



**VidaCaixa Grupo**



**2011**

**Integrated Annual Report**

# 2011

## **Integrated Annual Report**

### **Scope of the report**

This Integrated Annual Report refers to VidaCaixa Grupo with a scope of consolidation depending on the nature of the information provided:

The economic and financial information is based on the annual consolidated accounts of "VidaCaixa Grupo, S.A.U. and its subsidiary companies". The consolidated annual accounts and the management report for 2011, together with the auditors' report dated 9th March 2012, which is favourable, can be consulted in the corporate webpage of VidaCaixa Grupo: [www.vidacaixa.com](http://www.vidacaixa.com)

Further information on the scope and makeup of the report, as well as the content and GRI indicators, can be found in the Appendix attached to this report.

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**Ricardo Fornesa Ribó**  
Chairman of VidaCaixa Grupo

# Letter from the Chairman of VidaCaixa Grupo

Despite the difficulties of the present economic situation, 2011 was a good year for VidaCaixa Grupo: apart from achieving excellent results, we managed once again to consolidate our position as the leading company in complementary social welfare on the Spanish market, that is in life-savings insurance and pension plans.

An outstanding event in 2011 was the strategic alliance between “la Caixa”, the sole shareholder in VidaCaixa Grupo, and Mutua Madrileña, a major insurance company in Spain, for the acquisition by Mutua Madrileña of 50% of SegurCaixa Adeslas, the non-life insurance company, which was until July 2011 totally integrated in VidaCaixa Grupo.

After this agreement, in VidaCaixa Grupo we aligned our effort with a very defined and focused vision, which was to turn the Group into the Spanish benchmark for retirement and life insurance. In VidaCaixa Grupo, retirement is understood as a set of actions that enables customers to create a comfortable situation for their retirement through an estate that provides cover in the form of income as well as through the complementary services after retirement. For this we face our challenges keeping our corporate values of trust, quality and dynamism in mind so that we can contribute to the creation of value for our shareholder, “la Caixa”, as well as for our stakeholders, who are our employees, customers, shareholder, society and the environment.

The excellent results achieved in 2011, reflected in this annual report, were made possible thanks to our strengths, which were focused on providing specific answers to the insurance and welfare needs of our customers, our sales model that combines the bancassurance channel together with other sales channels, our quality of service, our professional advice, innovation and the responsible management of our investments.

These elements, combined with an efficient management and rationalisation of costs, enabled us to raise the volume of premiums to over 6,500 million Euros and managed funds to 40,029 million Euros, both of which enjoyed growths of over 20% on the previous year. Thanks to this we reached a net recurring profit of 279.5 million Euros or 12% more than in 2010. Similarly, we must point out that the sustainable management of our activity pushed our solvency margin to 190%, a full 8% more than in 2010, which is well above the required legal limit.

VidaCaixa Grupo remained loyal to our commitments to sustainability, so we ratified our membership to the Global Compact and the PRI or Principles of Responsible Investment of the United Nations. Through these agreements we managed our investments according to environmental, social and good corporate governance criteria. We struggle at all times to optimise the consumption of resources while spreading those principles among our customers so that they too can adopt them.

As a novelty in this report, all the economic, social, environmental and good governance information is gathered together. Providing this integrated information in one Report lets us show more clearly and transparently how we contribute with our management to the creation of shared value.

I encourage you to read this first report, through which you will be able to know how, from a global perspective, our activity in VidaCaixa Grupo is carried out.



Ricardo Fornesa





## Presentation of VidaCaixa Grupo

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

# 2.1 Financial highlights

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

# VidaCaixa Grupo

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

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

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

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

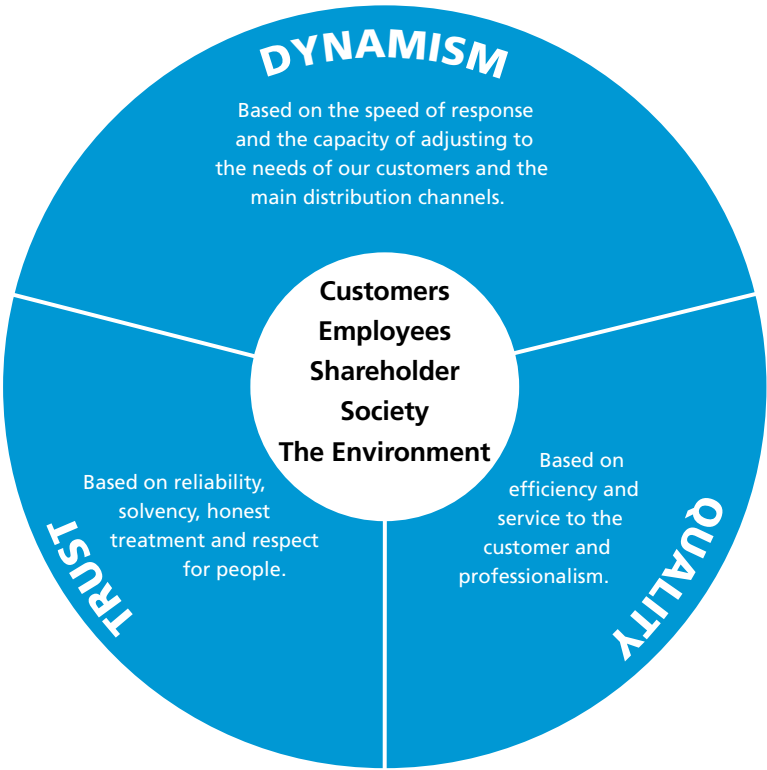
These values make up the identity of the Group and through them the ties with our stakeholders are created day by day.

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

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

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

For greater detail, please look at the SegurCaixa Holding Corporate Responsibility Report 2008. [http://www.vidacaixa-segurcaixaadeslas.es/eng/info\\_corporativa/memoria\\_anual.html](http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/memoria_anual.html)



VidaCaixa Grupo Values



**CaixaBank is the sole shareholder of VidaCaixa Grupo**

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

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

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

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

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

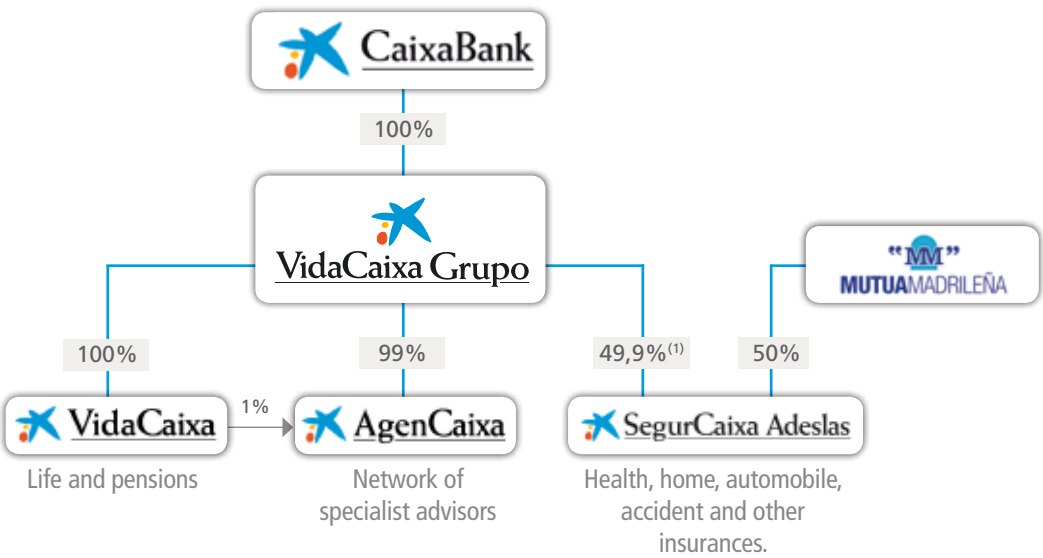
In July 2011, as a result of the reorganisation of “la Caixa”, CaixaBank was founded. “la Caixa” ran its financial activity through this bank and deployed its bancassurance model throughout its network while becoming the sole shareholder of VidaCaixa Grupo.

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



## 2.3 Shareholder structure

VidaCaixa Grupo was founded with the vocation of offering the best insurance service in Spain. For this the Group carried out its activity through VidaCaixa and AgenCaixa and participates as a relevant shareholder in the equity of SegurCaixa Adeslas.



(1) There is 0.08% of minority shareholders.

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

# CaixaBank

In 2011 CaixaBank consolidated its financial strengths

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

**Enormous capacity to generate profits**

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

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

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

**A committed company**

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

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



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

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

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

## Future challenges

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

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



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

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

Activity undertaken by the companies within VidaCaixa Grupo

VidaCaixa

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

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

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

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

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

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





### AgenCaixa

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

### SegurCaixa Adeslas

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

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

For further details on SegurCaixa Adeslas, you can consult the Integrated Annual Report of the company at [www.segurcaixaadeslas.es](http://www.segurcaixaadeslas.es)

## 2.5

# Strategic lines

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

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

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

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

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

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

With both tools the following actions were set up:

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

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



3

## Corporate governance

VidaCaixa Grupo is managed in accordance with the principles of transparency, independence and good governance with the aim of safeguarding the interests of its stakeholders. In order to guarantee this commitment, the Group has a code of ethics and has joined the Principles of the World Compact and the Principles of Responsible Investment of the United Nations.

# Governance and management bodies

VidaCaixa Grupo, in line with what is set out in the Good Corporate Governance of the Grupo “la Caixa” and the recommendations of the Unified Code of Good Governance, guarantees the protection of its stakeholders; employees, customers, shareholder, society and the environment.

The management and control of VidaCaixa Grupo lies with the Board of Directors and its delegated commissions -executive commission, audit commission, retribution and appointments commission-.

VidaCaixa S.A. is the filial company of the Group through which all its life insurance and pension business is channelled and it is obliged to draw up and audit a corporate governance report, which is deposited with the Stock Market National Commission (CNMV in Spanish).

**Access to the Corporate Governance Report of VidaCaixa S.A.**  
[http://www.vidacaixa-segurcaixaadeslas.es/eng/info\\_corporativa/gobierno\\_corporativo.html](http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html)

Moreover, VidaCaixa Grupo has a specific section devoted to the corporate governance of the company and makes it available for consultation via its web page.

**Access to the section on the corporate governance of VidaCaixa Grupo.**  
[http://www.vidacaixa-segurcaixaadeslas.es/eng/info\\_corporativa/gobierno\\_corporativo.html](http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html)

## Board of Directors

### Mission

The company is governed and administered by a Board of Directors. The Board Members are responsible for the management and representation of the company.

The Board of Directors will meet as many times as the social needs or the law so require it. The Chairman must first call the meeting with 5 days’ notice and set the Agenda for the meeting. A meeting will also be held when two or more Board Members ask for that in writing and the Chairman must call the meeting within the ten days following the petition. A Board meeting is deemed valid when half plus one of its members are present in the case there is an even number of members, and when a majority of its members are present should the number of members be uneven. Agreements are taken with an absolute majority of the Members present or represented, except where the law foresees it differently. In the case the Chairman is absent or ill, he will be substituted by the Vice-Chairman and should the Vice-Chairman be absent or ill the oldest among the Board members present will preside. The minutes of the Board can be approved in full or partially by two Board members designated by the Board itself and with the signature of the Chairman or Vice-Chairman and the Secretary or Vice-secretary.



# Composition and members

The Board of Directors of VidaCaixa Grupo, S.A. is made up of 11 Board members:

President	Ricardo Fornesa Ribó
Executive Vice-Chairman/ CEO	Tomás Muniesa Arantegui
Vice-Chairman	Jorge Mercader Miró
Board members	Joan María Nin Génova José Vilarasau Salat Manuel Raventós Negra Javier Godó Muntañola Miquel Valls Masseda Inmaculada Juan Franch Guillaume Sarkozy de Nagy-Bocsa Miquel Noguer Planas
Secretary	Adolfo Feijóo Rey
Vice-secretary	María Blanca Zamora García
Management	Mario Berenguer Albiac Managing Director of VidaCaixa Grupo, S.A.

## How it works

The Board of Directors of VidaCaixa Grupo ordinarily meets the number of times needed to efficiently perform their duties, in accordance with a programmed calendar and matters that are set up at the beginning of the year. Each member may propose other points to the agenda not initially foreseen.

The Board evaluates the quality and efficiency of the workings of the body, the performance of the Chairman of the Board and the Chief Executive of the company as well as the workings of their commissions.

In 2011 the Board of Directors of VidaCaixa Grupo met a total of 8 times.

## Executive Commission

The Board of Directors appoints an Executive Commission that is made up of three members of the Board of Directors. The commission designates a Chairman. The executive commission has all the powers of the Board of Directors delegated to it except for those that cannot be delegated by law.

The secretary of the executive commission will act as such on appointment by the Board of Directors.

The executive commission is made up of the following members:

Sr. Ricard Fornesa Ribó	Chairman
Sr. Joan M. Nin Génova	Member
Sr. Tomás Muniesa Arantegui	Member

# Audit Committee

## Mission

The main functions of this Committee are:

- Report to the AGM on questions that fall within their responsibility.
- Supervise the efficiency of the internal control of the company, the internal audit where appropriate and the systems of risk management.
- Supervise the process of drawing up and presenting the regulated financial information.
- Propose the appointment of external account auditors to the Board of Directors so that it is submitted to the AGM in accordance with the regulation applicable to the company.
- Set up the appropriate relationship with the external account auditors so that they receive all the information concerning questions that may put their Independence at risk.
- Prior to the Annual Auditors Report, issue a report in which the opinion of the independence of the auditors is expressed. In all cases this report must include any additional services provided that are referred to above.

## Composition and members

The audit committee is composed of 3 board members. The Chairman is appointed for a period of 4 years and may be re-elected provided one year has elapsed after his resignation.

Sr. Miquel Valls Masseda	Chairman
Sr. Manuel Raventós Negra	Member
Sr. Miquel Noguer Planas	Member

## How it works

The auditing committee meets as many times as deemed necessary and is called by its Chairman, or requested by the Chairman of the Board of Directors or by two Members of the Committee. Two Committee Meetings were held in 2011.

Agreements are adopted by a majority of the members present or represented.

# Appointments and retributions commission

## Mission

The appointments and retributions commissions, a delegated organ of the VidaCaixa Grupo Board of Directors, was set up in 2011.

The main functions of the appointments and retributions commission are:

- Submit to the Board of Directors the proposals of appointments of Board members so that the Board may appoint them or take on the proposals to submit to the AGM, and generally report on the appointments of the Board Members.
- Propose to the Board of Directors (a) the system of retribution of the Board members and (b) the individual retribution of the Executive Board members as well as other conditions in their contracts.
- Report the appointments and resignations of top Managers the Chief Executive Officer proposes; and
- Consider the suggestions made by the Chairman, the members of the Board of Directors, the managers or the shareholders of the Company.

## Composition and members

The appointments and retributions commission is composed of:

Ricardo Fornesa Ribó	Chairman
Tomás Muniesa Arantegui	Member
Manuel Raventós Negra	Member

## How it works

Throughout 2011 the appointments and retributions Commission held 2 meetings.



