



CaixaBank

INTEGRATED  
CORPORATE  
REPORT

**[2012]**

INTEGRATED CORPORATE REPORT **[2012]**





## [The UN Global Compact Principles]

CaixaBank is a member of the United Nations Global Compact. The Principles of the Global Compact covered in the text are presented at the beginning of each section of this Integrated Corporate Report, which also serves as a Communication on Progress Report.

**Principle 1** Businesses should support and respect the protection of internationally proclaimed human rights.

**Principle 2** Business should make sure that they are not complicit in human rights abuses.

**Principle 3** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

**Principle 4** Businesses should support the elimination of all forms of forced and compulsory labor.

**Principle 5** Businesses should support the effective abolition of child labor.

**Principle 6** Businesses should support the elimination of discrimination in respect of employment and occupation.

**Principle 7** Businesses should take a precautionary approach to environmental challenges.

**Principle 8** Businesses should undertake initiatives to promote greater environmental responsibility.

**Principle 9** Business should encourage the development and diffusion of environmentally friendly technologies.

**Principle 10** Businesses should work against corruption in all its forms, including extortion and bribery.

# [Summary]

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KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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## [CaixaBank Group - Key Indicators]

€ million

	January - December		
Income statement highlights	2012	2011	Change
Net interest income	3,872	3,170	22.2%
Gross income	6,737	6,511	3.5%
Pre-impairment income	3,171	3,169	0.1%
Profit attributable to the Group	230	1,053	(78.2%)

Efficiency and Profitability			
Cost-to-income ratio (total operating expenses/gross income)	52.9%	51.3%	1.6
ROE (attributable profit/average equity)	1.0%	5.2%	(4.2)
ROA ( profit/average total assets)	0.1%	0.4%	(0.3)
RORWA ( profit/risk-weighted assets)	0.2%	0.9%	(0.7)
ROTE (attributable profit/average tangible equity)	1.3%	6.2%	(4.9)

Balance sheet highlights	December 2012	December 2011	Change
Total assets	348,294	270,425	28.8%
Book value	22,793	20,751	9.8%
Total banking business volume	512,017	427,252	19.8%
<i>Total customer funds</i>	<i>288,568</i>	<i>241,203</i>	<i>19.6%</i>
<i>Customer loans and advances, gross</i>	<i>223,449</i>	<i>186,049</i>	<i>20.1%</i>



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## [CaixaBank Group - Key Indicators] [continuation](#)

€ million

Risk management	December 2012	December 2011	Change
Non Performing Loans (NPL) ratio	8.62%	4.90%	3.72
Allowances for non-performing loans	12,071	5,745	6,326
NPL coverage ratio	60%	60%	0
NPL coverage ratio including collateral	142%	137%	5
Foreclosed real estate assets coverage ratio	45.5%	36.0%	9.5
<i>Of which: land coverage</i>	61.0%	62.0%	(1)
Liquidity	53,092	20,948	32,144
<i>Loan to deposits<sup>1</sup></i>	127%	133%	(6)
Capital adequacy	December 2012	December 2011	Change
Core Capital - BIS II	11.0%	12.5%	(1.5)
Tier 1	11.0%	12.8%	(1.8)
Tier Total	11.6%	12.8%	(1.2)
Eligible equity	18,641	17,581	1,060
Risk-weighted assets (RWA)	161,200	137,355	23,845
Surplus capital	5,745	6,592	(847)
Core Tier 1 - EBA	10.4%	10.9%	(0.5)

(1) Net lending as a % of on-balance sheet retail customer funds.



KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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## [CaixaBank Group - Key Indicators] continuation

€ million

Data per share	December 2012	December 2011	Change
Share price (€/share)	2.637	3.795	(1.158)
Market Capitalization	11,839	14,573	(2,734)
Number of shares outstanding (thousands) <sup>2</sup>	4,450,743	3,778,652	672,091
Book value per share – fully diluted (€/share)	4.53	5.11	(0.58)
Earnings per share (EPS) (€/share) (12 months) <sup>4</sup>	0.05	0.27	(0.22)
P/E (Price/Earnings; times)	54.02	14.06	39.96

Resources	December 2012	December 2011	Change
CaixaBank Group employees	32,625	26,993	5,632
CaixaBank Individual	30,442	24,915	5,527
Training hours / employee	52.8	25.5	27.3
Diversity: % of men / women on staff	51/49	51/49	0
% of women in management positions	44.7	42.1	2.6
Participants in the Corporate Volunteer programme	4,584	4,032	552
Branches	6,342	5,196	1,146
ATMs	9,696	8,011	1,685
Cards issued (millions)	12.8	10.8	2

Customers	December 2012	December 2011	Change
Number of customers (millions)	12.9	10.4	2.5
Individual customers satisfaction index (1-10)	8.3	8.4	(0.1)
Corporate customers satisfaction index (1-10)	8.2	8.1	0.1
Number of microloans granted	40,784	34,307	6,477

(2) Excluding treasury shares.

(3) Number of shares outstanding - fully diluted, in thousands: 5,164,642 at 31/12/12 and 4,711,294 at 31/12/11.

(4) Average number of shares outstanding - fully diluted, in thousands: 4,711,294 at 31/12/12 and 3,964,337 at 31/12/11.

**Isidro Fainé Casas**

## [Letter from the Chairman]

During 2012, CaixaBank bolstered its leadership of the Spanish banking sector through the integration of Banca Cívica. It now boasts near 13 million customers and has achieved the growth targets established in the Group's 2011-2014 Strategic Plan ahead of schedule. It has also announced the acquisition of Banco de Valencia, enabling the Group to boost its presence and accelerate growth in the Levante region of Spain.

CaixaBank's commercial strength and cost controls have enabled it to maintain solid operating results. This has allowed for sizeable allowances and write-downs of over €10.2 billion to be made and the balance sheet shored up, enabling CaixaBank to maintain its position as one of the top banks in terms of solvency according to the results of the stress tests performed on the Spanish banking system by the independent consultants, Oliver Wyman. We continue to boast a very high level of liquidity, providing a larger safety net.

Dividends received by "la Caixa" from its subsidiary Criteria CaixaHolding and CaixaBank's activity once again permit it to set aside a budget of €500 million for "la Caixa" Foundation in 2013, making it the leading private foundation in Spain and one of the most important in the world. The Foundation's aim is to open up opportunities to the most disadvantaged groups in society during what are challenging times from both an economic and social perspective. For yet another year, we have also ratified our commitment to the United Nations Global Compact.

All this has been achieved thanks to the excellent work of the people involved in the various projects. This we have achieved while remaining true to our core values: leadership, trust and social commitment. We have been working harder than ever to demonstrate to our customers, employees, shareholders and partners that CaixaBank is moving forward in difficult circumstances, thanks to the responsibility of all those involved and our commitment to the welfare projects, which has been our constant hallmark.

We face the future with optimism despite prevailing difficulties; continuously adapting and innovating our business, safe in the knowledge that we have much more solid foundations and that our human resources are far stronger and more committed to a common project and goal.

I wish to express my most sincere gratitude to everyone who has placed their trust in CaixaBank, and hope that this report gives them a better understanding of our entity.



**Juan María Nin Génova**

## [Letter from the Deputy Chairman and C.E.O.]

2012 was marked by major changes in the Spanish banking sector to clean up balance sheets, bolster capital and liquidity, and drive up efficiency.

Against this challenging backdrop, CaixaBank enjoyed healthy growth. In addition to non-recurring commercial business across the CaixaBank network, involving a specialized value proposal geared to each customer segment, we integrated Banca Cívica into our Group (effective as of July 1) and entered into an agreement for the acquisition of Banco de Valencia.

This enabled us to meet the growth targets set out in the “la Caixa” Group 2011-2014 Strategic Plan ahead of schedule, and consolidate CaixaBank as market leader with assets totaling €348,294 million, close to 13 million customers, 26.1% penetration of retail banking and a general increase in market shares.

The Group’s impressive commercial strength with its 32,625 employees, based on the continuous task of innovation, is built around a multi-channel distribution model: 6,342 branches and 9,696 ATMs (the most extensive network), and a top-ranking online, mobile and electronic banking service. In 2012, 90% of transactions were performed electronically.

This, along with careful proactive risk management, has produced a balanced, quality increase in our volume of business (+19.8%) and maintained CaixaBank’s financial strength: liquidity has increased to €53,092 million making us one of Spain’s most solvent, with Core Capital (BIS II) of 11% and an NPL coverage ratio of 60% (142% including collateral).

Furthermore, in a complex and demanding environment, the Group showed its ability to generate results: pre-impairment income stood at €3,171 million, up 0.1% on 2011, underpinned by excellent recurring income and efficient cost controls. This ability enabled the Group to make sizeable allowances and write-downs.

The combination of all these factors – growth, innovation, commercial and financial strength to generate income – is certainly the best way of guaranteeing CaixaBank’s future and sustainability.

We will continue to strive to generate value for our stakeholders, giving priority to service quality to exceed our customers’ expectations, offer our employees greater professional development opportunities, act responsibly, and achieve sustained earnings to be able to implement major welfare projects.





# [ABOUT US]

- 1.1 A growing bank
- 1.2 CaixaBank shares
- 1.3 "la Caixa", the controlling shareholder





KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	<b>ABOUT US</b> A growing bank CaixaBank shares "la Caixa", the controlling shareholder	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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**CaixaBank is the leading financial group in the Spanish market, in both the banking and insurance sectors, with a diversified strategy involving holdings in international banks and in benchmark service companies.**

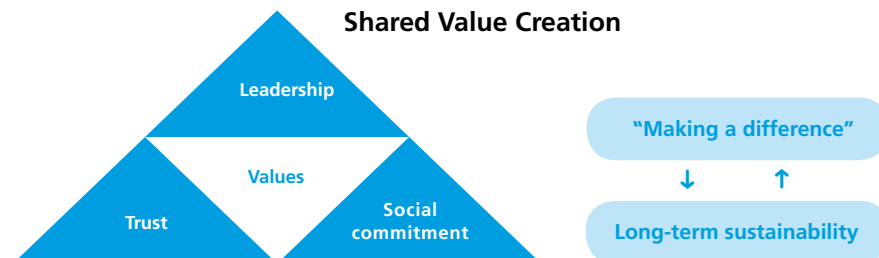


### Our mission

To encourage savings and investment by offering the best and most comprehensive range of financial services to the greatest number of customers, and to make a decisive contribution to society so that individual's basic financial and social needs are met flexibly and appropriately.

### Our vision

To be the leading financial group in the Spanish market, with an international focus and committed to generating value for shareholders, customers, employees and society as a whole.



### Leaders on the Spanish market

- 12.9 million customers, number-one entity for retail customers
- Leading bank in terms of asset volume: €348,294 million
- Business model based on individual banking, personal banking, private banking, SME banking, business banking and corporate banking
- Volume of business: €512,017 million (+19.8% on 2011)
- EFQM European Excellence Award (+500)

### Innovation, proximity and extensive commercial capacity

- 32,625 employees
- The largest commercial network (6,342 branches), with 9,696 ATMs
- Market leaders in online, mobile and electronic banking
- The world's most innovative bank in 2011, according to the Bank Administration Institute and Finacle (BAI)

### A benchmark in terms of liquidity and capital adequacy

- Core capital (BIS II): 11%
- Liquidity of €53,092 million (15.2% of assets)

### Extensive capacity to generate earnings

- 2012 pre-impairment income of €3,171 million
- Investee earnings of €809 million (+22.8%)
- Strict cost control system

### Committed and sustainable

- A "la Caixa" Group entity, whose Foundation has a budget of €500 million a year
- A social bank specializing in microcredits, MicroBank
- Ranked on the world's major sustainability indexes: DJSI, FTSE4Good and ASPI





## 1.1 [A growing bank]

CaixaBank has carried out the financial activity of Caja de Ahorros y Pensiones, "la Caixa", since June 30, 2011, the date on which "la Caixa" transferred its entire banking business to CaixaBank.

In March 2012, the agreement to integrate Banca Cívica in CaixaBank was publicly announced. This integration entailed the merger by absorption of Banca Cívica, the main shareholders of which were Caja Navarra, Cajasol, Caja de Guadalajara, CajaCanarias and Caja de Burgos. On August 3, CaixaBank completed the legal requisites for the integration, securing all necessary authorizations and entering the merger deed with the Companies Registry. The merger was approved at the extraordinary general meetings of CaixaBank and Banca Cívica on June 26, 2012.

As part of the merger, Banca Cívica shareholders swapped their equity interests for 71 million CaixaBank shares held as treasury shares and 233 million newly-issued shares. All shares have a par value of €1 each.

The integration will help improve the service provided to all customers and shore up the social welfare efforts made in the home regions of the savings banks now related with CaixaBank, as well as throughout Spain.

On November 27, CaixaBank signed an agreement to acquire those shares of Banco de Valencia held by the Governing Committee of the Fund for Orderly Bank Restructuring (FROB).

On February 28, 2013, CaixaBank finalized the acquisition of the FROB's 98.9% stake in Banco de Valencia, having obtained the necessary authorizations and after payment by the FROB, in December, of €4,500 million for a capital increase and the transfer of problem assets to the Sociedad de Gestión de Activos procedentes de la Reestructuración Bancaria" (Sareb, a financial institution created to hold non-performing assets owned by a state guaranteed bank). (carrying amount of €1,894 million). As a result of this acquisition, an asset protection scheme shall now come into effect, whereby the FROB will assume, over a period of 10 years, 72.5% of any losses from Banco de Valencia's SME/self-employed professionals and contingent risk portfolios (guarantees), once any existing provisions covering these assets have been used.

The move bolsters CaixaBank's position as leader in the Spanish market and a key entity in Valencia.

**CaixaBank continues a banking and finance sector tradition stretching back to the middle of the nineteenth century**



Manresa head office, Barcelona (1910)





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## 1.2 [CaixaBank shares]

### CaixaBank shareholder structure

At January 4, 2013, CaixaBank's share capital stood at 4,489,748,634 shares, with a par value of €1 each. CaixaBank's controlling shareholder is Caja de Ahorros y Pensiones de Barcelona, "la Caixa", holding a 72.76% interest in the bank.

[2011]		[2012]					[2013]	
31-12	28-06	03-08	04-10	11-12	27-12	04-01		
Number of shares	Capital increase through a scrip issue of ordinary shares	Capital increase through a scrip issue of ordinary shares (Banca Cívica share swap)	Capital increase through a scrip issue of ordinary shares	Capital increase through the issue of ordinary shares (mandatory partial conversion of mandatorily convertible subordinated bonds, Series I/2011)	Capital increase through a scrip issue of ordinary shares	Capital increase through the issue of ordinary shares (partial mandatory conversion of mandatorily convertible subordinated bonds, Series A/2012)	Number of shares	
3,840,103,475	→ +14,728,120	→ +233,000,000	→ +79,881,438	→ +148,945,050	→ +86,145,607	→ +86,944,944	→	4,489,748,634



KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	<b>ABOUT US</b> A growing bank <b>CaixaBank shares</b> "la Caixa", the controlling shareholder	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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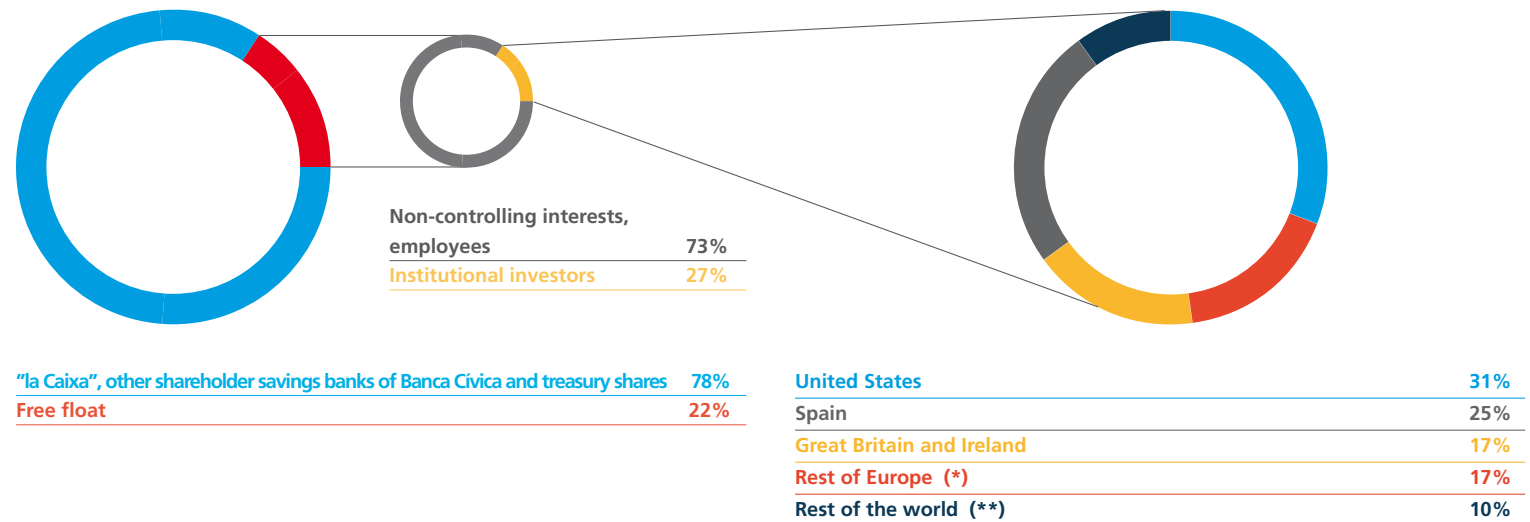
At December 31, 2012, CaixaBank held a total of 38,836,812 treasury shares, representing 0.8% of its share capital.

The bank's free float (the portion of share capital not held by the majority shareholder, the other shareholders of Banca Cívica, or as treasury shares) stood at 22%. This free float is distributed among more than 750,000 shareholders.

CaixaBank has not been informed of any shareholders' agreements between its shareholders for the concerted exercise of voting rights or which could constrain the free transfer of shares.

At December 31, 2012, non-controlling shareholders (including employees) held approximately 73% of the free float (16% of total capital), while the remaining 27% was held by institutional investors.

[Shareholder structure]



(\*) Particularly, Norway and France

(\*\*) High prevalence of investors from Japan and Brazil



## Policy on treasury shares

Pursuant to prevailing regulations, the Board of Directors is entrusted with approving CaixaBank's treasury share policy and especially the limits on ownership of such shares.

These transactions must always be for legitimate purposes and in accordance with prevailing legislation; for example, to contribute to the market liquidity of the shares or to smooth out share price fluctuations. Treasury share operations must never be carried out in order to intervene in the free market or to benefit certain shareholders of CaixaBank.

At its May 22, 2012 meeting, the Board of Directors resolved that treasury share operations in CaixaBank be limited solely and exclusively in accordance with the authorization given at the Annual General Meeting of April 19, 2012 and with applicable regulations.

## Dividend policy and share price performance

### Shareholder remuneration

Shareholder remuneration remains one of CaixaBank's top priorities. In 2012, the bank maintained its quarterly payments in March, June, September and December. Three of these four payments were carried out under the CaixaBank Optional Scrip Dividend program, whereby shareholders may be remunerated through a free-of-charge capital increase.

Under the scheme, shareholders can choose to receive newly-issued bonus shares, receive cash by selling their subscription rights on the market, or receive cash by selling their rights to CaixaBank at a price to be determined

by the latter. Shareholders may also choose to combine these three options in any way.

Shareholder remuneration for 2012 was in line with remuneration paid in previous years, at a total gross amount of €0.23 per share, a return of 8.7% based on the 2012 closing price. (\*)

The first quarterly payment was made in March 2012, in cash, for a total gross amount of €0.06 per share. The June, September and December payments (€0.05 per share, €0.06 per share and €0.06 per share, respectively), were carried out through the CaixaBank Optional Scrip Dividend program.

(\*) Dividend yield of 7.9% based on the average share price in 2012.

# 8.7%

**Dividend yield**

# €0.23

**Dividend paid per share**



### CaixaBank share price performance

CaixaBank's average daily trading volume, excluding special operations, was 3 million shares.

CaixaBank shares closed 2012 at €2.637 per share, down 30.5%. Taking into account the dividends paid during the year (€0.23 per share), CaixaBank generated a return of -24.5% in 2012.

The Spanish financial sector, primarily those entities focused on domestic banking, was hard hit by the widespread market mistrust following news of the precarious situations of a number of entities. However, CaixaBank's shares outperformed those of its peers<sup>(1)</sup>, which fell 49% on average in 2012.

Nevertheless, CaixaBank's shares were outperformed by the benchmark indices, such as the IBEX 35 (down 4.7%), the EURO STOXX 50 (gains of 13.8%), and the STOXX Europe Banks (up 23.1%).

(1) Synthetic peer share price index (Banesto, Bankia, Bankinter, Banco Popular and Banco Sabadell), weighted by market capitalization.

### [CaixaBank shares: key indicators]

Market capitalization (€ million)	11,839
Number of shares <sup>1</sup>	4,489,748,634
<b>Share price (€/share)</b>	
Share price at beginning of the period (31/12/11)	3.795
Share price at end of the period (31/12/12)	2.637
Maximum price (13/02/2012)	4.100
Minimum price (31/05/12) <sup>2</sup>	2.018
<b>Trading volume (number of shares, excluding special transactions)</b>	
Maximum daily trading volume (27/03/12)	12,875,119
Minimum daily trading volume (01/11/12)	431,174
Average daily trading volume	3,010,371
<b>Stock market ratios</b>	
Earnings per share (EPS) (last 12 months) <sup>(3)</sup>	0.05
P/E ratio	54.02
Book value per share – fully diluted (31/12/12) <sup>(4)(5)</sup>	4.53
P/B ratio	0.58
Dividend yield	8.7%

(1) Number of shares at 4/01/13, including the conversion of Series A of the convertible bond issued by Banca Cívica.

(2) Trading session closing price.

(3) Includes the weighted number of shares to be issued on the conversion of the mandatorily convertible bonds issued in June 2011 and February 2012, as well as the deduction of the average number of treasury shares in the period.

(4) The calculation of equity includes balance sheet equity (€22,793 million) plus Banca Cívica mandatorily convertible and/or exchangeable subordinated bonds classified as subordinated liabilities (€602 million).

(5) Includes shares resulting from the conversion of all the Series I/2011 and I/2012 mandatorily convertible bonds, and Banca Cívica's B and C series mandatorily convertible and/or exchangeable bonds calculated at the weighted average price of the last 15 trading days. Treasury shares at 31 December 2012 are deducted.



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## Coverage

The reorganization of the "la Caixa" Group spurred a number of analysts to take up coverage of CaixaBank shares. Currently, 23 national and international brokerage companies cover the bank's equity instruments.

Analyst opinions provide CaixaBank shareholders with an independent and external source to help them understand market opinion on the shares and to obtain a better overview of the trends and potential upside or downside of these securities.

"Buy" and "hold" recommendations accounted for 40% of the total. The average target price of analysts was €2.76 per share in December 2012, implying a potential 17% uptick in the December 31, 2012 share price.

Analysts highlighted CaixaBank's strength as a leader in the Spanish retail banking sector, as well as its comfortable liquidity position, solid capital ratios, and higher quality assets compared to the sector.

## Position in sustainability indices

CaixaBank's unwavering commitment to a management model that is sustainable in the long-term is reflected by its inclusion in the leading sustainability indices worldwide: Dow Jones Sustainability Index (DJSI), FTSE4Good and Advanced Sustainable Performance Indexes (ASPI).

The DJSI recognizes those companies, selected among the 2,500 largest companies in the world ranked in the Dow Jones indices that regularly fulfill a series of economic, environmental and social requirements.

At the 2012 year end, CaixaBank was included in the DJSI World and DJSI STOXX indices.



CaixaBank forms part of the FTSE4Good (FTSE Global, FTSE Europe and FTSE IBEX 35). This index brings together those companies featured on the FTSE indices whose practices are in line with globally-accepted corporate social responsibility criteria.



CaixaBank is also ranked in the ASPI, which comprises the 120 companies in the DJ EURO STOXX index with the best sustainable development performance (human and worker rights, environment, corporate governance, community commitment and business performance), according to assessments performed by the European agency Vigeo.



**CaixaBank ranked on the leading global sustainability indices**



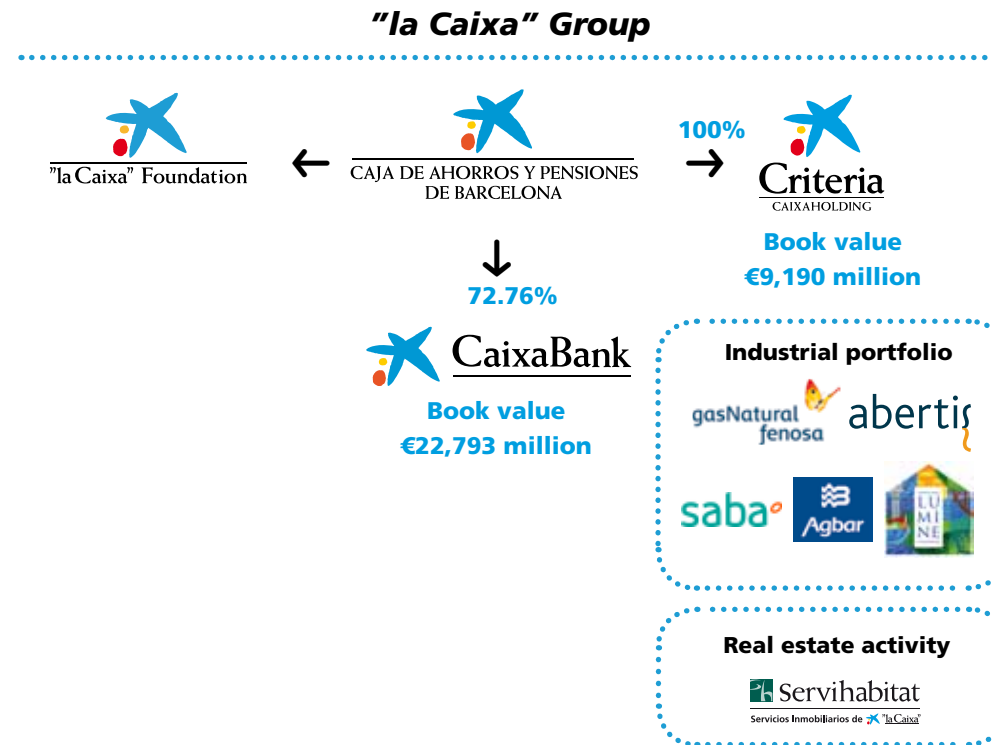
## 1.3 ["la Caixa", the controlling shareholder]

CaixaBank's controlling shareholder is Caja de Ahorros y Pensiones de Barcelona, "la Caixa". This institution's long-standing financial tradition began in the 19th Century, with the management of household savings and the provision of old-age pensions, over 100 years before this type of social welfare benefit became established practice.

"la Caixa" has a deep commitment to the well-being of society, borne out through its financial activity (carried out indirectly through CaixaBank) and its extensive social welfare activities. At the 2012 year end, "la Caixa" was firmly positioned as the number-one savings bank in Spain.

Through Criteria CaixaHolding (a solely-owned company), "la Caixa" implements its strategy of acquiring shareholdings in various key economic sectors for the community, including Abertis (transport and communications infrastructure management), Gas Natural Fenosa (energy distribution), Aguas de Barcelona (water distribution), SABA (car park and logistic park management) and Servihabitat XXI (real estate services).

 For further information on "la Caixa"



### Relationship between CaixaBank and "la Caixa"

The relationship between "la Caixa" and CaixaBank, and between their respective groups, is governed by an internal protocol providing a transparent view of how CaixaBank carries out the financial activity of "la Caixa".

This protocol sets out CaixaBank's main areas of activity, defines the business and service relations between the institution and the "la Caixa" Group and its companies, and regulates the flow of information needed to prepare their financial statements and to comply with the reporting and oversight obligations of the Bank of Spain, the CNMV, and other regulatory bodies.

The protocol defines all the activities CaixaBank may carry out in accordance with prevailing legislation governing credit institutions, the investments and divestments it may make in all types of Spanish and foreign financial companies, and the possibility of making joint investments with the "la Caixa" Group.



## The "la Caixa" Foundation

The "la Caixa" Group stands alone among its peers for its essential involvement and unwavering commitment to the well-being of society, through its social welfare programs. Under these programs, a portion of the group's financial earnings are channeled to social-minded initiatives in order to offer solutions to the new challenges and needs facing communities today. The social welfare programs also contribute to bringing about a sustainable social transformation and creating opportunities for individuals. Accordingly, a large part of the efforts are focused on meeting the needs of marginalized populations and those groups facing a greater risk of social exclusion.

In 2012, for the fifth year in a row, the social welfare budget remained stable, at €500 million. This generous budget allocation, coupled with the wide range of social, scientific, educational and cultural programs supported, make the "la Caixa" Foundation the largest foundation in Spain and one of the most important worldwide.

The social initiatives developed by "la Caixa" are predicated on two principles: anticipation, to detect and resolve deficiencies not covered by other institutions, and flexibility, to swiftly find

answers to the new demands arising in a rapidly transforming social reality.

During 2012, "la Caixa" focused on responding to the needs of those people and groups especially affected by the massive economic downturn in the country:

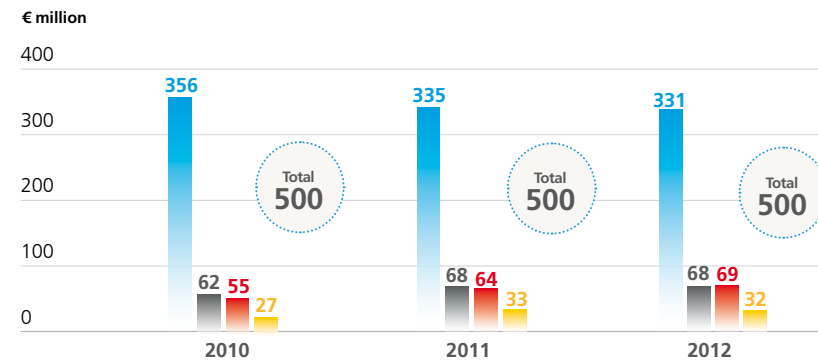
- Prevention of child poverty (CaixaProinfancia)
- Improved access to affordable housing for young people, the elderly, and families facing economic difficulties (Vivienda Asequible and Alquiler Solidario programs)
- Support for job creation and equal opportunities in the workplace for groups facing greater difficulties in that regard (Integration into Work and Reincorpora programs)

In addition, social welfare projects continued to focus on the elderly (Gente 3.0), education and training (eduCaixa and university scholarships), high-level research, environmental protection, and universal access to culture and scientific knowledge, across all societal lines (CaixaForum, CosmoCaixa).

**+** For further information on the social welfare programs

**"la Caixa" Foundation,  
with a budget allocation of  
€500M**

[ "la Caixa" Foundation, a firm commitment in line with the new challenges and needs facing communities ]



**Social projects**

Environment and science

**Cultural projects**

Education and research



# [CORPORATE GOVERNANCE]

2.1 Organizational structure

2.2 Business ethics







## 2.1 [Organizational structure]

**One of CaixaBank's priorities, as set out in the 2011-2014 Strategic Plan, is to guarantee the bank's transparency, independence and good governance in order to safeguard the interests of all stakeholders. Corporate governance that is transparent and adheres to the recommendations of the Unified Good Governance Code is essential to instill confidence in our investors, Spanish and foreign alike.**

At CaixaBank, the control and management of the bank is shared by the Annual General Meeting, the Board of Directors and the Board committees: the Executive Committee, the Audit and Control Committee and the Appointments and Remuneration Committee.

### Annual General Meeting

Shareholders' meetings may be attended by shareholders who own at least 1,000 CaixaBank shares, either individually or pooled with other shareholders, and who are registered as the owners of the shares in the book-entry ledger five days before the date of the meeting. Any shareholder entitled to attend may grant a proxy



**+** For further information on the Board Committees can be found in the Corporate Governance Report

authorizing another person, whether or not a shareholder, to represent them at the General Meeting.

As resolved in the Annual General Meeting on April 19, 2012, shareholders do not need to hold a minimum number

of shares to exercise their voting and representation rights by means of remote communication.

**+** For further information on the Annual General Meeting

## Board of Directors

Directors at 31 December 2012



**Isidro Fainé Casas**  
Chairman



CajaNavarra, represented  
by **José Antonio  
Asián Ayala\***



**Isabel Estapé Tous**  
Director



**Javier Godó Muntañola**  
Director



**Maria Dolors  
Llobet Maria**  
Director



**John S. Reed**  
Director



**Alejandro García-Bragado Dalmau**  
General Secretary and Board Secretary  
(non-director secretary)



**Juan María Nin Génova**  
Deputy Chairman and  
C.E.O.



**Eva Aurín Pardo**  
Director



**Salvador Gabarró Serra**  
Director



**Javier Ibarz Alegria**  
Director



**Alain Minc**  
Director



Cajasol,  
represented by  
**Guillermo Sierra Molina**



**Óscar Calderón de Oya**  
First Deputy Secretary (non-  
director first deputy secretary)



**Maria Teresa Bassons  
Boncompte**  
Director



**Susana Gallardo  
Torrededia**  
Director



**David K.P. Li**  
Director



**Leopoldo Rodés Castañé**  
Director



**Xavier Vives Torrents**  
Director



**Adolfo Feijóo Rey**  
Second Deputy Secretary  
(non-director second  
deputy secretary)



**Juan José López Burniol**  
Director



**Juan Rosell Lastortras**  
Director

\* On January 23, 2013, Caja de Ahorros y Monte de Piedad de Navarra agreed to withdraw the appointment of José Antonio Asián Ayala as the natural-person representative of Caja Navarra, appointing Juan Franco Pueyo as its new representative on CaixaBank's Board of Directors.



## Functions

The role of the Board is to represent the shareholders and serve the interests of CaixaBank by approving its strategy, making arrangements to put the strategy into effect and supervising and controlling the senior management so that they meet the objectives set and operate in the best interest of the community.

In order to do so, it is responsible for supervising the performance of the bank and creating value for shareholders in a sustainable manner, in conformity with the duties and obligations vested in the Annual General Meeting by law and under the CaixaBank By-laws, within the framework of the policy for the prudent and efficient control and management of risk, that can be assessed. The Board is also responsible for ensuring that the shareholders are kept informed about the bank's progress and the main developments that affect its situation. It is also responsible for ensuring the CaixaBank honors its commitment to ethical conduct and equal treatment of shareholders.

Directors serve for a term of six years, although they may be re-elected or removed by the shareholders at the General Meeting. Independent directors may not serve on the Board for a continuous period of more than 12 years.

## Procedures

At these Board meetings there were a total of 24 absences among all of the Board members, with proxies without specific instructions being counted as absences. This represents non-attendance of 8.276% out of the total votes at Board meetings in 2012.

Among other issues, the Board of Directors reviewed and adopted resolutions on:

- The financial situation and the results of CaixaBank
- Transactions for the acquisition and integration of other financial institutions
- The bank's strategic policy
- Budget and risk control

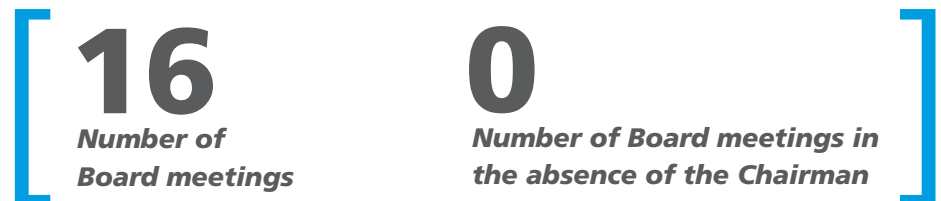
### Chairman and C.E.O., specific functions

The functions of the Chairman of CaixaBank and of the Deputy Chairman and C.E.O. are different and complementary. There is a clear separation of responsibilities at the head of the bank between the Chairman of the Board and the Chief Executive of CaixaBank.

At CaixaBank it is considered very important to have two separate figures: the Chairman, as the bank's senior representative and

leader of the Board of Directors; and additionally and complementarily, the figure of the Chief Executive Officer, who is responsible for implementing the group's strategy, always within the remit set by the governing bodies.

In line with good corporate governance practices, the existence at CaixaBank of the two officers and their different yet complementary missions, facilitates and ensures the appropriate and efficient operation of the bank and prevents the accumulation of functions in the same person.





## Adherence to Good Corporate Governance Recommendations



1, 6, 10

CaixaBank largely complies with the recommendations on good corporate governance of Spain's Unified Code of Good Corporate Governance published on May 19, 2006.

At year end, 18 of CaixaBank's 19 Board members were external directors, thereby complying with recommendation 10 of the Unified Code of Good Governance, since they constitute an ample majority on the Board.

Also, although the number of independent directors on the Board does not comply with recommendation 13, it does exceed the strict proportionality between percentage shareholding and representation on the Board as far as the representation of non-controlling interests is concerned, having regard to the fact that CaixaBank has a controlling shareholder with a shareholding of more than 70% of the share capital.

Furthermore, both the Audit and Control Committee and the Appointments and Remuneration Committee are composed exclusively of external directors and chaired by independent directors.

In this respect, the Appointments and Remuneration Committee periodically reviews the structure, size and composition of the Board (including the competencies and expertise required of directors and senior executives) that are necessary to address and adequately meet the key risks and challenges that face or could face the General Meeting, before which the committee lays the pertinent recommendations regarding any change. For this purpose it applies a long-term vision for proposing potential candidates, and takes into account the needs and evolution of the group's business and the expected dates of retirement of existing directors.

Concerning the presence of women on the Board of Directors, as indicated in recommendation 15, there is no bias whatsoever in the procedures for selecting Board members that obstructs the recruitment of women for directorships at CaixaBank, which has one of the boards of Ibex-35 companies with the highest percentage of women directors.





## Remuneration

Remuneration, as well as being a subject for ongoing discussion, is one of the essential tools for ensuring the group's competitiveness and efficiency. CaixaBank remunerates its team and executives on the basis of meeting long-term targets, and therefore the pay they receive is intended to increase the efficiency of the decision-making system. The bank's senior executives must provide the areas in which they exercise their executive capabilities with impetus and leadership, while they in turn come under the impetus of the Executive Committee, which implements a set of pay policies with the objective of rewarding talent.

The Board will strive to ensure that the remuneration of its members is moderate and commensurate with market conditions, that it is distributed in accordance with the effective commitment of the directors and is calculated in such a way as to offer incentives for the generous commitment of each director without becoming an obstacle to their independence.

In 2012, in the midst of a difficult economic environment, the CaixaBank Board of Directors decided to make a 10% cut in the directors' remuneration for membership of the Board and the Board Committees with effect from August 1, 2012. CaixaBank will also continue to ensure that remuneration

policies and practices remain aligned with the long-term interests of its shareholders.

The Board may receive remuneration of up to 4% of consolidated profit after deducting general expenses, interest payments, taxes and any other amounts to be allocated to write-downs, amortization and depreciation, unless the Board itself decides to reduce the amount payable in years in which it considers it appropriate to do so.

Directors carrying out executive duties at CaixaBank are entitled to receive remuneration for these duties, which may consist of a fixed amount, a supplementary variable amount and also incentive schemes, as well as benefits, such as pension plans and insurance, and also social security payments. In the event directors are removed from office for reasons not owing to a breach of duties, they may be entitled to receive compensation. The amount payable to members of the Board in accordance with the above may only be disbursed after a minimum 4% dividend has been paid out to shareholders.

In addition, within the limits specified in the above paragraphs, directors may receive remuneration in the form of CaixaBank shares or shares in another listed group company, share options or instruments linked to the share price.

In all cases this remuneration must be approved by a shareholders' resolution.

**+** For further information, please consult the annual report on the remuneration of members of the CaixaBank Board of Directors.





KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	<b>CORPORATE GOVERNANCE</b> Organizational structure Business ethics	KEY STRATEGIES	SHARED VALUE CREATION	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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## Board committees

### 1) Executive Committee

- Isidro Fainé Casas (Chairman)
- Juan María Nin Génova
- Isabel Estapé Tous
- Susana Gallardo Torrededía
- Javier Ibarz Alegría
- Juan José López Burniol
- Maria Dolors Llobet Maria

*Number of meetings in 2012: 22*

#### Main functions

- The day-to-day management of CaixaBank and the taking of ordinary decisions under the direct authority of the Board of Directors, to which it reports.

### 2) Audit and Control Committee

- Xavier Vives Torrents (Chairman)
- Salvador Gabarró Serra
- Alain Minc

*Number of meetings in 2012: 11*

#### Main functions

- Supervising the efficiency of the institution's internal control, internal audit and risk management systems and discussing with the external auditors any material weaknesses in the internal control system detected in the course of the audit.
- Supervising the process of preparation and presentation of the CaixaBank accounts.
- Liaising with the external auditors in order to receive information on any issues that might jeopardise the latter's independence.
- Issuing in advance of the audit report the report on the independence of the external auditors.

### 3) Appointments and Remuneration Committee

- Isabel Estapé Tous (Chairman)
- Susana Gallardo Torrededía
- Javier Godó Muntañola

*Number of meetings in 2012: 10*

#### Main functions

- Proposing to the Board the system and amount of the annual remuneration paid to directors and senior executives, and the individual remuneration of the executive directors and other conditions of their contracts.
- Proposals for the appointment of independent directors to the Board and reporting on the appointment of other categories of director, having regard to any suggestions received from the Chairman, the Board members, senior executives or the shareholders of CaixaBank.

## Related-party transactions

The Audit and Control Committee supervises compliance with the regulations on related-party transactions.

The CaixaBank Board of Directors in plenary session is responsible for approving any transactions that CaixaBank performs with directors, significant shareholders, shareholders represented on the Board, or parties related to them (related-party transactions). However, the Board's authorization is not required for related-party transactions that simultaneously meet the following conditions:

- They are governed by standard contracts applied on an across-the-board basis to a large number of clients
- They are carried out at market prices or rates, generally established by the party acting as the provider of the good or service in question
- The transaction amount does not exceed 1% of the Group's consolidated annual income

The CaixaBank Annual Corporate Governance Report gives a detailed account of the material transactions carried out between CaixaBank and "la Caixa" in 2012 and between CaixaBank and its directors or executives.



KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	<b>CORPORATE GOVERNANCE</b> Organizational structure Business ethics	KEY STRATEGIES	SHARED VALUE CREATION	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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## Management Committee

At 31 December 2012



**Isidro Fainé Casas**  
Chairman



**Juan María Nin Génova**  
Deputy Chairman and C.E.O.

### General Managers



**Antonio Massanell Lavilla**  
Resources



**Tomás Muniesa Arantegui**  
Insurance and Asset Management



**Marcelino Armenter Vidal**  
Risks



**Juan Antonio Alcaraz García**  
Business



**Gonzalo Gortázar Rotaeché**  
Finance



**Joaquim Vilar Barrabeig**  
Audit, Internal Control and Compliance



**Xavier Coll Escursell**  
Human Resources



**Jaume Giró Ribas**  
Communication, Institutional Relations, Brand and CSR

### Deputy General Managers



**Ignacio Álvarez-Rendueles Villar**  
International Division



**Pablo Forero Calderón**  
Capital Markets and Treasury



**Alejandro García-Bragado Dalmau**  
General Secretary and Secretary to the Board of Directors



**Jaime Lanaspá Gatnau**  
C.E.O. of "la Caixa" Foundation\*

\* (guest committee member)



## Stakeholder representation on governing bodies

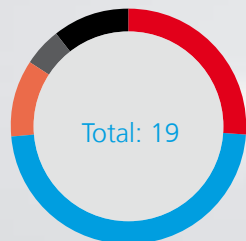
The CaixaBank Board of Directors is composed of proprietary directors (representing the majority shareholder "la Caixa", and Caja Navarra, Cajasol, Caja Canarias and Caja de Burgos under a shareholders' agreement signed with "la Caixa"), independent directors, executive directors and other external directors.

Regarding the representation of the majority shareholder on the CaixaBank Board of Directors, the Board of "la Caixa" proposes the appointment of directors at CaixaBank from among its members, in addition to the General Manager. For this purpose, the various groups represented on the Board of "la Caixa" are taken into account, so that all of them are at least present on the CaixaBank Board.

Minority shareholders are represented on the CaixaBank Board by a significant presence of independent directors.

At "la Caixa", the representation of stakeholders at the General Assembly is reflected in similar percentages on all its governing bodies.

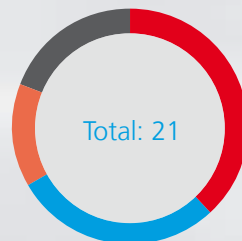
[CaixaBank Board of Directors]



Total: 19

Independent directors	5
"la Caixa"	9
Savings banks	2
Executive directors	1
Other external directors	2

["la Caixa" Board of Directors]



Total: 21

Deposit holders	8
Founding and community-interest entities	6
Employees	3
Local corporations	4





## 2.2 [Business ethics]

**All CaixaBank employees should base their conduct on good faith, integrity and common sense, as required in their Code of Business Conduct and Ethics. In addition, the bank has publicly stated its commitment to uphold and mainstream other international ethical standards, such as the UN Global Compact principals.**



7, 8, 9

### CaixaBank's Code of Business Conduct and Ethics

CaixaBank has a Code of Business Conduct and Ethics that governs the actions of all employees, executives and officers.

The Code promotes the principle of conduct of integrity and transparency in order to foster trust, respect and observance of prevailing laws and regulations (especially those affecting the banking system related to anti-corruption and anti-bribery), and respect for people, the local cultures of the communities where CaixaBank operates, the environment and institutions. The Code also defends confidentiality of customer and shareholder information and requires excellence to meet the

needs of customers and shareholders, as well as social responsibility and adherence to international covenants.

To apply the Code correctly, there is a confidential channel that handles notifications of potential breaches, which can also be used to submit questions regarding its interpretation or practical application. All employee notifications related to the Code, or to the Telematic Code of Conduct, are sent to the Compliance Department, which receives them, studies them and arrives at a solution, while safeguarding the confidentiality of the sender. This channel includes a specific procedure to handle notifications concerning accounting and financial information.

In 2012, CaixaBank's Management Committee resolved to increase the visibility of the Ethics Channel on the corporate intranet and extend its use by employees through a variety of

promotional initiatives. In addition, the procedure for receiving and studying notifications was modified to provide more details on the type of notifications received.

Notifications from customers will continue to be handled through the normal customer service channels established by CaixaBank.

In addition, furthering its commitment to transparency, ethics and good governance, CaixaBank will publish its anti-corruption policy in 2013. This policy will provide information in a single document on all the Institution's anti-corruption actions that are governed by internal documents. Once approved by the Board of Directors, the Policy will be binding for all employees, executives and directors of the bank. The anti-corruption policy will cover CaixaBank's position in its relations with public administrations, political parties, authorities and civil servants and contain guidelines regarding, inter alia, accepting and giving gifts, sponsorships and donations to non-governmental organizations.



Access to the Code of Ethics





## Internal Rules of Conduct on Matters relating to the Securities Market

In 2011, CaixaBank drew up its Internal Rules of Conduct on matters relating to the Stock Market (IRC) to expressly comply, internally, with prevailing securities market legislation. Accordingly, all actions of CaixaBank's governing bodies, employees and representatives were thereby subject to prevailing rules of conduct in this respect.

The IRC also pursues transparency with investors and markets by encouraging CaixaBank's governing bodies, employees and representatives to act diligently, while preventing and managing conflicts of interest. In sum, the IRC ensures that investors receive the correct financial and institutional information at all times.

In 2012, 24,391 employees received an IRC training course and 7,116 completed the Reporting Suspicious Transactions course. In addition, the global training of Banca Cívica employees included IRC-related content.



## Money laundering prevention

For CaixaBank, combating money laundering is not only a legal obligation, but it is also a priority objective for all employees, executives and officers, in keeping with its corporate values and the Code of Business Conduct and Ethics.

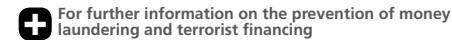
CaixaBank's internal regulations include and have been adapted to the guidelines regarding the prevention of money laundering and terrorist financing of prevailing legislation and the recommendations of the Financial Action Task Force (FATF).

In 2012, CaixaBank followed a training plan that incorporated the legal changes in this regard with:

- More than 11,000 hours of training.
- More than 5,700 trained employees.

The course was given to all branch employees and placed particular emphasis on activities posing the greatest risk of money laundering. In addition, special training was provided to Banca Cívica employees. During the year, 73.4% of the staff was trained in CaixaBank's anti-corruption policies and procedures. The bank did not receive any sanctions regarding money laundering or terrorist financing in 2012.

CaixaBank also has an Internal Customer Admission Policy. In line with this policy, legal entities or other instruments of high-risk jurisdictions, such as tax havens, or other non-cooperative territories or countries may be rejected without any further action required. In exceptional cases where rejection is not considered applicable, admission requires authorization from a superior level.



***All employees of CaixaBank's retail network received specific training on money laundering***



## The UN Global Compact

CaixaBank supports both national and international initiatives designed to advance corporate responsibility. In this respect, CaixaBank and the rest of the "la Caixa" Group companies explicitly embrace the principles of the UN Global Compact in the areas of human rights, labor, the environment and anti-corruption.

CaixaBank and its subsidiaries include a Global Compact compliance clause in contracts with suppliers, whereby they must state that they are aware of and uphold these principles.

In addition, since 2012, CaixaBank has held the four-year presidency of the Spanish Global Compact Network, extending its commitment to root and implement the principles among Spanish companies and institutions.



For further information on the Global Compact

***CaixaBank, holder of the  
Spanish Global Compact  
Network's presidency***



The background of the slide is a close-up photograph of a workspace. It features a portion of a laptop keyboard at the top, a dark blue textured notebook with a star logo and the word 'Cavalbank' on its cover in the foreground, and a silver and black pen resting on the notebook. A brown braided cord is also visible near the notebook.

# [KEY STRATEGIES]

3.1 The economic and financial context

3.2 Main strategic priorities



## 3.1 [The economic and financial context]

**There were two main sources of concern at the beginning of 2012: the rapid slowdown of growth in emerging economies and a deepening of the sovereign debt crisis in Europe. After the risks of an emerging market slump proved unfounded, the European sovereign debt crisis was the main factor threatening global stability.**

### Eurozone

Heightened tension in the financial markets of non-core euro area countries, not to mention the reticence of Europe's leaders to take decisive action, caused the gap in economic growth between the euro area and other advanced economies to widen.

The sovereign debt crisis intensified in the first half of the year. As a result of the lack of confidence in the ability of the countries in the periphery to recover, Europe's financial system began to crumble. To relieve the pressure, the European Central Bank (ECB) began injecting large volumes of liquidity through special 3-year long-term refinancing operations (LTRO).

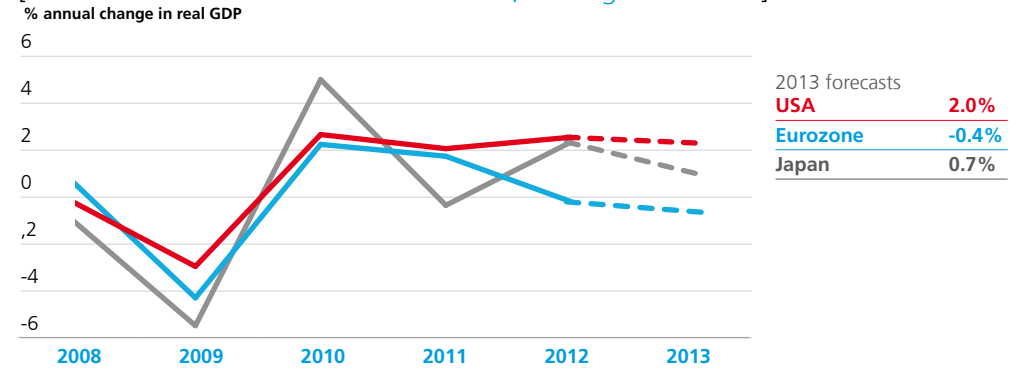
It became increasingly clear that to resolve the sovereign debt crisis, in addition to an expansive monetary policy, and a rebalancing of public accounts of the European periphery, an agreement was needed to guarantee the unity of the euro

in the long term. To do this, a reconstitution of the Economic and Monetary Union (EMU) was needed.

In this respect, the agreements adopted at the European Council meeting of June 29 marked a major step forward by developing a road map for the creation of the banking and fiscal union. Specifically, the leaders agreed on the creation of a single supervisory mechanism, expected to be fully operational by 2014, for banks as a first steps towards recapitalizing banks directly through the European Stability Mechanism (ESM).

The ECB decided to take whatever measures necessary to ensure the unity of the eurozone. For instance, in August, European policy makers agreed to an unlimited bond-purchase program on secondary markets, provided the member states requested aid from the Europe's rescue fund and fulfilled their conditions.

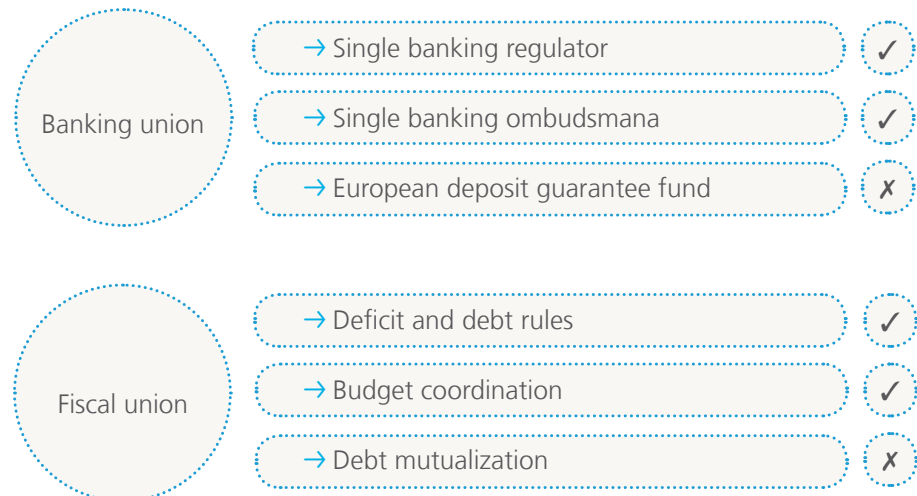
### [Advanced economies: three continents, three growth rates]



Source: "la Caixa" Research Department

### [Eurozone: a major challenge]

#### Working towards an genuine economic and monetary union





## Spain

In this context, the Spanish government passed two Royal Decree-Laws, one in February and one in May, to help speed up the restructuring of the country's financial system and shore up confidence in the international investor community. Its objectives were, respectively:

- Increase the level of coverage of the toxic real estate portfolio.
- Increase provisions for non-toxic assets in the developer and construction sector.

Furthermore, the financial sector continued its consolidation process and the capacity adjustment started in 2008. Consequently, the number of banking entities went from 55 in 2008 to 19 banking groups in 2012 and the number of branches decreased by 15% in this period.

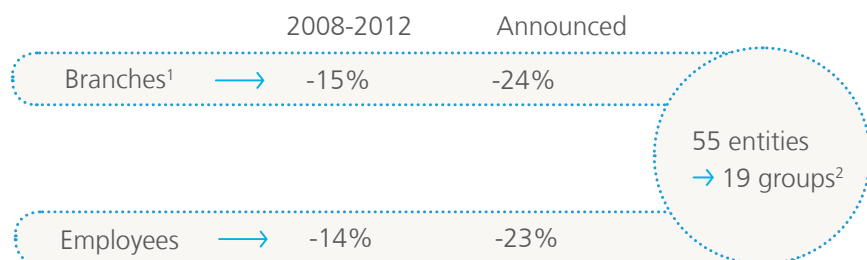
CaixaBank has been able to take advantage of this environment to strengthen its presence in the Spanish market, with the integration of Banca Cívica, to create a leading institution in the financial system in terms of asset

volume, and the subsequent acquisition of Banco de Valencia, which also substantially improved the business's territorial balance.

The Spanish government, in parallel with the actions of the European Council, requested aid from the European rescue funds in the amount of €100 billion (maximum) to restructure the Spanish banking system. The Memorandum of Understanding sets out the details of the financial aid agreement, imposing strict conditions and a tight deadline on receipt of the aid.

Since its signing in July, important steps have been taken in the Spanish bank restructuring process. After June's top-down stress tests, which revealed total capital requirements in the adverse economic climate of between €51 and 62 billion, a bottom-up analysis was carried out to determine each bank's individual capital requirements. Spain's banking groups were classified in accordance with the degree of public aid required. CaixaBank, thanks to its robust solvency, easily passed this test, for which reason it was classified as part of the group of banks that does not need additional capital.

