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Presentation of VidaCaixa Grupo

The insurance and welfare activity has formed part of “la Caixa” since its creation more than 100 years ago. VidaCaixa Grupo has taken over that role from “la Caixa” and carries out this activity on the Spanish market.

2.1 Financial highlights

	2010	2011	Variation (%)
MARKET SHARE (IN PERCENTAGE)			
Life-savings insurance (provisions)	14.8	17.4	2.6
Life-risk insurance (premiums)	10.1	10.8	0.7
Pension plans (managed funds)	16.2	16.3	0.1
Complementary social welfare (provisions)	15.7	16.7	1.0
MAIN BUSINESS FIGURES			
Premiums and contributions (millions of Euros)	5,245	6,502	23.9
Life-savings insurance	3,323	4,646	39.8
Life-risk insurance	401	423	5.4
Pension plans	1,521	1,433	-5.8
Managed savings (millions of Euros)	33,297	40,028	20.2
Net consolidated results without extraordinary profits (millions of Euros)	249	280	12.1
Excess solvency over minimum legal requirement (in percentage)	182	187	5
Recurrent ROE (result attributed to recurrent profit/average equity) (in percentage)	20.8	15.3	-5.5
Efficiency ratio (operating expenses / margin) (in percentage)	14.6	14.4	-0.2
Average rating of investment portfolio	A+	A+	—
COMMERCIAL ACTIVITY			
Customers	2,901,633	2,943,572	1.4
Degree of global satisfaction (in percentage):			
Group and company savings and risk-insurance	94.9	95.4	0.5
Group and company pension plans	95.8	94.4	-1.4
STAFF			
Employees	805	864	7.3
Rotation at Headquarters (in percentage)	0.9	1.0	0.1
Female staff over total staff (in percentage)	63	62	-1.0
Females on management team (in percentage)	28	33	5.0
SUSTAINABILITY			
Investment portfolio managed pursuant to ESG criteria (in percentage)	100	100	=
Energy consumption per employee (in GJ)	4.2	4.9	0.7%
Paper consumption per employee (in Kg)	32	31	-3.1
Return activities	16	18	12.5

VidaCaixa Grupo

With the reorganisation of “la Caixa” in 2011, VidaCaixa Grupo was integrated into Grupo CaixaBank, the banking instrument of the entity. Through a strategy of bancassurance and multi-channel distribution to individual customers, SMEs, the self-employed and large businesses, it was able to complement its catalogue of products by way of a wide range of personalised solutions.

VidaCaixa Grupo is leader in the complementary social welfare sector that combines life insurance and pension plans and enjoys a market share of 16.7%.

In line with the principles and strategy of CaixaBank, VidaCaixa Grupo takes upon itself the commitment to people and the environment, with the aim of creating shared value for the entity and its stakeholders -employees, customers, shareholder, society and the environment-.

For this, VidaCaixa Grupo structures its commitment to its different stakeholders based on its corporate values, which were defined back in 2006: trust, quality and dynamism, values that are integrated in the management of the company.

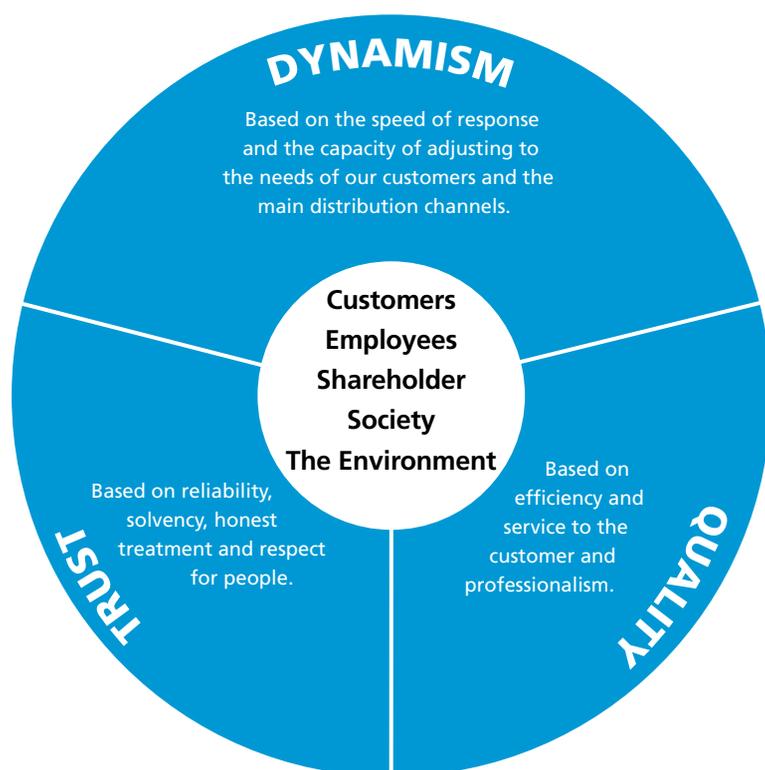
These values make up the identity of the Group and through them the ties with our stakeholders are created day by day.