# Management team

## Management committee

Executive Vice-Chairman - CEO	Tomás Muniesa
Managing Director	Mario Berenguer
Assistant Managing Directors	Jordi Arenillas (Economics-Financials) Ernesto Moreno (Investments) Eduardo de Quinto (Resources) Antonio Trueba (Commercial)
Director	Josep Montañés (Product Offer and Operations)

## Directors

Miquel Donoso	Information Technology
Jesús María García	Organisation and Human Resources
Rocío Gutiérrez	Business Intelligence and Brand
Carlos Hernández	Sales
José Antonio Iglesias	Marketing and Segment Development
Carlos Lorenzo	Companies
May Plana	Legal and Auditing
Marc Puig	Corporate Development and Quality



Management committee of VidaCaixa Grupo. From left to right: Josep Montañés, Eduardo de Quinto, Antonio Trueba, Tomás Muniesa, Mario Berenguer, Ernesto Moreno, Jordi Arenillas and Marc Puig (secretary)

## Following the recommendations of good governance

VidaCaixa Grupo is spurred on in this field by the recommendations of good governance issued on 19th May 2006 by a special commission and known as the Unified Code of Good Governance.

In this sense, the Board of Directors of VidaCaixa Grupo makes sure that, as far as possible, the number of non-executive Board members makes up an ample majority of the Board and that the number of Executive Board Members is as small as is necessary.



Corporate values inspire and guide the behaviour of employees in relation to their stakeholders

The entire organisation of VidaCaixa Grupo acts in accordance with its values, -trust, quality and dynamism- that inspire its code of ethics and place the Group in line with the highest standards of management in corporate responsibility

Code of Ethics

VidaCaixa Grupo has a Code of Ethics that all members of the organisation must comply with. This Code is accessible to all VidaCaixa Grupo’s stakeholders through its web page.

This Code sets out the principles and patterns of conduct, which include the registration of operations and the drawing up of financial information apart from compliance with the rules, regulations and transparency in relation to stakeholders.

In this sense, the integrity, honest treatment and respect for people, transparent information and quality advice to customers, protection and suitable use of the goods and assets of the company and the alignment with corporate responsibility and respect for the environment make up the principles by which the conduct of all the professionals in VidaCaixa Grupo is governed.

To date, specific training was carried out on certain matters, such as money laundering and the Organic Law on the Protection of Data (LOPD), without ruling out further training on other relevant topics in the future.

Internal rules of conduct

VidaCaixa has two internal rules of conduct, one as an insurer and the other as a pension fund manager. Both are applicable to the people linked to the Group who undertake activities related to the stock market. Both rules were approved by the Board of Directors of VidaCaixa and the people subject to them must formally subscribe to them.

Both rules cover such aspects as transactions carried out on their own account by the people subject to the rules, insider information and conflicts of interest.

The Board of Directors of VidaCaixa Grupo appointed a monitoring body to supervise the application of the internal rules of conduct and to report to the Board of Directors and the Audit Committee.

In order to guarantee the proper preparation and transparency of financial information, VidaCaixa Grupo has a specific training plan for its professional staff involved in this work. In 2011 the plan covered the following areas:

- Accounting
- Risk management
- Internal Control
- Solvency
- Internal Audits
- Legal and Fiscal affairs
- Technical-actuarial matters



Further information on our Code of Ethics at [http://www.vidacaixa-segurcaixaadeslas.es/eng/info\\_corporativa/codigo\\_etico.html](http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/codigo_etico.html)

VidaCaixa Grupo is a member of the principal international initiatives to promote corporate responsibility

## Principal compacts and membership

### Global Compact of the United Nations

VidaCaixa Grupo is committed to the integration of responsible management in its strategy. Since 2009 the company has been a member of the Global Compact of the United Nations, adopting its principles based on human rights, labour standards, the environment and the fight against corruption.



## Principles of Responsible Investment (PRI)

In 2009 the Group, through its adhesion to the Principles of Responsible Investment of the United Nations, became the first life insurance and pension plan manager in Spain to adopt the criteria of socially responsible investment in 100% of its investment portfolio and integrating in the management of all its investment the environmental, social and good governance (ERG) aspects, in accordance with what is set out in the PRI.



For further information on the application of PRI and its evolution in 2011, see the section on Investment Management in this document

### Principles of the Global Compact of the United Nations

1. Companies must support and respect the protection of the internationally recognised fundamental human rights within their area of influence.
2. Companies must make sure not to be accomplices in the violation of human rights.
3. Companies must support freedom of association and effective recognition of the right to collective bargaining.
4. Companies must support the elimination of all forms of forced labour or work done under coercion.
5. Companies must support the eradication of child labour.
6. Companies must support the abolition of practices of discrimination in the workplace and in employment.
7. Companies must maintain a preventive approach that favours the environment.
8. Companies must promote initiatives that encourage a greater environmental responsibility.
9. Companies must favour the development and diffusion of technologies that respect the environment.
10. Companies must work against corruption in all its forms including extortion and bribery.

### Principles of Responsible investment (PRI)

1. Incorporate the ESG questions in the analysis and decision making processes in all investments.
2. Own assets and include the ESG questions in all practices and policies.
3. Ask the companies in which you invest to publish suitable information about the ESG questions.
4. Promote the acceptance and application of the principles in the global investment community.
5. Collaborate to improve our efficiency in the application of the principles.
6. Inform clients about our activities and progress in the application of the principles.

## GAVI Alliance

Since 2009 VidaCaixa Grupo has also formed part of the Business Alliance for Infant Vaccination -Gavi Alliance- promoted by “la Caixa” and whose mission is to provide boys and girls, who live in low income countries, with access to vaccination and improve the health systems in those countries. For the third consecutive year the Group devoted the budget for Christmas presents to that cause. In all, the sum was 7,500 Euros in 2011, to which another 10,000 Euros was added. This money was donated by the employees of VidaCaixa Grupo through Retorn, the Group’s employee initiative that channels their collaboration to social and environmental needs. Similarly, and in line with the previous year, the participation of the *VidaCaixa Previsión Social* client companies in the programme was extended.



## Family Responsible Enterprise (EFR)

Lastly, in 2009 VidaCaixa Grupo obtained the recognition of Family Responsible Enterprise (EFR), awarded by the Fundación Más Familia, for the commitment of the company to the creation of a management model that promotes conciliation between company, work and family.



For further information about EFR, see the section on “Selection, welcome and employee satisfaction” in this report.

For further information on our collaboration with GAVI Alliance, read the section on the implication of the VidaCaixa Grupo employees in this report.





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.

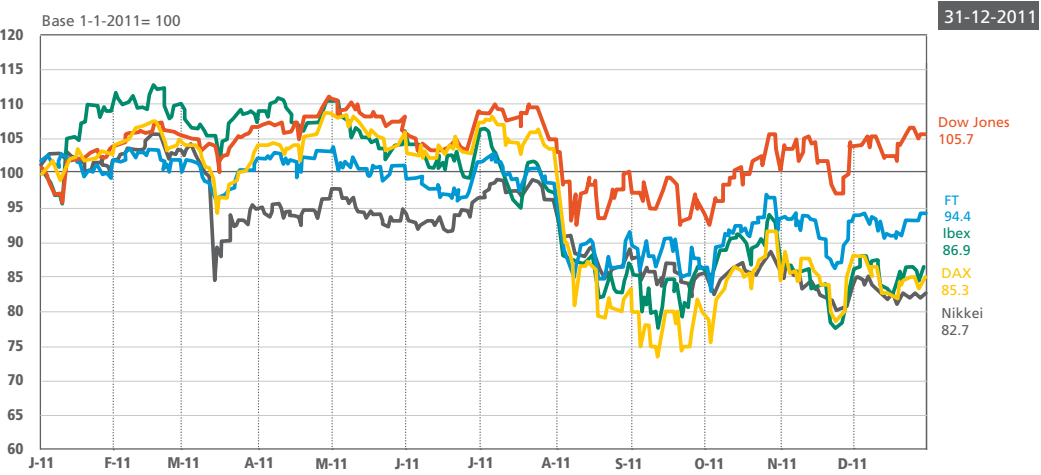
The main international stock markets experienced different behaviour. So, while in the first two quarters of the year most of the

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.

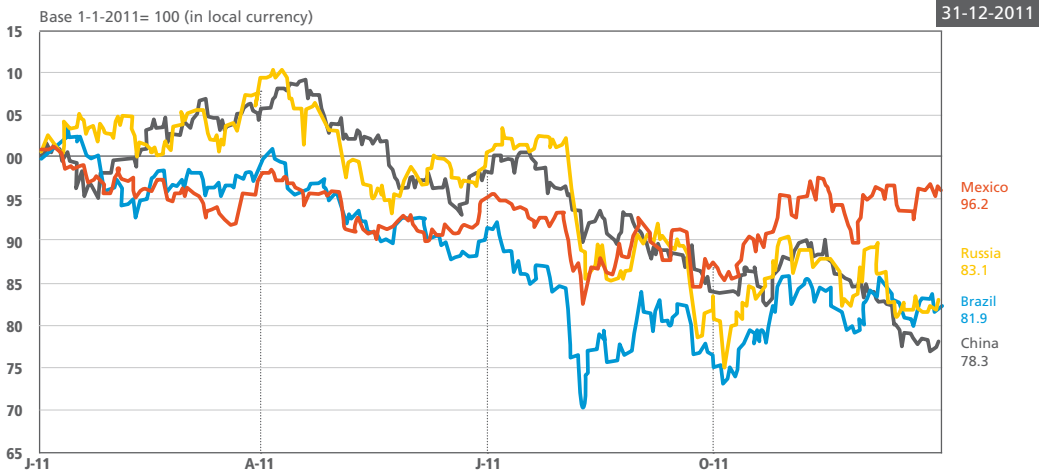
At the end of the year, all the stock markets were beginning to recover in spite of continuing to have negative results with respect to 2010.

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%.

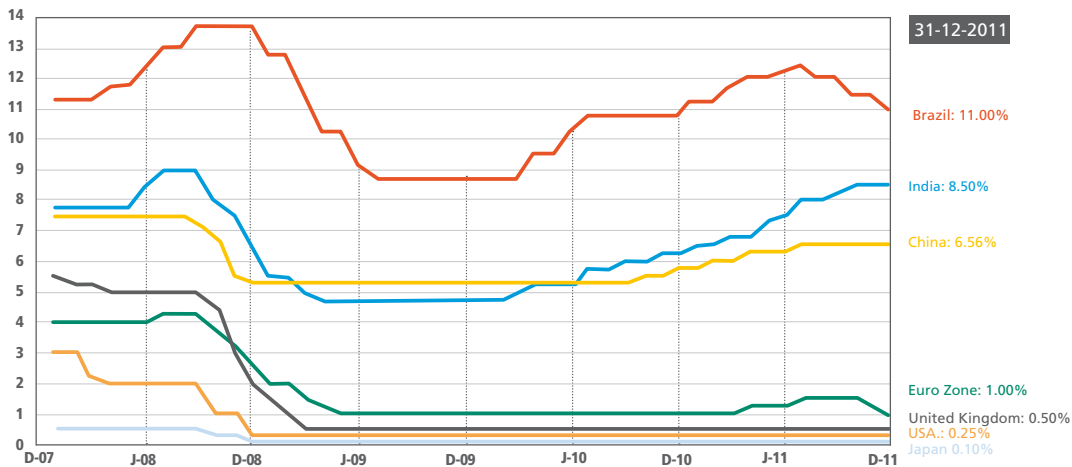
The emerging countries experienced major variations in their interest rates, with increases in the first quarter and stabilisation and reductions in the last six months of the year. In this sense, China increased its rate by more than half a point to 6.56%; India did the same by more than 2 points to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

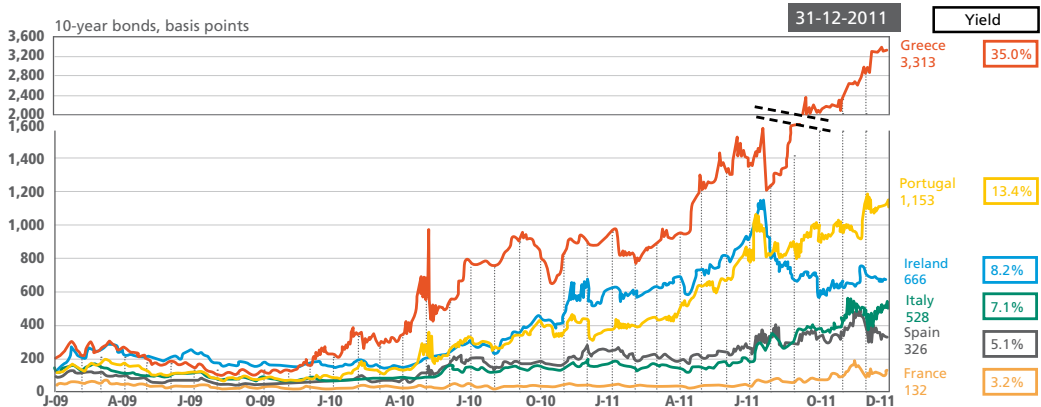
The measures taken allowed the Spanish and Italian risk premium to fall at the end of the year. On the other hand, the public debt of The United States and Germany became the refuge value, reducing its profitability to minimum levels.

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

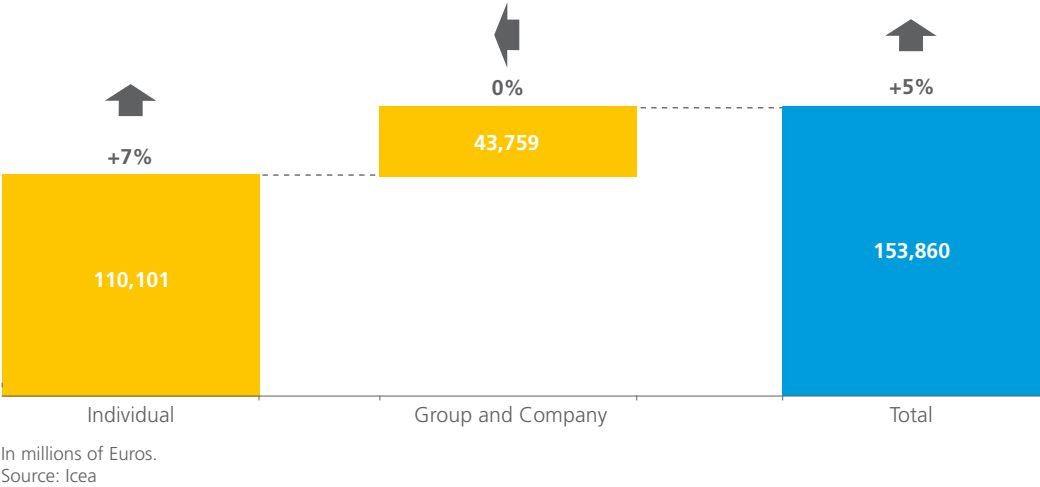
In 2011 the total volume of managed funds in life insurance reached 153,860 million Euros, a figure than was 4.9% more than in 2010. This increase was a result of the favourable behaviour of the individual business, which rose by 7.0%, while in group and company business the lethargy experienced in previous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

