



4

Creating value

VidaCaixa Grupo develops its insurance and social welfare activity with the aim of creating value for its stakeholders – employees, customers, shareholder, society and the environment– taking the short, medium and long term into consideration in the design and implementation of its strategy.

Commitment to responsibility and sustainability

The Group develops its activity with the aim of creating value for its stakeholders, committing itself to responsibility and sustainability

The Group combines growth and sustained leadership over time and commits itself to competitiveness and the creation of value as the foundation for fulfilling its commitments to its stakeholders.

For this, it bases its actions on its values, trust, quality and dynamism, and integrates the economic, financial, social, environmental and good corporate governance aims in its day to day management and strategy.

Similarly, it has a series of resources and capabilities to carry out its social function through its insurance and welfare activity:

- A business model based on its bancassurance channel, which is reinforced with other distribution channels to provide an excellent service adapted to the needs of its almost 3 million customers.

- A team of highly qualified, motivated and focused professionals to respond to all the needs of their customers.
- The commitment to innovation in products and services in the area of insurance and social welfare.
- Management of the business and investments based on the application of criteria of sustainability in investments, solvency and risk control.

VidaCaixa Grupo is committed to long-term sustainable growth that is backed up by the trust of the huge customer base of the Group.



The VidaCaixa Grupo environment

In the life insurance and pension plan business where the Group develops its activity and where it is the market benchmark in our country, all the aspects related to the present economic situation such as savings, family consumption, as well as demography, the ageing of the population, regulations and competition, are taken into consideration. Both the risks and the opportunities derived from them are integrated in the business strategy and are managed responsibly and sustainably.

Evolution of the economic environment

In 2011 it became apparent that the recuperation of the key advanced economies was foreseeably going to be much slower and more irregular than expected. In accordance with the latest forecast of the International Monetary Fund (IMF), the emerging countries in general underwent a slight slowdown in growth, going down from 7.5% in 2010 to 6.2% in 2011. Similarly, the slowdown in growth the group of advanced economies experienced was more acute, going from 3.2% in 2010 to 1.6% in 2011.

The origin of the lesser drive of the developed countries was due to the economic and financial crisis at the end of 2007, 2008 and 2009 and the lack of subsequent development.

In the Euro zone, in spite of the fact that in 2010 the economy reached a growth rate of 1.8% of GDP, that growth shrunk to 1.5% in 2011.

In Spain the behaviour of the main economic and stock market indicators was worse than in most OECD countries. The recuperation of activity got weaker and weaker throughout the year. GDP grew 0.9% in the first quarter, 0.8% in the second and third quarters and 0.3% in the fourth quarter leaving the average for the year at 0.7%.

The reason behind this behaviour lies in the weakness of internal demand, the slowdown in household consumption, the fall in public spending to negative values, keeping business investment to a minimum and lastly the slump in housing investment as a result of the persistent stagnation in the real estate market.

2011 witnessed a slowdown in the recuperation of the advanced economies



2011 was characterised by generalised losses in all the stock markets, including those in emerging countries

The worsening of the economic situation was reflected in the labour market through the destruction of jobs, which intensified above all in the last two quarters of the year reaching a 22.9% unemployment rate at the end of 2011. Inflation stood at 4% in the first months of the year due to the effect of the price of raw materials. However, it moderated somewhat after that to close the year at 2.8%.

Stock markets

2011 was characterised by generalised losses in all the stock markets.

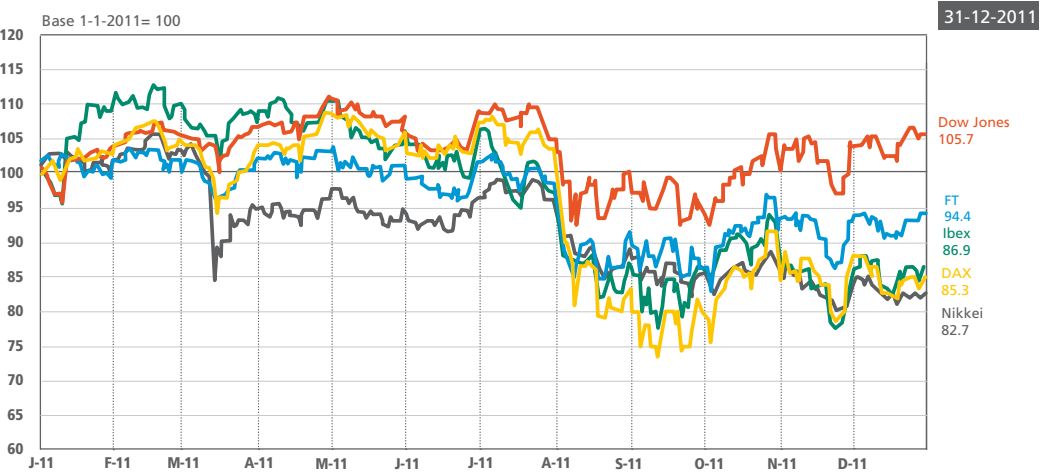
The main international stock markets experienced different behaviour. So, while in the first two quarters of the year most of the

indexes, with the exception of the Nikkei had positive results; in the last two quarters most of the indexes, except the Dow Jones, closed negatively, basically due to the crisis of the European sovereign debt, the lack of political agreement on the debt and the deficit in the United States and the fears of a relapse in the recession.

The same behaviour was also replicated in the stock markets of emerging countries, where Brazil and Mexico did not manage to exceed at any time the level at the beginning of the year and Russia and China ended up among the stock markets with the worst behaviour.

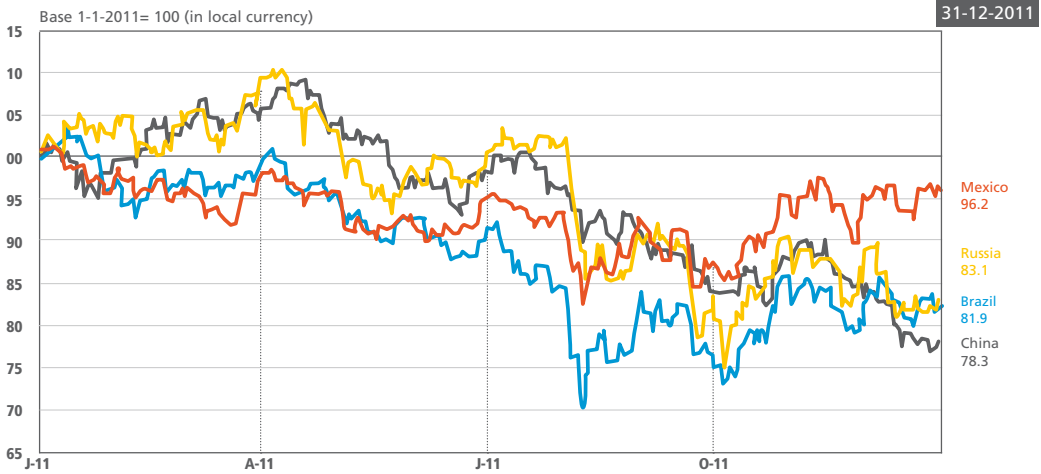
At the end of the year, all the stock markets were beginning to recover in spite of continuing to have negative results with respect to 2010.

International stock markets



Source: Research services of "la Caixa".

Emerging stock markets



Source: Research services of "la Caixa".

The United States and German public debt became a refuge value, reducing its profitability to minimum levels

Interest rates

In western countries, interest rates were kept stable at historically low rates. Only in the European Union, the European Central Bank raised the rate a quarter of a point in the second quarter and another in the third quarter to subsequently reduce it back to 1% at the end of the year. The United States kept the rate at 0.25%, Japan did likewise at 0.1% and the United Kingdom followed suit at 0.5%.

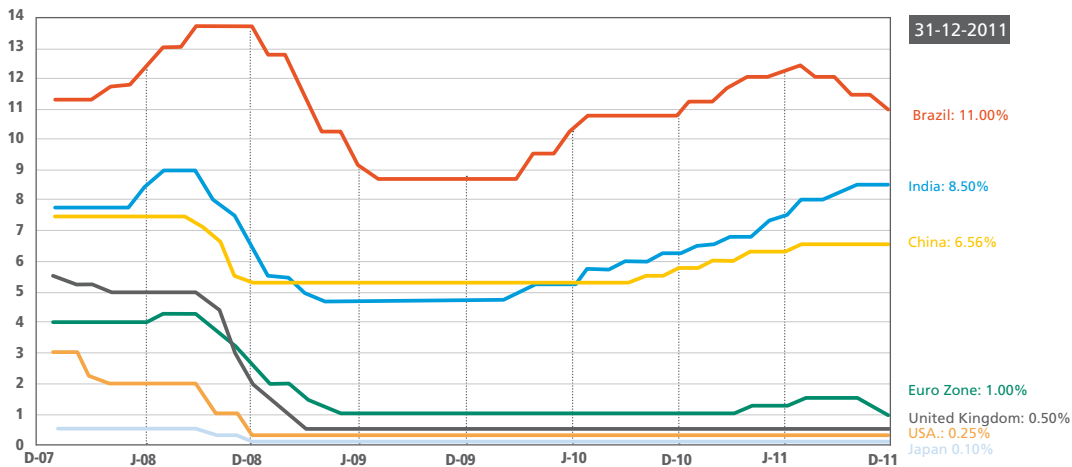
The emerging countries experienced major variations in their interest rates, with increases in the first quarter and stabilisation and reductions in the last six months of the year. In this sense, China increased its rate by more than half a point to 6.56%; India did the same by more than 2 points to 8.50%; Brazil raised its rate to 11.00%.

Public debt

The European sovereign debt crisis triggered the turbulence of the financial markets in the second half of 2011. The negative valuations of the rating agencies placed the Greek debt at maximum risk levels, affecting Portugal and Ireland as well as Italy and Spain.

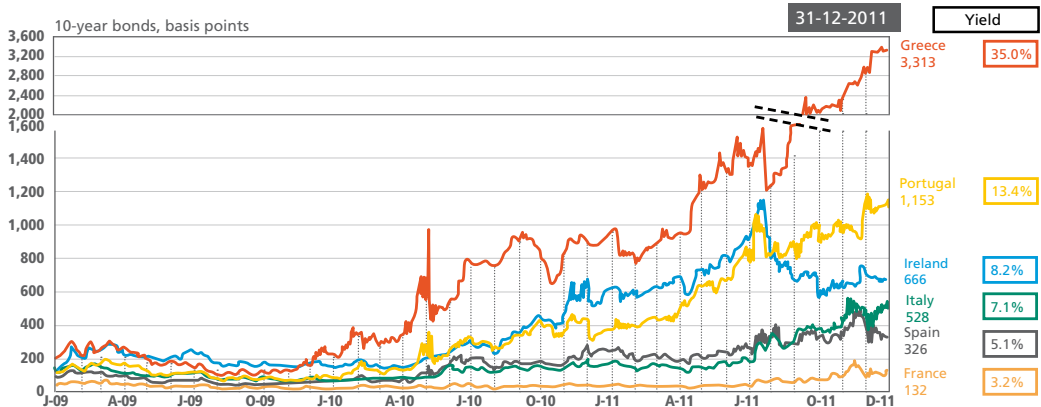
The measures taken allowed the Spanish and Italian risk premium to fall at the end of the year. On the other hand, the public debt of The United States and Germany became the refuge value, reducing its profitability to minimum levels.

Referenced interest rate



Source: Research services of "la Caixa".

Differential of the sovereign bonds in relation to the German bond



Source: Research services of "la Caixa".

In 2011 life insurance increased 5% in Spain in spite of the economic situation

Family savings

Despite the fact that private savings have a certain anti-cyclical behaviour, the lengthening of the crisis and the deterioration of growth prospects led to a decrease in the savings rate in 2011, going from 13.9% of available income at the end of 2010 to 11.5% (according to estimates).

Therefore the net flow of savings was negative in 2011, falling by 60,185 million Euros, which meant a decrease of 3%. Spanish family savings stood at 1.7 billion Euros.

In a detailed analysis of savings products, deposits continued to be the most widely used instrument channelling almost half of all Spanish family savings. Life insurance and pension plans represented 14% of all savings with an average growth in the period 1990-2011 of 16% and 17% respectively. In 2011 savings deposited in pension plans fell by 2% with respect to 2010, while life insurance grew by 5%.

Comparing the Spanish and European savings, it can be seen that the percentage of Spanish family savings over GDP was lower than most of our neighbouring European family savings and this was also true for the complementary social welfare instruments. Therefore, the Spanish investment in insurance and pension plans (14%) was far below the European average (36%) in 2010 (latest available figures). Investment was also less in investment funds and quoted shares (13% in comparison to 19%) and substantially greater in deposits (49% as against 33%).

Life insurance

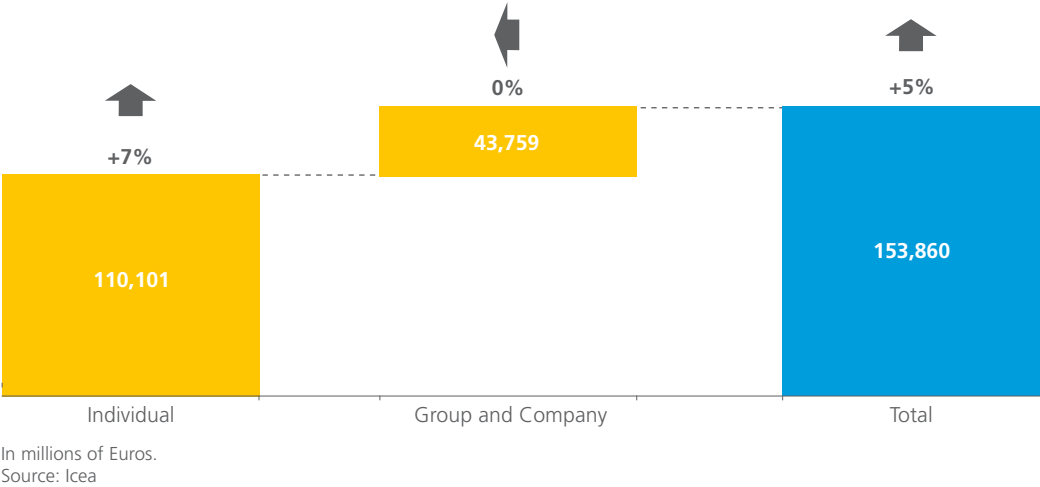
In 2011 the total volume of managed funds in life insurance reached 153,860 million Euros, a figure than was 4.9% more than in 2010. This increase was a result of the favourable behaviour of the individual business, which rose by 7.0%, while in group and company business the lethargy experienced in previous years prevailed, which gave a volume of deposited savings similar to that in 2010.

	1990		2011 (e)		Average ann. growth 11/90	Growth 11/10	
	Millions €	%	Millions €	%			
Deposits	217,891	61%	845,000	50%	7%		-2%
Variable Income	44,021	13%	287,000	17%	9%		-14%
Investment funds	7,941	2%	118,000	7%	14%		-6%
Life-insurance	7,095	2%	153,860	9%	16%		5%
Pension plans	3,215	1%	82,992	5%	17%		-2%
Income	25,523	7%	54,500	3%	4%		8%
Others	50,062	14%	159,641	9%	6%		-1%
TOTAL	355,748	100%	1,700,993	100%	8%		-3%

Source: Inverco and Icea. (e): estimate



Life insurance in Spain: managed funds 2011



In Spain 33 million people are covered by life insurance, 1% more than in 2010, of which 70.4% have life-risk and the other 29.6% have life-savings

The number of people covered by life insurance in our country reached 33 millions, 1% more than in 2010, of which 25 millions are covered by individual policies and 8 millions by group and company policies. Of the total number of policyholders, 70.3% have life-risk insurance and 29.7% have life-savings insurance.

The average savings per policyholder in life-savings products kept up the level achieved in 2010 with an average of 15,101 Euros. The figure in group and company insurance was higher with an average of 26,220 Euros, which in individual insurance the average stood at 12,922 Euros. In both cases the level of average savings was slightly higher than in 2010. The total savings managed in the life-savings insurance business rose to 148,410 millions, 4.7% more than in 2010.