### [Spain's financial system: consolidation and streamlining of capacity]



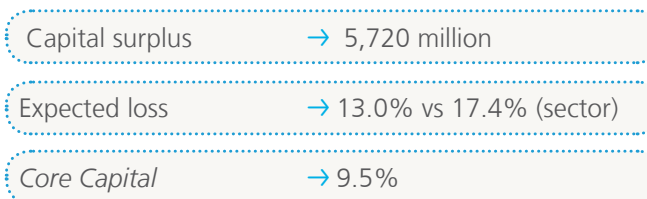
1. Credit institutions

2. Includes banks with assets of over €10 billion and savings banks

Source: Bank of Spain and own research

### [CaixaBank: a robust bank]

Stress test (Sept 2012), Adverse scenario, 2014



Source: Bank of Spain and own research



KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	<b>KEY STRATEGIES</b> The economic and financial context Main strategic priorities	SHARED VALUE CREATION	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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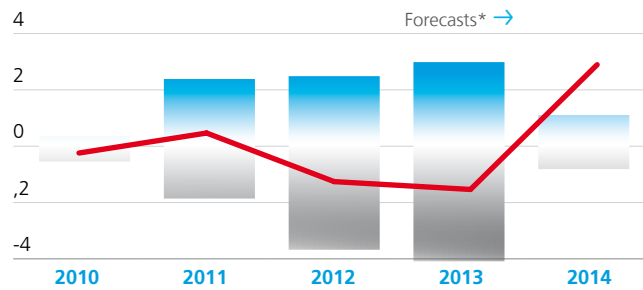
## Spain: competitiveness and employment

Although Spain's banking sector made progress in its consolidation and international financial markets were opening up again gradually, the sustained financial stress undermined economic activity in general and domestic demand in particular. GDP fell 1.4% for the whole of 2012. The contraction in private consumption accelerated due to the ongoing deterioration of the job

market, unemployment of over 25%, and tax hikes. Had it not been for the efforts of Spanish companies to expand internationally, above all SMEs, the country would not have been able to boost net trade and, to some extent, help cushion the economic downturn. CaixaBank has therefore stepped up its efforts to accompany its customers on their overseas ventures and this strategy will remain a priority in the short and medium term.

### [GDP]

% contribution to GDP



GDP

Exports

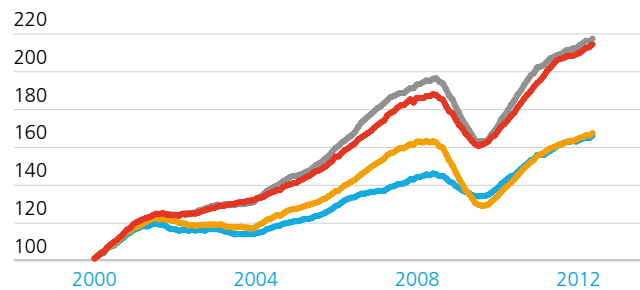
Internal demand

\* March 2013

Source: Eurostat, INE and own research

### [Exports]

Goods and services, 12 month aggregate, Base = 100 January 2000



Spain

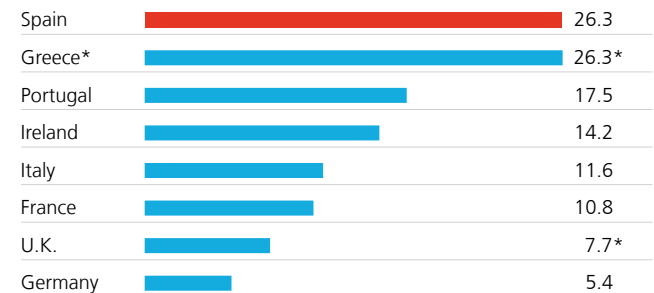
France

Germany

Italy

### [Unemployment]

% working-age population, February 2013



\* December 2012



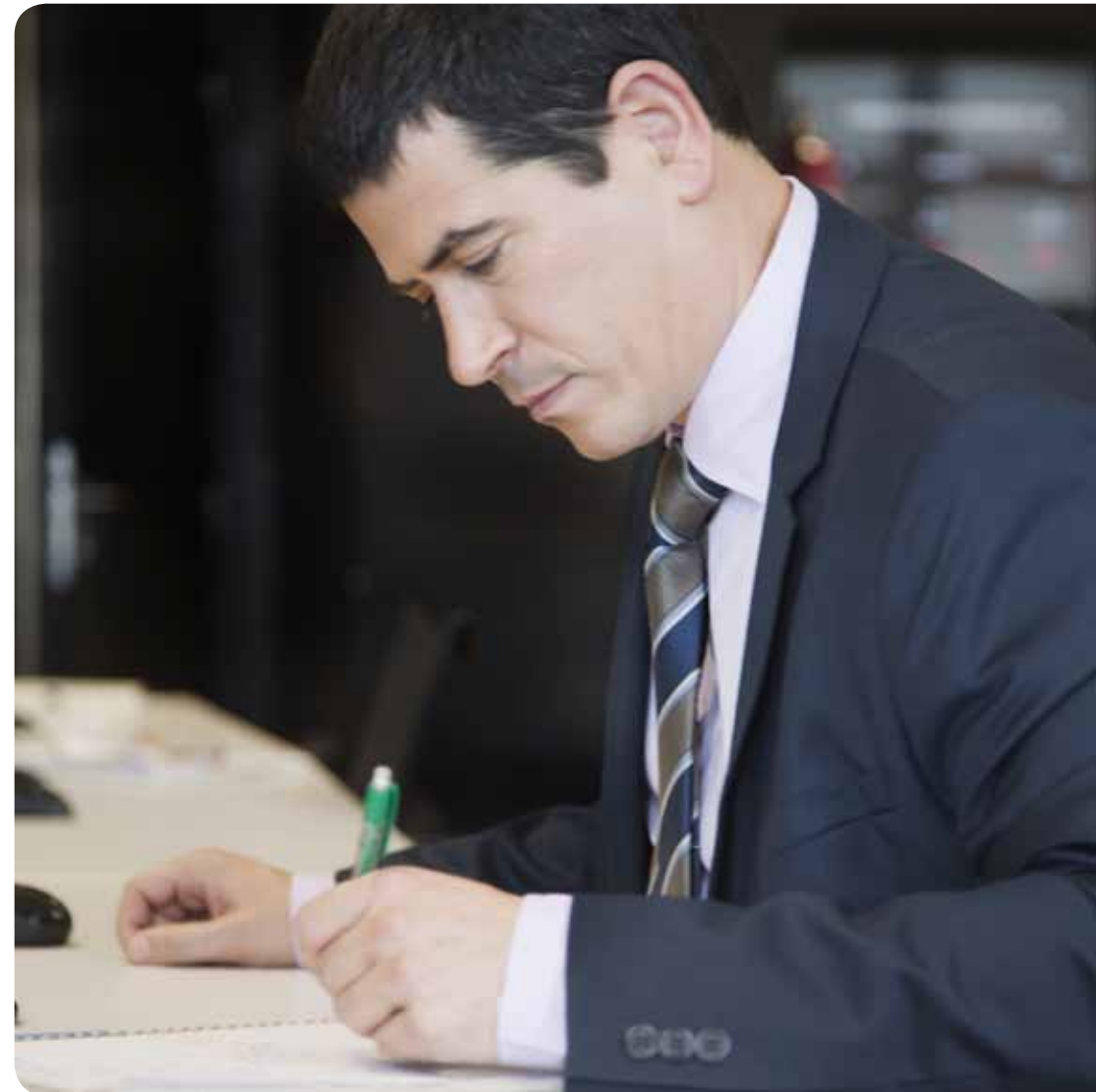
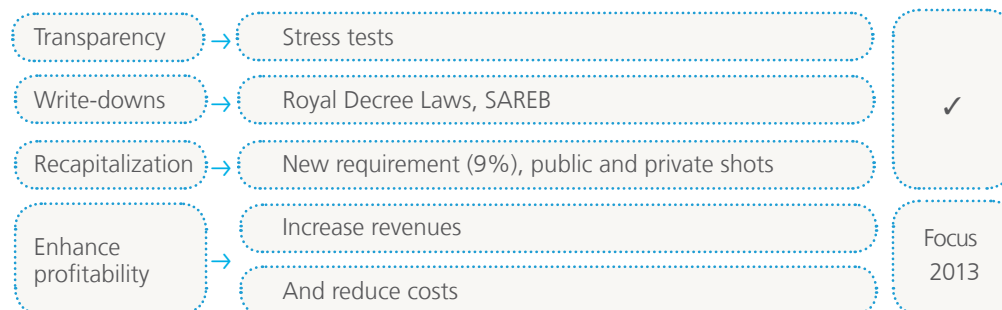
The ECB's interventions helped keep financing conditions in the private sector from becoming tougher, yet bank loans for households and businesses continued to dry up. This decline in private sector lending reflected in part the deleveraging process of private agents, which has now been going on for two years and will probably continue until debt levels become sustainable over the long run. In this respect, the banking sector restructuring must be completed before funding sources of the real economy are restored.

In December, the first disbursement of €39,500 million of funds from the ESM to Spain was made. The Fund for Orderly

Bank Restructuring (FROB) used nearly €37,000 million to recapitalize the four nationalized banks. In addition, the Sareb has commenced operations, with over 50% of its capital coming from private shareholders. Accordingly, the public contribution will not be accounted for as public debt. In all, the bank restructuring process appears to be on track with 2013 looking set to be a crucial year for its completion.

In 2013 and 2014 the banking system will focus on restoring sustainable profitability levels, primarily through further industry consolidation.

#### [Financial system restructuring]







KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	<b>KEY STRATEGIES</b> The economic and financial context Main strategic priorities	SHARED VALUE CREATION	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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The banking industry has so far conducted a far-reaching restructuring and recapitalization process. The priority now shifts to boosting revenue and adjusting costs in order to relieve pressure on the income statement.

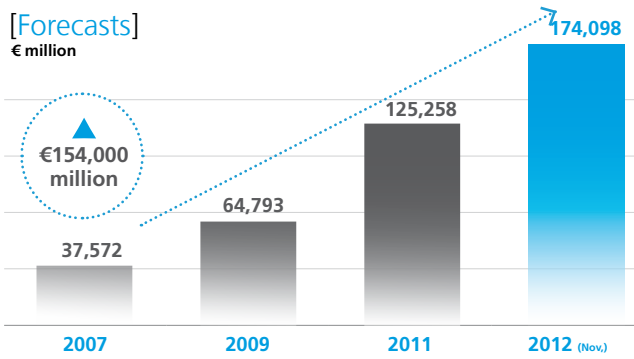
Moreover, progress in Europe towards a banking union with the creation of the Single Supervisory Mechanism is essential to achieve greater financial integration,

thereby guaranteeing access to credit under similar terms and conditions for all eurozone countries. In this regard, 2012 ended with the government leaders at the European Council meeting in December expressing their firm commitment to implementing the road map for the banking and fiscal union, enabling us to look forward with a certain degree of optimism.

In short, despite the difficult economic and regulatory environment in 2012, CaixaBank was able to maintain its financial strength and differentiate itself in the market. However, the situation is not free of risks, and both solvency and liquidity will continue to be key factors going forward.

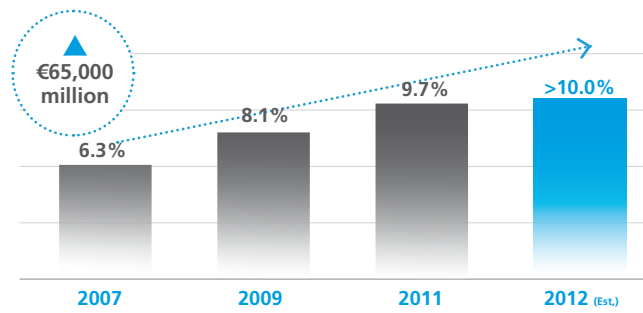
### [Spanish financial system: Write-downs and recapitalization]

[Forecasts]  
€ million



Source: Bank of Spain, AEB, CECA and own estimates

[Trends Core Capital]



Injection of public funds approved in 2012 €38,833 million

[SAREB]  
€ million, gross

	Group 1	Group 2
Loans:	€54,000 million	€23,000 million
Foreclosures:	€17,000 million	€8,000 million

Group 1: BFA/ Bankia. NCG Banco. Catalunya Banc. Banco de Valencia,  
Group 2: BMN. CEISS. Caja3. Liberbank

>50%  
of distressed assets in the system



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## 3.2 [Main strategic priorities]

**Customers, employees, shareholders and society remain at the heart of CaixaBank's strategy.**



**1, 2, 6, 9 and 10**

Thanks to careful management, the workforce's ongoing efforts and the Banca Cívica merger, CaixaBank has achieved many of its strategic goals for the 2011-2014 period: leadership in retail banking and bolstering of financial position. In a challenging environment, against a backdrop of Spanish banking system restructuring and severe competitive pressure, the Group made a great effort to reorganize while maintaining high solvency and liquidity levels.

The second phase of the 2011-2014 Strategic Plan is set to begin in 2013, adjusting its main areas of action to changes in the prevailing economic and

financial environment. The main challenges facing CaixaBank remain unchanged and are its *raison d'être*: to meet its customers' expectations, encourage its team's motivation and career development, be profitable for shareholders and remain close to society and its problems. Meanwhile, the bank will concentrate its efforts on prioritizing its service quality and reputation, maintaining its market lead with profitable organic growth.

CaixaBank will focus on these goals while reinforcing its values (leadership, confidence and social commitment) at a time when it is essential to restore customers' confidence in the banking business and assign an even greater priority to the need for adherence to code of conduct guidelines and internal controls.

[Key strategies: A forward-looking approach]

- 1 Providing the best possible customer service**
- 2 Conducting business in accordance with the highest ethical and good governance standards**
- 3 Maintaining status as Spain's leading retail bank**
- 4 Prioritizing financial strength**
- 5 Diversifying by supporting businesses**
- 6 Improving risk-adjusted return**
- 7 Developing managerial leadership**
- 8 Being innovation leaders**
- 9 Moving forward in terms of international expansion**



KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	<b>KEY STRATEGIES</b> The economic and financial context Main strategic priorities	SHARED VALUE CREATION	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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## 1. [Provide the best possible customer service]

**Amid a highly challenging economic and financial climate, CaixaBank remains faithful to its vision for leadership and growth, which, above all, takes the form of a commitment to providing excellent customer service. The pursuit of excellence in customer service is the Company's top priority. CaixaBank is determined to provide the highest possible level of service quality, and it views the banking business as a long-term relationship with customers that creates shared value.**

In 2012 CaixaBank received the EFQM's Gold Award for Excellence, with a top score of +500 points following a far-reaching assessment of the bank's internal and commercial processes. This honor, bestowed by the European Foundation for Quality Management, reflects CaixaBank's firm commitment to ensuring the satisfaction of all of its stakeholders: customers, shareholders, employees and society at large. The bank in coming years will continue to make progress on implementing the EFQM model, with an update scheduled for 2014, and on offering an excellent level of service reflected in both external quality rankings and results from customer surveys.

### **The customer is the bank's *raison d'être***

CaixaBank's goal is to anticipate and exceed the needs and expectations of its customers and incorporate their opinions

by studying and implementing their suggestions. To this end, CaixaBank annually conducts nearly 300,000 customer surveys, which give it insight into how satisfied its customers are with the service they receive. These surveys are backed up by specific surveys on the different business lines (business banking, private banking, etc.) and its range of channels (ATM network, Internet and mobile phone banking, etc.).

CaixaBank aims to achieve a customer satisfaction score in the 8.5 range (on a scale of 0 to 10).

To this end, it has implemented a continuous improvement plan throughout the entire workforce. This quality assurance plan includes a separate section of the bank's intranet site with tips and case studies regarding best practices in this area. Moreover, service quality levels at each branch are monitored. With the help of managers from each business area, the bank develops improvement plans for branches that have the most room for improvement or whose performance is subpar. One new development in 2013 is that one manager in each region will be responsible for promoting and moni-

toring quality assurance plan activities. The ultimate aim is to constantly improve customers' experiences in their interactions with the bank.

### **Personalized answers**

The Customer Care Service, through which customer feedback is channelled, is another cornerstone of the quality assurance policy. This office gives the bank an understanding of customers' reactions and opinions regarding the services they receive.

It is a priority for CaixaBank to minimize the number of complaints and claims it receives (25,927 in 2012), offer personalized responses to customers who lodge them, and address said issues in a timely fashion with solutions that are satisfactory to both parties.

To this end, priority areas of action for 2013 include encouraging corrective measures to reduce the number of customer complaints. Accordingly, the complaint resolution process is being revamped to improve communication, response time and customer satisfaction with the solutions provided.

**+** For further information see section 4.2.2 on Customers



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## 2. [Conduct business in accordance with the highest ethical and good governance standards]

**CaixaBank aims for exemplary corporate governance and to be a stellar example of transparency and external communication. At the same time, one of its corporate values is social commitment, which is the foundation of all of its business and social program activities.**

### Ethical conduct

The banking industry faced a challenging year in 2012 as its reputation deteriorated. Safeguarding its good reputation is one of CaixaBank's priorities and is a consequence of its commitment to responsible conduct, as reflected in the bank's listing on the world's leading sustainability rankings. To achieve this, the bank believes it is vital to listen to customers' opinions, take their expectations into account, offer them the best possible service when providing products and services, conduct itself with integrity and honesty in advisory activities and perform its banking activities in a transparent manner.

It is also essential to remain faithful to CaixaBank's corporate values and use proper mechanisms that will enable the bank to anticipate risks, both internal, using an appropriate system of control and monitoring, as well as external risks.

At CaixaBank, the entire workforce –employees, executives and members of its governing bodies– must conduct themselves in accordance with the Code of Business Conduct and Ethics, which provides guidelines for achieving exemplary corporate governance.

In addition, the bank has nearly completed the draft of an anti-corruption policy which will spell out in a single document all of CaixaBank's internal regulations in this area. The policy will also be available to the general public.

Separately, CaixaBank publicly supports both national and international initiatives geared towards further developing corporate responsibility. It is worth noting that CaixaBank has been a signatory to the UN Global Compact Principles since 2005.

### A committed bank

CaixaBank's approach to operating in the banking business is based on values of leadership, trust and a commitment to

society. A cornerstone of this philosophy is CaixaBank's contribution to the welfare projects managed by the "la Caixa" Group, with which it also joins efforts to publicize and implement these projects. The bank will continue to encourage employees, customers and shareholders to participate in these charitable activities. Among other achievements, this effort created 10,504 jobs in 2012 through the Integration into Work program, which

is designed to help individuals at risk of social exclusion to join the workforce.

The primary aim of the "la Caixa" Foundation is to address social needs, funded by a €500 million budget in 2013, for the sixth consecutive year. This social dividend has grown in importance amid a troubled economic environment and an increasingly needy society in which government and private aid has dwindled.

 For further information in section 2.2 "Business ethics" and 4.2.6 CaixaBank and "la Caixa" Foundation





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### 3. [Leadership in retail banking in Spain]

**CaixaBank is focused on cementing its role as leading lender in the Spanish market and continuing to boost its market share, thanks to its full range of products, services and banking channels, a service model tailored to each customer and a commitment to innovation and service quality.**

The takeovers of Caixa Girona, Bankpyme and Banca Cívica in recent years have enabled CaixaBank to bolster its leadership of the Spanish banking industry. It had more than 12.9 million customers in 2012, meaning that more than one out of every four banking customers in Spain is a CaixaBank client. Even more telling, 22 %

of Spaniards surveyed say that CaixaBank is their primary bank.

Moreover, the Banca Cívica takeover also improved CaixaBank's regional balance, significantly expanding CaixaBank's presence in Navarra, the Canary Islands, Andalusia and Castile and Leon.

The bank will continue its drive to reinforce its leadership position in retail banking in Spain in 2013. Therefore, the marketing focus will remain on attracting new customers and shoring up customer loyalty.

To achieve this goal, the bank will focus on three lines of action:

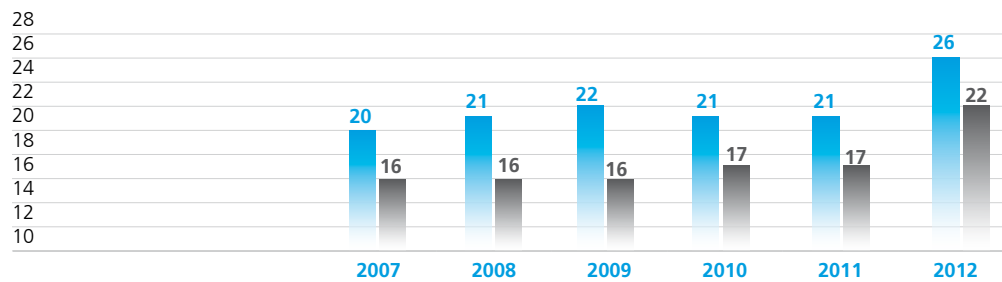
- Continue to offer a full range of products, services and channels updated and tailored for a changing environment in order to provide the best solution to each customer's needs.

- Place particular emphasis on attracting customer deposits in a sustainable fashion, which will also enable CaixaBank to remain one of the most liquidity-rich lenders in the banking business.

- Complete the bank's regional presence and keep the focus on channel innovation, in order to continue offering the closest and most convenient service to customers.

**+** For further information see 4.1.1 "Insurance and financial services"

#### [Customers as a % of Spain's total population]



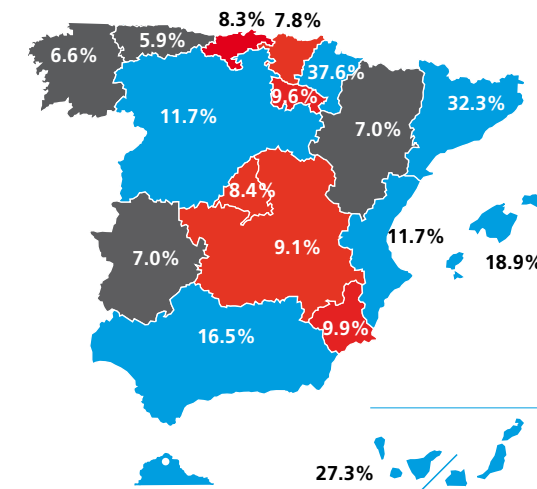
#### Penetration among individuals over the age of 18

##### Penetration as primary lender

Source: FRS 2012: Individuals' financial habits

#### [Market share by business volume]

(December 2012)



**14.7%**  
market share  
by business  
volume

> 10% share

> 7% share

≤ 7% share





#### 4.[Prioritize financial strength]

**The current economic environment requires active asset management and a prudent risk coverage policy that can ensure balance sheet soundness and safeguard future earnings. In this regard, the bank's financial stability, with its comfortable liquidity position, and capacity for generating a profit are the foundation for overcoming future challenges.**

CaixaBank has a clear commitment to excellence in its management model, which has enabled it to build on its financial strengths year after year, with a focus on the following:

- Constant reinforcement of solvency and liquidity
- Constant improvement in risk management systems
- Active management of NPLs and real estate assets

##### *A solid bank*

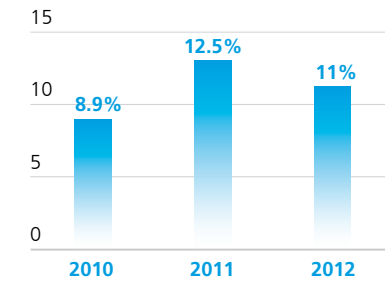
CaixaBank's core capital under the Basil II framework stood at 11% as of December 2012, with surplus capital of €5,745 million over and above the core capital requirement.

CaixaBank is highly resilient, an advantage which sets it apart from the competition. "la Caixa" Group received a satisfactory score in bottom-up stress tests carried out on the Spanish banking sector, which were

coordinated and overseen by the Bank of Spain and international organizations (the ECB, the EC and the IMF). In that regard, the Group's Core Tier 1 would be 9.5% at the end of December 2014, with a capital surplus of €5,720 million above the minimum 6% capital ratio required. These results would apply in the adverse scenario, which has a 1-percent likelihood of occurring. This base scenario features capital requirements of 6%, an accumulated drop in the period from 2012 to 2014 of 6.5% in GDP, a 27.2% unemployment rate in 2014 and a decline of 26.4% in housing prices.

In order to remain on this sound footing, the bank will continue to shore up its solvency by generating revenue from both traditional and alternative sources and cutting costs.

##### [Core Capital ratio]





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### Excellent liquidity position

Meanwhile, CaixaBank uses a prudent, conservative liquidity risk management framework in keeping with best practices and recommendations of the financial markets and regulatory agencies. This allows it to adapt to current economic conditions, fund the growth of group businesses and address its customers' lending needs.

The bank's liquidity totaled €53,092 million at the end of 2012 (15.2% of its total balance sheet), enabling it to easily settle wholesale market maturities for coming years, which affords it a high degree of stability and underscores the Group's robust proactive approach.

The institution will continue its efforts to ensure that liquid assets are permanently available on the balance sheet, thereby minimizing the structural liquidity risk inherent to the banking business. Furthermore, it will take advantage of opportunities to access financing on wholesale markets, attempting to diversify financial instruments and maturities.

In 2013, the bank will continue to prioritize its focus on prudent, conservative management principles to offset market turmoil and potential increases in unemployment and NPLs. At the same time, it is working to comply with liquidity coverage ratio (LCR) requirements due to be enacted in 2015.

### Protection against risk

In 2012, CaixaBank continued to strengthen its risk management framework in order to safeguard its high quality lending portfolio. As of December 31, 2012, the Group had an NPL ratio of 8.62%, which compares very favorably to the sector average ratio of 10.44% in December 2012.

Total allowances and write-downs in 2012 amounted to €10,299 million, which translated into an increase in the NPL provisions, to €12,071 million. The coverage ratio stood at 60% (142% secured by collateral guarantees).

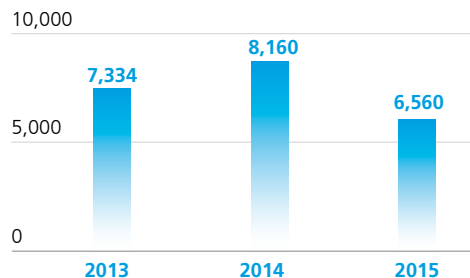
At a time of serious economic turmoil, NPLs will continue to be handled carefully, with active management starting with the first signs of non-payment. In all cases, recoveries are pursued while maintaining the closest possible relationship with the customer, whom the bank accompanies throughout the process by offering personal and customized service.

In 2013, the bank will generally continue to focus on close customer relationships and professional treatment for risk system prevention and improvement.

**+** For further information, see section 5.1 "Active risk management"

### [Institutional loan maturities in the next three years]

€ million





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## 5. [Diversifying by supporting businesses]

**The bank's service model is based on forging long-term relationships with customers, with services specifically tailored to each segment. Partnering with companies in their day-to-day activities and growth is a priority for CaixaBank, as is helping to contribute to the development of the country's entrepreneurial base.**

CaixaBank's penetration in the business community stood at 26.4% in December 2012, thanks to organic growth and acquisitions.

In terms of loyalty, it is worth noting that the Bank of Spain's Risk Information Center (CIRBE) ratio, which measures the share of funding customers receive from a bank compared with their total funding, stood at 19% in late 2012. This underscores both the trust companies

have placed in CaixaBank and the lender's commitment to partnering with its customers and, accordingly, resolving their financing needs despite the economic downturn.

In this regard, it is worth highlighting that as of late 2012, the business customer loan portfolio, excluding real estate developers, amounted to nearly €62,000 million, or 27.7% of CaixaBank's total loan portfolio. The bank has set a target, as outlined in

it 2011-2014 strategic plan, to boost the percentage of business customers in its loan portfolio to 31%.

To achieve this goal, over the course of 2013 the three divisions specializing in this client segment –SME banking, business banking and corporate banking– will concentrate on growing their business, bringing in new customers and shoring up customer loyalty.

### ***SMEs, championing a strategic priority for the business***

The SME banking business will focus on developing new products and services tailored to each customer, encouraging the use of electronic banking channels and rolling out a new marketing protocol. The latter was designed in 2012 and uses the personalized service model as a touchstone for identifying and addressing customer needs as precisely as possible.

### ***Business banking, a value proposal with a solid track record***

The business banking division will focus on recruiting new customers and encouraging the development of new

market-leading, unique products and services with high added value that are customized to customer needs and market conditions. Additionally, it will work to generate synergies between "la Caixa" Group companies in order to offer full-service, value-generating solutions.

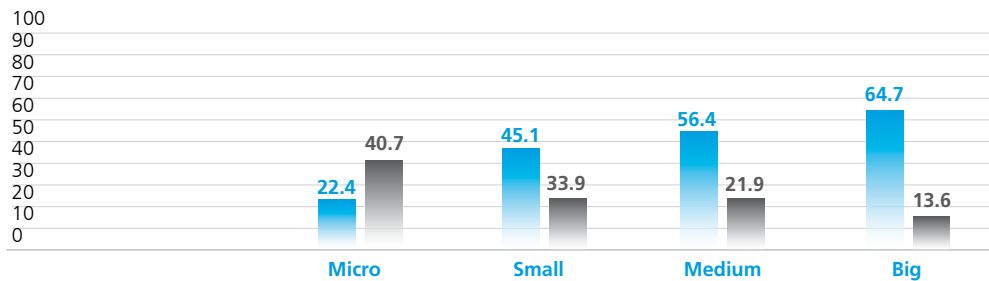
### ***Corporate banking, a service for major corporations***

The challenges for corporate banking include boosting revenue, improving risk-related profitability and using capital more efficiently. To this end, the business will work to further improve distribution of products and services and enhance customer loyalty, with the aim of becoming corporate customers' No. 1 choice for all their banking needs.

Additional priorities include a centralized effort to make progress on the bank's full-service approach to customers and on calculating and managing their risk-adjusted return. The unit will also continue to build on a framework for constant quality improvement, as CaixaBank intends to hold onto its position as a byword for service excellence among its customers.

### [Penetration rate and customer loyalty of business customers]

% (December 2012)



Business penetration (September 2012)

CIRBE

For further information see section 4.1.1 "Insurance and financial services"



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## 6. [Improving risk-adjusted return]

**By guaranteeing that all of the bank's activities and processes add value, the bank enhances efficiency and flexibility and meets customer needs in the most optimal fashion. With that aim in mind, CaixaBank strives to improve its risk-adjusted return and to reduce complexity and costs by simplifying processes and reinforcing a culture of constant improvement and rising productivity.**

In the coming years, the financial sector at large will focus on boosting ROE to levels that are sustainable in the long term. This will provide sufficient levels of borrowing to kick-start the economy while continuing to support business and social development in Spain. In particular, at CaixaBank, the entire organization works to improve margins on new transactions in testing economic conditions, while also containing operating costs and treating innovation as a new source of income.

### *Sustained revenue generation*

In view of the prevailing economic recession and low interest rates, CaixaBank must manage its margins as efficiently as possible while maintaining service excellence. It must also continue to focus on sales and on developing new

products and businesses that complement traditional revenue streams, thereby locking in sustained growth of banking business revenues.

CaixaBank will continue to offer a complete range of products and services, which can be easily tailored to the different profiles of the bank's 12.9 million existing and future customers, and will drive innovation in order to continue developing new business opportunities.

### *Assumable and profitable risks*

CaixaBank strives to improve its risk-adjusted return. To that end, risk identification, measurement and assessment is constantly taken into account in the decision-making processes, while always safeguarding the utmost quality in customer service.

As a key feature for ensuring efficiency, the bank carefully matches the level of customer risk and the price/margin for services, throughout all business units.


### *Greater efficiency, while maintaining top-tier service*

CaixaBank works untiringly to remain at the forefront of innovation and efficiency, adapting rapidly to change and to unlock value from new opportunities. To this end, activities have been streamlined while maintaining a top-tier level of service, largely due to the flexible organizational structure.

To become more efficient, CaixaBank has rolled out the Valora program (value added), which envisages a raft of initiatives to optimize branch processes, contain costs and improve productivity. Technology is one of the key drivers of this transformation, with cross-departmental projects intended to digitalize the bank further. All these initiatives aim to ensure that all areas of the bank generate value when going about their business.

Furthermore, CaixaBank has been swiftly incorporating Banca Cívica's commercial

and technological platforms since it was taken over in August 2012. This has made it possible to lock in synergies well ahead of schedule: synergies of €104 million have been obtained, amply above the €54 million initially expected for 2012. The bank expects synergies to reach €540 million per year as from 2014.

 For further information see section 5.1 "Global risk management"



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## 7. [Cultivate managerial leadership]

**Amid a constantly changing environment and following a series of takeovers, another CaixaBank priority calls for safeguarding its management culture and principles of conduct. Teamwork, enabling skills to join forces, and internal communication, which engages and motivates staff, are essential for every employee's personal and career growth. At the same time, CaixaBank encourages employees to develop their skills and increasingly promotes recognition of staff performance.**

### *A participatory culture*

Against a backdrop of a constantly changing society and financial markets, it is crucial to stay one step ahead of events in order to offer solutions to customer needs. CaixaBank thus encourages its teams to cooperate and work with a shared vision geared towards making the lender's marketing activity more effective. Individuals are encouraged to work independently and bring an innovative attitude to their day-to-day work.

Within this framework, the bank has developed in-house websites, Valora and Innova, in addition to the interactive site Imagina. Employees use the latter to submit their ideas for improvement and to participate in open forum debates. The bank plans to continue fostering team participation to increase the number of ideas employees contribute.

A Cultural Reinforcement Program was implemented in 2012 to help achieve CaixaBank's strategic targets and further

strengthen the corporate culture, with the aim of meeting customer needs in alignment with corporate values. The program, set to continue in 2013, is based on three main pillars: teamwork, people and constant innovation.

### *Strengthening internal dialog*

Fluid in-house communication is vital to achieving the goals of each working group and of the Institution as a whole. What's more, in a changing environment it becomes even more necessary to share key messages regarding market conditions and corporate strategy. Tools that facilitate two-way communication are therefore essential.

CaixaBank encourages the creation of new forums and communication channels. Highlights include an internal social network known as Conecta, which launched in 2012, and e-learning site

Virtaula, a 2.0 classroom environment which is constantly expanding. Meanwhile, members of senior management regularly visit bank facilities throughout the country to discuss the bank's strategy with employees.

These communication channels are supplemented by periodic employee opinion surveys designed to shed light on staff concerns and, when necessary, enact improvement plans. In 2013, the bank will continue to work on areas that have the most room for improvement based on the results of its workplace climate survey, and conduct another survey of the entire workforce.

### *Cultivating talent*

People are the foundation of CaixaBank's business and the key to its future. For this reason, CaixaBank fosters a culture of incentives and motivation based on constant improvement. It has implemented a variety of programs to identify and nurture in-house talent, promoting organizational activities and skills.

Continuing education is and will remain essential to achieving on-going improvements, which are one of the keys to the bank's leadership in its

**8.8**  
**average employee satisfaction,**  
**according to the latest**  
**workplace climate survey**

industry. CaixaBank provides face-to-face sessions, online activities, action plans and mentoring. The bank is committed to expanding the reach of its Management Development Center and Progres program. These programs help to cultivate in-house talent, thereby ensuring that the bank's employees maintain the skills and know-how required in the current environment, all of which set the bank apart from rivals and fuel growth. The bank's assessment systems are increasingly broad and are becoming standard throughout all teams.

The Equality Plan brings new energy to a management plan that focuses on people and their talent. This fairness-based approach has enabled the bank to renew its Equality and Family-friendly Business certifications in 2013.

**+** For further information see section 4.2.3 "Our professionals"





## 8. [Leaders in innovation]

**CaixaBank prizes creativity and innovation, which should always be geared towards offering better service to customers and making processes more efficient. Being a leader in adopting new technologies likewise enables it to develop new business opportunities to diversify its revenue base.**

### A creative team

Teamwork is fundamental at CaixaBank, which expects all of its staff to help generate ideas.

It offers an in-house website, which was updated and enhanced in 2012, to encourage an innovative, customer service-oriented attitude and collect customer suggestions. The system is a participatory and open model for collecting the best ideas from employees and customers along with best practices at in-house and external levels. The site received more than 1,400 employee contributions in its first 100 days, a figure which is likely to grow exponentially in the future.

At the same time, the bank has launched its Inspiranos site, which invites customers to communicate with the bank via Línea Abierta to submit ideas and recommendations for the kind of online banking they would like to see. The site in 2012 received more than 41,000 visits

and 500 suggestions about products and services.

### Innovating for better service

The two-way relationship between the bank and its customers is indispensable to CaixaBank. Customers provide new ideas and actively convey their needs, along with providing constant feedback on the products and services offered both through the Internet and mobile devices.

This interaction helps to shape future areas of action, which must address customers' needs. In an environment in which electronic banking channels are increasingly in demand, online banking via the Internet, and particularly via mobile devices, remain promising areas of future growth for CaixaBank. CaixaBank has the leading market share in online banking services in both Spain and Europe, according to Nielsen data.





The International Telecommunication Union (ITU), a specialized agency of the United Nations responsible for issues that concern information and communication technologies, estimates that 91.2% percent of the world's population had a mobile device at the end of 2012, and forecasts suggest that in 2015 more users will access the Internet on mobile devices than on PCs. For CaixaBank, the mobile phone is the second most-used remote banking channel after Internet banking, and the bank will continue to make it a priority.

Innovation and the spread of new technologies are a means of gaining a competitive advantage and tools for

constantly improving the bank's array of products and services. Creativity and innovation must always be geared towards customer service and efficiency, enhancing service quality as a result. The bank maintained its leading position in both web and mobile service quality in 2012, as reflected its AQMetrix ranking, and will work hard to remain at the forefront of the industry.

#### ***New products and services and new ways of interacting***


CaixaBank customers use branches and the various channels to contract products, while 90% of transactions are multi-channel. Remote banking is transforming many customers' relationships with their

bank: it facilitates an ongoing, high-quality relationship with two benefits. First, it allows branches to concentrate on person-to-person interaction and "added-value" work, while customers enjoy full accessibility and increase their loyalty.

To this end, CaixaBank is decidedly committed to creating new products and services and developing new tools to help the bank and its customers communicate. It has released new applications for mobile phones and introduced its ATM model, which was designed with the help of customers (through questionnaires and focus groups) and is equipped with the newest technology on the market and offers accessibility options that erode physical barriers for a variety of groups.

The bank is also a pioneer in the steady rollout of contactless technology, which is used in cell phones, ATMs and point of sale (POS) terminals at retail businesses, and which it will continue to expand.

Separately, social media networks encourage the flourishing of new communication channels linking money managers and customers, venues that are secure and adapted to their needs and schedules. These include the Banca Privada wall, established in 2012. The bank will continue to develop this area, in terms of both existing proprietary social networks and of the development of other online communities which will allow it to reach new groups of customers.

 For further information see section 4.1.4 "Innovation"



KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	<b>KEY STRATEGIES</b> The economic and financial context Main strategic priorities	SHARED VALUE CREATION	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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## 9. [Continue building on international expansion]

**CaixaBank's international business focuses on three areas: accompanying client companies as they conduct business internationally, generating new business opportunities through alliances with subsidiary banks and strengthening internal skills to pursue international expansion.**

### *Accompanying client companies abroad*

CaixaBank is determined to develop a network of proprietary branches abroad. By the end of 2012, after opening representative offices in Santiago de Chile (Chile) and Cairo (Egypt), CaixaBank had 16 offices outside Spain. It is set to

inaugurate offices in Algiers (Algeria) and Bogota (Colombia) in 2013.

The bank aims to continue to improve and nurture its relationships with client companies operating abroad and parent companies of Spanish multinational groups. One way to do this is through the ongoing expansion of a proprietary

network of offices outside of Spain, which will also allow CaixaBank to boost the geographic diversification of its loan portfolio.

### *Strategic alliances with leading banks*

CaixaBank holds stakes in leading banks which in turn boast solid major shareholders and excellent management quality: Inbursa, Banco BPI, Erste Group Bank, The Bank of East Asia and Boursorama.

At the same time, it has a series of strategic agreements with these banks that allow it to offer a customized service to companies. In conjunction with Banco BPI, it offers "Iberian Business Solutions" to companies operating between Spain and Portugal, while it has partnered with Erste on "Central and Eastern European Solutions" to serve business customers in their transactions with Central and Eastern Europe. Additionally, it offers its customers services in Hong Kong, China and Mexico through partnerships with Bank of East Asia and Inbursa. In most cases, CaixaBank relies on business managers it transfers to its partner banks, and has even exchanged employees with some of its partners to enhance the customer service both lenders are able to offer.

Thanks to this network of alliances, the institution offers shareholders and investors preferential access to new business opportunities in high-growth regions that promise a balanced risk profile.

CaixaBank in coming years will continue joining forces with partner banks to develop projects to increase diversification, execute joint commercial transactions, capture synergies and exchange know-how.

### *Developing international know-how*

As a means of boosting the workforce's international potential, CaixaBank has launched, among other initiatives, the Move Up! training program to develop in-house talent. The program is intended to prepare employees for holding management positions in international operational branches, representative offices and other positions that feature heavy international exposure.

CaixaBank is also working to diversify its deposit-taking business by geographic region by positioning itself as a leading investment option for multilateral organizations, central banks and sovereign funds.

 For further information see section 4.1.2 on "International diversification"







# [SHARED VALUE CREATION]

4.1. Value proposition

4.2. Value creation for stakeholders





## 4.1 [Value proposition]

**CaixaBank combines its commitment to leadership, growth, people and the environment with investing in competitiveness and wealth creation, as the foundations for making a telling contribution to wider society.**

To do so, the bank is steadfast when it comes to security and sustainable profitability and draws from a wide range of resources and capabilities:

- A specialized universal banking business model designed to offer quality service tailored to the needs of its 12.9 million customers.
- A commercial network with strong regional ties and highly qualified personnel.
- A commitment to continuous innovation.
- A consolidated banking and insurance business that is managed in a responsible, sustainable manner.
- A growing international presence through branches and representation offices abroad, and through shareholdings in several international banks.
- A diversified business with shareholdings in solvent service companies.



***The renowned publication  
Euromoney named CaixaBank  
Best Bank in Spain 2012***





KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	<b>II SHARED VALUE CREATION</b> Value proposition Value creation for stakeholders	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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## Insurance and financial services

**CaixaBank's universal banking model is based on quality services tailored to the needs of its customers. In 2012, CaixaBank consolidated its position as the leading entity in the Spanish banking sector, with 12.9 million customers, total customer funds of €288,568 million (up 19.6%) and a lending portfolio of €223,449 million (up 20.1%). The bank also strengthened its leadership across virtually all customer segments and in nearly all products, drawing from its intense commercial activity and the incorporation of the Banca Cívica business.**



1, 2, 7, 9 and 10

### A universal banking model

CaixaBank's financial and insurance businesses operate under a specialized banking model that allows the bank to adapt to the needs of its different customer profiles. The bank also draws from the support of its subsidiaries (both financial and support companies), which round out CaixaBank's operations and contribute to the high level of excellence characterizing its customer service.

### A commercial network with strong regional ties

In order to carry out its activity, CaixaBank has created the largest branch network in

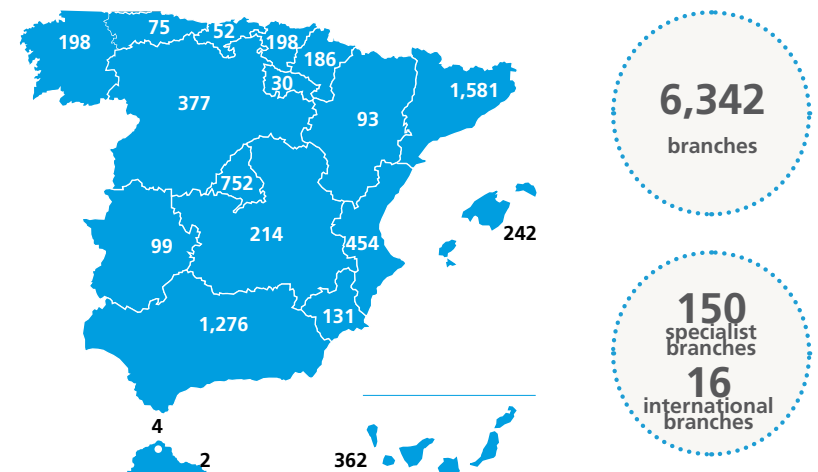
the Spanish banking sector. The network has considerable reach and is a basic vehicle for the bank's close relationship with customers. This extensive network facilitates the high-quality, personalized advisory service offered by CaixaBank, and is in turn supported by the remaining complementary channels.

Following the incorporation of Banca Cívica, the network grew 22%, to 1,146 branches. This places CaixaBank in 99.2% of Spanish cities with over 10,000 residents, and in 83.3% of towns with over 5,000.

The corresponding brand names were maintained in those provinces where Banca Cívica's savings banks had a strong

[The most extensive network]

16.4% market share



**The wide reach of the network enables CaixaBank to offer customers a quality, tailor-made service**

presence (namely Cajasol, Caja Navarra, Caja Canarias, Caja Burgos and Caja Guadalajara), in line with CaixaBank's commitment to serve each area in which it is present. The respective social welfare projects of each of these entities were also maintained.

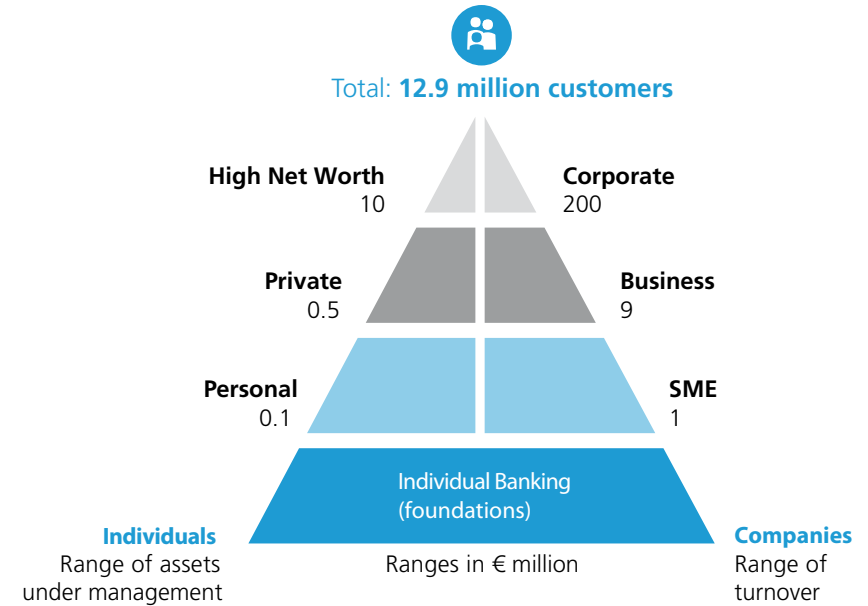
In 2012, CaixaBank continued to streamline the network, which involved merging some smaller or neighboring branches, always with the aim of ensuring the best possible service for its customers and successful staff relocations. This process will continue in 2013, in order to fulfill Bank of Spain requirements and in view of market conditions. However, CaixaBank will continue to serve rural populations and will not abandon the markets in which it is present.

### *A specialized commercial offering*

The bank, operating under the umbrella of "la Caixa", offers specialized value proposals for individual and corporate customers, through six primary business lines: retail banking, personal banking and private banking for individual customers; and banking for SMEs, business banking, and corporate banking for enterprises, based on their particular needs and characteristics.

In each business line, highly-trained and specialized professionals provide the particular customer group with a portfolio of financial solutions tailored to their needs. In addition, within its branch network, certain CaixaBank branches are specifically dedicated to particular business areas.

### [Specialized business model]





## Individual banking

Individual banking offers value for households, older customers, retailers, self-employed workers and micro-enterprises invoicing less than €1,000,000. This is the group's most traditional business, and the foundations for the rest of the specialized value proposals.

At year end, this segment comprised nearly 12.1 million customers, with approximately €200,000 million under management, accounting for 43% of CaixaBank's total business volume.

2012 was a unique year, as Banca Cívica's business was integrated into the day-to-day management of the business. This integration allowed CaixaBank to further shore up its leadership in this market segment and lock in its position as the benchmark entity, with a customer share of 26.1%. This outstanding positioning is even more prevalent in the bank's long-standing areas of operation: Catalonia, the Balearic Islands, and Banca Cívica's home regions (Tenerife, Seville, Cadiz, Huelva, Guadalajara, Burgos and Navarra), exceeding 50% in certain areas.

Throughout the year, the intense commercial activity focused primarily on bringing in new customers and creating customer loyalty. In that regard, CaixaBank attracted 585,000 new customers and arranged the direct deposit of 544,500 new salary, pension and subsidy payments. This growth brought the number of customers entrusting their recurring income to CaixaBank to 4.8 million, or 37% of the bank's total customer portfolio. The bank has also boosted customer loyalty. Among other activities, 2012 was an exceptional year for risk insurance policy sales, with 1.1 million policies sold and an over 35% growth in premiums on new policies. 2012 also saw the highest growth in direct deposit of paychecks in the past five years. In terms of pension plans, CaixaBank recorded nearly €1,500 million in net contributions and premiums (up 27% compared to 2011).

To further enhance customer loyalty, the bank rolled out new preferential service models for retailers, micro-enterprises and self-employed professionals. Under these models, specialized sales managers are assigned to these customers, providing proactive customer care, including visits to their businesses.

Customer loyalty programs were also improved by adapting them to the different banking needs that arise throughout customers' life cycles, offering different

**CaixaBank is the  
number-one entity serving  
22%  
of retail banking customers  
in Spain**

conditions based on the products and services contracted by each customer. CaixaBank also rolled out Club Ahora, focusing on the needs of the 65-and-over population by offering benefits in three primary areas: leisure, healthcare and learning and culture.

In late 2012, in the city of Reus, the bank launched a pilot program for the PremiaT service, a virtual community to support local businesses. Through this service, retailers can publish their offers and promotions for consumers to consult on mobile applications and the Internet.

This intense activity, coupled with the integration of Banca Cívica, spurred an across-the-board rise in market share and a stronger leadership position in the majority of products and services.

## [Making the difference: Clear leadership in the majority of retail products]

Market shares and ranking\*

Direct paycheck deposit	20.3%
Direct pensions deposit	19.6%
Card turnover	20.9%
POS terminal turnover	23.8%
Life-savings insurance	19.1%
Demand deposits	14.4%
Demand + term deposits (private resident sector)	13.5%
SNCE (electronic settlement system)	15.2%
Mortgages	14.9%
Loans to the private resident sector	14.5%
Pension plans (individual and guaranteed)	16.9%
Commercial loans	14.6%
Mutual funds	14.0%
Factoring + reverse factoring	18.2%

(\*) Data to December 2012

1st 2nd 3rd



### Personal banking

For customers with assets of between €100,000 and €500,000, CaixaBank's personal banking division offers customized services, based on a close relationship with each customer and the careful design of products and services to fit their needs. In 2012, CaixaBank locked in its position as the number-one Spanish bank in terms of personal banking, managing nearly €83,400 million in customer funds and securities.

One of the bank's key projects for the year was the implementation of a multi-channel customer relations model, helping to build deeper customer/account manager relationships. This sets CaixaBank's personal banking service apart from that of its competitors: at CaixaBank, these customers can arrange a video call with their account managers, send them a message, and receive investment proposals directly and at any time, all of which enhances operating efficiency.

The bank has also created the Specialized Learning space, exclusively for personal banking customers. This space for learning and training is part of the "la Caixa" virtual office, and includes high-value financial content as well as dynamic learning games. The number of customers using these new channels rose 2.3% overall, to 32.5%.

In addition, CaixaBank stepped up its internal training opportunities in respect of risk and savings insurance. As a result, the level of knowledge of the bank's financial consultants and managers has taken a qualitative jump in this field. The launch of the premium risk insurance product range also strengthened the value proposal through specific products, bringing about a 2% growth in the number of customers contracting this type of insurance. Contracting of savings insurance products rose 13.6%, with a 3% improvement in the margin.

**CaixaBank, number one  
in personal banking in Spain**





## Private banking

CaixaBank's private banking products and services are designed for customers with over €500,000 in assets under management. In 2012, customer funds and securities under management rose 9.8% to €40,900 million. This solid leadership position is a result of the strategic efforts made in recent years, and is underpinned by the solvency of the bank. Following the integration of Banca Cívica, CaixaBank is the number-one bank in the market, with a market share of nearly 12.5%. This share will be increased even more after the absorption of Banco de Valencia in 2013.

CaixaBank has 33 private banking centers throughout Spain. These centers work with the over 6,300 CaixaBank branch offices in order to provide the best possible customer service. The more than 350 account managers working with this customer group boast an average of 14 years' experience in asset management, as well as solid training, backed and certified by highly prestigious external entities such as the European Financial Planning Association (EFPA) and Universitat Pompeu Fabra. CaixaBank also has a specialized team, the "Altium" team, which works alongside private banking consultants to offer a global service proposal to high net worth customers

(assets of over €10 million) requiring a significant level of sophistication in their wealth management.

In 2012, the bank focused on helping customers with their financial planning, as a way to move toward their ultimate savings and investment objectives. This helped diversify customer equity and structure their assets in objective-based portfolios: in 2012, investments in mutual funds rose 17%, while investments in savings insurance climbed 23% and funds placed in pension plans rose 35%.

Portfolios are reviewed on a regular basis, and ongoing contact is maintained with customers. The bank has forged closer relationships between customers and their account managers, with new multi-channel developments such as social network-based tools in Línea Abierta. Using these tools, customers can exchange messages with their account managers, receive investment proposals, and sign their requisite suitability test online, in a secure and user-friendly interface. Innovation, in fact, is one of the unique features of CaixaBank's private banking services, manifesting itself in a 4% increase in the number of customers using these channels.

As part of our exclusive private banking package, these customers are invited

to attend special learning, cultural and corporate social responsibility encounters and events held throughout the year. In 2012, 7,500 customers (10.5% of total customers) attended such events.

**Customer funds and  
securities under  
management grew  
9.8%**







### **Banking for SMEs**

The banking for SMEs line specializes in serving business customers with a turnover of less than €9 million. This service manifests CaixaBank's intention to stand behind small and medium-sized enterprises, the primary driver of the business fabric. As part of this business line, customers have access to specialized account managers at those branch offices that have a significant volume of SME customers.

At the 2012 year end, CaixaBank had 682 SME consultant managers, operating from 466 specialized branches. Directors and managers at these branches also receive the support of other CaixaBank specialists, who contribute their experience and knowledge in high-added value products.

In 2012, the bank increased operations of SME customers, raising their positions in foreign trade, cash management, specialized financing and services. In that regard, at the 2012 year end and following the integration of Banca Cívica, CaixaBank had a market share in SME customers of 45.1%, with a business volume of over €18,000 million.

### **Business banking**

After only four years, the business banking area, which works with companies bringing in turnover of over €9 million, has become a clear value proposal within the bank's offering. Offered under the name CaixaEmpresa, this service draws from an especially close relationship between the specialized centers and business account managers and the more than 38,826 business customers.

At the 2012 year end, 604 specialized CaixaBank professionals in 84 centers in Spain provided solutions for the financial needs of companies.

Thanks to this special relationship and loyalty, business volumes remained strong at approximately €29,692 million, with a market share of 56.4% following the integration of Banca Cívica.

**SME market share of**  
**45.1%**





### Corporate banking

Corporate banking services are offered to business groups with annual turnover in excess of €200 million, located in Madrid and Catalonia. Three centers work specifically with this segment, focusing on Madrid, Barcelona and the international market. CaixaBank holds a share of more than 70% of the potential domestic market of 550 corporate groups.

The corporate banking business features a specialized team of 100 professionals, including directors, account and relationship managers, commercial analysts and experts in transactional banking products for specialized financing, international trade, and risk coverage through derivatives and options.

The specialists comprising the corporate banking team are in turn assisted by support teams, also located in the centers, that facilitate coordination between specialists and customers, so as to offer efficient and personalized service.

**Market share of potential  
corporate banking customers:**

**70%**

At the 2012 year end and in line with the upward trend noted in recent years, investments managed were up 2.4% to €23,639 million. Funds under management rose 13.2% to €12,371 million, with the margin standing at €644 million (up 38%).

Figures were up in factoring (30%), reverse factoring receipts (21%), income from international trade (58%), income from derivative hedges (20%) and national fees (12%).

### Institutional banking

This business, established in January 2011 to unify the management of public administration banking, comprises a team of 90 professionals and handles the needs of approximately 5,000 customers. While this team mainly operates nationally, it also serves national and international customers operating in other countries, primarily to provide project finance.

In 2012, the institutional banking business was reorganized, resulting in the creation of institutional customer centers in all regions in which CaixaBank operates, as well as a new internal risk circuit to manage all public sector asset transactions.

Throughout the year, this business has become a highly specialized commercial line. Activity has focused on developing new products and services to provide high value and innovation in a sector that has been traditionally stagnant in these areas.

In light of the financial crisis and the financing needs of different public administrations, CaixaBank's commercial activity focused on helping these customers to design, structure and implement innovative and unique financial solutions, in an attempt to ease the financial pressure felt by autonomous communities and city councils. In that regard, two major funds were arranged: the Fund for Financing Payment to Suppliers and the Regional Liquidity Fund. The business line also worked to finance infrastructure projects, both through project finance mechanisms and project bonds.



KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	<b>SHARED VALUE CREATION</b> <b>Value proposition</b> Value creation for stakeholders	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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### Other corporate units

CaixaBank structures its specialized product and services offer for SMEs, businesses and large corporations into two corporate units: transactional banking (solutions for recurring transactions) and structured financing (tailored financing solutions).

The **structured financing** unit proposes syndicated financing and project financing, as well as financial advice, for corporate transactions (sale and purchase of companies), for both large and medium-sized enterprises.