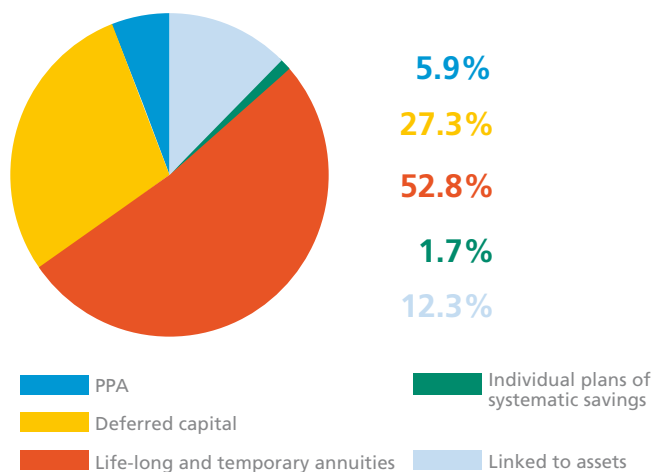
If we make an in-depth analysis on a product level, the favourable behaviour of the Guaranteed Pension Plans (PPA) stands out. Their provisions grew to 8,702 million Euros, a full 41.2% more than in 2010 with a total of 893,032 policyholders. There was also a positive evolution in the systematic saving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

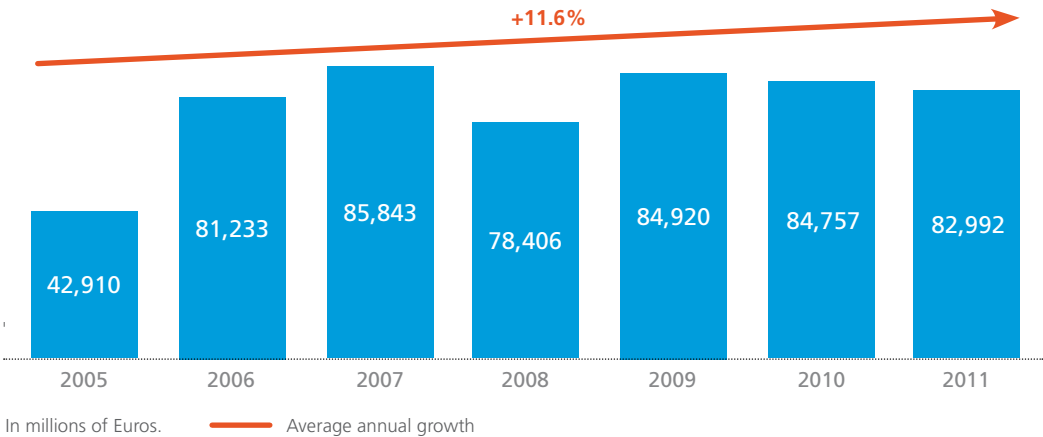
Euros, was 8.6% less than in 2010. The evolution of the financial markets and its effect on managed savings in pension plans also partly explains this decline.

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.

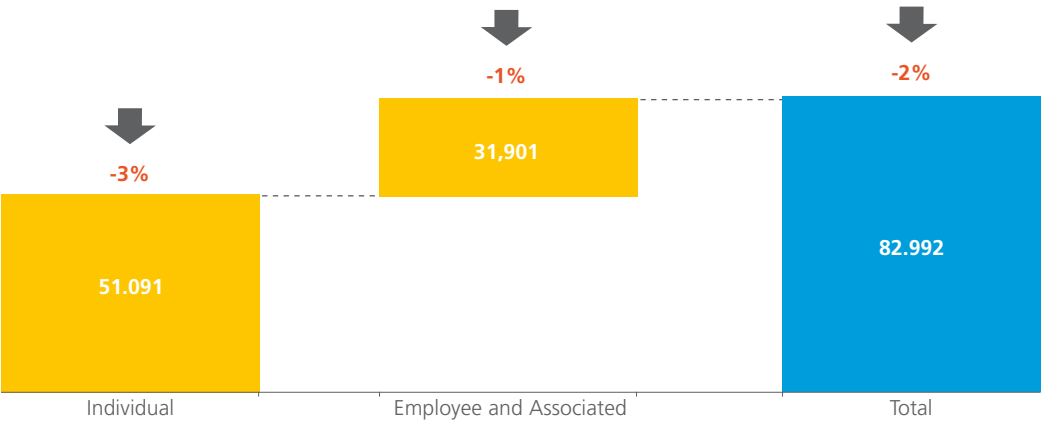
The number of participant accounts fell somewhat in 2011 to 10.6 millions, which meant a fall of 1.9% in comparison to 2010. If the participants with more than one account are excluded, the total number at the end of 2011 was estimated at 8.5 millions with an average age of 47.

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.

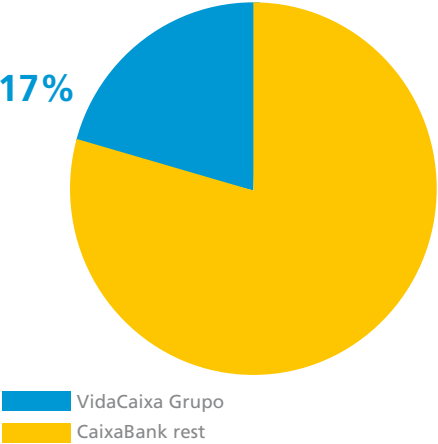
## Leadership of the Spanish insurance sector

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.

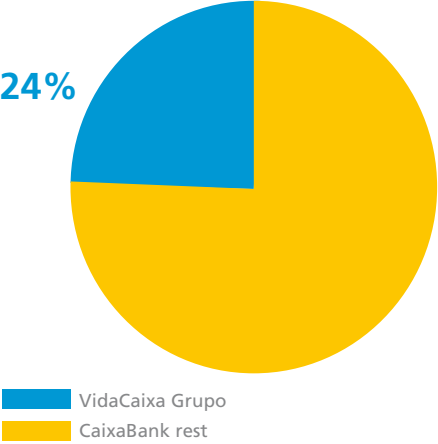
Once again VidaCaixa Grupo maintained its leadership position in the complementary social welfare market, which groups together life insurance and pension plans in Spain with a market share of 16.7% and a growth of 9% with respect to 2010. We outperformed market growth that rose by 2.4%.

### 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.

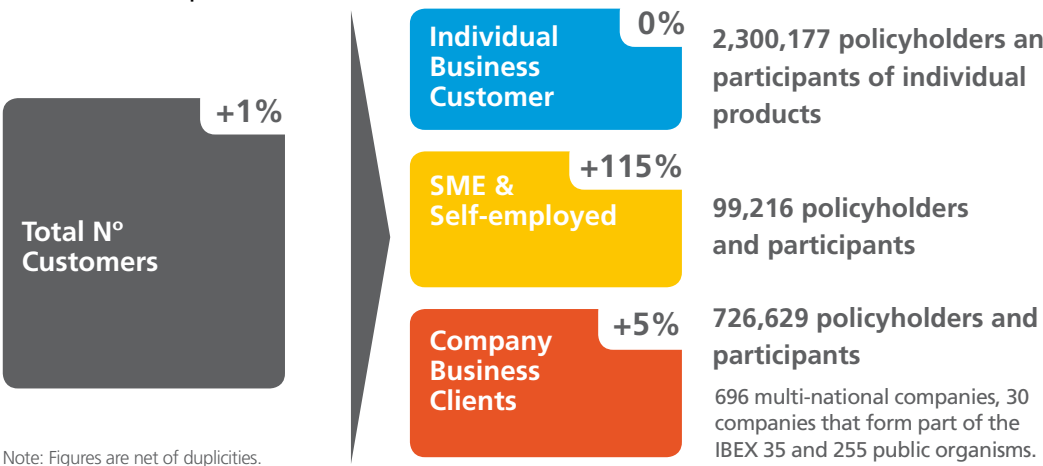
This positive evolution pushed up the number of customers and participants to 2.9 mil-

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%

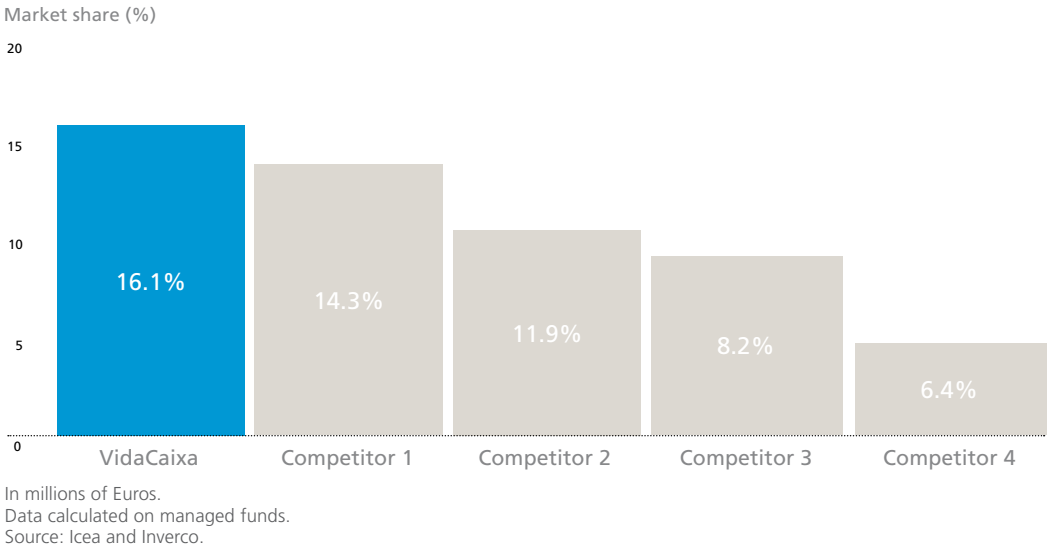
In millions of Euros

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%
<b>Total</b>	<b>30.6</b>	<b>32.8</b>	<b>7.4%</b>

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.

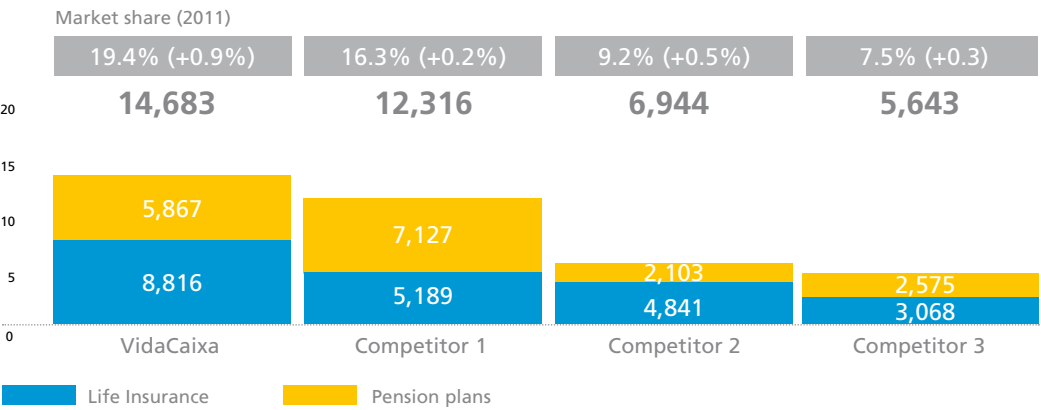
For further information on the evolution of the Group in 2011, please see the presentation of results in the corporate webpage of VidaCaixa.

([http://www.vidacaixa-segurcaixaadeslas.es/eng/notas\\_de\\_prensa/notas/resultadosdelgrupo120221.html](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](http://www.vidacaixa.com)

### New products sold in 2011 by VidaCaixa Grupo

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



### 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.

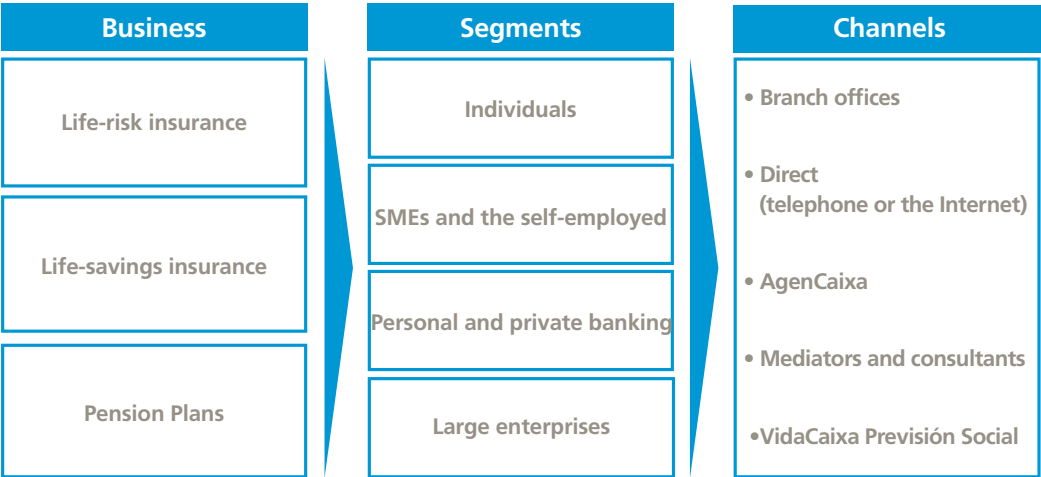
This effort made through the bancassurance channel was complemented by investments in other direct channels such as the Internet through the “la Caixa” Línea Abierta service. Of special interest there are the “ready to buy” initiative and the Call Center platforms. These favour customer self-service 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](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 CO<sub>2</sub>.
- 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](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.

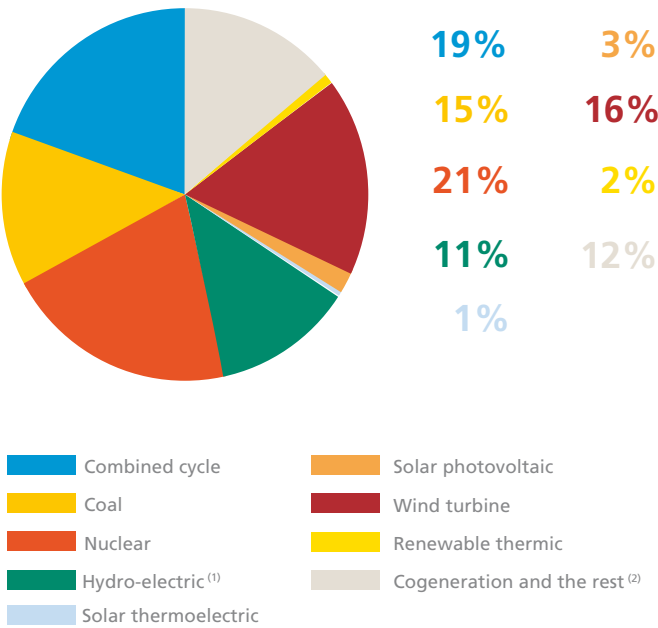
Energy consumption

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 <sup>(1)</sup>



<sup>(1)</sup> Does not include pumping generation  
Source: Data from the Electricity Network

<sup>(2)</sup> Includes non-renewable thermic and fuel-gas



Internal consumption	2010	2011
<b>Water</b>		
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%
<b>Energy (direct consumption broken down per primary source)</b>		
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%
<b>Paper</b>		
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.