VidaCaixa Grupo’s values infuse the management of the company and provide content for the transparency and good practice that governs corporate governance, thereby guaranteeing efficient, responsible and sustainable behaviour from the economic, environmental and social point of view.

VidaCaixa Grupo’s management model is guided by the definition of Corporate Responsibility made by the European Commission, in which companies are responsible for their impact on society. In accordance with this definition, companies must have an integration process of social, environmental, ethical and human aspects built into their business operations and strategy in strict collaboration with their stakeholders and with the aim of:

- Maximising the creation of shared value.
- Identifying, preventing and mitigating possible adverse affects.

For greater detail, please look at the SegurCaixa Holding Corporate Responsibility Report 2008. http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/memoria_anual.html



VidaCaixa Grupo Values

CaixaBank is the sole shareholder of VidaCaixa Grupo

In 2011, the agreement was closed between CaixaBank and Mutua Madrileña for the acquisition by the latter of 50% of SegurCaixa Adeslas

VidaCaixa Grupo –previously called SegurCaixa Holding and CaiFor– started its activity in December 1992.

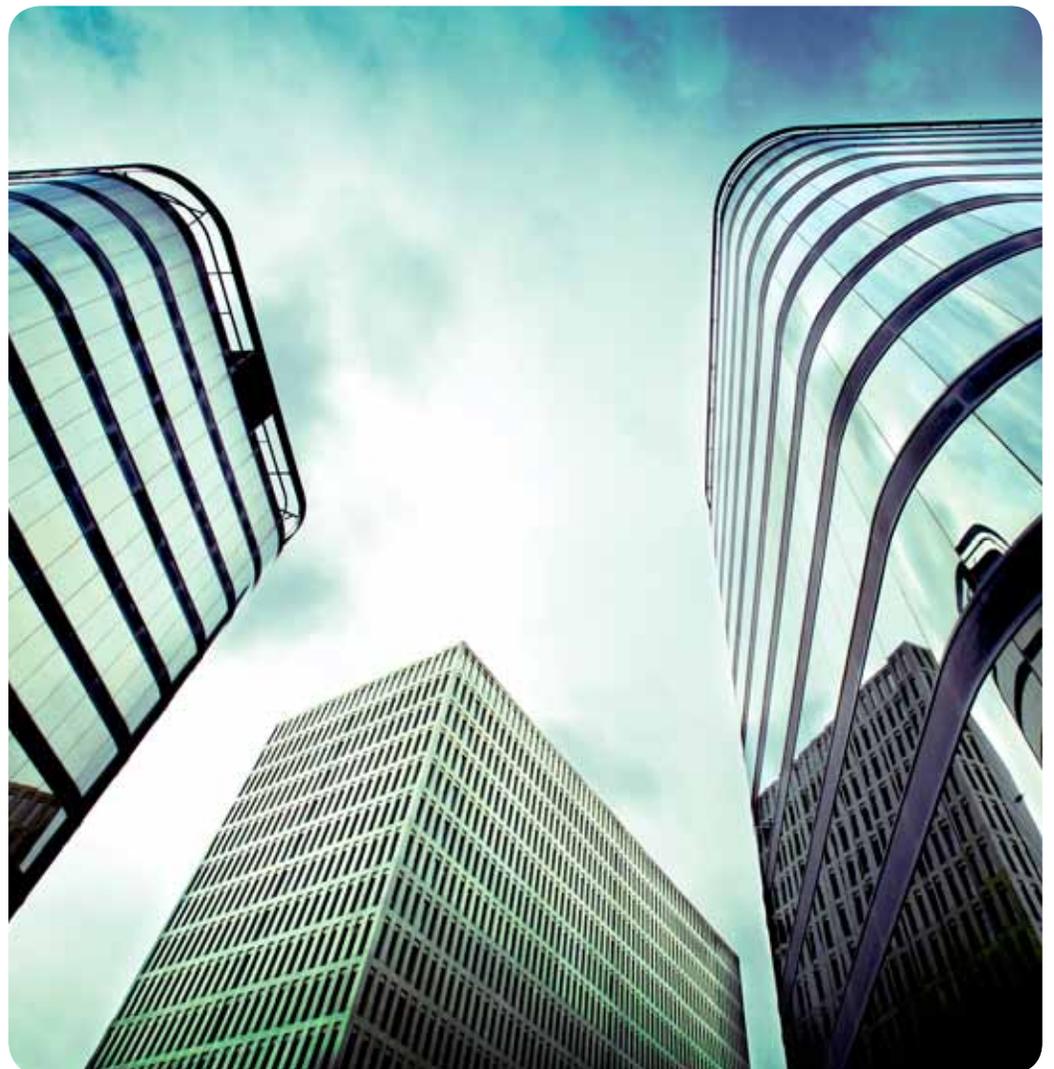
On 11th July 2007, Criteria CaixaCorp, S.A. acquired the complete stake Fortis held in CaiFor, therefore becoming the sole owner of the company. In February 2009, Caifor changed its name to SegurCaixa Holding in response to its new shareholder structure.