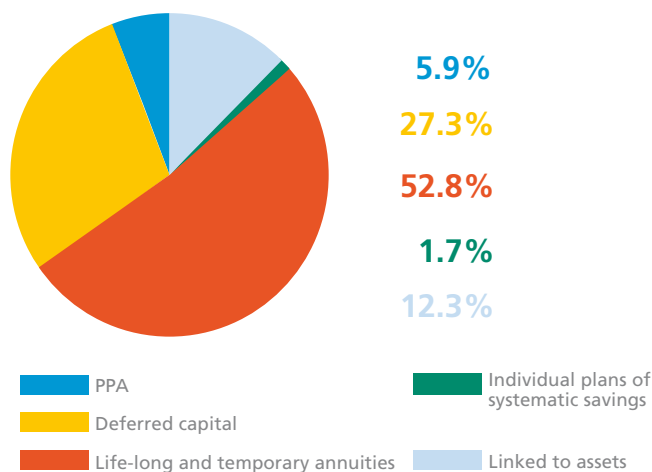
If we make an in-depth analysis on a product level, the favourable behaviour of the Guaranteed Pension Plans (PPA) stands out. Their provisions grew to 8,702 million Euros, a full 41.2% more than in 2010 with a total of 893,032 policyholders. There was also a positive evolution in the systematic saving individual plans (PIAS), which rose to 2,597 million Euros, 24.5% more than in 2010 with a total of 647,921 policyholders.

In 2011 total managed savings in the life insurance business increased by 4.7% over the figure in 2010

Lastly, it should be pointed out that the life-long and temporary annuities continued their good tendency of previous years and in 2011 they had approximately 3 million policyholders, 4.1% more than in 2010. In all, the savings here went to 78,328 million Euros, 5.8% over the figure in 2010 and so consolidating itself as the best alternative to complement the public retirement pensions for its excellent technical characteristics and financial-fiscal conditions.

As regards the behaviour of life-risk insurance products, 2011 saw a decrease in comparison to the previous year. They reached 3,605 million Euros in premiums, which was a fall of 4.5%. The individual segment peaked at 2,611 million Euros, 4.9% less than in 2010 and the group and company segment dropped to 994 million Euros, 3.5% less. The number of policyholders remained steady at 23 millions, with the individual business accounting for 71.9% and the group and company business the other 28.1%. The real estate market situation in Spain had a specific affect on the development of the individual life-risk insurance business because of the significant percentage of insurance linked to credits while the stagnation in the growth of the large enterprise segment explains the slight advance in the group and company business and the lesser use of this type of product by companies.

Distribution of technical provisions in savings insurance and pension plans



In millions of Euros.
Source: Icea

Pension plans

In 2011 the total volume of savings managed in pension plans reached 82,992 million Euros, 2.1% less than in 2010. Individual pension plans accounted for 61.6% of the total and the other 38.4% went to group and company plans.

The behaviour of savings deposited in individual pension plans showed a fall of 2.8% compounding the negative trend in 2010 when the decrease was 1.3%. In group and company pension plans the slight growth of previous years was reversed and managed funds fell by 1.0%.

This negative growth was due in part to the evolution of the gross contributions to the individual systems and to unemployment and the figure, which stood at 4,961 million

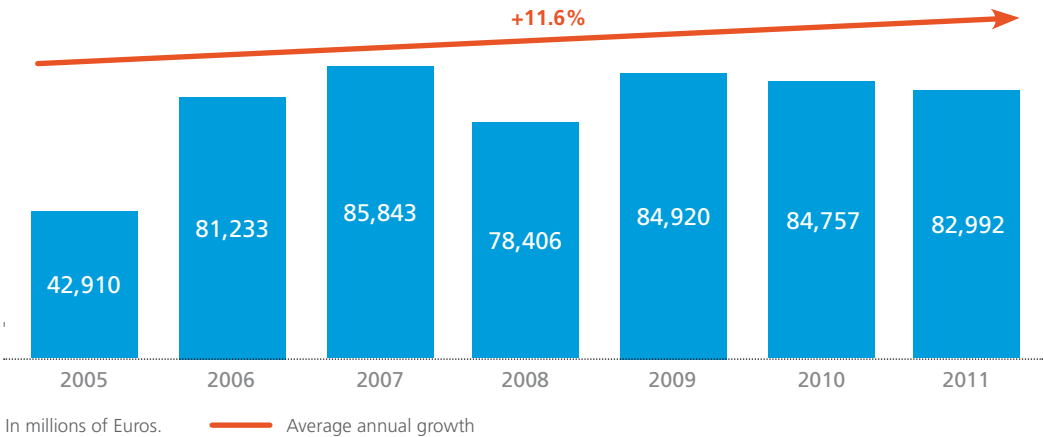
Euros, was 8.6% less than in 2010. The evolution of the financial markets and its effect on managed savings in pension plans also partly explains this decline.

The structure of the pension fund investment portfolio remained similar to that in 2010. The percentage of fixed income was steady at 61.2% and variable income went from 18.0% in 2010 to 17.3% in 2011. There was a slight increase of 11.6% in liquid assets, which was in line with the previous two years.

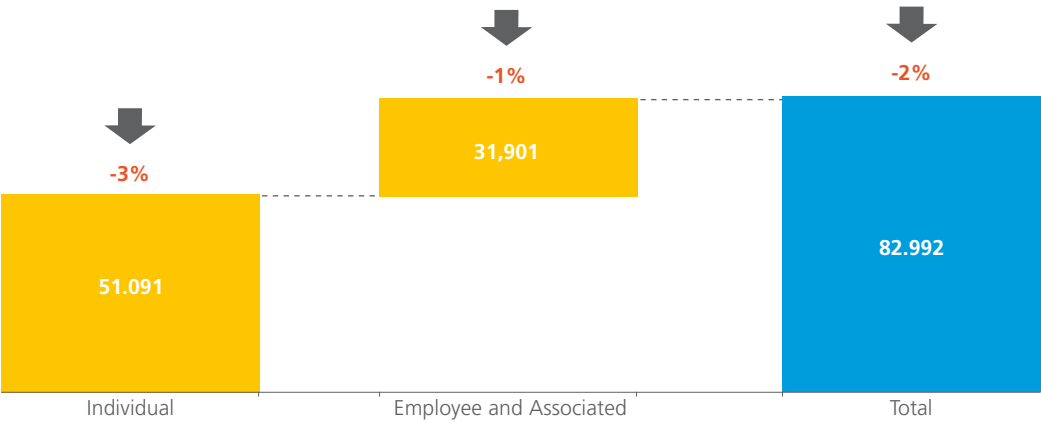
The number of participant accounts fell somewhat in 2011 to 10.6 millions, which meant a fall of 1.9% in comparison to 2010. If the participants with more than one account are excluded, the total number at the end of 2011 was estimated at 8.5 millions with an average age of 47.

Of the total volume of savings in pension plans, 61.6% belong to individual pension plans and 38.4% to group and company pension plans

Total pension plan funds



Pension plans in Spain: consolidated funds 2011



In millions of Euros.
Source: Inverco



New legislation

The legal framework, together with other factors, conditions the evolution of the insurance and pension plan sector. Therefore, any new legislation in our sector is to be taken into account when explaining the development of the market.

Among the new legislation approved in 2011, the most important in the insurance sector are the following laws and regulations:

- **Law 39/2010**, of 22nd December, on the State Budget for 2011, through which the application of 40% reduction for irregular work income and the increase in the maximum rate in the income tax deduction scale.
- **Regulation (EU) 1094/2010** of the European Parliament and the Council of 24th November, through which a European Supervisory Authority (European insurance and Occupational Pensions Authority) was set up and whose aim is to guarantee the proper application of the financial sector regulation.
- **Law 2/2011**, of 4th March, on Sustainable Economy, which introduced major modifications in laws on different environments; the most important changes related to insurance are (obligation of providing the policyholder with information), pension plans and pension funds, (cost reduction, supervision and control by the Directorate General of Insurance and Pension Funds (DGSFP), infractions and sale of individual pension plans, mobilisation between social welfare instruments, mediation in private insurance (distribution agreements and the figure of the assistant assessor) and the protection of personal data.
- **Law 26/2011**, of 1st August, on adaptation of the regulation on the International Convention on the Rights of the Disabled, in the areas of equal treatment and non-discrimination on the grounds of disability.
- **Law 27/2011**, of 1st August, on the updating, adequacy and modernisation of the Social Security. This set out important new changes such as the regulation of Dependence Insurance, approval of modifications related to Pension Plans, the development of the reverse mortgage and the right to information by workers. This will be in vigour from 1st January 2013, which affects complementary instruments that contemplate retirement commitments.
- **The Royal Decree-law 13/2011**, of 16th September, which temporarily restores Estate Tax for 2011 and 2012.
- **The Autonomous "Foral" Decrees** that approve new withholding tables for income from work in the "foral" areas of the Basque Country.



Throughout 2011 VidaCaixa Grupo consolidated its leadership position in complementary social welfare, enabling it to increase growth and the profits of the company

Once again VidaCaixa Grupo held its leadership in life insurance and complementary social welfare and was second in the pension plan business.

VidaCaixa Grupo has a wide range of products and services which are personalised and made available to its customers, through a bancassurance distribution strategy that is underpinned by other insurance channels.

In 2011 VidaCaixa Grupo continued to add products and CaixaBank banking services to its offer in the insurance and pension plan business. It provided services to almost 3 million individual customers that grew by 1.4% and managed 40,029 million Euros in life insurance and pension plan funds, which meant an increase of 20.2% over the previous year. Similarly, VidaCaixa sold a total of 6,502 million Euros in insurance premiums and contributions to pension plans thereby increasing the business by 23.9%.

VidaCaixa Grupo's consolidation of its leadership position in complementary social welfare, together with the excellent, above market average, behaviour of the life-risk business enabled it to increase growth and the profits of the company in 2011.

The net recurrent profit achieved by VidaCaixa Grupo in 2011 rose to 280 million Euros, or 12.1% more than the previous year in spite of the difficult economic environment. During the year, extraordinary profits were made with the sale of the hospital group

and 50% of SegurCaixa Adeslas to Mutua Madrileña, which boosted the profit of the company.

The significant increase in managed funds in life insurance generated an important increase in assets and liabilities

Similarly, there was an increase in equity in 2011 after the increase in capital and the merger with CaixaVida.

Moreover, VidaCaixa Grupo applied a strict contention policy to expenses that increased efficiency.

The efficiency ratio reached 14.4% and the ROE 15.3%.

Lastly, the solvency margin increased in 2011 to 187%, which was 5% more than in 2010 and above the required legal limit.

The contribution of VidaCaixa Grupo to CaixaBank

The good results reached by VidaCaixa Grupo in 2011 contributed to the growth of the Grupo CaixaBank in the number of customers, managed funds and profits and thereby consolidating its leadership position in the Spanish banking sector.

90% of the VidaCaixa Grupo customers are customers of CaixaBank. In this sense, the in-

		2010	2011	Var. 11/10
Premiums and contributions	Subtotal risk (individual + Gr & Co.)	401.1	422.9	5.4%
	Life-savings insurance	3,323.4	4,645.7	39.8%
	Pension Plans	1,521.1	1,433.3	-5.8%
	Subtotal Savings (Ind.+ Gr. & Co.)	4,844.6	6,079.1	25.5%
	Total Risk + Savings (Ind.+ Gr. & Co.)	5,245.7	6,502.0	23.9%
Managed funds	Life-savings	19,134.1	26,054.2	36.2%
	Pension Plans + EPSV	14,163.2	13,974.5	-1.3%
	Total Man. Funds for Cust. (Ind. + G&C.)	33,297.4	40,028.6	20.2%
	Individual customers	2,901,633	2,943,572	1.4%
N	Net consol. profit Group w/o Extra	249.2	279.5	12.1%

In millions of Euros

surance and complementary social welfare activity undertaken by the VidaCaixa Grupo contributes to complementing the banking activity of CaixaBank, which cultivates loyalty among the Group's customers and widens the financial offer with end user savings and welfare products.

The total volume of funds managed by Grupo CaixaBank was 241,203 million Euros, of which 17% were contributed by VidaCaixa Group.

Lastly, VidaCaixa Grupo's contribution to the profit of CaixaBank was 24%. The commissions paid for sales and investment management must be added to this figure.

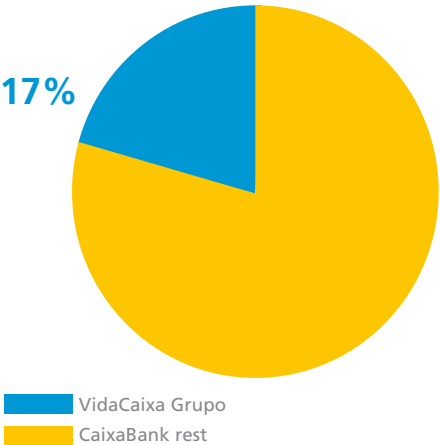
Leadership of the Spanish insurance sector

The evolution of the different businesses, life-risk, life-savings and pension plans, was positive in all the segments: individuals, SMEs and the self-employed and large companies.

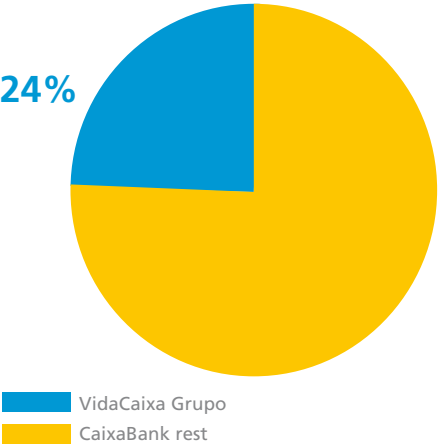
Once again VidaCaixa Grupo maintained its leadership position in the complementary social welfare market, which groups together life insurance and pension plans in Spain with a market share of 16.7% and a growth of 9% with respect to 2010. We outperformed market growth that rose by 2.4%.

VidaCaixa Grupo over Grupo CaixaBank

Customer resources



Contribution to profit



Evolution of the VidaCaixa Grupo compared to the market

Segments	Ranking	Market share	Growth in equity VidaCaixa Grupo v. market	
Life-risk	2º	10.8%	-5%	4%
Life-savings	1º	17.4%	-5%	15%
Pension plans	2º	16.3%	-2%	-2%
Complementary Social Welfare	1º	16.7%	2%	9%

Note: Life-risk insurance in premiums and the rest in managed funds.
Source: Icea, Inverco own research.

Var. Market 11/10 Var. VC Grupo11/10



Presentation of results 2011: VidaCaixa Grupo press conference

In the savings business, the volume of premiums and contributions in 2011 reached 6,079 million Euros, 25.5% more than in 2010. Of that figure life-savings insurance accounted for 4,646 million Euros and pension plans accounted for the other 1,433 millions.

The life-risk business grew by 5.4% in 2011 with premiums reaching 423 million Euros. Despite the economic situation marked by the contraction of credit, the good result in the risk business was due to the widening of the VidaCaixa Grupo product range and the commercial success of the campaigns carried out in 2011.

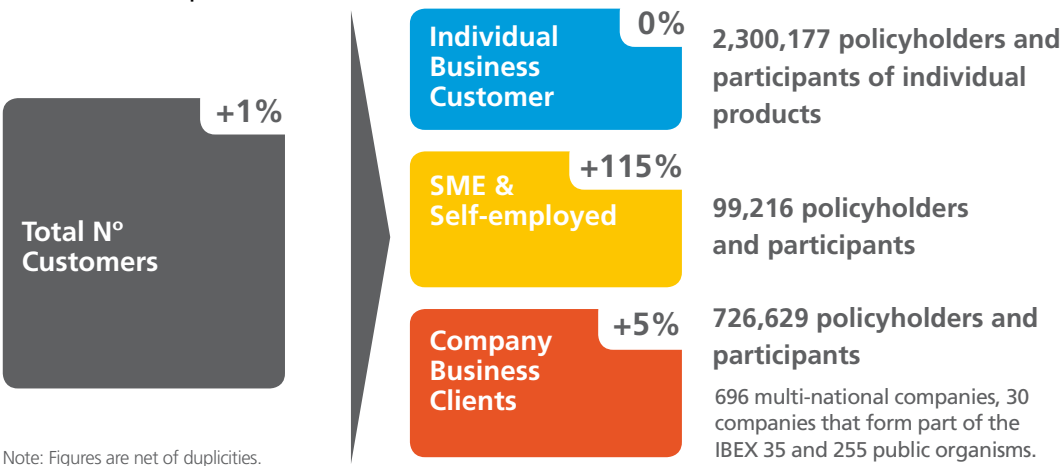
This positive evolution pushed up the number of customers and participants to 2.9 mil-

lions, a figure that was 1.4% more than in 2010. Of these, 2.3 millions are individual customers, almost 100,000 are SMEs and self-employed customers and nearly 727,000 are policyholders subscribed by large companies and groups among which can be found about 700 multi-national companies, 30 companies from the IBEX 35 and more than 250 public organisms.