### CO<sub>2</sub> 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 <sub>2</sub> 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

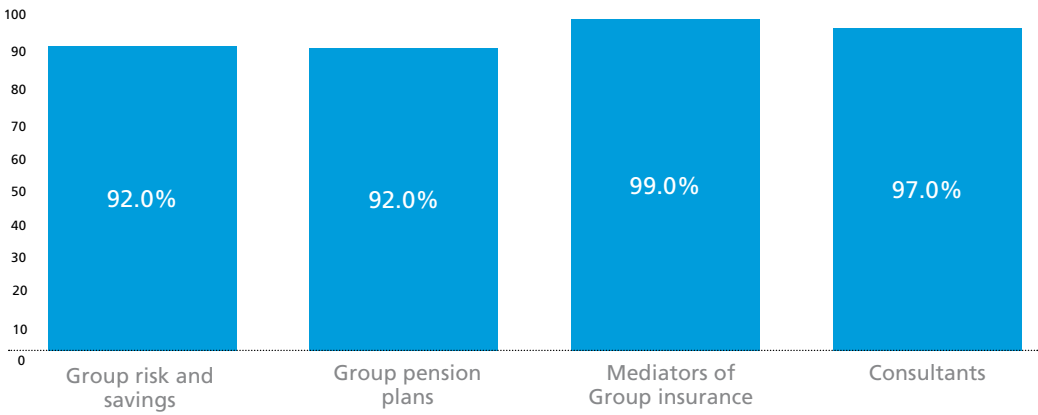
In 2011 a total of 724 surveys to companies and professionals were carried out, which was 1.5% more than the previous year, which in turn clearly shows the effort made by VidaCaixa Grupo to find out the concerns of its customers in the group and company business.

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

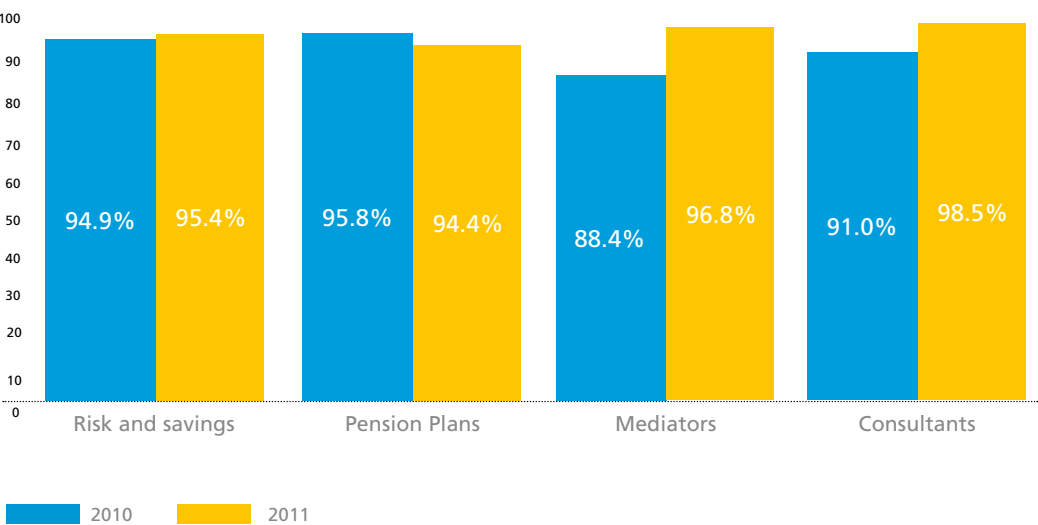
Nº of satisfaction surveys carried out by VidaCaixa Previsión Social	Frequency	2010	2011
Risk and savings (directly with customer)	Annually	259	259
Pension plans (Control commissions)	Annually	179	179
Mediators	Annually	227	238
Consultants	Annually	48	48
Total		713	724



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.

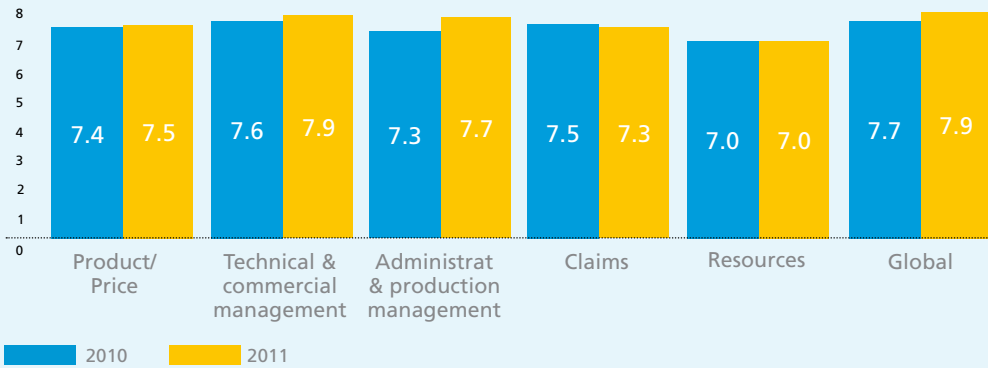


VidaCaixa Grupo is the most valued company in the Barómetro ADECOSE 2011

### 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

Letter to the Manager			N° Claims 2011		Var. vs 2010
Type	2010	2011			
Claims	69	91	➔	Pension plans	59 +16
Suggestions	1	0		Life- risk	24 +3
Others	19	29		Life-savings	8 +3
Informative	0	2			
Total	89	122			

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

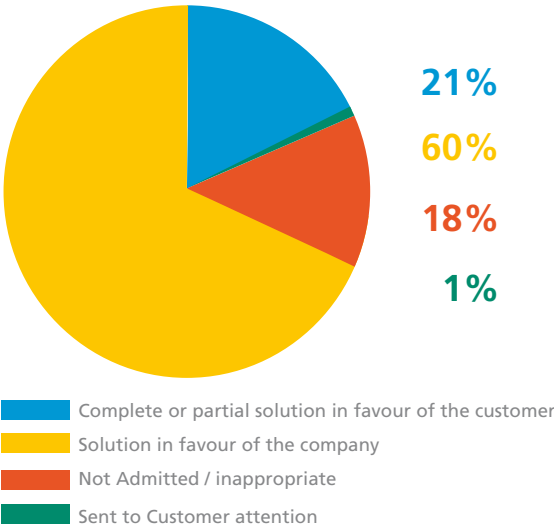
Banks, a total of 82 were dealt with, 35 more than in 2010. On the other hand, 38 claims were dealt with by the *Dirección General de Seguros y Fondos de Pensiones*, 12 more than the previous year.

### Accessibility to products and services

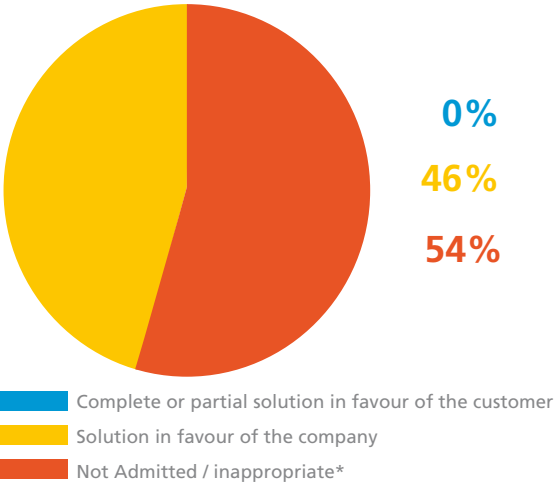
The constant commitment to innovation also extends to the area of our relationship with customers. For this VidaCaixa Grupo endeavours to be nearer its customers and to make the best product offer in insurance and social welfare accessible to its customers at all times and country-wide.

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 (nº employees)	2010	2011
Male	299	326
Female	506	538
Total	805	864

Distribution of management team and managers by gender (nº 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.

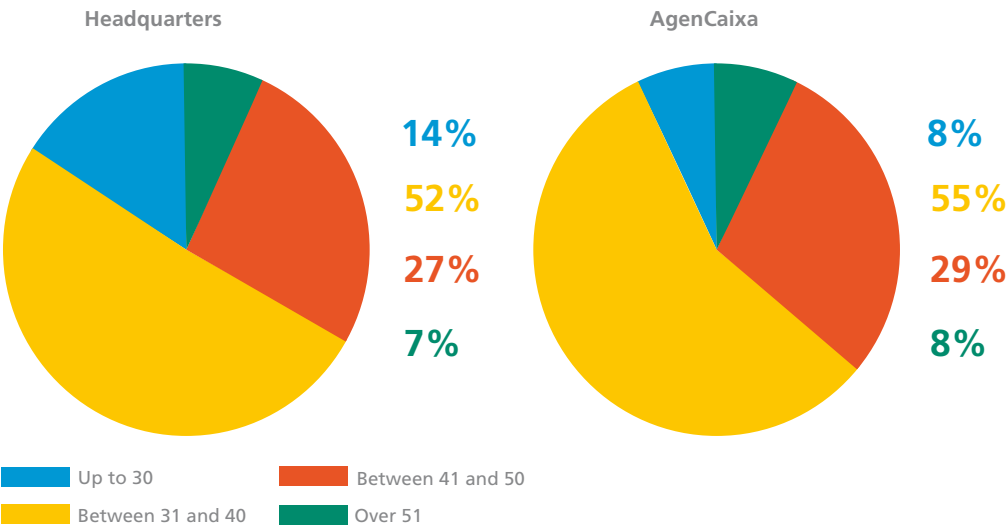
Finally, worth mentioning here is the commitment of employees to the Group. The average seniority of the management team is 18 years, 9 years for employees working at Headquarters and 8 years for employees of AgenCaixa.

Nationalities working on staff (nº 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



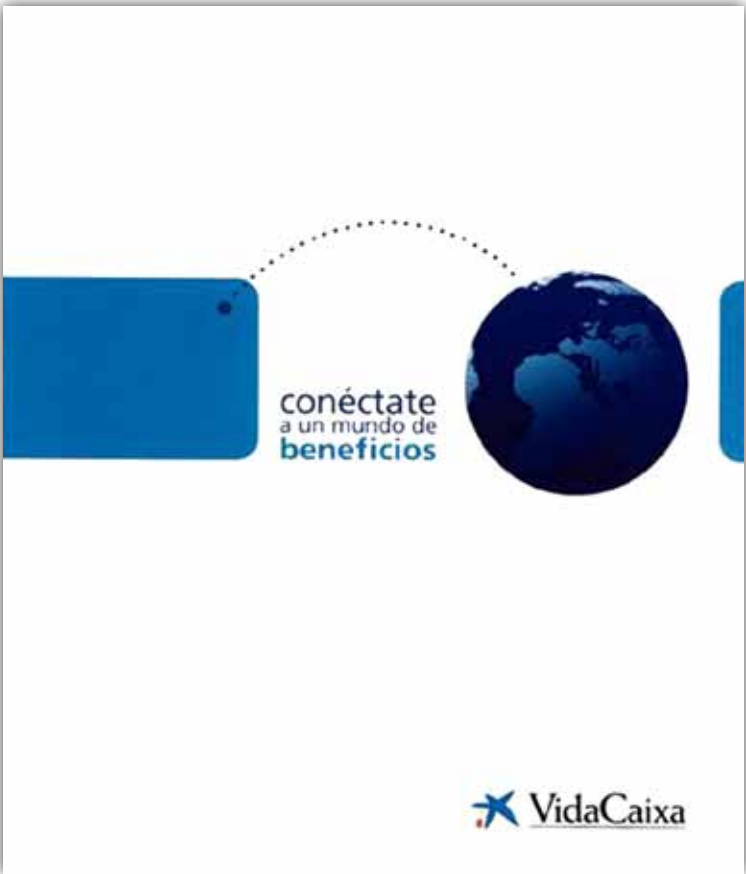
### Fringe and social benefits

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.

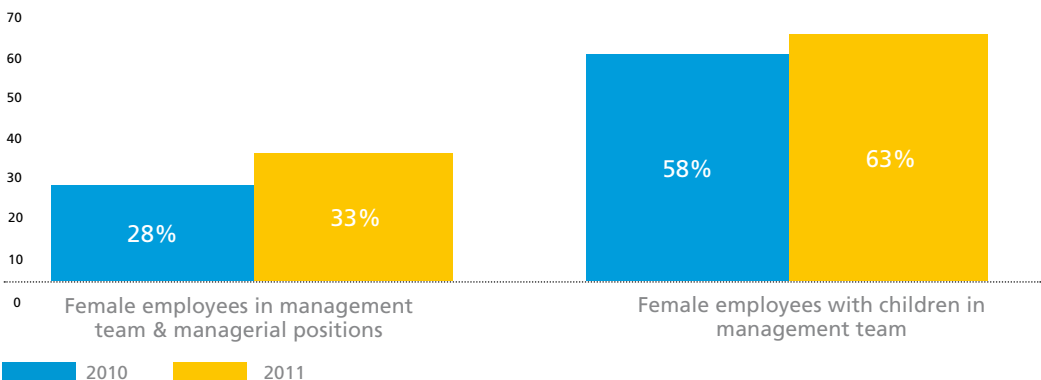
The principal goal of Plan Familia is to contribute to the development of social integration and integration into working life for disabled family members of employees. In 2011 a total of 9 people, (7 from VidaCaixa and 2 from AgenCaixa) benefitted from the range of educational, training and therapeutic 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
<b>INSURANCE GROUP + VIDACAIXA + AGENCAIXA</b>	
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
<b>Absenteeism</b>	
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
<b>Absenteeism due to illness &amp; maternity/paternity leave</b>	
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





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

## Development of talent and organisational skills

### Training and professional development

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.

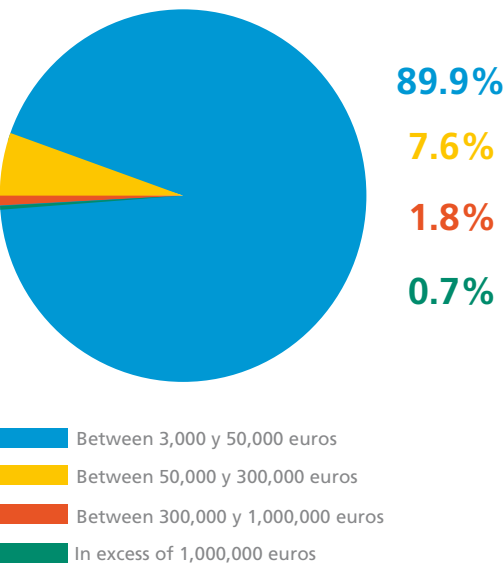
### Promotional products

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







## Objectives & challenges

The 2010 Vidacaixa Grupo Corporate Responsibility Report outlined the principal objectives set for and challenges to be faced in 2011 in terms of the responsible management of its companies –VidaCaixa, AgenCaixa and SegurCaixa Adeslas-.

The following pages set out the objectives and challenges to be faced for VidaCaixa Grupo, with the exception of those corresponding to SegurCaixa Adeslas, which reports this information by way of its own separate Integrated Annual Report.



# Customers

In 2011, VidaCaixa Grupo continued conducting business development for the individual customer, SMEs, professional self-employed and companies, innovating with new products that meet the needs of each individual group through a bankassurance system complemented by other channels. The social benefits activity is carried out in line with principles and criteria of social responsibility and sustainability.

