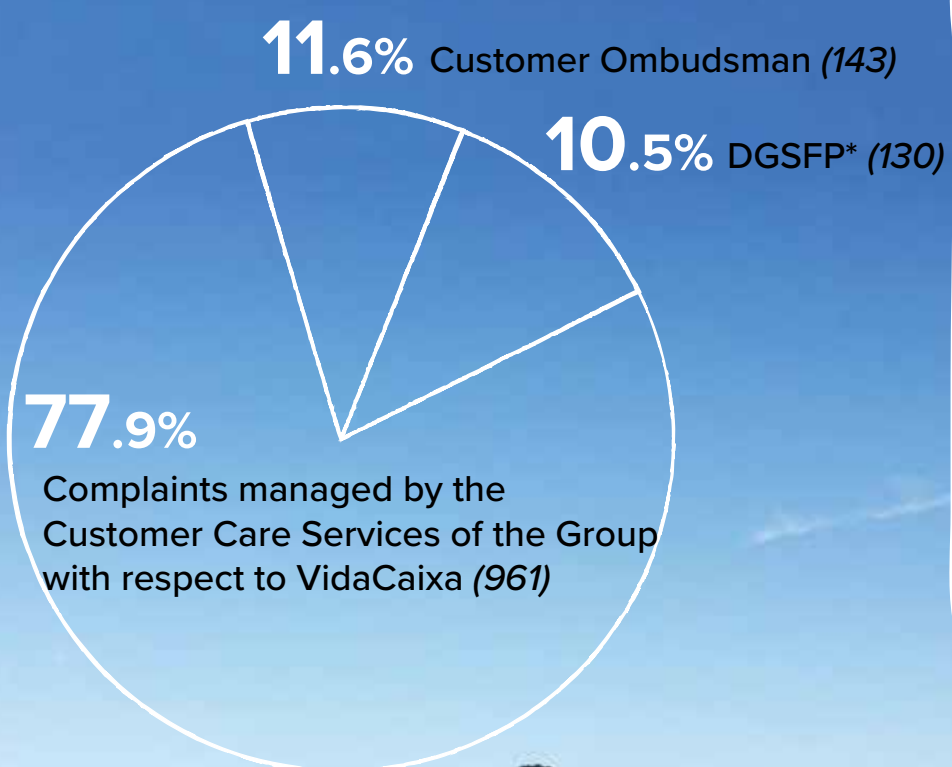
Closer to customers

Customer care channels

 MORE INFORMATION

Dialogue channels with stakeholders

Complaints channels per use



With the aim of offering a more accessible and closer service, the Caixa Group undertook a project to centralise Customer Care Services (CCS).

Most of our customers opted for this service when they had to present an official complaint. 11.6% wrote to the Customer Ombudsman and 10.5% to the Directorate General of Insurance and Pension Funds (DGSFP as per acronym in Spanish).

*Directorate General of Insurance and Pension Funds

Operational excellence

Efficiency in the management of the portfolio at the service of the customer

Integration of Barclays



In June 2016, the pension plan portfolio of Barclays *Vida y Pensiones* was integrated and in November it was the turn of the Risk Insurance portfolio. In this process VidaCaixa guaranteed customer service at all times, thereby minimising the impact on the service., The integration of Barclays Savings Insurance is foreseen for March 2017.

Management of portfolio



VidaCaixa accessed the National Death Index providing it with a tool to update its portfolio more easily.

Moreover, an annual process was set up to locate beneficiaries who are pending liquidation. This allowed the company to pay out 942,297 € in 2016. A Benefits Portal will be set up in 2017 where customers will be able to apply for their Pension Plan and Insurance benefits and follow up on them.

Contact Center

Improving the quality of service

In 2016 the Company renovated the Contact Center telephone platform. This increased the quality of service in both the waiting time and the percentage of attended calls. In this way information is available for a better omni-channel service.

VidaCaixa's objective for 2017 is to be able to broaden the range of services from the Contact Center by offering even greater attention to customers and CaixaBank's branch office network.

320,000 contacts managed



21,000 through the VidaCaixa
Previsión Social telephone



17,600 replies to written
consultations



15,100
from *Línea*
Abierta



2,500
from the
Corporate web



Innovida

Innovation focussed on customer experience

In 2016 VidaCaixa created the *Innovida* programme, which under the slogan “surprise the customer” and through reflection, participation and entrepreneurship seeks to capture new business opportunities and

innovidaidea

A competition of innovative ideas based on Design Thinking.

230+ attendees at the opening event (Barcelona and Madrid)
~50% of the Company



100+ participants in the workshops
>20% of the Company



39 ideas presented by
49 participants



5 finalists

8.3/10 average general satisfaction

promote the cultural transformation of the Company. To achieve its aims, the Company undertook two activities: *innovida idea* and *innovida emprende*.

innovidaemprende

A programme of collaboration with start-ups to create value propositions.

45 participants arranged into **8** teams of intra-entrepreneurs
~10% of the Company



