



2012 Integrated Annual Report

Scope of this report

This current Integrated Annual report presents the legal, economic and financial information of the company, combined with social, environmental and corporate governance features, with the aim of offering a more complete vision of the capacity of VidaCaixa Grupo to create value for its stakeholders.

This Report pertains to VidaCaixa Grupo, the scope of which depends on the nature of the information provided.

It should be taken into account that the scope of this report is different from the previous year's due to the

fact that in 2012 the company undertook a segregation of its shared services as well as a reassignment of its own branch office employees who are now considered employees of SegurCaixa Adeslas.

All the data and actions contained in this report refer to VidaCaixa Grupo. The economic and financial information is based on the 2012 annual consolidated accounts of VidaCaixa Grupo. Those annual accounts and the consolidated management report, together with the Auditor's Report dated 2nd April 2013, which provides a favourable opinion, can be consulted in the corporate webpage of VidaCaixa: www.vidacaixa.es

For more information on the cover and scope, dialogue with stakeholders and the nature of this report, [click here](#)

To consult the contents and GRI indicators and the Global Compact, [click here](#)

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Letter from the Chairman

2012 was a highly intense year for VidaCaixa in which, despite the tough economic context, more than three million customers placed their trust in our company, and this is something we feel especially proud of.

From 2012, I would like to point out as truly meaningful facts the integration of the insurance and welfare business of Banca Cívica –that will come to an end during 2013–, the reinsurance operation of the individual life-risk portfolio with Berkshire Hathaway and the reorganisation of the management structure of VidaCaixa and SegurCaixa Adeslas.

During the year we managed funds to the tune of almost 44,000 million euros, 9.8% more than the previous year and the combined contributions to pension plans and insurance premiums rose to 6,030 million euros.

VidaCaixa's strategic focus, which is based on high quality personalised advice to customers as well as on innovation through the development of new products that respond to the specific needs of each policyholder, was the reason behind yet another successful year for our enterprise.

This dynamism, together with a prudent management of risk and the commitment of VidaCaixa to the sustainable and efficient management of investments,



enabled the company to achieve excellent results, consolidating once again, our leading position in complementary social welfare in Spain.

All of those achievements were made possible because VidaCaixa remained loyal to its values: trust, quality and dynamism. These are values we transmit with actions that commit ourselves to all our stakeholders: customers, shareholder, employees, the environment and society.

This is because we understand that the leadership and the very legitimacy of the enterprise are earned by sharing the value we create with our stakeholders. All of this is carried out with the utmost respect while managing responsibly and sustainably. For this reason we have ratified our adhesion to the Principles of the Global Compact, the United Nations Principles of Socially Responsible Investment and more recently Spainif. In addition to being certified as a Family Responsible Enterprise, we contribute to the Business Alliance in favour of GAVI Alliance Child Vaccination or we promote the social involvement of our employees.

2013 will continue to be marked by these commitments to our values and stakeholders, concerning ourselves once again with the peace and security of our customers so that they can cope with their needs of savings and welfare.

In this integrated annual report you will find the economic, social, environmental and corporate governance information. For VidaCaixa this report is an invitation, an open door to the company to know the results of its management and our way of work, which is very much ours.

I would not like to end this letter without making some reference to the change of the Managing Director of the company. Mario Berenguer, who was linked to the "la Caixa" Group for 42 years and

Managing Director of VidaCaixa Grupo since 1997, presented his voluntary resignation. On behalf of the Board I would like to express my recognition for his excellent leadership, my gratitude, both on a professional and personal level, for his loyalty and devotion throughout his long trajectory.

Likewise, I would like to take advantage of the moment to wish Antonio Trueba, our new Managing Director, the same success as his predecessor. With the appointment of Antonio Trueba, who was the Assistant Managing Director for the Commercial Area and a member of the Management Committee, we hope to give continuity to the current VidaCaixa project while showing our absolute trust in the professionals that form part of the entity.



Ricardo Fornesa

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VidaCaixa in 2012

Financial highlights

What VidaCaixa is

Shareholder structure

Business model

Main achievements in 2012



Financial highlights

	2011	2012	Variation (%)
MARKET SHARE (percentage)			
Life-savings insurance (provisions)	17.4	19.1	1.7
Life-risk Insurance (premiums)	10.8	12.3	1.5
Pension plans (managed funds)	16.3	16.5	0.2
Complementary social welfare (Provisions)	16.7	18.4	1.7
MAIN BUSINESS FIGURES			
Premiums and contributions (millions of euros)	6,503	6,030	-7.3
Life-savings insurance	4,647	4,562	-1.8
Life-risk insurance	423	466	10.1
Pension plans	1,433	1,003	-30.1
Managed savings (millions of euros)	39,924	43,852	9.8
Net consolidated results without extraordinary items (millions of euros)	279	339	21.2
Excess solvency over minimum legal requirement (percentage)	190	207	17
Recurrent ROE ¹	15.3	14.2	-1.1
Efficiency ratio ² (percentage)	14.2	11.3	-2.9
Average rating of investment portfolio	A+	A+	=

1 Attributed recurrent result / average equity (percentage).

2 Operating expenses / margin.

	2011	2012	Variation (%)
COMMERCIAL ACTIVITY			
Customers	2,943,572	3,143,015	6.8
Degree of global satisfaction (percentage)			
Group and company risk and savings insurance	95.4	95.0	-0.4
Group and company pension plans	94.4	96.9	2.4

	2012
STAFF	
Employees	656
Turnover (percentage)	4.9
Percentage of female staff over male staff	61
Percentage of female managers on management team	31

	2012
SUSTAINABILITY	
Investment portfolio managed pursuant to ESG criteria (percentage)	100
Energy consumption per employee (in GJ)	11
Paper consumption per employee (in Kg)	36
<i>Return</i> activities	11

What VidaCaixa is

VidaCaixa is the leading enterprise in the complementary social welfare business in Spain with more than 3 million customers. It groups together the life insurance and pension plans of CaixaBank with a global market share of 18.4% between both instruments in terms of managed savings.

VidaCaixa is integrated in Grupo CaixaBank, the banking instrument of "la Caixa", which in turn is its controlling shareholder. The company completes the catalogue of financial products of CaixaBank through a wide range of insurance and social welfare products.

VidaCaixa provides an extensive range of solutions in the life insurance and pension plans business for private individuals, SMEs, the self-employed and large companies as well as for the CaixaBank private and personal banking customers.

For this it carries out its commercial bancassurance strategy through the CaixaBank branch office network, which combines with many other channels—the AgenCaixa commercial advisors, mediators and consultants from *VidaCaixa Previsión Social*— and direct channels—telephone and the Internet.

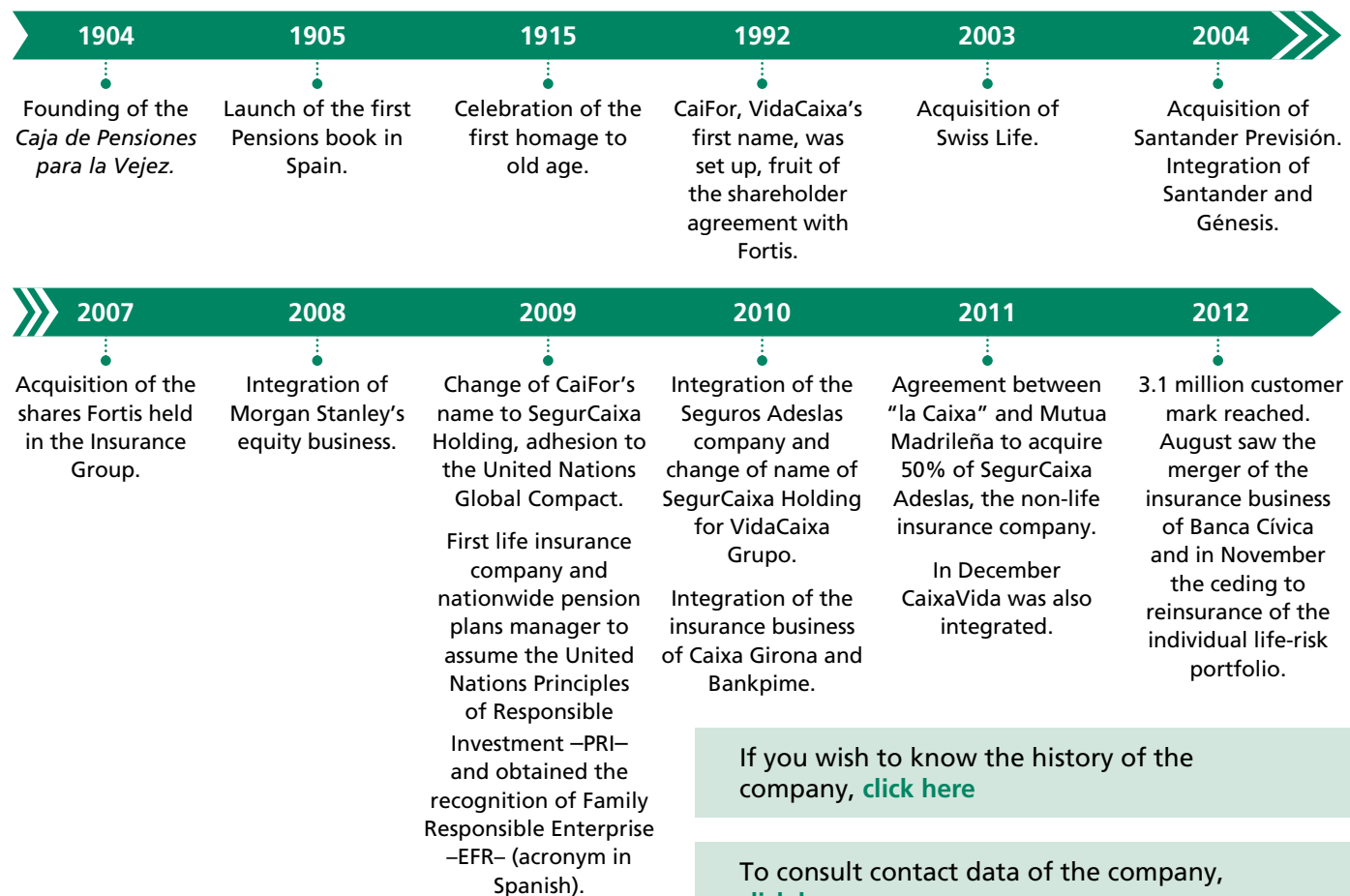
In line with the principles and strategy of CaixaBank, VidaCaixa takes upon itself the commitment to people

and the environment with its values of trust, quality and dynamism, with the aim of creating shared value for the entity and its stakeholders: customers, shareholder, employees, the environment and society.



VidaCaixa's management model takes into account the social, environmental, ethical and human aspects in its business operations as well as in its strategy, all of which is undertaken in close collaboration with its stakeholders.