Evolution of the individual segment

VidaCaixa continued its endeavour to understand the needs of its customers. For this it advanced in its segmentation strategy with the aim of providing a better response to customers.

VidaCaixa Grupo Customers



Advancing in the segmentation strategy

In 2011 VidaCaixa finished the development of its individualised offer for personal banking and private banking clients of CaixaBank, in line with the process started in previous years in the SME and self-employed groups. Thus, products and solutions were designed that were specially conceived to respond to the individual needs of those clients.

VidaCaixa and SegurCaixa Adeslas launch a multi-segment insurance offer

VidaCaixa and SegurCaixa Adeslas made a reality of their business alliance by launching their first joint commercial action with an offer directed at grouping together all life and non-life insurance while providing significant advantages to subscribers.

The broad range of insurance brings together the most complete covers for the home, car and life, as well as healthcare, which benefits the client through the unification of procedures and thereby getting a more appealing offer.



The total volume of savings deposited in life-savings insurance and individual pension plans touched on 25,000 million Euros, with a total of 1.4 million customers

Life-savings insurance and pension plans for individual customers

In spite of the unfavourable economic situation in our country, the total volume of savings deposited in life-savings insurance and individual pension plans managed by VidaCaixa Grupo amounted to 24,859.6 million Euros, with a total of 1.4 million customers.

Among the factors that contributed to this good business dynamic, it is worth noting the excellent commercial work done by the sales network professionals as well as the quality and the proper design of the VidaCaixa products, which allowed us to achieve opportunities that stemmed from the evolution of the long-term interest rates.

Specifically, the amount of premiums and contributions from life-savings insurance for the individual customer segment rose to 4,092 million Euros, 48.2% more than in 2010, and the total sum of managed funds reached 17,354 million Euros. The favourable behaviour of annuities is especially noteworthy. They took in new savings to the tune of 1,650 million Euros, thereby consolidating this product as the one with the highest volume of savings in the VidaCaixa portfolio.

Moreover, it should be said that the improvement in the guaranteed pension plans (PPA), together with pension plans, made up the

ideal instrument to create savings specifically devoted to complementing retirement. The PPA are life insurances whose aim is to create a completely safe amount of capital, so they are products especially recommended for people who want to fix the income they receive from their savings for any length of time between 1 and 30 years or for a near retirement age. Apart from that, it should be pointed out here that the PPA enjoy the same fiscal conditions as individual pension plans but with a guaranteed income.

The intense PPA marketing effort, especially during the traditional end of year campaign, helped us reach 1,416 million Euros in premiums, which meant an increase of 17.8% over the 2010 figure.

The individual pension plans experienced a fall in the volume of premiums and online contributions in comparison to the market. Part of this decrease is explained by the transfer of contributions to guaranteed pension plans. The joint volume of contributions was 1,853 million Euros, 62.0% more than in 2010. Likewise, the joint fund reached 9,605 million Euros, 8.2% more than the previous year.

This favourable behaviour let VidaCaixa consolidate its first place in the ranking of the retirement savings business for individuals with a 16.1% market share and almost a two point lead over its nearest rival.

In 2011 VidaCaixa Grupo consolidated its position as the first in the ranking in the retirement savings business for individuals with a market share of 16.1%

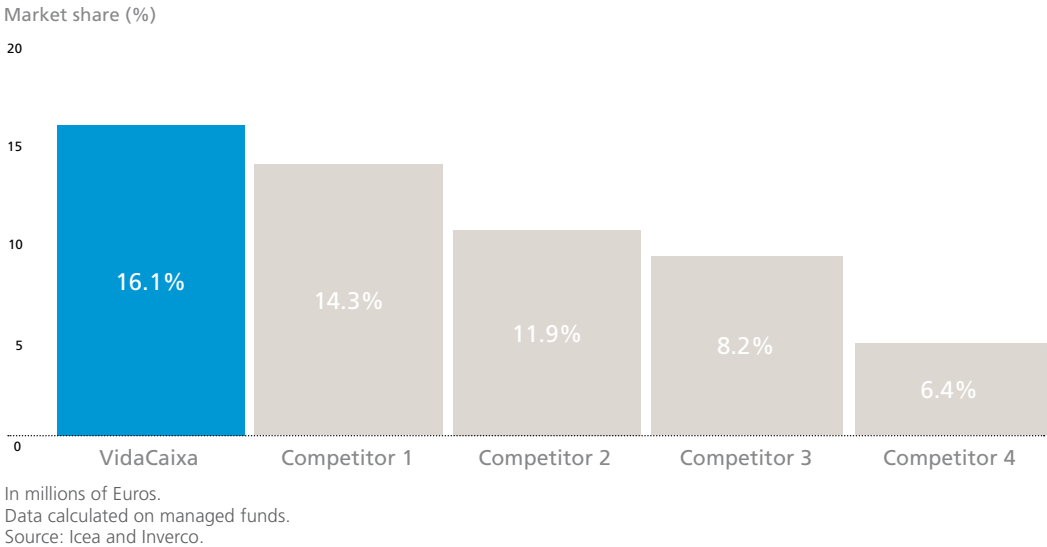
Managed funds	2010	2011	Var. 11/10
Individual life-savings insurance	10,505.7	17,353.9	65.2%
Individual pension plans	8,167.6	7,505.7	-8.1%
Total Funds managed - Individual Business	18,673.3	24,859.6	33.1%

In millions of Euros

Premiums and contributions	2010	2011	Var. 11/10
Individual life-savings insurance	2,761.2	4,092.4	48.2%
Individual pension plans	1,063.2	738.8	-30.5%
Subtotal Individual Savings Business	3,824.4	4,831.2	26.3%

In millions of Euros

First in the ranking of individual pension plans and guaranteed pension plans (PPA)



Pension plans and guaranteed pension plans campaign

As a result of the income tax and the end of year campaign in 2011, the marketing activity was intensified with the usual campaign for pension plans and guaranteed pension plans (PPA), which gave us excellent results.

VidaCaixa caters for all the options a citizen could need to save for his/her retirement, providing security, solvency and a known yield.

One of the challenges of the campaign was to promote systematic savings, encouraging new contributions from customers.

The campaign also included the PPA or Guaranteed Pension Plans that enjoy the same fiscal conditions as pension plans but with a guaranteed yield. Moreover, to provide incentives to save, VidaCaixa offered its customers a special promotion, which was to pay 5% in cash into their deposit accounts in the case of new contributions of 3,000 Euros or more and up to 3% in cash for external transfers without a limit.

For further information, please see the section on product and services innovation in this report.



Throughout 2011 the individual life-risk business reached 1.4 million customers and the our market share topped at 8.9%

Life-risk insurance for individual customers

VidaCaixa has several products in this business, some are linked to individual customer loans, others are not. Despite the worsening of the economy and the stagnation of sales on the real estate market in our country, VidaCaixa consolidated its growth in this business thanks to the excellent sales evolution of the traditional life insurance that offset the lower growth in insurance products linked to loans.

The traditional life-risk insurance is *Vida Familiar*, which was introduced in new models in 2011 to adapt it to the needs of the different types of customer. Among these one can find *Vida Familiar Premium*, which adapts to the specific needs of private individuals from the personal and private banking sector.

The individual life-risk business accumulated a volume of 231 million Euros in premiums, which was 4.6% more than in 2010 and their market share also went up to 8.9%.

Seviam for microcredits

VidaCaixa Grupo offers insurance products adapted to the needs of entrepreneurs, micro-companies and private individuals with the aim of promoting, together with MicroBank, economic development and financial inclusion through the sale of Seviam Abierto insurance. This product is also offered for microcredits and guarantees the amortisation of the credit in case of death and optionally in case of permanent disability.



In 2011 the Group reached 99,216 policyholders in the SME and self-employed segment, 115% more than the previous year

Insurance for SMEs and the self-employed

VidaCaixa once again continued its commitment to SMEs and the self-employed, where the Group has a life insurance offer, cover for the obligations derived from the different agreements and pension plans specifically designed for the special needs of these customers. These products were well received and this was reflected in the increase in policyholders year after year. VidaCaixa Vida Pymes improved in 2011. This life insurance is used by groups and companies (entrepreneur or company) that wish to protect their

workers, partners, collaborators or members of that group in the face of a death or disability/permanent disability risk.

Likewise, a new product, *VidaCaixa Protección Autónomos Vida*, was sold and was directed at the self-employed.

In 2011 the Group reached a total of 99,216 policyholders, 115% more than in 2010 with the volume of premiums reaching 33 million Euros. As far as joint pension plans are concerned, there was an increase of 4.6% in the number of participants, which rose to 17,551, and of 5.4% in promoters, which stood at 2,088.

Premiums from SMEs and the self-employed	2010	2011	%
Life-risk	5.9	7.9	33.3%
Accidents	3.0	3.3	12.0%
Professional Welfare	12.3	14.8	21.0%
Pension Plans	9.4	6.8	-28.0%
Total	30.6	32.8	7.4%

In millions of Euros.

VidaCaixa Protección Autónomos Vida

This is a life insurance that was sold in 2011 and through which the entrepreneur or self-employed person wishes to protect himself and/or his family against the risk of death and permanent or temporary disability. It is directed at entrepreneurs and self-employed people who wish to subscribe to a group life insurance as a single policyholder.

This guarantees a fixed capital, which is set out in the policy, for the beneficiary or beneficiaries in case of any of the covers contracted take place during the lifetime of the policy.

Different capitals can be insured by the policyholder. The capital is personalized per cover with a maximum limit of 300,000 Euros and a minimum of 10,000 Euros.

Likewise, it is possible to incorporate an optional guarantee for temporary disability that can be subscribed to with daily compensation models depending on the established base.



VidaCaixa Previsión Social led the market in Complementary Social Welfare with managed savings of 14,683 million Euros and a market share of 19.4%

Insurances for groups and companies

VidaCaixa Previsión Social, the division of VidaCaixa specialised in this business, develops made-to-measure solutions that adapt to the special needs of large groups, in both the life-risk and life savings and pension plan business. The company is leader in the life insurance market and second in pension plans.

In 2011 the company continued leading the complementary social welfare market in our country with total managed savings of 14,683 million Euros and a market share of 19.4%. Of this amount, employment and associated pension plans accounted for 5,867 million Euros and group life insurance accounted for the other 8,816 million Euros.

In 2011 the group segment of the life-savings and life-risk business evolved similar to the previous year. The volume of premiums in life-savings hit 554 million Euros with a flat evolution in comparison to that in 2010. In life-risk and accidents the premiums rose to 166 million Euros. This sets the market share of group life-risk at 15.7% making VidaCaixa the leader in this business.

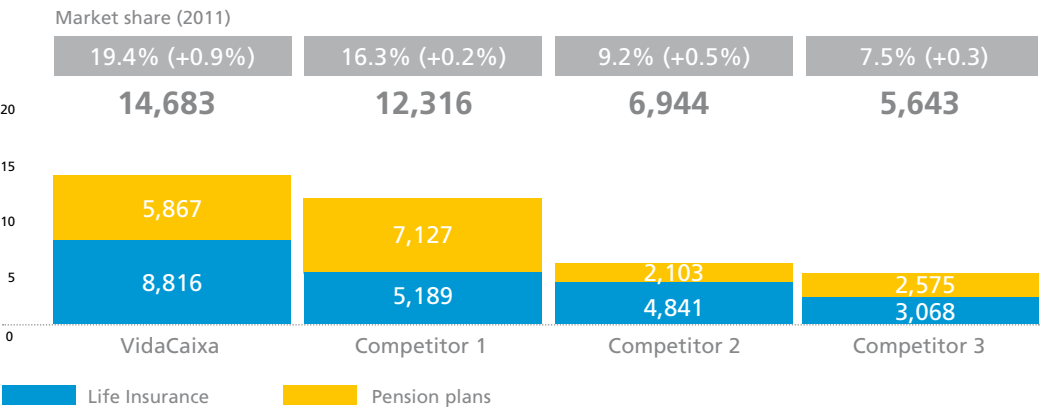
For further information on the evolution of the Group in 2011, please see the presentation of results in the corporate webpage of VidaCaixa.

(http://www.vidacaixa-segurcaixaadeslas.es/eng/notas_de_prensa/notas/resultadosdelgrupo120221.html)



Company complementary social welfare

In millions of Euros



Source: Icea and Inverco and own research. EPSV is not included.



12 new products were added to the product offer of VidaCaixa Grupo during the year

Differential elements of the business

In an environment of intense competition and a much tougher market situation, VidaCaixa Grupo reinforced its business model and continued working on:

1. Focusing its efforts on innovation as a source of competitive advantage and tool to improve the product offer.
2. Deploying the multi-channel strategy, thereby contributing to making access to new products easier for the different customer segments.
3. Maximising efficiency, from both the economic and sustainability standpoint.
4. Staying committed to the quality of service as a factor of value and the creation of trust.

Innovation

VidaCaixa Grupo seeks to answer the changing needs of its customers, offering them the highest quality in service, focussing its efforts on permanent innovation of new products, services and technology with which it uses and furthers the talent of its team. This has led it to sustainably consolidate its market.

Innovation in products and services

12 new products were added to the product offer during the year.

In the individual customer area, specifically in pension plans, VidaCaixa Grupo was active in 2011 with the launch of new pension plans and EPSV, -PlanCaixa 5 Plus, PlanCaixa Momento Plus, PlanCaixa Efecto, PlanCaixa Efecto 10 and PlanCaixa Objetivo 120-, which completed VidaCaixa Grupo’s wide-ranging product offer in individual life-savings and pensions.

It is worth pointing out that in 2011 and in line with the strategy of segmented marketing proximity, the savings offer for personal and private banking customers was adapted with two new products -*Renta Vitalicia Premium* and *Renta Temporal Premium*- that cover the needs derived from severe and great dependence.

Likewise, in the life-risk business the *Vida Familiar Premium* product was developed and directed at the personal and private banking segment. It is a life insurance with ample cover and insurable capital, from 10,000 Euros to 2 million Euros. This product includes two sales models, Complete and Premium.

For further details, consult www.vidacaixa.com

New products sold in 2011 by VidaCaixa Grupo

Pension plans	<ul style="list-style-type: none">• PlanCaixa/GeroCaixa 5 Plus• PlanCaixa/GeroCaixa Momento Plus• PlanCaixa/GeroCaixa Efecto 5• PlanCaixa/GeroCaixa Efecto 10• PlanCaixa/GeroCaixa Objetivo 125
Life-savings	<ul style="list-style-type: none">• Renta Temporal• Renta Temporal Premium• Renta Vitalicia Premium
Life-risk	<ul style="list-style-type: none">• VidaCaixa Escolarización• VidaCaixa Vida Pymes• Protección Autónomo Vida• Vida Familiar Premium

Guaranteed pension plans, a guaranteed yield

Guaranteed pension plans (PPA) were sold along with pension plans. This is a guaranteed product that is totally custom made for each customer and it lets him/her choose the maturity date of the contribution for any period between 1 and 30 years, with an interest rate that is adjusted daily for each term depending on the financial markets and the term of the contract. The volatility of the markets turns the PPA into ideal instruments of saving for those customers who opt to guarantee the yield they get. Moreover, the market situation in 2011 offered excellent investment opportunities through this product that thousands of customers took advantage of.



VidaCaixa Elección, benefits for both the company and the worker

- VidaCaixa Elección is the latest flexible remuneration service that VidaCaixa Previsión Social offers.
- It is an efficient tool to attract and retain professionals with a broader and more flexible retribution offer
- The services and products VidaCaixa Elección provides can be offered to all the staff, without exception, making the remuneration strategy of the company more profitable and controlling future costs through social benefits.
- Employees obtain economic improvements thanks to a series of fiscal advantages that are turned into a larger net salary at the end of the month, and so increase the perception of the total compensation received.
- The administrative process is made easy through the contraction by the workers of the insurance products by means of the online platform.



VidaCaixa Previsión Social launched a temporary income product for middle-aged people who were affected by a lay-off.

It is worth noting that VidaCaixa Elección was launched for the group and company segment. This is a unique and innovative service in the insurance sector that, on the one hand, lets companies make more flexible retributions to their workers, and on the other, lets the workers obtain a greater yield from their salaries with significant fiscal advantages. In VidaCaixa Elección, there is a wide range of health, life, accidents and savings products,

apart from restaurant and kinder garden vouchers, as well as computers.

For the SMEs and self-employed professionals improvements were made to the VidaCaixa Vida Pymes product and a new product, VidaCaixa Protección Autónomos Vida, was marketed.