On 7th June 2010, Criteria CaixaCorp, S.A. acquired, through SegurCaixa, 99.77% of the equity of *Compañía de Seguros Adeslas*, the foremost health insurance company in Spain. With this operation the Group became the unquestionable reference in the life and health insurance sector in Spain

At the end of December 2010, SegurCaixa Holding changed its name to VidaCaixa Grupo, S.A.

In July 2011, as a result of the reorganisation of “la Caixa”, CaixaBank was founded. “la Caixa” ran its financial activity through this bank and deployed its bancassurance model throughout its network while becoming the sole shareholder of VidaCaixa Grupo.

Lastly, in the middle of July 2011, CaixaBank and Mutua Madrileña signed an agreement whereby the latter acquired 50% of SegurCaixa Adeslas, the non-life insurance company of VidaCaixa Grupo that included the health business coming from Adeslas. After this agreement, Mutua Madrileña became the controlling shareholder in SegurCaixa Adeslas with 50%, VidaCaixa Grupo kept 49.92% and the other 0.08% remained in the hands of minority shareholders.

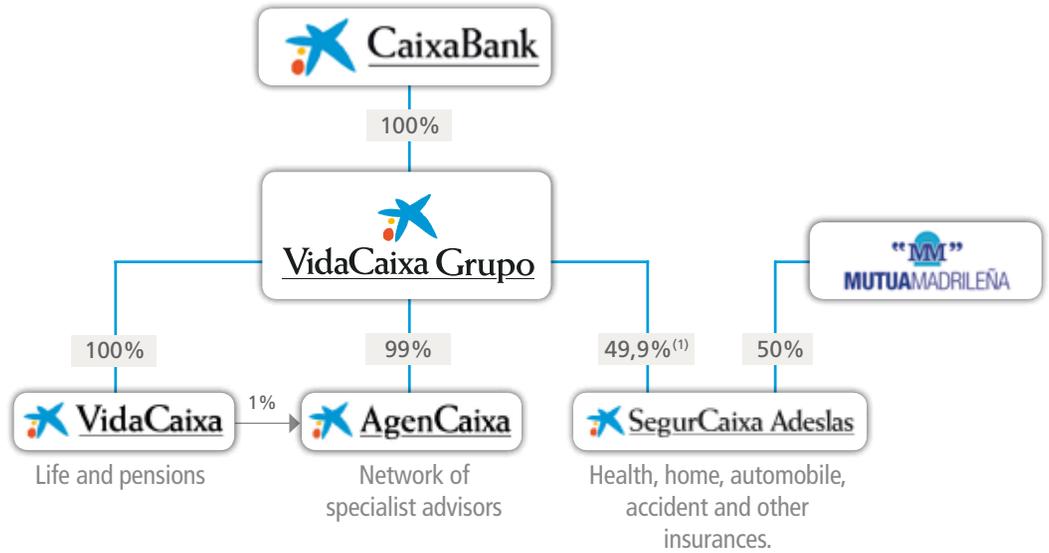


2.3

Shareholder structure

VidaCaixa Grupo was founded with the vocation of offering the best insurance service in Spain. For this the Group carried out its ac-

tivity through VidaCaixa and AgenCaixa and participates as a relevant shareholder in the equity of SegurCaixa Adeslas.



(1) There is 0.08% of minority shareholders.

Holding company	VidaCaixa Grupo, S.A.U. NIF A 60196946 www.vidacaixa.com
Life insurance and pension plan companies	VidaCaixa, S.A. de Seguros Generales y Reaseguros NIF A 58333261 www.vidacaixa.com
Network of advisors specialised in SMEs	AgenCaixa, S.A., Agencia de Seguros NIF A 78662319 www.agencaixa.com
Shared services	Grupo Asegurador de "la Caixa", A.I.E. NIF V 58263831
Headquarters	Juan Gris, 20-26 08014 Barcelona Tel. 93 227 87 00 Fax 93 298 90 05
Call Center and web	Call center for customers: 902 10 15 15 Call center for "la Caixa" branch network: 902 20 11 11 Corporate Web: www.vidacaixa.com

CaixaBank

In 2011 CaixaBank consolidated its financial strengths

VidaCaixa Grupo is the insurance group of CaixaBank, the listed bank through which the Caja de Ahorros y Pensiones de Barcelona, "la Caixa", carries out its financial activity.

CaixaBank is an integrated financial group with banking business, insurance activity and investments in international banks, as well as stakes in leading companies in the services sector. The company is leader in most of the segments of retail banking on the Spanish market and is committed to both national and international growth.