VidaCaixa, a history of commitment to insurance and welfare.

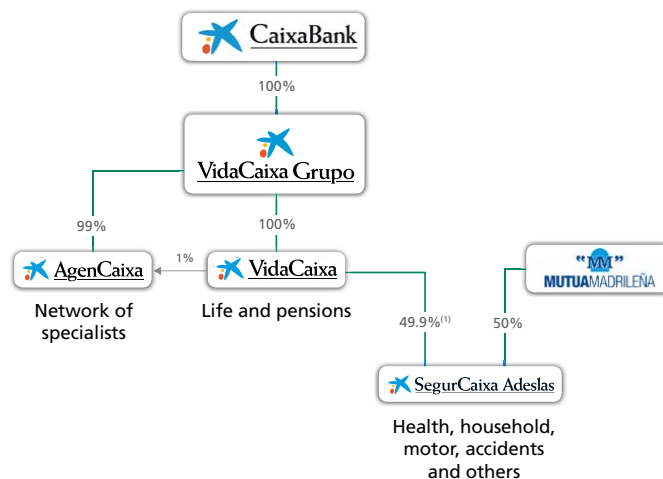


If you wish to know the history of the company, [click here](#)

To consult contact data of the company, [click here](#)

Shareholder structure

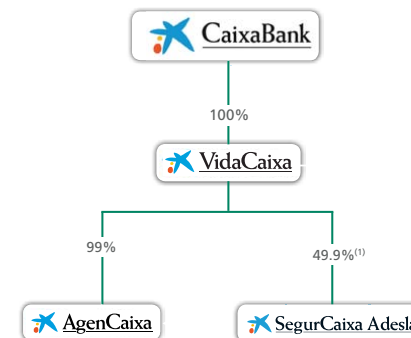
In 1992, the year VidaCaixa was set up, VidaCaixa took over all the insurance and welfare activity from “la Caixa”. This had been part of the founding mission of “la Caixa” for over 100 years. Nowadays, VidaCaixa aspires to offer the best insurance service in Spain. To fulfil this wish, VidaCaixa carries out its activity through the companies VidaCaixa and AgenCaixa and holds a 49.9% stake in SegurCaixa Adeslas, which in turn is 50% owned by Mutua Madrileña.



(1) There is a minority shareholding of 0.08%.

Rationalisation of the organisational structure

During the first half of 2013 VidaCaixa absorbed VidaCaixa Grupo thereby rationalising the organisational structure.



For further information on the shareholder change and restructuring, please consult the “Corporate Governance” section of this report.

CaixaBank, market leader in Spain

CaixaBank is the leader of retail banking in Spain. It is a financial group made up of an insurance group, investments in international banks and stakes in solvent companies in the services sector. It is the sole shareholder of VidaCaixa, its insurance group.

CaixaBank bases its financial strength on a prudent management of risk and its capacity to generate recurrent results, thereby sharing with "la Caixa", its main shareholder, its commitment to people and to the advancement of society.

CaixaBank holds as its principal goals and its reason for being:

- Providing answers for the expectations of its customers.
- Being profitable for its shareholders.

- Boosting the motivation and professional development of its team.
- Staying close to society and its problems.

In 2012 the company reinforced its leadership as the foremost financial entity in Spain, after the integration of Banca Cívica. It now has 12.9 million customers and assets of 348,294 million euros (+28.8% in 2012). On 28th February 2013 CaixaBank formalised the acquisition of a 98.9% stake in Banco de Valencia that belonged to the Fund for Orderly Bank Restructuring (acronym in Spanish "FROB").

In a very demanding environment, the soundness of CaixaBank's business enabled it to earn a gross profit of 6,737 million euros and an operational margin of 3,171 million euros. Similarly, it finished the year with a turnover of 512,017 million euros (+19.8%); total equity stood at 288,568 million euros (+19.6%); and the credit portfolio reached 223,449 million euros (+20.1%).

Banking and Insurance Group



International Banks



Industrial stakes



One in four banking customers in Spain is a CaixaBank customer

Strengthening its leadership on the Spanish market

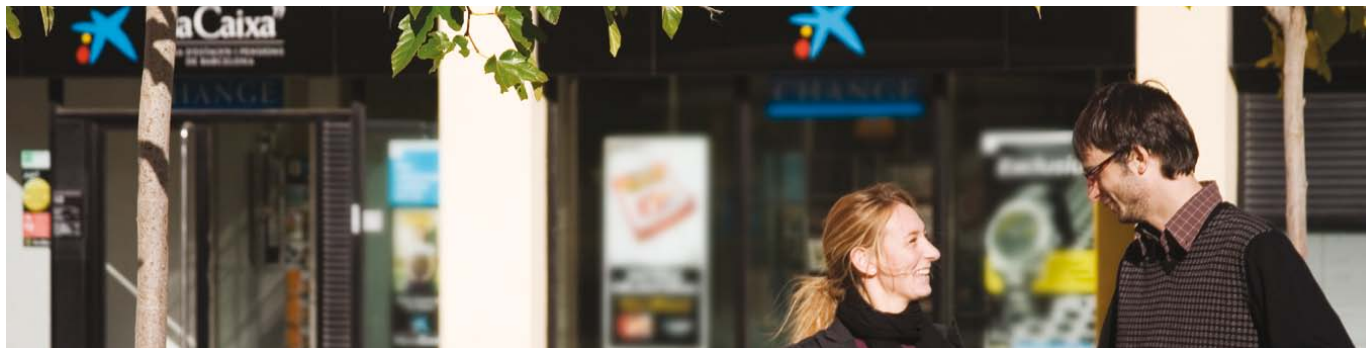
The great commercial strength of the Group, with 32,625 employees, the largest financial network in Spain with 6,342 branch offices and 9,696 ATMs, the leader in online banking through its *Línea Abierta* (with 8.5 million customers), and also in electronic banking (12.8 million credit cards), has led CaixaBank to grow in business as well as in a balanced commercial activity and in quality.

2012 witnessed significant increases in market share of the principal products and services of the retail banking business. Market share of credit rose to 14.1% of the entire system while the share of deposits reached 12.5% with increases of 300 basis points with respect to 31st December 2011.

Results

The profit attributed to CaixaBank came to 230 million euros (-78.2%), after setting aside huge provisions and making write-offs that strengthen its balance sheet.

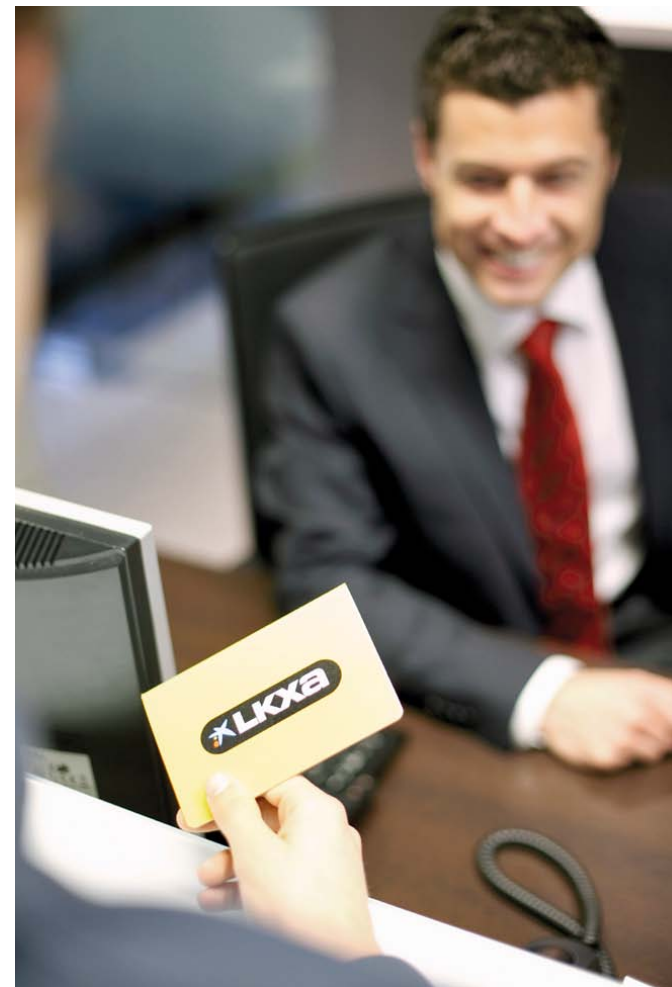
In a financial and economic context marked by the deterioration of the markets' trust in Spain and its financial system, CaixaBank demonstrated its capacity to generate profits, with a stable operating margin that stood at 3,171 million euros, 0.1% more, which increased to 11.3% in a year on year comparison leaving out the extraordinary income in insurance in 2011.



This sustained capacity to generate income enables CaixaBank to make major provisions, 5,749 million euros in 2012 (3,636 million euros to cover the Royal Decree Laws RDL 2/2012 and RDL 18/2012, and 2,113 million euros in extraordinary provisions). This amount, together with the 4,550 million euros in fair-value adjustments in equity carried out on the loan and real estate portfolios of Banca Cívica bring the total for write downs to 10,299 million euros, much above the 2,577 million euros of the previous year.

At 31st March 2013 CaixaBank fulfilled 100% of the additional provision requirements contained in the Royal Decree Laws.

In order to cover the needs of Banca Cívica, write-downs against equity were made when fair-value adjustments were made for 3,688 million euros on the loan portfolio and 882 million euros on the real estate portfolio, which came to a total of 4,550 million euros.



A solid capital structure and an excellent level of solvency

At 31st December 2012, the Basil II Core Capital stood at 11.0%, with a capital surplus of 5,745 million euros. In addition, the Core Tier 1 ratio, defined by EBA criteria, was 10.4%.

CaixaBank's computable equity rose to 18,641 million euros, 1,060 million euros more than in December 2011 (+6%), in spite of having set aside all the provi-

sions laid down by the Royal decree Law 2/2012 and partially the RDL 18/2012. The surplus of computable equity reached a total of 5,745 million euros.

The results of the stress tests on the Spanish banking system, supervised by Spanish authorities and the main European institutions, confirmed the soundness of the Group's equity, leaving CaixaBank as one of the entities with the highest levels of solvency, with a capital surplus above the required minimum of 5,720 million euros in an adverse scenario (December 2014).

CaixaBank has one of the best levels of solvency in the Spanish banking system





Management of risk

Liquidity, a key element in the strategy of the enterprise, reached 53,092 million euros (15.2% of total assets). It rose by 32,144 million euros with respect to 2011 thanks to the conservative and active management of the sources of financing, focused on optimising the liquid assets on the balance sheet in such a way as to improve the financial structure and reduce the dependence on wholesale markets.