8.4/10 average general satisfaction

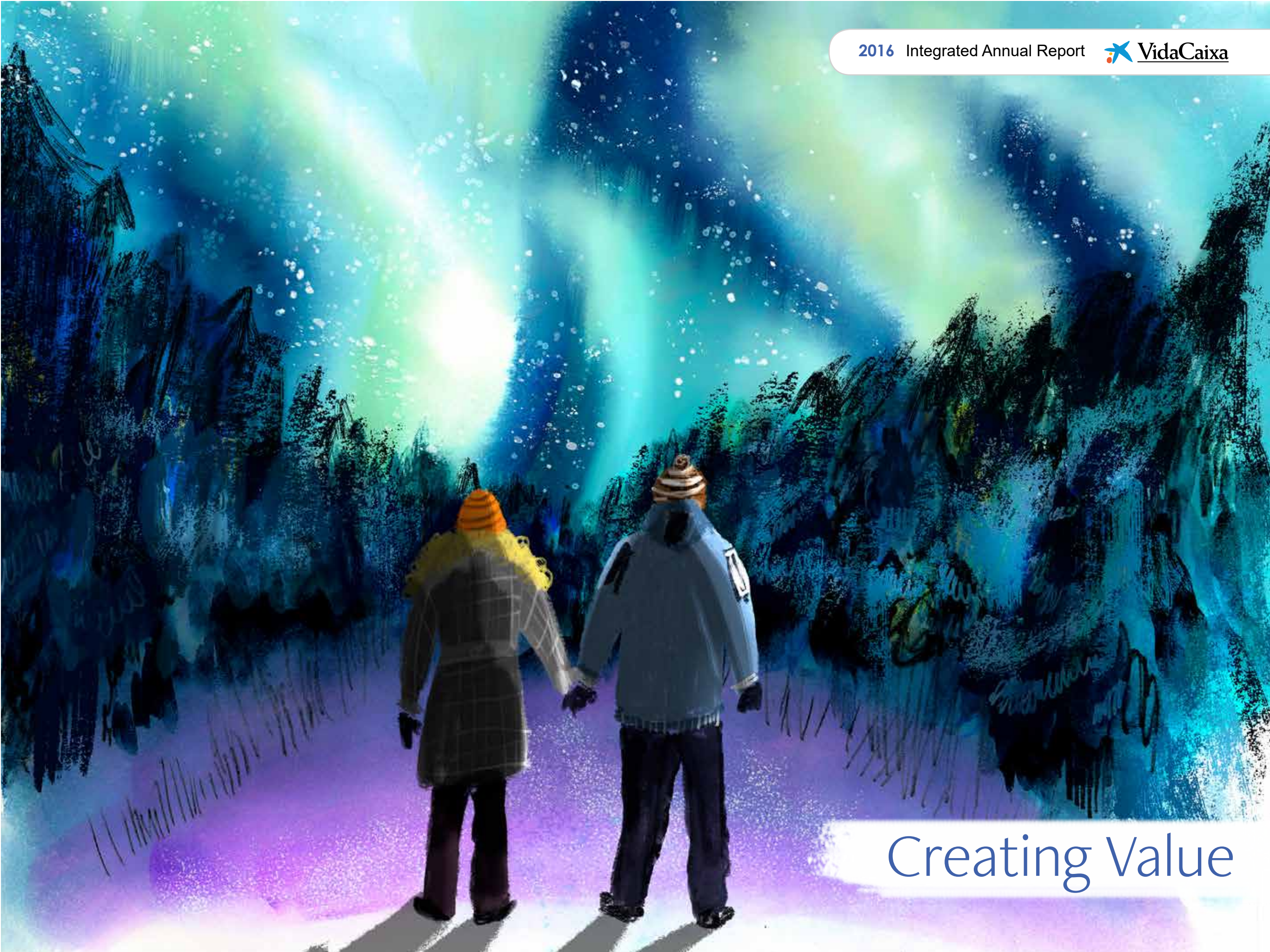


80+ start-ups identified

25 selected in the first exercise



8 proposals of collaboration with start-ups



Creating Value

Leaders with excellent results

Sustainable growth in profits and in customer portfolio



492.3 M€ in consolidated net profit

44.6% more than in 2015

4.5 million customers



8.2% over figure in 2015

VidaCaixa consolidates itself as the largest insurance company in Spain and confirms its leadership in pension plans and life-insurance.

In 2016 VidaCaixa achieved a net consolidated profit of 492.3 million euros, that is 44.6% more than in 2015. This growth was due to the excellent behaviour of the individual segment, both in the savings and risk portfolios as well as in annuities. Similarly, the Company increased its customer base by 8.2% to 4.5 millions people in 2016. More and more customers trust VidaCaixa to plan their retirement.

Resources, premiums and contributions

Leaders in managed funds, premiums and contributions

Managed funds

67,891 M€

in managed funds

12.4% more than in 2015

25,188.8 M€

in pension plans and EPSV

8.8% more than in 2015,
against a market variation of 2.2%*

42,701.9 M€

in life insurance

14.7% more than in 2015
in a sector that grew by 6%**

Premiums and contributions

11,699 M€

in premiums and contributions

28.8% more than in 2015

* Source: Inverco ** Source: ICEA

Once again VidaCaixa was the insurance Company that managed most funds, which amounted to 67,891 million euros, 12.4% more than in 2015. Of this figure, 25,188.8 million euros corresponded to pension plans and EPSV, up 8.8% over that in 2015. A total of 42,701.9 million euros belonged to life insurance, an increase of 14.7% over the figure in 2015.

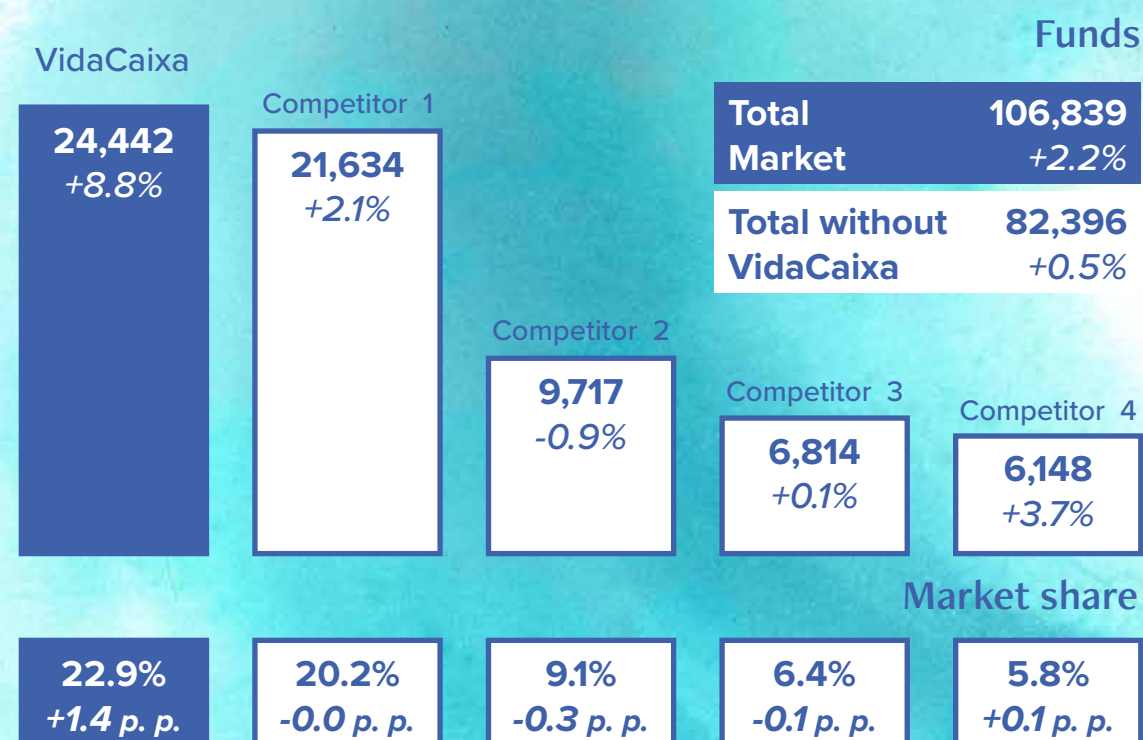
The Company sold a total of 11,699 million euros in premiums and contributions, a figure 28.8% more than in 2015. In the life insurance ranking VidaCaixa was first with 30.4% of total premiums. Market share in pension plans was 22.9%.