## Challenges in 2011

## Progress made in 2011

## Challenges for 2012

Benchmark in sustainable investment management, solvency and risk control

<ul style="list-style-type: none"><li>• Maintain active commitment: participation in forums, event sponsorship and fostering Socially Responsible Investment.</li><li>• Further analysis of investment portfolio pursuant to SRI criteria, not just in equity portfolios but also for corporate bonds.</li><li>• Increase dialogue with portfolio managers through twice-yearly reviews.</li><li>• Continue implementing improvements in internal development that enables us to adapt progress made by the VidaCaixa Grupo and those made on a sector-wide level.</li></ul>	<ul style="list-style-type: none"><li>• The company actively participated in initiatives and events regarding retirement and savings and SRI. In addition, efforts continued to raise awareness among customers and suppliers of investment products (pg.49-53).</li><li>• The entire investment portfolio is appraised using ESG criteria (pg. 49).</li><li>• In 2011 positions were sold in three companies from the energy sector (pg. 49).</li><li>• An investment management system is in place for funds and fixed income investments. Moreover, specific ESG criteria indicators have been designed for the Generalitat de Catalunya pension fund (pg.49).</li></ul>	<ul style="list-style-type: none"><li>• Development of SRI report for reporting to control committees.</li><li>• Improvement in the performance of certain PRI indicators concerning SRI.</li></ul>
<ul style="list-style-type: none"><li>• Consolidate the SRI strategic position with gradual increases.</li></ul>	<ul style="list-style-type: none"><li>• Scope of objective established in 2010 is modified and required action is undertaken to achieve objective for 2012.</li></ul>	<ul style="list-style-type: none"><li>• Take a step further in the area of sustainable investment management, taking SRI criteria into account, not only as an asset category but also in its overall consideration, in the portfolios managed; in other words, appraise the full portfolio of assets using SRI criteria, as well as purely economic and financial criteria.</li></ul>
<ul style="list-style-type: none"><li>• Continue participating in workgroups from the sector in order to develop legislation placing particular emphasis on reducing the capital charge in long-term life insurance products.</li><li>• Participate in stress test study and in complete or partial studies performed concerning the QIS 5 quantitative impact.</li><li>• Apply to the Directorate General of Insurance and Pension Funds for authorisation of internal model.</li></ul>	<ul style="list-style-type: none"><li>• A new risk map for VidaCaixa was drafted (pg. 47).</li><li>• Improvements have been implemented in the risk management application in order to progress in its appraisal and integrate its management into the design, subscription, pricing, procurement and reinsurance (pg. 47).</li><li>• Active participation in the requests for information received from the EIOPA, independent body of the European Parliament and the EU (pg. 47).</li><li>• Progress was made in the pre-validation process of the internal risk assessment model and in workgroups from the sector under The Spanish Association of Insurance and Reinsurance Institutions (UNESPA as per the Spanish acronym (pg. 50).</li></ul>	<ul style="list-style-type: none"><li>• Implement future solvency requirements in accordance with the Solvency II project.</li><li>• Continue developing the best business practices in risk management and financial control.</li><li>• Participate in the stress tests promoted by EIOPA.</li><li>• Continue participating in UNESPA and the Directorate General of Insurance and Pension Funds working groups.</li></ul>

● Objective achieved    ● Objective achieved in part    ○ Objective not achieved

Challenges in 2011

- Concerning our elderly customer business section, create new products: temporary income and deferred capital.
- Pay special attention to the needs of our different customer segments.
- Design new products tailored to the needs of SMEs and self-employed workers.

- Improve the usability of insurance product consultation available through Línea Abierta.
- Enhance the services and transactions available via mobile phones for insurance and retirement products.
- Continue incorporating new technology in communications with customers: e-mailing, digital product brochures, functionalities for mobile phones.
- Incorporate the insurance range within the Personal Banking segment on the corporate website of "la Caixa".
- Also within the websites of both "la Caixa" and Línea Abierta, work is anticipated to continue implementing improvements regarding usability features of searching for insurance product information.

Progress made in 2011

- A total of 12 new savings and retirement products were marketed, 5 of which are pension plans, 3 are life-savings insurance products and 4 life-accident insurance. The range of savings products available to CaixaBank's personal and private banking customers was adapted, the product offer to SMEs and self-employed workers was improved as it was for our elderly customers, a new product targeting companies, VidaCaixa Elección was launched as were a range of composite insurance products together with SegurCaixa Adeslas (pg. 42-43).
- New insurance products have also been developed for entrepreneurs, micro-entrepreneurs and individual customers, in a joint effort to promote, together with MicroBank, economic development and financial inclusion through marketing the Seviam Abierto insurance product (pg. 39).
- Investment in technology and IT systems amounted to 15.3 million euros and a further 3 million in R+D (pg. 44).
- The use of more sustainable devices and supports was fostered, such as a USB, to inform customers about VidaCaixa Grupo products (pg. 66).
- CanalCaixa introduced the digital brochure and printing from central computers is kept to a limit.
- More emphasis was placed on using e-mail for communications with customers on matters concerning retention and loyalty.
- Access to information and contracting products through Línea Abierta in the CaixaBank Internet portal and via mobile phones was also promoted (pg. 44-45).

Challenges for 2012

- Develop and design new products targeting the needs of SMEs and self-employed workers.
- Develop the comprehensive offer aimed at the retirement segment: deferred lifetime pensions.
- Maintain the level of offer for the elderly customer segment.
- Recover the levels of association with loan repayment insurance and innovation in the offer of amortisation insurance for personal loans.
- Adapt contracting and administration operations within the new financial terminal for pension plans, Vida Familiar and Seviam.
- Increase the number of ready-to-buy operational possibilities for internal and external transfers in Guaranteed Pension Plans.
- Improvements in the platforms for brokers and group policy subscribers.

	Challenges in 2011	Progress made in 2011	Challenges for 2012
Safety and transparency in customer relations	<ul style="list-style-type: none"> <li>Review service provision contracts and association contracts with the Security Document.</li> <li>Conduct internal audit in 2011 of security issues and test run the contingency plans for security systems and communications of customer data.</li> <li>Review clauses covering data handling and transfer of all the Company's products in order to standardise and adapt these to the change from "la Caixa" to CaixaBank.</li> <li>Define a marketing communications policy for the Insurance Group with the objective of ensuring compliance with General Advertising Law.</li> <li>Extend the security and confidentiality training course to cover all employees of the Group.</li> </ul>	<ul style="list-style-type: none"> <li>No review was made of service provision contracts and association contracts with the Security Document. This objective has been postponed until 2012.</li> <li>The Data Protection Law audit was carried out in addition to the contingency testing of principal systems.</li> <li>As a consequence of the founding of CaixaBank, clauses covering customer data transfer have been adapted (pg. 66).</li> <li>No fines were incurred as a result of non-compliance with Data Protection Law or resulting from any violation of customer information standards (pg. 66).</li> <li>The Insurance Group does not possess a policy governing commercial and marketing communication, however, VidaCaixa adheres to the communication policy of "la Caixa".</li> <li>In 2011, all employees received training in security and confidentiality (pg. 66, 78-79).</li> </ul>	<ul style="list-style-type: none"> <li>A review of service provision contracts and association contracts with the Security Document is scheduled.</li> <li>Strengthen the implementation of a crime prevention model outlined under the Criminal Code reform.</li> </ul>
Ethics and transparency in commercial information	<ul style="list-style-type: none"> <li>Continue, in line with policy to date, the dissemination of Principles for Responsible Investment (PRI).</li> <li>Appraise the possibility that the Insurance Group complies with requirements and adheres to a self-monitoring body recognised by the Bank of Spain.</li> </ul>	<ul style="list-style-type: none"> <li>The company continued its active dissemination of PRI in line with previous years (pg. 66).</li> <li>All campaigns in Banking Channel are remitted to the self-monitoring body through "la Caixa" (pg. 66).</li> </ul>	<ul style="list-style-type: none"> <li>Progress in the dissemination of the PRI principles.</li> </ul>
Accessibility to products and services	<ul style="list-style-type: none"> <li>By way of an ongoing training programme, introduce the product to branch offices of "la Caixa", thereby facilitating access for the general public to quality information and transparency in issues concerning insurance and retirement plans.</li> </ul>	<ul style="list-style-type: none"> <li>Marketing initiatives and information available through the bancassurance channel were improved by way of more than 800 training sessions delivered through the new marketing executives' network (pg. 45).</li> <li>Ongoing improvements were made regarding access to information and marketing products through all channels (pg. 45-46).</li> </ul>	<ul style="list-style-type: none"> <li>In terms of channel training, a network of coaches will be put in place to act as administrators and driving forces for Premium products available to the personal and private banking segment.</li> </ul>

Challenges in 2011

- Progress towards a shared perceived quality monitoring model for all branches of the company.
- Streamline response to queries and complaints in such a way that customers may avail of the best possible attention in content and in the shortest time.
- Regular reviews of the size of both internal and external teams in order to ensure fulfilment of service levels with the requests from “la Caixa” branch offices.
- Strengthen the use of electronic dossier and reduce paper based transactions by way of implementing the filenet content manager.

Progress made in 2011

- 5 studies were carried out, thereby increasing the number of customer satisfaction surveys (pg. 60).
- The new quality control model was implemented (pg. 60).
- VidaCaixa Grupo was the highest rated company by Spanish insurance mediators according to the ADECOSE (*Asociación Española de Corredurías de Seguros*) Barometer (pg. 63).
- VidaCaixa Grupo ranked overall above the market average according to the Willis Quality Index (pg. 63).
- Average response time was reduced for Letters to the Manager compared to 2010 (pg. 63).
- Objective quality evaluation of the Caixa-Bank branch network increased in administration indicators like requests attended. (pg. 65).
- The ISO 9001 certification for employee pension plans and fund management was renewed (pg. 60).
- Implementation of the electronic dossier and reduction in the volume of paper based transactions by way of introducing the FileNet content manager for recurring documents (100% achieved).

Challenges for 2012

- Continue the perceived quality model by surveying a greater number of customers in order to get their opinion and work towards raising customer satisfaction levels with the rendered service.
- Maintain the satisfaction levels achieved with mediators (ADECOSE survey).
- Organise the Focus Group with “la Caixa” branch managers in order to evaluate their perception of service quality provided by VidaCaixa, thereby working to improve the service provided and therefore, improving the QCaixa values.
- Consolidate electronic dossier and to reduce paper based transactions by way of implementing the FileNet document manager for older documents on record.

# Employees

VidaCaixa Grupo has a commitment to creating quality employment and for this it promotes professional development of staff members, striving to become an even better place to work each year.

## Challenges in 2011

## Progress made in 2011

## Challenges for 2012

Commitment to quality	<ul style="list-style-type: none"><li>• Formalise agreements on working conditions for Company employees.</li><li>• Formalise the new global agreement of standardised working conditions.</li><li>• Maintain the parallel and balanced development of business and staff alike.</li></ul>	<ul style="list-style-type: none"><li>• The labour agreement was formalised in May, 2011.</li><li>• Maintaining development was ensured in compliance with budgetary and staffing agreements approved (pg. 67).</li></ul>	<ul style="list-style-type: none"><li>• Maintain the challenge of parallel and balanced development of business and staff alike.</li></ul>
Selection, orientation, retention & employee satisfaction	<ul style="list-style-type: none"><li>• Implement the Orientation Plan for the entire organisation in 2011.</li><li>• Analyse, define and implement the Plan of conciliation measures within the framework of the EFR certification throughout the organisation.</li><li>• Implement a single conciliation Model for the entire organisation.</li></ul>	<ul style="list-style-type: none"><li>• The comprehensive orientation plan aimed at new recruits was introduced (pg.70).</li><li>• EFR measures were upheld through the labour agreement, which effectively benefit conciliation (pg. 71).</li></ul>	<ul style="list-style-type: none"><li>• Implement a virtual orientation plan for the entire organisation.</li><li>• Maintain EFR certification.</li><li>• Develop technological tools to facilitate and optimise selection and recruitment processes.</li><li>• Implement a skills management model that impacts selection and recruitment issues (defining standardised profiles based on the dictionary of skills).</li><li>• Reinstate the Best Place to Work working model.</li></ul>
Training & Professional	<ul style="list-style-type: none"><li>• Review Internal Training Policy and Standards for the new organisation.</li><li>• Define and implement the 2011 Training Plan.</li><li>• Provide ongoing training for sales team on new products and on developing sales and marketing skills.</li><li>• Define and implement management programme on segmented change by groups.</li><li>• Analyse, define and begin implementation of a project to facilitate the development of organisational skills required to achieve the Strategic Plan.</li><li>• Redesign the skills Management System so as to implement it throughout Headquarters.</li></ul>	<ul style="list-style-type: none"><li>• Internal training policy and standards were outlined (pg. 78).</li><li>• The training plan was introduced (pg.78).</li><li>• Over 200 courses were given, accounting for more than 15,000 training hours for more than 700 employees (pg. 78-79).</li><li>• Work continued on the implementation of the management change programme (pg.78-79).</li><li>• Through the Training Plan, efforts were made to enhance organisational skills. With the new business division, this project was postponed until 2012 (pg. 78).</li><li>• A new dictionary of attitudinal skills was drafted and completed (pg. 80).</li></ul>	<ul style="list-style-type: none"><li>• Review training policy with the VidaCaixa Grupo perimeter.</li><li>• Provide employees with a training plan that gives them the tools required for optimum performance and objective achievement.</li><li>• Adapt selection, training and performance appraisal processes by way of the new skills management model.</li><li>• Incorporate and monitor the implementation of the attitudinal skills management model using CMI objectives.</li></ul>

● Objective achieved    ● Objective achieved in part    ○ Objective not achieved



	Challenges in 2011	Progress made in 2011	Challenges for 2012
Dialogue, participation and communication	<ul style="list-style-type: none"> <li>Design a corporate intranet for VidaCaixa Grupo that covers the entire structure of the new company.</li> <li>Deploy the Balanced Scorecard at every level (general, specific and personal) at the Headquarters of the new Group, thereby facilitating the communication of strategy and its execution by way of individual and departmental objectives.</li> <li>Implement the internal communication plan, leveraging the corporate intranet of the new company.</li> </ul>	<ul style="list-style-type: none"> <li>The design for the new corporate intranet was defined for all staff in the company, focusing on the specific requirements of each different group.</li> <li>The strategy, the Integrated Balanced Scorecard (BSC) and the Individual Balanced Scorecard, were extended to the entire company. Strategic map was defined as well as general and specific objectives and indicators (pg. 72-73).</li> <li>The internal communication plan was undertaken, principally by way of the "Conéctate" initiative, mid-level management and human resources communities (pg. 72-74).</li> </ul>	<ul style="list-style-type: none"> <li>Implement the new corporate intranet in order to "disconnect" the Lotus Notes applications.</li> <li>Consolidate and adapt BSC to the new scope of the company.</li> <li>Implement an internal communications plan that enables the key aspects of the strategic plan to be transmitted, contributes to achieving objectives set out, and aligns the efforts made by staff with the objectives of the company.</li> </ul>
Compensation mechanisms, fringe and social benefits	<ul style="list-style-type: none"> <li>Define a single remuneration policy.</li> <li>Extend the variable remuneration system to all staff members as a tool for compensation and alignment with strategic objectives of the company and of each organisational unit.</li> <li>Complete standardisation of compensation mechanisms.</li> </ul>	<ul style="list-style-type: none"> <li>As a result of the division of companies, these challenges have taken on a different scope (pg. 73).</li> <li>The variable remuneration system was extended to cover all staff members (pg. 73).</li> <li>Compensation mechanisms were standardised. Positions, families and salary ranges were reviewed (pg. 73).</li> </ul>	<ul style="list-style-type: none"> <li>Consolidate a variable remuneration system as a tool for compensation and alignment with strategic objectives.</li> <li>Develop total compensation concepts as an enhancement of the company's remuneration policy and in an exercise of transparency.</li> <li>Revise compensation mechanisms for the new company and strategic plan.</li> </ul>
Commitment to labour rights	<ul style="list-style-type: none"> <li>Negotiate and agree with employees' legal representatives (ELR) a more unified approach to social benefits (working conditions) for employees in the new organisation.</li> <li>Elaborate preventive measures.</li> </ul>	<ul style="list-style-type: none"> <li>In May, 2011 a labour agreement was formally reached with employees' legal representatives, which regulates social benefits.</li> <li>Commitment to labour rights is upheld (pg. 74).</li> </ul>	<ul style="list-style-type: none"> <li>Gradual application of the agreement together with the associated communications actions.</li> <li>Offer refresher training initiatives in occupational health and safety prevention to all staff.</li> </ul>
Culture that favours innovation	<ul style="list-style-type: none"> <li>Provide access for all employees at Headquarters and the branch network with web application for generating ideas and its corresponding process of analysis.</li> <li>Reinvent the innovation process, fostering the generation of ideas in relation to the strategic plan and improve the quality of ideas received by way of an innovation platform and campaigns using incentives.</li> </ul>	<ul style="list-style-type: none"> <li>A total of 408 new ideas for improving customer service and commercial activities were received in line with the objectives of the strategic plan (pg. 44).</li> <li>In May, 2011 all employees at Headquarters and the sales network were provided with the web application for generating ideas and its corresponding process of analysis (pg. 72, 77).</li> </ul>	<ul style="list-style-type: none"> <li>Promote the ideas channel to achieve the active participation of all employees.</li> </ul>

# Society

VidaCaixa Grupo plays an important social role through its pension plans activity, contributing to the development of a culture in favour of savings and welfare.