As a result of CaixaBank's dedication to accompanying these customers in their

business growth, portfolio assets rose 5.4% despite the difficult economic background. Growth was especially noteworthy in the SME transaction portfolio (up 30%), energy projects (up 8%) and infrastructure (up 10%), while corporate financing and acquisitions saw a slight decrease (down 2%).

CaixaBank conducts this activity in accordance with the Equator Principles and, since 2011, follows a procedure for evaluating the social and environmental ramifications of syndicated operations involving a total investment of over €7 million.

 For further information, see the section on Environmental and social risk management: Equator Principles

The **transactional banking** unit brings together financing, foreign trade, cash management and service solutions associated with collections, payments and corporate cash management.

In 2012, factoring and reverse factoring volumes rose 20.1%, to a market share of 18.2%, third place in the rankings yet again. In June 2012, Factor Chain International recognized CaixaBank for this performance, citing it as the bank with the highest growth in international factoring over the last three years.

In terms of foreign trade, CaixaBank locked in 20% growth in margin and a market share of 19.5% of the export documentation business, harnessing the advantageous moment for exports by Spanish companies.

With respect to cash management, CaixaBank shored up its offer of plain-vanilla interest rate hedging structures, seizing the opportunity posed by low interest rates and securing over 7,000 customer transactions (up 100% compared to 2011).



KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	<b>SHARED VALUE CREATION</b> <b>Value proposition</b> Value creation for stakeholders	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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## Insurance business

CaixaBank rounds out its portfolio of banking products and services with specialized life insurance, pension and general insurance products. In 2012, in addition to organic growth, this business line expanded through the integration of Banca Cívica's insurance business.

Through VidaCaixa Grupo, CaixaBank offers an extensive range of life insurance and pension plan products, to over 3 million individual customers. This offer is backed by personalized service provided through specific branches, CaixaBank branch offices and electronic channels. Under the VidaCaixa Grupo umbrella, several brand names are used in the different areas of operation.

## VidaCaixa

Through VidaCaixa, CaixaBank offers a wide range of insurance and pension plan products, both for individual customers and for large companies and groups. This business is instrumented through VidaCaixa Previsión Social, with contracts signed by over 50,000 companies and groups.

With respect to supplementary savings, VidaCaixa offers a wide range of pension plan and life-savings insurance products, including guaranteed pension plans and life annuities, adapted to different investment profiles (investment preferences, risk aversion and investment timeframes), which comprise a comprehensive range of solutions for

all types of investment profiles and complement the state pension. The global volume of pension and insurance products managed exceeds €43,000 million, bearing out the company's role as the leader and benchmark in the Spanish market, with a share of 18.4%.

It also sells life-risk insurance for individuals and businesses, insuring over a million individual customers and numerous mutual insurance entities and businesses.

In 2012, VidaCaixa entered into a reinsurance agreement with the US-based Berkshire Hathaway for its individual risk-life insurance portfolio. This arrangement allowed CaixaBank to maximize the value of its reinsured portfolio and generate a gross non-recurring gain of €524 million. This agreement has no impact on VidaCaixa's customers, who will continue to receive services directly from the company.

Adhering strictly to the United Nations Principles for Responsible Investment (UNPRI), when managing these investments and life savings, VidaCaixa upholds the values of trust, quality and growth.

In 2012, the company received two awards for investment management. PensionsCaixa30, the pension plan for CaixaBank employees, was recognized by

**VidaCaixa Grupo meets the needs of over 3 million customers, managing assets in excess of a**

**€43,000 million**

IPE as the best Spanish pension fund for the year, while PlanCaixa Private earned Morningstar's distinction as the best global equity pension plan.

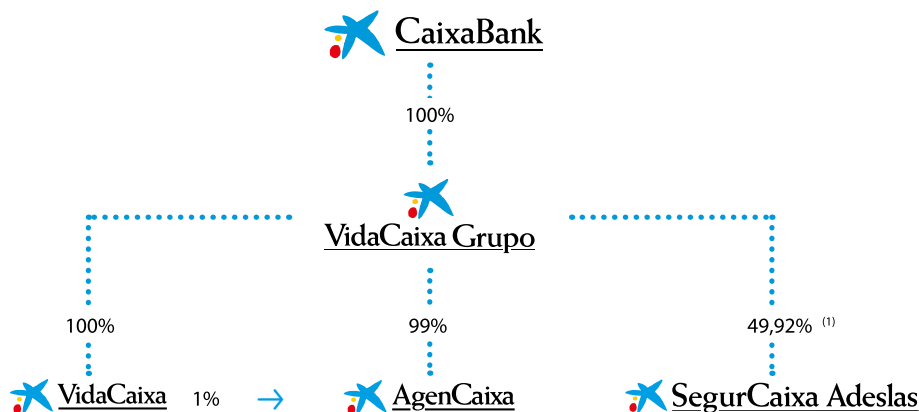
**+** For further information see the section on Socially Responsible Investment

## SegurCaixa Adeslas

SegurCaixa Adeslas is the VidaCaixa Grupo's non-life insurance company. At the 2012 year end, VidaCaixa Grupo held a 49.92% interest in the company and Mutua Madrileña held 50%, by virtue of a strategic alliance.

SegurCaixa Adeslas is the leader in the Spanish health insurance market, with a strong position in the home and auto segments as well. In recent months, the company has rounded out its offer of products for individuals, SMEs and self-employed workers.

**+** For further information on the VidaCaixa Group



(1) 0.08% held by non-controlling interests.



## Specialized financial services and support companies


**1-4, 6-10**

CaixaBank's subsidiaries provide operational support to the banking activity, thereby contributing to achieving the bank's commercial targets and ensuring a high level of customer service excellence.

### Specialized financial services

The CaixaBank Group includes a set of companies offering a wide range of complementary fund management services and specialized financing products.

#### InverCaixa Gestión (100%)

InverCaixa is the group's Collective Investment Schemes (CIS) management company, overseeing a wide range of products, including mutual funds, SICAVs and portfolios. At December 31, 2012, the company had €15,766 million in assets under management, boasting a mutual fund market share of 12.1%.

#### GestiCaixa (100%)

GestiCaixa manages asset securitization, handling 24 securitization funds at December 31, 2012, with a volume of

bonds in circulation of approximately €12,270 million.

#### FinConsum (100%)

FinConsum offers consumer financing products, mainly through points of sale (goods and services distributors as well as auto dealers).

#### CaixaRenting (100%)

CaixaRenting arranges equipment lease financing. It conducts its activity through the branch network, although in recent years it has boosted activity through the vendor channel as well, achieving a business volume of €96 million in 2012

through equipment and property leasing. By virtue of the agreement entered into with Arval in 2010, CaixaBank continues to offer vehicle lease financing through the bank's branch network, under the CaixaRenting brand.

#### Caixa Capital Risc (100%)

Caixa Capital Risc manages venture capital funds. With a business volume of €73 million, it invests in innovative companies with high growth potential, through four different funds: Caixa Capital Micro (€8 million), Caixa Capital BioMed (€22 million), Caixa Capital TIC (€20 million) and Caixa Innvierte Industria (€23 million).

#### Caixa Emprendedor XXI (100%)

Caixa Emprendedor XXI carries out actions and initiatives aimed at promoting entrepreneurship, creating companies and innovating in Spain. This includes company start-up programs and the granting of the EmprendedorXXI prize.

#### MicroBank (100%)

This entity specializes in granting microcredits and other financial products to foster productive activity, create employment, help stimulate personal and family development, and provide access to credit.







## Support companies

The CaixaBank Group encompasses a number of subsidiaries whose main objective is to provide support services to the organization.

### [Support companies / Activity]

100%	→ <b>BuildingCenter</b>	→ Real-estate services
100%	→ <b>CaixaCard. S,A,</b>	→ Bank cards
100%	→ <b>CaixaBank Electronic Money EDE. S,L, (Money to Pay)</b>	→ Pre-paid cards
49%	→ <b>Comercia Global Payments. Entidad de Pago. S,L,</b>	→ Management of payment mechanisms for retailers
100%	→ <b>e-laCaixa</b>	→ Multi-channel
100%	→ <b>GDS-Cusa</b>	→ Arrears management
100%	→ <b>Silk Aplicaciones</b>	→ Software technological support
	→ → 100% <b>Silc inmuebles</b>	→ Development and rental of Data Centers
100%	→ <b>Sumasa</b>	→ Works and maintenance
100%	→ <b>PromoCaixa</b>	→ Marketing
100%	→ <b>TradeCaixa</b>	→ Administrative services





### ***BuildingCenter (100%)***

Building Center performs property investments and sells, administers and manages its own properties and properties linked to CaixaBank activity.

### ***e-la Caixa (100%)***

e-la Caixa manages and develops CaixaBank's multi-channel operations. The company provides customers with electronic channels, and researches and implements new functionalities and solutions to ensure that these channels are a strong vehicle for the customer/entity relationship. e-la Caixa is entrusted with the commercial management of non-physical channels, working in collaboration with the branch network. It provides customer support in relation to using the channels, via Internet, mobile phone, ATMs and social networks. e-la Caixa also offers its services to other Group companies.

### ***GDS-Cusa (100%)***

This company renders services related to the management of arrears and the centralized management of specific CaixaBank operational tasks.

### ***PromoCaixa (100%)***

PromoCaixa is entrusted with managing promotional and customer loyalty programs, purchasing promotional items and performing other marketing activities.

### ***Silk Aplicaciones (100%)***

Silk Aplicaciones is entrusted with managing the Group's technology architecture and providing IT services to CaixaBank and its subsidiaries, and with the international expansion of this architecture. Its subsidiary Silc Inmobles manages the new data processing center, which houses the group's data processing equipment and infrastructure. The group also holds a 49% interest in IT Now through a strategic alliance with IBM.

### ***Sumasa (100%)***

Sumasa manages, on behalf of CaixaBank and the "la Caixa" Group companies, services relating to the construction and maintenance of buildings and premises, their facilities and certain supplies, and operates a marketplace through a proprietary IT platform.

### ***CaixaCard, S.A. (100%)***

Incorporated in December 2012, this company manages the card business of "la Caixa", with a view to extending and improving the products and services currently offered to customers. CaixaBank CaixaCard also aims to promote new technologies (such as contactless NFC, mobile payments and wallets) in order to remain the leading benchmark entity in payment methods and innovation.

### ***CaixaBank Electronic Money, S.L. (Money to Pay) (100%)***

Incorporated in September 2012, CaixaBank Electronic Money EDE is the first company in Spain to specialize in pre-paid cards. The company manages pre-paid cards, which are gaining a growing presence, with a view to extending and improving the pre-paid products and services offering, as well as to opening new sales channels (shopping centers, department stores, kiosks and retail shops).

### ***Comercia Global Payments, Entidad de Pago, S.L. (49%)***

This company manages electronic payment services for retailers, offering specialized quality solutions and services relating to new technologies (micro-payments, contactless payments, etc.). The company also works with customers operating outside the European Union, through collaboration with Global Payments, the other shareholder and one of the largest globally-operating payment services companies.

### ***TradeCaixa (100%)***

This company provides administrative and accounting services to some of the Group's support companies and participates in the management of the reporting process and controlling the securities portfolio of CaixaBank.

## International diversification: new opportunities

**CaixaBank maintains strategic holdings in five major banking groups operating in Central and Eastern Europe, in China and in Mexico. These holdings allow it to offer shareholders and investors preferential access to new business opportunities in high-growth regions with a balanced risk profile. In addition, these financial groups, with combined assets of over €350,000 million, help CaixaBank customers to carry out their commercial activity abroad. Moreover, CaixaBank maintains a proprietary network of 16 branches in different countries, through which it accompanies and provides specialized support for customers with trade dealings outside Spain.**



### 1 and 2

In 2012, CaixaBank opened new offices in Egypt and Chile. The bank also promoted the Move Up! training plan among its employees. This plan aims to develop internal talent with an international vocation, so as to export the business model and the social commitment underlying all "la Caixa" Group activities.

In order to achieve its international objectives, CaixaBank has several different models for operating abroad, from strategic alliances with major financial groups to direct presence through two types of offices

(representation offices and operational branches).

### Strategic alliances

CaixaBank customers have access to the commercial networks of its partner banks and financial groups, to help them carry out their commercial activities abroad.

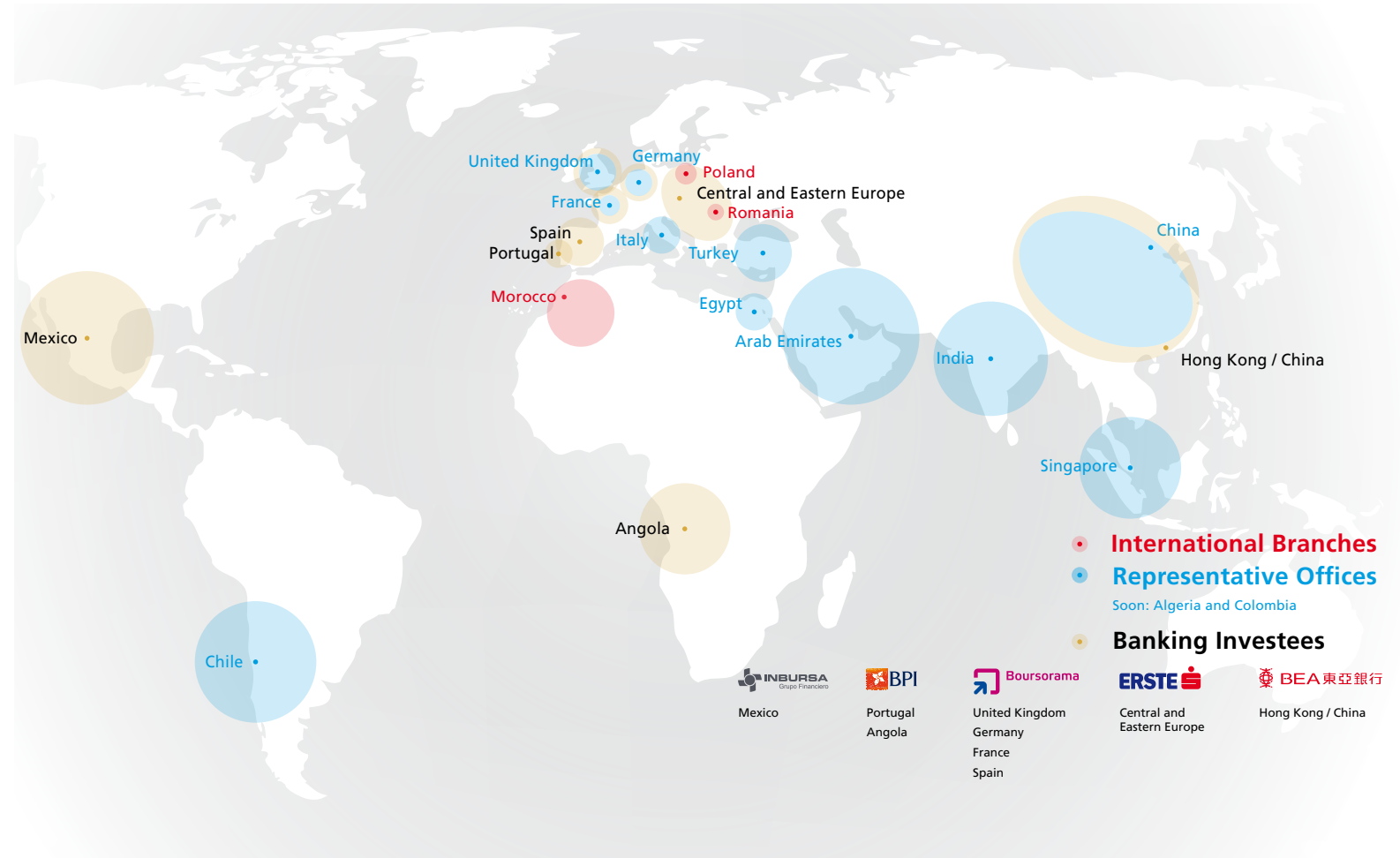
Specifically, Grupo Financiero Inbursa offers services in Mexico, Banco BPI provides banking and other services in Portugal and Angola, Erste Group Bank operates in Central and Eastern Europe, The Bank of East Asia offers services in Hong Kong and China, and, lastly, the online bank Boursorama serves customers in France, the UK and Germany.



Agreements and special terms have also been established with both Banco BPI ("Iberian Business Solutions") and Erste Group Bank ("Central and Eastern European Solutions") to provide business customers with a broader service.

Lastly, CaixaBank has entered into agreements with correspondent banks in countries in which the group does not yet have a stand-alone presence. In these countries, in which neither CaixaBank nor its partners have a direct presence, the bank has established relationships with over 2,900 foreign banks in order to support its customers in their foreign trade endeavors and investment projects, anywhere in the world.

### [CaixaBank's international presence]







## An Iberian alliance

CaixaBank and Banco BPI provide specialized service to major groups on the Iberian Peninsula, through centers in Madrid and Lisbon, both of which are staffed by personnel from both entities. The commercial activity also extends to the respective business banking networks, thereby creating the largest specialized banking network in this market (129 CaixaBank centers and 53 Banco BPI centers). The “Iberian Business Solutions” service provides business customers with preferential collection and payment services and conditions, enabling them to operate between Portugal and Spain as if they were domestic transactions. This commercial alliance has been extended to encompass both entities’ international operations, complementing each entity’s offer and providing customers with a better service worldwide.

At the same time, CaixaBank and Banco BPI have continued to develop initiatives to generate synergies and share knowledge in specialized businesses and support areas, fostering innovation and the development of new technologies.

## Holdings

CaixaBank has holdings in various leading banks, all of which boast excellent management quality and are supported by strong principal shareholders.

The Group channels its international expansion through these acquisitions, to bring about new opportunities for its customers, shareholders and employees.



### **Banco BPI (46.2%)**

Founded in 1981, BPI is a universal financial group focusing on retail banking for companies, institutions and individuals. BPI primarily carries out its activity in Portugal, as the third-largest private Portuguese financial group in terms of business volume, and in Angola, an emerging economy experiencing major growth in recent years. Through its stake in Banco Fomento Angola (BFA), BPI holds a leading position in Angola. BPI has total assets of approximately €44,000 million and a branch network of more than 740 branches in Portugal and over 160 in Angola.



For further information on Banco BPI







### **Boursorama (20.7%)**

Incorporated in 1995 and currently with total assets of over €4,000 million, Boursorama is a key player in online banking in Europe. Boursorama forms part of the Société Générale Group (its main shareholder, with a 56% stake).

Boursorama operates in four countries, including France, where it is the market leader in the online distribution of financial information, as well as one of the leading online banks. In the UK and Spain, it is one of the top online brokers. Since 2009, Boursorama has also provided online banking in Spain through SelfBank (a joint venture with CaixaBank), and in Germany through On Vista Bank.

**+** For further information on Boursorama



### **Grupo Financiero Inbursa –GFI– (20%)**

Incorporated in Mexico in 1965, Inbursa has become a benchmark commercial bank throughout the country. Inbursa offers retail banking, asset management and insurance services. It is the largest financial group in Mexico in terms of asset administration and custody and number six in terms of total assets, while holding one of the best positions in insurance and pension funds. GFI is also one of the largest financial groups in Latin America in respect of stock market capitalization. The group has total assets of approximately €20,000 million, a network of over 300 branches, 6,700 employees, and over 14,000 financial advisors.

**+** For further information on Grupo Financiero Inbursa

### **Extending retail banking throughout Mexico**

In 2012, CaixaBank continued to support Grupo Financiero Inbursa in its retail banking expansion plan in Mexico, by providing knowledge and best practices in branch office management, the use of commercial tools and the implementation of a service quality culture that spurs value creation and enhances customer loyalty. The collaboration between the entities also focuses on product design, efficient management of the organization, and the development of electronic channels.

Both groups co-invest in an ongoing flow of operations, in order to finance infrastructure development projects in Mexico. Lastly, "la Caixa" and the Inbursa Foundation work together to implement social programs, such as their anti-addiction initiatives.



## Opening new markets in Asia

CaixaBank and the Bank of East Asia provide financial services to each other's customers throughout their branch networks. This collaboration includes co-financing projects led by Spanish and Chinese groups, and fostering the exchange of know-how in e-banking, foreign trade and micro-finance. One such project underway is the joint venture to finance the automobiles purchases in China.

In 2012, the "la Caixa" Foundation, the Bank of East Asia Charitable Foundation and the Salvation Army Hong Kong and Macau Command continued to implement their 2010 agreement to develop a palliative care program for terminally ill patients in Hong Kong.



### Bank of East Asia –BEA– (16.4%)

Founded in 1918, the Bank of East Asia has over €67,000 million in assets, 220 branches and over 12,400 employees. It is the leading private independent bank in Hong Kong and one of the best-positioned foreign banks in China, where it has been operating since 1920. Through its subsidiary BEA China, it has a network of over 110 branches in that country, and is currently undergoing expansion. BEA offers retail, personal, business, and investment banking to its customers in Hong Kong and China. It also serves the Chinese community abroad through its branches in Southeast Asia, North America and the United Kingdom.

 For further information on the Bank of East Asia



### Erste Group Bank (9.9%)

Founded in 1819 as the first savings bank in Austria, Erste Group Bank was floated on the stock market in 1997 to develop its retail banking business in Central and Eastern Europe. It is currently the second-largest banking group in Austria and one of the leaders in Central and Eastern Europe, with assets totaling approximately €216,000 million. Erste Group Bank is also present in the Czech Republic, Romania, Slovakia, Hungary, Croatia, Serbia and the Ukraine, being the market leader in most of these countries. The bank serves 17 million customers through 3,000 branch offices.

 For further information on Erste Group Bank

## Challenges in Eastern Europe

CaixaBank has collaborated with the Austrian Erste Group Bank to co-finance Spanish business groups and to develop security and technological innovations. Several initiatives have also been implemented to tap into synergies, save costs and collaborate in various areas of business, such as transactional banking, private banking and others. The "Central and Eastern European Solutions" platform has been fully operational since 2011, with agreements in place between CaixaBank and Erste Group Bank to provide services to each partner's customers in local markets.



### Operational branches

CaixaBank has operational branches in Poland (Warsaw), Romania (Bucharest) and Morocco (Casablanca). These branches provide financing and financial services for Spanish companies with interests and activities in these countries, as well as services and financing for local businesses with commercial ties to Spain.

### Representation offices

Located in Italy (Milan), the UK (London), France (Paris) and Germany (Stuttgart and Frankfurt), these offices provide advisory services for parent companies of European multinational groups with subsidiaries in Spain in relation to products and services offered by CaixaBank to cover their financing requirements in Spain.

Outside the European Union, CaixaBank has representation offices in China (Beijing and Shanghai), Turkey (Istanbul), Singapore, United Arab Emirates (Dubai), India (Delhi), Egypt (Cairo) and Chile (Santiago), the latter two offices being opened in 2012. Through these representation offices, CaixaBank advises Spanish companies with projects abroad

and provides them with information on contract tenders and the requisite procedures.

The representation offices also serve to liaise with local financial entities, to guide customers in their activities in the country in question, and to be a reference point for the commercial actions the CaixaBank branch network carries out at home with customers operating in these countries.

### International organizations and central banks

CaixaBank continued to focus on developing global relationships with international organizations whose area of influence coincides with the bank's international growth areas. These organizations are often ideal partners for furthering the bank's expansion, as well as that of its subsidiaries and its customers. Long-term strategic relations are therefore formed to help compete at a global level and to enlarge both the business and the customer base.

In 2012, CaixaBank continued to support entrepreneurial and employment-generating SMEs by arranging more

than 1,000 transactions with European Investment Bank (EIB) funds, for a total investment of more than €400 million.

CaixaBank also arranged a €100 million loan with the Council of Europe Development Bank (CEB) to help maintain the commitment to the well-being of individuals and to society at large, and signed an agreement with the Inter-American Development Bank (IADB) whereby each entity would earmark €500,000 million to promote economic progress and social equality programs in Latin American and Caribbean countries. CaixaBank also continued to collaborate with the Union for the Mediterranean (UFM) to develop financing instruments for the Mediterranean Solar Plan.

Lastly, CaixaBank has intensified its relationship with central banks and sovereign funds worldwide, in order to position the bank as a benchmark in the sovereign investment market. CaixaBank offers these entities investment products in line with their needs, such as deposits, currency market transactions, and sovereign and corporate debt.

***In 2012, CaixaBank opened  
new branches in  
Cairo and  
Santiago de Chile***



## Revenue diversification



10

CaixaBank holds stakes in Repsol and Telefónica, two of Spain's leading corporations in terms of market capitalization and profits. Both companies are leaders in their respective sectors, with major international operations and a strong growth and

value-generation capacity, as well as an attractive shareholder remuneration policy that forms the backbone of their strategy. CaixaBank's stakes in Repsol and Telefónica enable it to diversify its revenue streams.

Repsol and Telefónica are also noted for their commitments to corporate social responsibility and sustainable development, underlined by their presence on the main sustainability stock indices.



### 12.5% of Repsol YPF

Repsol YPF is an international company operating in the hydrocarbons sector (exploration and production, refining and marketing) in more than 30 countries. Repsol YPF has total assets of approximately €65,000 million.

For further information on Repsol YPF



### 5.6% of Telefónica

Telefónica is an integrated telecommunications operator and a global leader in communications, information and entertainment solutions, with operations in Europe and Latin America. Telefónica is the benchmark operator in the Spanish and Portuguese-speaking markets.

Telefónica has total assets of approximately €130,000 million, with 315 million accesses and one of the leading international profiles in the sector (generating 76% of its business outside Spain).

For further information on Telefónica

**CaixaBank holds stakes in Repsol YPF and Telefónica, leaders in their respective sectors**



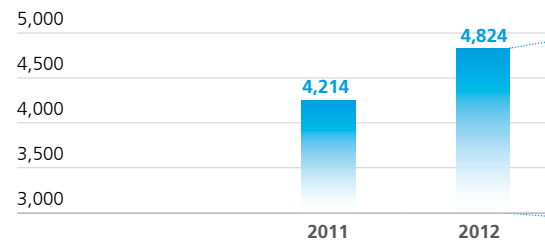


## Innovation and technology

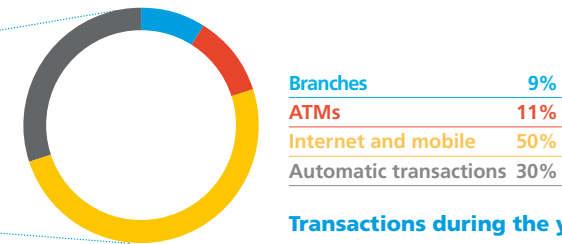
Through its 9,696 automated teller machines as well as its Internet, mobile and social network banking services, CaixaBank offers 24 hour/day banking, seven days a week. In order to ensure sustainable growth despite the adverse economic backdrop and the strong market competition, CaixaBank makes ongoing investments in technology that bring it closer to its customers and ensure the highest possible service quality. In 2012, total investments in technology stood at €150 million, €31 million of which was earmarked for R&D and innovation.

In 2012, the first contactless payment machines in the world were rolled out. During the year, the mobile banking service became the number-two channel in terms of volume of transactions, outpacing ATMs for the first time ever. In addition, 2,409 million transactions were carried out through Línea Abierta, CaixaBank's online banking service (Internet and mobile) in 2012, making the bank the number-one online bank in Spain and Europe, with a market share of 33.7% according to Nielsen.

[Multi-channel operations]  
Million transactions



[Transactions by channels]



Transactions during the year **+14.5%**  
Through electronic channels **>90%**  
Mobile phones already account for **12%**

**Mobile banking was the second most-used electronic channel, behind Internet and outpacing ATMs**





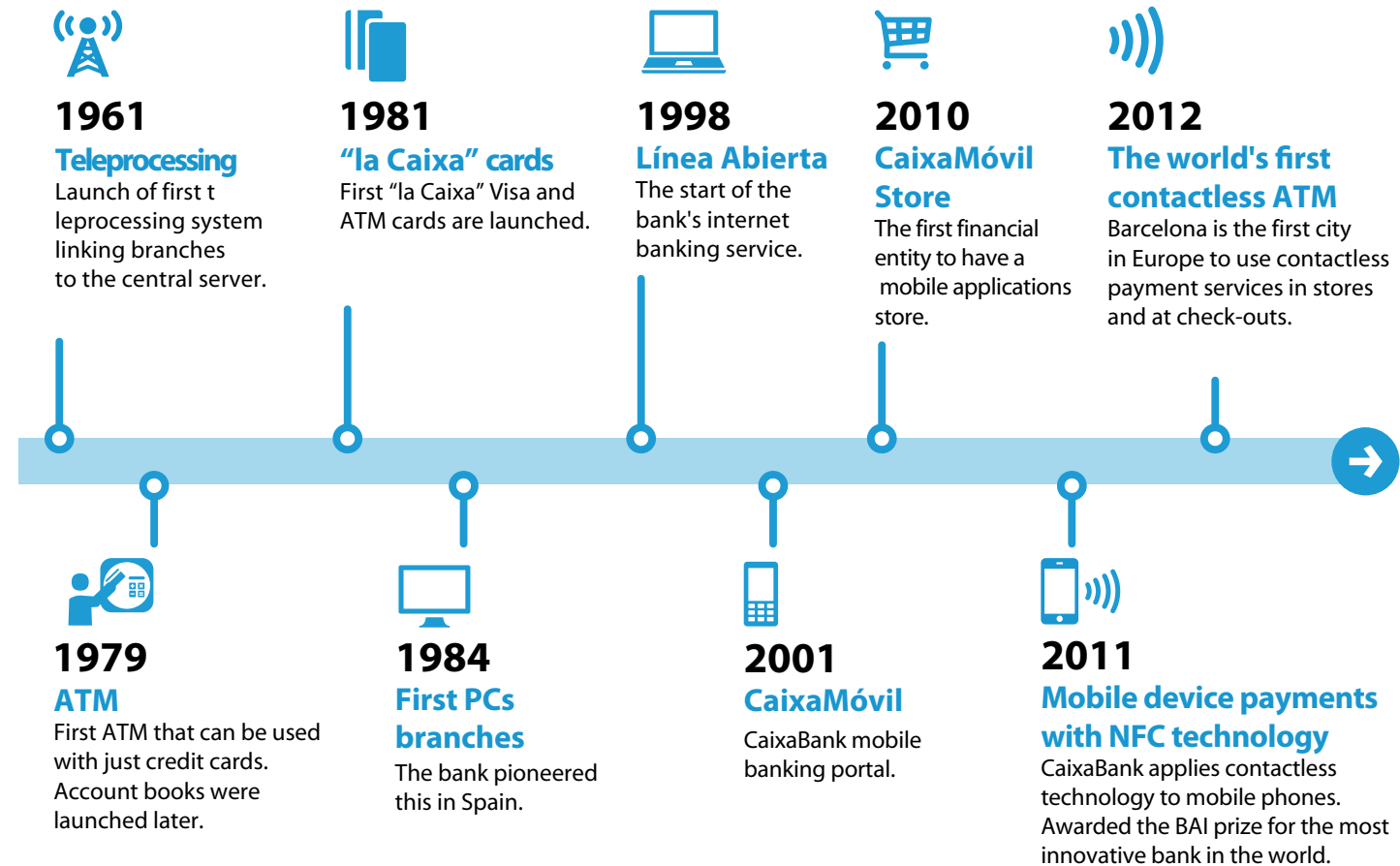
Innovation not only boosts efficiency, but it also brings CaixaBank closer to its customers. Consequently, CaixaBank fosters the creation of online communities of users of its financial services, with the understanding that web-based social networks and groups will be a part of the business that will see exponential growth in coming years.

### Electronic banking: Internet, mobile and social networks

Electronic channels enable CaixaBank to offer its customers high quality, easily-accessible banking anytime, anywhere. In addition to helping to build an ongoing, quality relationship with customers, technology provides two additional advantages for CaixaBank: firstly, it allows branches to concentrate on person-to-person interactions and "added-value" work; and, secondly, it serves to expand the customer base and acts as a tool for deepening customers' ties to the bank.

In 2010 and 2011, CaixaBank developed its presence in social networks. The bank is implementing new channels for mobile devices such as tablets, and for online television. CaixaBank has also developed a new model for branch/customer

### [Commitment to ongoing innovation]





## A leader in Internet banking

In 2012, CaixaBank maintained, for yet another year, its leading position in online banking in Spain. Not only does the bank hold the top position in terms of national and international online market share (33.7% according to Nielsen Net Ratings), but it is also number one in terms of Internet service quality (AQMATRIX, national and international).

A large portion of customers use Internet banking regularly. This channel is especially popular among companies, 80% of which carry out the majority of their financial transactions online.

interaction: branches now prepare transactions, and customer can sign the transaction using whichever channel they choose. This reduces both paperwork and time, and allows branches to concentrate on one-on-one customer attention. In addition, in 2012 CaixaBank rolled out the Wall in the private and personal banking businesses. This is a new communications channel between account managers and customers, similar to the Facebook wall. In 2012, over 175,000 customers

activated their wall, with nearly 50,000 interactions to date.

In 2012, CaixaBank continued to delve into the field of social media, with the creation of the PremiaT community to connect buyers and businesses. Together with the CaixaEmpresa online community and Club Ahora, there are approximately 75,000 active users of "la Caixa" social networks.

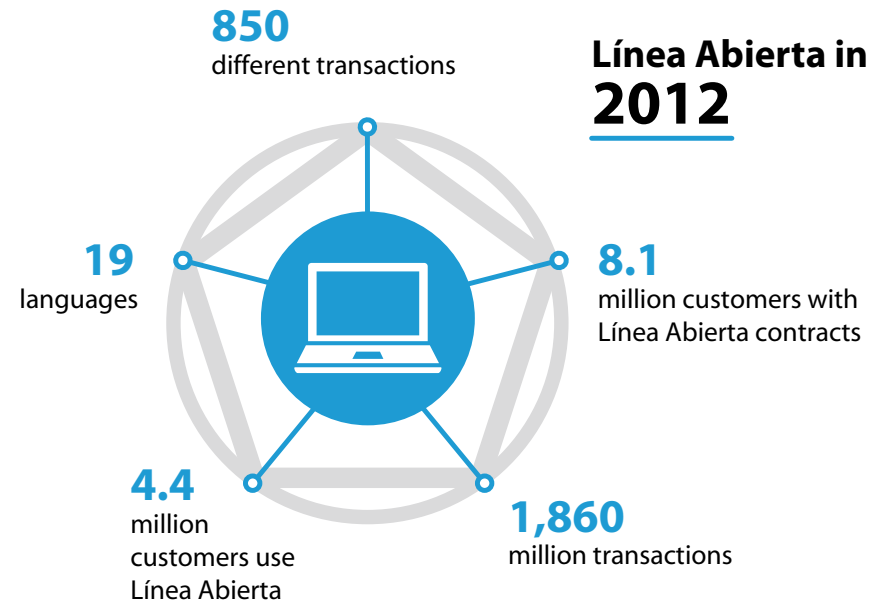
In 2012, CaixaBank consolidated its Internet-based model to attract customers, working to maximize process efficiency. In that regard, the bank introduced improvements to streamline online use and to increase usage frequency, making strides forward in the personalization and segmentation of the offer and of services, with a view to offering maximum added value for customers.

The bank also continued to improve product contracting processes through the Línea Abierta Store, where, since 2011, customers can contract financial products with just a few clicks of the mouse.

The bank has also consolidated CaixaWallet, a universal payment method through which customers can make online purchases with any of their cards or accounts, without having to enter details thereof. At the 2012 year end, 30,000 customers had activated this service, with turnover of more than €5 million. This service can be contracted through Línea Abierta.

**Customers can share their ideas or suggestions with CaixaBank through *Inspíranos*, a new Línea Abierta community.**

[Línea Abierta, boosting online sales]



Lastly, CaixaBank has continued to foster customer participation as a source of new ideas. In 2012, the bank emphasized the concept of customer centricity, namely offering stellar service through a strategy of personalized products and services in line with the particular needs of each customer. In that regard, a new customer communications channel, Inspíranos, was added to Línea Abierta. This channel comprises an online community through which customers can share their ideas and feedback on products and services, or make suggestions about how they would like their bank to be. CaixaBank receives over 150 contributions each month. All customers are invited to vote on these contributions, and the highest-ranked suggestions are analyzed for possible development and implementation. CaixaBank specifically responds to customers presenting ideas or suggestions.

### ***CaixaBank bolsters its presence on social networks***

In 2010, CaixaBank created the CaixaEmpresa online community, its first community for companies. At the 2012 year end, there were more than 35,000 registered members in this community. In 2011, the bank rolled out Club Ahora, a social network for older customers, featuring content and special offers of interest to this group. One year later, CaixaBank launched PremiaT, a virtual community for promotions in retail shops, based on geographic location, in which CaixaBank can offer service and activate promotions through Línea Abierta (Internet and mobile banking).

CaixaBank is also present in Facebook, Twitter, YouTube and Flickr, which multiplies the effects of its commercial activity and supports the close customer relationship model. Since 2012, customers can contact the Customer Service Office through a specific Twitter account.

### **Innovation through in-house talent**

CaixaBank innovates to improve working processes and systems, with a view to boosting operating and commercial efficiency and achieving its strategic priorities in a timely manner. In that regard, the bank encourages innovation among its employees, fostering transversal communication of best practices and knowledge generation.

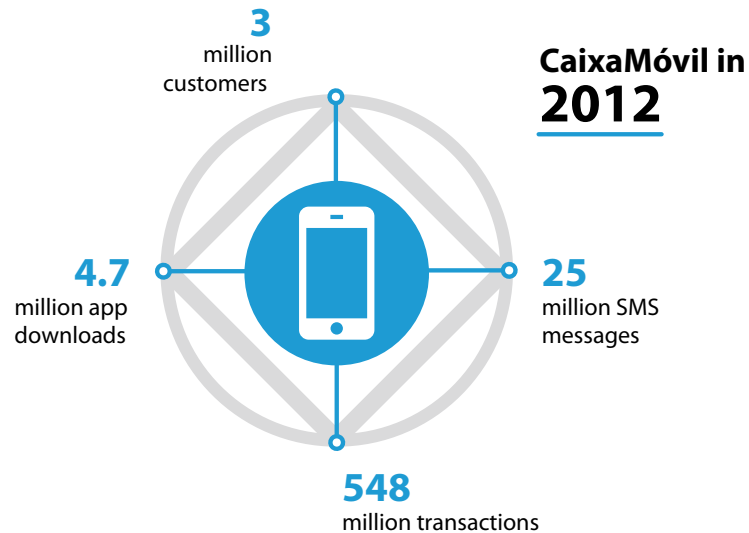
In 2012, CaixaBank received 5,906 suggestions from employees.

A number of channels are available for employees to submit their innovation proposals.

CaixaBank encourages a culture of change and ongoing improvement through:

- The Valora project, which aims to achieve the best possible results at the lowest possible cost, improving productivity and taking up less customer time.
- The Conecta internal professional social network, available in the branch offices, which increases involvement and fosters innovation and participation among all employees.
- Imagina, a space for organizing debates on specific issues and through which any employee can contribute ideas.
- The web space Innova, the framework for the bank's main lines of innovation.
- The Virtaula online learning platform offers a full range of learning opportunities, featuring forums on relevant commercial issues.
- Seeking and strengthening synergies between businesses.





**Always pioneering  
mobile services**

Launch of  
mobile-banking  
portal

Línea Abierta  
Mobile for  
iPhone

"la Caixa"  
iPhone and  
Android app

CaixaMóvil  
app store  
1st experience  
of mobile  
payment  
in Spain

"la Caixa"  
app for  
SmartTV

2001

2008

2009

2010

2011



### **Products and services through mobile banking: CaixaMóvil**

Mobile banking has become the second most popular operating channel among CaixaBank customers, behind Línea Abierta Web and outpacing ATM use. In 2012, the bank maintained its position at the forefront of the sector in Spain, and is one of the benchmark entities worldwide, as reflected in the number-one slot held in the AQMetrix ranking.

In 2012, new Línea Abierta Móvil projects were rolled out to facilitate mobile payments and to make mobile banking a common sales channel. The bank also unveiled CaixaMóvil Store, the first app store of a bank, which offers customers over 60 free applications compatible with many different mobile phone operating systems. Highlights rolled out in 2012 include the Bolsa Abierta app and its derivatives, as well as applications for making contributions to deposits and mutual funds from a mobile phone.

Many of these applications were only possible thanks to new technologies. For example, using OCR technology and mobile phone cameras, it is possible to identify data from an image and therefore deposit a check or pay a

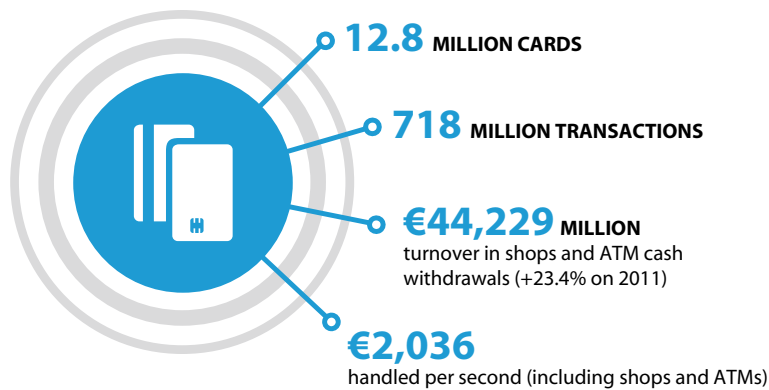
receipt. In addition, augmented reality makes it possible for customers to locate branch offices, while geolocation through mobile GPS makes it possible to pinpoint promotions of retail shops that are also customers of CaixaBank and that are close to the customer's location of choice.

In 2012, the bank created its mobile micro-donations portal, which allows customers to contribute to different projects managed by the "la Caixa" social welfare area. An application was also developed for Google TV, allowing customers to perform any transactions or operations using this device.

In order to remain at the forefront of innovation, CaixaBank collaborates with other entities. In that regard, the bank helped organize the Banking on Innovation event, the first Mobey Day, and the second edition of the FinApps Party, an international marathon to develop mobile applications for financial services. In 2012, two new applications arising from the first edition were rolled out: the Stock Music app, which allows users to follow stock market and index fluctuations on their mobile device, while listening to music, and the Aprende Ahorrar app, which helps parents teach their children the value of saving. Over 3,000 downloads have been made to date.

## Leader in the cards market

### CaixaBank cards in 2012



CaixaBank is the top-ranked financial entity in terms of market share for card turnover (20.9%).

In 2012, contactless cards gained considerable ground, extending from the Balearic Islands, where they were rolled out in 2011, to Barcelona (capital city and province), Madrid and Navarra. Over 1.65 million transactions (purchases of over €61 million) have been carried out with the more than 1.2 million contactless cards in circulation; these

cards do not need to be swiped at a point of sale terminal. CaixaBank has fostered campaigns to increase use of this payment form in sectors with low use of cards, such as in local markets and in taxis.

Also in 2012, in its second year of existence, Comercia Global Payments, a company born from the agreement between CaixaBank and Global Payments (a US-based payments company), handled over 658 million retail transactions (€25,400 million).



**1.2**  
million contactless  
cards were in  
circulation





The point-of-sale network for CaixaBank retailer customers reached 202,539 units at the 2012 year end, with a market share of 23.7% of card turnover.

In terms of online transactions, 3.1 million CaixaBank customers performed a total of 26 million transactions, representing a year-on-year increase of 9%. CaixaBank had 13,331 virtual store customers, 19% more than in 2011, generating 36 million transactions (up 11% year on the previous year).

At the 2012 year end, CaixaBank created Money to Pay, the first electronic money company in Spain specializing in pre-paid cards. Money to Pay's specialized team aims to spur growth in the increasingly popular pre-paid segment, focusing on extending and improving the pre-paid products and services offer and on adding new channels, such as shopping centers, department stores, kiosks and retail shops. At December 31, 2012, 959,000 pre-paid cards had been issued (7.7% of the total).

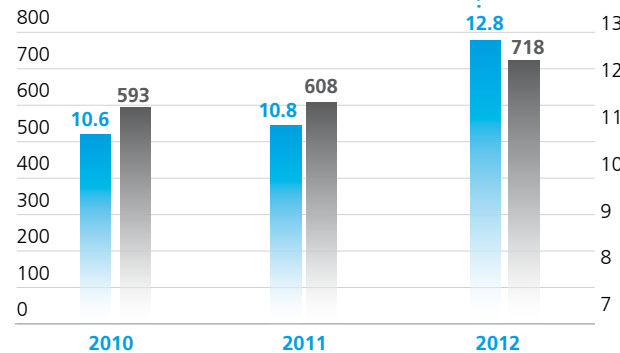
**[ 26 million cards  
used online  
+9% vs 2011 ]**

**[ 24 million transactions  
on virtual stores, CaixaBank  
customers  
+11% vs 2011 ]**



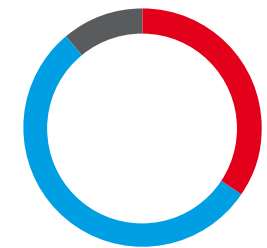
[Cards in circulation and transactions performed]

millions



Total no. of cards

No. of transactions per year



Credit 34.9%  
Debit 54.7%  
Pre-paid and "wallet" 10.4%



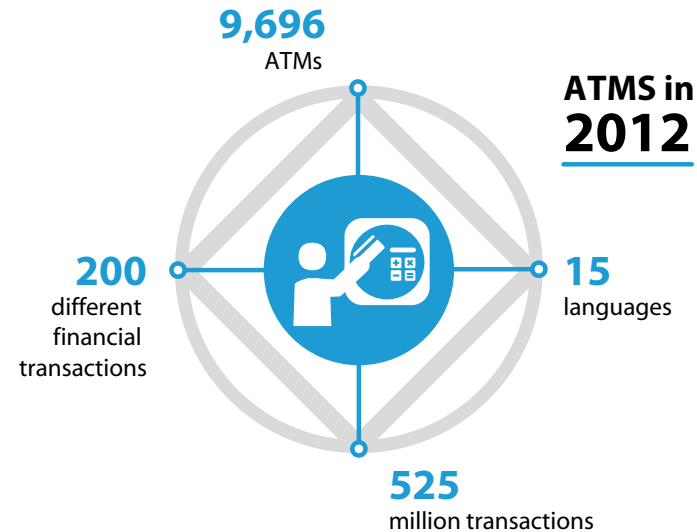
### *The leading network of self-service terminals in Spain*

In 2012, CaixaBank continued to improve both the user experience and security in its terminals, as well as accessibility. Over 95% of ATMs were fully accessible at year end.

In addition, following the integration of Banca Cívica, the self-service terminals from Banca Cívica branches were adapted to allow use in both the Servired network and the Euro 6000 network. At the 2012 year end, 3,300 such ATMs could be used on both networks, while the bank's entire ATM network will have been adapted by March 2013.

In 2012, CaixaBank began rolling out new ATMs with contactless technology in Barcelona, making it the first city in the world to feature this type of automated teller. More than 700 terminals were installed in and around Barcelona and Madrid during the year.

This technology speeds up and simplifies transactions, as money can be taken out by just bringing a contactless card or mobile phone near the teller machine. With the contactless system, customers save 30% more time than with the usual method.



***CaixaBank has the largest network of self-service terminals in Spain, and the second-largest in Europe***





### **ATMs for everybody**

Since 2011, CaixaBank has led the APSIS4all project in Spain, aimed at improving accessibility of ATMs. This work to improve use, security and accessibility of ATMs will be implemented in 2013.

CaixaBank makes great efforts so that all its customers can easily access the bank's services. In fact, it was the first financial entity in Spain to offer sign language instruction videos on its ATMs. The self-service terminals feature keyboards that are adapted for use by visually-impaired individuals, sign language videos subtitled in Spanish and Catalan, and the option to personalize the service by pressing "1111" for visually-impaired individuals and "2222" for the hard-of-hearing users. Teller machines are also accessible for specific groups of people, offering visually-impaired individuals Braille instructions and the possibility to use headphones.

In 2012, CaixaBank continued to work to ensure ease of use, carrying out pilot tests toward improving accessibility at ATMs, whereby people with impaired motor skills can use directional keys to navigate ATM screens.

In view of these efforts, CaixaBank received the 2012 Outstanding Service Award for the best ATM service in Europe. In 2012, CaixaBank collaborated with the ATM Industry Association (ATMIA Europe) to organize the second European ATM Innovation Forum, a platform for developing and sharing cutting-edge practices in this field.

**CaixaBank has installed the  
first contactless  
ATMs in the world**

**CaixaBank awarded the Outstanding  
Service Award for the best ATM  
service in Europe**





## New data processing center

CaixaBank's solid growth brought with it the need for a new data processing center (DPC). This space is remote from CaixaBank's Central Services buildings, ensuring that critical business functions will remain active even in the event access to Central Services buildings is hindered.

The new building earned LEED Silver certification as a sustainable construction. Coupled with the greater efficiency derived from updated IT equipment, CaixaBank has locked in considerable energy savings

New IT equipment,  
**15%**  
more efficient

## IT infrastructure and services

CaixaBank's flexible and large-capacity IT system allows it to proactively respond to customer needs, ensure growth and adaptability to business needs, and guarantee that information is available at all times.

The ongoing improvement in branch office technological resources helps lighten employee workloads so they can offer the best possible service to customers. In 2012, CaixaBank updated the software used in branch offices as well as their PCs, screens and operating systems. This change boosted energy efficiency, contributing to energy savings of over 15% compared to the previous equipment and reaffirming CaixaBank's commitment to the environment.

The change allowed employees to access corporate services and software using mobile devices such as tablets and smartphones, and enabled the virtualization of applications based on cloud computing.

CaixaBank is currently digitalizing all of its processes, which increases efficiency while maintaining maximum levels of quality and security.







## IT system security

In 2012, in view of growing threats and in order to adapt to the new group structure, CaixaBank made considerable headway in implementing its 2011-2014 Strategic Information Security Plan, focusing on mitigating information leaks. CaixaBank, which has renewed its ISO 27,001 certification, works to protect both its image and information on its customers. With these objectives in mind, in 2013 the bank will communicate security measures to all employees.

In order to ascertain and share best IT security practices, CaixaBank is involved in several working groups in Spain and around the world. These include the Security Working Group and the IT Security and Card Fraud Group at the Interbank Cooperation Center (CCI). CaixaBank is also represented in a number of specific forums, such as the Internet Security Forum (ISF) council and the Board of Directors of the Information Systems Audit and Control Association (ISACA Barcelona).

### *CaixaBank integrated two technological platforms in only nine months*

Following the absorption of Banca Cívica, it was necessary to integrate the different systems used, both from a technological and an operational standpoint, while minimizing the impact on customer operations and maintaining the level of service quality provided. In 2012, CaixaBank integrated the technological platforms of Caja de Navarra and CajaSol. The integration of CajaCanarias and Caja de Burgos platforms is scheduled for the first four months of 2013, while that of Banco de Valencia is planned for the second four months of the year.

CaixaBank therefore offers, within record time, a single operational platform, without having required customers to

perform any specific actions or having affected customers' operating capacity in any way.

Overall, the process entailed the collaboration of over 1,000 CaixaBank employees, and required the conversion of data on 4.5 million customers holding 13.5 million product contracts.

In addition, as part of the implementation plan, Banca Cívica employees underwent detailed training prior to the integration.

This streamlined integration is a major advantage in the restructuring being carried out in the financial sector, given the short timeframe needed and the fact that it is a complete unification: i.e. involving integration at both the technological and operating levels.

***Since the very first day of integration of Banca Cívica, new customers have been able to operate as usual***





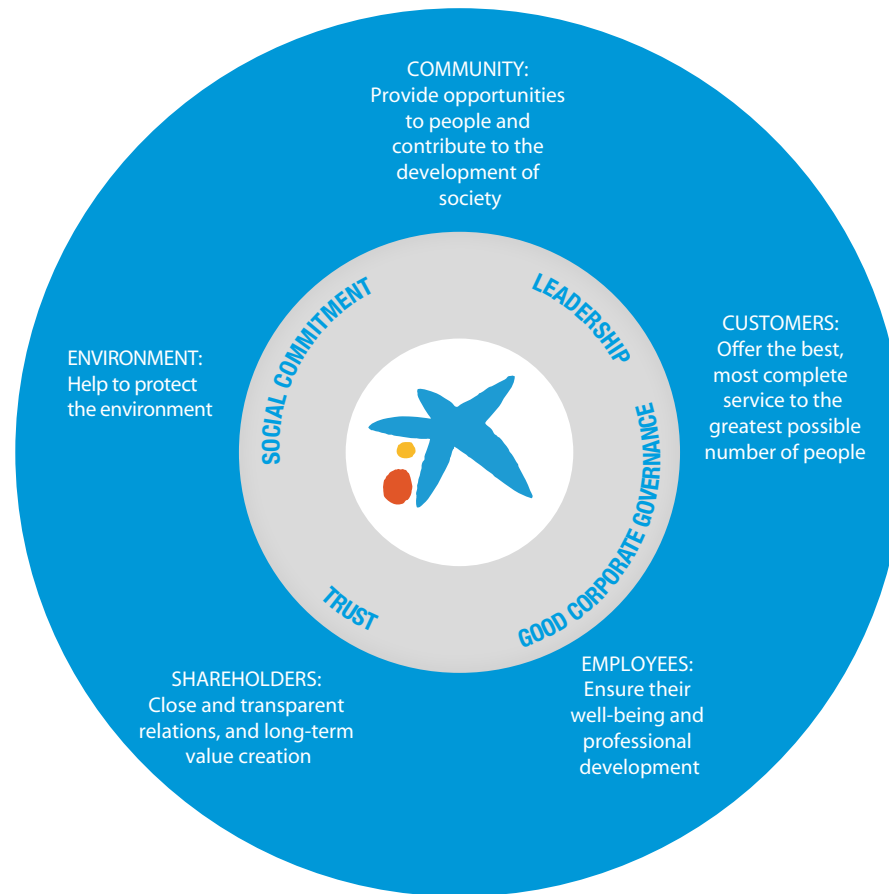
## 4.2 [Value creation for stakeholders]

**CaixaBank's strategy is built on its corporate values of leadership, trust and social commitment, which guide all its current and future activities.**



- Leadership: commitment, integrity, professionalism and teamwork.
- Trust: of customers and society, gained through a management approach that gives priority to solvency and providing the highest quality service possible.
- Social commitment: the business's ultimate objective.

It shares with "la Caixa" a commitment to people and the environment, and to creating value for shareholders and contributing to society. It achieves this through a management system that is efficient and sustainable from an economic, environmental and social point of view





KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	<b>SHARED VALUE CREATION</b> Value proposition Value creation for stakeholders	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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## Shareholders: dialog and proximity

**One of the commitments undertaken by CaixaBank is to create value for its shareholders in the form of attractive remuneration (23 cents per share), with maximum transparency in their relations. The bank's policy of permanent dialog with shareholders has been underlined by the fact that 2,204 direct queries were dealt with in 2012. These and other initiatives led to a Barcelona Chamber of Commerce award for CaixaBank as the "Entity providing the best information for shareholders and the market".**

CaixaBank has a specific section on its website displaying information of particular interest to its shareholders. This is the Shareholder Services section, with data on remuneration, information and advantages for Shareholders.

[!\[\]\(de95854c7ee024cfadc48187bbb781b2\_img.jpg\) Go to Shareholder Services](#)

The service acts in complementary fashion to the channels for shareholder communication required by the Spanish Securities Market Commission (CNMV)

to enable shareholders to voice their concerns and have them included in CaixaBank initiatives:

- **The Shareholder Office** in Barcelona, offering a direct channel to air doubts, make inquiries or submit suggestions.
- **The Shareholder Information Service**, with an e-mail, a phone number and a postal address to contact the bank. More than 2,200 inquiries were dealt with in 2012.

[CaixaBank shareholder relations]



**Communications sent to shareholders  
by letter, e-mail and SMS**

**1,422,000**



- The **CaixaBank Shareholder Advisory Committee** is composed of 17 members, representing the bank's shareholder base. The committee met twice in 2012. At its first meeting, it conducted a review of the initiatives deployed at the request of the committee, and new ideas were taken on board to bolster relations between shareholders and the entity. The second meeting performed an efficiency assessment of the shareholder information channels established. This meeting was attended by the five new members joining the committee as part of its partial annual renewal, including representation by Banca Cívica shareholders.

- **Annual General Meeting**, held in April. The **Extraordinary General Meeting** was held in June, and shareholders issued approval for Banca Cívica's incorporation into CaixaBank.

At both the Annual and Extraordinary General Meetings, arrangements were made for a specific space to address personal shareholder inquiries, where they were informed as to the various initiatives and actions carried out for them

by the entity. The General Meetings were broadcast live on the Internet to enable any shareholders unable to attend to following the proceedings in real time.

The following information initiatives were also coordinated:

- The *Shareholder Magazine*, a quarterly corporate publication. Two printed issues were brought out in 2012 (May and December), and also two online versions (February and September).
- Shareholder Bulletin Reports. In addition to the daily reports already available, in 2012 CaixaBank introduced its weekly and monthly reports. Shareholders can subscribe to the reports by e-mail.
- E-mails and SMS messages in relation to the Annual General Meeting, corporate transactions, publication of results, shareholder remuneration and other offers and discounts, among other information.
- A welcome communication was issued to the new Banca Cívica shareholders.