VidaCaixa Protección Autónomos Vida is a product directed at entrepreneurs or self-employed professionals. This life insurance allows the self-employed worker to protect himself and/or his family against death and permanent or temporary disability.

The Group has multiple internal channels so that employees can express their opinions, suggestions and ideas. During the year 408 new ideas were received

A culture focussed on innovation and service to the customer

Innovation in VidaCaixa Grupo is also applied to the improvement of processes and systems of work with the challenge to improve the operating and commercial efficiency as well as customer satisfaction.

For this the Group has internal channels so that employees can express their opinions, suggestions and ideas with the aim of creating shared value for VidaCaixa and its customers.

In line with previous years a total of 408 new ideas were received, of which some 87 were Innova ideas that were related to new products, prices, campaigns, internal processes and product covers and 321 were ideas related to improvement aspects in the operating system and other matters.

Most of the ideas received were proposed by the branch offices of CaixaBank through their suggestion box. The ideas that comply with the defined criteria are channelled through the innovation platform of the company. A total of 53 initiatives from all the proposals collected were developed or planned to put into action.

Among the main contributions undertaken were the proposals to cross-sell and retain customers, two points that the VidaCaixa Grupo considered opportune and to which major technical, commercial and financial resources were devoted.

A permanent commitment to technology

Throughout 2011, 15.3 million Euros were invested in technology and information systems with the aim of providing an excellent service to customers and achieve greater efficiency in the VidaCaixa Grupo. Moreover, the investment in R&D rose to 3 million Euros, tripling the amount in this area in 2010.

Seviam Abierto móvil

Innova is the VidaCaixa Grupo initiative that promotes the development of innovative ideas among the professionals who work in the company and those in CaixaBank as well. Within Innova an energising team was set up that enabled the development of new products after analysing all the ideas received from employees. One of those products is *Seviam Abierto móvil*. In an environment where online browsing via smart phones is on the rise, an opportunity was seen to develop products that could be subscribed to via these devices, specifically life insurance linked to loans. So, in the process of subscribing to a loan that is immediately lodged over the mobile phone, the Seviam Abierto contract is integrated and this covers the cancelation of the loan in the case of death. This product is easily contracted via the mobile phone.



The activity of VidaCaixa Grupo is mainly carried out through the bancassurance channel, which is complemented with other multiple sales channels

Multi-channel at the service of customers

VidaCaixa provides its customers with multiple channels for information about and sale of its products.

The Group focuses most of its activity through the bancassurance channel, which is made up of 5,196 CaixaBank branch offices. In order to reinforce this distribution channel, a new network of Bancassurance Sales Executives (ECB in Spanish) has been incorporated with the aim of providing specific support to the CaixaBank branch network in the sale and management of insurance and pension plans. Their main functions consist of promoting strategic initiatives, analysing commercial opportunities, transmitting best practices to the territorial area and providing feedback from the sales network to the company. In addition, this ECB group has a most important task in everything concerned with the training of the commercial network, which is promoting new products and solving any incidences that go beyond the usual circuits. Their participation in the excellent results obtained in 2011 must be highlighted as well as the more than 3,600 presentations of commercial actions in the territorial areas and the more than 800 training sessions given by them; this work consolidated their position as a central transmitter of the VidaCaixa Grupo commercial strategy in the territorial areas.

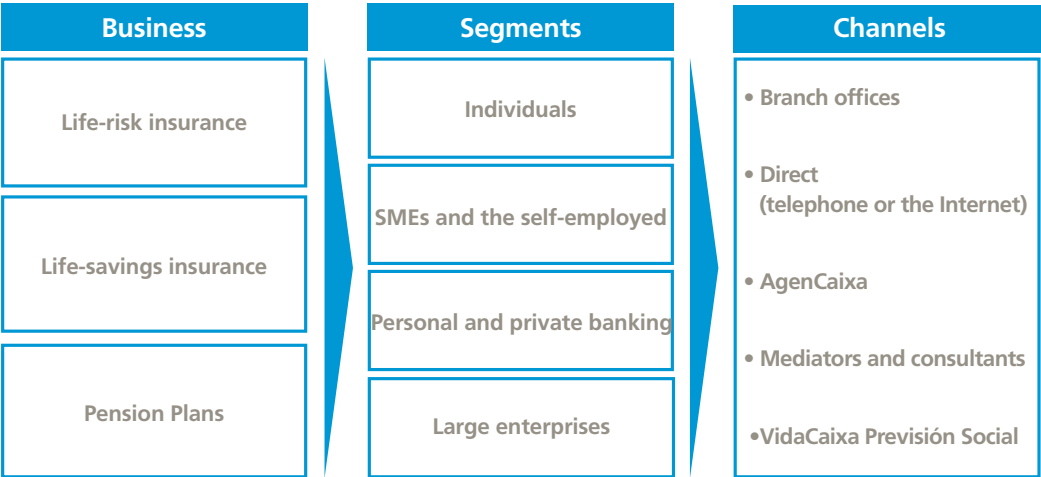
This effort made through the bancassurance channel was complemented by investments in other direct channels such as the Internet through the “la Caixa” Línea Abierta service. Of special interest there are the “ready to buy” initiative and the Call Center platforms. These favour customer self-service and provide answers for the information needs of the customer.

This helps the customer make up his mind and buy the products of VidaCaixa Grupo.

Similarly, in 2011 the transformation of the commercial model of sales advisors of AgenCaixa was successfully carried out. This was started in 2010 and focussed its attention on the self-employed segment, especially that of SMEs. In spite of the difficult economic context, the value proposal that VidaCaixa Grupo offered the market was centred on the quality of service, a wide range of products, trust, the solvency of the brand and the specialisation of its advisors, which became the basis for the success achieved. So, in 2011 the team of AgenCaixa advisors managed to get such a satisfactory degree of productivity and commercial efficiency that it paved the way for an excellent future development of the network. AgenCaixa represents a strategic channel for the Group not only for the volume of business the insurance advisors contribute but also for the feedback they send to the company on the positioning of the offer and the product catalogue of VidaCaixa Grupo. This knowledge is the key to go on advancing, detecting new needs to cover and adapting the products and services to the expectations and preferences of our customers.

Finally, in the business customer area the forecast business objectives were achieved in the business and corporate banking segments thanks to *VidaCaixa Previsión Social* and our own team of specialist advisors. They managed to link customers by means of an active policy of contacts and visits to back up the commercial action, gain customer loyalty and position the launch of new products. Additionally, the *VidaCaixa Previsión Social* products were distributed through the most prestigious mediation firms in our country.

VidaCaixa offers products for every kind of customer with multi-channel access



“Ready to Buy”

“Ready to Buy” develops a sales system that is started in the branch office and is closed on the Internet. So, the advisor takes the needs of the customer, identifies the option of the most suitable product for the customer and contacts him to present his proposal. If the customer is interested, the advisor prepares the operation through the financial terminal and the customer signs the order through Línea Abierta. This system makes the formalities easier for the customer and of course speeds up the work of the advisor. In this way the rights of the customer are guaranteed with respect to the fulfilment of the regulation on transparent and clear information.

Quality service for the customer and the channel

In such a competitive market as in insurance, one of the keys to success is to offer services with a maximum degree of quality and with the proper balance between value and price. Through the systems of quality management and the tools to recognise the perception of satisfaction of the customer, VidaCaixa Grupo aims to achieve the maximum satisfaction of the more than 3 million customers by means of the excellent service provided by all of the 864 employees of the Group.

Efficiency

The difficulty of the economic environment, together with the intensification of competition in the insurance sector, forced VidaCaixa Grupo to keep up its efforts to optimise resources, which in turn allowed prices to fall and offer a competitive service to the customer.

The strict contention policy and rationalisation of prices enabled the company to increase the efficiency of the business. The effort to reduce expenses was compatible with the objectives for growth, profitability and maintenance of the leading position of VidaCaixa Grupo.

Products available through the CaixaBank Línea Abierta in 2011 and actions available		
Life	Vida Familiar	• Period of grace (first 30 days) • Non-renewal on maturity • Declaration of claim via online form
	Seviam Abierto (new 2011)	
	Seguro convenios	• Modify the number of policyholders
Savings	Libreta Futuro Asegurado Plan	• Make extraordinary contributions • Period of grace (first 30 days) • Application for total surrender
	Plan Ahorro Asegurado (PIAS)	
Planes	Individuals (new 2011)	• Make contributions • Internal transfers between Caixa plans • External transfers from other entities to “la Caixa” • Access to fiscal simulator for contributions • Online manager • Pension plan catalogue
	PPA long-term (new 2011)	
	SMEs (joint promotion)	
	Associated plans	
	Empresas (employment plans)	• In addition to the above, special consultation for Control Commissions



Prudent and solvent management

VidaCaixa Grupo actively participates in organisations that promote insurance and social welfare

VidaCaixa Grupo firmly believes in the integration of those factors into the strategy that go beyond economics and finances and are closely related to Socially Responsible Investment (SRI), with its measuring, management and follow-up of the different risks VidaCaixa Grupo's business is potentially exposed to and the increase in our solvency position.

The complexity, variability and instability of our present environment demand a prudent and solvent management of the business, optimising the relationship between profitability and risk in order to guarantee three key objectives: maintain sustainable growth, guarantee the financial strength of the Group and increase profits for its stakeholders.

Risk management

The management of risk that is characteristic of the insurance activity is a factor that VidaCaixa Grupo integrates into its strategy and management.

Among the main risks the Group faces are, on the one hand, credit risk, market risk, balance sheet risk, liquidity risk, operational risk, risk of compliance and risk of reputation. On the other, the Group manages the demographic or actuarial risks that are associated with demographic change, with the habits of the people and in particular with the ageing of the population, a subject of special relevance in our environment.

In VidaCaixa Grupo the aim of risk management is to optimise the relationship between profitability and risk with the identification, measurement and evaluation of the risks to consider in all business decisions while maintaining at all times the quality of service to the customer.

VidaCaixa Grupo has policies and methods to identify, measure and control all risks inherent in its activity and businesses.

The entire organisation deals with risk management, albeit the Board of Directors of VidaCaixa Grupo is the authority who determines the risk policy of the Group while the management of the company is responsible for its implementation. In this sense, each operational area is responsible for the design and application of suitable controls for the assumed risks in its activities. At the same time, a three-man department was set up that devotes its time and energy to coordinating and driving this policy as well as implementing Solvency II.

In 2011 VidaCaixa Grupo continued the process, started some years before, of improving risk management, perfecting the tools and techniques to measure, follow up and control it in line with the actions undertaken by CaixaBank in this area.

All the identified risks and controls are documented and are safely and efficiently accessible through the risk management application.

Among the new measures put into place are:

- The updating of the risk map enables the identification and evaluation of all risks assumed in all VidaCaixa processes, prioritising the application of effective internal controls depending on the importance and incidence of those risks. The follow-up and control process is undertaken at least once per year and additionally every time relevant changes take place.
- The participation in requests for information by the European Insurance and Occupational Pensions Authority (EIOPA), an independent advisory body to the European Parliament and the European Union Council for drafts, regulations as well as risk management of the sector and matters such as the exposure to sovereign debt risk.

In 2011 VidaCaixa continued to implement new measures, tools and methodologies to manage risk

Main systems of control and management of risk identified in VidaCaixa Grupo

Operational risk:

- Develop and continuously update an operational risk map to list, categorise and prioritise the identified risks.
- Draw up and adapt the internal regulations and procedures to standardise and unify criteria with the aim of guaranteeing a suitable degree of internal control in the processes carried out.
- Implement automated control systems to control risks of data registration.
- Implement management control systems to continuously supervise financial figures, strategic objectives and budgets that allow the correction of deviations that affect the fulfilment of the plan.
- Analyse the impact of the results on our investment in equity, new products or new business lines.
- Segregate functions between investment portfolio management and the back office, whose function is to confirm operations.
- Implement control systems on investment and liquidity risks.
- Develop control systems of asset and liability matching and comply with the governing regulations.

Credit risk:

- Define and follow the credit rating of the investment portfolio, taking the long-term and short-term risks into account, on the basis of the highest quality rating scale.

Market risk:

- Calculate periodically the market risk by means of the Value at Risk methodology (VaR) for the portfolios subject to the calculation of the Net Asset Value of the stake, defined as the maximum expected loss within a one day horizon and 95% trust, for variations in the interest rate, the exchange rate or the VaR of variable income.
- Analyse the contribution to VaR –marginal VaR – of certain assets that can contribute to controlling and strengthening it.

Technical or subscription risk:

- Draw up a technical control panel to keep the synthetic vision of the technical evolution of the product up to date.
- Define and follow up the subscription, pricing and reinsurance policies.



Once again VidaCaixa Grupo committed itself to actively promote the Principles of Responsible Investment among its customers, suppliers and investment managers

Investment management

VidaCaixa Grupo is aware of the positive impact responsible practices have on investment portfolios when referring to environmental, social and good governance (ESG) matters. In this sense, the Group complies in all its investments with the Principles of Responsible Investment (PRI) of the United Nations. In the analysis of its investments it takes the responsible practices based on the ESG criteria into consideration.

VidaCaixa Grupo was the first Spanish company back in 2009 to join the PRI global compact as a life insurance company and pension plan manager. Therefore, all its investments comply with these criteria.



The company has an internal procedure in place as well as a manual of procedures, backed by the Management Committee of VidaCaixa Grupo, whose goal is to guarantee that all the investments made by the company are analysed under those criteria. This analysis does not include the debt issued by agencies and supranatural organisms, and that issued and guaranteed by governments.

Similarly, mortgage bonds are also excluded due to the nature of the product.

In order to comply with the ESG criteria a different process is implemented depending on whether it is an investment fund or a fixed income asset (see chart).

Similarly, VidaCaixa committed itself to actively promote the Principles of Responsible Investment among its customers, suppliers and investment managers.

Attending to the needs of our customers, for example, specific indicators were designed to monitor the ESG criteria for the pension fund of the Generalitat of Catalonia employees and this contributed to providing answers to the PRI survey corresponding to the pension fund of “la Caixa” employees.

During 2011 several training sessions were carried out for present and potential customers from companies and public institutions in which the criteria used in management by VidaCaixa for socially responsible investment were explained.

Moreover, within the framework of IV edition of the Forum on control commissions of pension plans, promoted by the pension fund of “la Caixa” employees, and sponsored by *VidaCaixa Previsión Social*, the Socially Responsible Investment (SRI) was tackled. Faced with the question of whether the attendees

Application of the VidaCaixa investment management process

Investment funds:

In investment funds a due diligence survey is carried out through which the ESG criteria, applied by the managing team of the fund, are verified. Apart from asking about economic, social and good governance questions, other matters such as the exclusion criteria are included, for example the non-investment in weapon making companies. The survey is completed before the investment decision and an update is requested annually. Every six months a consolidation of the investments is undertaken to verify that the companies forming part of the portfolio comply with the ESG criteria of VidaCaixa Grupo. Should any company be identified that does not meet those criteria, the fund manager is notified and a follow up is carried out. In general, the fund managers decide to sell but in those cases where the order to sell is not executed, VidaCaixa Grupo opts to sell the position in the investment fund. In fact, VidaCaixa Grupo sold positions in three companies from the energy sector in 2011.

Fixed income assets:

In private fixed income, prior to the decision to execute an investment order, a check is made to see if the issuer of the asset is included in any sustainability list. If the check comes back affirmative then compliance with the ESG criteria is considered for the investment. If the issuer does not form part of any sustainability list then secondary information published by the company is reviewed, such as sustainability reports, so that evidence can be identified that shows compliance with the criteria. This process is carried out every six months and the entire fixed income portfolio is checked. In this way the procedure is completely traceable and auditable.

Institutional investment continues to be the majority in SRI

In accordance with the “Observatory of Responsible Investment 2011”, published by the Institute for Social Innovation from ESADE, of the total capital managed in Spain under SRI criteria, 99% corresponds to institutional investment, basically concentrated in occupational pension funds. On the individual market those funds only represent 1% of managed capital under those criteria, a figure comparatively way below that of other European countries.

Access the “Observatory of Responsible Investment 2011” from ESADE: http://itemsweb.esade.es/wi/research/iis/publicacions/2011-12_OISR2011-web.pdf

45% of the attendees at IV edition of the Forum on control commissions of occupational pension plans replied favourably to the question of whether they would accept a short-term yield inferior to that of the market if it were justified by an active policy of its SRI manager

would accept a short-term yield below that of the market that was justified by an active policy in SRI by the manager, 45% responded affirmatively. During the debate the principal conclusion was that, although the SRI were interesting investments, they did not have at that time the financial tools so that large fund managers could devote their resources to those investments.