The Group strives to offer the best and most comprehensive service to the largest possible number of customers and to promote savings and investment. Similarly, it shares with "la Caixa", its reference shareholder, the commitment to people and the environment, with the will to create value for its shareholders and to carry out a determined contribution to society in general.

CaixaBank is present in the most relevant sustainable indexes in the world: Dow Jones Sustainability Index (DJSI), FTSE4Good and Advanced Sustainable Performance Indexes (ASPI).

In 2011 CaixaBank kicked off its Strategic Plan 2011-2014, in line with the Strategic Plan of the "la Caixa" Group for the same period. Under the slogan "Make the difference", it aims to consolidate its leadership in retail banking in Spain, diversify its business, further its international expansion and keep its commitment to the business community and society, and consolidate the recognition and trust of investors by offering them good prospects and an attractive remuneration.

1st July 2011 saw the culmination of the reorganisation of "la Caixa" Group, with the creation and listing of CaixaBank. In its first year of development, and in spite of the enormous uncertainty and volatility in the economic and financial environment, CaixaBank achieved solid results, consolidating its leadership in retail banking, in solvency and in liquidity thanks to the endeavour of the more than 26,000 employees in the company, the active management of risk and the continuous effort in innovation.

In 2011 CaixaBank kept up its intense activity focused on consolidating its approximately 10.4 million customers, by providing a service of quality and innovation, all of which is adapt-



CaixaBank has the most extensive banking network in the Spanish financial system with 5,196 branch offices

ed to their needs. CaixaBank's huge commercial strength enabled it to sustainably increase market share in its main products and financial services (payrolls and domiciled pensions, the self-employed and shops). The aim is to strengthen CaixaBank's leadership in individual banking, complementing this with a specialised offer directed at the different business segments: company banking, corporate banking, SME banking, investment banking, personal banking and private banking.