Leaders in pension plans

Growth above the market average

Total of pension plan market

Ranking in pension plans – Market total

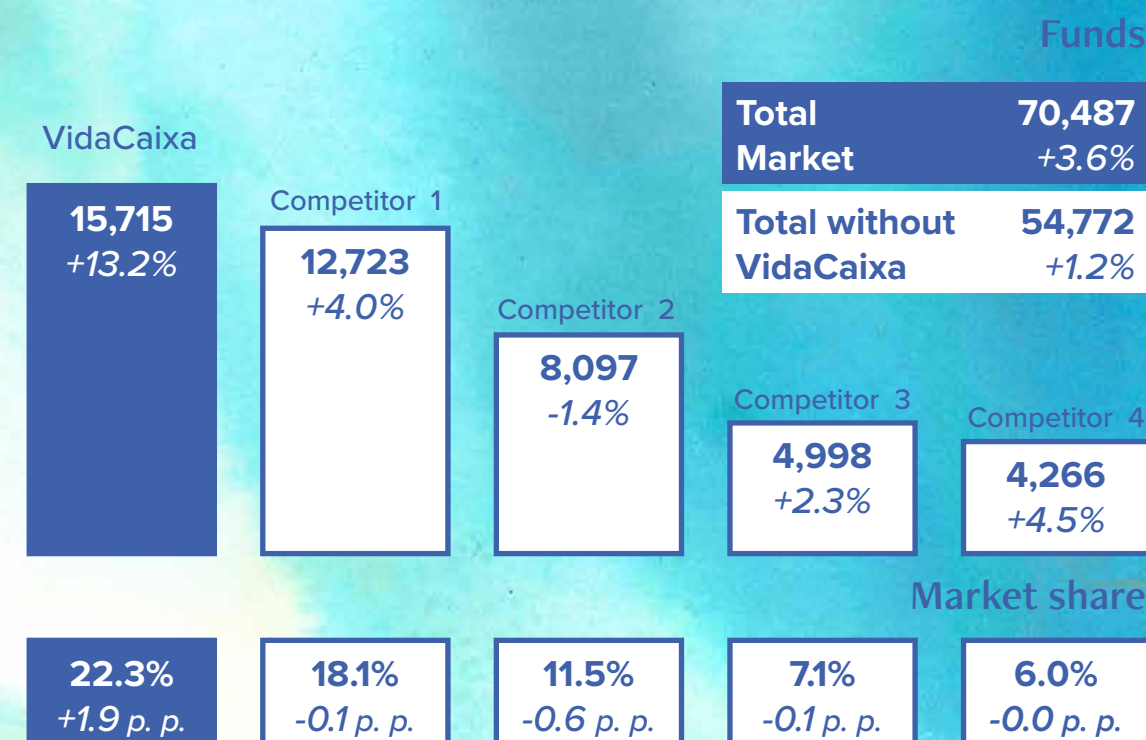


VidaCaixa continues its leadership in pension plans with a market share of 22.9%, 1.4 points more than in 2015. Managed funds grew by 8.8%, a much higher percentage than all the other competing companies.

Source: Inverco. In millions of euros.

Individual pension plans

Ranking in pension plans - Individual system



The Company's leadership in pension plans was mainly driven by individual pension plans. With a growth of 22.3% VidaCaixa closed the year with 15,715 million euros in managed funds (16,433.8 M€ including EPSV), 13.1% better than in 2015 and in a sector that grew 3.6%.

VidaCaixa's results include the pension funds from Barclays.
Source: Inverco. In millions of euros.

Life-savings

Consolidating leadership in savings

The savings business: accumulation

VidaCaixa sold 10,929.8 million euros in premiums and contributions to pension plans and life-savings insurance, which was 30.1% more than in 2015. Systematic savings is increasingly more important among Company customers: 900,000 customers made periodic contributions (35% more than in 2015). In all, the premiums and periodic contributions portfolio in long-term savings solutions (PPI, PIAS and SIALP) reached 1,015 million euros.

The savings business: availability

In 2016 VidaCaixa strongly committed itself to life annuities with which it had annual growth rates of 50% and closed 2016 with 4,836 million euros in premiums, a figure that accounted for half of the Company's premiums.

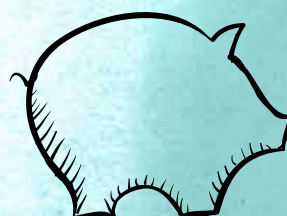
New customer profile



280,000
new savings customers

New customers are **5** years younger (**45 years old**)

Systematic savings



35%
more in
periodic savings

900,000
customers with periodic savings

Simplicity and personalisation



450,000
retirement simulations

We **duplicated** the contributions via digital channels

Customers under 55 made up **20%** of the online contributions

Life-risk

Long-term sustained growth

In life-risk premiums, VidaCaixa took in 769.2 million euros, 13.3% more than in 2015, with greater growth in the individual system, which rose to 525.9 million euros (15.5% more than in 2015).

595.9 M€ Premiums

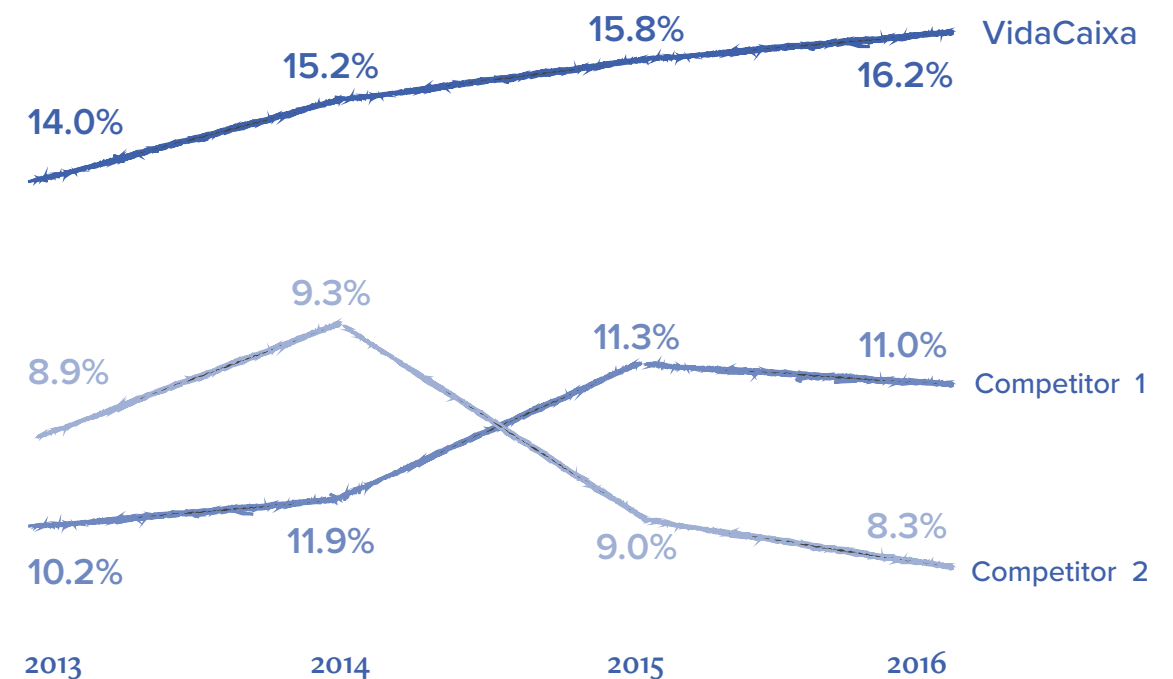
15.5% more than in 2015

1.8 M€ Individual system

11% more than in 2015

On the other hand, group and Company business grew by 8.8% to 243.3 million euros. The good behaviour of the solutions for SMEs was noteworthy (31% more).