### Knowledge-building and sharing

CaixaBank provides tools and content to help its shareholders enhance their knowledge of financial markets and the state of the economy. To this end it offers courses on stock market issues and macroeconomics, guides and dictionaries with useful content for anyone interested in investing in the stock market, along with cooperation with top-ranking financial and market educational institutions. All this information and the knowledge-building resources and videos are available on the corporate website.

Several courses were run in 2012 in a number of Spanish cities –“Securities Market Introductory Course” and “Analysis and state of the economy”– as a pioneer initiative among Spain's Ibex-35 companies, to meet the needs of certain shareholders wishing to gain a basic understanding of the field. A total of 13 courses were organized, and were attended by 790 shareholders. Another initiative, the “CaixaBank Shareholder Circle”, was also introduced, with conferences and talks by expert economists.

### Advantages and discounts for shareholders

In 2012 CaixaBank launched a new program offering shareholders a range of financial and non-financial benefits, among which:

- The CaixaBank shareholder card, which is free in any format (debit, credit or prepaid). The card entitles holders to exclusive benefits and discounts.
- Extra benefits on CaixaBank customer loyalty programs such as MultiEstrella.
- Regular offers for shareholders - technology products, travel, food etc.
- Invitations to cultural and sports events. The “Conocer CaixaBank” (Meet CaixaBank) initiative, which arranges shareholder visits to head office in Barcelona.
- Competitions.



## Customers

**CaixaBank secured the EFQM Gold Medal for Excellence in 2012, a stamp of approval that reflects the bank's unfaltering dedication to service excellence. Given the testing economic climate, the workforce has stepped up efforts to maintain high levels of customer satisfaction and to adapt accordingly to the new emerging environment.**

CaixaBank aspires to offer quality service rooted in personalized care and an extensive product and service portfolio to its 13 million or so customers. To accomplish this, it has a team of around 31,000 people striving to maximize service excellence.

### Quality and customer service

Against a complex economic and financial backdrop, CaixaBank has continued to roll out initiatives to ensure that its levels of service remain untarnished. A prime example of this is the fact that one of the main objectives it has successfully reached is obtaining Europe's most prestigious recognition for excellence.

CaixaBank secured the EFQM Gold Medal for Excellence in 2012 (+500 points). The seal was awarded by the European Foundation for Quality Management and singles out organizations, institutions

and companies that effectively integrate the EFQM Excellence Model into their management and that are staunchly committed to ensuring stakeholder satisfaction: including customers, shareholders, employees and society at large.

So as to keep up its unrivalled levels of service, CaixaBank conducts satisfaction surveys to gauge the opinions of its customers. The bank has an internal indicator in place to measure the quality of its service. Coined the Personalized Service Index (PSI), it is essential in tracking and improving quality throughout its branch network. The PSI measures how staff treat customers and their availability, as well as assessing the basic requirements for each staff position. Scores are awarded for product knowledge, the ability to adapt to customer needs, and initiative or proactivity shown when selling or marketing, among other parameters.

**CaixaBank secured the EFQM Gold Medal for Excellence in 2012**

To create the index, CaixaBank conducts 20,000 monthly surveys with retail customers and 3,900 yearly surveys with companies. In 2012, the bank broadened and improved the studies aimed at its different customer types, including surveys that measure the service provided by business centers, SME centers and Private Banking, along with customer satisfaction in relation to the different channels (ATM network, Línea Abierta, CaixaMóvil) and the satisfaction of customers wishing to terminate their relationship with CaixaBank.

Despite testing economic conditions, CaixaBank managed to keep up high levels of service in 2012, allowing it to maintain, albeit with a slight drop, the level of satisfaction of retail customers while increasing the satisfaction of corporate customers, which has always remained outstanding.

## A model of excellence

The EFQM model allows companies to reflect on the way in which they manage, shape and deploy their strategy across all areas, while also allowing them to analyze the results obtained and how to assess and review results as part of a permanent improvement cycle. For CaixaBank, obtaining the EFQM seal required the bank to disseminate, verify and deploy its management model throughout the entire organization in accordance with the requirements of the European Model of Excellence.

The accolade has shown CaixaBank to have the following strengths:

- Clear focus on customer service
- Commitment to innovation, excellence and being at the leading edge, thus enabling it to become a market leader
- Excellent earnings flowing from sound economic and financial management
- CaixaBank's workforce shares in its social commitment

As well as the surveys, CaixaBank has continued to measure the quality of sales activity at branches. The bank has devised and rolled out an indicator to help attract customers using the mystery shopper technique, enabling the bank to observe how potential new customers are treated. Management tools such as scripts and sales brochures are also employed to improve the bank's expertise and success in accomplishing a key task: attracting and securing the loyalty of new customers.

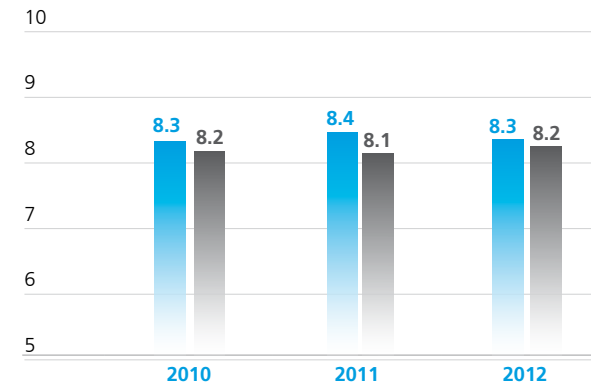
As regards the integration of Banca Cívica, CaixaBank has conducted specific satisfaction surveys at certain branches so as to measure the impact the merger

has had on customers. The results of the surveys have provided a platform for managing and controlling quality at these branches and for proactively detecting aspects that can be improved upon.

### Customer Care Service (CCS)

CaixaBank provides customers with several channels of communication, all managed through the Customer Care Service: letters to the C.E.O., the freephone customer service number (900 323 232) and a form available on the bank's website. Comments can also be posted on the bank's Twitter account, which has been active since 2012.

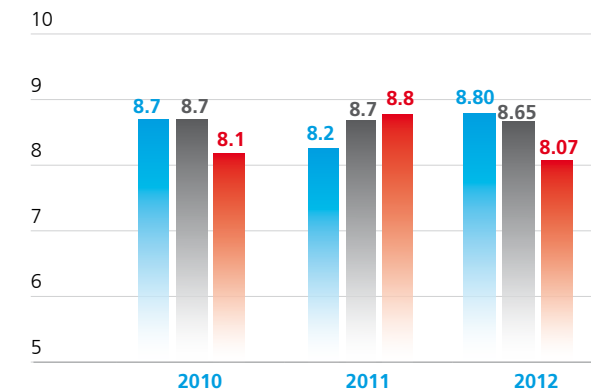
### [Customer satisfaction index (on a scale of 1 to 10)]



#### Retail

#### Corporate

### [Satisfaction survey results (on a scale of 1 to 10)]



#### Línea abierta

#### ATMs

#### ATM lobbies







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All correspondence received is analyzed and dealt with by the relevant branch manager, or the relevant head at Central Services or at the group's subsidiaries. In 2012, the Customer Care Service received a total of 25,927 complaints and claims.

In contrast to 2011, and owing to both the economic and financial climate in general and the specific problems emerging over the course of 2012 (preference shares, debt restructuring, etc.), the number of customer claims actually increased.

The main grounds for customer complaints concerned preference shares/subordinate debt, commissions charged, the terms and conditions of products and services, and issues relating to borrowing/debt refinancing.

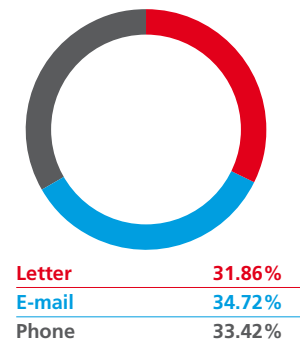
Given this situation, the bank has remained true to its basic principles and focused efforts on addressing each claim individually. This has allowed CaixaBank to offer solutions to each of the situations and problems raised.

The bank also addressed a total of 5,241 claims brought before the Customer Ombudsman for Catalan Savings Banks and the Customer Care Service. CaixaBank must comply with all decisions reached by the Customer Ombudsman, while customers are under no obligation to accept them.

#### [Customer correspondence received through the CCS]

	2010	2011	2012
Enquiries or suggestions	17,375	16,377	11,492
Positive feedback	154	140	91
Claims or complaints	20,633	17,178	25,927
<b>TOTAL</b>	<b>38,162</b>	<b>33,695</b>	<b>36,880</b>

#### [Claims received by the CCS, by channel]



#### [Claims brought before the CCS and the Customer Ombudsman of Catalan Savings Banks (2012)]

	CCS	Customer ombudsman	Total
Resolved in favor of la Caixa	77	1,338	1,415
Resolved in favor of the customer	0	509	509
Irrelevant/Not admitted	13	1,762	1,775
Abandoned by customer	8	16	24
Outstanding/awaiting decision	13	1,505	1,518
<b>Total</b>	<b>111</b>	<b>5,130</b>	<b>5,241</b>



## Preference shares

In May 2011, investments in preference shares by retail customers stood at roughly €30,000 million (including instruments issued by non-financial entities: Repsol and Telefónica).

For more than a decade, this product offered attractive yields and immediate liquidity through an internal secondary market. Yet towards the end of 2011, and upon a request from market regulators, the internal secondary market was replaced with an external market (SEND), whereupon transactions would become subject to the prices determined by the market.

Regulatory requirements coupled with the special nature and characteristics of this kind of instrument (perpetual and subordinate) prompted issuers to offer alternatives effectively enabling retail customers to dispose of their preference shares.

CaixaBank was one of the first entities to offer a solution to the poor liquidity of these instruments, substituting them for other financial instruments offering more attractive features or for bank products.

Of the various solutions offered by the sector to the problem of preference shares, CaixaBank is the only entity to have offered to buy back the shares through a combination of 10-year fixed income instruments (70% of the investment) and bonds that must be converted into shares (the remaining 30%), thus covering 100% of the par value of the preference shares. Following the offer, CaixaBank improved the yield on the convertible bonds and pushed back the share conversion window to December 2015 (making the conversion optional instead of compulsory) in a bid to prevent customers from suffering losses.

According to an independent expert report, and owing to the characteristics of the preference shares and prevailing market conditions, the instruments had the following market value at year-end 2011; the time CaixaBank presented its buy-back offer: 30% for placement 1, 40% for placement 2 and between 56% and 63% for placement 3. The bonds, on the other hand, were awarded a considerably better market value: 100% for the Convertible Bonds, 71% for Subordinate Bonds I and 77% for Subordinate Bonds II.

98.41% of customers owning preference shares (140,628 at year-end 2011) accepted CaixaBank's buy-back offer, which had the following advantages:

- Buy-back at full par value
- Products with defined maturities
- Better returns

In keeping with its hallmark policy of social commitment, CaixaBank also offered special personalized solutions for customers needing to free up liquidity, with the entire bank, and particularly the branches, playing an important role.

It is worth noting that the bank handled 7,319 customer claims, accounting for 5% of the total number of preference share holders, seeking in each case the best possible solution to inject liquidity without this costing the customer anything. A total of 361 claims were received from Banca Cívica customers, representing 0.8% of all preference share holders.

**CaixaBank was one of the first entities to offer a solution to the poor liquidity of preference shares**





CaixaBank has provided free lines of credit to customers with liquidity needs, with the only collateral being the instruments themselves. A total of 8,098 loans were awarded in 2012

Also in 2012, CaixaBank worked jointly with the leading Spanish consumer associations to offer solutions and provide liquidity for all customers affected. At year-end 2012, over 3,000 customers had signed up for the financing solutions recently put in place.

In June 2012, Banca Cívica also launched an offer to buy back preference shares. Acceptance was overwhelming, amounting to 97.36% of the preference shares outstanding at the time of the buy-back offer (of a total of 42,249 shareholders).

The main advantages of the offer are outlined below:

- Yearly nominal, supported by the strength of CaixaBank

- No pre-defined bond-share conversion price, with the price to be the average listed price of the share over the 15 trading days ahead of the conversion and/or exchange, subject to a floor of €1.92 and a cap of €32 per share, thus reducing the risk of capital losses

In addition to the advantages described above, customers that accepted one or other of the offers essentially handed over negotiable instruments with an estimated value well below that of the securities they received in exchange. The buy-back offers of both CaixaBank and Banca Cívica have allowed customers to change an investment in a perpetual instrument for one in other, more liquid instruments with fixed maturities.

Other schemes within the sector largely involved exchanging preference shares for convertible bonds or for shares directly, in some cases with haircuts, i.e. at less than 100% of the nominal value of the preference shares. In this regard, neither CaixaBank customers nor the former customers of Banca Cívica have suffered any such haircut.

**CaixaBank is the only entity to have offered to buy back the shares at 100% of par value**

[Sector uptake of the different alternatives]



Shares or convertibles	34%
S/term deposits	3%
Combination bonds + convertibles (CaixaBank)	23%
Shares or convertibles with haircut	12%
Other	28%

## Responsible communication and sales policy

CaixaBank has a MiFID Financial Instrument Transparency Committee, comprising the Business, Legal, General Secretariat, Resources, Audit, Internal Control and Compliance areas and chaired by the Executive Director of Legal.

The committee acts as a decision-making body embracing all aspects related to transparency in the design and marketing of financial instruments and banking products. The committee is tasked with ensuring compliance with policies in place to protect customer assets, improving order execution and preventing conflicts of interest. It also validates the classification of new financial instruments and banking products based on their risk and complexity, in accordance with the provisions of MiFID and banking transparency regulations. Accordingly, the launch of any new product or service requires the prior approval of the committee.

CaixaBank also has a Commercial Communication Policy in place, based on legal requirements and respect for society, customers and the bank's corporate values. In keeping with this policy, during 2012 CaixaBank put a total of 1,563 prior consultations before the Spanish

Association for Advertising Self-Regulation (Autocontrol): an entity authorized by the Bank of Spain to monitor the advertising of financial products and services. All these submissions obtained a positive report from Autocontrol. In similar fashion, no legal action for misleading advertising was brought in 2012.

The bank has also applied a new style guide for all sales communications. The guide seeks a more transparent format, keeping legal text to a bare minimum and incorporating it into the main text, while increasing the size of the small print, which should be limited to company registration details. In short, CaixaBank has opted for a more accessible and less technical linguistic style. Printed advertising will also feature more white space, making it easier to read while making possibly restrictive small print more visible.

So as to ensure sustainable advertising campaigns, during 2012 CaixaBank required all printing firms involved in its printed advertising and all suppliers of printing and commercial correspondence personalization systems to seek and obtain Forest Stewardship Council (FSC) certification. This certification ensures that both paper manufacturing and printing processes are sustainable and environmentally friendly.

 For further information on the FSC





### Measures to help mortgage holders experiencing financial difficulties

Since 2009, CaixaBank has been rolling out a raft of measures under its Support Plan to Prevent Defaults, which aims to help customers with financial difficulties pay their mortgage installments on their primary residence, tailoring the installments to their available income. Since its roll-out, the plan has provided families with close to 277,000 debt relief measures.

CaixaBank is striving to offer solutions in a bid to avoid evictions or dation in payment, both situations in which the customer ends up losing their home. With this objective in mind, CaixaBank has become the first entity in the Spanish market to create a taskforce charged with offering solutions to each situation. The team comprises 1,290 people deployed across Spain, 412 of whom work directly in the branches.

When a customer with a mortgage on their first home cannot claim relief under the Support Plan, the bank may offer dation in payment, thus avoiding the need for legal action. Under this option, the customer hands over their home in exchange for the bank writing off their debt. In these cases, the customer may

[Total actions undertaken<sup>1</sup> 2009-2012]

Number of actions	2009	2010	2011	2012
Interest-only	6,826	11,314	13,477	16,557
Grace period	158	89	96	102
Moratorium	15,282	11,143	11,565	21,448
Debt restructuring	55,251	37,683	35,042	40,544
<b>TOTAL</b>	<b>77,517</b>	<b>60,229</b>	<b>60,180</b>	<b>78,651</b>

(1) Number of actions underway and finished. As one given contract may have undergone various actions, overlaps may exist in certain cases.

be allowed to continue living in the property under a lease agreement. In extreme cases of disability or risk of social exclusion, the “la Caixa” Foundation may subsidize part of the rent after analyzing the case in detail. A total of 2,852 individuals have benefitted from this option since 2009.

On this particular point, a specific committee has been set up within CaixaBank to decide upon evictions that must be enforced and those that should be suspended because they affect

especially vulnerable people, relying to such end on the proposals put forward by the mediator of ServiHabitat, the real-estate services company of “la Caixa”. If suspended, new alternatives or exceptional measures can then be explored. Three people sit on the Eviction Committee, representing Legal, Risks and ServiHabitat.

**CaixaBank, the first entity to have a taskforce offering solutions tailored to each case**





## Support Plan

The measure was created primarily for families that have been meeting their payment obligations but suddenly find themselves unable to pay due to unemployment affecting any of the mortgage holders, illness, a temporary drop in income, or other circumstantial factors.

There are a number of different support measures intended for retail customers with mortgages. The final choice will ultimately depend on the individual needs of each customer, with the aim being to restructure the debt burden on their primary residence.

- An interest-only period may be added to the contract with the effect of lowering the installment temporarily.
- With the "la Caixa" Hipoteca Abierta mortgage, a grace clause can be invoked, allowing the customer to defer payment completely for up to a year.

- Debt restructuring: substitutes all debt secured with personal guarantee for a single mortgage loan.
- Arranging a second mortgage or allowing for new drawdowns on the Hipoteca Abierta mortgage to meet installment payments.

When the customer is unable to refinance their mortgage under the Support Plan, dation in payment may be offered so as to pay off the customer's debt while avoiding costly legal action.

Dation in payment involves discharging a debt in full by handing over a property to the lender. CaixaBank also offers customers the option of renting properties that are handed over as dation in payment under a lease agreement tailored to their circumstances.

In extreme cases of severe physical or mental disability or risk of social exclusion, the "la Caixa" Foundation may subsidize part of the rent over a certain period of time after studying the case in detail.

CaixaBank rents out over 4,200 flats through the Alquiler Solidario (Solidarity Rental) Programs. These properties are subsidized by the "la Caixa" Foundation and rented to people whose incomes have fallen due to the crisis or who have had to hand over their flats as dation in payment to cancel their mortgage loans. In 2013, this figure is expected to rise to 6,200 flats.

### December 2012

Dation in payment (2009-2012 period)	8,110
% lease agreement	13.4%
Affordable Housing Program (flats at December 31, 2012)	4,200
Awarded flats (at December 31, 2012)	2,117
Mortgages held with natural persons (contracts to December 31, 2012)	1,318,463

### ***Vivienda Asequible (Affordable Housing) and Alquiler Solidario (Solidarity Rental) schemes***

The “la Caixa” Group, acting through the “la Caixa” welfare projects, has rolled out its Vivienda Asequible (Affordable Housing) scheme. The program, first launched in 2005, is intended to help young people, the elderly and families find a home, with more than 3,200 homes rented in 2012 (this figure is expected to climb to 4,000 in 2013). Rent typically costs between €190 and 350 for young people and the elderly, and between €300 and 500 for families.

The new Alquiler Solidario (Solidarity Rental) scheme was rolled out in 2011, offering over 2,200 homes across Spain. The aim here is to help find a home for people whose income has been hit by the prevailing crisis.

These homes are located in different regions of Spain, with monthly rent of up to €300. The “la Caixa” Foundation subsidizes half of this rent, meaning the tenant will have to pay no more than €150 a month. The homes are awarded through public draws, governed by the principles of objectivity, transparency and publicity. Near 2,200 homes were awarded in 2012, with a further 2,200 homes expected to be added in 2013.

***10,400 flats expected to be subsidized by the “la Caixa” Foundation through the Affordable Housing and the Solidarity Rental schemes in 2013***



***Over 4,200 homes available to people whose income has been hurt by the crisis***

Furthermore, a decentralized version of the Lloguer Solidari scheme was added in 2013, also subsidized by the "la Caixa" Foundation, whereby the territorial divisions of CaixaBank can now arrange the rental of up to 2,000 homes for people who, having had their mortgage foreclosed and who have therefore lost their primary residence, would like to continue living there. The new decentralized version of the scheme can also help to find a solution to cases deserving dation in payment. The lease agreements are for five years, with the rent subsidized by the "la Caixa" Foundation during the first two years of the contract up to a maximum of 50% of the installment. The scheme can also accommodate other cases of social concern passed on by mediators; people who liaise between bank and debtor.

On March 15, 2012, CaixaBank adhered to the Spanish government's Code of Good Practices for the viable restructuring of mortgage loans on primary residences. CaixaBank's decision to join was based on the fact that the code mirrors one of its own core objectives: its long-standing fight against social and financial exclusion.

The Code of Good Practices applies to homes worth up to €200,000, an amount that is scaled to reflect the number of people living in the area. The aim is to protect families at risk of social exclusion,

particularly when all family members are out of work and when their mortgage installment exceeds 60% of the net income of the family unit as a whole, among other criteria.

On May 3, 2012, the bank signed the first mediation agreement with the Government of Catalonia (Generalitat) to help prevent evictions. The aim here is to champion and encourage mediation processes before the bank decides to foreclose the mortgage following defaults caused by financial problems.

At year-end 2012, and effective as of 2013, CaixaBank furnished 850 homes to the State Social Housing Fund (Fondo Social de Viviendas Estatal) of the Spanish Confederation of Savings Banks (Confederación Española de Cajas de Ahorros, or CECA). These homes will be used to house families evicted as a result of enforcement proceedings brought by the same entity owing to non-payment of a mortgage, insofar as the families are considered especially vulnerable. In the case of CaixaBank, and given the small number of foreclosures (illustrating the bank's desire to avoid such drastic measures), the homes will also be made available to families that have lost their home through foreclosures enforced by other entities. The flats will be rented at between €150 and 400 and in no event may cost more than one third of the tenants' income.





## CaixaBank alongside entrepreneurs

**In an unfavorable economic climate, the bank has exponentially increased its efforts to contribute to the socioeconomic development of the country. Under this framework and through MicroBank, it has granted 40,784 microcredits to entrepreneurs and families, invested €6 million in 36 innovative projects, and supported companies with great growth potential through the EmprendedorXXI prizes.**


**1, 6, 8 and 9**

One of the keys to the economic development of any country is the building and maintaining of a strong business fabric. To this end, CaixaBank offers a wide array of products and services for companies and self-employed professionals. It has invested in innovation by fostering a change in the productive model and facilitating the financial inclusion of the population through MicroBank, Caixa Capital Risc (its venture capital management company), EmprendedorXXI (the "la Caixa" program

for entrepreneurs). Furthermore, in 2011 it launched a program to support social entrepreneurs through the "la Caixa" Foundation. These initiatives are designed help the bank to boost productivity, create new jobs, and improve the quality of life of families.

### *MicroBank, an innovative social banking model*

Since 2007, MicroBank, the only Spanish bank specialized in microfinance, has offered solutions to different segments of the population whose financial needs are not being sufficiently met, through financial products and services that are especially adapted to the needs of micro-entrepreneurs, individuals and families, in order to boost production, job creation, self-employment, personal and family development, and financial inclusion.

In 2012, MicroBank awarded 40,784 microcredits totaling €235.5 million.

The average loan awarded amounted to €5,774, or €10,412 for loans for entrepreneurs' business projects. The number of microcredits awarded during

**Since its creation, MicroBank has granted**  
**169,282**  
**microcredits amounting to €1.045 billion**

### **Microcredits to meet every need**

#### **For entrepreneurs:**

- Financial microcredit: targeting self-employed professionals and micro-enterprises that require financing to start or expand their business, or to cover working capital requirements.
- Social microcredit: to finance self-employment projects by people who may have difficulty accessing the traditional lending system. These individuals receive advice from one of 500 entities collaborating entities before the microcredit is awarded.
- EcoMicrocredit: for entrepreneurs, the self-employed, and micro-enterprises committed to the environment which dedicate the financing secured to investments in sustainable sectors and

in products that entail improving the environment.

#### **Microcredits for people and families:**

a personal loan for individuals and families with incomes of less than €18,000 per annum to finance projects relating to personal or family development, and one-off or unexpected needs (expenses related with the home, healthcare, education; needs associated with situations of dependency or disability, reuniting families, etc.)

**Secured microcredit:** loans starting at €300 in which the guarantee provided by the person is a piece of jewelry they own. These loans are directed at people who, due to their work, financial, or family situation, face difficulties accessing traditional financing avenues.



the year is up 8% year on year. The growth in microcredits awarded to entrepreneurs is especially striking, with the number rising by 15% since the previous year. At year-end 2012, the bank's outstanding microcredit portfolio totaled €424.3 million, up 12% on 2011.

According to the report on the impact of microcredits in 2011 published by Esade and MicroBank, 1.95 jobs are created on average in companies that have obtained microcredits, taking into account the entrepreneur. Since it was established, MicroBank has assisted in creating or protecting 78,454 jobs.

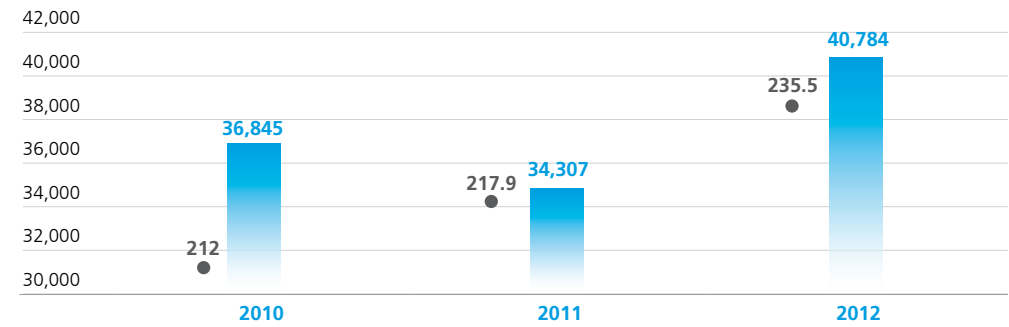
[+ Access to the Report on social impact of microcredits](#)

While the NPL ratio rose slightly during the second half of the year, it was within acceptable limits, standing at 2.02% at year end, which is considerably lower than the sector average in Spain. The quality of the loan book remains one of the key factors ensuring the project's sustainability.

MicroBank has a high level of capitalization and liquidity, an extensive network, the support of its sole shareholder CaixaBank and the backing of European financial institutions. These competitive strengths will allow it to expand its business, and incorporate new products and services that are specially adapted to MicroBank customers.

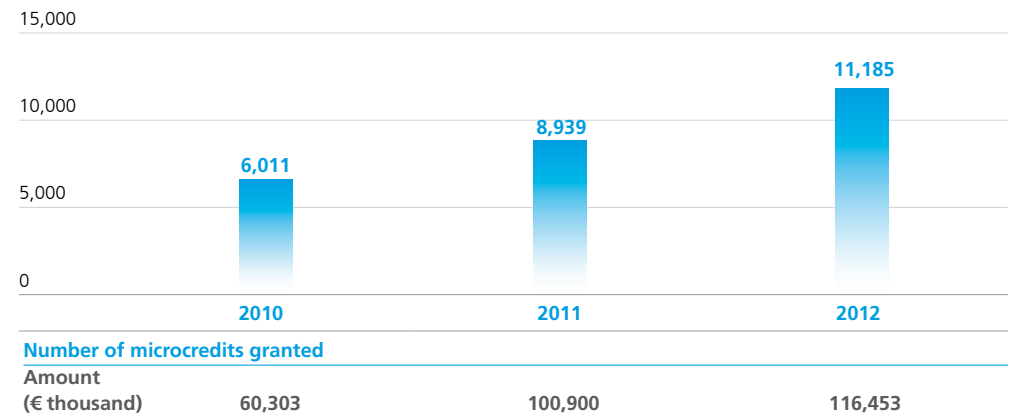
[+ Access to MicroBank](#)

## [Microcredits granted]



**Number of microcredits granted**  
**Amount (€ million)**

## [Microcredits for entrepreneurs]



**Number of microcredits granted**  
**Amount (€ thousand)**





## Fostering innovative entrepreneurialism

Caixa Capital Risc is CaixaBank's venture capital management company that invests during the start-up phase in innovative Spanish enterprises with high growth potential in emerging sectors in the economy. It focuses on projects in biotech, life sciences, ICT, and new emerging industries.

In 2012, Caixa Capital Risc constituted a new investment vehicle aimed at fostering industrial SMEs in Spain, Caixa Innvierte Industria SCR. This company, created through an alliance with the Ministry of Industry and the Instituto Catalán de Finanzas (ICF), the credit entity of the Catalan regional government, invests between €500 thousand and €3 million in SMEs with a strong technology and international component. At the end of 2012, the first investment was completed in an Andalusian company dedicated to the production and commercialization of ecological ice rinks.

Through this new investment vehicle, Caixa Capital Risc manages four capital risk companies with a total of €73 million under management.

- Caixa Capital Micro SCR (micro-business start-ups with registered offices in Spain)
- CaixaCapital BioMed SCR (life sciences)
- Caixa Capital TIC SCR (digital technologies)
- Caixa Innvierte Industria SCR (SMEs with a strong technology and international component)


Over the course of 2012, Caixa Capital Risc has provided taken stakes in seven companies through the Caixa Capital BioMed, Caixa Capital TIC and Caixa Innvierte Industria vehicles, and has awarded 37 participating loans through Caixa Capital Micro totaling €9.3 million.

Caixa Capital Risc was awarded the National Innovation Prize in Capital Risk granted by the Ministry of Economy and Competitiveness for the substantial volume of resources it dedicates to supporting innovation, for the success achieved in its business initiatives and its promotion of strategic sectors for the new Spanish productive model.

## Incentivizing business vision

One of CaixaBank's main challenges is to create companies that bring knowledge developed at Spanish universities and research centers to the broader society, accessing markets and thereby transforming this knowledge into wealth. With this aim in mind, since 2010 several different programs have been offered that target scientists and entrepreneurs with a business idea or a start-up who want to explore their own entrepreneurial skills to create and start up their own business, either as a spin-off from their institution or independently.

To achieve this, CaixaBank organizes programs in collaboration with different institutions, aimed at fostering the creation of companies in emerging sectors to help researchers succeed with their business projects. These programs include business management training, and focus on several different fields with promising economic futures such as the life sciences (BioEmprendedorXXI), clean technologies (EcoEmprendedorXXI) and digital technology (EmprendedorXXIDigital).

 <http://www.bioemprendedorxxi.com/>  
<http://www.ecoemprendedorxxi.es/>  
<http://www.emprendedorxxidigital.es/>

**€73**  
**million to invest in  
innovative companies**



## EmprendedorXXI prize

Since 2007 it CaixaBank has offered the EmprendedorXXI prize, which aims to identify and recognize innovative companies that show great growth potential in Spain. The Empresa Nacional de Innovación, ENISA, which forms a part of the Ministry of Industry, Energy and Tourism collaborates in the choosing of the winners.

The prize has two categories; creces, for companies in the development phase (between two and seven years in business), with a single call for candidates on a country-wide level; and emprendesl, for companies in initial phases (less than two years in business), with a first round on the autonomous region level, which has been developed thanks to over 90 organizing and collaborating entities, and then a country-wide competition where the regional winners compete for the final prize.

 For further information on the prize (in Spanish)

### Sixth Edition of the EmprendedorXXI prize

Molecor, a company in Madrid that designs, manufactures and markets high-technology plastics for pipeline solutions won the EmprendedorXXI prize in 2012 in the category for companies that have been in business for over two years. The prize was for €100,000, the highest such prize in Spain for entrepreneurs.

The Basque company Gomavial Solutions won the prize in the category for recently created companies, receiving a prize of €20,000. This company investigates different applications for rubber from used tires.

805 companies participated in the sixth year of the EmprendedorXXI awards, up 33% year on year. This increase reflects the growing interest of innovative companies in this prize, as well as the rise in entrepreneurial initiative in Spain. In the category for companies that had been in business from zero to two years, there were 595 initiatives, while for companies that were from two to seven years old, 223 companies competed.


# 805

**candidates for the the sixth edition of the  
EmprendedorXXI prize, 33% more than last year**

### Combating the crisis, social entrepreneurs

Social entrepreneurs are people or teams who develop new ways of meeting social needs, creating projects with economic, social and environmentally sustainable facets. These entrepreneurs are not founders of NGOs, or businesspeople that make donations to social causes, but rather, individuals who take advantage of economic activity to transform the social reality.

Since 2011, as part of CaixaBank and "la Caixa" Group's backing of entrepreneurship, the "la Caixa" Foundation has supported social enterprises. Its "Social entrepreneurship" program aims to offer comprehensive support for entrepreneurs and social enterprises in the early stages of their projects, with economic support, training, consulting, networking, and by raising awareness.

 For further information about the program



## Socially Responsible Investing (SRI)

**Socially Responsible Investing (SRI) allows companies to simultaneously achieve sustainability and profitability by applying social and environmental responsibility and corporate governance criteria when pre-selecting the components of an investment portfolio. CaixaBank has two specific funds and its insurance group subscribes to the United Nations Principles for Responsible Investment.**

### Mutual funds

In 2011, CaixaBank started to market the MicroBank Ethical Fund, an international balanced equity, and public and private fixed income fund. This fund combines yield, social responsibility and solidarity criteria.

To this end, it invests in responsible companies that incorporate ethical, social and environmental criteria in their management, while establishing negative screening (armaments, tobacco, nuclear energy sector and companies that violate human rights) and positive screening criteria (corporate responsibility).

It is an ethical, socially-conscious fund: InverCaixa, CaixaBank's fund manager, gives 25% of its management fee to NGOs chosen by participants in the fund. In addition, the "la Caixa" Foundation also donates an equivalent amount per annum to an international cooperation project.

An external and independent ethics committee sets and monitors the stock selection criteria and controls the transfer and use of the fees to the selected charities. At December 31, 2012, the MicroBank Ethical Fund had equity exceeding €4.71 million and a total of 931 unit holders. InverCaixa contributed €17,213 to NGOs.

Furthermore, in 2012, the range of funds was expanded with the launch of the MicroBank Guaranteed Ethical Fund. The fund's yield is linked to the performance of a selection of companies that meet, on a global level, the responsibility standards applied in the FTSE4Good Europe index. In this type of investment, companies involved in the armaments, tobacco, nuclear energy sectors are excluded, as are companies that are involved in human rights violations. At December 31, 2012, the fund had equity exceeding €27.6 million and a total of 3,465 unit holders, representing 0.03% of total fund equity and 0.16% of all unit holders.

### United Nations Principles for Responsible Investment (UNPRI)

In 2009, CaixaBank's insurance and pension management company, VidaCaixa, became the first Spanish institution of this type to subscribe to the UNPRI. Specifically, 100% of the investments carried out by the company are analyzed using environmental, social, and corporate governance criteria.

The company has an internal circuit and a procedures manual to ensure that all the investments carried out by the company are analyzed under these criteria. This process for analyzing investments varies depending whether it is an investment in a mutual fund or in a fixed income security. Debt issued by agencies and supranational bodies, or by governments is excluded from this analysis, due to the lack of market coverage and the characteristics of such debt. Furthermore, covered bonds and mortgage-backed securities are excluded due to their nature. Subsequently, and on an annual basis, it informs the United Nations about its achievements and the new challenges faced while improving the process.



For further information regarding PRI

**3,465**  
**customers invest in responsible companies through the MicroBank Guaranteed Ethical Fund**

**100%**  
**of VidaCaixa's investments are managed in accordance with PRI**

### The Defense Sector

CaixaBank, in accordance with its Code of Ethical Values and Principles of Action, will not take part in operations to finance or export material for military use. At the same time, the company excludes any kind of commercial relationship with companies associated with the production or marketing of anti-personnel mines and/or cluster bombs.



In addition, VidaCaixa actively promotes responsible investment principles among its customers, suppliers, and investment managers. Under this framework, training sessions are given to customers and potential customers, in the business and public institution segment, where VidaCaixa's socially-responsible investment criteria are explained. For example, in 2012, it held the fifth edition of the Foro de Comisiones de Control, a leading venue for experts to reflect on corporate retirement programs in Spain and the responsible management of investments.

VidaCaixa is also the pension fund manager for the "la Caixa" Group (which includes CaixaBank) employees. The entire portfolio of this fund is managed in accordance with UNPRI criteria, which it has subscribed to since 2008. At December 31, 2012, it had invested a total of €3.319 billion. Also, in 2012, for the third year, the fund received the European IPE prize for the best pension fund in Spain.

### Application in the VidaCaixa's investment management process

#### Mutual funds

VidaCaixa verifies, through an evaluation questionnaire, the economic, social, environmental and corporate governance criteria (CSR criteria) which the management team applies in the corresponding fund. In addition, negative screening criteria are used, which prohibit investment in armament companies, in accordance with CaixaBank's defense policy. The questionnaire must be completed before the decision to invest is made, and an update is requested annually.

Furthermore, every six months a review is carried out of the stocks held to ensure that they meet the CSR criteria established by VidaCaixa Grupo. In the event that some of the companies analyzed do not meet these criteria, the managers of the funds in question are notified and dialog is initiated. In

general, the managers sell their positions in these companies. In situations where the sell order is not executed and the explanation given is not convincing, VidaCaixa Grupo will sell its position in the mutual fund. In 2012, it was not necessary to sell any positions for this reason.

#### Fixed-income securities

In this case, and prior to any decision regarding whether to invest in the securities, it is ascertained whether or not the issuer of the security is included on any sustainability index. If it is included on such an index, then it is analyzed to see if it meets the CSR criteria. If it does not form a part of any sustainability index, the secondary information published by the company is reviewed, as are its sustainability reports, in order to determine whether it meets these criteria. This process is completed every six months, as is an assessment of the entire fixed income portfolio.

In both cases, it is a transparent and auditable process.

## Our professionals

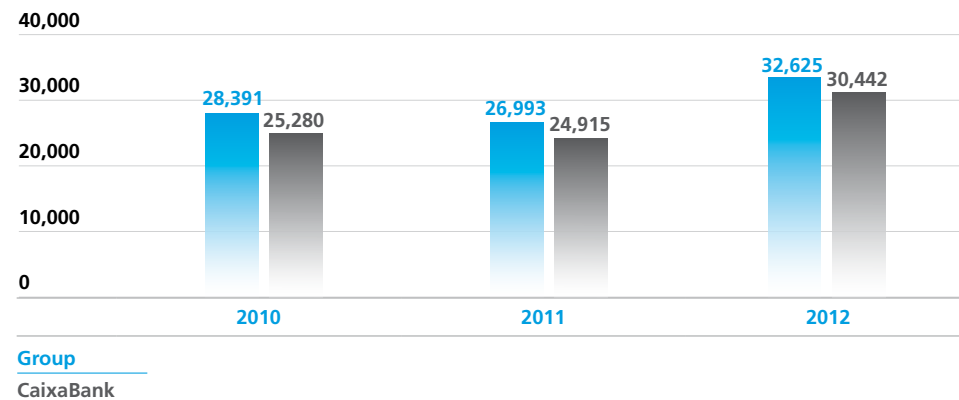
**Some 30,000 people work at CaixaBank. This figure includes over 6,000 professionals from Banca Cívica, incorporated into the workforce under the framework of the Welcome Plan that focused on operational training and instilling the corporate culture. In 2012, great emphasis was placed on training the entire team, with over 1.6 million hours of courses given, and on the development of internal talent, who were able to benefit from a diverse array of specific programs.**



The people making up CaixaBank's workforce are its main asset, and are the bank's way of presenting itself to stakeholders. Just like the other "la Caixa" Group companies, CaixaBank has a human resources policy that respects diversity, equal opportunities and prohibits discrimination based on gender, age, disability or any other circumstance.

Spain's financial system is immersed in a substantial rationalization process from which CaixaBank is not immune, with entities merging, structures being slimmed down and redundancy plans being implemented. In the current economic environment, CaixaBank is implementing agreed measures that prioritize maintaining employment, such as, for example, relocations and early retirements. In 2013, additional measures were proposed to continue adjusting the bank's structure and workforce to its business needs, whilst ensuring it continues to offer a high-quality service to its customers. This process has been pursued through negotiation and open and on-going discussions with employee representatives.

### [Workforce trends]



## A great team

The integration of Banca Cívica personnel, under the framework of the restructuring of the Spanish banking system, entailed a substantial increase in CaixaBank's headcount to more than 30,000 people.

The bank implemented a Welcome Plan for the new incorporations, with training programs aimed at facilitating new employees' adaptation to the new corporate culture. It also created a dedicated space for them on the corporate intranet. Similarly, the new employees will have a support line which they can use when they need any advice related to the integration.

Taking on Banca Cívica's old structure of centralized services entailed the relocation of the majority of its professionals, to positions in various areas of central services as well as in the retail network. The mobility of the workforce was expected and is regulated by a detailed labor agreement that was made prior to the integration operation.

In this context, the incorporation of workers from outside the bank have been minimal, and have been limited to highly-specialized positions that no one in the bank's workforce was qualified to fill.





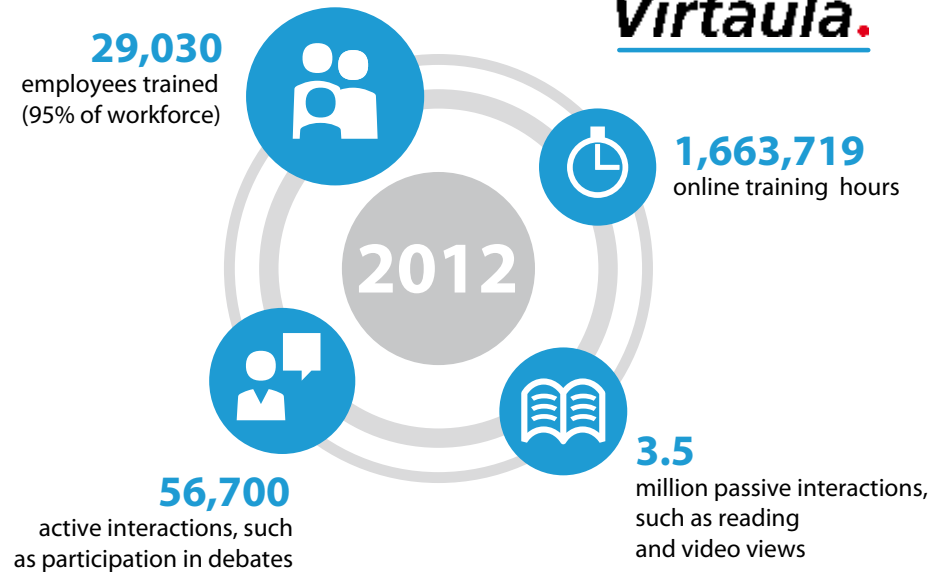
### Training and career plans

A well-trained team is critical for guaranteeing an excellent service to our customers and responding to the changing needs of the business and the market. Consequently, training programs are continually reviewed and adapted. In 2012, the bank offered a combination of both classroom-based training and online training through Virtaula: a virtual learning platform, which had, at the end of 2012, 2,700 forums, 700 blogs, and over 900 wikis.

In 2012, with respect to the previous year:

- 98% more hours of training per participant, reaching a total of 55 hours
- 200% increase in online training hours, to over 1.4 million hours
- CaixaBank increased its investment in training 41%, to over €11.4 million.

The CaixaBank team is also a source of the bank's competitive advantage. The bank works to develop talent internally and not only promotes training, but also a management model based on competencies that adapts to each professional profile.



CaixaBank has invested in internal training

**€11.4 million**

Executive team positions covered internally

**99.8%**





## In 2012, CaixaBank was awarded the Equality Seal



In 2012, 4,810 employees were evaluated. This evaluation, based on a formal meeting to reflect on and discuss their performance with a line manager, enables the most appropriate professional competencies for a specific post to be reinforced, and areas for improvement to be detected. In addition, due to the integration of Banca Cívica, the capacities of 273 people occupying executive positions were evaluated and the sales potential of 1,189 people managing branches.

At the end of the year, some 16.55% of the workforce had been promoted internally.

CaixaBank, which has an Equality Plan, aims to increase the number of women in positions of responsibility by applying a strict equal opportunities policy, and by identifying and developing personal talent.

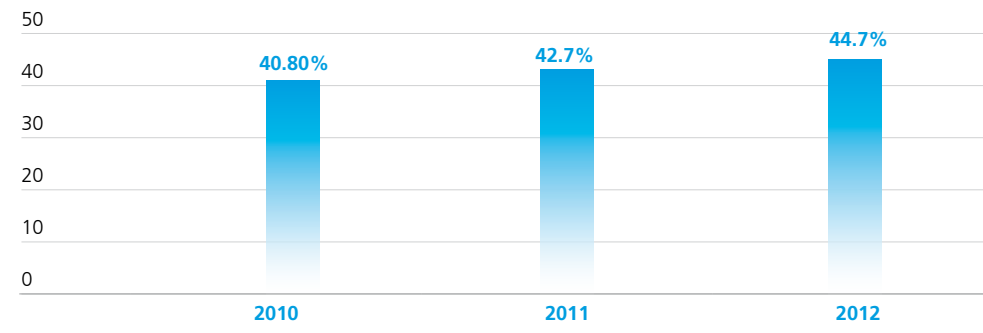
In 2012 the occupation by women of positions with greater responsibility progressed as planned. At the end of the year, some 20% of the women in the workforce had been promoted internally.

In 2012, the Ministry of Health, Social Services and Equality recognized the bank's application of equal opportunity and non-discrimination policies, and awarded it an Equality Seal. In addition, the Masfamilia Foundation renewed its family-friendly business accreditation, which it had awarded the bank the year before.



For further information

### [Women on the CaixaBank management team]



### Policies for identifying talent

The Executive Development Center has created programs such as Leading the Future, which all the retail branch network managers have participated in, as well as a significant number of department heads and central services managers.

Furthermore, Training and Development has expanded its pre-management programs for the branch network Progresia, to central services managers. The bank's senior executives were involved personally in all these programs, as teachers and evaluators of the projects presented. In 2012, 61% of the managers in the large branches came from the Progresia program, and 51.6% of the people who participated in the first edition of the Progresia Program had been promoted to positions of greater responsibility by the end of the year.

The training plans have met the objective to provide support to the professional role, based on the demands generated by the current business model, which entail specialization based on customer profiles.



### **Recognition and remuneration**

CaixaBank's remuneration system is based on a model combining a fixed salary and a bonus, the latter of which is established based on the professional category of each employee, the tasks performed and the involvement and commitment shown in reaching individual targets and contributing to the team's objectives.

In 2012, an annual bonus system linked to results, sales targets and the management of assigned client portfolios was instituted at the retail bank branches. This system, which benefited from greater transparency and objectivity,

was previously implemented for people dedicated to certain groups of companies and private banking as well as to other central services areas. This model also takes into account the service quality provided to customers.

Recognition, in the broadest sense of the word, forms a part of CaixaBank's corporate culture. In this regard, we would highlight the Prizes for Service Excellence granted by the Annual Manager Convention, as well as other awards for employees in the retail, business and corporate banking segments. Overall, prizes were awarded to over 800 people.





### Internal communications

In a changing environment, internal communication is of critical importance for sharing best practices, promoting commitment to a common project and consolidating the bank's culture and values.

CaixaBank has numerous bidirectional communication channels, such as the intranet, the employee website, suggestion boxes, and the internal magazine that had five issues and a print run of 142,000 copies in 2012, as well as an online version.

Furthermore, in 2012 two opinion polls were taken among employees. The first poll, which was taken at the end of April, from a sample of 1,000 CaixaBank employees, aimed to monitor progress in the areas needing improvement detected in the working climate study carried out in November 2011. Thanks to this study, notable improvements were identified in the internal communications processes.

The second poll was taken in October, and was directed at employees coming from Banca Cívica. This poll aimed to learn first-hand about the effectiveness of the

Welcome Plan and the integration of these people in their new work environment.

In another development, the C.E.O. completed the Todos a una (All of us together) tour, which was initiated the previous year. With this initiative, he sought to share his strategic reflections with all the managers of the retail branch network, an effort that was justified by the exceptional economic situation and the transformation underway in the financial sector. He also addressed groups that originated from the integration of Banca Cívica.

***Teamwork, people and innovation are the pillars of the corporate culture.***

### Strengthening the corporate culture

In 2012, the Cultural Reinforcement Program was rolled out. This measure was aimed at helping the bank achieve the goals set out in the 2011-2014 Strategic Plan, among which we would highlight the consolidation of the leadership of CaixaBank in the financial sector in Spain. The program was based on three major pillars:

#### Teamwork

Teamwork is the key to CaixaBank's success. Guided by a collective ambition that is perfectly aligned on

all management levels, the program promotes the shared vision of and sustained collaboration between central services and the branch network, which has resulted in greater efficiency in commercial actions.

#### People

Adding to each professionals' knowledge and improving their capacities results in an improvement in competencies, the only way to consolidate and increase people's independence as they carry out their functions.

#### Innovation

The excellence in management to which CaixaBank aspires requires that the team have an innovative attitude all the time. In this regard, excellent management also implies foresight, since the permanent changes affecting society and markets shape customers' needs and habits.

CaixaBank, believes it has an obligation to strengthen its unique culture in order to achieve its aspirations and reinforce its leadership position.





### Workplace health and safety

For CaixaBank, which has the OHSAS 18.001 certification, ensuring the occupational health and safety of staff is paramount, irrespective of where they work. In 2012, under the framework of preventative activities plan, a campaign was launched at all of the network branches to raise awareness about the risk of people trapping their hands in the security doors. These actions were promoted through the employee intranet and by distributing over 30,000 signage stickers. The safety, hygiene and ergonomic conditions in 1,125 branches were also checked.

We would also note the training received by the workforce in workplace safety, road safety, and robbery risks. In addition, employees have access via the corporate intranet to different courses on back pain prevention, arterial hypertension and obesity, and an emergency first aid guide, among others.

Over the course of the year, 14,194 people received training in workplace risk prevention.

### Sexual and workplace harassment policies

CaixaBank follows a Protocol for the Prevention, Management and Elimination of Sexual and Workplace Harassment, which has been in place since 2010 and includes a free phone line and email service. These channels are handled by two external mediators—a family therapist and psychologist and a lawyer—who provide the appropriate advice in each case.

In 2012, independent mediators intervened on three occasions, and carried out two other interventions which did not require follow-up.

**Absentee rate due to  
accidents at CaixaBank**

**0.06%**







## CaixaBank alongside the "la Caixa" Foundation

**Social commitment stands alongside leadership and trust as one of CaixaBank's corporate values. The bank has continued collaborating with the "la Caixa" Foundation to promote the employment of individuals at risk of social inclusion, promote the vaccination of children in underdeveloped countries, and support the Corporate Volunteer program.**

### Workforce integration through the Integration into Work program

As part of its commitment to society, CaixaBank promotes the Integration into Work program, which aims to integrate people facing special difficulties or the risk of social exclusion, into the workforce. Since 2006, with the collaboration of 22,036 companies, it has been able to provide job opportunities to 53,133 people, comprising the long-term unemployed, the disabled, immigrants, young people finding it hard to get their first job, or victims of domestic violence.

This workforce integration program, managed by the "la Caixa" Foundation, collaborates with over 300 participating social entities and 633 experts in labor market inclusion, which use different integration processes, each one aimed at the group being provided assistance.

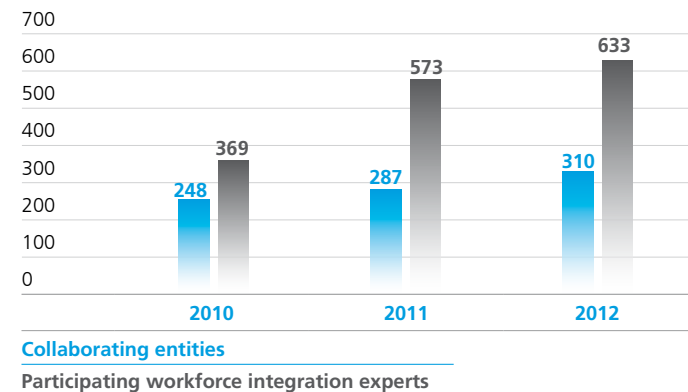
CaixaBank, through its country-wide network, has identified job opportunities for these people and collaborates in raising awareness about the program. To this end, the program is presented to the different areas of CaixaBank and meetings are arranged with businesspeople to bring new economic sectors into the program and create job opportunities for people facing special difficulties.

In 2012 ties were strengthened with different delegations of CaixaEmpresa so that they could continue offering their client companies a product – free and of high quality – in Corporate Responsibility. Furthermore, the Integration into Work program facilitates CaixaEmpresa's relationships with companies that have hired people through the program, and provides detailed information about the actions carried out with client companies and allows for active

participation in the signing ceremonies for agreements with companies and/or business groups. At the end of the year, with an investment of €13.6 million and thanks to the collaboration of 4,013 companies, 10,504 jobs were filled.

**53,133**  
*jobs have been filled  
through the Integration  
into Work program since  
2006*

### [The Integration into Work program]



### More than €2 million for child vaccinations

Since 2008, the “la Caixa” Group has promoted, in collaboration with the Global Alliance for Vaccines and Immunization (GAVI), a child vaccination program in the most underdeveloped countries on the planet.

GAVI Alliance is a public-private partnership incorporated in 2000 to save children’s lives and protecting

people’s health by increasing access to immunization in the 70 poorest countries in the world. According to data available in 2012, from when it was created to 2011, GAVI has vaccinated over 370 million children, preventing approximately 5.5 million premature deaths, as per World Health Organization (WHO) calculations.

 For further information about the GAVI Alliance

In 2012 the “la Caixa” Group contributed €2 million through the “la Caixa”

Foundation; a sum which was augmented by €50,000 in donations from the bank’s employees and contributions made by Spanish businesses through the Business Alliance for Child Vaccination.

The Business Alliance, a Corporate Social Responsibility initiative which is the first of its kind in Europe, promotes the collaboration of Spanish companies who wish to help achieve the Fourth United Nations Millennium Development Goal: to reduce child mortality rates by two-thirds by 2015.

CaixaBank offers its extensive branch network to any Spanish companies that are interested in collaborating. In addition it has carried out several campaigns to raise awareness about the program among the greatest possible number of companies. In 2012, the program collected a total of €264,950 from 82 companies.

In 2012, the sum of the contributions made by the Group, its clients and CaixaBank employees allowed over 254,000 children in Bolivia, Honduras and Nicaragua to be vaccinated against pneumonia, which is responsible for 18% of infant deaths in developing countries.

The initiative is not limited to collecting funds, but also monitors the projects. The International Division of the “la Caixa” Foundation also ensures that any donations

**“la Caixa” Group  
contributions (2008-2012)  
to GAVI Alliance**

**€15 million**

**Since 2008, over  
2 million children  
were vaccinated**

from participants are fully invested in child vaccinations. At the end of October, a follow-up trip with a member company of the Alianza Empresarial was made to Nicaragua. The visit offered the opportunity to obtain a more comprehensive perspective on the national immunization program and the implementation of the pneumococcus vaccination campaign in the country.

Since its founding in 2008, the program has collected over €1,108,300 from 223 companies, 36 of which have renewed their subscription to the program year after year. Thanks to the contributions of the “la Caixa” Foundation, private clients and over 700 employees, over 2,050,000 children were vaccinated in different countries in Africa and Latin America.



## A team that believes in solidarity

CaixaBank encourages employees to collaborate in programs to help the needy, either as volunteers, or with material contributions.

CaixaBank employees can participate in the "la Caixa" Group's Corporate Volunteer program, promoted by the Foundation since 2006. The program comprises 40 volunteer associations, coordinated by the Federación de Asociaciones de Voluntarios "la Caixa", Federation of "la Caixa" Volunteer Associations (FASVOL) and is committed to providing needed services to areas in different Spanish provinces.

Active workers, retirees and their families and friends participate in these associations. In 2012, 4,584 volunteers

participated in different activities aimed at improving social welfare.

This community assists groups with specific needs:

- They accompany the elderly, help them with tasks, and participate in different educational activities.
- They play with and engage in educational activities for the youngest children at the CiberCaixa Hospitalarias and collaborate in the program run by the "la Caixa" Foundation, CaixaProinfancia, providing attention to children who are living in poverty or who are at-risk.
- They assist the disabled and people at risk of social exclusion recover their confidence and integrate into society.

- They participate in solidarity campaigns to alleviate extreme poverty, such as the Great Food Collection in December 2012, which garnered over 4,400 tons of food.

- They participate in international cooperation projects and provide management and training advice to local NGOs in developing countries. In addition, 40 volunteers from the CooperantesCaixa program took part in a variety of international cooperation projects. The volunteers offered technical assistance and management advice for micro-enterprises, with the aim of contributing to entrepreneurship in developing countries.