The volume of business at 31st December 2011 stood at 427,252 million Euros, 241,203 million Euros in customers' managed funds and 186,049 million Euros in credits to customers, which underpins CaixaBank's commitment to support the personal and business projects of its customers. CaixaBank maintains its leadership in retail banking in Spain with a market share of 21% in private individuals and 34% in SMEs.

The Company has the most extensive network in the Spanish financial system with 5,196 branch offices, 8,011 ATMs and leadership in online banking (with 6.9 million customers through Línea Abierta), mobile banking (with 2.3 million customers) and electronic banking (with 10.5 million cards).

CaixaBank strengthened its Core Capital in Basle II, which amounted to 12.5% at 31st December 2011 as against 8.9% at 31st December 2010, thereby consolidating its financial strength and differential in the Spanish financial sector.

The leadership position in solvency is complemented by an excellent degree of liquidity, which in 2011 reached 20,948 million Euros (7.7% of total assets) and which is readily available in its entirety. Liquidity management is a key element in the CaixaBank strategy. It enables the bank to reduce its dependence on the wholesale markets and provides significant stability while demonstrating the Group's great sense of anticipation and the active management of its sources of finance.

The quality of its assets stands out among the sector as a whole and that is characterised by the prudent policy of concession, the high value of their guarantees and their diversification. The non-performing loan ratio stood at 4.90% thanks to the demanding management of risk and a highly intense recovery activity maintaining a very positive differential against the 7.84% average of the financial sector in December 2011. The cover ratio

at the close of 2011 was 60% (137% taking mortgage guarantees into account). At 31st December 2011 the provisions for constituted insolvencies amounted to 5,745 million Euros, 3,910 million Euros in specific funds and 1,835 million Euros in general funds. These high covers enabled the bank to face the demanding requirements of provisions set out in the consolidation measures of the financial system approved by the Spanish government in the first quarter of 2012.

Enormous capacity to generate profits

As far as profits are concerned, the bottom line of the intense commercial activity and the strict management of risk allowed CaixaBank to obtain a solid net recurring profit attributed to the Group in 2011 of 1,185 million Euros, 12.8% less than in 2010.

The active management of the margins and income from commissions on operations, the positive evolution of recurrent income from stakes and the reduction of costs, which was fruit of a strict policy of contention and rationalisation, all helped the Group to reach an operating margin of 3,040 million Euros, a ratio of 51.5% while making strong provisions to guarantee the quality of the balance sheet.

There were also capital gains of 907 million Euros and net write-offs totalling 1,039 million Euros to bolster the solidness of the balance sheet. Therefore, the net profit attributed to Grupo CaixaBank was 1,053 million Euros, 13.1% less than in 2010.

A committed company

Being coherent with its social commitment, the Group continued to work in 2011 in favour of financial inclusion and to give support to entrepreneurs. So, through MicroBank, its social bank, some 34,307 microcredits were given for a sum of 217.9 million Euros. Since it was set up 5 years ago, MicroBank has approved 128,203 loans that come to 806 million Euros which were devoted to financing different types of projects, thereby contributing to the creation and consolidation of more than 42,000 jobs.

Similarly, CaixaBank collaborates with the Obra Social "la Caixa", the entity that channels the social action of the Grupo "la Caixa", in diffusing its programmes and activities, through its extensive branch network.

CaixaBank epitomises the values of "la Caixa"; leadership, trust and social commitment to face the challenges of the future

The budget for the Obra Social in 2012 was kept at 500 million Euros, the same assignment as in the previous 4 years. This amount places the Obra Social "la Caixa" as the largest private foundation in Spain and one of the most important in the world.

Once again the priority will be attending to the most urgent needs of citizens with the development of social and assistance programmes, to which 66.3% of the budget will be devoted (331.5 million Euros). The cultural area will receive 13.8% of the investment (69 million Euros); Science, Research and the Environment programmes will account for 13.5% (67.6 million Euros) and 6.4% will go to support education and training (31.9 million Euros).

Future challenges

In line with the growth targets in the Strategic Plan 2011-2014 there is the Integration Agreement with Banca Civica in March 2012. This will create the largest financial group in Spain with assets of 342,000 million Euros, 14 million customers and an average market share in Spain in deposits of 14.0%, in credits to customers 13.4% and 10.5% of total assets.