Market share in individual life-risk premiums



Source: ICEA

Pension fund management

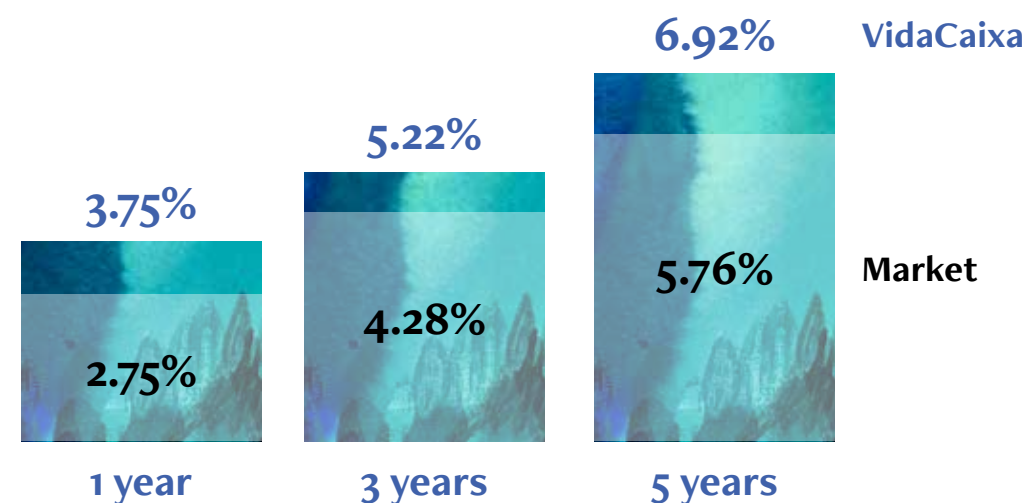
Profitability above that of the market

Employer pension plans

The profitability of VidaCaixa's pension plans in 2016 stood above the average of the market thanks to the discretionary management of the investments. Without taking the guaranteed plans into account, the average profitability of the individual pension plans of the Company was 1.85% at one year, as against the 1.57% for the market. Similarly, the average profitability of employer pension plans stood well above the average.

Employer Pension Plans*

Net profitability vs. market



* Weighted annualised profitability as per VidaCaixa's investment structure. Source: Inverco

Gama Destino Pension Plans

2016 witnessed the positive evolution of fixed income plans for both short and long terms. Likewise, the *Destino* plans proved to be an excellent investment after their first year of life. They successfully faced the volatile periods experienced throughout the year.

Gama Destino Pension Plans*

Net profit at one year

(Data at 31.12.2016, in %)



* Weighted annualised profitability as per VidaCaixa's investment structure. Source: Inverco

Private pensions and savings culture

Almost one million customers were beneficiaries

Leader in payment of benefits

3,811 M€ were paid out in benefits

Almost one million customers were beneficiaries of those payments.

In 2016 VidaCaixa contributed to keeping up the quality of life and income in retirement of almost one million people, even in the face of contingencies. The Company paid out 3,811 million euros in benefits to customers. 1,760 million euros were paid out as income and 2,051 million euros as capital.

Promoting a savings culture

ICEA Investigación Cooperativa de Empresas Aseguradoras y Fondos de Pensiones
(Research Cooperative of Insurance and Pensions Fund Companies)



The Company actively works to promote a culture of long-term savings. With this goal in mind, it collaborates with different entities and both national and international associations. Similarly, it undertakes social interest studies, meetings and conferences as well as providing information through its own communications channels.

Obra Social “la Caixa”

Our commitment to people and society

 LINK
Obra Social “la Caixa”


Obra Social “la Caixa”

VidaCaixa indirectly collaborates with the work and budget of the *Obra Social “la Caixa”*, by contributing through its business activity to the profit of CaixaBank.

In 2016 the *Obra Social “la Caixa”*, with a budget of 500 million euros, promoted almost 50,000 social initiatives, of which more than 10.5 million people benefitted. Once again the Foundation consolidated itself as the most important one in Spain as far as resources invested in social action are concerned. It is also one of the most important in Europe and the world.



62,000+

poor boys and girls
attended to

813,000+

retired people
involved in activities

15,000+

“la Caixa”
volunteers involved

28,000+

jobs for people
at risk of social
exclusion

19,800+

advanced patients
attended to

33,000+

social homes
attended to

2.3+ M

students in
educational actions

35+ M€

devoted to
research

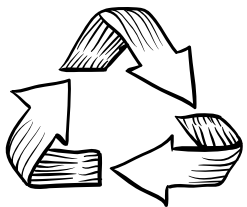
Environmental management

Committed to reducing our environmental footprint

VidaCaixa, through its daily activity and its employees, is committed to acting in line with The United Nations Principles of Responsible Investment (PRI), optimising its consumption of natural resources, reducing the amount of residues generated and improving their segregation so that they can be reused.

Paper

11,257 kg



Toners

887 units

Plastics

3,831.5 kg

Collection and treatment

Water



3.1 l

Consumption per employee

-5.5%
Variation

Paper



32.9 kg

Consumption per employee

-3.8%
Variation

Electric energy



2,268.8 GJ

Consumption per employee

-5.2%
Variation

Consumptions

With the aim of improving the impact of its environmental footprint year after year, VidaCaixa focusses its actions on three fronts: efficiency in the consumption of natural resources and the reduction of CO₂, raising environmental awareness internally and reducing waste.



Addenda

Stakeholders and channels for dialogue

 [Go back to Closer to customers](#)

Dialogue leading our strategy

The driving force behind VidaCaixa's strategy is the integration of dialogue into its multiple communications channels. The objective is to achieve an effective management with its stakeholders –shareholder, employees, customers, suppliers, society and the environment.

Channels for dialogue

Shareholder

- Representation on Governing Bodies.
- Collaboration and fluent communication among the Corporate Social Responsibility areas.

Customers

- CaixaBank branch office network.
- Telephone satisfaction surveys.
- Customer Care Office.
- Call Center.
- Letters and Calls to the Manager.
- Corporate web portal.
- *Futuro* meetings with customers from individual as well as group and company segments.

Employees

- Periodic satisfaction surveys.
- Corporate Intranet and Corporate communications.
- Balanced ScoreCard (BSC) and Personal Balanced ScoreCard (PBSC).
- Annual Convention of Managers.
- Training of mid-level managers.
- Meetings and face to face encounters with Management.
- Meetings with bancassurance channels.
- *Aulaforum*, virtual training platform.
- Newsletter.
- Suggestion box.

Society and the environment

- *Retorn*.
- Participation in institutions from the insurance, social welfare and Corporate Social Responsibility sectors.
- Participation in forums and conferences as well as press releases and communications with the media.
- Contacts with investment managers.

Cover, scope and materiality

Cover and scope

In this Report, the legal, economic and financial information of the Company is presented together with the social, environmental and corporate governance aspects so as to provide a more comprehensive vision of VidaCaixa, its results and its response to its stakeholders.

In drawing up this Report, its cover and scope were clearly defined, prioritising data considered material and including all significant events that took place throughout 2016, without omitting any relevant information for the Company's stakeholders.