The outstanding maturities on wholesale markets for next year amount to 7,334 million euros. The high rate of liquidity lets CaixaBank meet them with peace of mind, which provides a lot of stability and demonstrates the acute sense of anticipation the Group has.

The NPL ratio at 8.62% is still below the average for the sector (10.44%, after the transfer to Sareb of doubtful assets of the nationalised entities). Similarly, the provisions of the loan portfolio rose to 12,071 million euros. The cover ratio went up to 60% (142% with mortgage guarantees).

The real estate portfolio adjudicated for sale stood at 5,088 million euros net at 31st December 2012 and had a cover of 45%. The cover for adjudicated land reached 61%.

The Obra Social of “la Caixa” has a budget of 500 million euros

Leadership, trust and social commitment

CaixaBank develops its strategy in line with its values of leadership, trust and social commitment, with the aim of creating value for its stakeholders –customers, shareholders and employees– and contributing to the socioeconomic development of the country. With this goal in mind, it bases its work on a system of efficient and sustainable management from an economic, environmental and social point of view.

The entity is present in the most significant sustainability indexes on a world level: DJS I, FTSE 4Good and ASPI.

Its social bank, MicroBank, which was set up in 2007, is the only Spanish bank specialising in microfinance. Since then it has granted 169,282 microcredits for a total value of 1,045 million euros and, up to 2012, contributed to the creation or maintenance of more than 78,400 jobs.



CaixaBank contributes to the *Obra Social* of "la Caixa" and participates in the diffusion and application of its programmes. Among those are, the *Incorpora* programme, which promotes the insertion into the labour market of people with special difficulties and those at risk of social exclusion. CaixaBank, through its branch-office network, detects job opportunities for these people. Since 2006, and with the collaboration of some 22,036 companies, 53,133 jobs have been created.

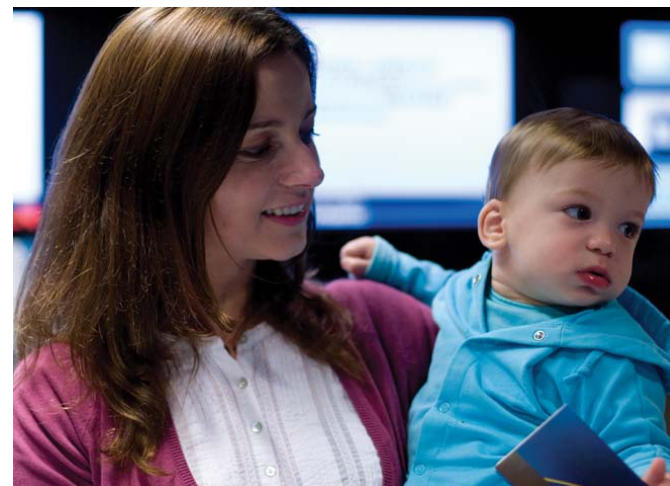
In spite of the difficulties, the budget of the *Obra Social* of "la Caixa" remains at 500 million euros for 2013, the same budget amount as for the previous 5 years. This figure places the *Obra Social* of "la Caixa" as the first Foundation in Spain and one of the most important in the world.

For yet another year, the priority will be focused on the main concerns and problems of citizens. In this sense, 334 million euros will be assigned to the development of social and assistance programmes (67% of the investment); 67.1 million euros to scientific and environmental initiatives; 64.3 million euros to cultural activities and 34.6 million euros to educational and research projects.

Of these the *Obra Social* continues to push projects forward that are directed at overcoming poverty and exclusion in Spain, promoting employment among groups with difficulties, helping people get access to

housing, providing psychological attention for people with advanced diseases as well as their families, promoting the autonomy of the elderly, advancing research and scientific knowledge, spreading culture and the conservation of and improvement to the environment.

This commitment to the needs of the society where it undertakes its financial activity and to the welfare of the people is one of its most defined and differentiated characteristics and takes on an even greater role in the present circumstances. In 2012 more than eight million people benefitted from the 42,000 initiatives promoted by the *Obra Social* in Spain.

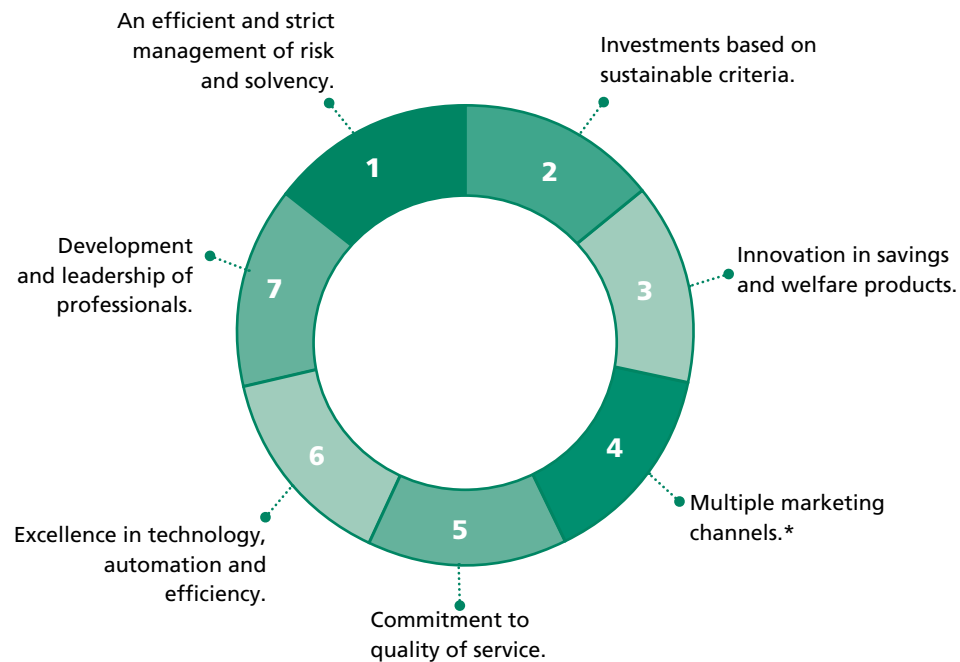


Business Model

VidaCaixa offers its private customers, SMEs and the self-employed, large enterprises and the personal and

private banking customers of CaixaBank a wide range of specialised solutions in insurance and pension plans.

Key elements of the VidaCaixa business model



* Bancassurance channel –branch office of CaixaBank–, channels with a physical presence –AgenCaixa advisors, mediators and consultants from *VidaCaixa Previsión Social*– and direct channels –telephone and the Internet.

VidaCaixa

For individual customers VidaCaixa markets life-risk insurance, whether it is linked or not to bank loans. Likewise the company has a wide range of products to create complementary savings that are made up of different models of life insurance and an extensive array of pension plans. Among life insurance the following stand out: insurance for life-long or temporary annuities, individual systematic savings plans (PIAS as per acronym in Spanish), deferred capitals or guaranteed pension plans (PPA as per acronym in Spanish).

For SME and self-employed customers, VidaCaixa provides a specific offer of life insurance products and pension plans especially designed to meet their insurance and welfare needs.

Finally, in the area of large enterprises and groups, VidaCaixa operates under the brand *VidaCaixa Previsión Social*, offering a wide range of made-to-measure solutions in life-risk and life-savings insurance and pension plans depending on the particular conditions of each group and company.

AgenCaixa

AgenCaixa is the company in the Group that is made up from the commercial advisors who work through their own branch office network, advising customers and marketing products and services for the self-employed segment, micro-companies and SMEs.



Main achievements in 2012

Three important events stood out in 2012: the integration of the insurance and pension plan portfolios of Banca Cívica companies that were absorbed by CaixaBank; the reinsurance contract of the individual life-risk portfolio signed with Berkshire Hathaway, and the design and preparation of the segregation process of the organisational structure with SegurCaixa Adeslas.

a result, the life-risk, life-savings and pension plan portfolios, as well as other types of non-life insurance products, became part of the insurance business of CaixaBank.

The integration process of the insurance business will continue throughout 2013, distributing the insurance portfolios depending on the insurance branch between VidaCaixa and SegurCaixa Adeslas.

Banca Cívica: Integration under way

In 2012 CaixaBank absorbed Banca Cívica, the financial group that was made up by four Spanish savings banks: Caja de Burgos, Caja Canarias, Caja Navarra (CAN) and Cajasol, which in turn included Caja Guadalajara. As

In 2012 VidaCaixa had already migrated the pension plans operations of Caja Navarra (CAN), after the agreement of CaixaBank with Aegon to finalise the alliances the insurance company had with Banca Cívica, and CaixaBank also agreed the termination of the bancassurance alliances with Caser, Cajasol and Caja Canarias. The only joint venture agreement pending was that of CAN with Zurich.

Restructuring of the insurance and pension plans businesses of the entities absorbed by CaixaBank

Banca Cívica y Pensiones	Cajasol	Caja Canarias	Caja Navarra
AEGON	CASER	CASER	ZURICH
<i>Joint venture al 50% Agreed and executed in 4T2012</i>	<i>Joint venture al 50% Agreed and date of execution 1T2013</i>	<i>Joint venture al 50% Agreed and date of execution 1T2013</i>	<i>Joint venture al 50% Pending agreement</i>

VidaCaixa ceded its individual life-risk portfolio to Berkshire Hathaway, one of the few Insurance companies with an AA+ rating

Reinsurance of the individual life-risk portfolio

VidaCaixa signed a reinsurance contract with Berkshire Hathaway by which it ceded the individual life-risk portfolio in force on 30th September 2012, along with the portfolio generated during the last quarter of the year.

This operation has added value to the VidaCaixa Grupo business, achieving a commission of 600 million euros, which was translated into an extraordinary gross profit of 524 million euros. This capital gain was reflected in the 2012 VidaCaixa Grupo annual accounts.

This reinsurance agreement, which affected more than a million and a half policies, had absolutely no impact, either operationally or commercially, on the policyholders as the portfolio continues to be managed from VidaCaixa.

The contract is limited to the individual life-risk portfolio and holds no commitment with respect to the commercial distribution.

Berkshire Hathaway Life Insurance of Nebraska is the Insurance company of Warren Buffett's investment holding and one of the few insurance companies with an AA* rating, which proves the solvency and safety of the entity with whom we signed the reinsurance of the life-risk portfolio.

Segregation of SegurCaixa Adeslas

SegurCaixa Adeslas and VidaCaixa worked hard on the separation process of the common services structure they shared. They used the same structure of people in the marketing, human resources, IT, communication and corporate development areas that had 91 people. Since 2013 some 60% of the segregated staff (55 people) work for SegurCaixa Adeslas. The other 40% work for VidaCaixa.