All the advances made by VidaCaixa Grupo are included in its first PRI progress report in which it describes its performance in the application of those principles.

Solvency

VidaCaixa Grupo undertakes solvent management and for that it takes prudence, responsibility and efficiency into account. Its reserves are above the legal requirement. In 2011 VidaCaixa Grupo increased its solvency margin by 8 percentage points leaving it at 190% of the required legal limit.

This commitment to responsible and sustainable management forms part of the 100-year-old history of “la Caixa”, when it issued the first pension book in our country.

The leadership of VidaCaixa Grupo in Complementary Social Welfare goes well beyond the responsible and sustainable management of the activity. The Group actively participates in initiatives that promote solvency among insurance companies. The coming into force of Solvency II, foreseen for 1st January 2014, will mean a significant change in the management

of insurance companies due to the fact that it will modify the framework of supervision and the capital requirements of the company. The new regulation will oblige insurance companies to have systems of evaluation of the level of capital depending on the risk profile. The supervisors will revise the quality of the procedures applied internally and in the case of insufficient capital they will be able to demand a greater level of capital. Solvency II, therefore, links global management of risks with the level of capital required.

Among the initiatives in which VidaCaixa Grupo participated in this area in 2011 are:

- The advancement in the process of pre-validation of the internal model of risk management by the *Dirección General de Seguros y Fondos de Pensiones* (Directorate General of Insurance and Pension Funds), on which work is continuing in order to improve the design and quality of the internal model of risk management.
- The participation in the European stress test conducted by EIOPA.
- The participation in the work groups at a sectorial level of UNESPA, the insurance sector confederation, and the *Dirección General de Seguros y Fondos de Pensiones* for the development of the Solvency II Project. Worthy of note was the active involvement in the work group for the development of improvements and solutions for the treatment of savings products with long-term guarantees.

As a result of prudent and sustainable management of the business, VidaCaixa Grupo continued to increase its level of solvency to where it now stands at 190%

4.5

Sustainable management

VidaCaixa Grupo carries out an important social function, giving great importance to the development of the financial culture of citizens

VidaCaixa Grupo with its environment

The social commitment of VidaCaixa Grupo is first of all channelled through its insurance activity and social welfare.

VidaCaixa Grupo focuses its effort on the following four lines of action:

- The social dissemination of the importance of welfare and insurance with the aim of contributing to creating a culture in favour of saving and welfare.
- The indirect contribution to the Obra Social “la Caixa” through the insurance activity of VidaCaixa Grupo and its contribution to the profits of CaixaBank.
- The involvement of VidaCaixa Grupo employees with their environment.
- A responsible attitude in relation to the environment

Contribution to the creation of a culture of savings and welfare

As market leader in Complementary Social Welfare, VidaCaixa Grupo gives great importance to the development of the financial

culture of citizens and the diffusion of awareness related to the necessity of saving and welfare.

So, during 2011 the following activities were carried out:

- **IV Forum on Control Commissions.**
With the collaboration of Expansión, a daily economic newspaper, more than 300 people participated in the fourth edition of the Forum, which was structured on three topics: pension reform, socially responsible investment and the management of investments in pension plans. The attendees, among whom were members of pension plan control commissions, representatives of companies, business confederations and the unions, debated in the first session on the changes in the welfare model and the challenges facing the public system of pensions.

The second session tackled the matter of Socially Responsible Investment (SRI), where people spoke about the different types of investments linked to SRI, as well as about the possibility of investing in risk capital companies that take the social impact of their projects into account.

The third session dealt with the issue of investment management in pension plans. They argued over the need to carry out a management with greater monitoring of the basic indexes and so avoid the fluct-

73% of the attendees at IV Forum of Commission Controls said that the reform of the pension system was the first step but it required future adjustments



Closure of IV Forum of Commission Controls, with Albert Carreras, Secretary of the Economy and Finances at the Generalitat of Catalonia, and Tomás Muniesa, Executive Vice-Chairman –Chief Executive Officer

VidaCaixa Grupo promoted dialogue with stakeholders through multiple forums and meetings with the participation of their professionals

uations of the market indexes. The need was also pointed out that the participants could freely decide on their investments that were destined to cover their retirement needs.

• Conference “The reform of public pensions: impact on companies”.

To mark the agreement reached by the Government, the Confederation and the Unions and the coming of the public pension reforms into force, which will impact on both social welfare matters and the policies of people management, *VidaCaixa Previsión Social* together with Mercer and the Association for Management Progress (APD) successfully organised a series of meetings in Madrid, Barcelona, Santiago de Compostela and Valencia with more than 800 attendees.

• *Info VidaCaixa Previsión Social*, the periodic news bulletin of *VidaCaixa Previsión Social*, has articles on and interviews with experts and customers. Its aim is to diffuse the culture and the profits of social welfare among the group and company community.

• Information and training actions with group and company pension plan control commissions, with a total of 14 companies in attendance.

• It is also worth pointing out the push, made in collaboration with CaixaBank, to diffuse the benefits of complementary social welfare among the group and company customers of CaixaBank -CaixaEmpresa-, through physical presentations and communications in the Newsletter Info CaixaEmpresa.

• Proactive actions with the media to let them know the evolution of VidaCaixa Grupo. In 2011 the company gave 13 press releases on business figures, new products and positions in the ranking of the sector. VidaCaixa Grupo made a strong impact on the media with 626 published reports.

• VidaCaixa Grupo invested in training in the research sector, collaborating with the Auditorium Foundation from the *Colegio de Mediadores de Seguros de Barcelona* (Barcelona College of Insurance Mediators), a continuous training centre in insurance.

• Lastly, VidaCaixa Grupo continued to promote the active participation of its managers in institutions, events and publications related to the insurance sector, of which the most important are:

- XVIII Encuentro of the insurance sector with the participation of Tomás Muniesa, as a speaker under the theme “Present and future of Spanish insurance: Managing in times of crisis”.
- The prospects of insurance and the economy for 2011, with the participation of Mario Berenguer, organised by ICEA.
- The Dossier of People Management from the *Corresponsables* magazine.
- The participation in the *Observatorio of El Economista*.
- Collaboration with Unespa in the presentation of the company to a Delegation from the Estonian Government.
- The *Semana del Seguro*, organised by INESE.
- Conference on Corporate Responsibility at EADA, with the presence of Ramón



Conference “The reform of public pensions: impact on companies”

Godínez, Area Manager of Human Resources in VidaCaixa Grupo.

- Conference on Innovation in Insurance, with the participation of José Antonio Iglesias speaking on "Differentiation through innovation".
- Conference on Internet Strategies, where José Antonio Iglesias gave a presentation on "Internet Marketing Strategies in VidaCaixa Grupo".
- Conference: "Bancassurance: After the Consolidation of Basle III / Solvency II. How the process of concentration and the greater capital consumption affect bancassurance activity" with José Antonio Iglesias.
- Personal Banking Workshop, with the participation of Antonio Trueba.

Likewise, VidaCaixa Grupo actively collaborates with several institutions whose aim is to promote the advancement of insurance and social welfare at the sector, company and social level.

- UNESPA (*Unión Española de Entidades Aseguradoras y Reaseguradoras*): The business association of insurance companies that represents more than 250 enterprises in the sector in Spain.
- INVERCO: an association that brings together practically all the Institutions of Spanish Group Investments, Spanish pension funds and the foreign institutions of collective investment registered with the CNMV (National Commission of Market Securities).
- *Investigación Cooperativa de Empresas Aseguradoras y Fondos de Pensiones* (ICEA): an association VidaCaixa Grupo belongs to,

along with other Spanish insurance companies. Its aim is to study issues related to insurance.

- Genève Association: an organisation that spreads the importance of the insurance sector in the economy through research and that groups together the Chairmen and Chief Executive Officers of the top 80 insurance companies in the world.
- Edad & Vida: a non-profit organisation whose aim is to improve the living conditions of the elderly.
- *Asociación para el Progreso de la Dirección (APD) Zona Mediterránea*: an association set up to train managers and provide information for them and whose main goal is to promote the interchange of ideas and knowledge among managers from the Spanish business sector.

The contribution of VidaCaixa Grupo to the Obra Social (Social Work) of "la Caixa"

The contribution VidaCaixa Grupo makes to the profits of CaixaBank allowed it to indirectly collaborate, through dividends and commissions, with the work carried out by the Obra Social of "la Caixa", through the development of social programmes, environmental and scientific programmes, cultural programmes and educational and research programmes. In 2011 the budget of the Obra Social was kept at 500 million Euros, in spite of the present unfavourable economic situation.

VidaCaixa Grupo actively participates in organisations that promote insurance and social welfare



Collaboration of VidaCaixa with the Foundation Edad & Vida

The involvement of our employees in their environment

Retorn continued its activity in 2011 collaborating in 18 initiatives of social and environmental organisations with the participation of 904 people

In 2011 the employees of VidaCaixa Grupo continued to work with the Retorn initiative, making it their main instrument to channel their collaboration with their social and environmental surroundings.



Through Retorn, some 904 participants collaborated in 18 initiatives in 2011 that were focussed on social and environmental matters and on issues of interest to the employees. Through Retorn a contribution of 59,846 Euros was made to those projects, which amounted to an increase of 16% over that in 2010.

In the social area, the actions undertaken by Retorn were linked through the direct collaboration with companies and the organising of events to raise money that was subsequently

given to causes connected with the protection of infants, as well as women's health as much in our country as in underdeveloped countries. The main projects in 2011 were as follows:



- Retorn's collaboration with the Gavi Alliance and the Alianza Empresarial (Business Alliance) to vaccinate infants with a contribution of 10,000 Euros.
- Several actions to collect toys, food and toiletry articles for families with few means, all channelled through social food kitchens, day centres and open educational centres.
- VidaCaixa Grupo donated 48 boxes of essential food to the "Gran Recapte d'Aliments a Catalunya" (The Great Food Collection in Catalonia) organized by the Banc dels Aliments (Food Bank) and the Obra Social of "la Caixa" in November 2011.



Organisations that VidaCaixa Grupo collaborated with

- Alianza Empresarial para la Vacunación Infantil
- Cruz Roja
- Centro de Acogida María Reina
- Fundació Comtal
- Payasos sin Fronteras
- Comedor social de las Hermanas de la Caridad.
- ONG Mujeres Burkina
- Colabora Birmania
- Orfanato Song Ba de Burkina Faso
- Fundación Síndrome de Down
- Coopera-Jóvenes para el desarrollo
- Orfanato de Belén en Guadalajara
- Diversas organizaciones medioambientales

- Microcredit programme so that entrepreneurial women in Burkina Faso could set up their own businesses.
 - Collaboration with the programme of the *Fundación del Síndrome de Down del País Vasco* (Down Syndrome Foundation in the Basque Country) that consisted of setting up a multi-sport activity programme for children of between 8 and 12 years old with this syndrome with the aim of promoting their autonomy through the practice of sport. After the success of the first phase, it was decided to continue the programme to June 2012.
 - Initiatives to raise funds through sports activities in which our employees participated.
- The money raised went to make a well in an orphanage in Burkina Faso and to the fight against cancer in women, among other causes.
- A schooling programme for children and the concession of micro-credits to displaced Burmese women in Thailand.
- In the environment area, our employees developed three initiatives centered on events to raise funds through sports activities. The raised funds were given to projects linked to environmental issues of different organisations, for example, the reconstruction of paths in forests in the Pyrenees or reforestation projects.



Respect the environment

VidaCaixa Grupo integrates environmental questions in the management of all the investments it makes.

For this it accepts the Principles of Responsible Investment of the United States (PRI), which also contemplate issues specifically related to the environment. Similarly, it explicitly explains its commitment to the environment and aligns the whole organisation with that objective through its code of ethics and through its adhesion to the Global Compact of the United Nations. It commits itself to complying with principles 7, 8 and 9 related to the environment.

Moreover, through its daily activity and the behaviour of its employees, the Group aligns itself with the objectives to optimise the consumption of natural resources and reduce the generation of waste and improve the segregation of resources for their subsequent reuse.

Lastly, VidaCaixa Grupo endeavours to extend its commitment to the environment through multiple initiatives with the rest of its stakeholders: customers, suppliers and the society at large.

Actions undertaken

Although the environmental impact of the activity of VidaCaixa Grupo has fewer incidences than other sectors in the consumption of resources and the generation of waste, the Group is completely committed to the objective of improving its environmental footprint. For this, the company focuses its acts on the following lines of action:

- Improve the efficiency in the consumption of natural resources and reduce the consumption of CO₂.
- Reinforce communications and environmental awareness on an internal level.

The influence of the responsible attitudes and behaviour of our employees towards the environment is the key to achieving improvements on its impact. In this sense, VidaCaixa Grupo has developed some initiatives on environmental education over the last few years that are directed at all the staff. These initiatives hope to achieve the good use of office material and a rational consumption of energy and paper with actions such as these: the installation of double flush buttons on toilets and sensors to detect presence, the publication of catalogues on the intranet of good environmental practices with the use of energy, water and printing documents.

For further details on these initiatives, please consult the 2010 VidaCaixa Grupo Corporate Responsibility Report. (http://www.vida-caixa-segurcaixaadeslas.es/eng/info_corporativa/memoria_anual.html)



In 2011 VidaCaixa Grupo continued its environmental plan to reduce and minimise the environmental impact

- Reduce the generation of waste and promote the segregation of waste to favour its recycling and reuse.

VidaCaixa Grupo makes space available on different floors at its Headquarters for the collection of material such as batteries, plastic containers and toner. These are efficient collection points as the material recycled exceeds that used due to the fact that employees take advantage of these collection points to recycle their own private waste from their homes.

- Advancing in the optimisation of our carbon footprint.

This process was started in 2009 with an approximate calculation of the starting point as far as emissions are concerned. The goal of VidaCaixa Grupo is to go further into the analysis of our carbon footprint through the use of standards to measure it, training staff to carry out those measurements, creating a protocol for systematic measurement as well as for evaluation and control.

This process will resume in 2012, once the perimeter of the company is defined.

All of these initiatives have been put together in an Environmental Plan, which marks the way of the initiatives to be developed in the coming years and which will be implemented in 2012.

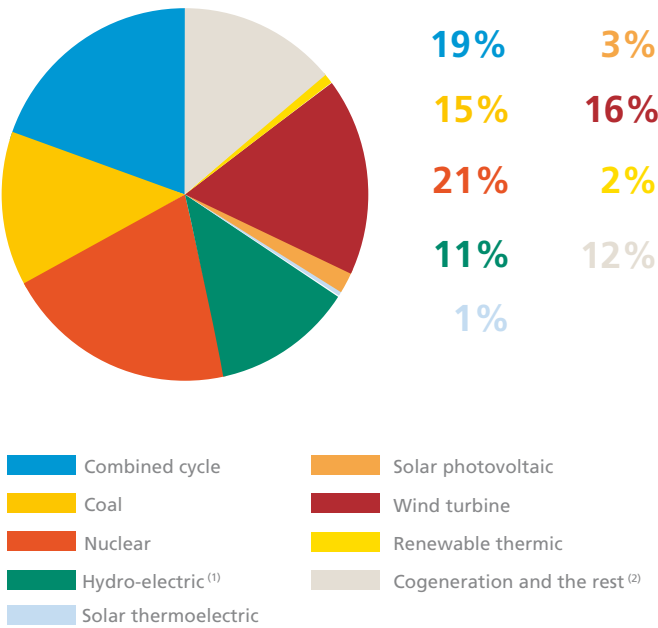
Energy consumption

VidaCaixa Grupo is committed to the reduction of energy consumption and the level of the associated greenhouse gas emissions.

The consumption of energy in 2011 reached 4,200 GJ, which meant it was 24% more than in 2010. This variation is mainly due to the fact that energy consumption is related mostly to air conditioning and the amount of surface space used. In 2011 the VidaCaixa Headquarters space was enlarged with five new floors of offices and meeting rooms due to the increase in our workforce.

Energy consumption per employee went up slightly from 4.2 GJ in 2010 to 4.9 GJ in 2011.