CaixaBank, with its differentiated and innovative management, aims to create value for the Company and its stakeholders. Thus it epitomises the values of "la Caixa"; leadership, trust and social commitment to face the challenges of the future.



VidaCaixa Grupo offers a wide range of products in the life, life-savings and life-risk insurance business and differentiated pension plans for the individual, SME, self-employed and large company segments as well as for personal and private banking customers of CaixaBank.

For this it has developed a commercial bancassurance strategy through the branch office network of CaixaBank, which is complemented with multiple channels like AgenCaixa commercial advisors, mediators and consultants from *VidaCaixa Previsión Social* as well as direct channels like the telephone and the Internet.

Activity undertaken by the companies within VidaCaixa Grupo

VidaCaixa

In the individual customer area, VidaCaixa sells, on the one hand, life-risk insurance linked or not to bank loans where it has more than one million customers; on the other, the company has a wide range of savings products made up of life insurance and pension plans. Among the former are insurances for life-long or temporary annuities, systematic individual savings plans (PIAS), capital deferred plans or guaranteed pension plans (PPA).

Similarly, for the SME and self-employed segment VidaCaixa makes specific life insurance products and pension plans available to them where there are now over 100,000 customers. VidaCaixa has consolidated a positive growth in this segment over the last few years.

In the area of groups and companies, VidaCaixa works under the brand name *VidaCaixa Previsión Social*, which offers a wide range of made-to-measure solutions in life-risk and life-savings insurance and pension plans depending on the special conditions of each large group.

In 2011, 2.9 million individual customers and more than 50,000 groups and companies subscribed to pension plans and different insurances of the company.

The company bases its business model on the technical quality of the solutions offered, the completeness of the range and the trust generated with its customers who are offered protection and profitability for their long-term savings and even annuities.

The bancassurance strategy of the Group is based on the following pillars:



AgenCaixa

AgenCaixa is the company of the Group that is composed of commercial advisors who undertake their activity from their own office network. They advise customers and market the products and services of VidaCaixa as well as those of SegurCaixa Adeslas, especially in the segment of self-employed workers, micro-companies and SMEs.

SegurCaixa Adeslas

SegurCaixa Adeslas leads the health insurance market in Spain and also holds a strong position in home and automobile insurance and has a renovated product offer for SMEs and the self-employed.

VidaCaixa participates in the profits of SegurCaixa Adeslas through the consolidation of the dividend as a shareholder of the company. Beyond this share in profits this report does not provide further details on that company.

For further details on SegurCaixa Adeslas, you can consult the Integrated Annual Report of the company at www.segurcaixaadeslas.es

2.5

Strategic lines

The new vision of VidaCaixa Grupo: “Be the leading benchmark company on the Spanish market in retirement⁽¹⁾ and life insurance”

After the sale of SegurCaixa Adeslas to Mutua Madrileña, VidaCaixa Grupo defined a new strategic plan that corresponds to the reality of the company and the present environment.

Therefore, the 2102-2014 strategic plan of VidaCaixa Grupo is committed to leading the Spanish retirement⁽¹⁾ and life insurance market and is summarised in four points:

1. Refocus on the life and pensions business
2. Strengthen the approach to the bancassurance channel
3. Exploit the present product offer
4. Explore and boost other business opportunities especially within the present market environment

These points have been turned into a series of specific strategic initiatives from which all the projects will be driven and which make up VidaCaixa Grupo's road map for the coming years.

Similarly, in order to manage and transmit the strategy of VidaCaixa Grupo to our employees, we will continue to apply The Balanced Scorecard, just as we have been doing for the last 12 years. In this way, we manage to evaluate the results of the Group and all the different organisational units down to the department level. We will also use the Personal Scorecard that evaluates results on a personal level.

With both tools the following actions were set up:

- 22 strategic objectives
- 59 general objectives
- 485 specific objectives
- 3,710 personal objectives

(1) *Retirement is a set of actions whereby customers can create a comfortable situation for themselves in retirement, through their estate that provides income for retirement as well as complementary services that can all be channelled through CaixaBank.*