## Challenges in 2011

## Progress made in 2011

## Challenges for 2012

### The social function of insurance and pension plan activity

- Continue promoting the study and dissemination of retirement plans and insurance.
- Dialogue with stakeholders of companies and corporations associated with corporate pension plans within the framework of Corporate Responsibility.
- Sponsor and organise different promotional and awareness raising events regarding corporate social welfare.
- Increase the company's presence on Social Networks.

- VidaCaixa Grupo promoted and took part in more than 20 events and seminars in an effort to disseminate the benefits of social welfare, including some noteworthy events like IV Forum of control commissions, and the Seminar on public pension reforms, among others (pg. 51-53).
- VidaCaixa Grupo continued participating actively in sectorial organisations to promote the benefits of social welfare (pg. 51-53).
- The objective to increase the company's presence on social networks is transferred to 2012.

- Continue promoting the study and dissemination of retirement plans and insurance.
- Sponsor and organise events to disseminate the benefits of social welfare.
- Increase the company's presence on Social Networks.

### The Company's presence in society

- Encourage the involvement of employees in society through the Retorn programme.
- Enhance performance by using the application of Global Compact and Principles for Responsible Investment.
- Maintain the social emphasis for the Group's Christmas gift drive.

- In 2011, the company cooperated in 18 initiatives promoted by social or environmental organisations through Retorn with the participation of 904 people (pg. 54).
- VidaCaixa Grupo keeps its collaboration in place with the GAVI Alliance and embraces the Business Alliance for Child Vaccination, extending its participation with the cause to its supplier companies and employees. Retorn contributed 10,000 Euros and also donated the amount reserved for Christmas gifts, 7,500 Euros, to the cause (pg. 54-55).

- Continue strengthening Retorn, as an instrument for channelling employee participation.
- Press ahead with the deployment of Global Compact and PRI principles.

● Objective achieved    ● Objective achieved in part    ○ Objective not achieved

# The environment

Our commitment to the environment is one of the key aspects of corporate strategy at VidaCaixa Grupo; this combined with the behaviour of our employees, who play an active role in strengthening this commitment.

## Challenges in 2011

## Progress made in 2011

## Challenges for 2012

Strategy and management of Environmental impact

- Continue implementing energy saving measures.
- Encourage video-conference use.
- Launch new communications and awareness raising campaigns to reduce emissions resulting from employees commuting to and from work.
- Research into measures to reduce carbon footprint.
- Hold another participatory session aimed at improving the office landscape.
- Continue to implement the measures aimed at reducing the volume of waste generated.

- The volume of paper and water consumed by employees was reduced; nevertheless there was a slight increase in electrical power consumption (pg. 57-58).
- No progress was made on this particular objective due to the reorganisation process the Group underwent in 2011. This target is pending for the following year.
- The volume of recycled plastics, toner, batteries and WEEE materials increased (pg. 59).

- Define environmental policy that is approved by management and transmitted to all staff members.
- Intensify activities aimed at reducing the carbon footprint.
- Set up an information and communications area accessible internally to disseminate good environmental practices and to provide information regarding consumption of resources.





6

# Appendix

Scope of the 2011 VidaCaixa Grupo Integrated Annual Report  
Dialogue with stakeholders and materiality  
GRI G3.0 summary of indicators and United Nations Global Compact  
Independent Review Report and GRI Declaration

# Scope of the 2011 VidaCaixa Grupo Integrated Report

VidaCaixa Grupo publishes its first Integrated Annual Report for 2011, in line with the best international practices regarding annual reporting, fostered principally by the International Integrated Reporting Council (IIRC). Therefore, in order to demonstrate a more complete vision of the company, its results and response to stakeholders, this single report outlines information about legal, economic and financial performance, in addition to the social, environmental and economic and corporate governance context within which it operates.

In the VidaCaixa Grupo 2010 Corporate Responsibility Report, the scope of reporting covered all the companies that make up the Group, VidaCaixa, AgenCaixa and SegurCaixa Adeslas. After the reorganisation of the Group in 2011, with the acquisition of 50% of the share capital of SegurCaixa Adeslas by Mutua Madrileña,

all the activity of the company SegurCaixa Adeslas is no longer included within the scope of this report and from now on this information will appear in that company's own Integrated Report.

Information regarding the Environment and People refer to data provided by VidaCaixa, AgenCaixa and the corresponding portion of services shared with SegurCaixa Adeslas.

This integrated 2011 VidaCaixa Grupo report was prepared in accordance with Global Reporting Initiative GRI G3.0 standards and the corresponding indicators specific to the financial sector and has been independently verified. Moreover, Accountability Standard AA1000 was adhered to for reporting information regarding material issues that appear in the report.



# Dialogue with stakeholders and materiality

Dialogue with stakeholders -employees, customers, shareholder, society and the environment- is integrated within strategy at VidaCaixa Grupo. In order to facilitate dialogue with its stakeholders, VidaCaixa Grupo makes a series of communications channels available.

Dialogue with stakeholders is supplemented by the Corporate Responsibility Committee at VidaCaixa Grupo as well as the three consultative Sub-Committees with representation of employees, customers, shareholder,

society and the environment. These Sub-Committees are set up to act as consultative bodies and through these, regular meetings are held with each of the stakeholders in order to get first-hand knowledge of their expectations and opinions concerning the responsible performance of the company. In 2011, as a consequence of the reorganisation of the group it was not possible to hold these meetings. In 2012, plans are in place to resume these contacts.

### Shareholder

- Representation in Governing Bodies.
- Collaboration and communication flow between corporate responsibility departments.
- Participation in the meeting of experts in Corporate Responsibility.

### Customers

- Network of more than 5,196 “la Caixa” branch offices.
- 23 AgenCaixa delegations.
- Telephone customer satisfaction surveys.
- Call Center.
- Letters to the Director.
- Meetings with corporate customers.

### People

- Regular customer satisfaction surveys.
- Corporate intranet and corporate communications.
- Annual Director’s convention.
- Training for mid-level management.
- Face-to-face meetings with Management.
- Virtual platform VCPS for training staff members of *VidaCaixa Previsión Social*.
- Conéctate.
- Ideas Channel (Innova).
- Balanced Scorecard.
- Aulaforum, the online training platform.

### Society and the environment

- Obra Social “la Caixa”.
- Retorn.
- Participation in institutions within the insurance, social welfare and corporate responsibility sector.
- Participation in forums and conferences and issuing press releases and communiques to the media.
- Contacts with investment managers.
- Effective dialogue with fund managers within the framework of the PRI.

# Materiality

In addition to information about the company's economic, social and environmental performance, the Integrated Annual Report also provides answers to other relevant issues of interest to the company's stakeholders.

In order to identify these relevant issues, VidaCaixa performed a process of internal and external consultancy and analysis of its stakeholders, based on AA1000 Accountability methodology, consisting of the following:

- Reviewing other insurance sector-specific corporate responsibility reports from national and international organisations.
- Carrying out consultation with stakeholders.
- Carrying out consultation by way of an online survey with Directors, Area Directors, Department Heads and Managers at VidaCaixa Grupo regarding the definition of most relevant content to be included in the present Report.

## Principal conclusions from the meeting between experts in corporate responsibility

- Responsible management of VidaCaixa Grupo was assessed positively in general terms, providing clear evidence of strong growth in improved performance.
- The initiative to elaborate the Integrated Report was seen as a positive step and received their full support as it will also assist in linking business and corporate responsibility.
- According to the experts consulted, the following are the areas in which the perceived performance of VidaCaixa Grupo is considered better than its competitors:
  - Quality of service and products.
  - Business ethics (senior management, employees).
  - Professional development of employees (career plan, training).
  - Initiatives in favour of society (Social initiatives, job creation and cooperation in programmes to encourage financial education for the general public).
  - Fostering healthy ways of living and disease prevention.
- The areas in which the perception of VidaCaixa Grupo's performance was assessed as similar to its competitors were the following, according to experts consulted:
  - Clear and transparent information about products and services on offer and non-deceptive advertising practises.
  - Customer satisfaction.
  - Intensification of dialogue with stakeholders.
  - Accessibility to insurance products.
  - Good governance and transparency.
  - Procedures for the selection of socially and environmentally responsible suppliers.
  - Prudent, sustainable and sound business management.
- According to experts consulted, the areas in which the perception of VidaCaixa Grupo's performance were assessed as having scope for improvement compared to its competitors were the following:
  - Introduction of sustainable criteria to products and services.
  - Initiatives to reduce the impact on the environment.

Participants in consultation with stakeholders

Shareholders

- CaixaBank

Academic institutions and the media

- IESE
- MediaResponsable

Social and environmental organisations

- Edad & Vida
- Creant

Consumer and Trade Union organisation

- CECU Madrid – Confederación Española de Consumidores y Usuarios
- CECOT
- UGT

Insurance sector bodies

- UNESPA

The following table shows the relevant topics on which the 2011 VidaCaixa Grupo responsible management report focused.

MATRIX RELEVANT TOPICS

		Level of maturity of Issue	
		In consolidation	Integrated within the strategy of VidaCaixa Grupo
Importance for stakeholders	Very Important	<div>Clear and transparent information concerning products and services offered and non-misleading advertising practices.</div> <div>Implementation of sustainable criteria in products and services.</div>	<div>Customer satisfaction.</div> <div>Prudent, sustainable and solvent business management.</div> <div>Good governance and transparency.</div> <div>Business ethics (senior management and employees).</div>
	Important	<div>Initiatives that favour the community (Social initiatives, job creation or collaboration with programmes designed to increase financial education within society).</div> <div>Encouraging lifestyles that are healthy and prevent disease.</div> <div>Procedures for selecting socially and environmentally responsible suppliers.</div> <div>Accessibility to insurance products.</div>	<div>Quality of services and products on offer.</div>
	Growing importance	<div>The social function of the insurance business activity.</div> <div>Initiatives to reduce the environmental impact.</div> <div>Intensifying dialogue with stakeholders.</div> <div>Improved financial culture in insurance business.</div>	<div>Increase in value for shareholders.</div> <div>Employee wellbeing (conciliation between professional and family life, encouraging equality and integration, etc.).</div> <div>Professional development of employees (career plan, training).</div> <div>Innovation and development of new technologies.</div>
		<div>Relevant topics regarding customers.</div> <div>Relevant topics regarding employees.</div> <div>Relevant topics regarding the community.</div>	<div>Relevant topics regarding the environment.</div> <div>Relevant topics regarding shareholders.</div>

6.3

GRI G3.0 summary of indicators and United Nations Global Compact

1	STRATEGY AND ANALYSIS	Reported	Page numbers
1.1	Declaration from the most senior decision maker in the organisation about the relevance of sustainability to the organisation and its strategy.	●	1. Letter to the Chairman (page 5).
1.2	Description of key impacts, risks, and opportunities.	●	2.2. VidaCaixa Grupo (as regards the description of an efficient and sustainable management system, from the economic, social and environmental point of view ) (page 8) 5 Objectives and challenges (page 83-90).
2	ORGANISATIONAL PROFILE	Reported	Page numbers
2.1	Name of the organisation.	●	Inside front and back covers.
2.2	Primary brands, products, and/or services.	●	2.3 Shareholder structure (page 10), leadership in the Spanish insurance sector (pages 35-41).
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures (JV).	●	2.2 VidaCaixa Grupo (page 8), 2.3 Shareholder structure (page 10).
2.4	Location of organisation's headquarters.	●	2.2 VidaCaixa Grupo (page 8), 2.3 Shareholder structure (page 10).
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	●	VidaCaixa Grupo carries out its activity on the Spanish market. (page 6).
2.6	Nature of ownership and legal form.	●	2.3. Shareholder structure (page 10).
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	●	VidaCaixa Grupo carried out its activity on the Spanish market, obtaining and generating practically all its income and expenses in this market. (page 6).
2.8	Scale of the reporting organisation, including: <ul style="list-style-type: none"><li>• Number of employees.</li><li>• Net sales (for private sector organisations) or net revenues (for public sector organisations).</li><li>• Total capitalisation broken down in terms of debt and equity (for private sector organisations).</li><li>• Quantity of products or services provided.</li></ul>	●	2.1 Financial highlights (page 7).
2.9	Significant changes during the reporting period regarding size, structure, or ownership including: <ul style="list-style-type: none"><li>• The location of, or changes in operations, including facility openings, closings, and expansions and;</li><li>• Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organisations).</li></ul>	●	1. Letter to the Chairman (page 5), 2.3. Shareholder structure (page 10).
2.10	Awards received in the reporting period.	●	Page 63

3 REPORT PARAMETERS		Reported	Page numbers
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	●	The information contained in this Report refers to the natural year 2011 (see cover).
3.2	Date of most recent previous report (if any).	●	This is the first Integrated Annual report of VidaCaixa Grupo to be published. Previous Reports referred to VidaCaixa Grupo (Annual Report 2010 and Corporate Responsibility Report 2010).
3.3	Reporting cycle (annual, biennial, etc.).	●	The Integrated Report of VidaCaixa Grupo is made annually.
3.4	Contact point for questions regarding the report or its contents.	●	Inside back cover.
3.5	Process for defining report content, including: <ul style="list-style-type: none"> <li>• Determining materiality;</li> <li>• Prioritising topics within the report; and</li> <li>• Identifying stakeholders the organisation expects to use the report.</li> </ul>	●	6.2 Dialogue with stakeholders. The content of this Report is based on the guideline for drawing up Annual Reports, specific supplements and GRI technical protocols.
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	●	<p>The economic and financial information included in this report is based on the consolidated annual accounts of VidaCaixa Grupo and depending companies. In the case of the partly owned company SegurCaixa Adeslas, VidaCaixa shares in the profits of SegurCaixa Adeslas through the consolidation of the dividend based on the shareholding in the company. Beyond this sharing in the profits, this Report does not explain the activity of this company (Page 15).</p> <p>The Annual Accounts and the Management Report of the 2011 fiscal year can be consulted at <a href="http://www.vida caixa-segurcaixaadeslas.es/eng/info_corporativa/memoria_anual.html">http://www.vida caixa-segurcaixaadeslas.es/eng/info_corporativa/memoria_anual.html</a></p> <p>6.2. Dialogue with stakeholders and materiality.</p>
3.7	State any specific limitations on the scope or boundary of the report. .	●	There are no limitations to the scope or cover of this report.
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	●	The perimeter of this report is VidaCaixa Grupo and its filial companies VidaCaixa and AgenCaixa. SegurCaixa Adeslas is 49.9% owned by Caixa Grupo and has policies and a management system and its own integrated Report.
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	●	The content of this Report is based on the GRI guidelines for drawing up Reports, specific supplements and technical protocols.
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	●	There have not been any re-statements of information.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	●	In 2011 there were significant changes in the scope of this Report, stemming from the reorganisation of the Group. This is detailed in section 2.3 Shareholder Structure (page 10). There are no changes in the methods of calculation.
3.12	Table identifying the location of the Standard Disclosures in the report..	●	Index of the Report, 6.3 Table of GRI-3 indicators and Global Compact of the United Nations.
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organisation and the assurance provider(s).	●	Independent review Report (pages 111-114).