3

A business aligned with Sustainability

Evolution of the environment and the sector

Corporate governance

Risk and solvency control

Investment management



Evolution of the environment and the sector

The challenge posed by the demographic prospects

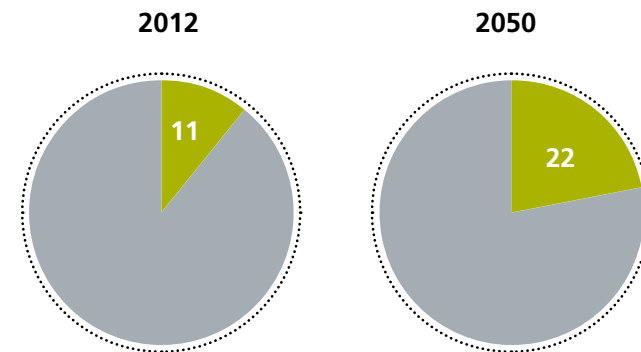
Global tendency

The demographic change and the aging of the population is a phenomenon that affects most of the developed countries with a special incidence in Europe. Proof of this is the forecast of the increase in the over 60 population in the next 40 years.

In 2012, there were about 810 million people over 60 in the whole world, which represented 11% of the total population. The projections indicate that for 2050 this segment will grow to over 2,000 million people and reach 22% of the total population. By then it is expected that the number of elderly people will be, for the first time ever, greater than the number of children aged between 0 and 14 years old.

The challenge of aging and its consequences is especially important in the European Union. According to the European Commission in its Ageing Report 2012, the degree of dependence (number of people of 65 or over in relation to the number of people between

Proportion of the elderly over the total population (percentage)

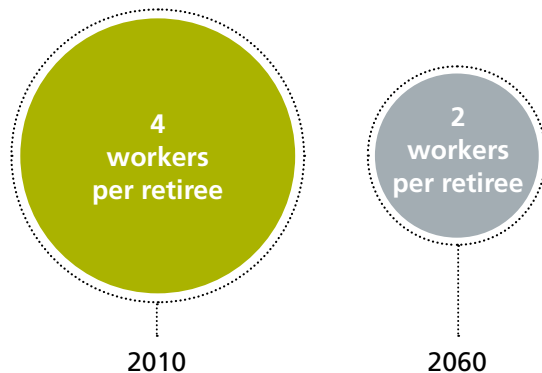


Source: Ageing Report 2012, European Commission. Statistics of the United Nations.

20 and 64 years old) in 2050 will be 50.3%, a rate well above that in the rest of the world with the exception of Japan, where it is expected to reach 69.6%.

This means that the EU will go from having 4 people in working age for each retiree in 2010 to having just 2 for each retiree in 2060.

People of working age for each retiree in the EU

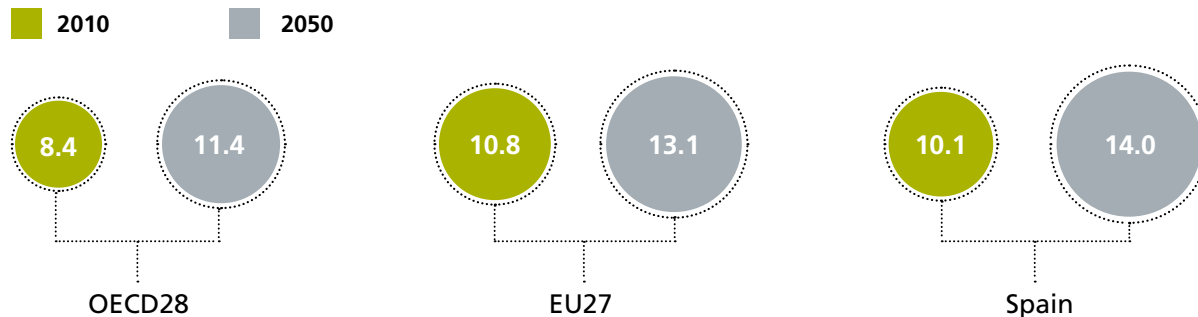


This phenomenon, common in most developed countries, is a reality that particularly affects Spain. The population of Spain is and will be one of the most aged in Europe. In Spain, according to the 2050 forecast of the European Commission, 31.6% of the population will be 65 or over while the average for the European Union will be less at 28.7%.

One of the implications of the aging population is the increase in pressure on the sustainability of the public system of pensions, not only in absolute terms but also in the specific weight it represents with respect to the GDP.

Source: Ageing Report 2012, European Commission. Statistics of the United Nations.

Evolution of public expenditure on pensions over GDP (percentage)



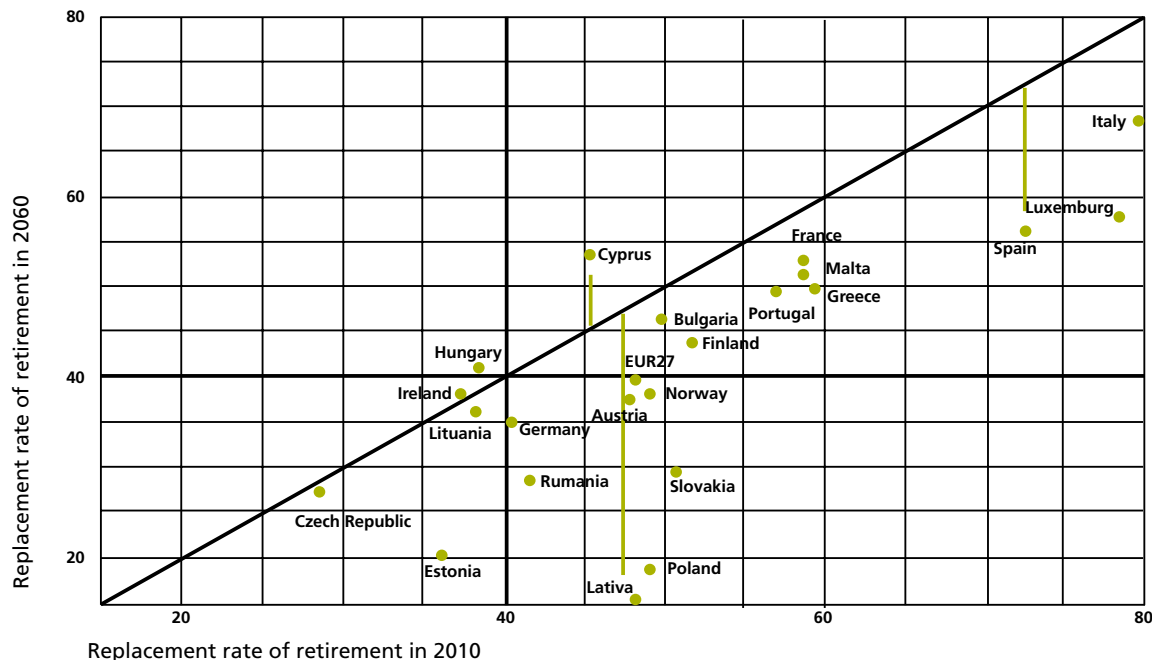
Source: Ageing Report 2012, European Commission. Statistics of the United Nations.

Availing of the correct information in advance is a requirement of citizens and makes up an indispensable element in carrying out effective welfare decisions

In order to alleviate this situation, all the governments in the world are assessing the pension models in force and are undertaking reforms. These reforms imply that in many cases the relationship between the public system pension benefit and the last salary received –replacement rate– will fall over the next few years in most countries.

In order to tackle this new scenario with certainty, citizens must be given quality information in advance as well as all the necessary tools so that they can plan their future and generate savings over a long enough period of time to keep up their quality of life in their retirement period.

Replacement rate in the public system of pensions 2010 – 2060



Source: International Work Organisation (IWO). Conference "The four pillars. The next 25 years", organised by the Geneva Association.

The Spanish case

To this complex global and European problem we must add the grim effects of a macroeconomic scenario in Spain. The economy in 2012, after five years of difficulties, is still depressed and economic improvement is expected to be slow.

Some economic data from 2012 (and forecasts for 2013)

- Gross Domestic Product (GDP) stood at -1.4%. The forecast for 2013 is also -1.4%.
- The rate of unemployment reached 25.0%, while the prospects for 2013 are expected to be 26.7%.
- The public deficit stands at 10.6%. For 2013 it is forecast it will reach 6.3%.
- Household consumption decreased in 2012 by 2.2%, and it is expected that in 2013 the fall will be even sharper at 2.7%.

Source: Research department of "la Caixa".

The savings generated by citizens in savings instruments with the aim of covering their needs during their retirement period is insufficient. According to data from INVERCO, 80% of Spanish family savings are deposited in real estate investments, while financial savings of Spanish families represents 20% of all savings, which reached a volume of 1,673,836 million euros.

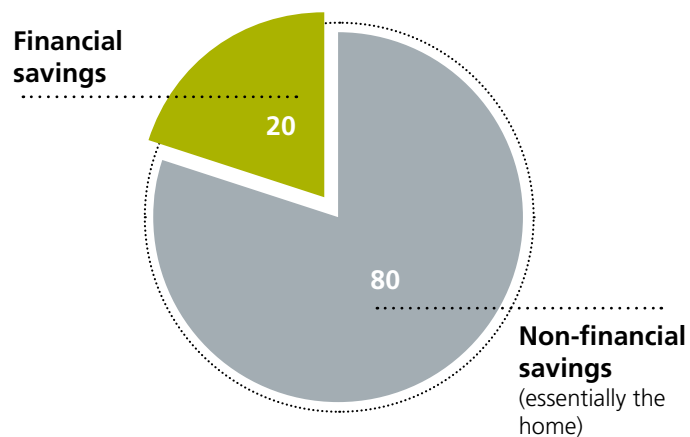
Of this 20%, only 14.9% –that is, 3% of all family savings– is deposited in savings instruments specifically with retirement in mind; in other words in life-savings insurance and pension plans. In percentage terms over GDP, the financial wealth of Spanish families represents an estimated 73.9% for 2012, which meant a drop of 26.7 percentage points since its maximum height in 2006.

Savings in life Insurance and pension plans

In comparative terms, the average savings generated in life Insurance and pension plans means that today a citizen obtains an annuity of 48€ per month or complements the average retirement pension by 4%*.

*% of the addition to the average public pension at 31.12.2011 through a growing annuity pension with a 50% reversion to the spouse, set up with a single premium of 11,451 € on retirement.