Cover of the annual demand ⁽¹⁾



⁽¹⁾ Does not include pumping generation ⁽²⁾ Includes non-renewable thermic and fuel-gas
Source: Data from the Electricity Network

Internal consumption	2010	2011
Water		
Total water consumed	2,495 m³	2,733 m³
Total water consumed per employee	3.1 m³	3.2 m³
Variation in water consumption		8%
Energy (direct consumption broken down per primary source)		
Total electricity consumed	3,390 GJ	4,200 GJ
Total electricity consumed per employee	4.2 GJ	4.9 GJ
Variation in electricity consumption (%)		24%
Paper		
Total paper consumed	26 Tn	27 Tn
Total paper consumed per employee	32 Kg	31 Kg
Variation in paper consumption (%)		6%
% of recycled paper over total paper consumed	45%	41%

The consumption of paper per employee fell slightly in 2011

The relative consumption of water per employee remained stable, mainly due to the awareness effort of the workforce

Consumption of paper

Along with energy consumption, paper is the heaviest resource the VidaCaixa Grupo activity has. In 2011 the amount of paper consumed rose to 27 tons, 6% more than in 2010. This variation was also due to the increase in staff at VidaCaixa Grupo. In fact, if one observes the consumption of paper per employee there was a slight fall from 32 Kgs., to 31 Kgs. The amount of paper recycled over the total of traditional white paper came to 41%, 4 percentage points less than in 2010. Reversing the consumption of paper in favour of recycled paper is one of the challenges facing the company in the future.

Consumption of water

The consumption of water in the centres and buildings of VidaCaixa Grupo comes from the

municipal mains network. In 2011 the total consumption of water rose to 2,733 m³, which was 8% more than in 2010. The relative consumption of water per employee remained stable going from 3.1 m³ in 2010 to 3.2 m³ in 2011.

CO₂ Emissions

From the calculation of our carbon footprint in 2009, VidaCaixa Grupo continued its commitment to carry out actions to decrease the impact on the environment. In this sense, work was continued with the aim of reducing the economic and environmental costs associated with transport by promoting the use of the videoconference and much was done in the process initiated some years before by substituting the use of the plane for the train on short and medium distance trips.

CO ₂ Emissions (kg)	2011
Total transport	320,600
Total trips by air	263,369
Total trips by train	57,231
Total electricity	348,581
Total paper	36,099

The awareness of the staff of the importance of waste management is made clear by the behaviour of the employees when they recycle family consumption products, like batteries, in the recycling points

Waste management

The commitment to recycling in VidaCaixa Grupo continues steadily. Now the employees can avail of the collection points set up by the company.

The total amount of paper recycled fell by 3% in 2011. This was mostly due to the fact that fewer and fewer documents were received by mailbag, external post and certified post as a result of the improvements in efficiency levels carried out in all departments of VidaCaixa Grupo. These two causes have a direct effect on the paper that is regenerated as waste.

On the other hand, the total amount of plastic recycled rose by 38%, toner cartridges collected jumped by 45%, the WEEE (Waste Electrical and Electronic Equipment) soared by 69% and the amount of batteries recycled rose by 6%, all with respect to the same period in 2010.

The variations are not so much due to consumption in the company as to the personal waste of employees that is also left for collection at the recycling points.

Collection and treatment of waste	2010	2011
Total paper (kg)	24,493	23,653
Total plastic (kg)	3,184	4,396
Total batteries (kg)	94	100
Total toner cartridges (units)	224	325
Total material WEEE (National Register Waste Electrical and Electronic Equipment) (kg)	477	805



Sustainable management of the value chain

Corporate responsibility and sustainability are integrated in the strategy of VidaCaixa Grupo and are transmitted by the employees through their behaviour that guides their relationship with customers and suppliers.

Customer satisfaction

VidaCaixa Grupo underpins the growth and excellent results achieved with the wide range of products and services in insurance and social welfare, personalised assessment, responsible management of its investments and the quality of services it provides for its 2.9 million customers.

Among the main priorities of VidaCaixa Grupo is to obtain the maximum satisfaction from customers. In order to achieve this, the company focuses its effort on always offering an excellent service, a highly professional assessment and personalised treatment. In the case of the CaixaBank branch offices, this is attained by way of constant and continuous contact between the VidaCaixa Grupo staff and the network of branch offices through the different channels already set up. For the rest of the channels and also for the customer, different indicators are put in place, which are described below and with which it is possible to check the degree of objective quality.

The measurement of quality enables the company to detect improvement opportunities that are translated into innovations and new value proposals for customers.

Management and measurement of quality

VidaCaixa Grupo uses a system of management and quality certification that is based on the ISO 9001 norm for the management of funds and occupational pension plans.

Similarly, the Group evaluates customer satisfaction through a multitude of indicators that measure objective quality and other indicators that quantify the perception of quality by the customer. For VidaCaixa the aim of objective quality is to carry out controls and internal follow-ups that assure the quality of service in those areas where the customer is not able to perceive it but assumes it as inherent when placing his trust in our professionals. While the goal of perceived quality for the Group is to maintain a line of communication with customers and channels to know their perception of the services provided and work to increase their degree of satisfaction. Moreover, the evaluations of satisfaction and quality obtained are compared to the results of other companies in the insurance sector.

One of the key indicators of the service offered to the customer is the management of the time taken to process files associated with a claim from CaixaBank. Once again in 2011 the permanent commitment of VidaCaixa Grupo to the quality of service offered to its customers was maintained.

VidaCaixa Grupo monitors customer satisfaction through a series of tools that measure objective quality and the perceived quality

VidaCaixa Grupo uses a system of management and certification of quality ISO 9001 to manage funds and occupational pension plans

Average time for processing requests in days	2010	2011
Group and company risk insurance	1.7	1.3
Group and company savings insurance	0.5	0.7
Individual life-risk insurance	1.7	2.0
Individual life-savings insurance	1.4	1.1
Management of requests from branch offices regarding Individual and Group and company insurance	0.6	0.9
Management of services and mobilisation of pension plans managed from Headquarters	—	1.6

VidaCaixa Grupo is the most highly valued by mediators of Spanish insurance

Assessment by the network of branch offices

For VidaCaixa Grupo the key is the evaluation by the branch office network of CaixaBank. That is why its degree of satisfaction is checked so exhaustively and constantly as it is the main sales channel of the company.

So, satisfaction surveys are given to the branch offices of CaixaBank to assess the quality of the internal suppliers through the analysis of three points:

- 1. The quality perceived through the satisfaction surveys in the sales network.
- 2. The objective quality, which assesses aspects of the creation and implementation of the products and the services offered to branch offices.
- 3. The suggestions and the assessment of the service provided by the Call Center.

In 2011 the satisfaction of the branch network of "la Caixa" / CaixaBank reached 125 points out of a maximum of 148. The evaluation of the quality perceived by the branch network of

CaixaBank of the services offered by VidaCaixa Grupo remained stable and at a high level with respect to 2010. On the other hand, the evaluation of the objective quality and the support given by the contact center both increased in comparison to the previous year.

Assessment by the group and company segment and by the mediators

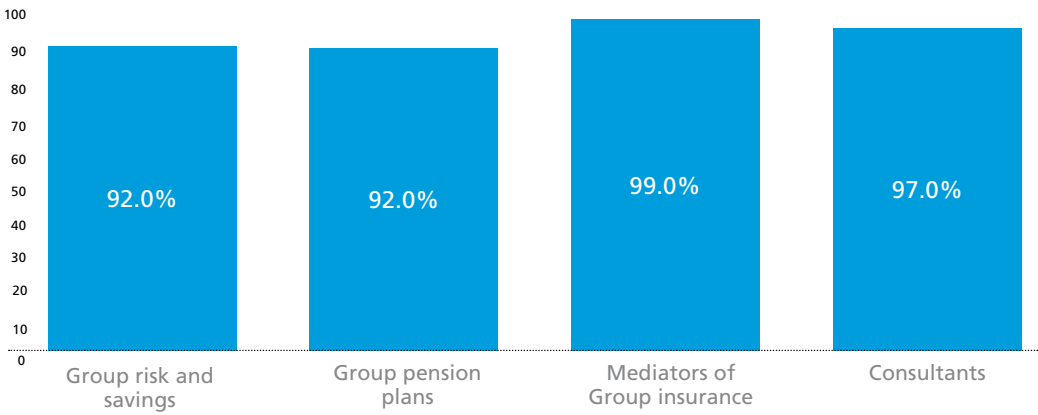
In 2011 a total of 724 surveys to companies and professionals were carried out, which was 1.5% more than the previous year, which in turn clearly shows the effort made by VidaCaixa Grupo to find out the concerns of its customers in the group and company business.

The data from the satisfaction surveys show that the perception of quality of service continued to be very high in risk and savings products with an evaluation in 2011 of 95.4%, above the 94.9% in 2010. The evaluation of the satisfaction in pension plans and professional welfare remained high, despite a slight

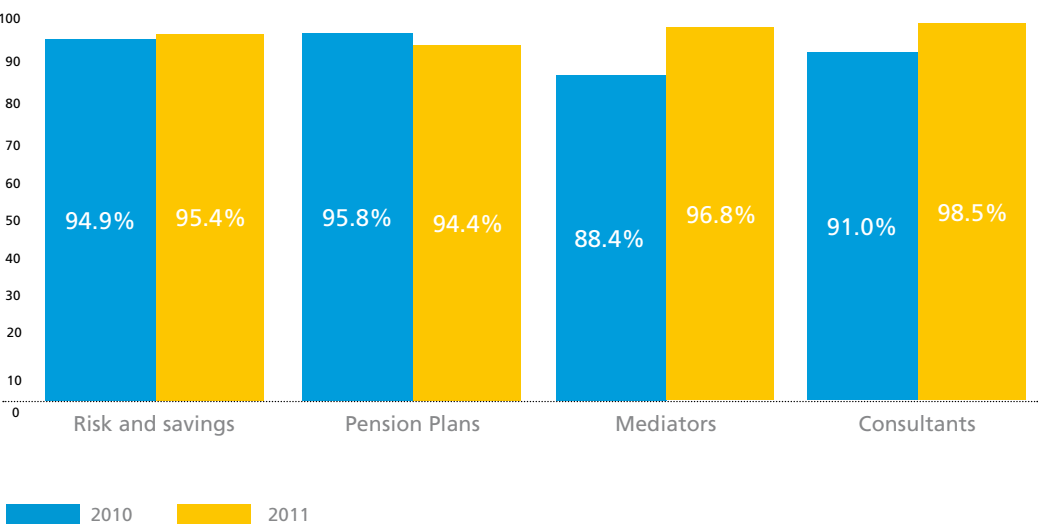
Nº of satisfaction surveys carried out by VidaCaixa Previsión Social	Frequency	2010	2011
Risk and savings (directly with customer)	Annually	259	259
Pension plans (Control commissions)	Annually	179	179
Mediators	Annually	227	238
Consultants	Annually	48	48
Total		713	724



Percentage of recommendation of the VidaCaixa Grupo service



Results of the global satisfaction surveys



decrease revealed in pension plans that went down to 94.4% in 2011 against the 95.8% in 2010. These good evaluations are contrasted by these groups of customers when it comes to recommending a third party to buy the insurance and social welfare products of VidaCaixa. It should be mentioned here that 86.5% of customers who have social welfare products and 92.0% of customers with pension plans or risk and savings insurance would recommend buying the VidaCaixa Grupo products to a third party.

The satisfaction of mediators and consultants who distribute the products of *VidaCaixa Previsión Social* in this segment is also measured. In this sense, the improvement in the evaluation of 8.4 points from mediators and 7.5 points from consultants stands out with re-

spect to the previous year, placing the global satisfaction at very high levels, 98.5% from consultants and 96.8% from mediators. Both the mediators and the consultants say they are more than willing to recommend the products of VidaCaixa Grupo. The degree of recommendation in the case of mediators of group and company insurance is 99% and in the case of consultants it is 97%. The percentage of recommendation among mediators for large companies in civil liability and damage is 100%.

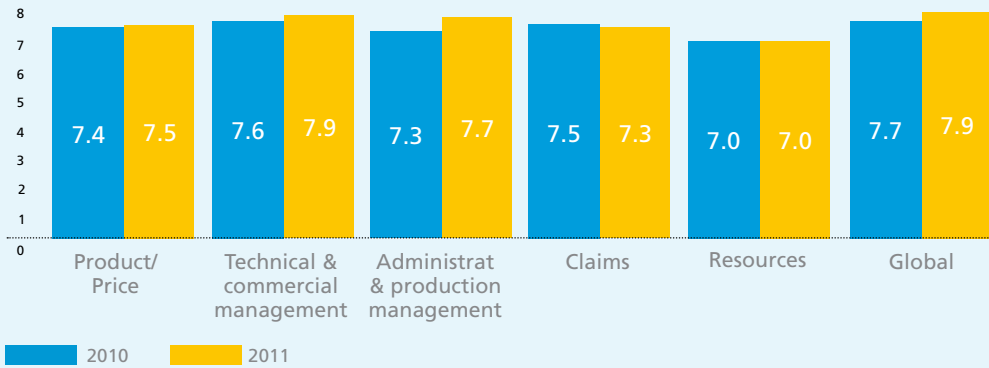
Lastly, the high degrees of satisfaction perceived are contrasted with the results of two quality studies -Barómetro ADECOSE 2011 and Willis Quality Index 2011- in which VidaCaixa Grupo participated together with other companies in the sector.

VidaCaixa Grupo is the most valued company in the Barómetro ADECOSE 2011

Barómetro ADECOSE 2011. VidaCaixa Grupo, the most valued company according to Spanish mediators

The barometer of the *Asociación Española de Corredurías de Seguros* (ADECOSE) gathers the opinion of insurance broker professionals of the main insurance companies in Spain. The satisfaction with VidaCaixa of those surveyed went up to 7.9 out of 10 (0.3 points more than in 2010). In comparison, the global evaluation of all the companies was 6.8 (0.3 points less than in 2010). VidaCaixa stands out in 19 of the 20 aspects evaluated in the survey. If the business segments are analysed in detail, life-risk – accidents got 8.4 and life-saving – pensions 8.3

Satisfaction in detail. Barómetro ADECOSE



The results achieved by VidaCaixa Grupo in the Willis Quality Index 2011 place the company globally above the average of the sector

Willis Quality Index 2011 (WQI)

The WQI gathers the opinion of Willis members from around the world on some aspects related to the development of insurance and reinsurance services from some 350 business groups. The data are gathered twice a year and the questions asked cover diverse aspects of functional areas, such as subscription, claims or the service received.

The results obtained by VidaCaixa place it globally above the average in all specific aspects analysed: product subscription, administration policy and service offered to the customer.

Willis is a multi-national company that undertakes different professional services: insurance and reinsurance, risk management, financial and human resources consulting to companies, public enterprises and institutions all over the world.

Customer attention

Contact Center

Customers and sales channels of VidaCaixa Grupo can funnel their requests through a multi-channel, multi-contact platform.

In 2011 the number of calls received at the Contact Center was over 1 million coming from customers, the branch network of CaixaBank and AgenCaixa.

Letters to the Manager

The letters to the Manager are one of the ways of communication available to all customers of VidaCaixa that have subscribed to products through CaixaBank, so that their opinions and even their complaints or claims reach the company. In 2011 there were a total of 122 letters to the Manager.

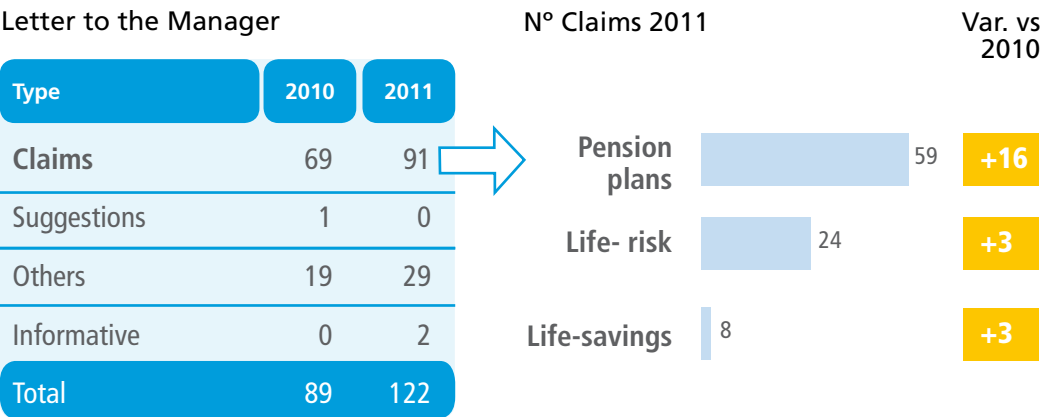
Most reasons for dissatisfaction were associated with pension plans and specifically with the

impact of the present economic situation, the conditions for surrender of the plans and the variation in the yield.