4	GOVERNANCE, COMMITMENTS & STAKEHOLDER ENGAGEMENT	Reported	Page numbers
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	●	2.3. Shareholder structure (page 10) e I+A200.
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, his function within the organisation's management and the reasons for this arrangement).	●	3.1. Governance and management bodies (page 17) and Corporate Governance Annual report <a href="http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html">http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html</a> .
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	●	3.1. Governance and management bodies (page 17) and Corporate Governance Annual report <a href="http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html">http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html</a> .
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	●	3.1. Governance and management bodies (page 17) and Corporate Governance Annual Report <a href="http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html">http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html</a> . 3.2 Business ethics (page 21).
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	●	3.1. Governance and management bodies (page 17) and Corporate Governance Annual Report <a href="http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html">http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html</a> .
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●	3.1. Governance and management bodies (page 17) and Corporate Governance Annual Report <a href="http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html">http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html</a> .
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.	●	3.1. Governance and management bodies (page 17) and Corporate Governance Annual Report <a href="http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html">http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html</a> .
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	●	2.2 VidaCaixa Grupo (page 8).
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	●	3.1. Governance and management bodies (page 17) and Corporate Governance Annual Report <a href="http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html">http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html</a> .
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	●	3.1. Governance and management bodies (page 17) and Corporate Governance Annual Report <a href="http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html">http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html</a> .
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	●	4.4. Prudent and solvent management (pages 47-50).

		Reported	Page numbers
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	●	Principal compacts and membership (page 22-23) 4.4.Prudent and solvent management (page 47) 4.5. Sustainable management (page 51).
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: <ul style="list-style-type: none"> <li>• Has positions in governance bodies.</li> <li>• Participates in projects or committees.</li> <li>• Provides substantive funding beyond routine membership dues.</li> <li>• Views membership as strategic.</li> </ul>	●	4.5. Sustainable management (pages 51-81).
4.14	List of stakeholder groups engaged by the organisation.	●	6.2. Dialogue with stakeholders (page 93).
4.15	Basis for identification and selection of stakeholders with whom to engage.	●	6.2. Dialogue with stakeholders (page 93).
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	●	6.2. Dialogue with stakeholders (page 93).
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting	●	6.2. Dialogue with stakeholders (page 93).

INFORMATION ON MANAGEMENT APPROACH

ECONOMIC SIZE	Reported	Page numbers	Comments to indicator
Economic Performance	●	2.1. Financial highlights (page 7), 4.3. VidaCaixa Grupo in 2011 (pages 34-46).	
Market Presence	●	Differential elements of the business (page 42).	
Indirect Economic Impacts	●	4.5 Sustainable management (page 51).	

ENVIRONMENTAL SIZE	Reported	Page numbers	Comments to indicator
Materials	●	Respect for the environment (page 56).	
Energy	●	Respect for the environment (page 57).	
Water	●	Respect for the environment (page 58).	
Biodiversity	○	N.A.	VidaCaixa Grupo does not have any facilities in protected areas or in areas of high biodiversity.
Emissions, effluents & waste	●	Respect for the environment (page 56).	
Products & services	●	4.4. Prudent and solvent management (pages 47-50).	
Compliance	●	Respect for the environment (page 56).	
Transport	●	Respect for the environment (page 58).	
Overall	●	Respect for the environment (page 56-59), Chapter 5 Objectives and challenges (page 90), 6.3 Table of Indicators (page 96).	

SOCIAL SIZE – Labour practices and work ethics		Reported	Page numbers	Comments to indicator
Employment	●	Sustainable management of the value chain, (page 60), Excellent place to work (page 67-80).		
Labour/Management Relations	●	Dialogue, participation and communication (page 71-72).		
Occupational Health and Safety	●	Health and safety in the workplace (page 77).		
Training and Education	●	Development of talent and organisational skills (pages 78-80).		
Diversity and Equal Opportunity	●	Equality of opportunities and labour integration (page 75).		
SOCIAL SIZE – Human Rights		Reported	Page numbers	Comments to indicator
Investment and Procurement Practices	●	3.2 Business ethics (page 21).		
Non-discrimination	●	Equality of opportunities and labour integration (page 75).		
Freedom of Association and Collective Bargaining	●	Collective rights (page 76).		
Abolition of Child Labour	●	Given its working territory, there have not been any identified activities nor risk operations in VidaCaixa Grupo.		
Prevention of Forced and Compulsory Labour	●	Given its working territory, there have not been any identified activities nor risk operations in VidaCaixa Grupo.		
Security Practices	●	Dialogue, participation and communication (page 71-72).		
Indigenous Rights	○	Given its working territory, there have not been any identified activities nor risk operations in VidaCaixa Grupo. N.A.		
SOCIAL SIZE – Society		Reported	Page numbers	Comments to indicator
Community	●	4.5 VidaCaixa Grupo with the environment (page 51-59).		
Corruption	●	page 21-23		
Public Policy	○	3.2 Business ethics (page 21).		
Anti-Competitive Behaviour	●	In 2011 there were no procedures open against VidaCaixa Grupo for anti-trust activities.		
Compliance	●	3.2 Business ethics (page 21), transparent and truthful communication and protection of data and privacy of customers (page 66).		

SOCIAL SIZE – Responsibility of the product	Reported	Page numbers	Comments to indicator
Customer Health and Safety	●	Transparent and truthful communication and protection of data and privacy of customers (page 66).	
Product and Service Labelling	●	Transparent and truthful communication and protection of data and privacy of customers (page 66).	
Marketing Communications	●	Transparent and truthful communication and protection of data and privacy of customers (page 66).	
Customer Privacy	●	Customer attention (pages 63-65). Transparent and truthful communication and protection of data and privacy of customers (page 66).	
Compliance	●	4.5 VidaCaixa Grupo with the environment (page 51-59).	

## GRI G3.0 INDICATORS & SPECIFIC FINANCIAL SECTOR

ECONOMIC PERFORMANCE INDICATORS		Type	Reported	Page numbers	If applicable, indicate the part not reported	Reason for omission	Comments to indicator
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	C	●	4.3. VidaCaixa Grupo in 2011 (page 34), the contribution of VidaCaixa Grupo to the Obra Social “la Caixa” (page 53), Training and profession development (page 78), Fringe and social benefits (page 74).	The amount paid out is not reported: payments to governments.	N.A.	The breakdown by country is not relevant because the activity of VidaCaixa Grupo is carried out in Spain.
EC2	Financial implications and other risks and opportunities for the organisation’s activities due to climate change.	C	●	Investment management (pages 49-50).			
EC3	Coverage of the organisation’s defined benefit plan obligations.	C	●	Compensation systems, fringe and social benefits (page 73).			
EC4	Significant financial assistance received from government.	C	●	In 2011 no aid or subsidy to carry out our activity was received.			
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	A	●	Compensation systems, fringe and social benefits (page 73).			
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	C	●	Suppliers (page 81).			
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	C	○			N.A.	The activity of VidaCaixa Grupo is centred in Spain.
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	C	●	VidaCaixa Grupo with the environment (page 51).			
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	A	●	VidaCaixa Grupo with the environment (page 51).			

ENVIRONMENTAL PERFORMANCE INDICATORS		Type	Reported	Page numbers	If applicable, indicate the part not reported	Reason for omission	Comments to indicator
EN1	Materials used by weight or volume.	C	●	Respect for the environment (pages 56-59).			
EN2	Percentage of materials used that are recycled input materials.	C	●	Respect for the environment (pages 56-59).			
EN3	Direct energy consumption by primary energy source.	C	●	Respect for the environment (pages 56-59).			
EN4	Indirect energy consumption by primary source.	C	●	Respect for the environment (pages 56-59).			
EN5	Energy saved due to conservation and efficiency.	A	●	Actions undertaken to minimise the impact on the environment (pages 56-59).			
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	A	●	Actions undertaken to minimise the impact on the environment (pages 56-59).			
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	A	●	Actions undertaken to minimise the impact on the environment (pages 56-59).			
EN8	Total water withdrawal by source.	C	◐	Water consumption (page 58).	The volume of water coming from sources that are not locally supplied is not reported.	N.A.	All the water used comes from a single local source.
EN9	Water sources significantly affected by withdrawal of water.	A	○			N.A.	The water used by VidaCaixa Grupo is always supplied through the municipal water mains so it does not affect any sources of water nor any related habitats.
EN10	Percentage and total volume of water recycled and reused.	A	○			N.A.	Indicator is not applicable to the activity of VidaCaixa Grupo.
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. State the location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	C	○			N.A.	VidaCaixa Grupo does not have any facilities in protected areas or in areas of high biodiversity.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	C	○			N.A.	VidaCaixa Grupo does not have any facilities in protected areas or in areas of high biodiversity.
EN13	Habitats protected or restored.	A	○			N.A.	Indicator is not applicable to the activity of VidaCaixa Grupo.
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	A	○			N.A.	Indicator is not applicable to the activity of VidaCaixa Grupo.



		Type	Reported	Page numbers	If applicable, indicate the part not reported	Reason for omission	Comments to indicator
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	A				N.A.	Indicator is not applicable to the activity of VidaCaixa Grupo.
EN16	Total direct and indirect greenhouse gas emissions by weight.	C		Emissions CO <sub>2</sub> (page 58).			
EN17	Other relevant indirect greenhouse gas emissions by weight.	C				N.A.	VidaCaixa Grupo does not undertake any harmful activity in protected areas nor in areas of high biodiversity.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	A		Respect for the environment (pages 56-59).		N.M.	This indicator lists the initiatives to reduce the emissions of greenhouse gas effect, but it does not quantify the reductions achieved. The possibility of implementing tools to calculate for this indicator in the mid term will be evaluated.
EN19	Emissions of ozone-depleting substances by weight.	C				N.A.	Indicator is not applicable to the activity of VidaCaixa Grupo.
EN20	NOx, SOx, and other significant air emissions by type and weight.	C				N.A.	Indicator is not applicable to the activity of VidaCaixa Grupo.
EN21	Total water discharge by quality and destination.	C		Water (page 58) .			Indicator is not applicable due to the fact that in the activity of the company the discharge of waste water comes exclusively from toilet waste.
EN22	Total weight of waste by type and disposal method.	C		Waste management (page 59).			
EN23	Total number and volume of significant spills.	C				N.A.	Indicator is not applicable to the activity of VidaCaixa Grupo.
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	A				N.A.	Indicator is not applicable to the activity of VidaCaixa Grupo.
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	A				N.A.	Indicator is not applicable to the activity of VidaCaixa Grupo.
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact.	C		Actions carried out to minimise the environmental impact (pages 56-59).			
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	C				N.A.	VidaCaixa Grupo only sells insurance and social welfare products and services and so they are not susceptible to being returned.
<div>  Fully Reported            Partially Reported            Not Reported         </div> <div>           C Indicador GRI G3.0 Central            A Indicador GRI G3.0 Adicional            N.A.: Not applicable            N.M.: Not material         </div>							

		Type	Reported	Page numbers	If applicable, indicate the part not reported	Reason for omission	Comments to indicator
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	C		In 2011 VidaCaixa Grupo did not receive any fines or judicial sanctions related to compliance with the environment regulation.			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	A		Actions undertaken to minimise the impact on the environment (pages 56-59).	There is no report on the environmental impact stemming from our products and service nor from criteria and methodology to determine what environmental impact is significant.	N.M.	The transport of products and services of VidaCaixa Grupo has no significant impact.
EN30	Total environmental protection expenditures and investments by type.	A				N.M.	Information is not material.

		Tipo	Reported	Page numbers	If applicable, indicate the part not reported	Reason for omission	Comments to indicator
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LABOUR PRACTISES

LA1	Total workforce by employment type, contract type and region.	C		Commitment to quality job creation and diversity (pages 67-69).			
LA2	Total number and rate of employee turnover by age group, gender and region.	C		Commitment to quality job creation and diversity (pages 67-69).			
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees by principal activity.	C		Fringe and social benefits (page 74).			
LA4	Percentage of employees covered by collective bargaining agreements.	C		Collective rights (page 76).			
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	C		As far as organisational changes are concerned, VidaCaixa Grupo follows the procedures as established under the Workers' Statutes.  For changes that mean substantial modifications in work conditions, the company meets the 30 days notice set out in the present law.			
LA6	Percentage of total workforce represented In formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs.	A		Health and safety in the workplace (page 77).			
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region.	C		Health and safety in the workplace (page 77).			
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	C		Health and safety in the workplace (page 77).			
LA9	Health and safety topics covered in formal agreements with trade unions.	A		Health and safety in the workplace (page 77).			
LA10	Average hours of training per year per employee by employee category.	C		Development of talent and organisational skills (pages 78-80).	It is not broken down by employment category.	N.A.	The possibility of defining will be considered in the mid term (2014).

		Type	Reported	Page numbers	If applicable, indicate the part not reported	Reason for omission	Comments to indicator
LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing the ends of their carrers	A		Pages 76-78	There is no report on continuous training for employees that are helped to manage the end of their professional careers nor about the offer of early retirement to employees who are going to retire.	N.A.	The possibility of defining will be considered in the mid term (2014).
LA12	Percentage of employees receiving regular performance and career development reviews.	A		Development of talent and organisational skills (pages 78-80).			
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	C		A commitment to quality job creation and diversity (pages 67-69).			
LA14	Ratio of basic salary of men to women by employee category	C		Fringe and social benefits (page 74).		This indicator does not report by gender and professional category.	

HUMAN RIGHTS

HR1	Percentage and overall number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	C		Management of investments (pages 49-50), All the investments of VidaCaixa Grupo are subject to the PRI principles and therefore require compliance of the clauses linked to human rights.			
HR2	PPercentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	C				N.A.	The present IT systems of the company do not let us get that information. The possibility of implementing calculation tools for this indicator in the mid term will be evaluated.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	A		Honesty and respect for human rights for people and stakeholders are contemplated in the values and Code of Ethics of VidaCaixa Grupo.		N.A.	Only qualitative information is provided.
HR4	Total number of incidents of discrimination and actions taken.	C		In 2011 no incident connected with discrimination took place in VidaCaixa Grupo.			
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken to support these rights.	C		In 2011 VidaCaixa Grupo did not identify risk situations in this sense.			
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	C		Given the nature of the act, no activities nor risk operations were identified in VidaCaixa Grupo.			