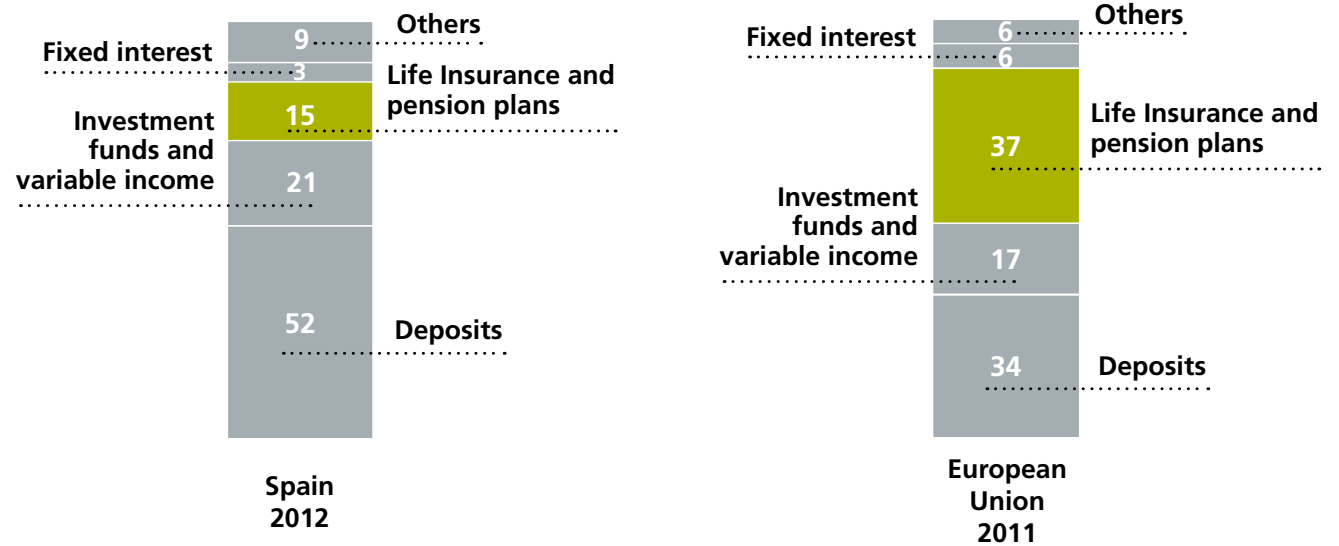
Total savings of Spanish families (percentage)



Source: INVERCO.

Life insurance and pension plans over the total of all financial savings

(percentage)



Source: INVERCO.

Lastly, the level of savings of Spaniards continues at a low level due to the persistence of the economic crisis. In this sense, it is worth noting that in the fourth quarter of 2012, the gross savings available dropped to its lowest level ever at 8.1% of available gross income. As an example, it should be noted that in 2009, when the crisis started, the level of savings stood at 17.8%.

Taking into consideration this moment in time and the prospects for the future, the Government has set up a series of reforms.

One of these is to favour the continuity of the working life of the oldest workers, which was approved by the Cabinet (Royal Decree Law 5/2013, of 15th March). The principal objectives of the law are to give more relevance to the worker's quotable career to favour the approximation of real age of retirement to the legal age of access to retirement, reserve early retirement for those workers who have long periods of payments to the social security, facilitate the coexistence of salary and pension and fight against discrimination for reasons of age in the labour market.



Royal Decree Law 5/2013, of 15th March, measures to favour the continuity of working life of older workers and promote active aging at work

This law progressively elevates retirement age from 63 to 65 by 2027 should it be voluntary and from 61 to 63 when it is obligatory. At the same time it foresees a minimum period of social security contributions –to be entitled to receive a full pension– of 35 and 33 years respectively. Modifications are also carried out to discourage early retirements, as the penalisations are increased in terms of the amount of pension received in both models. As far as partial retirement is concerned, this is possible two years before the legal retirement age but it is limited to a maximum of 50% reduction of working days, although it is allowed to reach a 75% maximum reduction when the replacement worker is younger, with a fixed full-time contract. Lastly, the prolongation of working life opens the possibility of working for someone else, as well as for oneself, receiving 50% of the pension for individuals who have passed the legal age of retirement. When the working period is finished, the full pension is resumed.



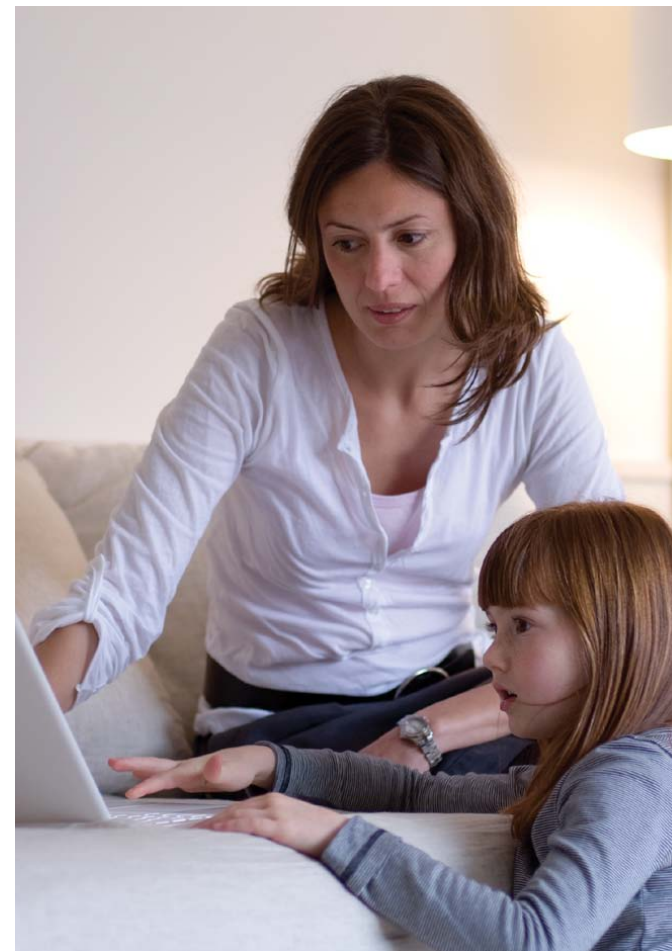
From 2014 all workers over 50 will be informed of the estimated pension they will receive on retirement

In order to face these changes with the best possible guarantees, measures need to be promoted aimed at improving awareness with respect to the need to plan for retirement so that the retiree can keep up his level of life after his working career comes to an end.

The need to communicate

In Spain, the Government has designed a series of actions with the goal of communicating to each citizen the amount of public benefit it is estimated he will receive. The Law 27/2011 on the updating, adaptation and modernisation of the Social Security system set out as new obligations the requirement to include in the pay slip the contributions made by the company to the Social Security and the information about future rights to ordinary retirement.

Apart from the awareness, it is essential to offer citizens the tools and the right solutions to channel their savings devoted to complementing income once they are retired from active life. For this, it is necessary to activate all the instruments available to citizens and encourage public-private collaboration to provide useful leverage in this sense. The insurance industry is ready to offer guaranteed solutions that help to overcome the challenges raised with a specially designed package offering the best guarantees and financial-fiscal conditions.



The insurance and pensions sector

The insurance and pensions sector is solvent and sustainable from the point of view of fulfilling its acquired commitments and generating profits in the short, medium and long terms.

Total insurance

The insurance sector that includes both life and non-life branches has increased at a combined rate of 0.9% in premiums over the last five years of the persistent economic crisis. In 2012 total premiums for the sector rose to 57,398 million euros.

Life insurance

Savings managed in life insurance rose to 156,402 million euros, a figure that represents an increase of 1.7% over that in 2011. Life insurance premiums reached 26,282 million euros, in spite of the 9% decrease with respect to 2011 –one of the best years in the history of the sector– due to the reduced rhythm of development of life-savings insurance. It should be pointed out that in the last four years of the economic crisis that registered drops in the main economic indicators, life insurance grew in managed funds by a compound rate of 2.8%.



Annuities are an ideal instrument and specially conceived to accommodate income and expenses in retirement

In the individual life insurance business, the growth experienced in life-risk insurance –that is to say, those policies that are subscribed to in order to pay a sum to a beneficiary in the case of the death of the policyholder, but that do not generate savings and its widespread penetration among the population, pushed it to over 15 million policyholders. On a savings insurance level, what really stood out was the excellent evolution of

the guaranteed pension plans –PPA– that grew by 28.1% over the figure in 2011, while annuities, as instruments with the greatest volume of managed savings, represented 38.6% of the average individual life-savings business. With respect to the group and company segment, 2012 continued with the apathy experienced in previous years.

Volume of premiums in life insurance (millions of euros)

	2009	2010	2011	2012	CAGR* 09 -12
Life (premiums)	28,119	26,337	28,872	26,682	
	5.7%	-6.2%	9.5%	-9.0%	-2.2%
Life-savings (premiums)	24,526	22,598	25,262	22,772	
	6.8%	-7.9%	11.8%	-9.9%	-2.4%
Life-risk (premiums)	3,593	3,779	3,610	3,511	
	-1.1%	5.2%	-4.5%	-2.7%	-0.8%
Life (funds)	143,791	146,646	153,860	156,402	
	5.6%	2.0%	4.9%	1.7%	2.8%

*Compound rate of annual growth.

Source: ICEA.

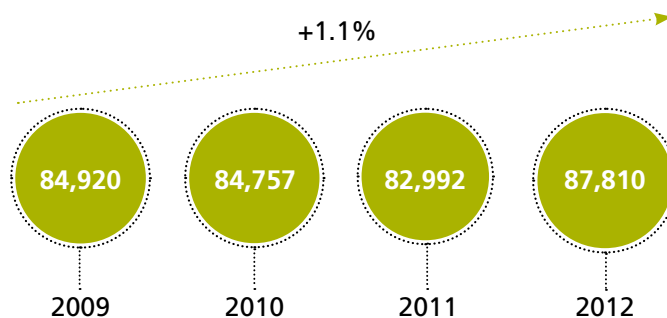
Pension plans

The pension plan sector managed 87,810 million euros in funds, an amount that practically remained equal to that of the previous year. The total gross contributions to pension plans reached 3,929 million euros, which was a decrease of approximately 20.8% over the 2011 figure.

The total volume of savings remained constant with respect to 2011, thanks to the positive revaluation obtained from affirmative management and the seizing of opportunities on the investment market.

Total funds in pension plans

(millions of euros)



Source: INVERCO.