All the letters coming from the branch offices of CaixaBank or directly from VidaCaixa are registered and arranged depending on the type of letter and the product it refers to. The letters whose content does not refer to the company are not admitted. The rest are analysed to identify the reasons for the complaint or if suggestions and, if they prove to be appropriate, they are incorporated as improvements in the service.

In all cases the letters are answered. The response time was significantly reduced to 1.9 days, one day less than in 2010, which clearly shows the effort of the organisation to improve the quality of the service and the attention to the customer. It should be noted that the maximum response time established is 7 days.

All the letters to the Manager received are answered, on average, in 1.9 days



Breakdown per product/service of calls received by Contact Center

Service	Total
Agriculture	16,476
Groups	18,783
Pensions	339,367
Life-savings	85,904
Life-risk	121,999
Total	1,146,275



In 2011 some 52,848 consultations were handled coming from the branch office network of CaixaBank, 54% more than the previous year. The average response time was 1.2 days

Requests coming from the branch office network of CaixaBank

The 5,196 branch offices of CaixaBank are a source of permanent information on the needs and opinions of the customers of VidaCaixa Grupo. In 2011 a total of 52,848 consultations were handled, 54% more than in 2010. The growth in the activity of VidaCaixa Grupo led to an increase in the number of requests about product information and commercial campaigns as well as about management of services. The maximum response time is 2 days but the average was lower at 1.2 days (in 2010 it was 0.9 days).

Customer Ombudsman

Another channel VidaCaixa Grupo customers have at their disposal is the Customer Ombudsman, whose decisions are binding on the company but not on the policyholders. With regard to claims presented to the Customer Ombudsman of the Catalan Savings

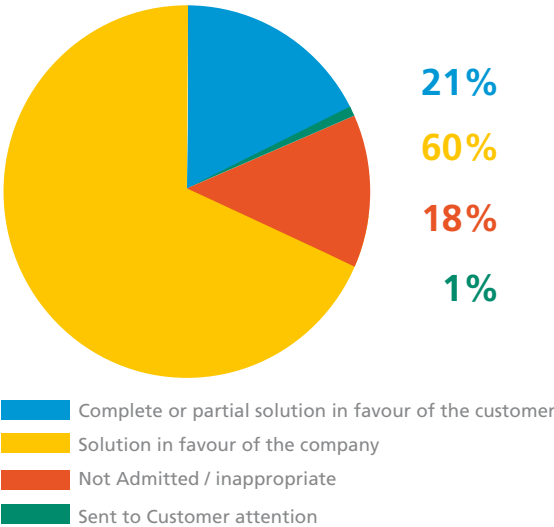
Banks, a total of 82 were dealt with, 35 more than in 2010. On the other hand, 38 claims were dealt with by the *Dirección General de Seguros y Fondos de Pensiones*, 12 more than the previous year.

Accessibility to products and services

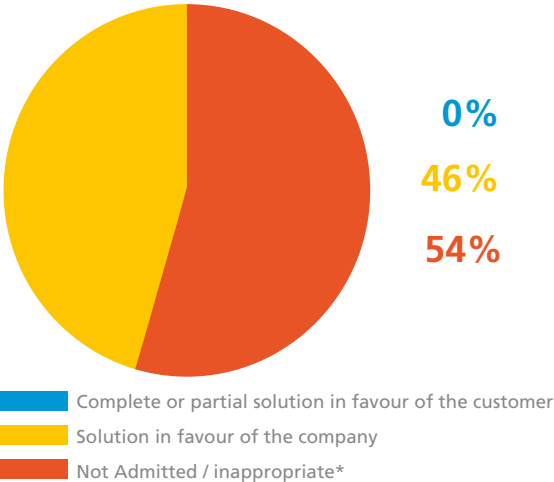
The constant commitment to innovation also extends to the area of our relationship with customers. For this VidaCaixa Grupo endeavours to be nearer its customers and to make the best product offer in insurance and social welfare accessible to its customers at all times and country-wide.

The Group offers its customers the possibility of using its multiple channels to consult information and subscribe to a wide range of products.

Resolution in 2011 of the claims handled by the Customer Ombudsman of the Catalan Savings Banks



Resolution of the claims handled by the *Dirección General de Seguros y Fondos de Pensiones*



* All pronouncements are omitted because of the issue itself or because it is in legal proceedings.

VidaCaixa Grupo collaborates with UNESPA in the diffusion and application of the principles of its Guide to good practices related to the transparency of information

Elimination of physical and communications barriers

VidaCaixa Grupo’s commitment to accessibility is noticeable from its effort to eliminate physical and communications barriers in the different channels the Group make available for the relationship with its customers.

In the branch office network of CaixaBank zero-level goal is ongoing. This is to eliminate all entrance barriers to branch offices for people with reduced mobility. In 2011 the number of offices without barriers rose to 4,024, which is 78% of the whole network.

In the IT environment, all the pages of the VidaCaixa Grupo web were adapted to help people with disability gain access. Likewise, the corporate web and the social welfare web have the certification of double accessibility of the Web Accessibility Initiative (WAI).

Transparent and true communication

VidaCaixa Grupo makes sure that the information the customer receives is exact and trustworthy.

Beyond complying with the regulation on publicity and the protection of consumers, it assumes the self-compliance codes such as the General Code of Advertising Conduct from IN-VERCO.

Similarly, importance should be given to the collaboration with institutions in the area of insurance and social welfare, such as UNESPA, which diffuses and applies the principles of its Guide to good practices related to the transparency of the information given to customers in the processes of information and subscription. VidaCaixa Grupo is also adhered to other guides to good practice promoted by UNESPA: internal control, corporate governance, the Internet, advertising and unit-linked products.

All commercial and contractual information contains visible data of contact so the customer can make inquiries. Likewise, the corporate webpage has a section with the telephone numbers of VidaCaixa Grupo as well as a contact form for customers. Lastly, the standards of the sector are complied with as far as all the information prior to subscribing to an insurance

policy is concerned. Campaigns, in accordance with the parameters set out by the communication policy of CaixaBank, have the approval of the self-control bodies and of the Generalitat of Catalonia.

The company informs pension plan customers via commercial communication about the responsible management of investments and its adherence to PRI.

In 2011 the Group was not subject to any fines for non-fulfilment of the regulation on information to the customer.

Data protection and the privacy of customers

VidaCaixa Grupo continued to develop preventive measures that guaranteed security and transparency in relation to the customer, which go beyond what is stipulated in the legal framework and are in line with what is set out in the code of ethics of the Group.

It is worth noting that after the process of reorganisation of “la Caixa” in 2011, and in the creation of CaixaBank, the clauses on data transfer were adapted.

In 2011 VidaCaixa Grupo was not subject to any fines for non-fulfilment of the regulation on the Organic Law of Data Protection.

Improve the transparency of information to customers and sustainability

On the occasion of launching the Programa Premium, with products and services for the customers of the private and personal banking segment, sustainable support was used that reduces the consumption of paper and favours the storage of information such as on USB devices, which is intended to offer customers information on products and services. These devices also include corporate information such as the Annual Report and the Corporate Responsibility Report from 2010.

A great place to work

The organisational structure as reported in the VidaCaixa Grupo 2010 Corporate Responsibility Report remained in force until July, 2011, when after the 50% controlling acquisition of SegurCaixa Adeslas by Mutua Madrileña, a new structure for the VidaCaixa Grupo was designed and is reflected in this document. This new organisation responds to the Group's current reality, exclusively focused on life insurance and pension plans and envisages shared services between SegurCaixa Adeslas, assigned to Assistant Management of Marketing and Resources and the Management of Corporate Development.

This report summarises the information regarding all staff members, who, as of 31st December, 2011, are employed by the VidaCaixa Grupo whether exclusively or by way of shared services with SegurCaixa Adeslas.

The human dimension and profile

As of 31st December, 2011, VidaCaixa Grupo employed a team of 864 professionals, distributed between three companies in VidaCaixa Grupo, AgenCaixa and AIE (Insurance Group of "la Caixa"), all of whom are well trained and highly motivated.

Employees (total nº)	2010	2011
Headquarters	490	564
AgenCaixa	315	251
Own branches	—	49
Total	805	864

Employee distribution by contract type (total nº)	2010	2011
Employees on fixed / full-time contracts	788	801
Employees on fixed / part-time contracts	6	3
Employees on temporary / full-time contracts	11	60
Total	805	864

A commitment to quality job creation

A firm commitment to job creation and the professional improvement of its employees has been a constant throughout the history of VidaCaixa Grupo.

Despite the current economic situation and the impact of such a high unemployment rate on the economy, VidaCaixa Grupo upheld its commitment to quality job creation.

In this regard, staff numbers at the Group grew by 7.3% compared to the previous reporting period, 2011, thereby fulfilling our commitment to develop our volume of business concurrently with staff numbers in a balanced manner.

Of the total staff, 564 employees are based at our Headquarters, 251 in AgenCaixa and the remaining 49 work at the branch offices.

Distribution of staff by professional category (nº Employees)	2010	2011
Management	12	13
Mid-level management	73	78
Rest of staff	720	773
Total	805	864

Fixed contracts account for 93% of total, an indication of the Group's commitment to stability and quality job creation

Distribution of staff by gender (n° employees)	2010	2011
Male	299	326
Female	506	538
Total	805	864

Distribution of management team and managers by gender (n° employees)	2010	2011
Male	61	61
Female	24	30
Total	85	91

Another of the characteristic traits of the staff at VidaCaixa Grupo is its diversity. 62% of all staff and 33% of our management team are women. Moreover, within the Group itself there are employees from 13 different countries.

The excellent degree of training, professionalism and dynamism is not in any way at odds with the youthful nature of the staff, where the average age of workers in the Group is 39.

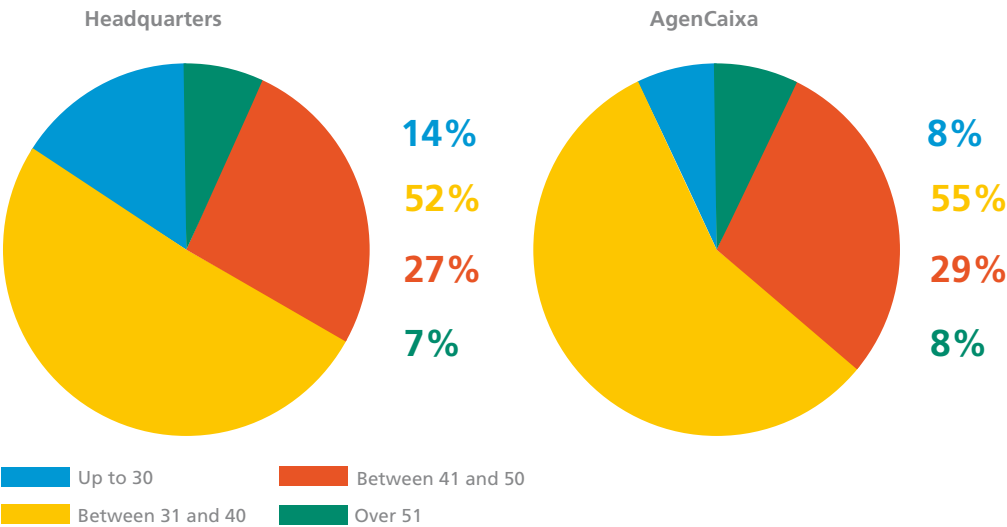
Finally, worth mentioning here is the commitment of employees to the Group. The average seniority of the management team is 18 years, 9 years for employees working at Headquarters and 8 years for employees of AgenCaixa.

Nationalities working on staff (n° total)	2010	2011
Nationalities working on staff	13	13
Employees from other countries, non-Spanish	16	16

Average age of staff members	2010	2011
Headquarters	39	39
AgenCaixa	41	40
Own branches	—	33
Average age of staff	40	39



Distribution of staff by age groups



Geographic distribution of staff (n° employees)	2010	2011
Catalonia	557	574
Madrid	105	113
The Basque Country - Asturias	21	23
Valencia	16	22
The Canary Islands	12	15
Aragón - La Rioja - Navarra	14	15
Galicia	17	21
Andalusia	41	52
The Balears Islands	18	13
Extremadura	2	2
Castilla y León	1	7
Castilla-La Mancha	0	5
Murcia	1	2
Total	805	864

Selection, orientation and employee satisfaction

The principles governing human resource policy at VidaCaixa Grupo ensure diversity, equal opportunity and non-discrimination on whatever grounds throughout the recruitment and selection processes.

In addition, internal promotion procedures are governed by the principles of transparency, equality of opportunity and fairness. In 2011, a total of 116 new employees joined the organisation at VidaCaixa Grupo, 60% of whom were women.

Index unsolicited staff rotation by gender - Headquarters (in percentage)	2010	2011
Male	0.3	0.7
Female	0.6	0.3
Total	0.9	1.0

Index unsolicited staff rotation by age - Headquarters (in percentage)		
Under 30	—	0.5
Between 31 and 40	0.8	0.3
Between 41 and 50	0.1	0.2
Older than 51	—	—
Total	0.9	1.0

During the year a total of 116 new professionals joined the team of professionals at VidaCaixa Grupo

Selection, recruitment and internal promotion	2011
Positions covered by existing staff members	5
Total nº of new professionals hired	116
Male employees over total number of new recruits (in percentage)	40
Female employees over total number of new recruits (in percentage)	60

Among the principal highlights implemented during 2011, was the implementation of the Comprehensive Orientation Plan, consisting of a series of initiatives focused on designing a standardised orientation system that aims to accompany new recruits throughout the process of incorporation and adaptation to their assigned duties. These orientation initiatives are a fast track to taking on board the corporate culture at VidaCaixa Grupo.

The Comprehensive Orientation Plan guarantees that any professional joining the organisation, regardless of the hierarchical level and responsibilities of their position, follows a specific orientation plan that involves the corresponding departments within the organisation and enjoys the support of a mentor through the entire process, thereby ensuring

a more effective and speedy incorporation, as well as talent management from the very outset of the professional relationship.

The Comprehensive Orientation Plan furnishes new recruits with a series of information tools, which include the Corporate Responsibility Report and Code of Ethics. These information tools are supplemented by training initiatives and interviews with different employees and departments from within the VidaCaixa Grupo.

In 2011, the organisation worked at incorporating the Comprehensive Orientation Plan into the online training facility, AulaForum, thereby enabling staff members to consult the guide online.

Tools included in the Comprehensive Orientation Plan

The initial reception and orientation phase of the Plan involves the use of a series of tools designed to facilitate the incorporation of new recruits into the company. The main tools involved during this stage are the following:

- “Welcome pack”
- Interactive virtual orientation
- Virtual training for new recruits (Aul@Forum)
- Individual welcome (specific according to post)
- Collective breakfast or welcome meeting (depending on volume of new recruits and positions)



Since 2009, VidaCaixa Grupo has been a certified Family Responsible Company (EFR, as per the Spanish acronym), given in recognition of the company's efforts in creating a management model which fosters conciliation between the company, work, personal and family life.

The Group provides employees with over 40 measures aimed at assisting in balancing employees' working and family life within a framework of commitment to stability, professional growth and physical, mental and emotional wellbeing in the workplace.

In 2011, every one of the EFR measures was upheld within the framework of the new labour agreement signed and in 2012, the company plans to renew the certificate by way of the established audit and analysis procedure.



Dialogue, participation and communication

Faced with the challenges of an ever-changing environment, VidaCaixa Grupo has always placed special emphasis on internal communication in an effort to align its employees with the Company's strategic objectives.

With this in mind, the Group implemented an internal communication plan in 2011 and continued its commitment to the use of a series of tools and instruments designed to facilitate dialogue, participation and communication with its employees. The objective of this internal communication plan is to assist in achieving the Company's strategic objectives through involvement, commitment and satisfaction of employees, aligning the collective efforts of the entire team of professionals with the objectives of the Company.

Conéctate

This is a newsletter to enable employees to stay abreast of the principal new developments within the company. In 2011 the newsletter had a total of 7 editions.



Annual directors' convention

Once again, at the beginning of the financial year the Annual Directors' Convention was held from senior management to coordinators. The aim of this meeting was to announce the results achieved in 2011 and outline the principal objectives and challenges to be faced during 2012.

Throughout 2011, VidaCaixa Grupo provided employees with over 40 measures aimed at conciliating work and family



Managing Director of VidaCaixa Grupo during the 2011 Annual Directors' Convention

Meetings and face-to-face sessions

Representatives from senior management continued to hold quarterly communication sessions with management to provide updates regarding business development and transmit the most important new developments.

Training mid-level management

In 2011, mid-level management received training to improve their skills in the processes of transmitting information to the rest of the employees in their respective teams. The aim of this initiative was to ensure that communications reach the rest of the employees.