		Type	Reported	Page numbers	If applicable, indicate the part not reported	Reason for omission	Comments to indicator
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.	C	●		Given the nature of the act, no activities nor risk operations were identified in VidaCaixa Grupo.		
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	A	●		All the security people that work in VidaCaixa Grupo are hired through a company that certified that those people received the corresponding training.		
HR9	Número total de incidentes relacionados con violaciones de los derechos de los indígenas y medidas adoptadas.	A	○			N.A.	The insurance and social welfare activity carried out by VidaCaixa Grupo is centred exclusively on Spain.
<b>SOCIETY</b>							
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	C	●		Corporate Governance Annual report <a href="http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html">http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html</a> , Management of risk (page 47).		
SO2	Percentage and total number of business units analysed for risks related to corruption	C	●		Corporate Governance Annual report <a href="http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html">http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html</a> , Management of risk (page 47).		All business units are subject to the application and observance of the code of ethics of the company.
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures.	C	●		3.2 Business Ethics (page 21). All the workers at VidaCaixa Grupo receive training in anti-corruption matters through the Code of Ethics of the company.		
SO4	Actions taken in response to incidents of corruption.	C	●		Corporate Governance Annual Report <a href="http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html">http://www.vidacaixa-segurcaixaadeslas.es/eng/info_corporativa/gobierno_corporativo.html</a> (pages 12-13).		
SO5	Public policy positions and participation in public policy development and lobbying.	C	●		VidaCaixa Grupo does not have a defined general policy as regards the participation in the development of public policies or lobbying activities.		
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	A	●		In 2011 VidaCaixa Grupo did not make said contributions.		

		Type	Reported	Page numbers	If applicable, indicate the part not reported	Reason for omission	Comments to indicator
SO7	Total number of legal actions for anticompetitive behaviour, anti-trust, and monopoly practices and their outcomes.	A	●	In 2011 there was no type of action for reasons related to monopolistic practices or against free competition in VidaCaixa Grupo.			
SO8	Monetary value of significant fines and sanctions and overall number of non-monetary sanctions resulting from breach of legislation and regulations.	C	●	In 2011 there were no sanctions, fines nor any significant noncompliance in VidaCaixa Grupo.			

PRODUCT RESPONSIBILITY

PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	C	◐	pages 27-31, 33-40, 41-42	The impact on safety and health of the products and services are not evaluated by VidaCaixa Grupo.	N.A.	Indicator is not applicable due to the fact that within the activity of VidaCaixa Grupo these actions/ services are not undertaken.
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	A	●	In 2011 VidaCaixa Grupo did not incur in any incidents for this reason without having sanction applied nor any warnings for noncompliance of legislation or voluntary codes in questions of safety and health of products and services.			
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	C	◐	Transparent and truthful communications (page 66).	Only qualitative information is provided. There is no report on the percentage of products and services that fulfil information and labelling requirements.		The present IT systems of the company do not let us get that information. The possibility of implementing calculation tools for this indicator in the mid term will be evaluated (2014).
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	A	●	In 2011 there were no sanctions, fines nor any resolution against the company nor warnings of non-compliance of any legal regulations or voluntary codes in questions of publicity for product information in VidaCaixa Grupo.			
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	A	●	Customers (pages 60-66).			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	C	●	Transparent and truthful communications (page 66).			
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	A	●	In 2011 VidaCaixa Grupo did not receive any sanctions for non-compliance in questions of publicity or product information.			



		Type	Reported	Page numbers	If applicable, indicate the part not reported	Reason for omission	Comments to indicator
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	A	●		In 2011 VidaCaixa Grupo did not receive any claims in relation to respect for privacy, leakage of personal data of customers (page 64).		
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	C	●		In 2011 VidaCaixa Grupo did not receive any sanctions for non-compliance of the regulation with respect to the supply or use of products and services of the organisation.		

PRODUCT AND SERVICE IMPACT		Type	Reported	Page numbers	If applicable, indicate the part not reported	Reason for omission	Comments to indicator
Financial services sector specific disclosure on management approach							
FS1	Policies with specific environmental and social components applied to business lines.	C	●	4.5. Sustainable management (pages 51-81).			
FS2	Procedures for assessing and screening environmental and social risks in business lines.	C	●	4.5. Sustainable management (pages 51-81).			
FS3	Processes for monitoring customers' implementation of and compliance with environmental and social requirements included in agreements or transactions.	C	●	4.5. Sustainable management (pages 51-81).			
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	C	●	4.5. Sustainable management (pages 51-81).			
FS5	Interactions with customers/investees/business partners regarding environmental and social opportunities.	C	●	4.4. Prudent and solvent management (pages 47-50).			
Product portfolio management indicators							
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	C	◐		VidaCaixa Grupo carries out its activity on the Spanish market and practically all its income and expenses are generated in this market. The market it serves covers almost 5.9 million customers.		
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	C	●	Investment management (pages 49-50).			
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	C	●	Investment management (pages 49-50)			
Audit procedure management indicators							
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	C	●	Risk management (page 47-48) investment management (page 48-50).	Risk evaluation procedures are reported.		

		Type	Reported	Page numbers	If applicable, indicate the part not reported	Reason for omission	Comments to indicator
<b>Active ownership management indicators</b>							
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues.	C	●	Investment management (pages 49-50).			100% of investments are managed through ESG criteria.
FS11	Percentage of assets subject to positive and negative environmental or social screening.	C	●	Investment management (pages 49-50).			
FS12	Voting policy(ies) applied to environmental or social issues for shares over which the reporting organisation holds the right to vote shares or advises on voting.	C	●	Corporate Governance Annual Report <a href="http://www.vidacaixa-seguraicaadeslas.es/eng/info_corporativa/gobierno_corporativo.html">http://www.vidacaixa-seguraicaadeslas.es/eng/info_corporativa/gobierno_corporativo.html</a> (pages 16-17).			
FS13	Access points in low-populated or economically disadvantaged areas by type.	C	●	Multi-channel system at the service of the customer (pages 45-46; 62).			
FS14	Initiatives to improve access to financial services for disadvantaged people.	C	●	Multi-channel system at the service of the customer (pages 45-46; 62).			
FS15	Policies for the fair design and sale of financial products and services.	C	●	Transparent and truthful communication and protection of the data and privacy of customers (page 56).			
FS16	Initiatives to enhance financial literacy by type of beneficiary.	C	●	Contribution to the creation of a culture of savings and welfare (pages 50-52).			

UNITED NATIONS GLOBAL COMPACT

HUMAN RIGHTS	Page numbers	GRI Indicators
Companies must support and respect the protection of international human rights, within their scope of influence.	page 21	HR1, HR2, HR3, HR4, HR8
Companies must assure they are not involved in or party to any human rights violations.	page 21	HR1, HR2, HR3, HR4, HR8
LABOUR	Page numbers	GRI Indicators
Companies must defend freedom of association and collective bargaining.	page 67-80	HR5, HR6, HR7, HR9, LA (1 a 14)
Companies must prevent forced and compulsory labour.	page 67-80	HR5, HR6, HR7, HR9, LA (1 a 14)
Companies must work towards the abolition of child labour.	page 67-80	HR5, HR6, HR7, HR9, LA (1 a 14)
Companies must promote non-discrimination regarding work and employment.	page 67-80	HR5, HR6, HR7, HR9, LA (1 a 14)
ENVIRONMENTAL	Page numbers	GRI Indicators
Companies must support a policy of precaution regarding environmental challenges.	page 56-59	EN (1 a 30)
Companies must undertake initiatives to promote environmental responsibility.	page 56-59	EN (1 a 30)
Companies must advance the development and promotion of environmentally friendly technologies.	page 56-59	EN (1 a 30)
ANTI-CORRUPTION	Page numbers	GRI Indicators
Companies must fight all forms of corruption, including blackmail and bribery	page 19	SO (2 a 8)

# Independent Review Report and GRI Declaration



*Free translation from the original in Spanish. In the event of discrepancy, the Spanish language version prevails.*

## INDEPENDENT ASSURANCE REPORT ON THE 2011 INTEGRATED ANNUAL REPORT

**To the Management of VidaCaixa Grupo, S.A.:**

### Scope of our work

We have performed a review of the following aspects of the Corporate Responsibility information included in the 2011 Integrated Annual Report (here on, 2011 IAR) of VidaCaixa Grupo, S.A. and its Group of Companies (here on, VidaCaixa) for the year ending 31 December 2011:

- The adaptation of the contents of the 2011 IAR to the Guidelines for preparing Sustainability Reports of the Global Reporting Initiative (GRI) version 3.0 (G3), and the validation of the core performance indicators proposed in the Guidelines as well as the indicators in the Financial Services Sector Supplement (described in pages 101-109 of IAR 2011).
- The adaptation of the contents of the 2011 IAR to the principles of inclusivity, materiality and responsiveness of *AA1000 Accountability Principles Standard 2008* issued by *AccountAbility, Institute of Social and Ethical Accountability* (here on, AA1000APS (2008)).

The preparation of the 2011 IAR, as well as the contents, is responsibility of the Management of VidaCaixa, which is also responsible for defining, adapting and maintaining the management and internal control systems from which the information is obtained and the systems for the application of the AA1000APS (2008). Our responsibility is to issue an independent report based on the procedures performed in our review.

### Verification criteria and procedures

We have carried out our review work in accordance with Standard ISAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information (Limited Assurance Engagements)* issued by the *International Auditing and Assurance Standards Board (IAASB)* of the *International Federation of Accountants (IFAC)* and with the *Guidelines for engagements relating to the review of Corporate Responsibility Reports* issued by the Spanish Institute of Certified Public Accountants (*Instituto de Censores Jurados de Cuentas de España*). Furthermore, we have carried out our work in accordance with *AA1000 AccountAbility Assurance Standard 2008*, under a moderate Type 2 assurance engagement, to provide limited assurance on the application of the core indicators and those set out in the Financial Services Sector Supplement to the GRI G3 Guidelines for the year 2011, and the application of AA1000APS (2008) principles.

Our review has consisted of interviews with the Management and different VidaCaixa units that have been involved in the preparation of the 2011 IAR, and carrying out certain analytical procedures and sample-based reviews which, in general, are described below:

- Meetings with the personnel of VidaCaixa in order to ascertain the management approaches applied and to obtain the necessary information for the external review.

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- Interviews with the personnel of VidaCaixa to ascertain the procedures, systems and management approaches applied with regards to the consideration of, and compliance with, the AA1000APS (2008) principles.
- Analysis of the processes for gathering and validating the Corporate Responsibility information presented in the 2011 IAR.
- Review of the effectiveness of the processes used to comply with AA1000APS (2008) principles.
- Analysis of the adaptation of the contents of the 2011 IAR to the GRI G3 Guidelines and with the principles of inclusivity, materiality and responsiveness of the AA1000APS (2008) standard, as well as checking that the core and specific indicators of the Financial Services Sector Supplement, included in the 2011 IAR, are consistent with those recommended, and that any inapplicable or unavailable indicators are identified.
- Review of the information relating to the management approaches applied to each group of indicators.
- Verification, through a screening test based on the selection of a sample, of the quantitative and qualitative information of the core and specific indicators of the Financial Services Sector Supplement for the year 2011, included in the 2011 IAR, and their appropriate compilation based on the data provided by the information sources of VidaCaixa.

The scope of a limited assurance engagement is more limited than a reasonable assurance engagement. Therefore, it provides less assurance. Under no circumstances can this report be understood as an audit report.

### Independence

We have performed our work in accordance with the Independence rules set down by the Code of Ethics of the *International Federation of Accountants* (IFAC). Our work has been carried out by a team of sustainability experts with a wide range of experience in reviews of reports of this kind.

### Conclusion

On the basis of the results of our review, nothing has come to our attention that causes us to believe that the Corporate Responsibility information included in the 2011 IAR of VidaCaixa contains significant errors or has not been prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines GRI version 3.0 (G3).

Furthermore, nothing has come to our attention that causes us to believe that the Corporate Responsibility information included in the 2011 IAR of VidaCaixa has not been prepared, in all material respects, in accordance with the principles of inclusivity, materiality and responsiveness of the AA1000APS (2008) standard. Specifically:

- As for the principle of **inclusivity** under AA1000 APS (2008), nothing has come to our attention that causes us to believe that the Management of VidaCaixa has not established a process of involvement and participation of stakeholders through which the Management identifies who they are, what their expectations are and how they can engage with them, in a balanced and thorough manner.
- As for the principle of **materiality** under AA1000 APS (2008), nothing has come to our attention that causes us to believe that the Management of VidaCaixa does not have a balanced understanding of the sustainability issues relevant to the organization and its stakeholders.





- As for the principle of **responsiveness** under AA1000APS (2008), nothing has come to our attention that causes us to believe that the Management of VidaCaixa has not established a process to develop appropriate responses to relevant matters and the expectations of its stakeholders.

### Recommendations

Additionally, as a result of our review, we would like to put forward certain observations and recommendations regarding improvements in the application of the principles of inclusivity, materiality and responsiveness to be presented to VidaCaixa Management, in an internal document. We set out below a summary of the most significant recommendations, which do not modify the conclusions expressed in this report.

#### Inclusivity

Dialogue with stakeholders is integrated within strategy at VidaCaixa, and is undertaken through the communication channels available in its different business areas. There are three consultative Sub-Committees with representation of employees, customers, society and the environment. In 2011, as a consequence of the reorganization of the group it was not possible to keep these Sub-Committees on-going. It is recommended to reactivate these meetings and extend the analysis of the stakeholders' priorities in order to include, with the same level of detail, all relevant stakeholders.

#### Materiality

VidaCaixa assesses the materiality and relevance of Corporate Responsibility issues based on consultation with the key stakeholders (internal and external). It is recommended to implement a procedure in order to ensure the coverage of all the aspects related to Corporate Responsibility as well as to establish a materiality assessment methodology.

#### Responsiveness

The dialogue with its stakeholders is supplemented by the Corporate Responsibility Committee, which ensures that their expectations are efficiently managed. It is recommended that the supportive role of this committee is enhanced through more active involvement in Corporate Responsibility decision making for the Group, and also that a Corporate Responsibility Plan is developed in order to prioritize the response to stakeholders expectations.

PricewaterhouseCoopers Auditores, S.L.

Mª Luz Castilla  
Director  
29 June 2012



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Licensed Assurance Provider  
000-42



## Statement GRI Application Level Check

GRI hereby states that **VidaCaixa Grupo** has presented its report “2011 Integrated Annual Report” to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 29 June 2012

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint, large circular watermark in the background.

Nelmara Arbex  
Deputy Chief Executive  
Global Reporting Initiative



The “+” has been added to this Application Level because VidaCaixa Grupo has submitted (part of) this report for external assurance. GRI accepts the reporter’s own criteria for choosing the relevant assurance

*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 27 June 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

## For further information

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If you wish to send us a comment or make a consultation on this Report,  
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### Other publications:

VidaCaixa Grupo Annual Report 2010  
VidaCaixa Grupo Corporate Responsibility Report 2010

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