The impact of the consolidation of the financial sector on the insurance sector

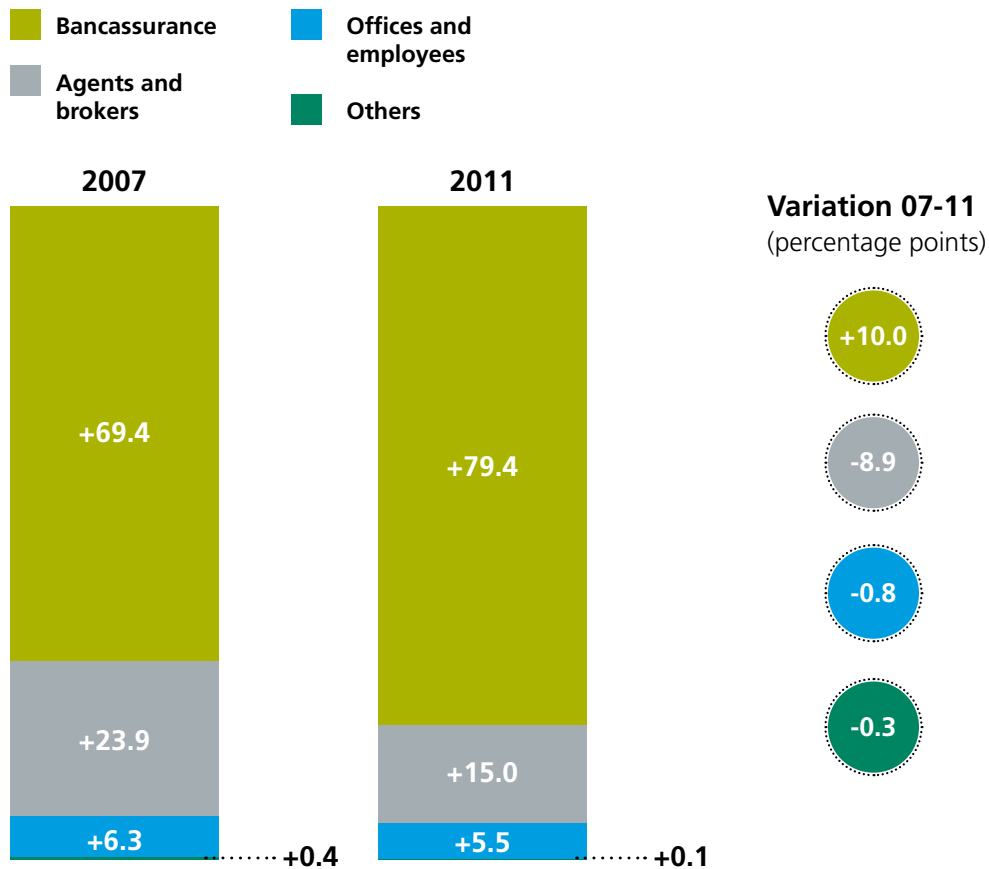
In 2012 the Royal Decree Law on the reform of the financial system was approved. Its aim was to persist in the improvement of the trust and credibility of the entire banking sector, driving its financial soundness and consolidation. This new drive will continue to provide a greater integration of the entities in the banking sector.

From 2008 to 2012, the number of bank branch offices was reduced by 15%. On the other hand, the number of employees also fell by 14%. 2012 closed with 55 credit entities and 19 banking groups; the latter includes all banks with assets over 10,000 million euros in 2008 and all the savings banks.

The bancassurance channel –that is, the branch offices of financial entities– makes up the main life insurance and pension plan distribution channel and as a result, anything that happens there affects the sector. For instance, the distribution of life insurance through this channel represented practically 80% of new premiums in 2011 and was the channel that had the most positive evolution since 2007.

Distribution of life insurance per commercial channel

(Share/premiums new production) (percentage)



Source: ICEA.

The rearrangement through concentration of the financial system is modifying the bancassurance distribution map, mainly affecting life insurance and pensions, which is experiencing a reduction in overall capacity and is modifying its existing bancassurance agreements in the face of the consolidation process. After the consolidation and the adjustments in size of the financial system, in 2012 there were 14 entities with bancassurance agreements in life and pensions.

There are 9 insurance companies with bancassurance agreements, without including the companies that are 100% owned by financial entities. There are also nine financial entities with bancassurance agreements pending solution. The Government has given a two year term to merged groups to solve their insurance agreements and have a single insurance supplier.

Rearrangement of the financial system. Implications in the life and pensions sector

Financial system: consolidation and adjustment capacity
 (percentage)

Life insurance and pensions sector: consequences



1 Credit entities.
 2 Includes banks with assets over 10,000 million euros in 2008 and all the savings banks.
 3 Does not include the insurance entities 100% owned by financial entities.

Corporate governance

Relevant information on the shareholder structure and governance of VidaCaixa

The data and contents of this Report correspond to VidaCaixa Grupo and VidaCaixa. In June 2013 VidaCaixa Grupo was absorbed by VidaCaixa. This operation is within the framework of the restructuring process that took place in 2012. Its aim was to integrate Banca Cívica and simplify the shareholder structure of the insurance business of CaixaBank. Similarly, on 16th May 2013 the Board of VidaCaixa Grupo accepted the voluntary resignation of its Managing Director, Mario Berenguer Albiac, as the Managing Director of the company and the appointment of Antonio Trueba de Sinéty as the new Managing Director was proposed and unanimously approved.

In the Corporate Governance information both companies, VidaCaixa and VidaCaixa Grupo, are referred to and all the information given specifies which of the two companies it corresponds to.



For further information on the shareholder change and restructuring, see the chapter on **“Main achievements in 2012”**.

Both VidaCaixa and VidaCaixa Grupo assume, within their management, the framework guidelines set out in Good Corporate Governance of the "la Caixa" Group as well as the recommendations of the Unified Code of Good Governance that therein guarantees the protection of the interests of its stakeholders: shareholder, employees, customers, society and the environment.

Moreover, in the case of VidaCaixa, the company is adhered to the Principles of the Global Compact, the United Nations Principles of Responsible Investment and Spainif, thus aligning itself with the most

internationally demanding criteria of responsible and sustainable management. Internally all the employees of VidaCaixa govern their decisions and behave in line with their corporate values and the principles set out in the Code of Ethics of the company.

Lastly, VidaCaixa draws up a Corporate Governance Report, which is published and available at the CNMV, Spanish acronym for the National Securities and Stock Market Commission. Likewise, it also has a specific section of its webpage devoted to the corporate governance of the company.



For further information

VidaCaixa Corporate Governance Report

Governing bodies and management

VidaCaixa is governed by the Board of Directors and the Audit Committee. In the case of VidaCaixa Grupo, the governance of the company lies with the Board of Directors and in three delegated committees: the executive committee, audit committee and the appointments and retribution committee.

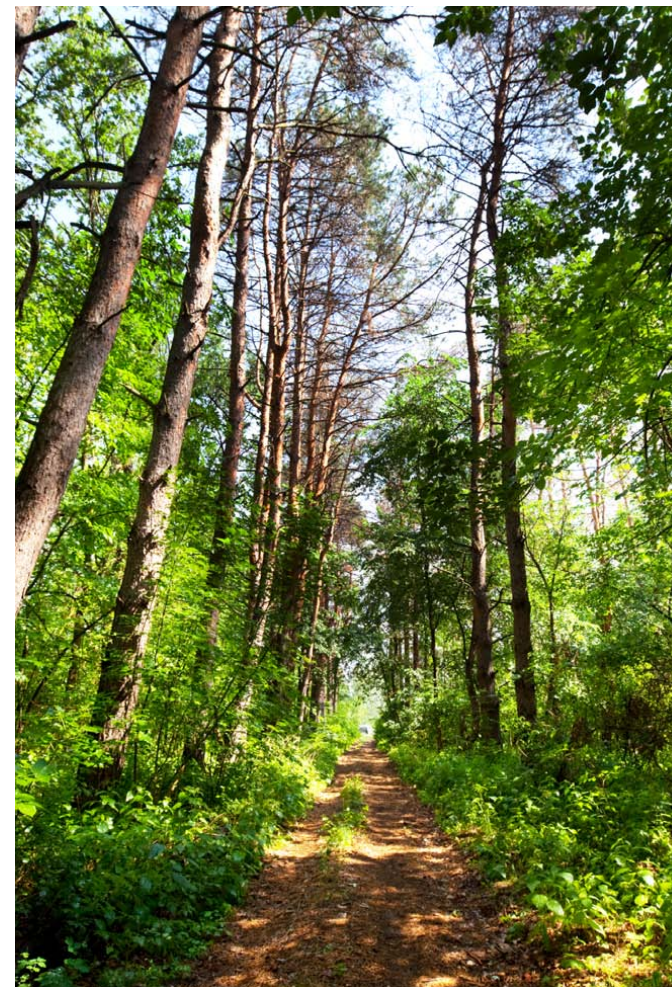
The Board of Directors

Both companies are governed and administered by a Board of Directors, whose mission is to direct, manage and represent the company.

As far as its operation is concerned, the Board of Directors is deemed valid when half plus one of its members are present, in the case of an even number of Directors, and the majority of its members if it were uneven. Agreements are taken by absolute majority of the Board Members present or represented, except in the cases where the law foresees another procedure.

To know more about the workings of the Board, consult the

VidaCaixa Corporate Governance Report



VidaCaixa Grupo in 2012

The Board of Directors was made up of 11 Board Members

Chairman	Ricardo Fornesa Ribó
Executive Vice-Chairman / CEO	Tomás Muniesa Arantegui
Vice-Chairman	Jorge Mercader Miró
Board Members	Joan Maria Nin Génova José Vilarasau Salat Manuel Raventós Negra Javier Godó Muntañola Miquel Valls Masseda Inmaculada Juan Franch Guillaume Sarkozy de Nagy-Bocsa (resigned 25 th February 2013) Miquel Noguer Planas
Secretary	Adolfo Feijóo Rey
Vice-secretary	María Blanca Zamora García

VidaCaixa in 2013

The Board of Directors of VidaCaixa is made up of 5 Board Members

Chairman	Ricardo Fornesa Ribó
Board Members	Antonio Trueba de Sinéty Fernando Cánovas Atienza María del Carmen Gimeno Olmos Antonio López López
Secretary	Adolfo Feijóo Rey
Vice-secretary	María Blanca Zamora García

In 2012 a total of 7 Board Meetings of the VidaCaixa Grupo and 13 Board Meetings of VidaCaixa were held

Executive Committee

VidaCaixa Grupo has a three-member Executive Committee appointed by the Board of Directors. The Executive Committee is the one that appoints the Chairman and all the powers of the Board of Directors are delegated to it except for those that by law cannot be so delegated.

The Executive Committee is made up of the following members:

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

In 2012, the Executive Committee did not hold any meetings.

Audit Committee

The Audit Committee of both companies is empowered to carry out the following functions:

- Report to the Annual General Meeting on matters under its responsibility.
- Supervise the efficiency of the internal controls of the company, the internal audit and the systems of risk management.
- Supervise the process of drawing up and the presenting the regulated financial information.
- Propose the appointment of external account auditors to the Board of Directors for its submission to the Annual General Assembly in accordance with the applicable regulation.
- Establish an appropriate relationship with the external account auditors so that they receive information on matters that could put their independence at risk.
- Annually issue a report, prior to the issuance of the account auditors' report that expresses an opinion on the independence of the auditors.