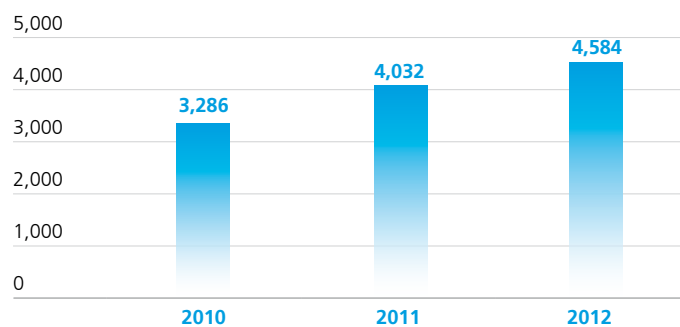


For further information

**The Corporate Volunteer  
program has**

**4,584**  
**participants**

## [Participants in the volunteer program]



## Fairtrade products in the "Puntos Estrella" catalog

CaixaBank customers can also participate in a total of 46 charity projects, selected by the "la Caixa" Foundation, through the "Puntos Estrella" program. Their donation can be made by converting points accumulated into monetary contributions or can be exchanged for Fairtrade products. In 2012, points donated by customers to these social projects amounted to €1,037,718, 66.2% more than in 2011.

## Solidarity Space program

In addition to collaborating as volunteers, CaixaBank employees can participate in the Espacio Solidario (Solidarity Space) program, by making small donations to projects run by various non-governmental organizations with which the "la Caixa" Foundation also works.

In 2012, thanks to the over 1,000 employees who participated, the annual contribution of over €60,000, could be

earmarked for projects such as the GAVI Alliance or those of other social entities:

- With the Red Cross it participated in a program, which is linked to the Integration into Work Program of "la Caixa", that is dedicated to helping women who are victims of domestic violence return to the workforce.
- In collaboration with the Spanish NGO ECOSOL, it has contributed to a project run by the Ecuadorian NGO, MCCH,

which trains female entrepreneurs in farmers' organizations in Ecuador, and promotes the socioeconomic development of their families and communities.

- The collaboration with the Federación Española de Bancos de Alimentos (FESBAL), a non-profit organization, aimed to recover surplus food and redistribute it to needy people and to thereby avoid waste and misuse.







## Environment

**CaixaBank finances both investment in renewable-energy infrastructure and ecoLoans. In 2012, CaixaBank committed over €2 million in loans to reduce general energy consumption, and financed renewable energy projects generating 378 MWh. CaixaBank also encourages an efficient attitude to the environment among its staff, customers and society. In 2012, it saved 15.8 million KWh and offset the 382.77 Tn of CO<sub>2</sub> emitted during its five major corporate conventions.**

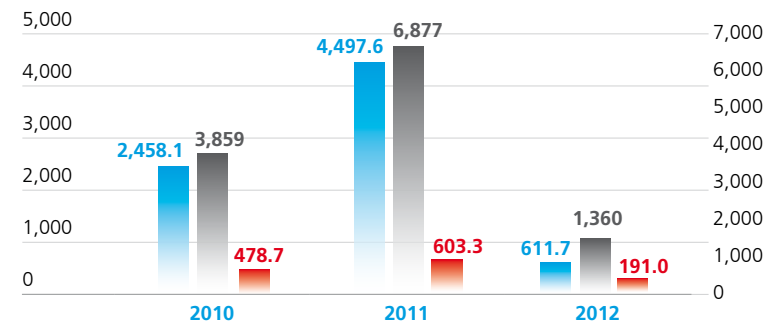
This commitment to respect and protect the environment is based on the group's environmental management system, in both CaixaBank and its subsidiaries, and forms part of the business' management model, and its projects, products and services. CaixaBank is therefore committed to investment in efficient projects and promoting more efficient energy usage.

CaixaBank has implemented measures to foster energy efficiency in the group, minimizing the consumption of natural resources and waste generation, and promoting recycling. CaixaBank also strives to ensure this commitment is assumed by all stakeholders: shareholders, customers, employees, suppliers and society at large.

### Promoting and investing in sustainable technology

CaixaBank finances projects that respect the environment and contribute to increased energy efficiency, as one of the ways of achieving increased long-term environmental sustainability. Given the current backdrop of economic slowdown and the drying up of activity in the renewable energy sector, the volume of projects financed in Spain has fallen significantly. CaixaBank was involved in seven renewable-energy projects in 2012, totaling €611.3 million, either individually or in concert with other entities. These projects involved the generation of 378 MWh. One of the most significant of the projects financed was the 90 MWh Piedra Larga wind farm in Mexico.

### [Transactions related to renewable energies]



Amount (€ million)

Installed capacity (MWh)

CaixaBank's investment (€ million)

### [Transactions related to renewable energies by type]

	Biomass	Wind	Solar thermal electricity
Number of projects	2	4	1
CaixaBank's investment (€ thousands)	45,307	113,657	32,038

In addition, CaixaBank also financed the leasing of solar photovoltaic plants through two deals with a value of over €230,000, and set up seven operations

under the Instituto Catalán de la Energía project-financing agreement amounting to €95,230.



### Consumer ecoLoans

In 2012, CaixaBank expanded its commercial offering with a specific ecoLoans product and ecoMicrocredits through its MicroBank to foster sustainable investment that improves resource efficiency and reduces environmental impact.

These loans are designed for purchases of vehicles and domestic appliances that are more environmentally friendly, and home refurbishments to improve energy efficiency

In its first year, 501 ecoLoans worth €1.35 million were granted for the purchase of more efficient vehicles and domestic appliances. A further 13 ecoLoans amounting to €723,000 were granted for sustainable home refurbishment.

Our MicroBank, which is for entrepreneurs and the self-employed, also offers business ecoMicrocredits. These loans finance investment and working capital for the self-employed and micro-enterprises that produce, sell or distribute ecological products and services, such as ecotourism, sustainable products, recycling and waste-processing services, etc.

We also finance investment in production processes or new products or services that entail a more efficient use of resources or a reduction in environmental impacts. These include insulation, systems to reduce paper and energy usage, and waste-processing systems. In 2012, we approved 460 ecoMicrocredits for families and businesses, with a value in excess of €1.35 million.

Since 2012, MicroBank has been working with the World Wildlife Fund (WWF) on environmental conservation and sustainable development through its financial contributions and those of its customers to WWF projects. With the "Cuenta Verde", green account, for example, we are helping reforest the Doñana National Park, a UNESCO World Heritage Site. Over 2,600 of these "Cuenta Verde" accounts had been opened by the end of the year.

**+** For further information (in Spanish)



## Leaders in fighting climate change

CaixaBank is the leading Spanish entity in managing climate change, according to the Carbon Disclosure Project Global 500. This is a study published by the Carbon Disclosure Project (CDP) –an independent, not-for-profit, body –based on a questionnaire that assesses the commitment of leading global companies to fighting climate change. CaixaBank scored 85B in 2012, the highest score yet for a Spanish bank.

**+** For further information on the Carbon Disclosure Project

## Environmental management

CaixaBank's environmental policy, managed by its Environment Committee, is certified under the international ISO 14001 standard and the European 1221/2009 EMAS regulation, which are reappraised yearly. Furthermore, since 2006 CaixaBank's 25 branches in Catalonia have displayed the Environmental Guarantee sign issued by the regional government of Catalonia, the Generalitat; this was renewed until 2015 in 2012.

CaixaBank is involved in the struggle against climate change through its Environmental Policy, which was updated in February 2012. This contains the bank's explicit commitment to support initiatives to prevent, offset, adapt or respond to climate change. In 2012, CaixaBank audited the greenhouse gasses emitted by its activities to calculate its carbon footprint, and to establish actions to minimize this.

One of the initiatives implemented involved offsetting the 382.77 Tn of CO<sub>2</sub> emissions generated by the five major corporate conventions in the year through involvement in two projects related to replacement of fossil fuels with biomass from sustainable forestry in Brazil.

Furthermore, Gas Natural Fenosa, CaixaBank's energy supplier, has undertaken to certify that 100% of the energy it supplied to CaixaBank in 2012, and 99% of total electricity consumption, came from renewable sources or cogeneration. With the integration of Banca Cívica, 87.4% of the bank's total electricity consumption comes from green energy.

**+** The 2012 Summary of GRI Indicators provides further information on energy consumption and savings





### Electricity consumption

Various campaigns were conducted in 2012 to promote efficient energy use and raise staff awareness. These resulted in an 8.2% reduction in energy consumption compared to the previous year, not including Banca Cívica.

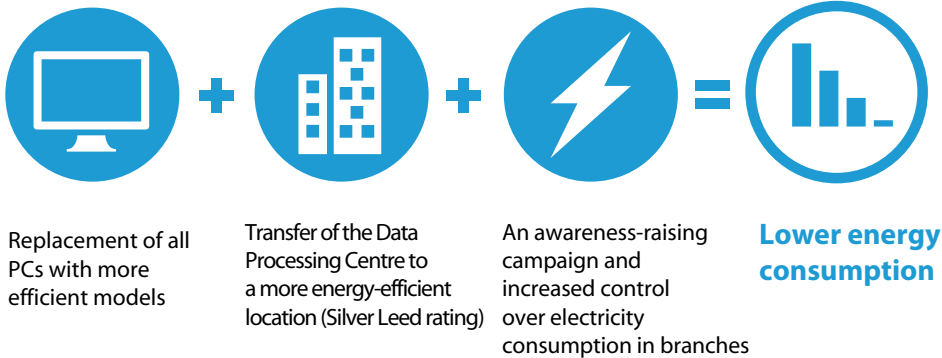
### Transport

CaixaBank has video and audio-conference facilities that enable it to minimize travel to only essential journeys. In 2012, the number of videoconferences increased by over 30%. This service was also extended to customer relationships in 2012, with a virtual communication channel that is available to Personal and

Private Banking managers. This was rolled out to some 1,500 managers in 2012.

However, even so, the number of kilometers travelled was 30% higher than the previous year, at 27.8 million kilometers; this was due to increased activity resulting from the integration

of Banca Cívica. If we only consider the kilometers travelled in relation to the volume of CaixaBank's business, ignoring journeys resulting from the integration of Banca Cívica, the total kilometers travelled fell by 4% compared to average journeys by business volume over the previous three years.







### Paper and waste collection

CaixaBank works to ensure paper is used efficiently. In 2012, it continued its campaign to reduce paper use, with recycled paper now accounting for 99% of all paper used. Including the incorporation of Banca Cívica, paper use per employee in the territorial branch network fell by 1.8%. In absolute terms, Central Services has achieved a reduction of 2.13%. A total of 1,706 Tn of paper were used.

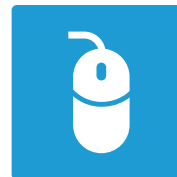
The number of envelopes sent to customers also fell by 1.2% as a result of increased online banking through the Línea Abierta service. This saves

customers the need to visit their branch to sign contracts on paper, and reduces and integrates deliveries. CaixaBank has undertaken to only work with printers certified by the Forest Stewardship Council (FSC) for printing of their paper advertising.

Every branch has separate containers clearly identified for collecting paper, plastic, organic material and toner. In 2012, we collected 195 Tn of paper, cardboard and plastic for recycling, together with 5,500 toner cartridges and a range of chemical products.



**Recycled paper**  
99% of total



**Online banking**  
Contracts can be signed without paper



**Segregated waste collection**  
In all branches

### Suppliers

CaixaBank asks all potential suppliers to state in the documentation supporting their bid to state whether they have environmental certification. CaixaBank has a database of suppliers with environmental certification for contracts with a value in excess of €200,000 per year. Furthermore, we use questionnaires from the Green Purchasing Manual for all our suppliers in general, with a specific questionnaire for ink (cartridges and similar items). Suppliers report to us on the sustainability of their manufacturing processes, certification, recycling and materials, etc.

### Fifteen tons less

Since Spring 2012, CaixaBank has been sending customers their credit and debit cards in paper envelopes, replacing the previously used plastic envelopes, except in special cases, such as gift cards or those with striking designs. Paper envelopes have less environmental impact as a result of being biodegradable, saving the use of fifteen Tn of plastic in a year.

## Training and awareness-raising

In order to promote environmental awareness in its sphere of influence, CaixaBank has performed several awareness raising campaigns directed at staff, customers and suppliers.

CaixaBank professionals have a key role to play in the organization's environmental policy, since their involvement enables environmental management improvements to be implemented. In 2012, we updated our Best Practices Guide, particularly with regard to activities in our territorial branch network, expanding information on the initiatives in which CaixaBank is involved.

CaixaBank also works to promote more sustainable practices in society. Through EcoCaixa we offer the general public advice on improving their environmental efficiency, whilst also describing some of our own initiatives, such as online correspondence and ecoLoans.

**+** For further information (in Spanish)

In 2012, the "la Caixa" Research Department published a number of studies concerning the environment, energy efficiency and commodities:

- *"El ahorro y la eficiencia energéticos: un impulso para la competitividad de la economía española"* (Savings and energy efficiency: a boost to the competitiveness of the Spanish economy)
- *"Materias primas: ¿Qué cambió en la última década?"* (Commodities: what has happened over the last decade?)
- *"La energía en el siglo XXI"* (Energy in the 21st century)

**+** Access to "la Caixa" Research Department publications

The "la Caixa" Foundation also offers Ecotendencias CosmoCaixa, a source of education, awareness-raising and debate on current and future environmental challenges. Ecotendencias combines public events with a wide-ranging website, fruit of a clear commitment to the Internet and public participation.

**+** For further information (in Spanish)

## Promoting electric and hybrid vehicle leasing

CaixaRenting promotes the use of fuel-efficient vehicles. The company works with the "Ahorra Energía" program of the Institute for Energy Diversification and Saving (IDAE), and has a package of measures aimed at companies and government bodies that purchase fleets of hybrid or electric vehicles.

In 2012, it launched a number of advertising campaigns relating to low-CO<sub>2</sub> vehicles, including a 100% electric vehicle. In addition, it has run courses and vehicle presentations to these customers to promote their knowledge and use of such vehicles, and has also offered courses on efficient driving for these vehicles and how to maximize their performance. At the end of 2012, 71% of the vehicles in its commercial offering had low CO<sub>2</sub> emissions. The offering of efficient vehicles will continue to expand in 2013.







## Responsible procurements

Responsibly managing the value chain ensures transparency and rigor in relations with suppliers. The commitment to sustainability also leads to efficiency improvements and streamlining of costs.

CaixaBank, its subsidiaries and the other "la Caixa" Group companies include a clause in their contracts by which suppliers are under the obligation to be aware of and respect the Principles of the United Nations Global Compact.

In 2011, a new CaixaExchange procurement portal was created, which consists of a business-to-business electronic market for selling and procuring goods and services, and was developed by CaixaBank for its own use and for use by other companies in the market in general. This new portal makes it easier for potential suppliers to present their credentials and other required documentation, and ensures maximum

transparency in the contracting process, which is channeled through requests for bids and tendering. A supplier portal was also launched in 2012 through which suppliers can register to offer their products and services. It is planned that this portal will be rolled out in all "la Caixa" Group companies as from 2013.

During 2012, PromoCaixa, CaixaBank's subsidiary that handles marketing materials, performed five audits of suppliers that manufacture products exclusively for CaixaBank and are located in China. Anomalies were detected in four of these suppliers, which were subsequently rectified. PromoCaixa also requests that suppliers present environmental and labor-related certifications that are in force before they are added to its database.

**PromoCaixa has performed  
five audits of suppliers  
in China**

**A supplier portal  
was launched in 2012**



# [RISK MANAGEMENT]

5.1. Active risk management

5.2. Environmental and social risk management: Equator Principles



KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	<b>RISK MANAGEMENT</b> <b>Active risk management</b> Environmental and social risk management	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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## 5.1 [Active risk management]

**Global risk management is essential for the business of any credit institution. At CaixaBank, one of the aims of this management is risk management aimsto optimize the risk-return ratio by identifying, measuring and assessing risks, and ensuring that they are always taken into account in the business decision-making process, without losing sight of the need to enhance customer service quality. Likewise, it aims to ensure the bank's robust risk profile and to preserve capital adequacy and security mechanisms to strengthen the group's position as one of the soundest entities on the Spanish market.**



1, 2 and 10

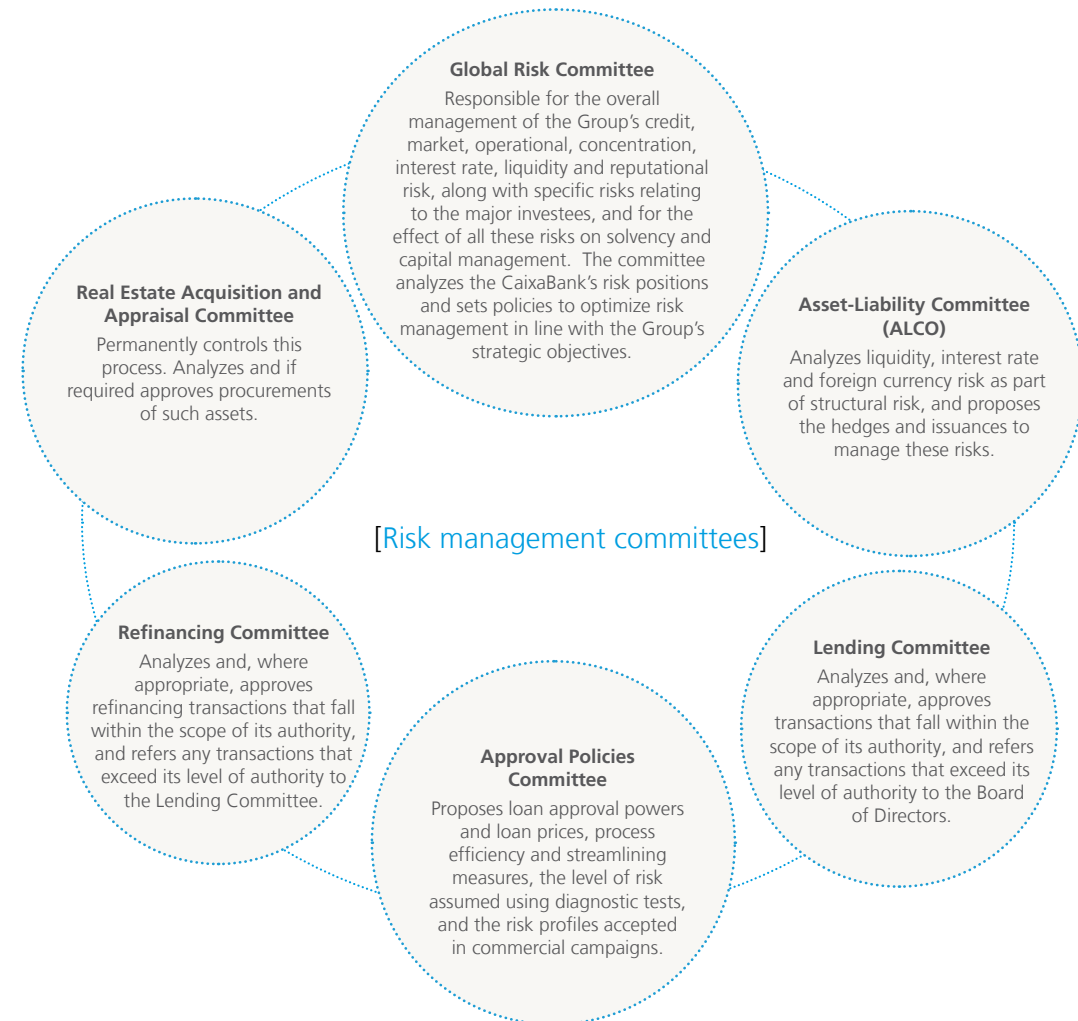
The risks incurred as a result of CaixaBank's activities are classified as follows: credit risk (arising from the banking business and risk associated with the investee portfolio), market risk (which includes structural balance sheet interest rate risk, the price or rate risk associated with treasury positions, and foreign currency risk), liquidity risk, operational risk, regulatory compliance risk and reputational risk.

Risk management is geared towards setting a risk profile aligned with the

Group's strategic objectives. It helps the Group develop a system of authorization levels based on all fundamental risk variables and transaction amounts, and it enables the Group to quantify risks using scenarios based on capital use and expected loss.

### Structure and organization

The Board of Directors of CaixaBank is the Group's highest risk-policy setting body. Acting in line with the duties assigned by the Board, the senior executives are members of the following risk management committees:





KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	<b>RISK MANAGEMENT</b> <b>Active risk management</b> Environmental and social risk management	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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CaixaBank has a General Manager in charge of all Group risks. Global Risk Management, which reports directly to the General Manager, is the global control unit that implements the role of independence required under Basel II, with the responsibility to ensure the soundness of the assets and the capital adequacy and security mechanisms. Its objectives are the identification, assessment and integration of exposures and the risk-adjusted return in each activity from the global perspective of the Group and in accordance with its management strategy.

### Procedures, tools and strategies

Transactions at CaixaBank are approved based on the evaluation of the borrower's repayment ability. If this condition is fulfilled, the securing of supplementary guarantees is assessed (mortgages, collateral provided by shareholders or the parent company, or pledges) and a price is set in accordance with the aforementioned conditions that guarantees appropriate coverage of the risk premium.

For several years the Group has been using a set of control tools and techniques based on the specific needs of each type of risk.

These tools measure the probability of default and are essential in evaluating the transactions, while allowing the degree of autonomy of the branches to be enhanced and always guaranteeing the rigorous standards of the risk criteria applied.

Examples of these tools are the development of authorization systems based on expected loss, systems for setting prices and risk-adjusted return systems which, based on the risk premium coverage, ensure an appropriate risk-return ratio.

Value at Risk (VaR) calculations are also performed for the portfolios as a method for controlling and setting market risk thresholds, and qualitative identification of the various operational risks relating to each Group activity.

**+** Further information provided in the Information of Prudential Relevance Report and in the notes to the Consolidated Financial Statements, Management Report and Auditors' Report

### General risk management principles

*Approved by the Board of Directors*

- Risk is inherent to the Group's business
- Ultimate responsibility of the Board and involvement of senior executives
- Medium-low risk target profile
- Involvement throughout the bank
- Management throughout the full cycle of transactions: from preliminary analysis to approval, monitoring of solvency and profitability, to repayment or recovery of impaired assets.
- Joint decision-making
- Independence
- Approval based on the borrower's repayment ability and an appropriate return
- The use of standard criteria and tools
- Decentralized decision-making
- Use of advanced techniques
- Allocation of appropriate reserves

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## Credit risk management

### Credit approval processes and organization

In 2012, the integration of Banca Cívica was carried out as smoothly as possible. This process was carried out sequentially, whereby the incorporation of an entity was completed prior to moving on to the next step.

From the initial stages (pre-closing period) guidelines were established in the integrated entities to achieve a rapid convergence and standardization in a wide range of key risk management issues (aggregation of customer risks, approval authorizations, risk alerts, products, prices, decision-making bodies, etc.). The result was the integration of Caja Navarra and CajaSol in record time.

Elsewhere, further progress was made on the development and use of tools for measuring risk-adjusted returns (RAR) by business and customer. The RAR tool is currently applied to the business banking network and, in 2012, a pilot test was conducted in the SMEs segment in the branch network.

With regard to awarding loans, CaixaBank has an authorization system in place, which is highly effective tool for delegating powers to manage risk. Risk parameters and other policies based on the credit rating of borrowers are all taken into consideration when establishing approval powers of each employee.

The pricing tools, which are based on risk premium, integrated into the application system are critical to pricing operations. In 2012 a new minimum pricing system was developed to complement the existing pricing system. Accordingly, efforts were made to mainstream the application of the pricing tool to all of the bank's segments and products.

In the first quarter of 2012, two new measurement models were rolled out for awarding non-mortgage loans to individuals. These models updated the previous models and were better tuned to the current economic climate.

The approvals system is based on the electronic file, a component that is critical to the efficiency of the process, as it eliminates the need to physically handle the files.

**CaixaBank has an authorization system that allows risk to be effectively delegated**







### *Credit risk analysis and control*

CaixaBank's Credit Risk Monitoring and Recovery Division remains independent from the Executive Risk Analysis and Approval Division. Its function is two-fold: to prepare follow-up reports on individual borrowers or groups of companies with higher risk levels, and to monitor risk holders whose creditworthiness shows signs of deteriorating, using a scoring system based on the risk alerts of each borrower.

The alert system and the borrower scoring system play a key role in both the approval system and the monitoring process. Therefore, borrowers who are more likely to default in the short term are analyzed more thoroughly and more frequently.

Another feature of the alert system is that once assigned to the customer, it is included in all information systems.

The outcome of the monitoring process is the establishment of "Action Plans" for each of the borrowers analyzed, which complement the alert-based scoring system, while acting as a guide to the approvals policy for future loans.

CaixaBank has a risk prevention system in place for individuals, SMEs, and micro-enterprises, which enables the bank to use scoring and rating tools to detect and manage in advance any customers with a high default potential.

### *Recoveries management*

In 2012, the Group's risk management policy continued to deal with the rise in NPLs and carefully implement the measures necessary to effectively collect debts that are difficult to recover. This policy is implemented as soon as any signs of deterioration in debtor solvency appear, by constantly monitoring their development and that of the mortgaged assets offered as collateral. In this respect, and without prejudice to the ongoing controls over the loans portfolio, CaixaBank has taken steps to mitigate the impact of the recession on its individual customers.

After careful risk analysis, in certain cases, CaixaBank tailors installments falling due in the short term to the current income available to debtors, confiding in the belief that delaying collections will help ensure the loans are repaid in full. The various options available to ensure this objective is achieved are analyzed along with the customer to identify the option best suited to his needs, always ensuring that the final objective of recovering the loan is achieved and internal risk approval procedures are followed.



***NPL prevention and management  
are the key pillars to risk management***

KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	<b>RISK MANAGEMENT</b> Active risk management Environmental and social risk management	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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### Credit risk measurement and rating

The mission of Credit Risk, Optimization and Capital Analysis, which reports to Corporate Risk Models Division, is to build, maintain and monitor the credit risk measurement systems. It is also in charge of guaranteeing and advising on the use of these systems, while seeking to ensure that the decisions based on these measurements take their quality into account. The Corporate Division is independent from the various business areas in order to ensure that risk rating policies are not affected by commercial considerations.

CaixaBank is authorized by the Bank of Spain to use methods based on internal rating-based (IRB) models to calculate the minimum capital requirements for credit risk.

Periodic reviews are performed on all the models to detect any deterioration in the quality of the measurements and of the estimates made for the purpose of including any fluctuations in the economic cycle. Virtually the entire retail banking portfolio, which includes the individual and SME segments, is assessed on a monthly basis, enabling the knowledge base for these customers and their portfolios to be continually updated.

At the end of 2012, 77% of all credit exposure, excluding that from Banca Cívica, was assessed by advanced internal rating models.

**CaixaBank is a pioneer in the use of advanced internal rating-based models in Spain**



## Risk measurement in CaixaBank

Risk measurement is based on two main concepts: expected loss and unexpected loss.

### A. Expected loss

Expected loss is the result of multiplying three factors: exposure (outstanding debt in the event of default by the customer), probability of default and loss given default (percentage of debt that cannot be recovered in the event of customer default). These three factors provide an estimate of the expected loss through credit risk from each loan, customer or portfolio.

To estimate the probability of default, CaixaBank has product- or customer-orientated tools that are implemented throughout the branch network. These customer-orientated tools consist of behavioral scoring models for individuals and ratings for companies, which vary depending on the segment they belong to.

### B. Unexpected loss and economic capital

Measuring the expected loss guarantees proper control of credit risk under “normal” market conditions. The expected loss, in fact, may be considered as an additional business cost. However, at times real losses can exceed the expected losses due to sudden changes in the cycle or variations in the specific risk factors of each portfolio and the natural correlation between the various debtors’ credit risk. Pillar I of Basel II establishes minimum capital requirements to mitigate potential unexpected losses.

The bank’s aim is to have sufficient equity or capital available, both economic and regulatory, to cover these unexpected losses.

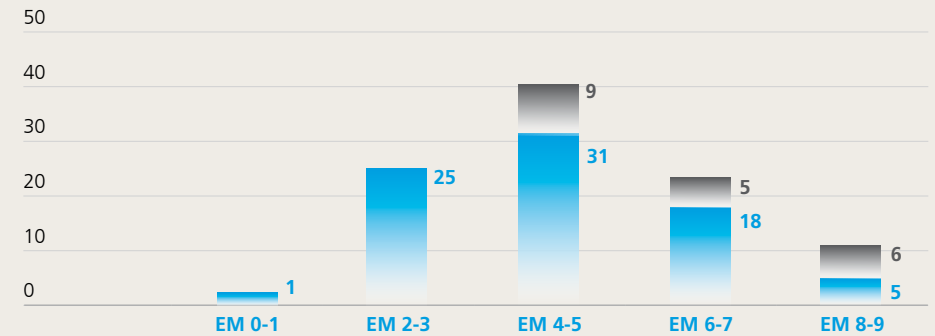
The level of capitalization of an entity and the risk profile undertaken, measured in terms of capital requirements, define its capital adequacy, i.e. its creditworthiness. Appropriate capital management is and always will be a factor that sets companies apart. In this regard, CaixaBank has an internal economic capital model, an integrated model that measures its loan portfolio and investment portfolio, and incorporates best sector practices.

**+** For further information see Information on Capital Standards

### [Distribution of EAD of 2012 portfolio (in € million)]

#### [Distribution of exposure]

Legal entities (in %)

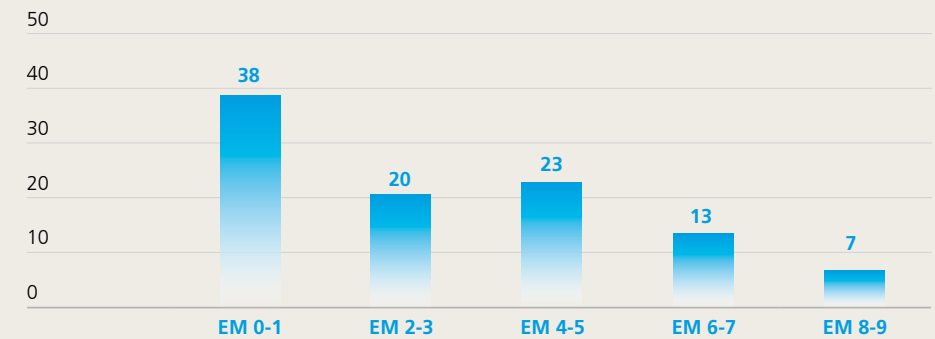


Non-developer

Developer

#### [Distribution of exposure]

Retail (in %)



MS: Risk master scale, from highest to lowest creditworthiness.

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## Internal validation

The importance of the capital determination process requires proper control environments to ensure the reliability of the estimates.

In the area of credit risk, the New Basel Capital Accord (Basel II) allows entities to use internal rating and scoring models and their own estimates of risk parameters to determine their capital requirements, following standardization with and authorization from the Bank of Spain.

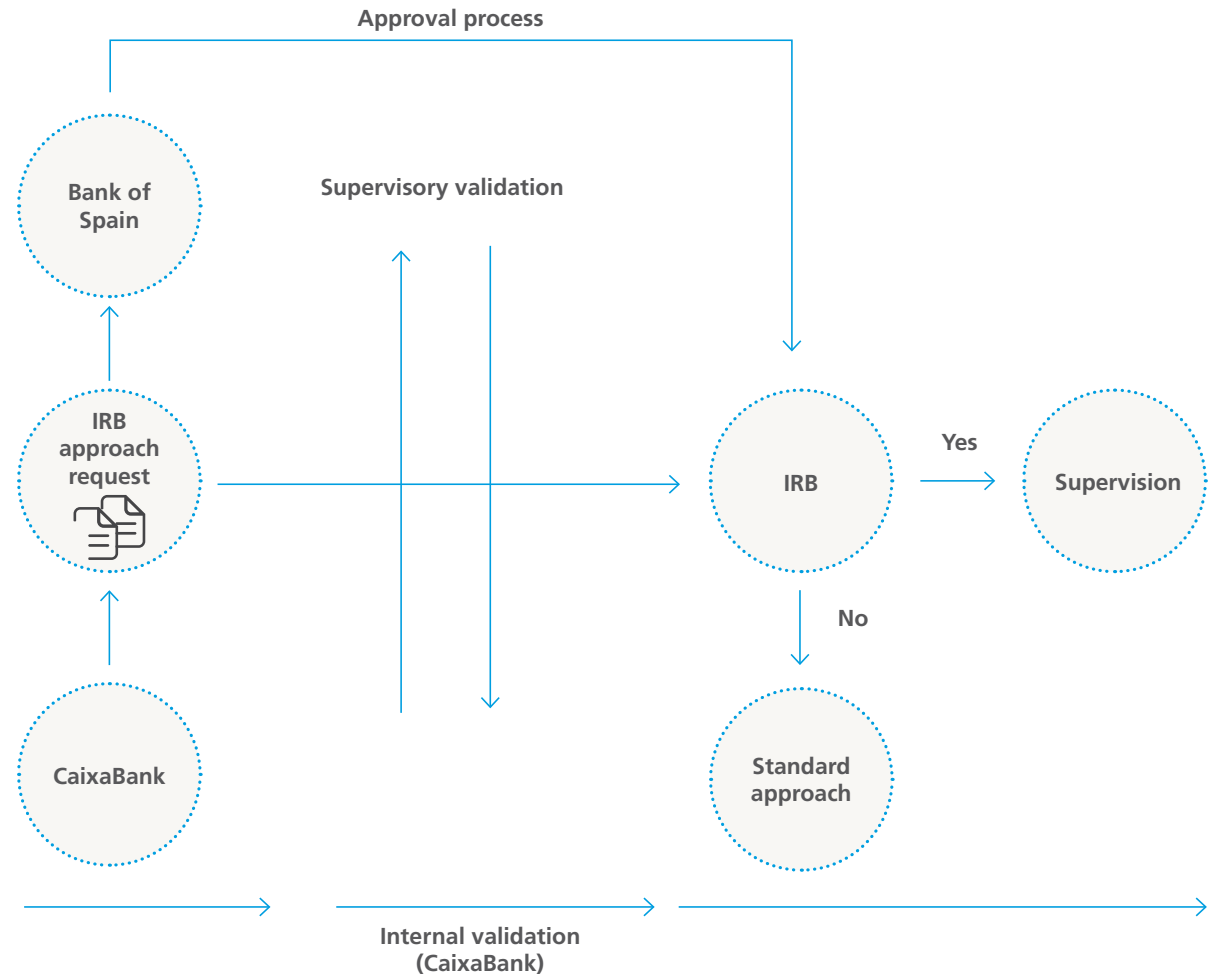
The Bank of Spain establishes internal validation as a mandatory requirement for supervisory validation, and requires the process to be carried out by an independent specialized division within the entity. It must also be carried out on a continuous basis and act as a complement to traditional control functions (internal audit and supervision).

At CaixaBank, this function is carried out by Internal Validation under the Technical Secretariat and Validation Division. Its main goals are to assess as to whether the internal models are suitable for management and regulatory purposes, and to assess whether the risk management and control procedures are in line with the bank's risk profile and strategy.

The function must also support senior executives (especially the Global Risk Committee) in their responsibilities regarding approval of internal models, and coordinate the supervisory validation process with the Bank of Spain.

The reviews carried out due to the implementation of the new IRB models were especially noteworthy in 2012.

## [Process for approving the IRB approach]



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### Investee portfolio

The risk relating to CaixaBank's investee portfolio is the risk associated with the possibility of incurring losses due to changes in market prices and/or losses on the positions composing the investment portfolio at medium to long term.

The methodologies used allow the risk involved with these positions to be measured, both from the standpoint of the risk inherent in market price volatility, using VaR models (a statistical estimate of the maximum potential losses based on historical data on changing prices), and from the point of view of the possibility of default, whereby models based on the PD/LGD approach have been applied in accordance with the provisions of Basel II.

In this regard, the main objective of Portfolio and Investee Analysis, which reports to the Corporate Credit Risk Monitoring

and Recoveries Division, is to monitor and control the risk associated with the positions held by CaixaBank in investees. Analyzing these positions provides a dynamic vision of the diversification and concentration effects of the Group's global portfolio.

These indicators are monitored on an ongoing basis to ensure that the most appropriate decisions are always taken based on the past and projected performance of the markets, and to facilitate strategic decision-making by CaixaBank senior executives relating to the composition of the portfolio.

The Corporate Risk Models Division also integrates derivatives and currency risk in relation to the investee portfolio to its risk monitoring process on a daily basis, and monitors risk in relation to financial market transactions associated with investees on an ongoing basis.







KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	<b>RISK MANAGEMENT</b> Active risk management Environmental and social risk management	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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## Management of risk associated with balance sheet positions

### Management of balance sheet interest rate risk

#### Target

CaixaBank efficiently, prudently and conservatively manages balance sheet interest rate risk and strictly controls this risk under a large number of interest rate scenarios. The bank therefore incorporates the best market practices and those put forward by supervisory agencies and

optimizes the analysis and calculation tools available.

#### Strategy

CaixaBank manages interest rate risk for two purposes:

- To reduce the sensitivity of net interest income to interest rate fluctuations.
- To preserve the economic value of the balance sheet.

#### Limits

The following limits were in force at the end of 2012 to manage interest rate risk:

- Sensitivity of net interest income: 5% variation 1 year and 10% variation at 2 years.
- Value of the balance sheet: The VaR of the balance sheet must be less than 10% of the economic value of the balance sheet.

**Low level of on-balance sheet interest-rate risk, such that it does not generate capital consumption**

### Management of balance sheet interest rate risk

To attain these objectives, CaixaBank actively manages risk by arranging additional hedging transactions on financial markets to supplement the natural hedges generated on its own balance sheet as a result of the complementary nature of the sensitivity to interest rate fluctuations of the deposits and lending transactions arranged with customers.

The mission of the Assets and Liabilities Committee (ALCO) is to optimize and ensure profitability of the financial structure of the balance sheet by coordinating prices, maturities

and volumes among the activities generating assets and liabilities, and to coordinate the actions proposed with the Risks area.

In accordance with the foregoing, the Committee is in charge of analyzing this risk and proposing the appropriate hedging transactions in accordance with the established risk management objectives.

Various assessment measures are in place to analyze this risk and propose hedging transactions to the Assets and Liabilities Committee (ALCO) in accordance with the objectives established to manage this risk:

- The static gap reveals the spread of maturities and interest rate reviews, on a specific date, for sensitive items on the balance sheet.
- The sensitivity of net interest income shows the impact of the review of the balance sheet transactions caused by changes in the interest rate curve. This sensitivity is determined by comparing a net interest income simulation, on the basis of various interest rate scenarios. Interest rate scenarios are analyzed with parallel and non-parallel movements of the curves.
- The sensitivity of equity to interest rates measures the potential effect on the present value of the balance sheet in the event of interest rate fluctuations.
- VaR measurements are taken in accordance with treasury-specific methodology.
- Earnings at risk (EaR) measurements are taken in order to establish with a certain level of confidence (99%) the maximum loss of net interest income over the subsequent two years, considering a specific amount of balance sheet growth.



KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	<b>RISK MANAGEMENT</b> Active risk management Environmental and social risk management	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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### Market risk management in trading activities

CaixaBank measures market risk in accordance with the most advanced methodologies recommended by the Basel Committee, which have been reviewed and validated by the Bank of Spain, and are in line with best market practices.

Market risk measurement and control is based on four pillars: daily risk estimates, tests carried out on the quality of these measures, calculation of hypothetical results in the event of sharp fluctuations in market prices and limit monitoring and control.

The main indicator of market risk refers to the potential loss in value of financial assets as a result of adverse fluctuations in market rates or prices. Mainly through the Treasury Desk's involvement in financial markets, the group is exposed to market risk due to unfavorable movements in the following risk factors:

interest rate and currency, price of shares and commodities, inflation, volatility and changes in the credit spread of private fixed-income positions. The levels of market risk assumed were moderate in 2012, with an average risk of €5.1 million.

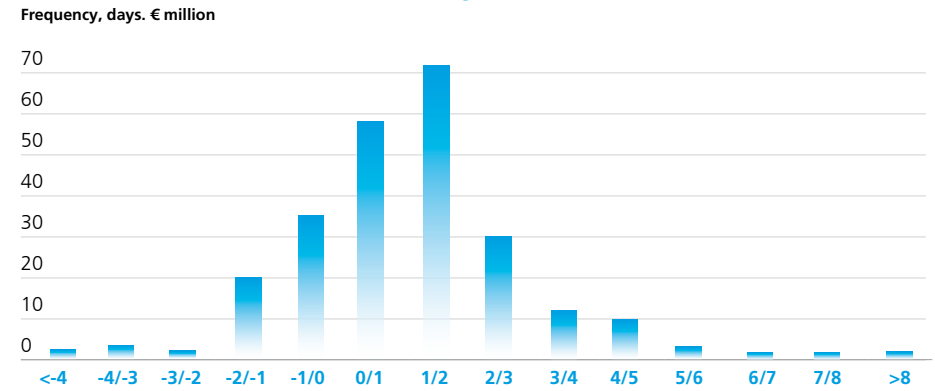
The accuracy of the risk estimates contrasts with the actual daily gains and losses, i.e. backtesting, and shows the suitability and quality of the metrics used.

The measurements of potential loss are complemented by estimates on hypothetical profit or loss in the event of sudden changes in relevant risk factors or the supposed repetition of previous crises, commonly known as stress tests, which provide an in-depth understanding of the Group's market risk profile.

CaixaBank also has a robust structure of controls and limits ensuring that the market positions taken are aligned with the objective of achieving returns while assuming a level of risk that is deemed acceptable.

***Stress tests, simulating hypothetical losses in the value of its own assets, guarantee that the bank's level of risk will be low***

[Distribution of results of the trading activities in 2012]





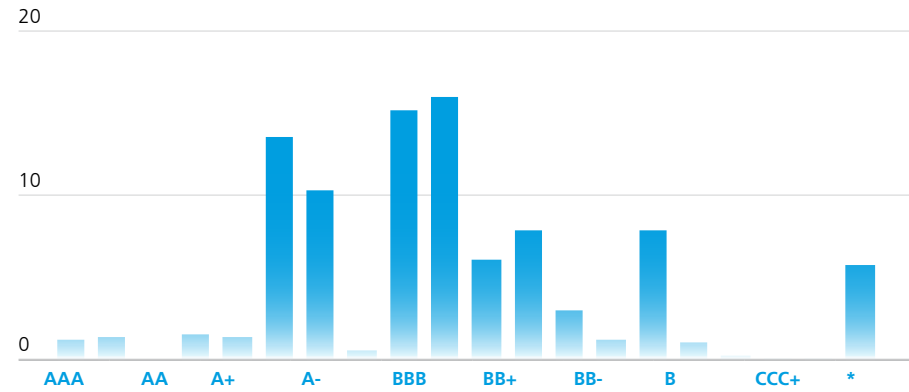
The Corporate Risk Models Division is also responsible for valuing financial instruments in addition to measuring, controlling and monitoring associated risks, as well as estimating the counterparty risk and operational risk associated with financial market activities. To perform its functions, on a daily basis the division monitors the contracts traded, calculates how changes in the market will affect the positions held (daily market-to-market result), quantifies the market risk assumed, monitors compliance with thresholds, and analyzes the ratio of actual returns to the assumed risk.



For further information on balance sheet market risk management and portfolio market risk management in the Consolidated Financial Statements, Management Report and Auditors' Report for 2012

### [Distribution of risk by counterparty credit rating]

As a percentage. Balance at December 31, 2012



(\*) Others, e.g.: Life insurance companies and Foreign trade

**CaixaBank's risk approval  
policy is *prudent*  
and *effective***



## CaixaBank monitors risks in real time, and the derivative portfolio is almost secured in full

Controls over risks undertaken in connection with financial market transactions must be reinforced by estimating and monitoring losses that could arise due to counterparties defaulting as a result of insolvency.

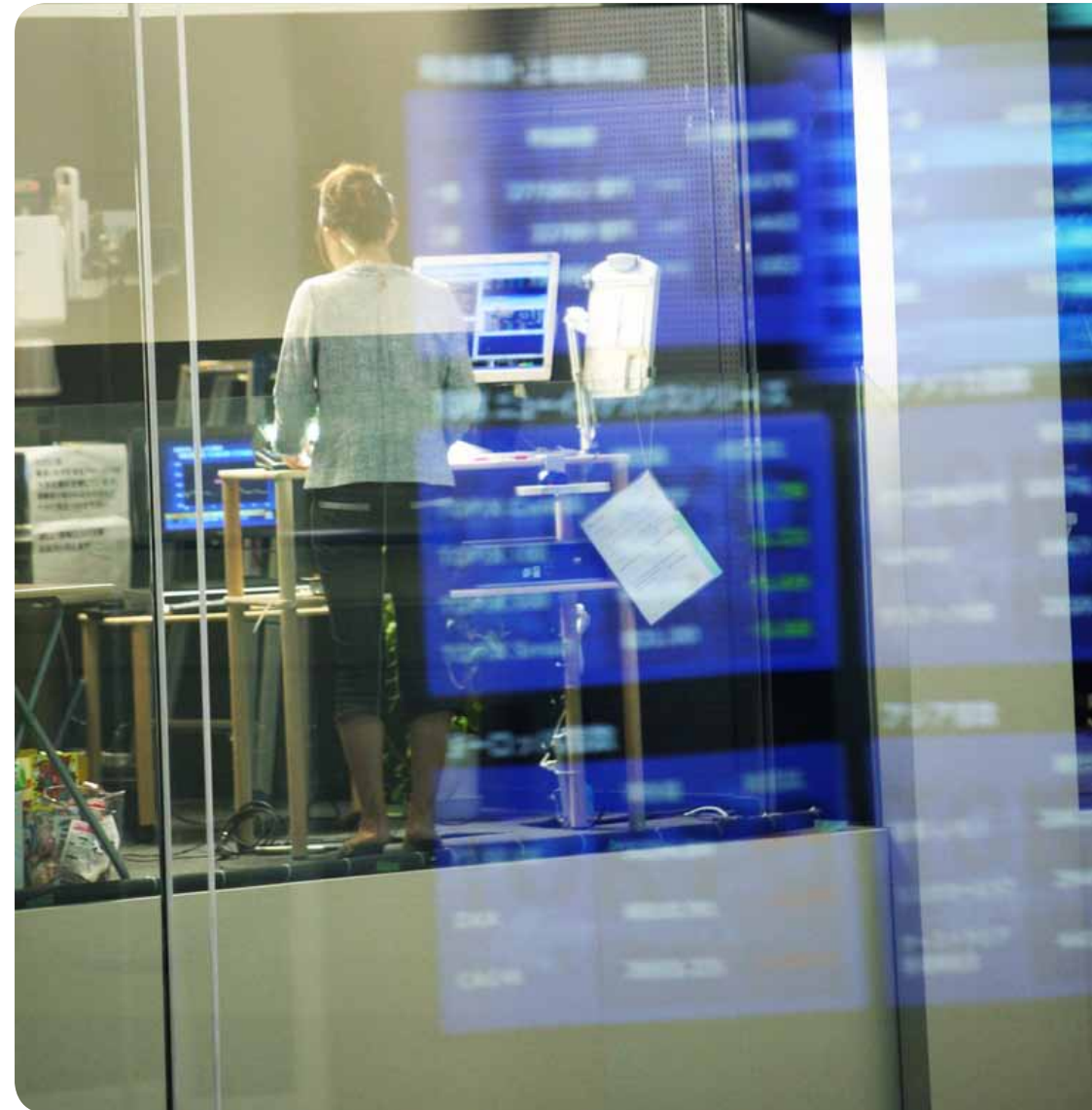
The maximum authorized exposure to counterparty credit risk for credit approval purposes is determined using a complex calculation approved by Management, primarily based on ratings for the entities and on analysis of their financial statements. Monitoring is also carried out of listings of shares and of protection insurance (CDS) for the counterparties in order to detect any impairment of their solvency.

The exposure of the Group to credit institutions at December 31, 2012 was €6,955 million (excluding the deposits with the Bank of Spain), mainly concentrated in European countries and the United States.

Counterparty risk is controlled by an integrated real-time system which provides information at any given time of the available limit for any counterparty, by product and maturity. Risk is measured both in terms of its current market value and its future exposure (the value of risk positions in due consideration of future changes to underlying market factors).

The adequacy of the related contractual documentation is also monitored. To mitigate exposure to counterparty risk, CaixaBank has a solid base of collateral agreements; virtually all the risks undertaken in connection with derivative instruments are covered by standardized ISDA and/or CMOF contracts, which provide for the possibility of offsetting the outstanding collection and payment flows between the parties.

CaixaBank has signed collateral agreements with most of its counterparties, and these provide a guarantee of the market value of derivative transactions.



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## Liquidity risk management

CaixaBank's liquidity position at the end of 2012 was comfortable, standing at €53,092 million (15.3% of total assets), with a notable increase during the year, enabling the bank to adapt to the current economic climate, finance the growth of the group's businesses, and respond to customers' borrowing requirements.

The bank has a prudent and conservative liquidity risk management framework, which, in accordance with its strategic objectives, is in line with best market practices and recommendations and those put forward by supervisory agencies. CaixaBank avails itself of existing mechanisms in the financial markets (debt issuance programs, ability to issue

mortgage-covered bonds, public-sector covered bonds and government-backed debt, and the ECB discounting facility) and actively manages its balance sheet to ensure levels of liquidity are consistent with its strategic goals.

Diversified sources of financing are available. Reliance on wholesale markets is low, since 69% of financing is obtained from customer deposits, which brings stability to the balance sheet and reflects the trust of its customers.

The bank's policy of spreading out maturities has prevented their concentration. Despite the global financial crisis and general lack of confidence, CaixaBank has shown that

it is capable of attracting investors, and has exploited market opportunities, raising €1,200 million on the wholesale markets in 2012.

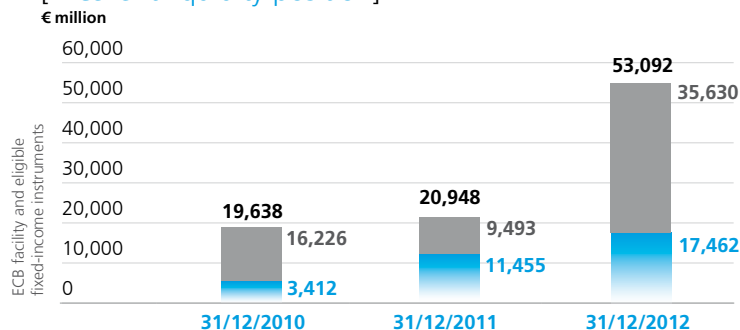
The CaixaBank Group manages liquidity in such a way as to ensure that it is always able to meet its obligations on a timely basis, and that it never allows its investment activities to be diminished due to a lack of lendable funds. The aim is to ensure that liquid assets are permanently available on the balance sheet and minimize the structural liquidity risk inherent to the banking business, as well as to preserve and protect the interests of deposit holders.

**Excellent liquidity position**  
**€53,092**  
million

**15.2%**  
of liquidity over assets

**100%**  
immediately available

### [Excellent liquidity position]

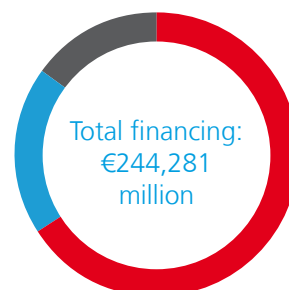


#### Top-tier liquidity

#### Second-tier liquidity

#### Total

### [Diversification of sources of financing]



Customer deposits	66%
Institutional issues	19%
Net interbank	15%



**Debt maturities**

The liquidity position at December 31, 2012 was sufficient to cover all expected maturities.

**[Wholesale issue maturities (net of treasury shares)]**

(Thousands of euros)	2013	2014	2015	2016	> 2016	Total
Mortgage-covered bonds	4,787,227	6,947,291	5,225,589	6,034,839	19,084,386	42,079,332
Public-sector covered bonds	1,298,450	0	0	0	0	1,298,450
Senior debt		1,212,700	1,285,750	10,000	160,000	3,856,550
Subordinated debt and preference shares	60,000	0	48,600	1,151,600	278,052	1,538,252
<b>Total wholesale issue maturities</b>	<b>7,333,777</b>	<b>8,159,991</b>	<b>6,559,939</b>	<b>7,196,439</b>	<b>19,522,439</b>	<b>48,772,585</b>

In 2012, CaixaBank focused intensively on activities that generate liquid assets in view of the tightening of the wholesale financing markets and exploited the opportunities it had with regard to the placement of issues with wholesale investors and the use of the long-term financing provided by the European Central Bank.

In order to face the difficult situation of the institutional financial markets, CaixaBank issued €25,500 million in mortgage-covered bonds and public-sector covered bonds in 2012 in order to generate assets that could

be used as collateral for the credit facility with the European Central Bank, thereby increasing this amount as a prudent measure and contingency plan. These issues and the cancellation of 21 securitization funds form part of the process of optimizing the assets pledged for this credit facility.

In addition, two issues were placed on the institutional market amounting to €1,200 million and three issues were placed on the retail market amounting to €4,791 million.

**Financing capacity**

The amount drawable on the ECB facility at December 31, 2012 was €35,630 million. The financing obtained from the ECB through various monetary policy instruments amounted to €28,284 million at December 31, 2012.

**[Capacity to issue mortgage-covered bonds and public-sector covered bonds]**

(Thousands of euros)	31.12.2012	31.12.2011
Mortgage-covered bond	3,767,291	18,460,037
Public-sector covered bond	1,229,146	3,683,545

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### Premises for liquidity management

- Active liquidity management involving constant monitoring of the balance sheet structure, by terms of maturity, to ensure the early detection of possible inadequate short- and medium-term liquidity structures. A daily breakdown of liquidity by maturity is made available by drawing up projections of future flows, which provides information on the time structure of liquid assets at all times.
- A Liquidity Risk Contingency Plan, which analyzes liquidity risk both under normal market conditions and in crisis situations, in which various specific, systemic and combined crisis scenarios are considered, involving different severity assumptions in terms of reduced liquidity. The Liquidity Risk Contingency Plan established an action plan for each crisis scenario established, setting forth the commercial, institutional, and communication measures required to react to situations of this type, incorporating a second line of liquidity that acts as a cushion for extraordinary situations.
- A strategy that provides flexibility and stability to the sources of financing and has a wide variety of ordinary financing programs that cover a number of maturity periods to ensure adequate levels of liquidity at all times.
- To adopt an issuance policy that focuses on limiting reliance on wholesale markets, ensuring a balanced distribution of maturities to prevent their concentration and diversify the instruments used.
- To maintain significant financing capacity on the market through instruments of the highest quality such as mortgage or public-sector covered bonds.
- To adopt a prudent stance and cope with potential liquidity pressures or crises in the markets, the bank placed a series of collateralized assets with the ECB that allow for immediate liquidity.
- To generate liquid assets that provide sufficient liquidity to cope with extremely adverse situations in wholesale and/or retail financing markets.

**CaixaBank strictly monitors liquidity risk**

**In 2012, CaixaBank generated liquid assets and made use of market opportunities (wholesale investments and the ECB)**



## Operational risk management

An expert workforce and the procedures, systems and controls in place help mitigate operational risk.

Operational risk covers all events that could give rise to a loss caused by shortcomings in internal processes, human error, malfunctioning of information systems and/or external events. Operational risk is inherent to all business activities and, although it can never be wholly eliminated, it can be managed, mitigated and, in some cases, insured.

Operational risk rises as the banking business becomes more reliant on factors such as the intensive use of IT, outsourcing, and the utilization of complex financial instruments.

The Global Risk Committee defines the strategic lines of action and monitors operational risk.

A comprehensive operational risk measurement and control model that is used across the entire group is adopted in CaixaBank. It uses the standardized approach for calculating regulatory capital for operational risk. In this regard, it has an "Operational Risk Management Framework" in place which defines the objectives, policies, management model and measurement methodologies relating to operational risk.

There are two main lines of action: train employees so that they have the necessary experience and information they need to carry out their functions, and review business and operating processes, putting improvements and new controls in place. When necessary, CaixaBank also takes out insurance policies to cover risk.

The overall objective is to improve the quality of business management based on information concerning operational risks, aiding decision-making to ensure the bank's long-term continuity and improving processes and the quality of customer service, while complying with the established regulatory framework and optimizing the use of capital.

The organizational model is based on the following:

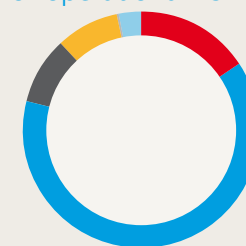
- Areas of business and support, and subsidiaries: identify, evaluate, manage, control and report on the operational risks to which their activities are exposed.
- Operational Risk: defines, implements and standardizes the model for management, measurement and control of the Group's operational risk. It provides support to the various business areas and subsidiaries, and consolidates information for Management.

The operational risk management model and policies establish an ongoing process based on the following:

- Identification and detection of all operational risks (existing and potential).
- Measurement of operational risk, monitoring changes and projections.
- Active management of the group's risk profile, which involves establishing a reporting model at all levels of the organization to assist with decision-making aimed at mitigating risk (setting up new controls, developing business continuity plans, re-engineering processes, taking out insurance against potential contingencies and others), anticipating the possible causes of risk and reducing the economic impact.