The compiled information mainly refers to 2016, but also includes, depending on its relevance and availability, information from previous years to enable the readers to form a broader opinion about the evolution of VidaCaixa.

For this, the Report contains tables and graphs so as to provide greater understanding. Moreover, technical language has not been used as far as possible to avoid its meaning being misinterpreted by stakeholders.

Materiality

In order to identify relevant issues, VidaCaixa undertook a process of internal and external analysis as well as a consultation with its stakeholders, based on the AA1000 Accountability methodology, which consisted of the following:

- Other national and international annual reports were reviewed to extract the relevant material for the insurance sector. Businesses from the financial and social welfare sector were studied in addition to VidaCaixa's main competitors. Furthermore, the reports prepared by the shareholder of the Company, CaixaBank, were taken into consideration.
- VidaCaixa consulted its stakeholders through detailed interviews (together with experts in Corporate Social Responsibility) in relation to the scope and content of the Company's Integrated Annual Report. There, the proposals to improve future reports were identified.
- VidaCaixa employees were consulted via an online survey.
- The materiality matrix of the Company was updated.

Consultation with employees and experts

Consultation with employees

To evaluate the importance of relevant issues and VidaCaixa's level of performance, the employees of the Company respond to an online survey on the scope and content of the Integrated Annual Report.

Relevant issues for employees

Issues of high importance:

- Customer satisfaction.
- Quality of products and services.
- Business model and corporate strategy.
- Clear and transparent information on products and services offered and on non-misleading publicity practices.
- Prudent, sustainable and solvent business management.
- Good governance and transparency.
- Employee wellbeing (reconciliation of professional and family life, promotion of equality and integration, etc.).
- Business ethics (senior management, employees).
- Innovation and development of new technologies.
- Professional development of employees (career plan and training).
- Improvement in financial culture in insurance.

Issues of medium to high importance

- Increase in share value for the shareholder.
- Accessibility to insurance products.
- Socially beneficial actions (social action, creation of employment or collaboration in programmes to promote the financial education of people).

- Integration of sustainable criteria in products and services.
- Intensification of dialogue with stakeholders.
- Promotion of healthy life habits combined with prevention.
- Procedures to select socially and environmentally responsible suppliers.
- Actions to reduce our impact on the environment.

Consultation with experts

In order to measure the scope and content of VidaCaixa's Integrated Annual report, in-depth interviews were held among all the stakeholders of the Company, where proposals for improvements were identified.

Participants in the consultation of stakeholders

- Shareholder: CaixaBank.
- Academic institutions: *Universitat Pompeu Fabra*.
- The media: *INESE*.
- Environmental organisations: *Experto*.
- Institutions from the insurance and social welfare sector: *ICEA*.
- Entrepreneurial associations: *CECOT*.

Main conclusions of the consultation with experts

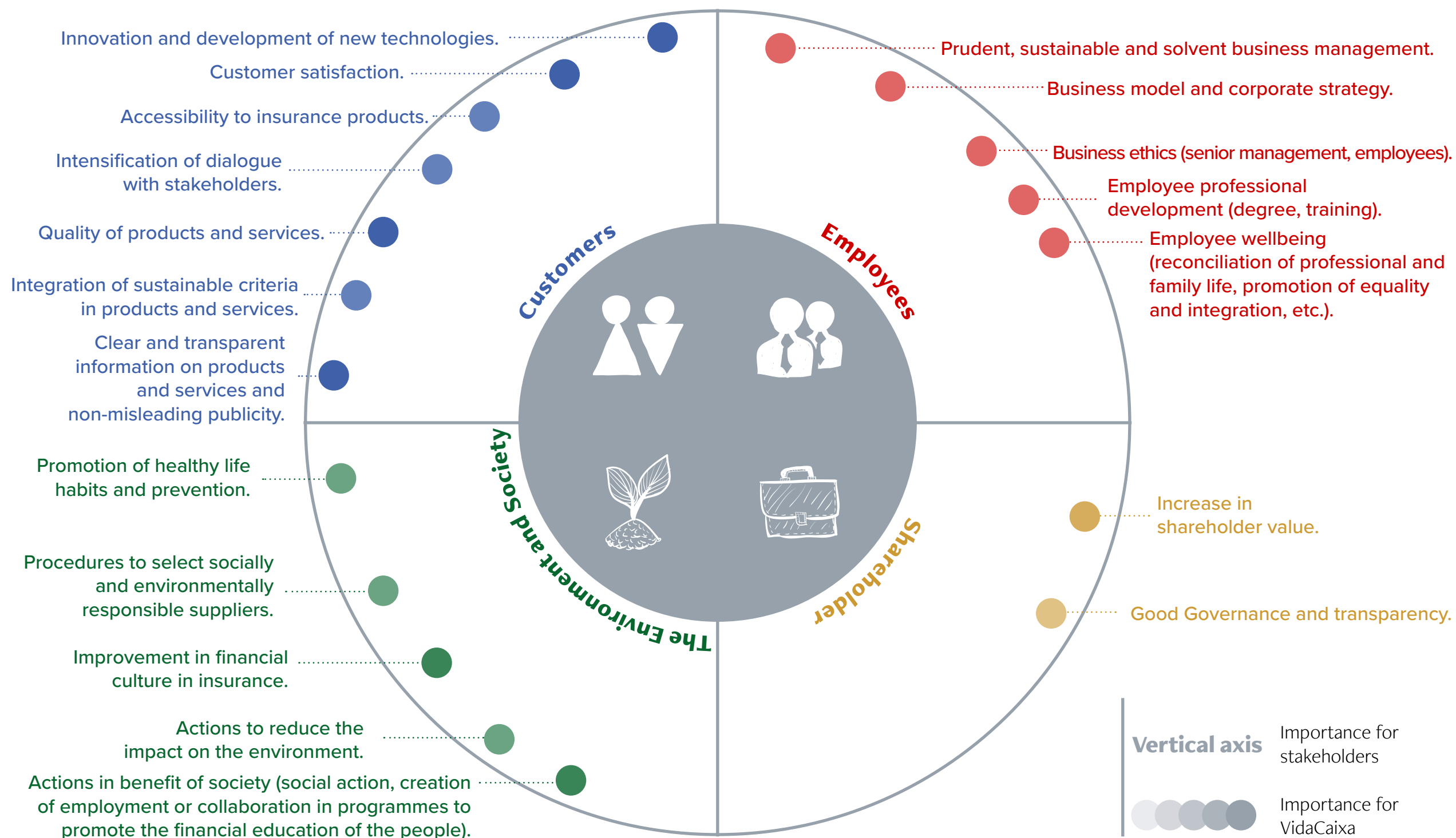
Several relevant issues stood out regarding the Company:

- **Business model and corporate strategy:** A relevant issue in the present context. The experts call on VidaCaixa, as leader in complementary social welfare, to show its leadership in accompanying society towards savings for the future, via pension plans, in order to ensure a dignified life in retirement.