The Audit Committee was composed of the following members:

VidaCaixa Grupo in 2012

Sr. Miquel Valls Masseda	Chairman
Sr. Manuel Raventós Negra (resigned 29 th November 2012)	Member
Sr. Miquel Noguer Planas	Member

VidaCaixa in 2013

Sr. Antonio López López	Chairman
Sr. Antonio Trueba de Sinéty	Member
Sra. María del Carmen Gimeno Olmos	Member
Sr. Fernando Cánovas Atienza	Member

Two meetings of the Audit Committee of VidaCaixa Grupo were held in 2012 and 3 meetings of VidaCaixa. Agreements are adopted with a majority of attending members either present or represented.

Appointments and Retributions Committee

VidaCaixa Grupo, through the Appointments and Retributions Committee, a delegated body of the Board of Directors, carries out the following functions:

- Submit to the Board of Directors the proposals for appointing Members to this body so that it can so designate them or the Board can submit them to the AGM for decision and generally report on the appointments of the Board Members.
- Propose to the Board Meeting:
 - The system and amount of the retributions of Board members.
 - The individual retribution of the Executive Board Members and other conditions in their contracts.
- Report on the appointments and dismissals of Senior Executives the CEO proposes to the Board.
- Consider the suggestions made by the Chairman, the Members of the Board, the managers or the shareholder of the company.

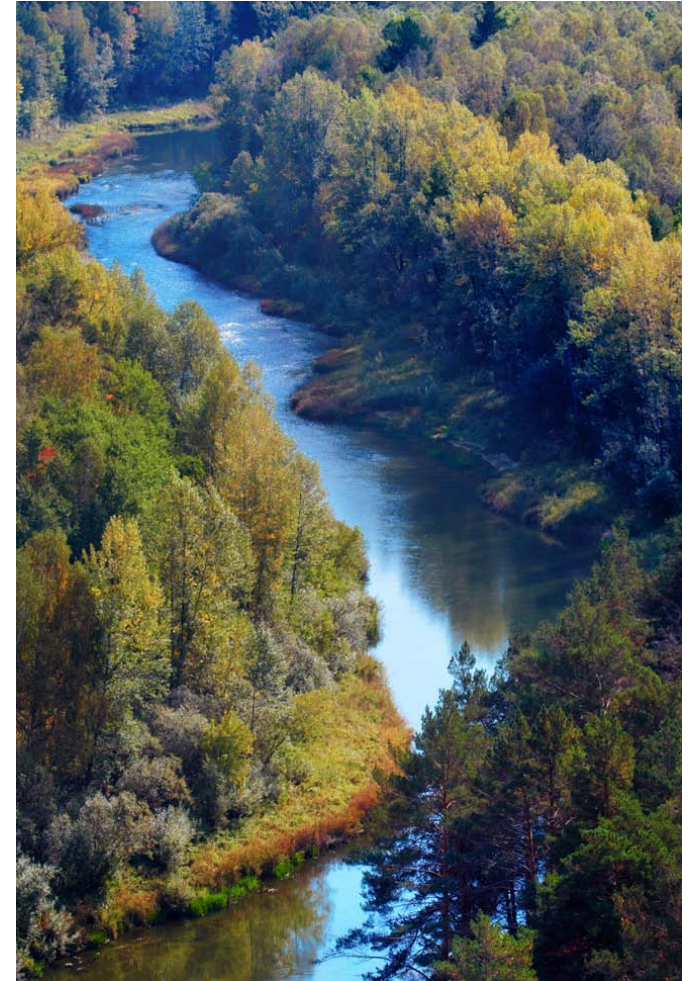
The Appointments and Retributions Committee of VidaCaixa Grupo was composed of the following members:

Sr. Ricardo Fornesa Ribó	Chairman
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Sr. Tomás Muniesa Arantegui	Member
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Sr. Manuel Raventós Negra (resigned 29 th November 2012)	Member
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In 2012, the Executive did not hold any meetings.



Management team

The day to day of VidaCaixa is directed and managed by the management committee and the managers of

each of the operating areas. Each area has its own functions, which are carried out by a large team of professionals.

Management Committee

Executive Vice-Chairman-CEO	Tomás Muniesa
Managing Director (*)	Mario Berenguer/ Antonio Trueba
Assistant Managing Directors (*)	Jordi Arenillas (Economic - Financial) Ernesto Moreno (Investments) Antonio Trueba (Commercial)(*)
Director	Jesús María García (Organisation and Human Resources) José Antonio Iglesias (Marketing and Segment Development) Carlos Lorenzo (Sales) Josep Montañés (Product Offer and Operations)

Directors

Miquel Donoso	Information Technology
May Plana	Legal and Audit
Marc Puig	Sales CaixaBank and AgenCaixa

For further information

Press release: Antonio Trueba, new Managing Director of VidaCaixa Grupo

(*) On 16th Mayo 2013, Mario Berenguer Albiac voluntarily resigned as Managing of VidaCaixa and he was substituted by Antonio Trueba de Sinéty, until then Assistant General Manager for Commerce.

The general principles of conduct and behaviour contained in our Code of Ethics lay down the values of the company applied in our daily work

For further information
Code of Ethics

Commitment to responsible management

Trust, quality and dynamism are the values of VidaCaixa that inspire the behaviour of all the employees in the organisation and embody the principles of all actions as set out in the code of ethics of the company as well as in the internal rules of conduct.

Code of ethics: values and general principles of conduct

The contents of the Code of Ethics of VidaCaixa are based on corporate values that define the identity of the organisation and are expressed in the attitude and patterns of conduct towards our stakeholders: shareholder, customers, employees, society and the environment. The Code of Ethics corresponds to the lines of actions of the "la Caixa" Group and CaixaBank.

The security and solvency of the entity, the honest treatment and respect for people, the efficiency, the service to the customer and professionalism, the speed of response and the capacity to adjust to the needs of our customers, as well as the commitment to business social responsibility and taking care of the environment are all attributes that define, identify

and differentiate VidaCaixa from other insurance and welfare companies.

Each and every employee, manager and administrator of VidaCaixa assumes the Code of Ethics of the company within their functions and responsibilities, which is evident from their acts in accordance with our corporate values.



Internal rules of conduct

VidaCaixa has two internal rules of conduct, one as an insurance company and the other as a pension fund manager, which are applicable to all employees that carry out investment related activities. Both rules have been approved by the Board of Directors and the people obliged to uphold them sign a declaration acknowledging the obligations foreseen in the respective rules.

The rules cover such aspects as operations undertaken on one's own account by the people subject to them, insider information and conflicts of interest.

The Board of Directors of VidaCaixa set up a monitoring body, which reports to the Board, to supervise the application of those rules.



Risk control and solvency

VidaCaixa's management of the business has always taken into account the principles of prudence and maximum solvency with the aim of guaranteeing sustainable growth, ensuring the financial strength of the company and increasing the profits and value for its stakeholders.

Risk control

The management of risk associated with our insurance activity is a factor that VidaCaixa has integrated into its strategy and management, and which enables it to optimise the profitability-risk relationship through the identification, assessment and valuation of the risks in order to take them into consideration in all business decisions.

The Board of Directors is the maximum organ that determines the risk policy of VidaCaixa, in line with the actions undertaken by CaixaBank, and the senior management is responsible for its implementation. Likewise, each operating area of the company is responsible for setting up controls and the effective management of the risks associated with their activities.

VidaCaixa periodically informs the management and auditing areas of CaixaBank about its management of its risk map and every three months it provides an assessment of the effectiveness of the controls.

Principal risks managed by VidaCaixa



VidaCaixa has a system of control at all levels of the company that guarantees the effective management of risk

Description of the main risks managed

The first step in the development of an effective and suitable internal control system for the company is to identify, classify and evaluate the risks. In this scenario, VidaCaixa considers the following risk categories:

Operational risk:

the constant identification of direct and indirect risks of suffering losses due to mistakes in: internal processes, systems, human resources, changes in the environment or fraud, and so paying a lot of attention to inherent risks in investments.

Credit risk:

the risk that counterparts do not attend to their payment obligations is systematically controlled as well as the possible losses in value for variations in their credit quality.

Liquidity risk:

the possibility of not being able to disinvest in a financial instrument fast enough so as not to incur in additional significant costs or the risk associated with not having liquidity when payments must be made.

Technical or subscription risks:

They exhaustively control the technical-actuarial risks, given that the technical reserves are the most significant part of the liabilities.

Market risk:

manages the risk of suffering losses through variations in interest rates, the exchange rate or the price.

Reputational risk, which takes into consideration the perception stakeholders have with respect to VidaCaixa.

■ Principal

■ Additional

To know the principal mechanisms and control systems and management of risk in VidaCaixa, [click here](#)

Main advances in the management of risk in VidaCaixa in 2012

In 2012 VidaCaixa advanced in three areas to improve its management of risk:

- The updating of the risk map that enables the identification and assessment of all the risks assumed in all the processes in VidaCaixa. The follow-up and control process is carried out at least once a year and, in addition, any time significant changes take place.
- The push for the implementation of the management risk tool, which provides the documentation as well as safe and efficient accessibility to the identified risks and the mechanisms to control them.
- The participation in the applications for information undertaken by the European Insurance and Occupational Pensions Authority (EIOPA), the independent assessment body of the European Parliament and the European Union Council, on both draft regulations and risk management of the sector, among other matters.



In 2012 VidaCaixa increased its solvency margin leaving it well above what is required by law

Solvency

In the savings, life Insurance and pension plan business, solvency is a key factor in creating trust among customers.

VidaCaixa has been faithful to its principles of prudence, responsibility and efficiency since its beginning; principles that marked the welfare activity of "la Caixa" more than 100 years ago, and it has always fulfilled the commitments it acquired with its customers.

VidaCaixa guarantees degrees of solvency above the legally required limit, placing it at an advantage in the face of the Solvency II regulation coming into force. This will oblige savings and pension plan entities to have assessment systems in place to evaluate the degree of capital depending on their risk profile. Supervisors will revise the quality of the internally applied processes and, in the case of insufficient resources, could demand a higher degree of capital.

Moreover, VidaCaixa actively participates in initiatives that promote solvency among insurance companies, among which the following stand out:

- The progress in the process of pre-validation of the internal risk management model by the Directorate General of Insurance and Pension Funds. Work

continues on the framework to improve the design and quality of the internal risk management model.

- The participation of work groups from UNESPA, the insurance sector confederation, and the Directorate General of Insurance and Pension Funds to develop the Solvency II Project. Here the active involvement in the work groups to develop improvements and solutions to treat savings products in the long term is noticeable.