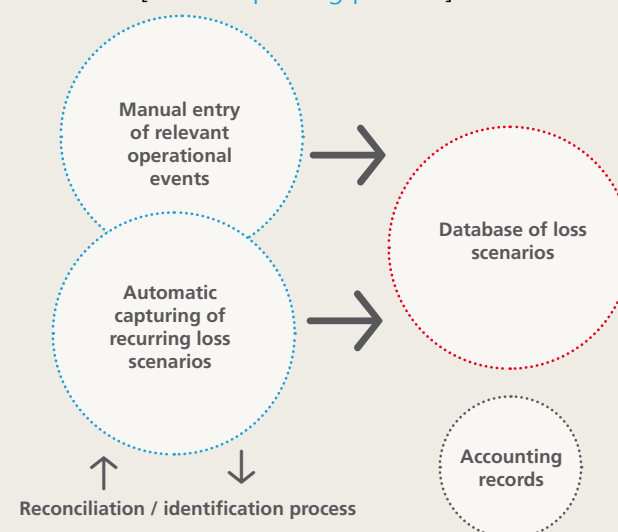
## Operational risk management

### [Distribution of operational risk events]



Customer-related practices	63.6%
Execution, delivery and process management	15.2%
Internal fraud	9.3%
External fraud	8.6%
Labor relations and workplace safety	2.9%
Impairment of property, plant and equipment	0.4%

### [Event capturing process]





KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	<b>RISK MANAGEMENT</b> <b>Active risk management</b> Environmental and social risk management	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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## Reputational risk management

The Brand and Corporate Responsibility Division, supervised and coordinated by the Reputation Committee, is charged with closely monitoring reputational risk which, should it arise, could adversely affect CaixaBank's reputation, understood to be the stakeholders' perception of and expectations for the bank.

The CaixaBank Reputational Risk Map was updated in 2012, the revision of which involved all of the bank's areas. The resulting map identifies the risks with the greatest potential impact on the bank's reputation and the degree of completion of preventive measures. For each relevant risk, the map establishes a series of indicators that allow the effectiveness of

the preventive measures implemented to be periodically monitored. These indicators are periodically submitted to the Reputation Committee and the Management Committee.

Similarly, and in addition to the periodic monitoring, in the event that any of the bank's business areas consider that an incident occurring within their scope may impact the bank or the stakeholders and adversely affect CaixaBank's reputation, a meeting with the Reputational Risk Management Committee is called to decide on the measures to be adopted in each case.

**CaixaBank's Reputational Risk Map was updated in 2012**

## Reputation management and measurement

In order to respond to its stakeholders' expectations, CaixaBank has various programs, actions and indicators in place that enable it to find out their opinion and measure their level of satisfaction:

- Customers' perception: measured according to the results of various surveys relating to the level of service offered, both through face-to-face channels and online. The record of incidents and claims submitted through customer service channels or by other means also provide information on stakeholders' perceptions of the bank.
- Employees' perception: a survey is conducted every six months in order to gauge employee satisfaction levels and gather their suggestions for improvement. This consultation complements the periodic surveys carried out with regard to the quality of internal services and the communications submitted through other internal communication channels.
- Shareholders' perception: there are various two-way communication channels in place such as surveys, the suggestions box or the Advisory Committee, among others..

- Society's perception: this perception is obtained through various periodical reports that measure CaixaBank's reputation in the media, social networks and on the internet in general. The bank also participates in forums and conferences, where it is both a participant and benchmark entity in its areas of activity.

Other reputational indicators:

- Results published in various reputational reports drafted by Spanish and international independent experts. These reports provide information on its reputation among experts, analysts, the media, consumer associations, customers, employees and the public in general.
- Membership of sustainability indices or rankings on the performance of CaixaBank's activities in various areas (economic, corporate governance, social, environmental, etc.).
- Awards and acknowledgments obtained in the execution of its activities.

**+** For further information see section 4.2 "Value creation for stakeholders".



KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	<b>RISK MANAGEMENT</b> Active risk management Environmental and social risk management	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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## Audit, Internal Control and Compliance

After the “la Caixa” Group’s reorganization in 2011, which culminated with the creation of CaixaBank (listed company), and in the wake of the recent integration of financial banks, the Group has become far more complex.

In the current environment of economic volatility and changes in the financial system and the regulatory framework, the demands on and duties of senior executives and governing bodies are increasing, as is stakeholder sensitivity to corporate governance and internal control.

Against this backdrop, the Audit, Internal Control and Compliance Division is in charge of ensuring that the Group’s internal control framework is adequately managed and supervised, thereby strengthening its role therein.

It reports systematically to CaixaBank’s Deputy Chairman and C.E.O., as well as to the Audit and Control Committee,

which oversees the internal audit function and the integrity of the Group’s internal control framework.

This division comprises three organizational units (Internal Control, Compliance and Internal Audit) in accordance with the guidelines set out by the European Banking Authority (EBA).

### Internal control

In order to reinforce the control structures, Internal Control was created in 2012 with the mission of ensuring management and the governing bodies that the necessary controls were in place, designed correctly and operating efficiently to manage the CaixaBank Group’s risks, thereby generating confidence for stakeholders.

Its main duties are:

- Coordination of the Risk Map and Corporate Controls

- Collaboration with the business areas in the description and, as appropriate, the design of risk control protocols for their businesses and action plans to remedy any deficiencies in weakness in control.
- Synthetic, periodic and systematic reporting of information to senior executives and governing bodies on the group’s control environment.

This function’s activity is cross-cutting as it assesses risk control mechanisms that affect the entire set of activities and businesses carried out by the Group.

***In 2012, Internal Control was created with a transversal function***





KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	<b>RISK MANAGEMENT</b> <b>Active risk management</b> Environmental and social risk management	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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## Regulatory compliance

The regulatory compliance policy is based on the principles of integrity and ethical conduct, the cornerstones of the Group's business activities, and includes the prevention of money laundering and the financing of terrorism.

### The mission of regulatory compliance

The mission of regulatory compliance focuses on management of the risk of legal or regulatory penalties, financial, material or reputational loss that may be incurred by CaixaBank as a result of failure to comply with laws, regulations, regulatory standards or codes of conduct.

This mission involves carrying out a number of activities, such as: creating, publicizing and implementing the culture of compliance at all levels of the organization, advising senior executives with respect to compliance, drawing up and/or promoting internal rules and codes, or improving those that already exist, defining effective procedures, and

proposing suitable controls. Any risk of non-compliance must be detected and, if necessary, proposals must be made with a view to improvement. Any shortcomings must be monitored and examined using the principles of ethical conduct.

To achieve these objectives, Compliance drafts assessment reports on compliance with regulations to identify the risks and follows up improvements. Improvements are monitored monthly until completion.

Compliance regularly reports on its activities to senior executives and the Audit and Control Committee.

### Money laundering prevention

The Money Laundering Prevention Operating Unit has been integrated in the Compliance Division under the management and supervision of the Money Laundering Prevention Committee. This unit is dedicated exclusively to overseeing compliance with the money laundering prevention obligations imposed by law on credit institutions.

The functions delegated expressly by the Money Laundering Prevention Committee in the Money Laundering Prevention Operating Unit (MLPOU) and carried out in the year are as follows:

- Present within the time limit and the manner stipulated the regular statements required by money laundering prevention regulations.
- Comply promptly, safely and efficiently with requirements to report to the competent authorities on matters of money laundering prevention.

**+** For further information see section 2.2 "Business ethics"

**Operating unit solely dedicated to money laundering prevention**

KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	<b>RISK MANAGEMENT</b> <b>Active risk management</b> Environmental and social risk management	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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### Internal audit

The mission of Internal Audit is to guarantee effective supervision, evaluating the internal control systems and management of the bank's risks on an on-going basis. It performs an independent corporate function to foster good corporate governance. It also reports systematically to the Audit and Control Committee and provides senior executives with an objective overview of the effectiveness of the internal control framework.

Internal Audit is strategically focused on detecting, supervising and monitoring the Group's main risks. Its main objectives are to contribute to good corporate governance and the achievement of the bank's strategic objectives through:

- Evaluation of the quality and effectiveness of the Group's internal control framework in to order guarantee its correct performance and the mitigation of the main risks.

- Review of compliance with internal and external regulations.
- Evaluation of the appropriateness of the activities carried out by the various group units, ensuring that a system to detect fraud is in place.

The principal lines of action of Internal Audit are as follows:

- Monitoring the annual planning focused on the main risks and approved by the Audit and Control Committee.
- Handle requests by the Board of Directors, senior executives and supervisory authorities.
- Ensure the efficient use of resources by enhancing remote auditing, engaging qualified auditors and appropriate outsourcing arrangements.

It is also responsible for internal supervision within the global risk management framework of Basel.

 For further information see Information on Capital Standards





KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	<b>RISK MANAGEMENT</b> Gestión global del riesgo <b>Environmental and social risk management</b>	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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## 5.2 [Environmental and social risk management: Equator Principles]

**CaixaBank considers the social and environmental implications of its activities, both in its daily management and its strategy, which must be consistent with the bank's corporate values and its general risk principles. CaixaBank always works towards optimizing the risk-return ratio and mitigates as much as possible those factors that may give rise to risk for the environment or community. In general, environmental and social risks are included in traditional risk circuits. More specifically, projects are financed within the framework of the Equator Principles and an internal procedure is also applied –inspired by these Principles– for syndicated operations.**



1-10

As a signatory of the Equator Principles since 2007, CaixaBank has assumed a comprehensive commitment to responsible financing. The approval and subsequent management of financing projects entailing an overall investment of more than \$10 million therefore require an analysis of the potential environmental and social risks of the projects, pursuant to the standards established by the International Finance Corporation (IFC).

In 2012, the entities that signed the Equator Principles continued working to update these principles, with the public release of a draft proposal of the EP III. CaixaBank has actively participated in this review process.

**CaixaBank has been a signatory of the Equator Principles since 2007**

### How are financing projects classified?

In accordance with the Equator Principles, any project finance with an overall investment of more than \$10 million requires a prior analysis of the risks potentially affecting the environment and community. In accordance with the potential risks detected in the due diligence process, assessed by an expert analyst, the projects are rated according to three categories: A, B and C, based on the potential risks detected. Projects classified under type A, and some of those under type B, may have potentially high adverse risks. An Action Plan is therefore established that helps prevent and mitigate these risks and establish corrective actions. Those projects with potentially high and irreversible risks for which a viable Action Plan cannot be established, according to an initial analysis, are not considered and are not assessed in more depth, since the participation of the bank in the financing project is rejected from the start.





KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	<b>RISK MANAGEMENT</b> Gestión global del riesgo <b>Environmental and social risk management</b>	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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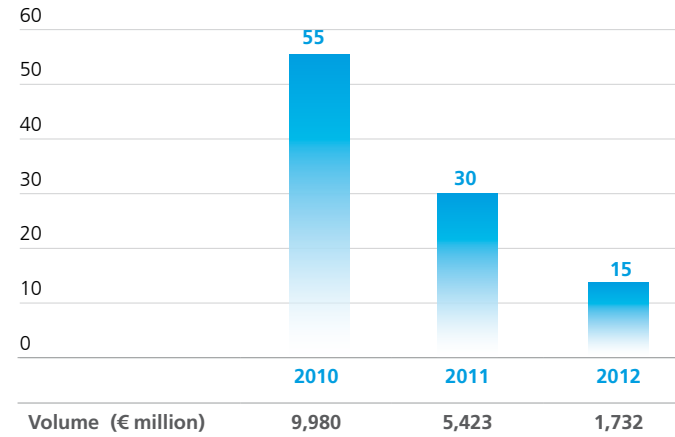
Throughout 2012, CaixaBank financed 15 projects, with a total investment in excess of €1,700 million. The bank guaranteed €426 million of these projects and invested €401 million. Six of the projects were classified as type B and nine as type C.

Lastly, almost half of the projects, seven of them, related to the production of renewable energy: biomass, wind power and thermo-solar power which, as a whole, represented the installation of 377.5 MWh of capacity in various countries.

Since 2011, CaixaBank has had an internal procedure in place to assess the social and environmental risks of syndicated operations with an overall investment in excess of €7 million. Within this framework, CaixaBank financed 36 transactions, for a total amount of more than €7,885 million, in which it invested more than €858 million. All transactions were classified as type C.

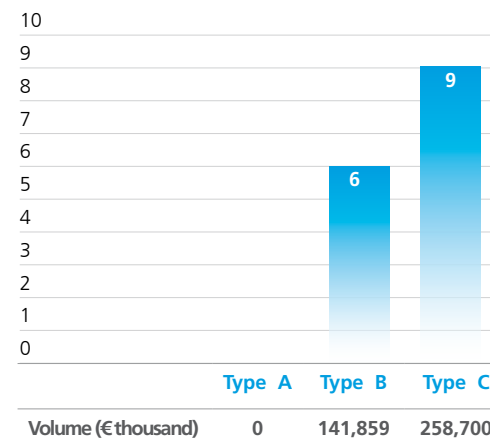
 For further information on the Equator Principles

### [Project finance transactions subject to Equator Principles]

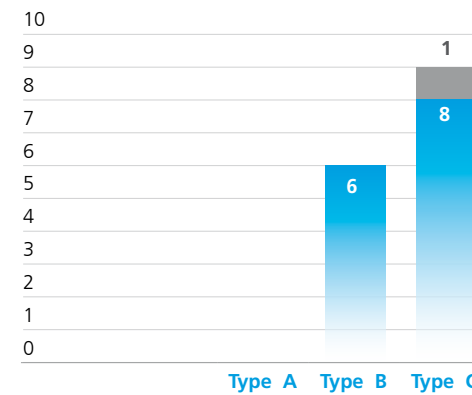


**In 2012, 36 syndicated operations were evaluated with an investment of more than €7,885 million**

### [By type]

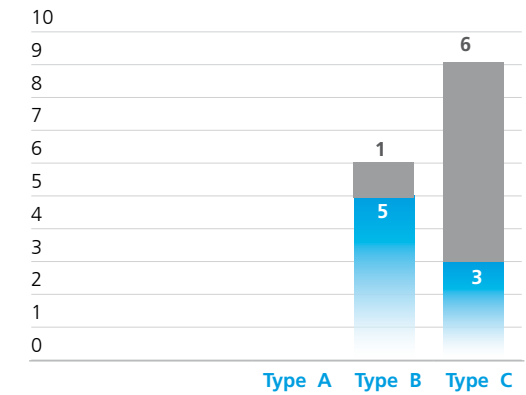


### [By location]



OECD countries - high income  
OECD countries - not high income

### [By sector]



Energy  
Infrastructure



# [2012 FINANCIAL REPORTING AND RESULTS]





## 6.1 [Excellent solvency and liquidity levels, and considerable capacity to generate earnings]

### CaixaBank strengthened its financial position throughout 2012 despite the complex economic climate.

CaixaBank strengthened its financial position throughout 2012 despite the complex economic climate. Liquidity, a core component of the bank's strategy, reached €53,092 million (15.2% of total assets) at December 31, 2012. Underpinned by proactive and prudent management of financing sources, liquidity increased by €32,144 million in 2012, improving the financing structure and decreasing reliance on wholesale markets.

CaixaBank also boasts an excellent level of solvency. At December 31, 2012, core capital under Basel II stood at 11.0%, with a capital surplus of €5,745 million. The results of the individualized stress tests carried out on the Spanish banking system, under the supervision and coordination of the Bank of Spain and the main European institutions, confirmed CaixaBank's financial stability and cite CaixaBank as one of the most solvent banks in the country<sup>1</sup>.

The extraordinary efforts of the branch network which has been closely managed in a specialized manner by customer segment, and the takeover of Banca Cívica have been critical to CaixaBank

reinforcing its leadership in the Spanish market, gaining significant increases in market share of the main retail banking products and services<sup>2</sup>. At December 31, 2012, CaixaBank managed total assets of €348,294 million (+28.8%).

Gross income stood at €6,737 million (+3.5%), underpinned by strong growth in revenue from the banking sector: 22.2% growth in net interest income and an 8.9% rise in fees. CaixaBank's ongoing ability to generate earnings placed pre-impairment income at €3,171 million, enabling the bank to recognize high levels of provisions and write-downs.

In 2012, the bank recorded write-downs and allowances totaling €10,299 million: impairment losses on assets and others of €5,749 million, and valuation adjustments of €4,550 million against equity related to Banca Cívica's loan and property portfolios. These significant allowances and write-downs enabled CaixaBank to meet 87% of the new provisioning requirements laid down in the new regulatory requirements introduced by the Spanish government in 2012 to bolster the financial system (Royal Decree Laws 2/2012 and 18/2012).



**Core Capital (Basel II)**  
**11.0%**

**Liquidity**  
**€53,092 million**

(1) Further information of stress testing of the Spanish banking system available on pages 34 and 42.

(2) Breakdown of market shares on page 54.



## 6.2 [Results: Strong revenue-generating capability]

**Profit attributable to the Group stood at €230 million (-78.2%), affected by the sizeable allowances made to comply with the new regulatory requirements to shore up the balance sheet and to safeguard future profits.**

### [Income Statement]

€ million

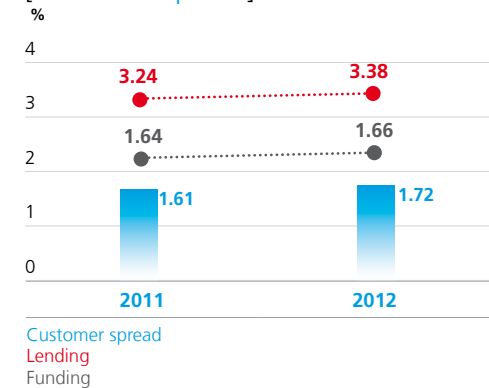
	2012	2011	Chg. (%)
Financial income	9,178	7,734	18.7
Financial expenses	(5,306)	(4,564)	16.2
<b>Net interest income</b>	<b>3,872</b>	<b>3,170</b>	<b>22.2</b>
Dividends	228	377	(39.6)
Income accounted for using the equity method	581	282	106.3
Net fees	1,701	1,562	8.9
Gains on financial assets	455	343	32.4
Other operating income and expenses	(100)	777	(112.8)
<b>Gross income</b>	<b>6,737</b>	<b>6,511</b>	<b>3.5</b>
Total operating expenses	(3,566)	(3,342)	6.7
<b>Pre-impairment income</b>	<b>3,171</b>	<b>3,169</b>	<b>0.1</b>
Impairment losses	(3,942)	(2,557)	54.2
Gains/(losses) on disposal of assets and others	709	547	29.7
<b>Pre-tax income</b>	<b>(62)</b>	<b>1,159</b>	<b>(105.4)</b>
Income tax	291	(106)	
<b>Profit for the period</b>	<b>229</b>	<b>1,053</b>	<b>(78.3)</b>
Minority interest	(1)		
<b>Profit attributable to the Group</b>	<b>230</b>	<b>1,053</b>	<b>(78.2)</b>

### Net interest income

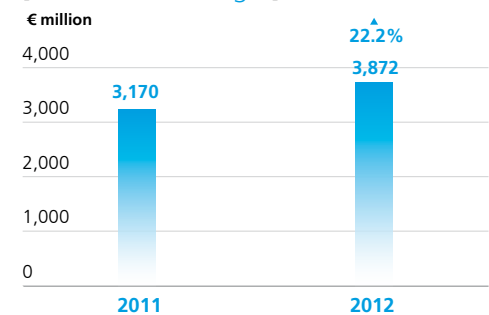
Net interest income rose 22.2% compared to December 2011, to €3,872 million. This improvement in net interest income in a highly competitive environment was due to the bank's policy to efficiently manage returns on asset and liability operations, the upward repricings in the mortgage portfolio in the first half of 2012, management of financing sources, and the incorporation of Banca Cívica in the second half of 2012.

The spread on customer lending and funding, an indicator of the profitability of the retail customer activity, stood at 1.64%, primarily reflecting the drop in interest rate curves for the loan portfolio and CaixaBank's efforts to protect returns on funds. Thanks to the ample liquidity enjoyed by the bank, it has proactively managed high-cost maturities and margins on new operations.

### [Customer spread]



### [Net interest margin]





## Gross income

Gross income rose 3.5% compared to 2011 to €6,737 million underpinned by the incorporation of Banca Cívica, strong net interest income, higher fees, gains on financial transactions, and profit contributed by investees.

Net fees and commissions performed well, climbing 8.9% to €1,701 million year on year. CaixaBank strove to maintain an intense commercial activity and effectively manage the services offered to customers, applying a segment-specific approach.

The 10.4% rise in banking fees are a result of the higher level of overall transactions and the specialized approach, while fees received by the bank on the sale of insurance policies and pension plans are

up 9.8% due to the branch network's focus on selling a wide range of these products.

CaixaBank's investment strategy focuses on international diversification and on supporting the development of companies offering essential services to society. Diversification in international banking and holdings in sector leaders (Telefónica and Repsol) ensured high revenues in the equity portfolio. These revenues rose 22.8% to €809 million.

Dividends from investees were down, due to Telefónica's decision to eliminate dividends in 2012. However, profits contributed from equity-accounted companies were up 106.3%, as the 2011

figure reflected the sizeable write-downs recorded in banking investees.

With respect to income tax expense, virtually all revenue from investees is recognized net, as the tax is paid and any regulatory credits are applied at the investee.

Gains on financial transactions stood at €455 million in 2012 and primarily comprise gains generated on exchange differences, hedging transactions and on the active management of the Group's financial assets.

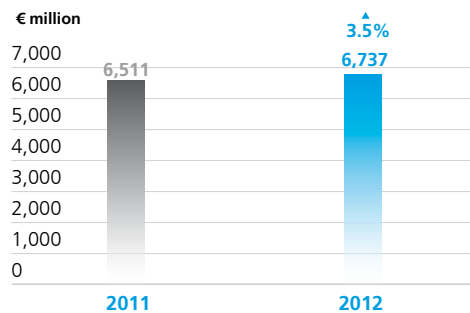
Other operating income and expense were affected by the deconsolidation of SegurCaixa Adeslas in June 2011, the

reinsurance agreement on the VidaCaixa's individual life-risk portfolio signed in the fourth quarter of 2012, and higher contributions to the deposit guarantee fund.

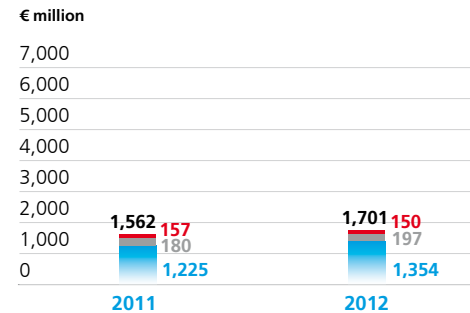
The year-on-year comparison was also affected by the release in 2011 of €320 million set aside in prior years in connection with the liability adequacy test in the insurance business, as these allowances were no longer required.

(1) Breakdown of CaixaBank investments on 4.1  
"Value proposition"

### [Gross income]

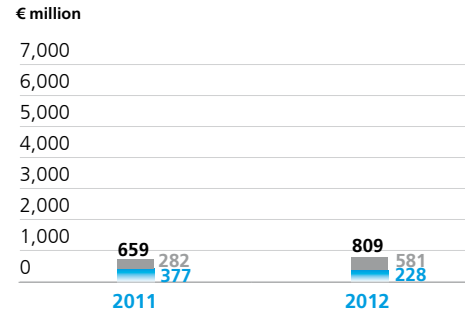


### [Commissions]



Banking, securities fees and other fees  
Insurance and pension plan sales  
Investment funds

### [Income from investments]



Dividends  
Income accounted by the  
equity method



## Cost containment policy, streamlining of the budget and rise in pre-impairment income

When stripping out the impact of Banca Cívica, the non-recurring restructuring costs and changes in the scope of consolidation from 2011, expenses were down 0.1% like-for-like, thanks to the strict cost containment policy and streamlining of the budget.

In 2012, these expenses were largely affected by the integration of Banca Cívica in the second half of the year, as well as non-recurring restructuring expenses amounting to €78 million. As

synergies obtained from the fast-tracked integration process only partially offset these higher costs, expenses rose 6.7% in the period.

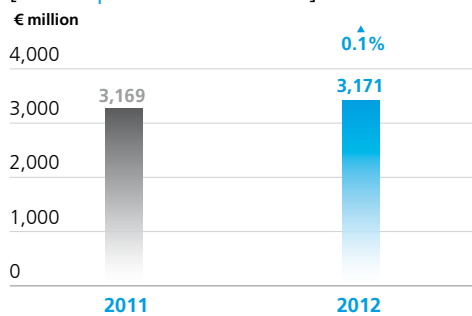
The year-on-year comparison is affected by the deconsolidation of SegurCaixa Adeslas in June 2011 and the recognition of non-recurring expenses arising on Group restructuring and the integration of Bankpime.

CaixaBank's ongoing effort to reduce and streamline its costs remains fully compatible with its growth targets and its clear aim for excellence in its management model.

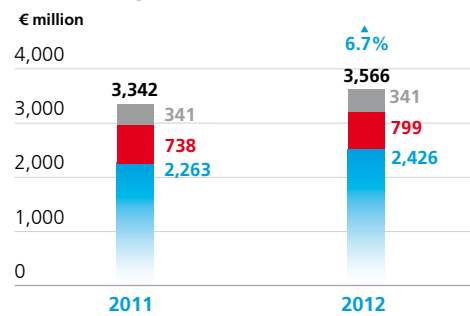
**Synergies forecast for 2014**  
**€540 million**

**Costs are down 0.1% (on a like-for-like basis)\***

### [Pre-impairment income]



### [Operating expenses]

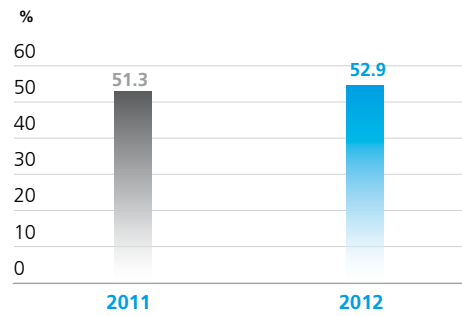


Personnel expenses

General expenses

Amortization

### [Cost-to-income]



\* Like-for-like basis, stripping out the impact on Banca Cívica, non-recurring reorganization expenses and changes in scope of consolidation in 2011



### Banca Cívica: synergies and restructuring costs

Synergies of €104 million (191% of those initially forecast for 2012) were generated earlier than expected in 2012, immediately after the merger, thanks to the intense efforts to optimize the bank's structure.

The high level of synergies obtained provides a solid base for the coming years. Activities carried out in 2012 ensure that approximately 40% of synergies forecast for 2014 will be secured. Total synergies are expected to reach an annual amount of €540 million starting three years from the merger date.

Restructuring costs were initially forecast at €1,600 million before taxes (€1,100 million, net of taxes). At December 31, 2012, costs of €757 million (gross) were recognized, the majority in connection with the accounting integration of Banca Cívica.

As a result of the above, pre-impairment income stood at €3,171 million, rising 0.1% in 2012 (up 11.3% when stripping out non-recurring income from insurance-related funds released in 2011).

Active management of returns on transactions and services and the cost synergies arising from the takeover of Banca Cívica will be leveraged for further growth in pre-impairment income and efficiency improvements.

CaixaBank's ability to generate strong and recurring pre-impairment income has allowed the bank to record sizeable write-downs and ensure an extremely robust balance sheet.

**Pre-impairment income reaches**  
**€3,171 million**

### Sizeable allowances and write-downs

The downturn in the Spanish economy in 2012 and the measures implemented by regulators in order to recover market confidence in the Spanish financial sector both called for sizeable allowances and write-downs to be made during the year.

In 2012, impairment losses on financial and other assets amounted to €3,942 million, up 54.2% on the 2011 figure.

The sustained capacity to generate revenue, coupled with the use of the general loan-loss provision of €1,807 million, allowed the bank to set aside allowances of €5,606 million.

This large volume of provisions covers the entire €2,436 million required from CaixaBank under RDL 2/2012 and €1,200 million in connection with RDL 18/2012. The requirements for Banca Cívica are fully covered by the fair value adjustments on this entity's loan portfolio made at the time of the merger.

At December 31, 2012, CaixaBank had therefore met 87% of the new provisioning requirements set out under RDL 2/2012 and RDL 18/2012, with only €902 million pending coverage before June 30, 2013.

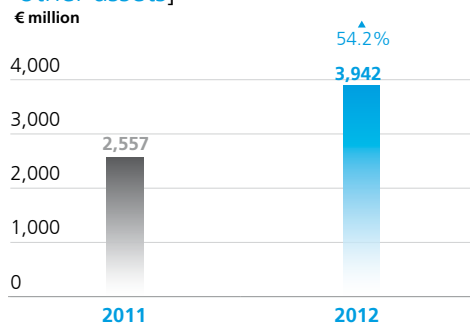
### [Allowances] € million

<b>Total provisions set aside</b>	<b>10,299</b>
<b>Impairment losses</b>	<b>5,749</b>
RDL 2/2012 - 100% set aside in 1Q	2,436
RDL 18/2012 - 1,200 of 2102	1,200
Other NPL provisions	1,970
Other provisions	143
<b>Banca Cívica adjustments (against reserves)</b>	<b>4,550</b>





### [Impairment losses on financial and other assets]



CaixaBank sets aside

**€10,299 million**  
in allowances and write-downs

Lastly, gains/(losses) on the disposal of assets and other gains and losses includes gains/(losses) on the sale of assets and other write-downs. In 2012, this figure was €709 million (+29.7%) and includes, inter alia, gains on non-recurring transactions carried out in the year (sale and lease back of branch offices, reinsurance agreement on VidaCaixa's individual life-risk portfolio at December 31, 2012, and sale of the depository business). In 2011, gains/(losses) on the disposal of assets included gains on the sale of 50% of SegurCaixa Adeslas to Mútua Madrileña.

All things considered, net profit attributable to the Group stood at €230 million (down 78.2%), reflecting a strong capacity to generate income in the banking business, lower like-for-like expenses and a highly prudent risk management and coverage efforts.

### New statutory requirements to clean up the Spanish banking system

To address waning investor confidence in the Spanish banking system, in the first half of 2012 the Government introduced more stringent provisioning requirements in connection with financial entities' exposure to the real-estate sector and the real-estate assets held on their books. The main measures required under the RDLs include allowances to be made against the 2012 and 2013 income statements and additional capital needs, with coverage reaching up to 80% in some cases.

Following application of these regulations and taking into account the portfolio situation at December 31, 2011, specific provisions for distressed land-related assets (non-performing and substandard) should

provide 60% coverage (80% when including the additional capital requirements), 50% in the case of developments under construction (65% including the additional capital requirements), and approximately 25% for finished developments and completed homes.

Both RDL 2/2012 and RDL 18/2012 set out new requirements for general provisions to cover losses in performing loans to real-estate developers at December 31, 2011. RDL 2/2012 called for a general provision of 7% for these performing assets, while RDL 18/2012 established additional provisioning requirements based on the related collateral: 45% for non-distressed assets with collateral in the land stage and those assets for which no collateral was pledged; 22% for assets relating to developments under construction, and 7% for finished property.



## 6.3 [Earnings by business]

For segment reporting purposes, CaixaBank's results can be classified into two main businesses:

**The core business, banking and insurance**, which includes all banking revenues (retail banking, corporate banking, cash management and market transactions) and all insurance-related revenues, as well as liquidity management and ALCO, and income from the financing of the equity invest-ment business.

**The equity investment business** encompasses dividend income and/or the CaixaBank Group's share of profits from its international banking and service investees, net of financing costs.

Capital is assigned to the different business segments according to a two-fold criterion, based on the Group's internal economic capital models and in accordance with prevailing regulatory capital requirements.

### [CaixaBank Group - Income statement by business segment]

€ million

	Banking and insurance business			Investments			Total CaixaBank Group		
	2012	2011	Var. %	2012	2011	Var. %	2012	2011	Var. %
<b>Net interest income</b>	<b>4,228</b>	<b>3,540</b>	<b>19.5</b>	<b>(356)</b>	<b>(370)</b>	<b>(3.7)</b>	<b>3,872</b>	<b>3,170</b>	<b>22.2</b>
Dividends and profits due to application of the equity method	92	53	75.3	717	606	18.2	809	659	22.8
Net fee and commission income	1,701	1,562	8.9				1,701	1,562	8.9
Gains/(loss) on financial assets and liabilities and other operating income and expense	355	1,120	(68.2)				355	1,120	(68.2)
<b>Gross income</b>	<b>6,376</b>	<b>6,275</b>	<b>1.6</b>	<b>361</b>	<b>236</b>	<b>52.5</b>	<b>6,737</b>	<b>6,511</b>	<b>3.5</b>
Total operating expenses	(3,563)	(3,328)	7.0	(3)	(14)	(78.3)	(3,566)	(3,342)	6.7
<b>Net operating income</b>	<b>2,813</b>	<b>2,947</b>	<b>(4.5)</b>	<b>358</b>	<b>222</b>	<b>60.4</b>	<b>3,171</b>	<b>3,169</b>	<b>0.1</b>
Impairment on financial and other assets	(3,942)	(2,557)	54.2				(3,942)	(2,557)	54.2
Gains/(losses) on disposal of assets and other	709	571	24.2		(24)		709	547	29.7
<b>Profit before tax</b>	<b>(420)</b>	<b>961</b>		<b>358</b>	<b>198</b>	<b>79.9</b>	<b>(62)</b>	<b>1,159</b>	
Income tax	189	(232)		102	126	(18.6)	291	(106)	
<b>Profit / (loss) for the period</b>	<b>(231)</b>	<b>729</b>		<b>460</b>	<b>324</b>	<b>41.8</b>	<b>229</b>	<b>1,053</b>	<b>(78.3)</b>
Profit attributable to non-controlling interests	(1)						(1)		
<b>Profit attributable to the Group</b>	<b>(230)</b>	<b>729</b>		<b>460</b>	<b>324</b>	<b>41.8</b>	<b>230</b>	<b>1,053</b>	<b>(78.2)</b>
Average equity (12 months)	15,459	14,113	9.5	6,625	6,049	9.5	22,084	20,162	9.5
<b>ROE (12 months)</b>	<b>(1.5%)</b>	<b>5.2%</b>	<b>(6.7)</b>	<b>7.0%</b>	<b>5.4%</b>	<b>1.6</b>	<b>1.0%</b>	<b>5.2%</b>	<b>(4.2)</b>
<b>Memorandum items: Distribution of equity based on regulatory capital of each business</b>									
<b>Profit attributable to the Group</b>	<b>(208)</b>	<b>732</b>		<b>438</b>	<b>321</b>	<b>36.0</b>	<b>230</b>	<b>1,053</b>	<b>(78.2)</b>
Average equity (12 months)	15,857	14,395	10.2	6,227	5,767	8.0	22,084	20,162	9.5
<b>ROE (12 months)</b>	<b>(1.3%)</b>	<b>5.1%</b>	<b>(6.4)</b>	<b>7.0%</b>	<b>5.6%</b>	<b>1.4</b>	<b>1.0%</b>	<b>5.2%</b>	<b>(4.2)</b>



## 6,4 [Leaders in the Spanish banking system]

CaixaBank's leadership is underpinned by a clear focus on retail customers; the cornerstone of the bank's strategy. High customer penetration of 26.1%, 22.2% for customers who have a main banking relationship with CaixaBank, is evidence of this leading position. Therefore, the Group continues to base its long-term positioning on sustained loyalty of its 12.9 million customers and a specialized management approach.

At year-end 2012, CaixaBank's assets totaled €348,294 million, up +28.8% (growth of €77,869 million in the year). The incorporation of Banca Cívica led to

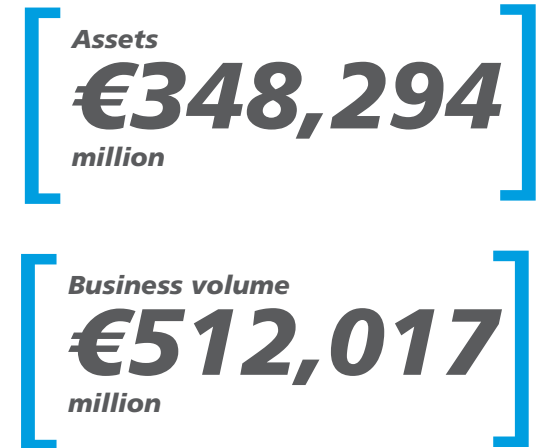
approximately 25% growth in CaixaBank's total assets, affecting all balance sheet headings.

CaixaBank's business volume grew 19.8% in 2012, to €512,017 million including the incorporation of Banca Cívica. Total customer funds amounted to €288,568 million, up €47,365 million (+19.6%). The customer lending portfolio stood at €223,449 million, up by €+37,400 million (+20.1%) compared to December 31, 2011.

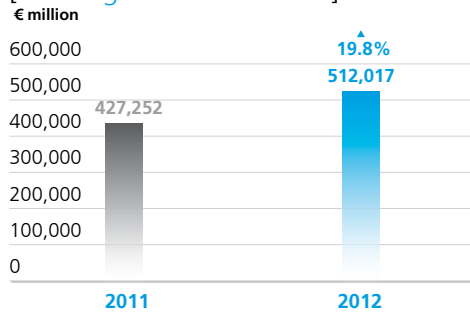
The loan-to-deposits ratio was 127% at December 31, 2012, six percentage

points up on the December 2011 figure, due to optimization of the balance sheet structure, improving the retail financing base.

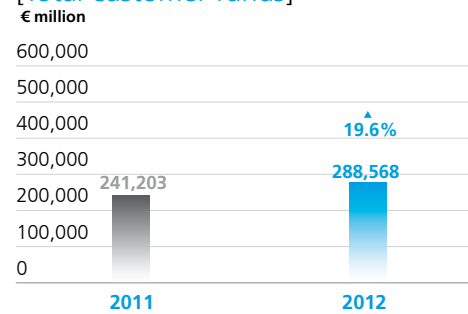
Liquidity stands at €53,092 million, 15.2% of total assets. Drawing from the bank's proactive efforts to increase and maximize on-balance sheet liquid assets eligible to serve as collateral for the European Central Bank policy and the inclusion of Banca Cívica balances in the second half of the year, liquidity increased by €32,144 million in 2012. All this has enabled CaixaBank to boost liquidity reserves in order to easily meet



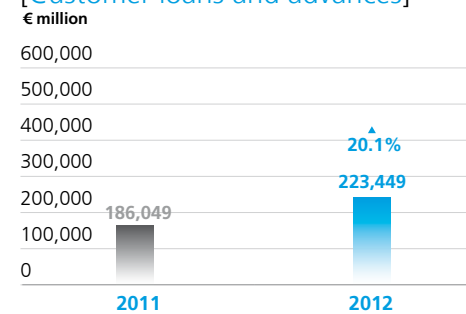
[Banking business volume]



[Total customer funds]



[Customer loans and advances]





maturities on wholesale market in coming years (€7,334 million in 2013).

In 2012, CaixaBank's shareholders' equity improved due to the capital increase and the growth in reserves following the integration of Banca Cívica. CaixaBank's shareholders' equity also improved through the swap of preference shares (€4,820 million) in February 2012, converted into subordinated debt (€3,374 million) and into mandatorily convertible and/or exchangeable bonds (€1,446 million).

[Consolidated management balance sheet for the CaixaBank Group]

€ million				
	December 2012	December 2011	Change	
			Absolute	In %
Cash and balances with central banks, deposits at credit institutions and fixed-income securities	48,694	25,093	23,601	94.1
Net loans and advances to customers	211,487	180,412	31,075	17.2
Assets under insurance contracts	28,302	23,836	4,466	18.7
Equity securities	14,266	12,688	1,578	12.4
Non-current assets held for sale	5,274	1,779	3,495	196.5
Property and equipment and intangible assets	7,426	4,478	2,948	65.8
Other assets	32,845	22,139	10,706	48.4
<b>Total assets</b>	<b>348,294</b>	<b>270,425</b>	<b>77,869</b>	<b>28.8</b>
<b>Liabilities</b>	<b>325,583</b>	<b>249,710</b>	<b>75,873</b>	<b>30.4</b>
Deposits by credit institutions	51,311	23,570	27,741	117.7
On-balance sheet customer funds	238,062	196,312	41,750	21.3
Provisions	3,429	2,807	622	22.2
Other liabilities	32,781	27,021	5,760	21.3
<b>Equity</b>	<b>22,711</b>	<b>20,715</b>	<b>1,996</b>	<b>9.6</b>
Shareholders' equity	22,793	20,751	2,042	9.8
Capital, reserves, share premium and other	22,563	19,698	2,865	14.5
Profit attributable to the Group	230	1,053		
Valuation adjustments	(117)	(55)	(62)	112.7
Non-controlling interests	35	19	16	84.2
<b>Total equity and liabilities</b>	<b>348,294</b>	<b>270,425</b>	<b>77,869</b>	<b>28.8</b>



## Loans and advances to customers

Gross lending to customers stood at €223,449 million, up 20.1%. When stripping out the €50,240 million in Banca Cívica customer loans at June 30, 2012, the year-on-year variation was a decrease of 6.9% (organic variation<sup>1</sup>).

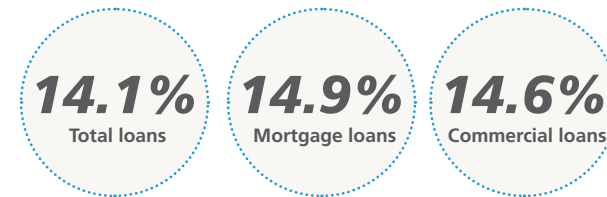
The variation in the portfolio primarily responded to the overall deleveraging process and particularly to the reduction in exposure to the real-estate development sector (organic variation of 23.2%).

CaixaBank's loans portfolio is diversified, consisting mainly of loans to individuals and SMEs. The integration of Banca

Cívica's business, together with CaixaBank's continued commitment to support the personal and business endeavors of its customers, have allowed the Group to maintain its leading position at the forefront of the sector, boosting its market shares in the main investment products across many segments.

With respect to "la Caixa" Group real-estate investees, the reduction in lending is primarily due to a change in the financing structure of these companies, entailing the cancellation of €1,350 million of a loan through conversion to a long-term bond.

[Main shares]



[Total customer loans and advances, gross]

€ million

	December 2012	December 2011	Change anual %
<b>Loans to individuals</b>	<b>119,649</b>	<b>93,722</b>	<b>27.7</b>
Residential mortgages	87,720	69,705	25.8
Other	31,929	24,017	32.9
<b>Loans to businesses</b>	<b>90,651</b>	<b>81,048</b>	<b>11.8</b>
Non real-estate business	61,983	55,481	11.7
Real-estate developers	26,992	22,438	20.3
Servihabitat and other "la Caixa" Group companies	1,676	3,129	(46.4)
<b>Public sector</b>	<b>13,149</b>	<b>11,279</b>	<b>16.6</b>
<b>Total risks</b>	<b>223,449</b>	<b>186,049</b>	<b>20.1</b>

1. Variations calculated by stripping out the impact of Banca Cívica balances incorporated at June 30, 2012, prior to the actual merger on July 1, 2012.





## Customer funds

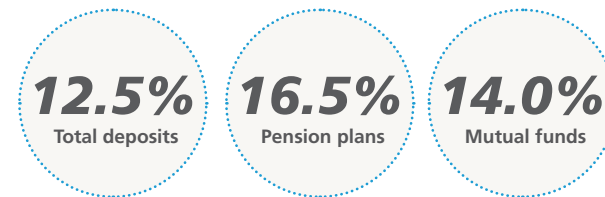
Customer funds stood at €288,568 million, climbing €47,365 million (19.6%) in 2012. Stripping out the integration of €50,240 million in Banca Cívica customer loans at June 30, 2012, the year-on-year variation was a decrease of 3.0% (organic variation<sup>1</sup>).

The variation in customer funds in the year reflects CaixaBank's strategic objective of safeguarding returns on these funds and margins on new deposit transactions from an excellent liquidity position.

On-balance sheet customer funds totaled €238,062 million at December 31, 2012, up 21.3% year on year. With respect to distribution of on-balance sheet funds, CaixaBank has strengthened its product mix in accordance with the needs of each customer segment and market conditions. Off-balance sheet customer funds rose 19.6% compared to the December 2011 figure.

CaixaBank's commercial strength, coupled with the incorporation of the Banca Cívica business, have locked in the Group's position at the forefront of the Spanish market, with high market shares in the majority of deposit and insurance products.

### [Main shares]



**+19.6%**  
*increase in customer funds*

### [Total customer funds]

€ million

	December 2012	December 2011	Change anual %
<b>Financial liabilities - due to customers</b>	<b>210,132</b>	<b>172,767</b>	<b>21.6</b>
<b>Retail customer funds</b>	<b>160,621</b>	<b>131,047</b>	<b>22.6</b>
Demand deposits	69,204	56,264	23.0
Term deposits	76,772	63,574	20.8
Debt securities (retail)	8,819	6,026	46.3
Subordinated liabilities	5,826	5,183	12.4
<b>Reverse repurchase agreements and accruals</b>	<b>2,886</b>	<b>2,938</b>	<b>(1.8)</b>
<b>Institutional issues</b>	<b>46,625</b>	<b>38,782</b>	<b>20.2</b>
<b>Liabilities under insurance contracts</b>	<b>27,930</b>	<b>23,545</b>	<b>18.6</b>
<b>Total on-balance sheet customer funds</b>	<b>238,062</b>	<b>196,312</b>	<b>21.3</b>
Mutual funds and SICAVs	20,996	18,089	16.1
Pension plans	17,562	14,220	23.5
Other accounts	11,948	12,582	(5.0)
<b>Total off-balance sheet customer funds</b>	<b>50,506</b>	<b>44,891</b>	<b>12.5</b>
<b>Total customer funds</b>	<b>288,568</b>	<b>241,203</b>	<b>19.6</b>

1. Variations calculated by stripping out the impact of Banca Cívica balances incorporated at June 30, 2012, prior to the actual merger on July 1, 2012.



## 6.5 [Proactive management and conservative risk coverage policies]

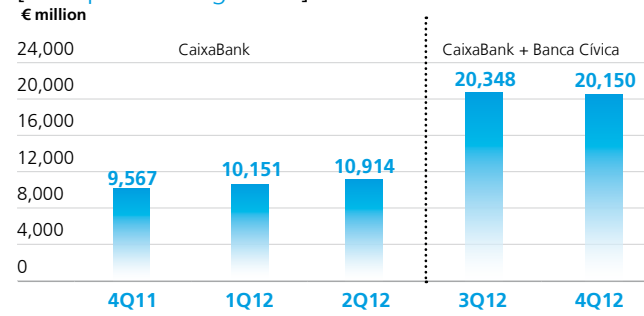
The downturn in the Spanish economy, which saw high unemployment rates and a drop in GDP, and the integration of Banca Cívica's portfolio in the third quarter of the year saw the NPL ratio standing at 8.62% at December 31, 2012.

The quality of CaixaBank's loans portfolio means that its NPL ratio remains below the sector average of 10.44% at December 2012, after the distressed assets of nationalized banks were passed to the SAREB (Spain's bad bank).

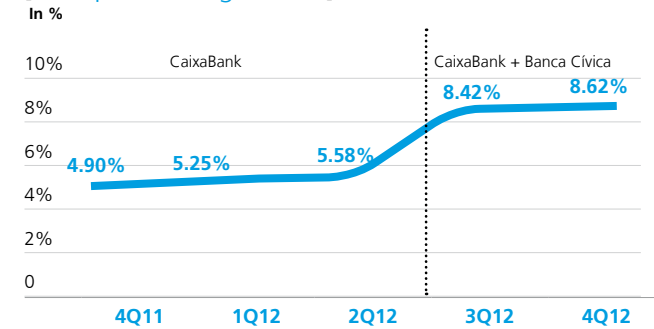
The NPL ratio is notably low in the individual borrowers (3.56%) and companies (5.96%) segments, while non-performing loans to the real-estate development sector continue to account for the bulk of the bank's distressed assets and the increase therein during the year.

CaixaBank's NPL ratio, stripping out the real-estate development segment, stood at 3.97%.

[Non-performing loans]



[Non-performing assets<sup>1</sup>]



1. Loans + contingent risks

[NPL ratio, by segment]

	December 2012	December 2011	Total change*
<b>Loans to individuals</b>	<b>3.56%</b>	<b>1.82%</b>	<b>1.74</b>
Residential mortgages	2.80%	1.48%	1.32
Other	5.65%	2.81%	2.84
<b>Loans to businesses</b>	<b>17.24%</b>	<b>9.54%</b>	<b>7.70</b>
Loans to businesses	5.96%	3.49%	2.47
Real-estate developers	44.22%	25.84%	18.38
<b>Public sector</b>	<b>0.74%</b>	<b>0.40%</b>	<b>0.34</b>
<b>Total risks (loans + guarantees)</b>	<b>8.62%</b>	<b>4.90%</b>	<b>3.72</b>

(\*) Including effect of integration of Banca Cívica.



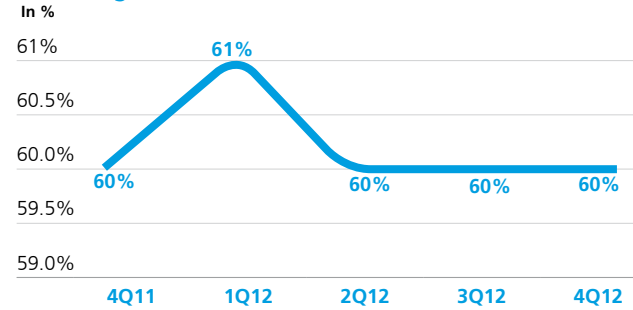
The strong provisioning and write-down effort carried out in 2012 made it possible to maintain robust coverage for the portfolio (60%; 142% when taking into account mortgage collateral).

Loan-loss allowances stood at €12,071 million. This solid level of coverage is a result of the sizeable provisions made and the application of CaixaBank's conservative criteria when integrating Banca Cívica balances, with the resulting creation of a €3,668 million fund from the fair value restatement of the latter's loan portfolio.

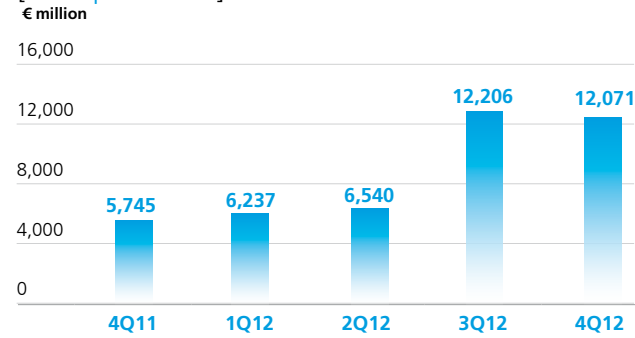
At December 31, 2012, CaixaBank met 87% of the additional provisioning requirements set out under RDL 2/2012 and 18/2012, provisioning €5,857 million of a total of €6,759 million. €902 million remains to be provisioned before June 2013.

Total general loan-loss provisions recorded for the real-estate sector assets portfolio stood at €2,248 million at December 31, 2012.

[Coverage]



[Total provisions]



**€12,071** million  
in NPL provisions made

Compliance with new  
provisioning requirements (RDL  
2/2012 and RDL 18/2012)  
**87%**



## Loans to real-estate developers and measures to restructure the financing system: Royal Decree Laws 2/2012 and 18/2012

CaixaBank's exposure to the real-estate development sector stood at €26,992 million at December 31, 2012. Stripping out the balances incorporated from Banca Cívica (€9,760 million at June 30, 2012), this exposure decreased by €5,026 million over the course of the year (down 23.2%). Financing for completed developments accounted for 59% of the portfolio, evidencing the strength of the collateral put forth by developers and ensuring that the loans can be quickly assumed by homebuyers. Financing with land collateral is restricted to 21%.

Following the major provisioning efforts made in 2012, coverage of distressed financing (non-performing and substandard loans) to the real-estate development sector stood at 38.2% at December 31, 2012, or 127% when including mortgage collateral (25.5% and 114% at December 31, 2011, respectively).

Factoring in the general loan-loss provision of €2,248 million, coverage of distressed real-estate assets stood at 53% at December 31, 2012 (67% on non-performing assets).

[12.31.12]

€ million

	Gross amount	Specific allowance	% cover without risk
Doubtful	11,935	4,668	39.1
<i>Mortgage</i>	10,485	3,984	38.0
<i>Personal</i>	1,450	684	47.2
Substandard	3,144	1,098	34.9
<b>Total</b>	<b>15,079</b>	<b>5,766</b>	<b>38.2</b>

[12.31.11]

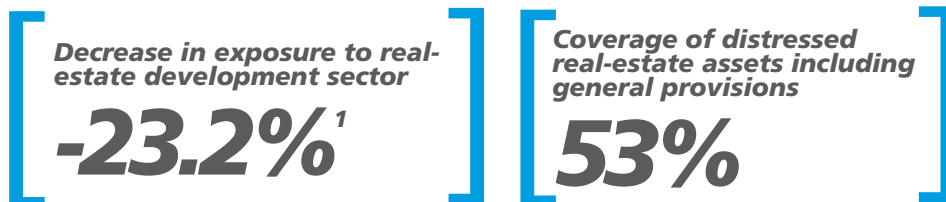
€ million

	Gross amount	Specific allowance	% cover without risk
Doubtful	5,798	1,793	30.9
<i>Mortgage</i>	4,865	1,342	27.6
<i>Personal</i>	933	451	48.3
Substandard	2,989	452	15.1
<b>Total</b>	<b>8,787</b>	<b>2,245</b>	<b>25.5</b>

[Breakdown of loans to real-estate developers by type of collateral and distressed assets at 12.31.12]



Without mortgage collateral	10%
Completed buildings	59%
Buildings under construction	11%
Land	21%



1. Changes calculated stripping out the impact of integrating the balance sheet items of Banca Cívica at June 30, 2012, prior to the actual integration on July 1, 2012.

## Foreclosed real-estate assets

At December 31, 2012, the net foreclosed assets portfolio stood at €5,088 million, with a coverage ratio of 45.5%. Land accounts for 25% of foreclosed assets, with coverage of 61 %.

In the third quarter of 2012, Banca Cívica's €3,364 million of gross assets (€1,713 million net) were included.

The underlying criterion guiding CaixaBank's management of distressed assets is to help borrowers meet their financial obligations. When the borrower no longer appears to be reasonably able to fulfill these obligations, the mortgaged asset is acquired.

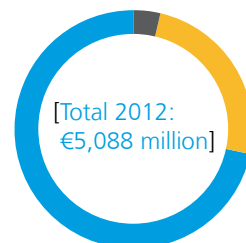
The acquisition price is calculated using an appraisal performed by a valuation company approved by the Bank of Spain. If the price of the transaction is lower than the outstanding debt, the credit value is impaired in order to adjust it to the transfer value.

The coverage ratio includes the initial write-downs of the cancelled debt and the allowances recognized subsequent to the foreclosure of the properties.

### [Breakdown of foreclosed real-estate assets]



Completed buildings	937
Buildings under construction	39
Land	164



Completed buildings	3,643
Buildings under construction	191
Land	1,254





## 6.6 [Capital management]

Following the integration of Banca Cívica, CaixaBank has a core capital ratio of 11.0%.

The integration caused core capital to drop 252 basis points, primarily due to including the capital requirements of the assets contributed by Banca Cívica.

CaixaBank's total eligible equity at year end amounted to €18,641 million, up €1,060 million (+6.0%) on December 2011, despite the sizeable impairment allowances made.

The total capital ratio was 11.6%, 124 basis points less than at December 2011, entailing a 44.5% surplus (€5,745 million) above and beyond the minimum regulatory requirement.

The principal capital ratio (under Royal Decree Law 2/2011) stands at 12.4%. CaixaBank had a €7,103 million surplus above the principal capital required at December 31, 2012.

These capital adequacy ratios bear out the Group's strong solvency level and

its privileged position with respect to its sector peers, even after the integration of Banca Cívica.

### Recapitalization required by the European Banking Authority

The capital generation ability of CaixaBank, as well as that of the "la Caixa" Group, enabled the entities to comfortably meet the EBA's Core Tier 1 capital requirement of 9% set for June 2012. In that regard, the Group's Core Tier 1 stood at 11.1%, easily absorbing the capital buffer of €358 million to cover the exposure to sovereign risk, in accordance with the EBA methodology.

Further, in the fourth quarter of the year, the mandatory conversion of half of the bond convertible into CaixaBank shares issued in June 2011 was carried out, significantly strengthening the Core Tier 1 ratio under EBA methodology of both CaixaBank and the "la Caixa" Group.

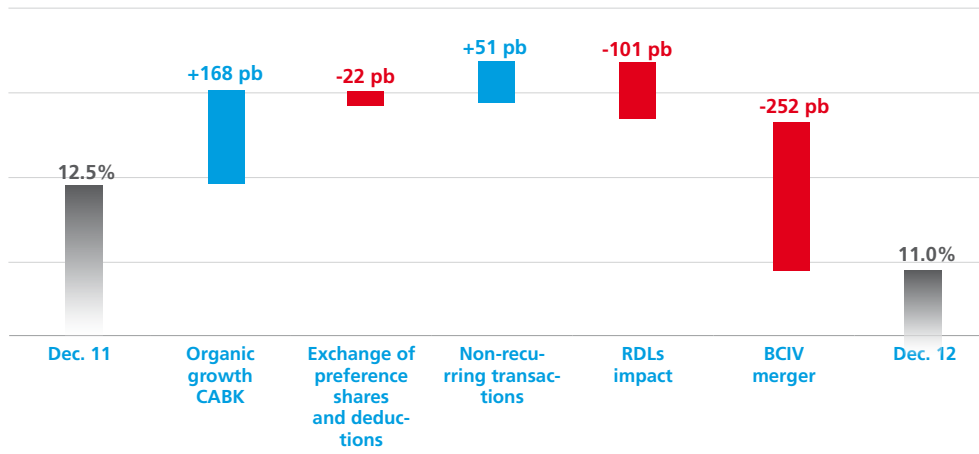
CaixaBank's Core Tier 1 at December 31 stood at 10.4%.