Consultation with employees and experts

- **Prudent, sustainable and solvent business management:** An important issue associated with VidaCaixa's results, strength and solvency. The experts state that the management of the business and its capacity to offer guarantees is going to be one of the themes related to social responsibility that will take on more importance in the future.
- **Innovation and the development of new technologies:** A relevant issue that, according to the experts consulted, must be associated with greater innovation in the offer of products and services and not so much involved in the development of new technologies to improve the relationship with customers.
- **Customer satisfaction:** This is a relevant issue where VidaCaixa's response is satisfactory, with good customer service. They consider that VidaCaixa is an insurance company with a comprehensive cover in company social welfare, with risk, savings and top class health products.
- **Increase shareholder value:** A relevant issue associated with VidaCaixa's role before its shareholder. The experts perceive the potential growth of the Company and its bancassurance distribution through the shareholder's commercial network.
- **Accessibility of the insurance products:** A relevant issue in which the experts value VidaCaixa's commitment, based on the assessment of its professionals and the range of solutions that respond to the needs of most people.
- **Quality of products:** A relevant issue associated with the evaluations of the degree of satisfaction of the service provided, which VidaCaixa undertakes periodically. The experts value the fact that the data obtained, whether in individual, company or channel segments, have been maintained or improved.
- **Employee wellbeing:** A relevant issue where the good management of labour relations is perceived as being in line with the sector. The experts consider that VidaCaixa is a good place to work at.
- **Business ethics:** A relevant issue to transmit trust and responsibility to society. The experts acknowledge the work of VidaCaixa in its transparent communication, but ask for more investment in aspects related to Corporate Social Responsibility.
- **Professional development of employees:** A relevant issue in which the experts perceive the advances VidaCaixa has made and for its ongoing commitment to training programmes to build up employee knowledge.
- **Good governance and transparency:** A relevant issue in which the experts perceive VidaCaixa's strong determination. They applaud the effort made by the sector to continue advancing in such areas as transparency and governance as they are becoming more and more important.

Materiality matrix



VidaCaixa and SegurCaixa Adelslas

[!\[\]\(666e09182d4cd268646ea700ea60dcdf_img.jpg\) Go back to VidaCaixa](#)

VidaCaixa

In the individual customer area, VidaCaixa sells life-risk insurance whether they are linked to bank loans or not. The Company also has a wide range of products to generate complementary savings that are composed of several models of life insurance and several pension plans and annuities.

For SMEs and the self-employed group VidaCaixa has a specific range of life insurance and pension plan products especially designed to cover their needs in insurance and welfare.

Finally, in the segment of groups and companies, VidaCaixa offers an extensive range of made-to-measure solutions in life-risk and life-savings insurance as well as pension plans depending on the specific conditions of each large group.



SegurCaixa Adelslas

SegurCaixa Adelslas is the leading Company in healthcare insurance in Spain and the second Company in the non-life insurance sector.

Mutua Madrileña is the controlling shareholder in SegurCaixa Adelslas with 50% of the capital. 49.92%* is in the hands of CaixaBank through VidaCaixa.

* There is an 0.08% stake in the hands of minority shareholders.

Audit and Control Committee

 [Go back to Good Corporate Governance](#)

In 2016 there were 5 meetings of the Audit Committee.

During the year Mr. Miquel Noguer Planas resigned from the Committee.

The functions of the Audit Committee are as follows:

- Inform the Annual General Meeting on questions raised by shareholders at the Meeting on matters of its competence, especially on the result of the audit and explain how it contributes to the integrity of the financial information and the function the Committee carries out in this process.
- Supervise the efficiency of the Company's internal control, internal audit and systems of risk management, including fiscal risk, as well as discuss with the account auditors the significant weaknesses of the internal control system detected in the course of the audit without jeopardising its independence. To this end, and if appropriate, it may submit recommendations or proposals to the Board of Directors with the corresponding deadline for follow-up.
- Supervise the process of drawing up and presenting the regulated financial information and present recommendations or proposals to the administrative body charged with safeguarding its integrity.
- Propose to the Board of Directors the selection proposals, appointment, re-election and substitution of the external auditors, taking responsibility for hiring in accordance with regulation applicable to the Company, as well as their hiring condi-

tions and regularly gather information from them about their auditing plan and its execution apart from preserving its independence in carrying out its functions.

- Set up timely meetings with the account auditors so as to receive information on those questions that may put their independence at risk, for their examination by the Committee and anything else related to the auditing of the accounts and, when appropriate, receive the authorisation of services other than those prohibited under the terms of the applicable legislation in relation to the independence regime, as well as those other communications foreseen in the legislation of account auditing and auditing standards. In any case, they must annually receive from the external auditors a declaration of their independence in relation to the company or companies linked directly or indirectly to them. They must also receive information on whatever additional services provided and the corresponding fees the external auditor or the people or companies linked to them received from those companies in accordance with the legislation set out on account auditing.
- Annually issue a report, prior to the issuance of the account auditors' report, expressing an opinion on whether the independence of the account auditors is compromised. This report must contain, in any case, the value of all the additional services provided, which the previous paragraph refers to, on an individual and overall basis that are different from the legal audit and in relation to their independence or to the rules governing account auditing.

Audit and Control Committee

 [Go back to Good Corporate Governance](#)

- Report, prior to the Board Meeting, on all the matters foreseen in the law and in the Company statutes and, in particular, on the financial information the Company must publicly publish from time to time, the information reported by those responsible for running the company, the creation or acquisition of stakes in special purpose companies or domiciled in countries or territories that are considered tax havens and the operations with the associated parties.

Chairman	Mr. Miquel Valls Maseda
Member	Mr. Miquel Noquer Planas

Appointments and Retributions Committee

[← Go back to Good Corporate Governance](#)

In 2016 the Appointments and Retributions Committee held 4 meetings.

As a result of the resignation of Mr. José Antonio Sarriá Terrón, Mr. Jaime Gil Aluja was appointed Member of the Appointments and Retributions Committee. The main functions of the body are:

- Evaluate the competences, knowledge and necessary experience of the Board Directors.
- Set a goal for representation of the least represented gender on the Board of Directors and draw up guidelines on how to achieve that objective.
- Submit to the Board of Directors the proposals for the appointments of independent Board Members so that it may so designate them or take it upon itself to submit them to the AGM for decision as well as submit proposals for the re-election or separation of those Members by the AGM and report on appointments of the other Board Members.
- Report on the appointments and dismissals of Senior Executives and the basic conditions of their contracts.
- Examine and arrange the succession of the Chairman of the Board of Administration and the chief executive of the Company and, where necessary, make proposals to the Board of Administration so that said succession takes place in a planned and orderly manner.
- Propose to the Board of Administration the retribution policy of the Members and the General Managers or those who undertake the functions of senior management that depend directly on the Board, the Executive Committees or Chief Executive Officers, as well as the individual retribution and other contrac-

tual decisions of Executive Board Members while safeguarding their observance.

Chairman	Mr. Miquel Valls Maseda
Member	Mr. Javier Ibarz Alegría
Member	*Mr. José Antonio Sarriá Terrón

*Member appointed in 2016.

Management Committee

[← Go back to Good Corporate Governance](#)

In 2016 no changes were made to its members nor their functions.