Suggestions Box and Ideas Channel

The suggestions box remains one of the most efficient ways for employees at the CaixaBank branch offices to share their ideas. Moreover, employees at VidaCaixa Grupo can avail of the Ideas Channel to transmit their opinions, suggestions and thoughts.



Balanced Scorecard

The Balanced Scorecard (BSC) transmits the company strategy and objectives to all employees regarding what is to be achieved on an individual and global level.



E-mail

Finally, e-mail also has an important role to play in transmitting corporate communication between VidaCaixa Grupo and its employees.



Compensation systems, fringe and social benefits

Compensation policy

At VidaCaixa Grupo, all staff members can avail of the remuneration system that combines fixed and variable remuneration thereby enabling a more objective economic compensation system based on achievement of targets at a group and individual level.

This compensation system is based on the Balanced Scorecard and the Individual Balanced Scorecard management tools.

The minimum salary of employees is above the minimum amount established under legislation and above the collective agreement for the sector and represents 1.78 times the minimum legal wage. Basic salary is regulated by tables established under sector agreements.

During 2011 the remuneration model used at the Company was submitted for review in collaboration with a renowned consultancy firm in order to guarantee the application of internal and external principles of fairness.

Distribution of fixed & variable remuneration at Headquarters (in percentage)	2010	2011
Employees on minimum fixed remuneration based on salary scales	0	0
Employees on variable remuneration schemes pursuant to achieving individual targets	100	100
Employees on variable remuneration schemes pursuant to achieving group targets	100	100

Note: information is not provided for own branches or AgenCaixa.

Variable remuneration over wage bill (in percentage)	2011
Headquarters	19
AgenCaixa	15



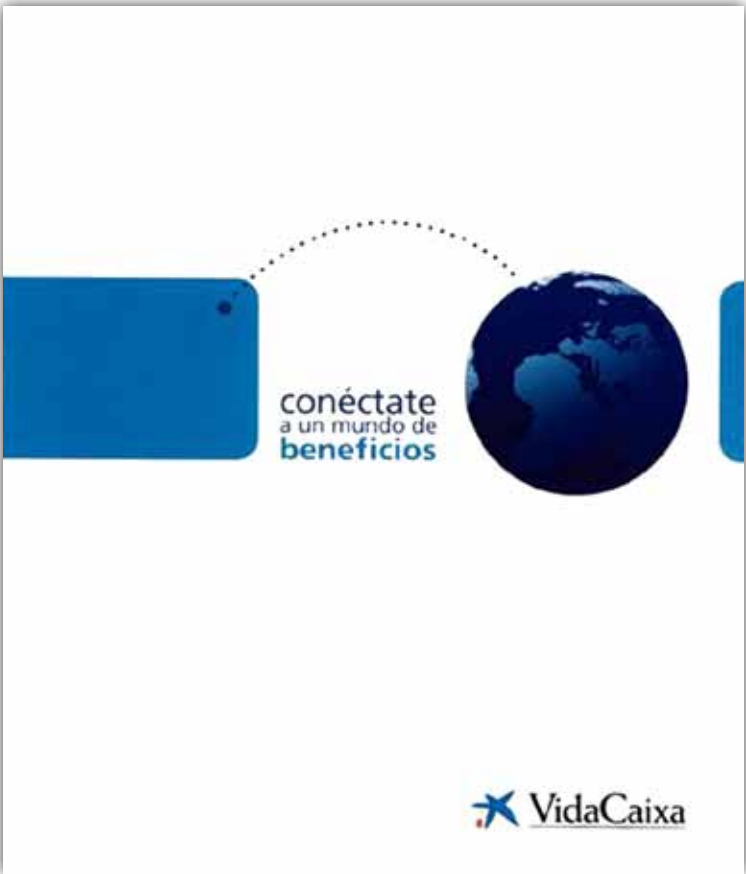
Fringe and social benefits

VidaCaixa Grupo maintained the system of fringe and social benefits in place in an effort to attract and retain talent. These benefits are extended to include all employees regardless of their working day, except for restaurant voucher cover which only applies to those employees working a full day.

Investment in personnel costs (thousands of Euros)	2011
Wages and salaries	29,958
Social security	5,583
Donations and contributions to pension plans	388
Sundry costs	1,414
Total	37,343

Principal social benefits for employees

- Extension and improvement of health care cover for employees and increased capital amount for Collective Agreement regarding life insurance.
- Possibility to sign up to pension plans and contribute to these up to 3% of annual basic salary.
- 29 days annual holidays and intensive working day during summer months.
- Access to loans from the company of up to a maximum capital of 20,000 Euros.
- Assistance for children from birth until they reach 21.
- Family plan: assistance for disabled family members.
- Annual training plan.
- Lunch allowance.
- Assistance for university and language study programmes.



Note: document detailing the benefits available to employees at VidaCaixa

Commitment to labour rights

Equal opportunities and integration into working life

The application of standards based on merit and suitability of professional profile to the duties to be carried out in each position dictate the process of recruitment, professional development and internal promotion for all employees of VidaCaixa Grupo.

The number of female employees in management and holding managerial positions continues the growth trend and, in 2011 women accounted for 33% of all these positions. In addition, the company exercises total equality in gross salary assigned to male and female employees of the same professional category.

VidaCaixa Grupo upheld its commitment to integration into working life of persons with a disability, in compliance with legally established terms. This was put into practice with the hiring of 3 new recruits with a disability by AgenCaixa and a further 2 by the Insurance Group, in addition to collaboration with the Femarec Special Employment Centre, SCCL, by way of a service procurement contract for selective waste paper management service for the sum of 28,700 Euros and a donation to

the Adecco foundation for the sum of 81,501 Euros, 41,698 Euros of which was allocated to the Plan Familia programme.

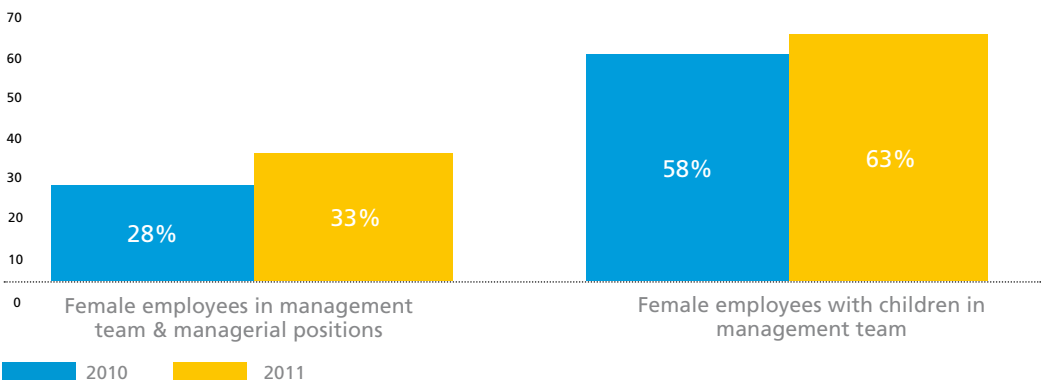
The principal goal of Plan Familia is to contribute to the development of social integration and integration into working life for disabled family members of employees. In 2011 a total of 9 people, (7 from VidaCaixa and 2 from AgenCaixa) benefitted from the range of educational, training and therapeutic initiatives programmed individually for each case. The most significant activities from the programme include specialised occupational therapy, physiotherapy and neurological rehabilitation, speech therapy, specialised IT training, specialised leisure activities, orientation and labour intermediation.

Compliance with corporate obligations regarding the hiring of disabled persons is carried out by adopting alternative measures such as procurement of services from specialised employment centres like Sertel.

VidaCaixa Grupo signed a framework agreement with the Grupo ONCE by which it undertakes to adhere to a minimum annual billing amount with its companies. In 2011, this commitment which was initially 434,000 Euros finally ended up at 4.4 million Euros.

33% of the management team and managers at VidaCaixa Grupo are female, compared to 28% the previous year

Women in management team and in managerial positions in VidaCaixa Grupo



Collective bargaining rights

All staff members are covered under the collective agreement at national level for insurance companies and the company has trade union representation.

During 2011 there were two sectoral collective agreements in operation: the National General Collective Agreement for Insurance, Reinsurance and Workplace Accident Mutual Insurance Companies and the National Mediation Sector Collective Agreement in Private Insurance.

It is important to highlight that throughout 2011 there were no incidents to report or complaints submitted by employees regarding breach of freedom of association and collective negotiation.

Moreover, the Insurance Agreement provides for consultation processes with workers’ representatives, particularly with regard to collective geographic mobility.

For more information, please see the section on social benefits for VidaCaixa Grupo employees.

Representatives by company (nº)	2010	2011
Headquarters		
Persons on the Works Committees	18	18
Staff Delegates	—	—
CC.OO.	14	14
UGT	—	—
Independent	4	4
Own branches and AgenCaixa		
Persons on the Works Committees	14	14
Staff Delegates	15	16
CC.OO.	24	25
UGT	5	5
Independent	—	—



Throughout the year a flu prevention campaign was carried out providing flu vaccination for all employees who wished to receive it, as well as a full medical check-up

Health & safety in the workplace

At VidaCaixa Grupo there are a total of 4 Health & Safety committees, which promote initiatives and programmes designed to improve health and safety conditions in the workplace.

In 2011 a flu prevention campaign was carried out providing flu vaccination for all employees who wished to receive it, as well as a full medical check-up when requested by any employee, in collaboration with the prevention service.

In order to foster communication between VidaCaixa Grupo employees and the Health & Safety Committees, the company has an e-mail inbox titled, "Better Safe than Sorry", to allow employees to make suggestions and contribute their ideas thereby promoting a culture focused on health and safety in the workplace.

Finally, on the occasion of the refurbishment of areas of the Headquarters in Barcelona, in 2011 the corresponding updating process of the health and safety appraisals were carried out.

Health & Safety Committees	2011
INSURANCE GROUP + VIDACAIXA + AGENCAIXA	
Total nº of health & safety committees	4
% of employees covered under health and safety committees	100%
Total nº of health & safety delegates in the Company	21
Absenteeism	
Total nº of accidents without leave	0
Total nº of accidents requiring leave	11
Total nº of number of in itinere accidents requiring leave	11
Total nº of number of days lost due to accidents	132
Absenteeism due to illness & maternity/paternity leave	
Total nº of maternity/paternity requests for leave	74
Total nº of sick leave for common ailments	255
Total nº days lost to absenteeism	8,976



Development of talent and organisational skills

Training and professional development

In 2011, a training plan was launched designed to strengthen training and the knowledge base of all staff at the Group

VidaCaixa Grupo makes a firm commitment to training as a vehicle for improving professional development and ongoing betterment of the organisation itself. In order to do this, the company reviews and adapts the training its employees receive so that it meets the challenges and requirements of the business and for this it allocates significant resources to training.

In this area, one of the newest highlights from last year was the definition of the training policy for the VidaCaixa Grupo, through which criteria and goals are established at corporate level in this area of human resources management. These objectives go a step beyond legally established training objectives for insurance mediation professionals and instead strive to optimise the skills of the entire workforce of the company.

Another noteworthy achievement was the launching of the 2011 Training Plan which aims to strengthen the training and know-how of everybody working for the organisation in order to shore up the achievement of the company's targets and strategic initiatives through

developing the necessary organisational skills, providing staff with the technical know-how and talents required for streamlining their suitability to the post, in addition to bolstering and developing staff proficiency in achieving the optimum exercise of their duties and providing them with specific knowledge for the successful completion of the tasks required of them. These measures are designed to standardise technical and business know-how, bolster training at every level, encourage the use of new online technology and tools as a vehicle for managing knowledge and to strengthen mid-level management by providing them with ad hoc designed programmes which allow them to manage and integrate high performance teams within an unpredictable and ever-changing environment.

In 2011, a total of 293 training initiatives were organised, 254 of which were on-site sessions and the remainder on-line. A total of 707 employees, 416 from Headquarters, 291 from AgenCaixa attended training initiatives. This represents a total of 20,525 hours, 14,095 of which were on-site and 6,430 on-line. The content of these sessions was principally focused on three areas: skills, new technologies and business training.

The satisfaction rate among participants was very encouraging: 8.27 on a scale of 1 to 10 for employees at VidaCaixa Grupo.

Launch of the new AUL@FORUM

In November, the newly designed online learning platform, Aulaforum, with a fresh new image, more user-friendly usability and with enhanced functionalities within a 2.0 collaborative working and learning environment.



The new Aulaforum stems from the desired intention to improve the learning experience and communication between the employees with new functionalities.

Among these new functionalities, the most noteworthy include the option for each user to personally configure his network of colleagues, the capability to vote on, recommend and share content, set up blogs and syndicate content.

Comprehensive training plan for company directors

The plan is aimed at the group of employees from the corporate department with a view to standardising knowledge and creating a single culture for commercial planning and management within the corporate business area.

In total, there were more than 20 sessions devoted to broadening their knowledge base of company products, marketing management tools and developing marketing skills.

Overall investment in training over payroll (thousand euros)		2011
Headquarters		313
AgenCaixa		277
Total		590
Overall investment in training (in percentage)		
Headquarters		1.0
AgenCaixa		2.1
Average investment per employee (in Euros)		
Headquarters		525
AgenCaixa		1,021
Training initiatives carried out (total n°)		
Headquartes		
On-site training		163
On-line +distance training		25
AgenCaixa		
On-site training		90
On-line + distance training		13
Total on-site training		254
Total on-line + distance training		38
Employees who received internal training (total n°)		
Headquartes		416
AgenCaixa		291
Total		707
Employees who received training as % of total staff (in percentage)		
Headquarters		73.8
AgenCaixa		100.0
Training hours given (total n°)		
On-site training sessions given		
Headquarters		8,424
AgenCaixa		5,671
Total		14,095
Hours of on-line training given		
Headquarters		1,679
AgenCaixa		4,751
Total		6,430
Average hours per employee (number)		
Headquarters		24.3
AgenCaixa		35.8



Leadership and talent management

Development and bolstering of leadership among employees as well as managing their respective talents is one of the strategic priorities of human resources management undertaken by VidaCaixa Grupo in order to contribute to the growth and professional development of employees and to prepare the organisation to meet the challenges of the market, with the guarantee of success.

Moreover, in line with previous years the Group continued development of programmes aimed at Department Heads and Business Area Managers designed to improve training focused on knowledge skills.

Finally, it should be stressed here that in 2011, within the framework of the training plan to develop organisational skills, the new dictionary of attitudinal skills was developed and which identifies a series of skills and indicators for measuring performance.

Promotion

In 2011 VidaCaixa Grupo continued implementing its policy to foster internal promotion. The growth of the Group provides opportunities for the professional growth and development of its employees. In this regard, there were 39 lateral moves and 56 changes in professional category, 51% of which went to female staff members.

Internal promotion	2011
Overall number of horizontal transfers	39
Overall number of promotions involving change in professional category	56
Male employees as % of promotions (in percentage)	49
Female employees as % of promotions (in percentage)	51



Suppliers

VidaCaixa Grupo extends its undertaking with responsibility and sustainability to all its suppliers, in line with the procurement, services contracting and payment standards in place at CaixaBank.

Our relationship with more than 1,305 suppliers is based on adherence to criteria of transparency and rigour, in an effort to offer our customers excellent service.

Moreover, given the company's commitment to sustainability, VidaCaixa Grupo takes supplier

compliance into account regarding the environmental and human rights commitments stemming from the Global Compact, as well as the United Nations Principles for Responsible Investment.

Suppliers to VidaCaixa Grupo are solvent and reputable companies whose services are carried out in Spain, where the Group is active; therefore the risk of human rights and sustainability issues is very limited. In this context, the Group includes a clause in its contracts with general services suppliers to comply with the environmental law in force.

Promotional products

Purchases regarding promotional products for VidaCaixa Grupo are carried out by way of PromoCaixa, a subsidiary company belonging to CaixaBank. In accordance with the commitment the organisation has undertaken with compliance to human rights issues and in order to manage and monitor this risk, in 2011 there were 7 audits of suppliers located in developing countries and who manufacture products exclusively for the company. As a result of this process, irregularities were detected in 5 of the 7 audits, all of which were subsequently corrected.

Finally, it should be mentioned that with regard to suppliers and investment managers working with VidaCaixa Grupo, the vast majority are aligned with ESG factors, are signatories of the United Nations Principles for Responsible Investment (PRI), or are members of Spainsif, a non-profit association comprising 32 organisations who strive to promote socially responsible investment in Spain.

Principal suppliers per turnover