## [Trends in core capital (Basel II)]

€ million



## 6.7 [Ratings]

CaixaBank's credit ratings from the four main rating agencies are as follows:

Agency	Long-term	Short-term
Standard&Poor's	BBB-	A-3
Fitch	BBB	F2
Moody's	Baa3	P-3
DBRS	A (low)	R-1 (low)

Outlook: negative for all four agencies (March 2013)

€ million	December 2012	December 2011
Equity for accounting purposes	24,261	20,597
Deductions:	(6,608)	(3,419)
<b>Core Capital</b>	<b>17,653</b>	<b>17,178</b>
TIER 1 additional instruments	90	4,898
Deductions:	(90)	(4,495)
<b>Basic equity (Tier 1)</b>	<b>17,653</b>	<b>17,581</b>
TIER 2 instruments	4,020	282
Deductions:	(3,032)	(282)
<b>Complementary equity (Tier 2)</b>	<b>988</b>	<b>-</b>
<b>Eligible equity (Tier total)</b>	<b>18,641</b>	<b>17,581</b>
<b>Risk-weighted assets</b>	<b>161,200</b>	<b>137,355</b>
<b>Surplus equity</b>	<b>5,745</b>	<b>6,592</b>
<b>Core capital ratio</b>	<b>11.0%</b>	<b>12.5%</b>
<b>Tier 1 ratio</b>	<b>11.0%</b>	<b>12.8%</b>
<b>Tier total ratio</b>	<b>11.6%</b>	<b>12.8%</b>
<b>Principal capital</b>	<b>19,999</b>	<b>17,364</b>
<b>Principal capital ratio</b>	<b>12.4%</b>	<b>12.6%</b>
<b>Core Tier I - EBA</b>	<b>16,813</b>	<b>15,007</b>
<b>Core Tier 1 EBA ratio *</b>	<b>10.4%</b>	<b>10.9%</b>

(\*) Data at December 31, 2011 pro-forma post-exchange of preference shares.

A young boy with dark hair, wearing a green t-shirt with the word 'PLAY' in white letters, is sitting on a colorful, quilted floor. He is looking up and reaching his right hand towards a yellow sticky note on the quilt. The quilt is made of various colored squares (blue, green, red, yellow, brown, purple) and has several other sticky notes attached to it. A semi-transparent white banner is overlaid on the upper part of the image, containing the title text. The boy is also wearing a colorful, patterned wristband on his left wrist.

# [CHALLENGES FOR 2012 AND CHALLENGES IN 2013]

7.1 Challenges for 2012

7.2 Challenges in 2013



## 7.1 [Challenges for 2012]

The 2011 Integrated Corporate Report describes a series of challenges for 2012, all of which are addressed in the 2011-2014 Strategic Plan.

CORPORATE	Challenges set for 2012	Progress during 2012	
<b>Solvency</b>	Maintain the Group's excellent level of solvency and its unique position with respect to other entities in the sector by planning ahead for greater statutory capital requirements.	CaixaBank's solvency remains solid, with core capital of 11% following the integration of Banca Cívica. The results of the stress tests carried out on the Spanish banking system by the independent consultant Oliver Wyman, under the supervision of the Spanish authorities and main European institutions, confirm the Group's financial stability and place CaixaBank as one of the most solvent entities in the country: the "la Caixa" Group would have a capital surplus of €5,720 million in 2014 should the most adverse scenario materialize.	●
<b>Liquidity</b>	Ensure the permanent availability of liquid funds on the balance sheet to minimize the structural liquidity risk inherent to banking activity.	Effectively shut off from the wholesale funding market in 2012, the bank stepped up its position in liquid assets so as to minimize liquidity risk. CaixaBank has adopted a number of measures to this end, including: <ul style="list-style-type: none"> <li>▪ Seizing the financing opportunities to be had from the ECB's special financing auctions</li> <li>▪ Generating liquid assets</li> </ul> These measures have enabled the entity to boost its liquidity to €53,092 million in 2012, accounting for 15.2 % of total assets.	●
	Apply a prudent and conservative liquidity management policy to protect deposit holders' interests to ensure the bank is always able to meet its obligations and never allow its investment activities to be undermined	Liquidity climbed by €32,144 million in 2012, largely because of the integration of Banca Cívica balances and also active management aimed at increasing and optimizing the liquid on-balance sheet assets securing the ECB facility.	●
	Apply the best practices and recommendations put forward by the markets and supervisory bodies in accordance with the bank's strategic objectives.	The bank has applied the best practices in liquidity management through active liquidity management.	●



CORPORATE	Challenges set for 2012	Progress during 2012	
<b>Commercial activity</b>	Attract one million new customers.	Thanks to the hard work of the sales team and the integration of Banca Cívica, CaixaBank has increased its customer base by 2.5 million to reach a total of 12.9 million.	●
	Reinforce leadership in Retail Banking.	CaixaBank has cemented its position as the market leader in Spain, after completing the integration of Banca Cívica, with €348,294 million in assets under management and a share of 26% of retail banking customers (22% share as leading entity).	●
	Manage margins prudently.	<ul style="list-style-type: none"> <li>CaixaBank revenue reached €6,737 million in gross income, up 3.5% and which increases to 8.8% if we strip out the non-recurring release of insurance-related funds in 2011.</li> <li>Net interest income climbed to €3,872 million (+22.2% year-on-year). The growth in net interest income can be put down to the integration of Banca Cívica, the efficient margin management policy and the favorable changes in interest rate curves seen during the first half of 2012.</li> <li>Pre-impairment income has remained stable and stands at €3,171 million, up 0.1% (+11.3% year-on-year if we strip out the effect of non-recurring insurance-related funds paid in 2011).</li> </ul>	●
	Attract investible funds.	CaixaBank has €288,568 million in customer funds, up 19.6% year-on-year.	●
	Expand the insurance and pension business.	<ul style="list-style-type: none"> <li>2012 turned out to be a record year for the sale of risk insurance, with 1.1 million policies sold and growth of over 43% in new insurance premiums.</li> <li>CaixaBank closed out the year as market leader in complementary benefits (pension plans, both individual and guaranteed), with a market share of 16.4%. Net premiums and contributions in 2012 totaled €1,449 million, up 27%.</li> </ul>	●
	Develop and bolster customer loyalty programs.	<ul style="list-style-type: none"> <li>The bank has created a new loyalty scheme: Club Ahora.</li> <li>The customer churn rate is lower for customers that are signed up to a loyalty scheme. Similarly, these customers, when compared with the total number of customers that acquire products, account for more of the total customer base than their weighting would suggest</li> </ul>	●





CORPORATE	Challenges set for 2012	Progress during 2012	
<b>Commercial activity</b>	Remote banking (on-line): Boost commercial activities through electronic channels, establishing these as a sales channel.	The new Ready to Buy (R2B) model has been extended to include more products, while on-site training sessions have been held across the entire branch network to present the model and ensure that it is widely used. Channel-based sales of products have reached an absorption rate of 17.8% (+2.5% year-on-year).	
	Maintain leadership in services offered to customers through CaixaMóvil.	<ul style="list-style-type: none"> <li>CaixaBank has held onto its position of market leadership, with three million users of mobile phone services. In 2012, the bank incorporated new applications and services, bringing the total to 68 different apps and five million app downloads.</li> <li>Mobile phones have become the second most commonly used channel by customers, generating over 55 million transactions a month and with more than 1.2 million customers using the service in one month (December 2012).</li> </ul>	
	Increase the weight of transactions carried out through electronic channels, i.e. Línea Abierta or ATMs.	<ul style="list-style-type: none"> <li>Customer transactions climbed 14.5% during the year: over 90% are now made through electronic channels (12% using mobile phones).</li> <li>The absorption rate for channels has increased by 5.7% in the case of Línea Abierta for companies (at 79.7%) and by 0.5% for individual customers (reaching 66.5%). ATMs have held steady at 72.2%.</li> </ul>	
<b>Innovation</b>	Improve access to corporate information from anywhere, using three devices (PC, tablet and mobile), while also guaranteeing information security	<ul style="list-style-type: none"> <li>A new application has been developed for corporate tablets, offering employees the main services needed for their work.</li> <li>The bank has virtualized the workstations of 300 employees working at Central Services and at 50 different branches.</li> </ul>	
	Cloud computing: integrate these technologies into those systems that allow for a more efficient and flexible use of technological resources, networks, servers, data storage, applications and services.	<ul style="list-style-type: none"> <li>In 2012, CaixaBank set up a version of cloud architecture (ABSIS cloud), an app store (CaixaStore) and launched the first multi-device CaixaApps applications.</li> </ul>	



CORPORATE	Challenges set for 2012	Progress during 2012	
<b>Sustainability</b>	Improve the bank's environmental efficiency by reducing electricity and paper consumption by 5%, and CO <sub>2</sub> emissions relating to business trips by 5%.	<ul style="list-style-type: none"> <li>■ In 2012, CaixaBank (without factoring in Banca Cívica) achieved an 7.9% reduction in consumption by rolling out a raft of efficiency measures.</li> <li>■ Business trips increased during the year, due to the integration of Banca Cívica, despite a 30% jump in the use of video conferencing. Stripping out the added trips associated with the merger, and looking solely at trips by business volume, the number of kilometers travelled actually fell.</li> <li>■ Paper consumption has remained unchanged in absolute terms. Factoring in the incorporation of Banca Cívica, paper consumption by branch employee has fallen 1.8%. In absolute terms, Central Services reported a reduction of 2.13%.</li> </ul>	
	Become a signatory of the Carbon Disclosure Project Global 500 (CDP), an environmental assessment system, and adhere to the project's quality controls.	CaixaBank has become a signatory of the CDP and, according to the findings published by the latter, is the leading Spanish entity from its sector in managing climate change. CaixaBank scored 85B, the highest yet reported by a Spanish bank.	
	Increase the number of institutional events to offset CO <sub>2</sub> emissions.	The bank has offset the emissions generated by five large corporate conventions, four more than in 2011, allowing CaixaBank to offset 382.77 Tn of CO <sub>2</sub> emissions through sustainable investments in Brazil.	
	Work to ensure the adoption and dissemination of energy improvement measures at subsidiary companies.	Most of the subsidiary companies included within the 2012 scope of consolidation have managed to lower their electricity consumption, while the rest have at least reported no increase. In 2012, group consumption increased due to the inclusion of new subsidiaries, and because it reported group consumption under the CDP.	
<b>Corporate responsibility</b>	Ensure share is listed on global sustainability indices.	CaixaBank remains listed on the DJSI Index, the FTSE4Good and the ASPI.	
	Promote values and corporate responsibility among group companies and investees.	<ul style="list-style-type: none"> <li>■ CaixaRenting has adhered to the Global Compact, while the other subsidiaries have prepared their progress reports.</li> <li>■ MicroBank has rolled out new products and services that factor in environmental impacts (green microfinance).</li> </ul>	



CUSTOMERS	Challenges set for 2012	Progress during 2012	
<b>Service excellence</b>	Obtain EFQM Seal of Excellence (500+ points).	CaixaBank has obtained the seal (scoring 500+ points), having successfully completed an exhaustive external assessment process.	●
	Ensure 90% of branches have a quality score of over 8 (on a scale of 0 to 10) in customer satisfaction surveys.	In a testing year due to the economic and financial crisis, only 68% of branches obtained this score.	◐
	Establish a quality indicator for attracting new customers.	Created and implemented.	●
<b>MicroBank</b>	Award microcredits for the amount of €257 million.	The bank awarded credits of €235.5 million, up 8% on the same figure for 2011.	◐
	Achieve an outstanding microcredit book of over €445 million.	Not fully compliant, although the bank has surpassed €424 million in outstanding microcredits, up 11.8% year-on-year.	◐
	Continue championing socially-responsible investing through a new fund, the MicroBank Guaranteed Ethical Fund.	Fund assets at year-end 2012 amounted to €27.5 million, exceeding initial projections.	●
<b>Internacional</b>	Expand the representative office network abroad.	In 2012, two new CaixaBank branches were opened in Cairo and Santiago de Chile, thus extending the international branch network to sixteen.	●
	Increase the international diversification of CaixaBank's loan book.	CaixaBank has arranged loans on the international stage, not only through its own network of Spanish desks and international branches, but also in concert with partner banks. The international loan book increased by 0.2% year-on-year, without considering the impact of Banca Cívica.	◐



CUSTOMERS	Challenges set for 2012	Progress during 2012	
<b>International</b>	<p>Deepen relations with partner banks:</p> <ul style="list-style-type: none"> <li>Commercial development through joint operations.</li> <li>Harness synergies.</li> <li>Transfer know-how.</li> </ul>	<ul style="list-style-type: none"> <li>In 2012, a number of international projects were financed in collaboration with partner banks, particularly in Mexico and Eastern Europe. Moreover, the bank continues to help corporate clients open accounts and provides subsequent service and support in those countries where these partner banks operate.</li> <li>The year also witnessed a joint venture between CaixaBank and The Bank of East Asia to expand the vehicle financing business in China, with the car manufacturer Brilliance also involved in the venture.</li> <li>Synergies have been successfully captured by collaborating on cost management, while the bank is also exploring new ways of curbing its spending, such as through joint procurement of supplies and the use of shared technology platforms.</li> <li>CaixaBank has continued to promote the rapid transfer of know-how by staging numerous workshops both in Spain and in the countries where are partners are based. The workshops cover a range of different subjects, such as quality management, consumer financing, commercial planning and market segmentation.</li> <li>On this point, we would highlight the collaboration with Grupo Financiero Inbursa and successful support for its plan to expand retail banking in Mexico by harnessing CaixaBank's strengths in this segment.</li> </ul>	●
<b>Sustainable commercial offering</b>	Develop specific new lines of finance for green products that target retail banking customers.	The bank has created personal green loans and green microcredits, designed to help individual customers purchase green vehicles and household appliances or make changes to their home to improve energy efficiency.	●
	In CaixaRenting: Boost offering of low-emission vehicles by more than 60%.	The bank offers an aid package for companies and public bodies whose vehicle fleets comprise hybrid and electric cars. The total range of low-emission vehicles now accounts for 71%.	●
	Continue to promote use of these vehicles through events.	Different courses and events have been held in a bid to encourage customers to try out new technologies and take part in fuel efficient driving courses. A 100% electric car has also been made available to certain "la Caixa" customers and employees.	●



CUSTOMERS	Challenges set for 2012	Progress during 2012	
<b>Innovation</b>	SmartBanking: carry on with efforts to incorporate efficient, smart and commercially powerful technology solutions, relying on an in-depth knowledge of customers and the climate in which they operate, and being able to actively, quickly and efficiently meet their needs through technology.	New solutions have been developed for Electronic Banking, Private Banking and Personal Banking, along with a global information platform for managing loan approvals. These solutions provide a straightforward and efficient means of generating reports. They also feature a user-friendly interface and can be viewed on corporate tablets.	
<b>Remote banking</b>	Keep maximizing the quality of online services available to customers as a priority.	CaixaBank has held on to its top spot in the AQmetrix ranking for all segments of online and cell phone .	
	Progress with the APSIS4all (2011-2013) project designed to improve ATM accessibility in different areas: operations, mobility, etc.	<ul style="list-style-type: none"> <li>■ The bank has continued to work on the pilot program in Barcelona to validate a direct way of interacting with ATMs: users record their needs and preferences using a web application. This information is then stored on the user's card and uploaded when the ATM reads the card (using contactless technology).</li> <li>■ New features have been added to ATMs to ensure they can be used by users with different disabilities. They now include voice recordings in different languages (Catalan, Spanish, Galician, Basque and English) and browsing using the keypad, together with avatars that use sign language (Spanish and Catalan). The ATMs will also feature high contrast and will avoid certain colors that users cannot recognize.</li> </ul>	
<b>Security</b>	Publish IT security manuals to disseminate best practices among staff.	Security guides have been published on the use of cloud services and mobile devices.	
	Design and roll out new security controls to protect corporate information.	CaixaBank has implemented controls and review and response procedures throughout the entire bank to prevent any leakage of information.	
<b>Socially Responsible Investing (SRI)</b>	Boost SRI by increasing the assets of ethical and socially responsible funds.	The bank markets the MicroBank Ethical Fund, the assets of which have increased to €4.7 million (+12%, €4.2 million in 2011).	
	Establish a new guaranteed fund with an ethical and socially-responsible ethos: the MicroBank Guaranteed Ethical Fund.	The fund was incorporated in February 2012. At December 31, it had assets of €27.5 million and 3,465 unit holders.	





CUSTOMERS	Challenges set for 2012	Progress during 2012	
<b>Encourage corporate responsibility</b>	Raise awareness of the Business Alliance for Child Vaccination and the Incorpora program among customers.	<ul style="list-style-type: none"> <li>Business banking managers made a huge effort in 2012 to raise awareness of the programs among corporate customers who responded with 82 contributions for a grand total of €264,950.</li> <li>Thanks to this campaign to raise awareness of the Incorpora program, 10,504 companies have signed up, 600 more than in 2011. Business Banking has systematically incorporated content related to the "la Caixa" Foundation, with highlights including the GAVI Alliance, the Integration into Work program and Corporate Volunteering, in both the digital InfoCaixa Empresa publication and the commercial CaixaEmpresa dossiers, thus offering companies social and cultural information, in addition to information on financial products and services.</li> </ul>	●
	Maintain the initiatives to drive the Incorpora integration into work program among private banking customers.	<ul style="list-style-type: none"> <li>The agreement with the Association of Spanish Fashion Designers (ACME) remains in effect and envisages collaboration on the Incorpora program.</li> <li>The program has been publicized in the Autor magazine, specifically intended for this target group.</li> <li>Local managers have also introduced the program directly to their customers and companies.</li> </ul>	●



SHAREHOLDERS	Challenges set for 2012	Progress during 2012	
<b>Expand shareholder base</b>	Increase shareholder base in order to reach one million shareholders in the midterm.	At year end, the shareholder base stood at 750,000. This effectively means the shareholder base has almost doubled in one year (370,000 shareholders at December 31, 2011).	
<b>Remuneration</b>	Continue the CaixaBank Scrip Dividend Program.	The program has been applied in shareholder remuneration in June, September and December, although the ordinary and extraordinary general shareholders meetings have approved the possibility of extending the program to cover all quarterly payments.	
<b>Improve communication and relations</b>	Launch new information channels and formats for shareholders.	New layout of the Accionistas CaixaBank (CaixaBank Shareholders) magazine (two online and two printed editions in 2012), coupled with the launch of new periodic online reports (weekly and monthly report).	
	Expand communication campaigns to bring the bank still closer to its shareholders.	585,000 informative e-mails (+300% vs. 2011) and 680,000 SMS (+80%) sent.	
	Collate and roll out the suggestions put forward by the Advisory Committee on shareholder communication channels.	Two meetings of the Shareholder Advisory Committee were held in 2012. The initiatives rolled out during the year came from ideas raised by the committee, while the 2013 action plan includes its most recent proposals.	
	Strengthen shareholder services regarding information and available benefits.	Launch of a benefit scheme for shareholders, which includes information resources, financial and non-financial benefits, training and invitations to events.	





EMPLOYEES	Challenges set for 2012	Progress during 2012	
<b>Human resource management</b>	Help improve the cost-to-income ratio, keeping costs in check.	A labor agreement was signed in 2012, heralding major changes to the pay structure via a more efficient salary table, which will help boost competitiveness and productivity. The effects of this structural change will be felt in the mid- to long-term.	
	Increase the commitment to professional development through the Progresia pre-management development programs, both in central offices and across the branch network, and filling posts with greater responsibility.	51.6% of the 767 branch managers that completed the first edition of the Progresia program have since moved on to occupy more senior positions. Similarly, 61% of management vacancies arising in large branches were filled by graduates of the Progresia program.	
	Apply new Management Development Center (MDC) programs, developing new leadership programs for middle management positions at Central Services and commercial managers with greater leadership potential.	A new program has been rolled out for department and central services managers. The program was also used to train managers of the group companies (92 participants). In relation to the branch network, the leadership program has targeted business area heads, with 219 taking part.	
	Increase the number of women in positions of responsibility by applying a strict equal opportunities policy, identifying and developing personal talent.	CaixaBank has made it easier for the large number of women occupying assistant management positions to move up to full management positions. In 2012, the different talent management and vacancy coverage programs helped improve the number of women serving as business area heads (25.3%, +3.8% year-on-year) and as managers of large branches (19.9%, +2.2%), while also improving sources of access to senior management positions.	
	Respond to training needs required by universal strategic projects, building the knowledge and skills of employees as a competitive advantage for the bank.	The following training programs have been rolled out, among others: <ul style="list-style-type: none"> <li>■ Postgraduate course in financial consultancy, held at Universidad Pompeu Fabra in Barcelona, and a portfolio analysis and planning course for branch managers.</li> <li>■ Commercial proactiveness programs to help specialized branch consultants develop their sales skills and a program for managing and capturing businesses, micro SMEs and retail customers, also intended for branch managers.</li> <li>■ Compulsory training for the entire workforce on the IRC and continuous training in reporting suspicious transactions, prevention, money laundering and branch security.</li> </ul> The bank has also devised and imparted a custom training plan for all employees arriving from Banca Cívica.	



EMPLOYEES	Challenges set for 2012	Progress during 2012	
<b>Human resource management</b>	Implement a new bonus system for retail banking, further aligning bonuses with individual business goals, improving their communication and standardizing criteria across the different territories.	The bank has designed a new, more transparent and objective system of bonuses, with different rewards for managers that have customer portfolios and those that do not. The new system allows each manager to monitor and track their position.	●
	In personal banking, launch a training plan targeting 1,600 individuals to offer a tailor-made services to a greater number of customers.	This plan has now been implemented and includes custom training paths.	●
<b>Corporate ethics</b>	Improve the visibility of the Code of Ethics questions or complaints channel of communication, available to all employees through the intranet.	<ul style="list-style-type: none"> <li>■ The Management Committee has agreed to roll out a series of actions in 2013 to make the channel more visible.</li> <li>■ Employees received a message in December via the intranet, reminding them of the existence of the channel and announcing a number of upcoming changes to be made to the channel, which will be communicated once introduced.</li> </ul>	●
<b>Innovation</b>	Social networks: spur the creation and development of an in-house social network which facilitates transversal collaboration, and boosts the involvement and participative innovation of all employees.	<ul style="list-style-type: none"> <li>■ The Conecta internal social network for bank employees has now been brought online. The network includes 245 groups comprising the 90-odd people that make up the workforce of each Business Area Division, with each division covering roughly 25 branches. This network can be used to share good practices, raise ideas and improve internal communication.</li> <li>■ A customer-advisor "wall" has been set up to strengthen ties with the customers managed by each advisor.</li> </ul>	●
<b>Raise awareness of corporate responsibility</b>	Continue to promote the Espacio Solidario (Solidarity Space).	<ul style="list-style-type: none"> <li>■ 1,043 people from the "la Caixa" Group collaborate on Espacio Solidario, providing an annual contribution of over €60,000.</li> <li>■ Employees also lend their support to food banks, taking part in the Great Food Collection on the path to collecting 4,812 tons of produce, which was handed out to various food banks.</li> </ul>	●
	For group companies, continue training activities and awareness-building for employees in the fields of sustainability and responsibility.	<ul style="list-style-type: none"> <li>■ GDS-Cusa has offered employees training (on-line and classroom-based) in sustainability and corporate responsibility as part of a joint initiative by the Global Compact and the Spanish Instituto Oficial de Crédito (ICO). A number of measures have also been introduced to reduce paper consumption and document printing.</li> <li>■ At Sumasa, various measures have been introduced to increase awareness of its Code of Ethics, together with initiatives aimed at reducing the company's reliance on natural resources</li> </ul>	●



COMMUNITY	Challenges set for 2012	Progress during 2012	
<b>Entrepreneurs</b>	Continue to support the same number of companies through the EmprendedorXXI awards.	A total of 805 companies entered the sixth edition of the competition, 33% up on the same figure for 2011.	●
	Extend the programs to start up new companies and accelerate the development of existing ones (BioEmprendedorXXI, EcoEmprendedorXXI and EmprendedorXXIDigital) to other regions.	The decision was reached in 2012 not to extend the reach of these programs.	○
	Maintain support for participating companies and invest in technology projects in the ICT and life sciences sectors through two specialized vehicles.	Investment has continued through Caixa Capital Biomed and Caixa Capital TIC. In addition, a third vehicle was created in 2012, the company Caixa Innvierte Industria, which is aimed at industrial companies heavily focused on innovation and internationalization.	●
	Increase the number of projects receiving investments through Caixa Capital Micro.	In two years, Caixa Capital Micro has invested in 70 Spanish innovation projects.	●
<b>Suppliers</b>	Roll out the Suppliers' Portal across the CaixaBank Group in 2012-2013.	The portal has now been fully developed and underwent pilot testing towards the end of the year. Full implementation of the portal is scheduled for the first quarter of 2013.	◐
	Extend this to subsidiary companies, thereby boosting collaboration, through a greater level of communication and information.	The portal, currently in its pilot phase, will be implemented throughout all group companies.	◐





COMMUNITY	Challenges set for 2012	Progress during 2012	
<b>Raise awareness of corporate responsibility</b>	Continue to raise awareness of the Business Alliance for Child Vaccination among Spanish businesses.	In 2012, corporate clients made 82 contributions to the scheme in 2012 for a grand total of €264,950, plus 36 contributions from retail customers for a further €3,579 euros.	●
	Continue to roll out the Corporate Volunteer program.	<ul style="list-style-type: none"> <li>■ The number of participants has increased by 552 to 4,584.</li> <li>■ In 2012, customers were invited to take part in the Great Food Collection (also through ATMs and SMS). A total of 4,812 tons of food were collected and handed out to various food banks.</li> <li>■ Bank employees have been invited to take part in the Kit Caixa Youth Entrepreneurship program, rolled out by the "la Caixa" Foundation in collaboration with Fundación Junior Achievement, with the aim of unlocking the entrepreneurial drive and spirit of school pupils.</li> </ul>	●





## 7.2 [Challenges in 2013]

**In the 2011-2014 Strategic Plan, CaixaBank has set itself nine strategic challenges (see section 3.2 “Main strategic priorities”). In order to meet these challenges successfully, stand out from the rest and prove sustainable in the long term, the bank maintains its commitment to quality of service and ongoing improvement. The following is a non-exhaustive list of challenges included in the Plan.**

CORPORATE	
<b>Proximate and specialized retail banking</b>	<p>Tailored banking</p> <ul style="list-style-type: none"> <li>▪ Further progress in implementation of the model, disseminate our proposal and incorporate all customers from Banca Cívica.</li> <li>▪ Strengthen commercialization of simple and easy-to-understand financial products to boost loyalty.</li> <li>▪ Strengthen leadership in sales and management of insurance and pension plans.</li> </ul> <p>Remote banking:</p> <ul style="list-style-type: none"> <li>▪ Boost commercial activities through electronic channels, establishing these as a sales channel.</li> <li>▪ Maintain leadership in services offered to customers through CaixaMóvil.</li> <li>▪ Increase the weight of transactions carried out through electronic channels, i.e. Línea Abierta (including mobile services) and ATMs.</li> </ul>
<b>Bolstering our reputation</b>	<ul style="list-style-type: none"> <li>▪ Complete and implement the new monitoring and control indicator scorecard for risks with the greatest potential impact on the reputation of CaixaBank.</li> <li>▪ Further progress in ethical conduct and transparency: preparation, approval and publication of CaixaBank’s anti-corruption policy.</li> </ul>
<b>Commitment to security</b>	<ul style="list-style-type: none"> <li>▪ Design and implement new security controls against possible cyber-espionage.</li> <li>▪ Develop a secure and efficient channel for quick generation of new business processes and access to corporate information from outsourced specialized back office services.</li> </ul>
<b>Efficiency improvements</b>	<p>Continue to manage integration (Banca Cívica and Banco de Valencia) to ensure synergies in HR.</p>



CUSTOMERS	
<b>Service excellence</b>	<ul style="list-style-type: none"> <li>■ Improve the complaint management system: reduce response time (-20%).</li> <li>■ Monitor quality indicators and related improvement plans: create the position of quality coordinator in each regional division.</li> <li>■ In personalized banking, advance towards more global and integrative management with a view towards providing customers with the best solutions, the best service and to reward their loyalty.</li> </ul>
<b>Sustainable commercial offering</b>	<ul style="list-style-type: none"> <li>■ Develop new products with a clear-cut environmental focus for new customer groups.</li> <li>■ Continue to increase assets in socially responsible investing and our commercial offer in ethical investment funds.</li> </ul> <p>In CaixaRenting:</p> <ul style="list-style-type: none"> <li>■ Promote or organize efficient driving and fuel saving courses among customers.</li> <li>■ Continue to increase our commercial offer of vehicles with low CO<sub>2</sub> emissions.</li> <li>■ Actively support authorities in any initiative that involves use of more environmentally friendly vehicles.</li> </ul>
<b>Boost remote banking</b>	<ul style="list-style-type: none"> <li>■ Keep the priority of maximizing the quality of online services available to customers.</li> <li>■ Progress with the APSIS4all (2011-2013) project designed to improve several aspects of ATM accessibility: operation, mobility, etc.</li> </ul>
<b>Bring the "la Caixa" Foundation closer to customers</b>	Strengthen customers' knowledge of the "la Caixa" Foundation and launch initiatives to enable customers to take part in them.



SHAREHOLDERS	
<b>Enhance loyalty of shareholder base and disseminate initiatives</b>	<ul style="list-style-type: none"><li>▪ Launch new loyalty initiatives.</li><li>▪ Improve shareholders' awareness of initiatives targeted at them.</li><li>▪ Re-launch training/communication program for shareholders and increase its presence throughout the country.</li></ul>
<b>Support for our retail network in shareholder relations</b>	Increase information provided through the bank's internal channels and support for our retail network to improve the service (service and information) offered to shareholders.
<b>Bring the "la Caixa" Foundation closer to shareholders</b>	Strengthen shareholders' knowledge of the "la Caixa" Foundation and launch initiatives to enable shareholders to take part in them.



EMPLOYEES	
<b>Advanced human resource management</b>	<ul style="list-style-type: none"> <li>▪ Ensure that a bilateral communication system is generated and promote the transmission of policies in all areas of the bank.</li> <li>▪ Establish a system of continuous improvement and adapt the management system to maximize efficiency.</li> <li>▪ Contribute to continuous improvement of service quality, actively listening to staff and monitoring their perceptions. Steps to this end include, but are not limited to, conducting a further social and working environment survey.</li> <li>▪ Improve the cost-to-income ratio by adjusting performance evaluation to people's contribution (in the different targets programs).</li> <li>▪ Draw up an internal communication indicator scorecard.</li> </ul>
<b>Training and development of employee talent</b>	<ul style="list-style-type: none"> <li>▪ Initiate professional evaluation of business area heads by branch managers.</li> <li>▪ Train managers in the transformative leadership model.</li> <li>▪ Promote the development of employee talent by fostering mobility and re-balancing resources.</li> <li>▪ Insist on training branch managers and heads to achieve high quality standards in customer service.</li> </ul>
<b>Foster work-life balance and equality</b>	<ul style="list-style-type: none"> <li>▪ Renew certification as Family-Friendly Business (FFB).</li> <li>▪ Renew Equality Seal.</li> </ul>
<b>Good practices</b>	<ul style="list-style-type: none"> <li>▪ Improve the visibility of the Code of Ethics questions-and-complaints communication channel available to all employees through the bank's intranet.</li> <li>▪ Provide mandatory training to all employees on good practices in information security.</li> <li>▪ Publish the Manual of Good Environmental Practice in order to raise awareness and spread the best routines in this area among the staff.</li> </ul>
<b>Innovation in jobs</b>	<ul style="list-style-type: none"> <li>▪ Continue fostering the mobility of the workforce through mobile devices (corporate tablets and smartphones) and through a virtualized environment.</li> <li>▪ Develop and use apps for multiple devices.</li> <li>▪ Continue bringing information within the reach of all, allowing non-experts to access significant business information without intermediaries or tools with a steep learning curve.</li> </ul>
<b>Promote volunteering</b>	Bring the "la Caixa" Foundation closer to employees by strengthening their knowledge and through initiatives to allow them to take part in such work, especially through volunteering.





SOCIAL ACTION	
<b>MicroBank's support for the community</b>	<p>Award microcredits amounting to €257 million.</p> <p>Achieve an outstanding microcredit portfolio of over €470 million.</p> <p>Promote the development of products and services that contribute to sustainable environmental development (ecoMicrocredits).</p>
<b>Programs for entrepreneurs</b>	<ul style="list-style-type: none"><li>▪ Continue to support the same number of companies through the EmprendedorXXI prizes.</li><li>▪ Redefine the contents of programs for company start-up programs to adapt them to the present needs of entrepreneurs in different sectors.</li><li>▪ Continue to support investees and invest in information technology projects, life sciences and companies operating in industry or sustainability.</li><li>▪ Continue to invest at the same pace through Caixa Capital Micro.</li></ul>
<b>Efficient supplier management</b>	<p>Make the Suppliers' Portal available throughout the Group and, hence, to all suppliers, replacing the present program.</p>
<b>Commitment to sustainability</b>	<ul style="list-style-type: none"><li>▪ Continue to improve the bank's environmental efficiency:</li><li>▪ Reduction in paper consumption: 2.5%.</li><li>▪ Reduction in general waste: 2.5%.</li><li>▪ Reduction in energy consumption: 3%.</li><li>▪ Improve control of water consumption.</li><li>▪ Raise awareness of travel-related CO<sub>2</sub> generation.</li><li>▪ Offset the CO<sub>2</sub> impact of the head office or, otherwise, of five major institutional events.</li></ul>



# [APPENDIX]

1. Summary of GRI indicators
2. Statement GRI Application Level Check
3. Verification report

## 1 [Summary of GRI indicators]

### Scope and materiality of the Report

CaixaBank has published its second integrated report, the 2012 Integrated Corporate Report, providing a comprehensive view of the reality of the bank, its management model and strategies. For this purpose, the report contains the most relevant economic, financial and legal information in addition to information concerning social and environmental aspects and corporate governance.

### Scope

Corporate Report is composed of CaixaBank and its financial, insurance and support subsidiaries. Information has also been provided in relation to Banca Cívica following the takeover of this bank with effect from the beginning of August 2012. Economic and financial information in this Report is based on the consolidated financial statements of the "CaixaBank Group and Subsidiaries"<sup>1</sup>.

Information on the environment and human resources, chiefly featured in the "Natural resources and environmental management" and "Our professionals" sections refers to CaixaBank Individual.

With respect to the information set out in the tables in this Appendix in the "CaixaBank Group" section, this includes CaixaBank Individual and the following subsidiaries and investees: Caixa Capital Risc, Caixa Emprendedor XXI, CaixaRenting, e-laCaixa, FinConsum, GDS-Cusa, InverCaixa, Nuevo MicroBank, PromoCaixa, Silk Aplicaciones, Sumasa, TradeCaixa and the Insurance Group<sup>2</sup>. This scope covers approximately 98.5%<sup>3</sup> of the CaixaBank Group's staff. The remaining 1.5% mainly correspond to the subsidiaries incorporated into the Group through the merger with Banca Cívica. Only economic and financial information is provided on these companies.

In addition, the "Verification" column in the table of indicators sets forth the limitations on coverage or their scope.

Lastly, information on the scope of the management of the stakes in international banking groups and other significant stakes is provided in sections 4.1. "International diversification" (p. 64) and "Revenues diversification" (p.70)<sup>4</sup>.



1. The consolidated financial statements and directors' report for 2012, together with the auditors' report dated February 28, 2013, which contains an unqualified opinion, may be consulted on the website of the Spanish National Securities Market Commission [www.cnmv.es](http://www.cnmv.es).

2. The Insurance Group is included within the scope of the 2012 Integrated Corporate Report and encompasses VidaCaixa, S.A., VidaCaixa Mediación, VidaCaixa Grupo, AgenCaixa, S.A. and Grupo Asegurador "la Caixa" AIE.

3. Percentage calculated based on the number of employees of each company.

4. These companies publish their own Corporate Annual Responsibility Report, available on their websites.



KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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## Materiality

The 2012 CaixaBank Integrated Corporate Report provides an integrated overview of the bank's economic, financial, social and environmental performance besides the performance concerning corporate governance in response to its strategy of creating shared value for its stakeholders. It also provides a detailed response to relevant issues that are of interest to social groups and the persons to which it relates.

These issues were detected through a process with a number of phases, following the methodology based on the **AA 1000** Assurance Standard Accountability. Firstly, in order to identify issues of major general interest, a preliminary survey was conducted of sector and corporate social responsibility (CSR) leaders, as well as benchmarking of companies in the sector and a review of national and international standards on corporate governance reporting. The issues identified were classified as financial or business, environmental and social issues.

Subsequently, the issues were analyzed to determine their importance to CaixaBank and its **stakeholders**. Firstly, an analysis was conducted of the press to determine the media coverage of CaixaBank. An analysis was also performed to determine

what priority sector and CSR leaders and other financial sector companies and banks give to these issues. CaixaBank's shareholders, customers, personnel and suppliers were also consulted on line. 363 people responded.

The process was completed with telephone consultations with a number of financial analysts and sustainability experts to seek their opinion on CaixaBank's performance. These persons belonged to the following organizations:

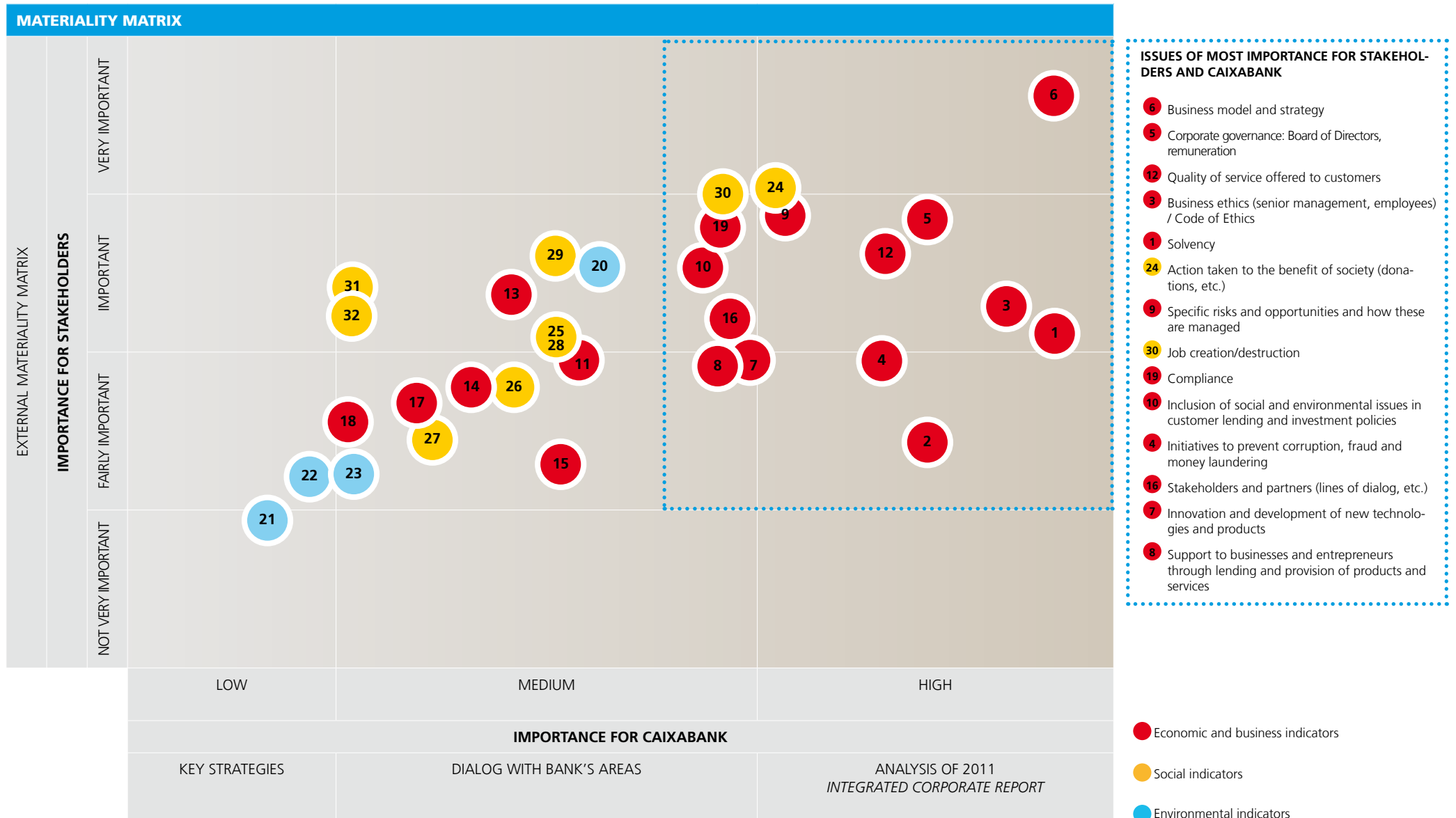
- Fundación Ecología y Desarrollo (ECODES)
- Fundación Seres
- IESE Business School
- ESADE Business School
- CREANT social consultancy firm
- The UGT trade union's CSR observatory
- Banesto
- Vigeo
- N+1
- KBW

Lastly, a panel of experts from PwC provided their views on CaixaBank's performance in general and on its 2011 Integrated Corporate Report.

**In-house analysis** was conducted at the same time to find out about the priority CaixaBank gives to each of the aforementioned issues. To this end, the bank's strategies and 2011 report were reviewed, and discussions were held with

the different areas involved in preparing the report.

As a result of this process, priority issues were determined for CaixaBank and its stakeholders. These issues were classified in a matrix which defines firstly the importance attached to them by stakeholders, and secondly their impact on CaixaBank's business.







## OTHER INDICATORS

- 11 Clear and transparent information on products and services offered, and advertising that is not misleading
- 13 Flexibility to adapt to specific circumstances of each customer
- 14 Range of products offered (products and services for all)
- 15 Ease of access to services (number of branches, ATMs adapted to people with disabilities, 24-hour services)
- 17 Sustainable management of supply chain
- 18 Sustainable management awards and distinctions
- 20 Energy (consumption, sustainability initiatives and climate change)
- 21 Water (consumption and sustainability initiatives)
- 22 Waste/Recycling
- 23 Biodiversity
- 25 Corporate volunteer program
- 26 Education of financial sector for the population
- 27 Work-life balance
- 28 Occupational health and safety
- 29 Diversity and equal opportunities
- 31 Personnel training
- 32 Career development plans



## Dialog with stakeholders

CaixaBank works hard to ensure maximum transparency in its relations with stakeholders. To do so, the bank attempts to establish close relationships with all groups that have an interest in its activities, and provide relevant information at all times which may cover issues such as its results, management and corporate strategy, and any other matters which may be of interest to stakeholders.

The bank's communication policy supplies knowledge of the expectations of the various CaixaBank stakeholders to enable it to move forward on its Corporate Responsibility Policy and business strategy.

To this end, pursuant to the AA 1000 Standard, the bank has a number of channels for dialog to facilitate permanent fluid communication.

CaixaBank has a corporate blog and a press section on its corporate portal, where information is updated on a permanent basis:



Access to the Corporate Blog (in Spanish)  
Access to the Press Room  
Access to Facebook (in Spanish)  
Access to Twitter (in Spanish)

### CUSTOMERS

A network of 6,342 branches and almost 31,000 employees  
Representation in Governing Bodies of "la Caixa"  
Customer Care Service  
"Inspíranos" Platform [Web 2.0-based suggestions box for customers]  
Telephone service quality surveys  
Encounters with stakeholder representatives

### SHAREHOLDERS

Annual General Meeting  
Shareholder Offices in Barcelona  
Consultative Shareholder Committee  
Corporate encounters with shareholders from a number of cities  
Opinion surveys  
Shareholder Care Service (letters, e-mails and SMS)  
Attendance at trade fairs and other events

### EMPLOYEES

Virtaula, the on-line training center and other online forums  
Employee portal on corporate intranet  
Biannual labor and social climate survey  
Committees  
Forums on the corporate intranet  
Internal service satisfaction surveys  
Dialog with union representatives  
Representation in Governing Bodies of "la Caixa"  
Telephone and online Call Center  
CanalCaixa, the bank's in-house magazine (5 issues a year)

### SUPPLIERS

Contact with contract managers  
Purchase committees  
Opinion surveys

### COMPANY

Representation in Governing Bodies of "la Caixa"  
"la Caixa" welfare projects and Foundation  
MicroBank  
Caixa Capital Risc and the Enterprise Program EmprendedorXXI  
Attendance of forums, workshops, competitions, talks, conferences or round tables on these topics  
Contact with specialist bodies and organizations  
Cooperation with social agents  
Consultations through surveys  
Coverage of topics through the media  
"la Caixa" Chair of Corporate Social Responsibility and Corporate Governance at the IESE Business School  
"la Caixa" Chair of the Economy and Society



## Summary of indicators in the 2012 CaixaBank Integrated Corporate Report

1	STRATEGY AND ANALYSIS	PAGES OF THE REPORT
1.1.	Statement by the Bank's most senior decision-maker concerning the relevance of sustainability to the bank and its strategy	Letters from the Chairman and the Deputy Chairman and C.E.O. (p. 6-9)
1.2.	Description of key impacts, risks and opportunities	1. About us (in terms of description of a management system that is efficient and sustainable from an economic, environmental and social viewpoint) (p.10); 3.2. Main strategic priorities (p.38); 7.Challenges for 2012 and Challenges in 2013 (p.159)

2	THE BANK'S PROFILE	PAGES OF THE REPORT
2.1.	Name of the bank	Final page (p. 177)
2.2.	Primary brands, products and/or services	4.1. "Value proposition" (p.51); <a href="#">Corporate website</a>
2.3.	Operational structure of the bank	1.3 CaixaBank shareholder structure (p.13); 4.1. Section "Financial and insurance services" (p.47); 4.1. Section "International diversification" (p.64); 4.2. Section "CaixaBank alongside entrepreneurs" (p.95)
2.4.	Location of bank's headquarters.	Final page (p.177)
2.5.	Number of countries where the bank operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	4.1. Section "The leading network of self-service terminals in Spain" (p.78); 4.1. Section "International diversification" (p.64)
2.6.	Nature of ownership and legal form	2.1. Organizational structure (p.21) <a href="#">Corporate website</a>
2.7.	Markets served	CaixaBank operates on the Spanish market, and virtually all its income and expenses are generated on this market. The markets operated cover almost 13 million customers
2.8.	Dimensions of the bank (employees, transactions, net sales, total capitalization etc.)	<a href="#">Table "CaixaBank Group - Key Indicators"</a> (in the introduction to the Report) (p. 5)
2.9.	Significant changes, structure and ownership of the bank	Letters from the Chairman and the Deputy Chairman and C.E.O. (p.8-9); 1.1 "A growing bank" (p.12); 1.2. CaixaBank shares (p.13)



2	THE BANK'S PROFILE	PAGES OF THE REPORT
2.10.	Prizes and awards	In 2012, CaixaBank was recognized for its level of communication, innovation, financial transactions, service excellence and management model. Some of the awards received include: "Best Bank in Spain 2012" according to Euromoney; "Best financial bank for climate change mitigation in Spain" according to Carbon Disclosure Project; "Best Financial Transaction" awarded by the publication Inversión for the flotation of CaixaBank; "Award for the Best Branch Innovation" from the Asian Banker; "Best Community Impact Initiative" for the "Alquiler Solidario" Project, prize awarded by Forética, and the "Golden World Award" for communication excellence in the finance sector from the International Public Relations Association (IPRA), "Company with B Corporate Governance and Social Responsibility in Spain" according to 2012 Merco Companies and Leaders Ranking; Llotja Prize for "Best Disclosures by a Limited Company to Shareholders and Markets".

3	REPORT PARAMETERS	PAGES OF THE REPORT
3.1.	Reporting period for information provided	The information in this Report refers to the calendar year 2012
3.2.	Date of most recent previous report	This is the second Integrated Corporate Report published by CaixaBank. The first edition was published in 2011 (2011 Integrated Corporate Report )
3.3.	Reporting cycle (annual, two-yearly, etc.)	Annual
3.4.	Contact point	Final page (p.217)
3.5.	Process to define the contents of the report (determination of major issues, materiality, priority of issues, identification of stakeholders)	Appendix (Section 1.2. "Dialog with stakeholders") The contents of this Report are based on the guidelines for preparing reports, specific supplements and technical protocols of the GRI
3.6.	Scope of the report	Appendix (Section 1.1. "Scope and materiality of the Report") Information on the environment and human resources, featured in the "Environment" (p.111) and "Personnel" sections refers to CaixaBank Individual. Data for 2010 refers to "la Caixa". With respect to the information set out in the tables in this document "Summary of indicators in the 2012 CaixaBank Integrated Corporate Report" in the "CaixaBank Group" section, this includes CaixaBank Individual and the following subsidiaries and investees: Caixa Capital Risc, Caixa Emprendedor XXI, CaixaRenting, e-laCaixa, FinConsum, GDS-Cusa, InverCaixa, Nuevo MicroBank, PromoCaixa, Silk Aplicaciones, Sumasa, TradeCaixa and the Insurance Group. Lastly, information on the scope of the management of the stakes in international banking groups and other significant stakes is provided in sections 4.1. "International diversification" (p.64) and "Revenue diversification" (p.70)



3	REPORT PARAMETERS	PAGES OF THE REPORT
3.7.	Limitations on the scope or boundary of the report	<p>Appendix (Section 1.1. "Scope and materiality of the Report")</p> <p>With respect to the information set out in the tables "Summary of indicators in the 2012 CaixaBank Integrated Corporate Report" in the "CaixaBank Group" section, this includes CaixaBank Individual and a number of subsidiaries and investees. This scope covers approximately 98.5% of the CaixaBank Group's staff. The remaining 1.5% mainly corresponds to the subsidiaries incorporated into the Group through the merger with Banca Cívica. Only economic and financial information is provided on these companies.</p> <p>In addition, the "Verification" column in the table of indicators sets forth the limitations on coverage.</p>
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 banks.	To facilitate comparisons of data, 2010 data for "la Caixa" are supplied in comparison to data for CaixaBank Individual. The information available concerning the Group's support entities has also been entered. There have been no significant changes in the valuation methods applied in the Report with respect to previous periods. The data on environmental issues for 2010 and 2011 was recalculated to facilitate a comparison with 2012 data.
3.9.	Data measurement techniques and the bases of calculations, assumptions and estimates applied. Reasons for not applying the GRI Indicator Protocols	The contents of this Report are based on the guidelines for preparing reports, specific supplements and technical protocols of the GRI.
3.10.	Description of the possible effects of any restatements of information provided in previous reports	No such restatements have been made.
3.11.	Significant changes in the scope, boundary or calculation methods	In 2012 significant changes were made to the scope of the Report as the result of the takeover of Banca Cívica. These are shown in section 1.1. "A growing bank" (p.12). No material changes were made to the calculation methods employed.
3.12.	Table identifying the location of the Standard Disclosures in the report	Index to the Report; Appendix (Section 1.3. "Summary of indicators in the 2012 CaixaBank Integrated Corporate Report").
3.13.	Policy and current practice with regard to seeking external assurance for the report	Appendix 1 (p.177)





KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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4	GOVERNANCE, COMMITMENTS AND INVOLVEMENT OF STAKEHOLDERS	PAGES OF THE REPORT
4.1.	Governance structure of the bank	2.1. Organizational structure (p. 21) <a href="#">2012 Annual Corporate Governance Report</a>
4.2.	Indicate whether the Chairman of the most senior governance body is also an executive officer	2.1. Organizational structure (p. 21) <a href="#">2012 Annual Corporate Governance Report</a>
4.3.	In the case of banks with a direct unitary structure, the number of members and gender of the most senior governance body will be stated, irrespective of whether they are independent or non-executive	2.1. Organizational structure (p. 21) <a href="#">2012 Annual Corporate Governance Report</a>
4.4.	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	2.1. Organizational structure (p. 21); 4.2. Sections “Shareholders: dialog and proximity” (p. 64) and “Internal communication” (p. 105) <a href="#">2012 Annual Corporate Governance Report</a>
4.5.	Link between remuneration of members of the most senior governance body and the bank’s performance	2.1. Organizational structure (p. 21) <a href="#">2012 Annual Corporate Governance Report</a> <a href="#">Informe anual sobre las remuneraciones de los miembros del Consejo de Administración 2012</a>
4.6.	Processes in place for the most senior governance body to ensure conflicts of interest are avoided	2.1. Organizational structure (p. 21) <a href="#">2012 Annual Corporate Governance Report</a>
4.7.	Process for determining the composition, qualifications and expertise required of the members of the most senior governance body and its committees, including any matters regarding their gender and other diversity indicators	2.1. Organizational structure (p. 21) <a href="#">2012 Annual Corporate Governance Report</a>
4.8.	Internally produced statement of mission and values, codes of conduct, and principles relevant to economic, environmental, and social performances, and the status of their implementation	1. About us (p. 10); 2.2. Business ethics (p.29) See <a href="#">environmental policy</a> on the bank’s Corporate Responsibility webpage.
4.9.	Procedures of the most senior governance body for overseeing the bank’s identification and management of economic, environmental and social performances, and adherence to or compliance with internationally agreed standards, codes of conduct and principles	2.1. Organizational structure (p. 21); 5. Risk management (p. 118) <a href="#">2012 Annual Corporate Governance Report</a>
4.10.	Processes for evaluating the most senior governance body’s own performance, particularly with respect to economic, environmental, and social performances	2.1. Organizational structure (p. 21) <a href="#">2012 Annual Corporate Governance Report</a>



KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	<b>APPENDIX</b>
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4	GOVERNANCE, COMMITMENTS AND INVOLVEMENT OF STAKEHOLDERS	PAGES OF THE REPORT
4.11.	Description of how the bank has adopted a precautionary principle	5. "Risk management" (p.118); 3.1. The economic and financial context (p.33); 3.2 Main strategic priorities (p.38); 6.2012 Financial reporting and results (p.141): sub-sections 6.1, 6.2.3, 6.2.4 and 6.5.
4.12.	Externally produced economic, environmental and social charters, principles, or other initiatives to which the bank subscribes or endorses	2.2. Section "The UN Global Compact" (p.31); 4.2. Sections "Socially Responsible Investing (SRI)" (p.99); 5.2. Environmental and social risk management: Equator Principles (p.139) and "CaixaBank alongside the "la Caixa" Foundation" (p.107)  <a href="#">Corporate Responsibility section</a> (Responsible finance model) on corporate website
4.13.	Membership of associations and/or national/international bodies supported by the bank and in which it: <ul style="list-style-type: none"> <li>• Holds 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>	2.2. Section "The UN Global Compact" (p.31); 4.2. Section "CaixaBank alongside the "la Caixa" Foundation" (p.107) 4.1. Section "Innovation and technology" (p.71)
4.14.	List of stakeholders engaged by the bank	4.2. Sections "Shareholders: dialog and proximity" (p.83) and Section "Internal communication" (p.105); Appendix (Section 1.2. "Dialog with stakeholders")
4.15.	Basis for identification and selection of stakeholders to which the bank is committed	4.2. Sections "Shareholders: dialog and proximity" (p.83) and Section "Internal communication" (p.105); Appendix (Section 1.2. "Dialog with stakeholders")
4.16.	Stakeholder involvement (frequency)	4.2. Sections "Shareholders: dialog and proximity" (p.83) and Section "Internal communication" (p.105); Appendix (Section 1.2. "Dialog with stakeholders")
4.17.	Key issues of interest and concerns that have been raised through stakeholder involvement, and how the bank has responded to those issues of interest and concerns in its report	4.2. Sections "Shareholders: dialog and proximity" (p.83) and Section "Internal communication" (p.105); Appendix (Section 1.2. "Dialog with stakeholders")



## INFORMATION CONCERNING THE MANAGEMENT AND/OR EXECUTIVE APPROACH

ECONOMIC DIMENSION	PAGES OF THE REPORT
Economic performance	6.2. Results: Strong revenue-generating capability (p.143)
Market presence	Market presence 4.1. Sections "The leading network of self-service terminals in Spain" (p.78) and "International diversification" (p.64)
Indirect economic impact	4. Shared value creation (p.50)