Executive Vice-Chairman – Chief Executive Officer	Mr. Tomás Muniesa
Managing Director	Mr. Antonio Trueba
Assistant General Managers	Mr. Ernesto Moreno (Investments)
	Mr. Jordi Arenillas (Economic-Financial)
	Mr. José Antonio Iglesias (Customers and Product Offer)
	Mr. Jorge Nicolau (Resources)
Managers	Mr. Carlos Lorenzo (Sales)
	Ms. May Plana (Internal Audit and Fiscal Dept.)
	Mr. Pablo Pernia (Legal Dept., and Compliance)
Secretary to the Management Committee	Mr. Pablo Pernia

Products and actions available through CaixaBank's *Línea Abierta* in 2016

 [Go back to Channels and accessibility](#)

Life-risk	<i>Vida Familiar SEVIAM Abierto</i>	Subscription Subscription with Digital Health Questionnaire Subscription with Digital Health Questionnaire via R2B (Ready-to Buy) Renunciation (first 30 days) No renovation on maturity Duplication of documentation <i>Seviam Préstamo Abono Inmediato</i> in direct subscription and R2B Protection map
	<i>Seguros convenios</i>	Subscription Modification of number of policyholders
Life-savings	<i>Libreta Futuro Asegurado Plan Ahorro Asegurado (PIAS) Cuenta Caixa futuro-PIAS Cuenta Caixa futuro- SIALP</i>	Subscription <i>Cuenta Caixa futuro-PIAS</i> on the web, mobile and R2B Subscription <i>Cuenta Caixa futuro-SIALP</i> on the web, mobile and R2B Periodic and extraordinary contributions to <i>Cuenta Caixa futuro-PIAS</i> and <i>Cuenta Caixa futuro-SIALP</i> on the web, mobile and R2B Subscription <i>PIAS Estrella</i> on the web and R2B, consultation via mobile Consultation annuities Renunciation (first 30 days) Application for complete surrender Application for duplication of documentation Consultation
	<i>Annuities</i>	
Pension Plans, EPSV and PPA	<i>Planes Individuales PPA Planes de promoción conjunta y asociados EPSV</i>	Subscription and contributions on the web, mobile and R2B Internal transfers between plans on the web and R2B External transfers to other entities on the web, mobile and R2B Revocation of external transfer with internal transfer through R2B Subscription <i>PlanCaixa Tándem</i> through R2B Consultation and subscription <i>CABK Tranquilidad 1% PPA</i> on the web, mobile and R2B Consultation <i>CaixaBank Doble Tranquilidad</i> Access to retirement calculator (also available on the CaixaBank Portal) Access to Savings Calculator New catalogue of plans and <i>EPSV</i> on the web Comparison of Plans on the web Change of linked account on the web Designation of beneficiaries on the web Management of financial income on the web <i>Hazte Cliente</i> (Become a customer) process
	<i>Planes de pensiones de empleo</i>	In addition to the above, special consultation on for Control Committees

Principal risks managed

 [Go back to Risk and solvency](#)

The first step in developing an effective and suitable internal control system for the Company is to identify, classify and evaluate the risks. In this sense VidaCaixa focusses its management on the following main risks:

Loan risk	The risk that the counterparts do not attend to their payment obligations and the possible losses in value due to variations in their loan quality is systematically controlled.
Technical or subscription risk	The technical-actuarial risks are exhaustively controlled, given that the technical reserves account for the most significant part of the liabilities.
Market risk	The risk of suffering losses for variations in the rate of interest, the rate of exchange or the price is managed carefully.

Loan risk

- Maintenance of the treasury and the equivalent liquid assets with financial entities with a high level of credit, especially with Caixa-Bank. As far as balances receivable from insurance policies are concerned, there is no significant loan risk with third parties.
- Similarly, in relation to loan risks associated with financial instruments, the established policy was based on two fundamental principles:
 - Prudence: Rating scales and investment deadlines were defined.
 - Diversification: High level of diversification in sectors and issuers, with maximum limits of risk per issuer.

Technical or subscription risks

- The technical evolution of the products.
- Definition and follow-up of the subscription policy, tariff setting and reinsurance.

Market risks

- Periodically carrying out different analyses on the sensitivity of the portfolios to market risk resulting principally from the evolution of the interest rate.
- In relation to the exchange rate risk, no assets are kept with significant exposure in foreign currencies other than the euro or different from what is listed in the annual accounts.
- With reference to the price risk, VidaCaixa is exposed to market risk basically because of its portfolio of fixed income and, to a much lesser extent, through the shareholdings that it has in the capital of listed companies.

Training

Leadership school. Among the activities carried out in 2016, the *Reconoce* (Recognition) sessions stand out. They are sessions focussed on managers so that they can work on how to give feedback to their teams.

VidaCaixa School of Welfare. This initiative was launched in 2016 to divide the training into three levels: standard, which is mandatory for all the newly incorporated staff into VidaCaixa; expert in savings and welfare diploma, recognised with university credits by the UPF (Pompeu Fabra University) and that is now in its fourth year; and finally, the advanced level, which is being developed and will involve making a research project on subjects related to welfare and will be tutored by the university.

School of Sales. The aim of the School of Sales is to seek excellence in the VidaCaixa sales network. To define our Sales Style, a new method of working homogeneously was created for the whole Sales Management team. Sales teams can now avail of tools that provide support for their work. Similarly, itineraries and different training solutions were set up that adapt to the different commercial profiles.

Behavioural Economics Programme. VidaCaixa invested in the Behavioural Economics Programme given by the London School of Economics and Political Science in response to the training needs for the VidaCaixa strategic plan. This focusses on 5 areas of knowledge related to finance, decision-taking and marketing.

 [Go back to Creating opportunities](#)

 [Go back to An excellent place to work](#)

Training the CaixaBank channel. Among the initiatives undertaken in 2016 are:

- 15 programmes for CaixaBank employees were carried out, reaching more than 23,000 employees with an average evaluation of 9 out of 10.
- Training session on new products such as *PlanCaixa Doble Tranquilidad* and *Rentas Plan Inversión Flexible*.
- The Welcome Premier programme was given, which is a welcoming plan for new managers of *Banca Premier*.
- 3rd and 4th edition of the Postgraduate Diploma for Experts in Savings and Welfare was given with more than 4,000 CaixaBank employees enrolled.
- The Postgraduate Business Banking course was given with emphasis on advice on our risk and welfare solutions.
- We continue working on refining the communications skills of the internal trainers to improve their efficiency.

Principal Key Performing Indicators (KPI) in training

Training VidaCaixa	
Total N° of employees trained	461
Total N° of employees trained in anti-corruption issues	237
Total N° of employees trained in prevention of labour risk	207
Total N° of employees trained in technical matters	434
Training CaixaBank	
Total N° of online training hours	22,704
Total N° of face-to-face training hours	11,899
Total N° of training hours for Senior Management	595
Total N° of training hours for Mid-Level Managers	4,546
Total N° of training hours for rest of staff	29,207
Total N° of training hours for women	19,262
Total N° of training hours for men	15,086

Incorporating talent and communication

 [Go back to An excellent place to work](#)

New welcoming kit for new employees

The welcoming process was redefined in 2016, creating a new support kit that provides more detailed information to facilitate the adjustment to the job by the new professionals at VidaCaixa.

VidaCaixa Today

At the end of 2016, VidaCaixa Today was launched. It is a new internal communication service that, through the television screen, provides direct and personalised information on different themes: news and information about VidaCaixa, world and sector news, daily progress of stock markets and employee participation initiatives among others.

Evaluation

Transversal evaluation

For the very first time, VidaCaixa carried out a transversal evaluation process in 2016. That consisted of giving feedback on the manager of the module as well as the colleagues the people work with. This assessment is an input to evaluate the performance of those directly in charge. In 2016 a total of 123 employees went through this process in which there was an evaluation of such aspects as teamwork, involvement or the value contributed to the project.

360° evaluation of Managers

In 2016 there was an assessment of VidaCaixa managers on whom a 360° opinion was gathered.

Service contracts

 [Go back to Advances in transparency](#)

In 2016 VidaCaixa revised all the different service contracts and introduced changes to the clauses to bring them into line with current regulations and the CaixaBank Group standards.

Office of Foreign Assets Control (OFAC). International economic-financial sanctions

This is a clause whereby the supplier is obliged to comply with any regulation, directive, resolution or restrictive measure of the United Nations, the European Union or any of its Member States, including the United Kingdom, The Kingdom of Spain and the OFAC on international economic-financial sanctions.

Similarly, the supplier declares that he will not directly or indirectly allocate funds that come from the contract to finance any activity that results in non-compliance of laws, regulations, directives, resolutions, programmes or restrictive measures in international economic-financial sanctions imposed by the United Nations, The European Union, The Kingdom of Spain, The United Kingdom and/or the OFAC.

This is extended to all subsidiaries, companies where there is a stake or people who act directly or indirectly for or in representation of a person sanctioned by the OFAC.

Confidentiality and treatment of personal data

An amendment was introduced whereby the supplier was forbidden from dealing with the data he may have access to under his contract, either directly or indirectly, outside the European Economic Area without the prior written authorisation of VidaCaixa.

Early termination

The clause relating to the early termination of contracts was amended in the case that the supplier fails to meet his accepted obligations with respect to international economic-financial sanctions imposed by the United Nations, The European Union, The Kingdom of Spain, The United Kingdom and/or the OFAC under the terms provided in the OFAC clause.

Regarding the Security Document, the established protocol is followed; that is, the person responsible for the contract at the time of signing, must fill in the Security Document (card) and attach it to the original contract to be delivered to the Judicial and Regulatory Compliance Directorate.

Environmental policy

 [Go back to Environmental management](#)

Although the nature of the Company's activity is not aggressive with the environment, VidaCaixa acquires the commitment to continuously improve its environmental practices by using, whenever it is possible and economically viable, the most suitable techniques while integrating environmental aspects into the activity of the Company.

VidaCaixa carries out its activity by taking the protection of the environment into account and striving to achieve maximum efficiency in the use of the natural resources it needs.

More specifically, it is committed to:

- Guaranteeing compliance with the legislation and environmental regulations applicable to its activities as well as other commitments that VidaCaixa subscribes to voluntarily.
- Applying principles and good environmental practices in all its actions.
- Integrating environmental criteria in its products and services offer while extending those criteria to other areas of its activity (wherever applicable).
- Avoiding any contaminating actions by steadily implementing the corresponding improvement measures and keeping in mind all the necessary aspects to guarantee the protection of the environment.
- Promoting, wherever possible, the development and diffusion of technologies that are respectful with the environment as well as initiatives directed at the prevention, mitigation, adaptation or response to climatic change.
- Contributing to the environmental awareness of its workers and stakeholders so as to promote the protection and care of the environment.

Reduction in consumption

[← Go back to Environmental management](#)

Reduction in the consumption of paper, electricity and water

VidaCaixa strives to reduce those consumptions that help to minimise the environmental impact of its activity by monitoring the indicators that enable the Company to verify the impact of the initiatives already carried out or in progress.

Internal consumption of paper	2015	2016	Variation
Paper consumed (both conventional and recycled paper) (t)	15	15.7	4.5%
Paper consumed per employee (kg)	34.2	32.9	-3.8%

Internal consumption of electricity	2015*	2016**	Variation
Total electricity consumed (GJ)	1,026,473.5	1,032,972.3	0.6%
Total electricity consumed per employee (GJ)	2,392.7	2,268.8	-5.2%
Certified electricity consumed coming from renewable sources or from cogeneration (GJ)	471,151.3	424,551.6	-9.9

*The information refers to the Headquarters in Barcelona.

**The information refers to the Headquarters in Barcelona and Madrid.

Internal consumption of water	2015	2016*	Variation
Total consumption of water (m ³)	1,395.6	1,398.0	0.2%
Total consumption of water per employee (lt.)	3.3	3.1	-5.5%

* The information refers to the Headquarters in Barcelona.

Reduction in waste

The Company is committed to recycling, providing collection points for batteries and material waste WEEE (waste electrical and electronic equipment), where VidaCaixa employees show their awareness and commitment by disposing of waste generated in the Company as well as the waste that comes from their homes.

Collection and treatment of waste	2015	2016	Variation
Total paper (kg)	16,984.3	11,257.0	-33.7%
Total plastic (kg)	3,012.0	3,831.5	27.2%
Total toner cartridges (units)	1,022.5	877	-14.2%
Total general waste (kg)	57.5	86.50	50.4%
Total electric and electronic waste (kg)	1,149.0	550.0	-52.2%

Contact

VidaCaixa

Juan Gris, 2-8. 08014 Barcelona

Telephone: 93 227 87 00 / Fax: 93 298 90 05

Internet: www.vidacaixa.es

If you wish to make a comment on or an inquiry about this Report, you can avail of the following e-mail address: informeanual@vidacaixa.es

About the photographs

The photographs that illustrate the Integrated Annual Report VidaCaixa 2016 were selected from among the participants in the competition “#1MinutoATuFuturo”, which was conducted in 2016 on Instagram (@VidaCaixa) among its followers and over 13,000 photographs were received.

The photos used were presented by: 6 @aleix_a_m, 8 @pericu16, 9 @annacarol_1996, 10 @yomarhe, 11 @aleix_a_m, 14 @yomarhe, 16 @lamishima, 17 @menusco, 20 @gloria_solans, 21 @pericu16, 22 @albert_dalmases, 22 @jordibreso, 24 @quimgonzalo, 31 @malenaban, 32 @yomarhe, 33 @aleix_a_m, 34 @aleix_a_m, 35 @jas_gc, 36 @franciscmartinezc,

37 @aleix_a_m, 37 @elenadejuan, 38 @anna_eastwood, 41 @yourdailyinspo, 45 @martagargi, 47 @susannamartt.

Exceptions: 4 (Letter from the Chairman), 19 (9th Control Commission Forum), 19 (IPE Award), 48 (Obra Social “la Caixa”).

The cover and inside cover illustrations were created by Mercè Godàs and inspired by other photographs that participated in the competition and were presented by: @marta.coll, @iriss_7, @livetgn, @malenaban y @nnegihu.