ENVIRONMENTAL DIMENSION	PAGES OF THE REPORT
Materials	4.2. Section "Environment" (p.111) <a href="#">See: Table of direct environmental impact indicators</a>
Energy	4.2. Section "Electricity consumption" (p.114); 5.2. "Environmental and social risk management: Equator Principles (p.139) <a href="#">See: Table of direct environmental impact indicators</a>
Water	4.2. Section "Electricity consumption" (p.114); 5.2. "Environmental and social risk management: Equator Principles (p.139) <a href="#">See: Table of direct environmental impact indicators</a>
Biodiversity	4.2. Section "Training and awareness raising" (p.116); 5.2. "Environmental and social risk management: Equator Principles (p.139) <a href="#">See: Table of direct environmental impact indicators</a>
Emissions, effluents and waste	4.2. Section "Environment" (p.111); 5.2. "Environmental and social risk management: Equator Principles (p.139) <a href="#">See: Table of direct environmental impact indicators</a>
Products and services	5.2. Environmental and social risk management: Equator Principles (p.139); 4.2. Sections "CaixaBank alongside entrepreneurs" (p.95) and "Socially Responsible Investing (SRI)" (p.99)
Compliance	4.2. "Section "Environment" (p.111); 5.1.5. Audit, Internal Control and Compliance (p.136)) <a href="#">See: Table of direct environmental impact indicators</a>
Transport	4.2. Section "Transport" (p. 114);
General aspects	4.2. Section "Environment" (p.111); 7.Challenges for 2012 and Challenges in 2013 (p.159); 5.2. Environmental and social risk management: Equator Principles (p.139)



SOCIAL DIMENSION Labor practices and work ethics		PAGES OF THE REPORT
Employment		2.2. Business ethics (p.29) 4.2. Sections "Our professionals" (p.101) and "CaixaBank alongside the "la Caixa" Foundation" (p.107)
Labor/management relations		4.2. Sections "Shareholders: dialog and proximity" (p.83) and Section "Internal communication" (p.105); Appendix (Section 1.2. "Dialog with stakeholders")
Health and safety in the work place		4.2. Section "Workplace health and safety" (p.106)
Training and education		4.2. Section "Training and career plans" (p.102)
Diversity and equal opportunities		4.2. Section "Training and career plans" (p.102)
Equal pay for men and women		4.2. Section "Training and career plans" (p.102)
SOCIAL DIMENSION Human rights		PAGES OF THE REPORT
Investment and procurement practices		2.2. Section "Money laundering prevention" (p.30); 4.2. Sections "Socially Responsible Investing (SRI)" (p.99) and "Responsible procurements" (p.117)
Non-discrimination		4.2. "Training and career plans" (p.102)
Freedom of association and collective bargaining		2.2. Section "Good corporate governance: CaixaBank's Code of Business Conduct and Ethics (p.29); 4.2. Section "Our professionals" (p.101)
Abolition of child labor		In view of CaixaBank's area of activity, no risk activities or operations have been identified
Prevention of forced and compulsory labor		In view of CaixaBank's area of activity, no risk activities or operations have been identified
Safety practices		4.2. Sections "Responsible communication and sales policy" (p.90) and "Workplace health and safety" (p.106)
Rights of indigenous people		In view of CaixaBank's area of activity, no risk activities or operations have been identified
Evaluation		In view of CaixaBank's area of activity, no risk activities or operations other than those identified in this section have been identified 5.2. Environmental and social risk management: Equator Principles (p.139)
Corrective measures		No situations have been identified requiring corrective measures to be taken to resolve any breaches of human rights



SOCIAL DIMENSION Society	PAGES OF THE REPORT
Local communities	CaixaBank belongs to the "la Caixa" Group. Group investment in welfare projects is channeled through the "la Caixa" Foundation, which produces its own <a href="#">Annual Report</a> . 4.2. Section "CaixaBank alongside the "la Caixa" Foundation" (p.107)
Corruption	2.2. Sections "Money laundering prevention" (p.30) and CaixaBank's Code of Business Conduct and Ethics (p.29); 5.1. Section "Active risk management" (p.119); 3.2. "Main strategic priorities" (p.38)
Public policy	CaixaBank has not defined a general policy in relation to participation in public policy development or lobbying
Anti-competitive behavior	2.2. Section CaixaBank's Code of Business Conduct and Ethics (p.29); 5.1. Section "Regulatory compliance risk management" (p.125)
Compliance	2.2. Section CaixaBank's Code of Business Conduct and Ethics (p.29); 5.1. Section "Regulatory compliance risk management" (p.125)

SOCIAL DIMENSION Product responsibility	PAGES OF THE REPORT
Customer health and safety	4.2. Section "Workplace health and safety" (p.106)
Product and service labeling	4.2. Section "Responsible communication and sales policy" (p.90)
Marketing communications	4.2. Section "Responsible communication and sales policy" (p.90)
Customer privacy	CaixaBank has the duty to protect the personal and private information of its customers and employees to the maximum, as set forth in its Code of Ethics and prevailing legislation on intimacy, data protection and bank privacy. Data protection and the right to privacy are considered in all aspects of the bank's management. Strict internal rules are in place and staff are provided with specific training on this matter. CaixaBank also enters all files containing personal data it handles with the General Data Protection Register, and all staff have access to a security document setting forth the necessary measures for ensuring the security of files containing personal data and data processing centers, etc. Access to customer data that is not strictly required for work is also prohibited, while any unauthorized access gained is subject to sanction, even if it has no impact outside the bank
Compliance	2.2. Section "Money laundering prevention" (p.30); 4.2. Section "Responsible communication and sales policy" (p.90); 5.1. Section "Active risk management" (p.119)





## GRI G3.1 INDICATORS AND INDICATORS SPECIFIC TO THE FINANCE SECTOR

	INDICATORS OF ECONOMIC PERFORMANCE	TYPE	PAGES OF THE REPORT	VERIFICATION
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	The sum of direct contributions by CaixaBank to Spanish GDP amounted to 0.60%, while the sum of direct and indirect contributions amounted to 0.80%. Data concerning the economic value generated and distributed were obtained from the Consolidated Financial Statements of the CaixaBank Group and subsidiaries. The country breakdown is not relevant to CaixaBank since Spain is the bank's main country of operations. Taxes were paid in Spain <a href="#">See: Table: "Economic value generated, distributed and retained by the CaixaBank Group"</a>	✓
EC2	Financial implications and other risks and opportunities for the bank's activities due to climate change	C	4.2 Sections "Environment", sections "Promoting and investing in sustainable technology", "Consumer ecoLoans" and "Socially Responsible Investing (SRI)" (p.99); 5.2. Environmental and social risk management: Equator Principles (p.139)	✓
EC3	Coverage of the bank's defined benefit plan obligations	C	CaixaBank pension commitments are externalized and are implemented through a pensions plan and additional policies taken out with several insurance companies. The CaixaBank employees' pension plan is operated in addition to the public pensions system (Social Security), and is a combined defined-contribution plan (defined contribution for retirement and defined benefit for disability and death). The plan meets the commitments of the bank initially established in the "la Caixa" Labor Agreement on pension provisions of July 2000 which, subsequently and due to the Group's business reorganization process, were set forth in the Labor Agreement of July 2011 whereby the "la Caixa" Pensions Plan was transformed into a "la Caixa"/CaixaBank Combined-Promotion Pensions Plan. During the year, the CaixaBank Group set aside €231,349,314 (€226,201,530 for CaixaBank Individual) in social benefits for its employees, including health plans, education grants, life and accident insurance and advantageous borrowing terms. The number of days leave for maternity leave (one or more children in single birth), paternity leave and breast-feeding time are set forth by law and applicable as per the corresponding labor agreements. At CaixaBank (individual) this leave amount to 132, 150 and 23 days, respectively. e-la Caixa, GDS Cusa, MicroBank, PromoCaixa, TradeCaixa and VidaCaixa employees are also entitled to 15 days paternity leave. At CaixaBank, 598 employees took some form of leave (609 at the Group) and 481 employees opted to work part-time or reduce their hours, representing 1.5% of the workforce (557 employees in the Group). <a href="#">See Note 24 to the 2012 Consolidated Financial Statements.</a>	✓



	INDICATORS OF ECONOMIC PERFORMANCE	TYPE	PAGES OF THE REPORT	VERIFICATION
EC4	Significant financial assistance received from government	C	4.1. Section "International diversification" (p.64); 4.2. Sections "Training and career plans" (p.102); "Caixa Bank alongside entrepreneurs". In 2012 €3.34 million in training grants was received (CaixaBank's total investment in training was €11.42 million). Grants to the Group totaled €3.37 million, while €12.07 million was spent on training <a href="#">See Note 1 to the 2012 Consolidated Financial Statements.</a>	✓
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	A	4.2. Section "Recognition and remuneration" (p. 104). The number of times the bank's entry-level wage surpasses the legal minimum wage is 2.2. CaixaBank's main country of operations is Spain, and it has only 60 employees (0.01% of the head) working abroad. All employees, regardless of their geographic location, earn remuneration above the legal minimum established in each country	✓
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	C	In 2012 CaixaBank procured €908 million of products and services, paid through 397,229 bills. The level of compliance with payment conditions on these bills stood at 93.28%, with an average payment timeline of 28 days, within the maximum legal deadline. Of a total of 36,041 suppliers, the top five in terms of billing volumes accounted for €36 million. CaixaBank defines "locally-based" suppliers as those whose operations base is Spain: Local suppliers account for 99.9% of total billing volume The bank operates transparent Procurement Departments guaranteeing equal opportunities for contracts, and 32.18% of procurements are through public tender processes. A statement of environmental, social and ethical standards for suppliers is being	✓
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	C	There are no specific procedures for the local hiring of senior management	N.A.
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	C	4.2. Sections "International diversification" (p.64), "CaixaBank alongside entrepreneurs" (p.95), "Socially Responsible Investing (SRI)" (p.99) and "CaixaBank alongside the "la Caixa" Foundation" (p.107) CaixaBank belongs to the "la Caixa" Group. Group investment in welfare projects CaixaBank belongs to the "la Caixa" Group. Group investment in welfare projects is channeled through the "la Caixa" Foundation, which has a budget of €500 million and produces its own <a href="#">Annual Report</a>	✓
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	A	3.2. "Main strategic priorities" (p.38); 4.1. Section "Innovation and technology" (p.71)4.2. Sections "CaixaBank alongside entrepreneurs" (p.95) and "CaixaBank alongside the "la Caixa" Foundation" (p.107)	✓



KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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	INDICATORS OF ENVIRONMENTAL PERFORMANCE	TYPE	PAGES OF THE REPORT	VERIFICATION
EN1	Materials used by weight or volume	C	4.2. Section "Environment" (p.111) <a href="#">See: Table of direct environmental impact indicators</a>	✓
EN2	Percentage of materials used that are recycled input materials	C	4.2. Section "Environment" (p.111) <a href="#">See: Table of resources useds</a>	✓
EN3	Direct energy consumption by primary energy source	C	4.2. Section "Environment" (p.111) <a href="#">See: Table of direct environmental impact indicators</a>	✓ Not broken down by primary sources
EN4	Indirect energy consumption by primary source	C	With regard to the energy consumed by CaixaBank in 2012, Gas Natural Fenosa will file an application with the National Energy Commission (CNE) to obtain a 100% Guarantee of Origin for the electricity supplied to CaixaBank, in order to receive a CNE certificate to demonstrate that this power came from renewable energy sources or cogeneration 4.2. Section "Environment" (p.111) <a href="#">See: Table of direct environmental impact indicators</a>	✓ Indicator limited to companies that make disclosures as per the stipulated scope Not broken down by primary sources
EN5	Energy saved due to conservation and efficiency improvements	A	Consumption by the branch network is controlled and quarterly updates of kWh consumed are provided. During 2012, 20,651 emails were also sent to individual about their consumption and the best practices to be followed to cut consumption. 125 branches with above average consumption or which have increased their electricity consumption were also visited or received telephone calls. A total of 1,500 out-of-hours visits to branches were also made to verify whether electrical equipment, lighting and air conditioning had been switched off. This led to 50 notifications during this visits requesting branches turn off electrical equipment. Another savings measures involved installing 39 capacitor batteries and repairing a further 47 to reduce the amount of reactive energy sent to the electricity grid (-53% compared to 2011). In 2012, (excluding Banca Cívica) CaixaBank's total electricity consumption was 166.47 million kWh, a reduction of 7.9% compared to the previous year	✓
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	4.1 Value proposal, Section "New data processing center" (p.80) and 4.2. Section "Environment" (p.111)	✓ Qualitative data are provided



KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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	INDICATORS OF ENVIRONMENTAL PERFORMANCE	TYPE	PAGES OF THE REPORT	VERIFICATION
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	A	4.2. Section "Environment" (p.111) ; 7.Challenges for 2012 and Challenges in 2013 (p.159) and EN5. Natural resources used by CaixaBank are not subject to energy	✓ Qualitative data are provided
EN8	Total water withdrawal by source	C	All the water used by CaixaBank is from municipal supply networks only <a href="#">See: Table of resources used</a>	✓ Indicator limited to companies that make disclosures as per the stipulated scope
EN9	Water sources significantly affected by withdrawal of water	A	The water used by CaixaBank is always from the municipal supply, and this does not affect water sources or habitats	N.A.
EN10	Percentage and total volume of water recycled and reused	A	The volume of recycled water that is not reused is minimal	N.A.
EN11	Description of land in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	C	This indicator is not applicable, since CaixaBank does not operate any facilities in protected areas or areas with high biodiversity value	N.A.
EN12	Description of significant impacts of activities, products, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	C	This indicator is not applicable, since CaixaBank does not carry on any harmful activities in protected areas or areas with high biodiversity value	N.A.
EN13	Habitats protected or restored	A	This indicator is not applicable to CaixaBank's activities	N.A.
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	A	This indicator is not applicable to CaixaBank's activities	N.A.



	INDICATORS OF ENVIRONMENTAL PERFORMANCE	TYPE	PAGES OF THE REPORT	VERIFICATION
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	This indicator is not applicable to CaixaBank's activities	N.A.
EN16	Total direct and indirect greenhouse gas emissions by weight	C	4.2. Section "Environment" (p.111) <a href="#">See: Table of direct environmental impact indicators</a>	✓ Data on indirect emissions from electricity consumption do not include e-la Caixa and PromoCaixa
EN17	Other relevant indirect greenhouse gas emissions by weight	C	<a href="#">See: Table of direct environmental impact indicators</a>	✓ Emissions from business trips due to air travel, train journeys and car travel (company/leased) are included.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	A	In 2012, CaixaBank offset the CO <sub>2</sub> associated with five corporate events: the 2012 Managers Convention, the CaixaBank 2012 Extraordinary Shareholders' Meeting, the CaixaBank Annual General Meeting, the 2012 Bondholders' General Assembly, and Employees 25-35 years Event by participating in two projects involving the substitution of fuel in small ceramics and wood industries and renewable biomass in Brazil, with a total of 382.77 Tn of CO <sub>2</sub> offset	✓
EN19	Emissions of ozone-depleting substances by weight	C	This indicator is not applicable, since CaixaBank does not produce any significant emissions of ozone-depleting substances	N.A.
EN20	NO, SO and other significant air emissions by type and weight	C	This indicator is not applicable, since CaixaBank does not produce any significant emissions of these substances	N.A.
EN21	Total water discharge by quality and destination	C	This indicator is not applicable, since in 2012 CaixaBank did not make any significant wastewater discharges	N.A.





KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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	INDICATORS OF ENVIRONMENTAL PERFORMANCE	TYPE	PAGES OF THE REPORT	VERIFICATION
EN22	Total weight of waste by type and disposal method	C	4.2. Section "Environment" (p.111) CaixaBank reports all waste collected for recycling, since it feels this is the best way to dispose of waste in view of the bank's activity <a href="#">See: Table of direct environmental impact indicators</a>	✓ Indicator limited to companies that make disclosures as per the stipulated scope
EN23	Total number and volume of significant spills	C	This indicator is not applicable, since in 2012 there were no significant spills at CaixaBank	N.A.
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	This indicator is not applicable to CaixaBank's activities	N.A.
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting bank's discharges of water and runoff	A	This indicator is not applicable to CaixaBank's activities	N.A.
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	C	4.2. Sections "CaixaBank alongside entrepreneurs" (p.95) and "Socially Responsible Investing (SRI)" (p.99) and 5.2. Environmental and social risk management: Equator Principles (p.139)	✓ Only qualitative data are provided
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	C	This indicator is not applicable, since CaixaBank does not sell any products which can be recovered	N.A.
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	C	In 2012 CaixaBank was unaffected by any major fines or judicial sanctions in relation to compliance with environmental regulations	✓
EN29	Significant environmental impacts of transporting products and other goods and materials used for the bank's operations, and transporting members of the workforce	A	4.2. Section "Transport" (p.114) In order to reduce the number of trips, CaixaBank uses video-conferences to minimize the number of trips to only those that are essential. In 2012 the number of video-conferences held in the duly-equipped suites rose by 30.1% to 3,480. The number of video-conferences held from employees' work stations has also rise to above 3,400, in addition to 3,050 virtual meetings and over 11,400 conference calls.	✓ Transportation of members of the workforce is not reported
EN30	Total environmental protection expenditures and investments by type	A	Environmental protection expenditures and investments have not been significant in 2012	N.A.



	INDICATORS OF SOCIAL PERFORMANCE	TYPE	PAGES OF THE REPORT	VERIFICATION
<b>Labor practices and decent work</b>				
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	C	<a href="#">See: Table: Total workforce by gender and employment contract</a> <a href="#">Table: Total workforce by age, gender and region</a>	✓
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	C	<p>Due to the bank's origins, Catalonia is the region in Spain where CaixaBank has the largest number of employees (8,193), followed by Western Andalusia (3,639) and Madrid (3,397). After the takeover of Banca Cívica, the zones where the largest number of employees has been incorporated with respect to 2011 have been: Western Andalusia (37.05%), the Canary Islands (13.67%) and the area covering Navarre, Aragon and la Rioja (13.1%). The regions with the lowest employee turnover rates are Castile la Mancha - Extremadura (0.56%), the Canary Islands (0.53%) and Castile and Leon - Asturias (0.47)</p> <p>In 2012 a total of 642 employees left the bank (54 more than in 2011), 153 of whom were on permanent contracts. At Group level, a total of 776 employees left. CaixaBank has an average employee turnover rate of 2.11% (3.17% among men and 1.03% among women). The employee retention rate is 88.5% (85.3% for men and 91.3% for women)</p> <p><a href="#">See: Table: "Total workforce by age, gender and region"</a></p>	✓
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	C	<p>Benefits do not vary from one work center to the next</p> <p>Pension plans are not offered to temporary staff at CaixaBank</p> <p>Temporary staff in CaixaRenting receive different pension plans, life insurance and advantageous borrowing terms. The latter two are not offered at FinConsum. Pension plans, education grants and healthcare benefits are not provided GDS-Cusa. The latter two concepts are not offered at Silk or at Sumasa, where life insurance is also not provided. VidaCaixa offers the same social benefits to permanent and temporary staff.</p> <p>At Caixa Capital Risc, e-la Caixa, Nuevo MicroBank, PromoCaixa, InverCaixa and TradeCaixa all employees have permanent contracts. Part-time employees receive benefits in proportion to hours worked</p>	✓



	INDICATORS OF SOCIAL PERFORMANCE	TYPE	PAGES OF THE REPORT	VERIFICATION
LA15	Return to work and retention rates after parental leave, by gender	C	At CaixaBank, 2,449 employees (1,613 women) took maternity/paternity leave in 2012. 1,871 employees returned to work after becoming parents in the same year or the previous year (1,139 of whom were women). The difference between the number of employees taking maternity/paternity leave in 2012 and those rejoining the bank is mainly due to employees that had still not completed their leave at December 31, 2012. At CaixaBank, all employees return to work after their leave, unless they request voluntary redundancy or unpaid leave, and therefore no reincorporation rates are disclosed. In 2012 33 employees (all women in this instance) should have returned to work but did not do so because they requested unpaid leave to care for their children after maternity leave. Across the entire Group, 2,537 employees (877 men) took maternity/paternity leave	✓ No data are provided on the number of employees continuing at the Group twelve months after their return to work after maternity/paternity leave
LA4	Percentage of employees covered by collective bargaining agreements	C	100% of employees at CaixaBank and its subsidiaries are covered by 100% the collective bargaining agreement applicable to them	✓
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	C	The minimum period of notice is the same as that generally established in common employment legislation (Workers' Statute and other legislation applicable), 45 days	✓
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	CaixaBank has two Health and Safety Committees representing 100% of employees. The first is the Single Occupational Health and Safety Committee, which has equal representation of Management and Workers' Representatives. It also has the Occupational Risk Prevention Coordination Committee is an internal committee composed of the representatives of the General Division responsible for General Services, Human Resources Management, Management of the Efficiency Division and Management of the Audit Division. It ensures compliance with prevailing legislation, and carries out and authorizes courses of action and processes in relation to Occupational Health at the Bank	✓ Refers solely to CaixaBank



	INDICATORS OF SOCIAL PERFORMANCE	TYPE	PAGES OF THE REPORT	VERIFICATION
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender	C	<p>The rate of absenteeism at CaixaBank is 5.10%, 2.17% due to common illness (0.74 men and 1.43% women), and 0.06% due to accidents (0.03% for men and women). In 2012 the CaixaBank members of the workforce were involved in 340 accidents (1.2% of employees), most occurring in Catalonia (115 accidents), the area encompassing Navarre, Aragón and La Rioja reported the fewest accidents (7). 58.8% of the aforementioned accidents did not require the affected employee to take leave, and only 5,826 working days were lost. During 2012 one employee died due to occupational accident at CaixaBank (in the Basque Country – Cantabria)</p> <p>See: Table “Level of absenteeism due to accidents and professional illnesses by regions and gender”</p> <p>No information is provided on subcontracted personnel for the safety of whom CaixaBank is responsible</p>	<p>✓</p> <p>Indicator limited to companies that make disclosures as per the stipulated scope</p>
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	C	<p>Among other functions, the Occupational Risk Prevention Service arranges information campaigns in relation to prevention, health promotion and healthy lifestyles. In 2012 employees were provided, through the corporate intranet, with courses on the prevention of high blood pressure, reducing smoking habits, prevention of obesity, early detection of breast cancer, prevention of backache and medical emergencies. 6,902 CaixaBank employees are underwent health checks</p> <p>Workers also received training on occupational risks, road safety and risks associated with bank hold-ups. A first-aid guide has also been published, and the web page supplies advice on lipoatrophia, road safety and self-medication. It should be pointed out that CaixaBank’s activities do not entail any high risks to the health of its employees.</p> <p>In 2012 14,194 employees received occupational risk prevention training (24,915 in 2011). At Group level, 14,948 employees received this training</p>	<p>✓</p>



KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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	INDICATORS OF SOCIAL PERFORMANCE	TYPE	PAGES OF THE REPORT	VERIFICATION
LA9	Health and safety topics covered in formal agreements with trade unions	A	In addition to the Collective Agreement of Savings Banks and Financial Savings Entities, CaixaBank also operates internal agreements between management and trade unions to improve working conditions for its employees. The Bank has two Occupational Health and Safety Committees representing 100% of staff. The first is the Single Occupational Health and Safety Committee, which has equal representation of Management and Workers' Representatives. It also boasts an Occupational Risk Prevention Coordination Committee. Since 2010 it has also operated a Protocol for the Prevention, Management and Elimination of Sexual and Workplace Harassment	✓
LA10	Average hours of training per year per employee by gender, and by employee category	C	4.2. Section "Training and career plans" (p.102) In 2012 €11.43 million was invested in training (€12.09 million in the Group) and 1,607,334 hours of training were provided. This equates to 53.87 hours of training per person for men and 51.7 for women.49.75% of employees receiving training were women	✓
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	A	4.2. Section "Training and career plans" (p. 102) No disclosures are made on continuous training to assist employees in managing the end of their professional careers. In any early retirement schemes in force, employees are informed of the general conditions relating to such plans and through the employees portal anyone wishing to adhere to the plan can consult the specific conditions that would apply in their particular case	✓
LA12	Percentage of employees receiving regular performance and career development reviews, by gender	A	The performance of 100% of employees is assessed on a regular basis	✓
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	C	The percentage of employees and directors belonging to ethnic minorities is not included, and data are not broken down by age groups. There is no register of ethnic minorities since the bank's human resources policy is based on the non-discrimination principle. <a href="#">2012 Annual Corporate Governance Report</a> See: <a href="#">Table: Total workforce by gender and employment contract</a>	✓





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	INDICATORS OF SOCIAL PERFORMANCE	TYPE	PAGES OF THE REPORT	VERIFICATION
LA14	Ratio of basic salary and remuneration of women to men by employee category	C	Professional employees at CaixaBank are paid in accordance with their professional status and the functions performed, regardless of their gender or origins. In equal categories and seniority, the basic wage of men and women is the same, for all employment categories at the bank. While remuneration is increasingly performance-based, changes in employee category due to seniority, and the three-year wage rises laid down in the collective labor agreement lead to salary differences by gender (average seniority: male, 16 years; women, 13 years). Thus, the ratio of basic salary of men with respect to that of women at senior management level is 102%, at middle-management level, 120%, and for the rest of the workforce, 131%. In contrast, the ratio of basic salary of men with respect to that of women for employees under 30 years of age is 99% Ratios calculated based on the median.	✓ Quantitative information referring to CaixaBank
<b>Human rights</b>				
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	C	In 2012 no significant investment agreements including human rights clauses 2012 existed because it is felt there are no risks that make them necessary	✓
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken	C	4.2. Section "Responsible procurements" (p.117) The total number of contractors and suppliers is provided, but not the percentage, since it did not prove possible to compile this information. It is planned that this information will be complied once the Suppliers' Portal goes live, which was being tested at year end.	✓ Information refers to PromoCaixa.
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	C	2.2. Section CaixaBank's Code of Business Conduct and Ethics (p.29). In 2012 73.4% of the workforce received training on policies and procedures concerning tackling corruption in the bank, totaling 11,582 hours of training	✓ Information relates to CaixaBank



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	INDICATORS OF SOCIAL PERFORMANCE	TYPE	PAGES OF THE REPORT	VERIFICATION
HR4	Total number of incidents of discrimination and corrective actions taken	C	CaixaBank has a Protocol for the Prevention, Management and Elimination of Sexual and Workplace Harassment. In 2012 the following measures were taken through independent mediators: A total of three cases and another two that were not seen through to the end. The grounds for these complaints were as follows: four instances of workplace bullying and one case of sexual harassment. These three cases consisted of two formal complaints and one anonymous complaint. As set forth in the protocol, the mediators prepared a report on the two formal complaints, which resulted in a proposal to begin compiling an information report, and a recommendation of measures to better understanding between the parties involved. The number of cases was down on previous years	✓ Information relates to CaixaBank
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	C	4.2. Section "Suppliers" (p. 115) CaixaBank did not identify any risks in this area in 2012	✓
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	C	4.2. Section "Suppliers" (p. 115) In view of CaixaBank's area of activity, no risk activities or operations have been identified	✓
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	C	4.2. Section "Suppliers" (p. 115) In view of CaixaBank's area of activity, no risk activities or operations have been identified	✓
HR8	Percentage of security personnel trained in the bank's policies or procedures concerning aspects of human rights that are relevant to operations	A	All security guards are hired through a company which has certified that they have received the corresponding training	✓ Information relates to CaixaBank
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	A	In view of CaixaBank's area of activity, no risk activities or operations have been identified	N,A
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	C	In view of CaixaBank's area of activity, no risk activities or operations have been identified	N,A
HR11	Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms	C	No grievances related to human rights have been identified	✓



	INDICATORS OF SOCIAL PERFORMANCE	TYPE	PAGES OF THE REPORT	VERIFICATION
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	C	CaixaBank belongs to the "la Caixa" Group. Group investment in welfare projects is channeled through the "la Caixa" Foundation, which produces its own <a href="#">Annual Report</a> . 4.2. Section "CaixaBank alongside the "la Caixa" Foundation" (p.107)	✓
FS13	Accessibility in areas of small populations or economically disadvantaged areas		4.1. Section "The leading network of self-service terminals in Spain" (p.78) CaixaBank has branches in 99.2% of Spanish towns and cities with more than 10,000 inhabitants, and in 83.3% of those with over 5,000 inhabitants. In its region of origin, Catalonia and the Balearic Islands, it has branches in all towns and cities with over 5,000 inhabitants, in 96.3% with more than 3,000 inhabitants, and 88% in those with over 2,500 inhabitants	✓
FS14	Initiatives to improve access to financial services for the disadvantaged		4.1. Section "The leading network of self-service terminals in Spain" (p.78); ; 4.2. Section "CaixaBank alongside entrepreneurs" (p. 95)	✓
SO9	Operations with significant potential or actual negative impacts on local communities	C	4.2 Value creation for stakeholders, Sections: "Preference shares" (p.88); Measures to help mortgage holders experiencing financial difficulties(p.91) and Support Plan (p.92)	✓
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	C	4.2 Value creation for stakeholders, Sections: "Preference shares" (p.88); Measures to help mortgage holders experiencing financial difficulties(p.91) and Support Plan (p.92)	✓
SO2	Percentage and number of business units analyzed for risks related to corruption	C	The Money Laundering Prevention Operational Unit (UOPBC) investigated a total of 1,060 operations as potentially sensitive to money laundering, of which 150 were notified to the Bank of Spain's Executive Service	✓ The percentage of business lines analyzed is not disclosed
SO3	Percentage of employees trained in bank's anti-corruption policies and procedures	C	2.2. Section "Money laundering prevention" (p. 137)	✓
SO4	Actions taken in response to incidents of corruption	C	In cases where employees of the bank bank engaged in behavior that could be classified as fraud/corruption in the exercise of their functions, it may be considered that they have committed an extremely serious misdemeanor pursuant to the collective agreement, and a number of the sanctions envisaged in the agreement may be applied depending on the specific circumstances of each case. A number of the sanctions envisaged for serious misconduct in section 2.3 of Article 81 of the agreement should thus be applied: total loss of seniority with regard to promotion; definitive disqualification from promotion; loss of professional category, demotion to the next level; suspension from functions and salary for no less than three months and no more than six, or disciplinary dismissal	✓ Information is provided in relation to the present policies operated at CaixaBank



	INDICATORS OF SOCIAL PERFORMANCE	TYPE	PAGES OF THE REPORT	VERIFICATION
SO5	Public policy positions and participation in public policy development and lobbying	C	CaixaBank has not defined a general policy in relation to participation in public policy development or lobbying	✓
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related banks by country	A	2.2. Section "CaixaBank Code of Business Conduct and Ethics" (p.29)	✓ Information on policy disclosed
SO7	Total number of legal actions in relation to monopoly practices and anti-competitive behavior, and their outcomes	A	In 2012 there were no legal actions in relation to monopoly practices or anti-competitive behavior	✓
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	C	There were no major sanctions or outright fines for non-compliance with laws and regulations in 2012. As a result of the takeover of Banca Cívica, an administrative sanction was imposed by the Spanish anti-trust authorities in prior years, against which an appeal has been filed to have this ruling overturned.	✓

	INDICATORS OF SOCIAL PERFORMANCE	TYPE	PAGES OF THE REPORT	VERIFICATION
<b>Product responsibility</b>				
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	4.1. Section "The most extensive branch network in the country" (p. 78) and "Security" (p.106) and 4.2. Section "Responsible communication and sales policy" (p. 90)	✓ Information relates to CaixaBank
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	A	CaixaBank did not receive any outright sanctions in 2012 in relation to the health and safety of products and services	✓ Information relates to CaixaBank
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	C	4.2. Section "Responsible communication and sales policy" (p. 90) CaixaBank rigorously applies the <b>MiFID</b> (Markets in Financial Instruments Directive), an EU directive governing the provision of investment services, and thus this directly affects the way in which the bank informs customers or potential customers, advises or sells such products to them (web in Spanish). CaixaBank does not operate any labeling of products and services.	✓ Only qualitative data are provided Information relates to CaixaBank



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	INDICATORS OF SOCIAL PERFORMANCE	TYPE	PAGES OF THE REPORT	VERIFICATION
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	A	4.2. Section "Responsible communication and sales policy" (p. 90) No sanctions or adverse rulings or warnings were received in 2012 with respect to non-compliance with regulations or voluntary codes concerning product data advertising	✓
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	A	4.2. Section "Quality and customer service" (p. 85)	✓ Information relates to CaixaBank
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	C	4.2. Section "Responsible communication and sales policy" (p. 90) CaixaBank rigorously follows all regulations, standards and voluntary codes in relation to marketing and communication that are applicable to the bank	✓
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	There were no such significant incidents in 2012	✓
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	A	In 2012 CaixaBank received no significant sanctions por este concepto	✓
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	C	No significant outright fines arising from non-compliance with regulations concerning the provision and use of the bank's products and services were incurred in 2012	✓





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INDICATORS SPECIFIC TO THE FINANCE SECTOR		PAGES OF THE REPORT	VERIFICATION
<b>PRODUCT AND SERVICE IMPACT</b>			
FS1	Policies with specific environmental and social components applied to business lines	4.2. Sections "CaixaBank alongside entrepreneurs" (p.95), "Socially Responsible Investing (SRI)" (p.99), "Environment" (p.111) and 5.2. Environmental and social risk management: Equator Principles (p.139)	✓
FS2	Procedures for assessing and screening environmental and social risks in business lines	4.2. Sections "CaixaBank alongside entrepreneurs" (p.95), "Socially Responsible Investing (SRI)" (p.99), "Environment" (p.111) and 5.2. Environmental and social risk management: Equator Principles (p.139)	✓
FS3	Processes for monitoring customers' implementation of and compliance with environmental and social requirements included in agreements or transactions	4.2. Sections "CaixaBank alongside entrepreneurs" (p.95) and "Socially Responsible Investing (SRI)" (p.99) 4.2. Sections "CaixaBank alongside entrepreneurs" (p.95), "Socially Responsible Investing (SRI)" (p.99), "Environment" (p.111) and 5.2. Environmental and social risk management: Equator Principles (p.139)	✓
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	Sections 4.2. "Training and awareness raising" (p. 116) and 5.2 "Management of environmental and social risks: Equator Principles (p. 139)	✓
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	4.1. Sections "Banking for SMEs" (p. 57); "State and multilateral bodies" (p. 69); 4.2. Section "Natural resources and environmental management" (p. 111); 4.2. Section "Socially Responsible Investment (SRI)" (p. 99); 5.2. Environmental and social risk management: Equator Principles (p. 139) 4.2. Section "One million euros for the fight against pneumonia" (p. 108)	✓
FS6	Percentage of the portfolio for business lines by specific regions, sizes (e.g. micro/SME/large) and by sector	4.1. Section "Financial and insurance services" (p. 47) CaixaBank operates on the Spanish market, and virtually all its income and expenses are generated on this market. The markets operated cover almost 13 million customers	✓
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	4.2. Sections "Socially Responsible Investment (SRI)" (p. 95) and "CaixaBank alongside entrepreneurs" (p. 90)	✓
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	4.2. Sections "CaixaBank alongside entrepreneurs" (p. 99), "Socially Responsible Investment (SRI)" (p. 95), "Environment" (p. 111)	✓
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	4.2. Sections "CaixaBank alongside entrepreneurs" (p. 95) and "Environment" (p. 111). Reviews are conducted annually in relation to adaptation of financing operations to the Equator Principles and to the internal procedure for syndicated operations	✓ Information is provided in relation to risk evaluation procedures



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	INDICATORS SPECIFIC TO THE FINANCE SECTOR	PAGES OF THE REPORT	VERIFICATION
FS10	Percentage and number of companies held in the bank's portfolio with which the reporting bank has interacted on environmental or social issues	4.2. Sections "CaixaBank alongside entrepreneurs" (p. 95), "Socially Responsible Investment (SRI)" (p. 95) and "Environment" (p. 111) and 5.2. Environmental and social risk management: Equator Principles (p. 139)	✓ Information is provided on the number and volume of projects subjected to the Equator Principles, and agreements to finance projects for environmental maintenance and improvement
FS11	Percentage of assets subject to positive and negative environmental or social screening	4.2. Sections "CaixaBank alongside entrepreneurs" (p. 95) and "Environment" (p. 111). 5.2. Environmental and social risk management: Equator Principles (p. 139)	✓ Qualitative data are provided
FS12	Voting policy(ies) applied to environmental or social issues for shares over which the reporting bank holds the right to vote shares or advises on voting	CaixaBank does not have any official voting policies in relation to environmental or social issues	✓
FS15	Policies for the fair design and sale of financial products and services	2.2. Section "Good corporate governance: Code of Ethics" (p. 29); 4.2. Section "Responsible communication and sales policy" (p. 90)	✓
FS16	Initiatives to enhance financial literacy by type of beneficiary	The bank has an Internet space, " <a href="#">Aprenda con CaixaBank</a> " (Learn with CaixaBank), the purpose of which is to provide assistance on and disseminate knowledge of finance markets and the stock market to the general public in Spain. Likewise, the <a href="#">corporate website</a> offers general advice on finance and the economy as part of the bank's involvement in the national Financial Education program established by the Bank of Spain and the Spanish Securities Market Commission (CNMV). CaixaBank is involved in dissemination the <a href="#">EduCaixa</a> program managed by the "la Caixa" Foundation, which offers a specific module on financial education within the Kit Jóvenes Emprendedores and the KitCaixa Economía. This last module comprises a learning guide, game and audiovisual comedy sketch putting forward specific practical scenarios which can be considered and discussed. It is available on the <a href="#">eduCaixa.com</a> website, while schools can also borrow this module in hard format (web in Spanish)	✓



UNITED NATIONS GLOBAL COMPACT	PAGES OF THE REPORT	GRI INDICATORS
<b>Human rights</b>		
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	.2. Section "Good corporate governance: Business ethics (p.29); and "The UN Global Compact" (p.31); 4.2. Sections "Responsible procurements" (p.117) and "More than €2 million for child vaccinations" (p.108); 4.2. Section "Quality and customer service" (p.85) CaixaBank belongs to the "la Caixa" Group. Group investment in welfare projects is channeled through the "la Caixa" Foundation, which produces its own <a href="#">Annual Report</a>	EC5, LA4, LA6 – 9, LA13 – 14, HR1 – 11, SO5, PR1 – 2, PR8
Principle 2: Businesses must make sure that they are not complicit in human rights abuses	2.2. Business ethics (p.29); 4.2. Section "Workplace health and safety" (p.106); 4.2. Section "Responsible procurements" (p.117); 3.5. Section "Sexual and workplace harassment policies" (p.106)	HR1 – 11, SO5
<b>Labor standards</b>		
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	2.2. Business ethics (p.29); 4.2. Section "Our professionals" (p.101)	LA4 – 5, HR1 – 3, HR5, SO5
Principle 4: Businesses should ensure the elimination of all forms of forced and compulsory labor	2.2. Business ethics (p.29); 4.2. Section "Responsible procurements" (p.117); 4.2. Section "Our professionals" (p.101)	HR1 – 3, HR7, SO5
Principle 5: Business must ensure the effective abolition of child labor	2.2. Business ethics (p.29); 4.2. Section "Responsible procurements" (p.117). CaixaBank belongs to the "la Caixa" Group. Group investment in welfare projects is channeled through the "la Caixa" Foundation, which produces its own <a href="#">Annual Report</a>	HR1 – 3, HR6, SO5
Principle 6: Businesses must ensure the elimination of discrimination in respect of employment and occupation	2.2. Section "Good corporate governance: Business ethics (p.29); 4.2. Sections "Training and career plans" (p.102); and "Sexual and workplace harassment policies" (p.106)	EC7, LA2, LA13 – 15, HR1 – 4, SO5
<b>Environment</b>		
Principle 7: Businesses should support a precautionary approach to environmental challenges	4.2. Section "Environment" (p.111) ; 5.2. Environmental and social risk management: Equator Principles (p.139); 7.Challenges for 2012 and Challenges in 2013 (p.159)	EC2, EN18, EN26, EN30, SO5, SO9-10
Principle 8: Businesses must undertake initiatives to promote greater environmental responsibility	4.2. Section "Environment" (p.111) ; 5.2. Environmental and social risk management: Equator Principles (p.139); 7.Challenges for 2012 and Challenges in 2013 (p.159)	EN1 – 30, SO5, PR3 – 4, SO9-10
Principle 9: Businesses must encourage the development and diffusion of environmentally friendly technologies	4.2. Section "Environment" (p.111) ; 4.2. Section "CaixaBank alongside entrepreneurs" (p.95); 7.Challenges for 2012 and Challenges in 2013 (p.159)	EN2, EN 5 – 7, EN 10, EN 18, EN 26 – 27, EN30, SO5, SO9-10
<b>Anti-corruption</b>		
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	2.2. Business ethics (p.29); 3.2. "Main strategic priorities" (p.38); 4.2. Section "Responsible procurements" (p.117)	SO2 – 6


**EC1 ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED BY THE CAIXABANK GROUP**

(Thousands of euros)	2011	2012
<b>Economic value generated</b>	<b>7,381,602</b>	<b>7,690,385</b>
Gross income	6,511,338	6,737,473
Gains on disposal of assets not classified as non-current assets held for sale	656,980	871,888
Profit / (losses) on non-current assets held for sale	213,284	81,024
<b>Economic value distributed</b>	<b>3,559,781</b>	<b>2,984,493</b>
Other general administrative expenses (excluding tax)	703,747	760,024
Personnel expenses	2,262,644	2,426,255
Income tax and taxes included in other general administrative expenses	140,954	(252,247)
Dividends	452,436 <sup>(1)</sup>	50,461 <sup>(2)</sup>
<b>Economic value retained</b>	<b>3,821,821</b>	<b>4,705,892</b>

(1) €457,232 thousand was distributed in dividends in 2011, which is the maximum to be distributed. The final amount distributed as treasury shares was €452,436 thousand. A further €418,298 thousand was distributed through the Optional Scrip Dividend program, which entitles shareholders to receive cash or shares via a scrip issue. Total dividends distributed from 2011 profit therefore amounted to €870,734 thousand.

(2) This amount of 2012 dividends corresponds entirely to the estimated acquisition of bonus subscription rights from shareholders under the Optional Scrip Dividend program. Total dividends associated with 2012, including cash paid to shareholders and the fair value of the deliverable shares, total €504,270 thousand.



KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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EN3, EN4. Energy consumed	CAIXABANK				CAIXABANK GROUP
	2010	2011	2012 (excluding Banca Cívica)	2012	2012
<b>Energy (direct consumption by primary sources) (GJ)</b>					
Gasoil consumed (GJ) <sup>(1)</sup>	3,799	6,211		2,333	2,395.0
<b>Energy (indirect consumption by primary sources) (GJ)</b>					
Electricity consumed	684,606	650,519	599,315	679,496	1,364,244 <sup>(2)</sup>
Electricity certified from renewable energy sources or cogeneration (%)	80.7%	98.2%	99.0%	87.4%	43.70%

(1) 2010 and 2011 data have been recalculated to include consumption of Madrid offices.

(2) Data not available for e-laCaixa and PromoCaixa.

EN16, EN17, EN18 CO <sub>2</sub> emissions	CAIXABANK <sup>(1)</sup>				CAIXABANK GROUP
	2010	2011	2012 (excluding Banca Cívica)	2012	2012
<b>Direct CO<sub>2</sub> emissions due to consumption of gasoil C (heating of Central Services) (Tn CO<sub>2</sub>)</b>	<b>465</b>	<b>659</b>		<b>193</b>	<b>198</b>
Total direct emissions of CO <sub>2</sub> due to consumption of gasoil C (Tn CO <sub>2</sub> ) (per employee)	0.307	0.439		0.125	
<b>Indirect CO<sub>2</sub> emissions (TnCO<sub>2</sub>)</b>	<b>47,552</b>	<b>54,666</b>		<b>57,538</b>	<b>114,260</b>
Total indirect CO <sub>2</sub> emissions per employee	1.88	2.19		1.89	
<b>Indirect CO<sub>2</sub> emissions due to consumption of electricity (TnCO<sub>2</sub>)</b>	<b>45,640</b>	<b>52,403</b>	<b>48,278</b>	<b>54,737</b>	<b>109,898 <sup>(1)</sup></b>
Electricity certified from renewable energy sources or cogeneration (%)	80.7%	98.2%	99.0%	87.4%	43.7%
<b>Total indirect CO<sub>2</sub> emissions due to business trips (TnCO<sub>2</sub>)</b>	<b>1,912</b>	<b>2,263</b>		<b>2,801</b>	<b>4,362</b>
Indirect CO <sub>2</sub> emissions due to air travel	1,698	1,929		2,295	
Indirect CO <sub>2</sub> emissions due to train journeys	211	328		359	
Indirect CO <sub>2</sub> emissions due to car travel (company/leased)	41	64		147	
Total CO <sub>2</sub> emissions (direct and indirect) (TnCO <sub>2</sub> )	48,017	55,325		55,731	114,458
<b>Total CO<sub>2</sub> emissions (direct and indirect) following offsetting by purchase of green electricity</b>	<b>11,185</b>	<b>3,865</b>	<b>3,431</b>	<b>9,891</b>	<b>66,433</b>

Emission factors used: Spanish national Energy Commission (CNE) for electricity and DEFRA (July 11 May 12 update) for travel and gasoil.

(1) Includes emissions of new Silk's Data Processing Center, which has LEED Silver Certification, representing 49% of total.





KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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EN1, EN2, EN8. resources used	CAIXABANK			CAIXABANK GROUP
	2010	2011	2012	2012
<b>Water</b> <sup>(1)</sup> : Water consumed (m <sup>3</sup> )	76,826	70,781	61,812	71,769 (2)
Water consumed per employee (m <sup>3</sup> )	50.8	47.2	40.0	22.8
<b>Paper</b> : Paper consumed (kg) (% of paper recycled of the total consumed)	1,703,400 (99.12%)	1,706,983 (99.09%)	1,705,795 (98.95%)	1,729,488 (97.18%)
Paper consumed per employee (kg)	67	69	56	54

(1) Data relate to Central Services.

(2) Data not available for the branches of CaixaBank, e-la Caixa, PromoCaixa, Sumasa and TradeCaixa.

Paper includes paper in DIN A4 format.

EN22. Total weight of managed waste (recycled) <sup>(1)</sup>	CAIXABANK			CAIXABANK GROUP
	2010	2011	2012	2012
Waste collected				
Toner cartridges (units)	5,311	5,897	5,101	8,037
Containers of chemicals (kg)	260	346	490	490
Fluorescent tubes (kg)	462	459	353	748
Paper and cardboard (kg)	134,392	228,198	189,819	237,045
Batteries (kg)	162	101	157	195
Plastic (kg)	7,191	5,048	5,200	11,024

(1) Does not include data for the branch network.

LA1. Breakdown of workforce by gender and employment contract	CAIXABANK				CAIXABANK GROUP	
	2011		2012		2012	
	Total	Women (%)	Total	Women (%)	Total	Women (%)
Total number of employees on payroll	24,915	48.95%	30,442	49.49%	32,337	49.75%
% of employees with a temporary contract	0.07%		0.11%	45.45%	0.18%	50%
% of employees with a fixed or indefinite-term contract (as a % of total workforce)	99.93%		99.89%	49.49%	99.81%	49.75%
Full-time, fixed or indefinite-term contract	99.74%		99.72%	49.45%	99.68%	49.69%
Part-time, fixed or indefinite-term contract	0.26%		0.28%	64.29%	0.32%	68.27%
Total number of interns	9		17		54	



KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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## LA2. Total number of employees, rate of new employee hires and average employee turnover by age group, gender, and region (data for CaixaBank 2012)

Distribution of employees by region	2012
Total number of employees working in Spain	30,382
Employees working in the rest of Europe	33
Employees working in North America	0
Employees working in South America	3
Employees working in Africa	14
Employees working in Asia	10
Employees working in Oceania	0
Total	30,442

Distribution of employees by age group	Less than 30 years	30 to 39 years	40 to 49 years	50 to 59 years	Over 60 years
Employees (% of total workforce)	1,174 (3.86%)	14,971 (49.18%)	8,657 (28.44%)	5,595 (18.38%)	45 (0.15%)
Employee hires, including Banca Cívica (% of total workforce)	326 (5.24%)	2,754 (44.23%)	2,337 (37.53%)	802 (12.88%)	8 (0.13%)
Employee hires through selection process	7	18	3	1	1
Number of employees leaving CaixaBank (% of total leaving organization)	8 (1.27%)	80 (12.66%)	61 (9.65%)	420 (66.46%)	63 (9.97%)
Average employee turnover	1.28%	0.55%	0.70%	7.51%	142.22%

Turnover rate	2012
Employee turnover rate (total)	2.11%
Average employee turnover rate (men)	3.17%
Average employee turnover rate (women)	1.03%

Employee hire rate	TOTAL	Women (% of total)
Selection processes	31	45.16%
Banca Cívica	6,184	48.41%
Monte de Piedad	12	58.33%
Total	6,227	48.42%



KEY INDICATORS	LETTERS FROM THE CHAIRMAN AND THE DEPUTY CHAIRMAN AND C.E.O.	ABOUT US	CORPORATE GOVERNANCE	KEY STRATEGIES	SHARED VALUE CREATION	RISK MANAGEMENT	2012 FINANCIAL REPORTING AND RESULTS	CHALLENGES FOR 2012 AND CHALLENGES IN 2013	APPENDIX
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LA7. Work-related absenteeism, lost days by gender	CAIXABANK		CAIXABANK GROUP	
	2012		2012	
	Total	Mujeres	Total	Mujeres
<b>Absenteeism due to accidents in the workplace<sup>(1)</sup></b>				
Number of accidents	340		363	
Accidents with sick leave	140	84	154	97
Accidents in transit with sick leave	96		100	
Accidents in transit without sick leave	80		81	
Accidents without sick leave	200		204	
Days lost due to accidents	5,826	3,103	5,978	3,245
<b>Absenteeism due to common illnesses<sup>(2)</sup></b>				
Days of leave due to common illnesses	6,770	4,572	7,101	4,825
Days lost due to common illnesses	223,248	147,172	229,126	4,690

NOTE: CaixaBank's subsidiaries do not have employees abroad.

(1) Data not available for Caixa Capital Risc, CaixaRenting, e-la Caixa, MicroBank, PromoCaixa, Sumasa and TradeCaixa.

(2) Data not available for MicroBank, TradeCaixa and VidaCaixa.

LA10. Average hours of training per year per employee by employee category	CAIXABANK			CAIXABANK GROUP
	2010	2011	2012	2012
<b>Employees trained and training hours</b>				
Total number of employees trained	22,496	22,770	29,120	30,688
Total number of training hours provided (% of online training hours) <sup>(1)</sup>	562,337 (56.39%)	634,493 (75.06%)	1,607,334 (90.89%)	1,636,533 (89.89%)

(1) Data not available for Caixa Capital Risc.

LA10. Hours of training per employee by employee category	CAIXABANK	
Hours of training per employee by employee category	2011	2012
Senior management	1	25
Middle management	29	61
Other employees	23	47



## 2 [Statement GRI Application Level Check]





### 3 [Verification report]

**Deloitte.**

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*Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.*

#### Independent Assurance Report on the Corporate Responsibility information of the 2012 Integrated Corporate Report of CaixaBank

To the Management of CaixaBank:

##### Scope of our work

We have performed an assurance engagement, with a reasonable level of assurance of the Corporate Responsibility Information included in the 2012 Integrated Corporate Report (ICR) of CaixaBank, the scope of which is defined in the section "Summary of GRI indicators" and covers CaixaBank and its main subsidiaries. Our work consisted of the review of:

- The adherence of the content of the ICR to the GRI Sustainability Reporting Guidelines version 3.1 and the performance indicators and the financial services sector supplement proposed in the aforementioned guidelines.
- The information included in the ICR relating to the application of the principles of inclusivity, materiality and responsiveness set out in the AccountAbility's AA1000 AccountAbility Principles Standard 2008 (AA1000APS).

##### Assurance standards and procedures

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements *Other than Audits or Reviews of Historical Financial Information* (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) in order to obtain reasonable assurance. Also, we have applied *AccountAbility's 1000 Assurance Standard (2008)* (AA1000AS) to provide high level of assurance on the application of the principles established in standard AA1000APS and on the sustainability performance indicators (type 2 high assurance).

Our work consisted of the application of the necessary procedures to provide a basis for our conclusions and reduce the risk of error to an acceptably low level. These procedures are the following:

- Meetings with personnel of CaixaBank and subsidiaries that have taken part in the ICR preparation to ascertain the principles, systems and management approaches applied.
- Analysis of the processes to gather and validate the information presented in the ICR including the review and carrying out of effectiveness tests of the controls implemented in the information systems used to gather, load and process the information.
- Review of the security and completeness of the ICR information gathering system used by CaixaBank.
- Review of the steps taken in relation to the identification and consideration of the stakeholders during the year and of the stakeholder group participation processes through the analysis of the available internal information and third-party reports.
- Analysis of the coverage, materiality and completeness of the information included in the ICR on the basis of the understanding of CaixaBank of its stakeholder groups' requirements in relation to the relevant issues identified by the organisation and described under "Materiality" included in the chapter "Appendix".
- Review of the information relating to the management approaches applied and verification of the existence and scope of the Corporate Responsibility policies, systems and procedures.
- Analysis of the adherence of the contents of the ICR to those recommended in the G3.1 Guidelines.
- Verification that the core and sector indicators included in the ICR agree with those recommended by the GRI G3.1 Guidelines and the financial services sector supplement.
- Review, by means of specific review tests, on a sample basis, of the quantitative and qualitative information relating to the GRI indicators described in the document "Summary of GRI indicators" and of the adequate compilation thereof based on the data furnished by the information sources of CaixaBank and subsidiaries.

##### Responsibilities of CaixaBank management and of Deloitte

- The preparation and contents of the ICR is the responsibility of the Corporate Responsibility and Brand Division of CaixaBank, which is also responsible for defining, adapting and maintaining the management and internal control systems from which the information is reported.
- Our responsibility is to issue an independent report based on the procedures applied in our assurance engagement.
- This report has been prepared in the interests of CaixaBank management in accordance with the terms and conditions of our Engagement Letter. We do not accept any liability to any third party other than CaixaBank management.
- We conducted our work in accordance with the independence standards required by the Code of Ethics of the International Federation of Accountants (IFAC).
- Our team consisted of a combination of professionals with assurance qualifications in economic, social and environmental area.

##### Conclusions

Based on the work performed we conclude that, except for the limitations on scope or on the coverage of the indicators described in the document "Summary of GRI indicators", the Corporate Responsibility Information included in the 2012 ICR was prepared, in all material respects, in accordance with the guidelines of the Global Reporting Initiative Sustainability Reporting Guidelines version 3.1.

Also, the 2012 Corporate Responsibility Information included in the ICR was prepared, in all material respects, in accordance with the principles of inclusivity, materiality and responsiveness set out in the AA1000 APS 2008:

- **Inclusivity:** CaixaBank has developed a participation process for stakeholders that facilitates their involvement in the development of a responsible approach, as described in the sections "Materiality" and "Dialog with stakeholders" of the chapter "Appendix".
- **Materiality:** the process of determining materiality requires an understanding of important or relevant issues for CaixaBank and its stakeholders, as described in the section "Materiality" of the chapter "Appendix".
- **Responsiveness:** CaixaBank responds with specific actions and commitments to the material matters identified, and monitors its progress, as described in the section "Challenges for 2012 and challenges for 2013".

##### Observations and recommendations

In addition, we presented to the Management of CaixaBank our recommendations relating to the areas for improvement in Corporate Responsibility and in the application of the principles of inclusivity, materiality and responsiveness. The most significant recommendations, which do not modify the conclusions expressed in this report, are summarised as follows:

##### Inclusivity and Materiality

In 2012 Banca Cívica was integrated into the Group at both technological and operational level and a review was performed of relevant corporate responsibility issues in view of the new circumstances. To facilitate this process, the second half of 2012 saw the development of an Induction Plan, along with specific actions addressed to employees from Banca Cívica and communication actions for shareholders. CaixaBank should continue along these lines in 2013 in order to consolidate the integration of Banca Cívica, to minimise the impacts of the related risks and to facilitate the inclusivity of the new stakeholders.

As in previous years, CaixaBank conducted a materiality study based mainly on the performance of specific surveys with various stakeholders (shareholders, customers, employees and suppliers), comparisons with other companies in the industry and contrasts with various areas in the Organisation. Given the strategic stake it holds in financial institutions with an international presence, CaixaBank should begin to include significant issues relating to internationalisation in its materiality analysis in order to broaden its understanding of the risks and opportunities regarding corporate responsibility in its international diversification and of the way these risks and opportunities affect CaixaBank.

##### Responsiveness

In 2012 CaixaBank continued to improve the integration of financial and non-financial reporting. In addition, it progressed in the unification and standardisation of the scope of consolidation of economic, social and environmental indicators through the inclusion of the insurance business within the scope of certain key indicators. In coming years CaixaBank should continue to adapt the scope of its reporting to all the companies that make up the Group.

Also, CaixaBank has developed a Supplier Portal through which suppliers must provide information to offer their products and services. Gradual roll-out of this Portal is scheduled for the entire Group in 2013. It would be advisable for this tool to reflect and act as a platform for the application of responsible management policies and procedures along the supply chain.

Deloitte Advisory, S.L.

Helena Redondo  
Barcelona, March 21<sup>st</sup>, 2013





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