In 2009 VidaCaixa became the first Spanish insurance company and pension fund manager to adhere globally to the United Nations Principles of Responsible Investment (PRI)

Management of investments

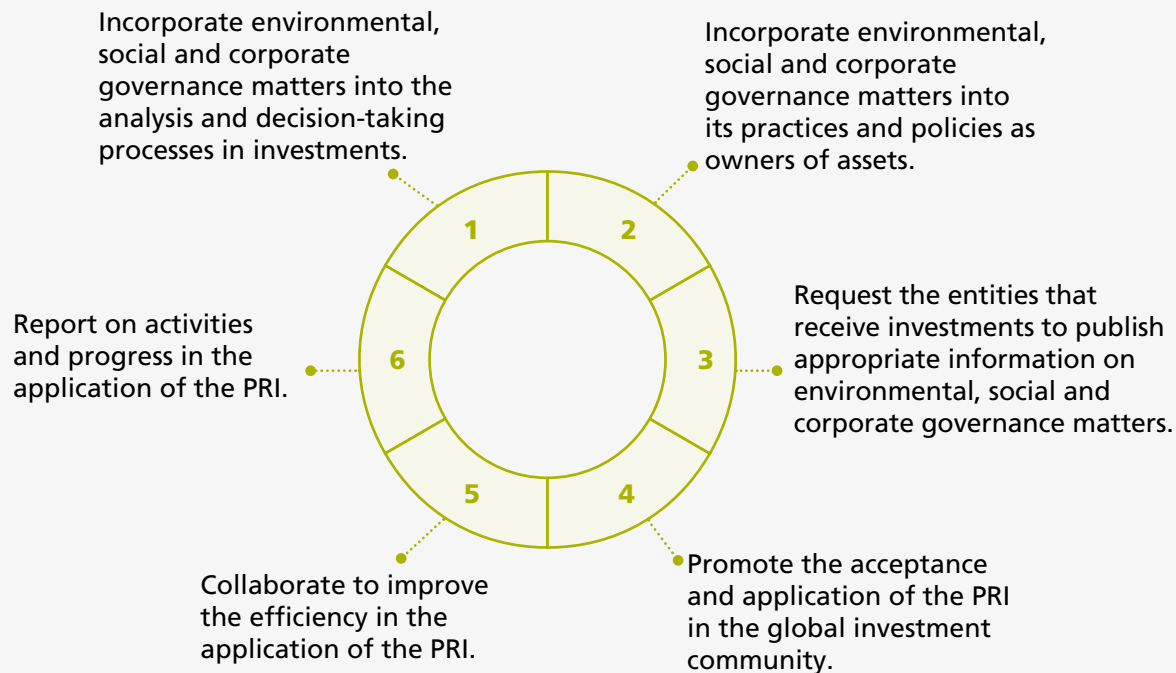
Economic profitability is not the only criterion behind VidaCaixa's management of investments. The environmental, social and corporate governance (ASG as per Spanish acronym) elements have always been taken into consideration by VidaCaixa when deciding on a new investment. But with the adherence to the PRI principles they have taken on a larger dimension and scope. Now there is the commitment to align every single investment undertaken by the company with the United Nations Principles of Responsible Investment (PRI).

This commitment in favour of the integration of sustainable management in business goes further and is expounded in the active promotion of PRI among customers, supplies and VidaCaixa's investment managers.



Principles of responsible Investment (PRI)

The Principles of Responsible Investment (PRI) help investors integrate environmental, social and corporate governance (ASG as per Spanish acronym) matters into their decision taking processes and active management practices, thus improving the yield for their beneficiaries in the long term.



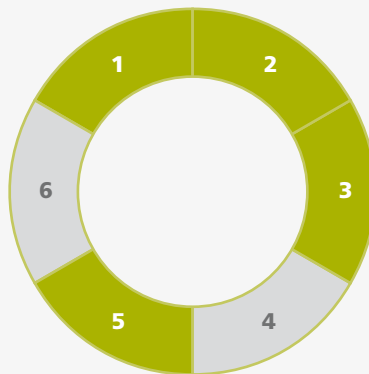
Recently, VidaCaixa adhered to Spainsif, an organisation whose aim is to promote environmental, social and corporate governance criteria (ASG as per Spanish acronym) in investment policies in Spain.

For further information

Press release: VidaCaixa has adhered to Spainsif, the Spanish forum of Socially Responsible Investments

Main advances in the sustainable management of VidaCaixa investments in 2012, in accordance with the PRI

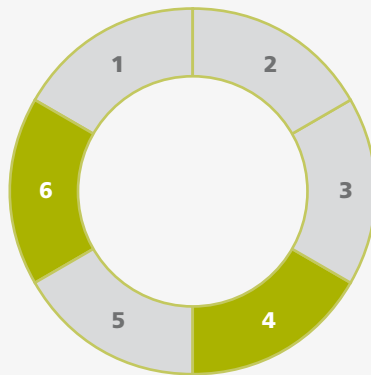
Principles 1, 2, 3 and 5:



- All the assets of the VidaCaixa investment portfolios were valued using responsible social investment criteria (ISR as per Spanish acronym), which means yet another step towards considering the ISR as a whole and not as a simple asset category. In this sense, we have continued to work on identifying the companies whose activity represents a low profile in environmental and social management and compliance with human rights and good corporate governance.
- After a period of dialogue, two of the investment managers, that manage assets in which VidaCaixa invests, sold some of the positions they had in their investment portfolio at VidaCaixa's request and in compliance with the PRI principles. One of them sold the whole position of a company in the electricity sector and the other sold the investment he had in a company in the petroleum sector.
- We continued to perfect the methodology of investment assessment in accordance with the PRI principles and new analyses with international scope were added. For example, in 2012 the main Dutch pension funds were included in the investment analysis.
- A report model was created to report to control committees of employment pension plans in which the degree of compliance to the ISR principles is analysed for each type of asset.

Principal advances in the sustainable management of VidaCaixa investments in 2012, in accordance with the PRI.

Principles 4 and 6:



- We collaborated with “la Caixa” for the Eurosif annual survey and with Novaster for the survey on the SRI compliance in the industry.
- We gave informative and training sessions to customers and potential customers from public institutions and companies to explain how VidaCaixa integrates the ASG criteria into the management of its investments.
- We undertook studies on the ISR situation in our country and the results were published. In 2012, within the Barometer of Employment Pension Plans, we asked the control committee members about the importance of ISR.

125 updates were made to surveys in investment funds. 33 new surveys were drawn up and the portfolios, containing over 3,000 companies, were consolidated and analysed twice

The integration of sustainable management in investments

VidaCaixa has its own methodology, as well as a definition of procedures endorsed by the Management Committee, in which an analysis process of the investment undertaken is set, both for the direct investment and the investment made through investment funds.

The aim of this active policy of VidaCaixa is to guarantee the customers and stakeholders in general that all their investments are responsible and comply with environmental, social and good corporate governance criteria.



Application of environmental, social and good governance criteria (ASG as per Spanish acronym) in the management process of investment funds of VidaCaixa

In the investments made indirectly through investment funds, VidaCaixa follows up with an assessment survey through which it checks the environmental, social and good governance criteria applied by the managing team of each of its funds.

In addition, in the six monthly control process a consolidation of the securities from all the funds is made to verify whether the companies invested in comply with all the environmental, social and good governance criteria assumed by VidaCaixa.

If any company is identified that does not comply with said criteria, a period of dialogue with the fund manager is started in which he is asked to report on the measures he proposes to adopt. By way of the dialogue process a solution is hopefully found that enables the situation to be reversed. The managers generally decide to sell; but on those occasions where the order to sell was not executed, VidaCaixa opted to sell the position in the investment fund.

Application of environmental, social and good governance criteria (ASG as per Spanish acronym) in the management process of fixed income investments

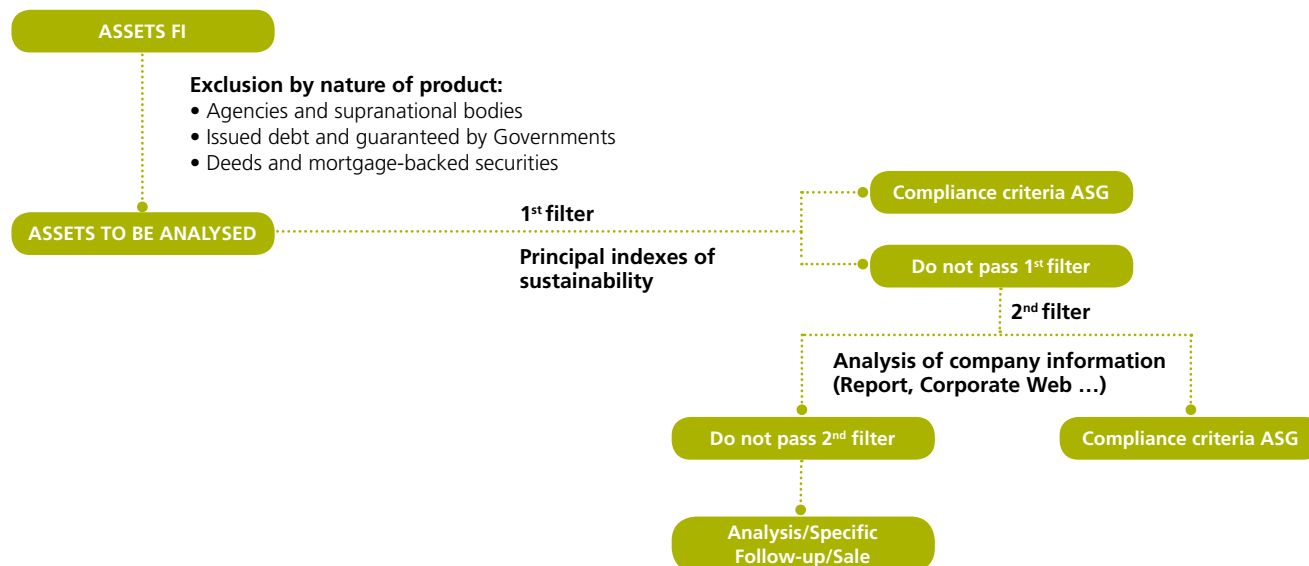
For direct fixed income investments, before taking the decision to invest, be it in the primary or secondary markets, an analysis is made to find out whether the issuer is included in any sustainability list. If affirmative

it is deemed he complies with the PRI. On the other hand, the information created by the company itself related to sustainability policies and the actions reflected in the annual report are studied.

Similarly, this process is undertaken every six months on the existing portfolio, but excluding Public Debt, Deeds and Mortgage-backed securities as well as Agencies and Supranational Bodies, due to the nature of those assets.

In fixed income 302 issuers were revised every six months: 143 for life Insurance and 159 for pension funds

Asset procedure of Fixed Income



VidaCaixa is considered the most active SRI (Socially Responsible Investment) manager by both the 67% who have VidaCaixa as their manager and by those who work with other companies

(Barometer of Employment Pension Plans 2012)

For further information:

Results of the Barometer of Employment Pension Plans

The active promotion of environmental, social and corporate governance (ASG as per Spanish acronym) among customers, suppliers and investment managers

In accordance with what is set out in the PRI, VidaCaixa assumed the commitment as its own to extend the promotion of the principles of responsible management among its customers, suppliers and investment managers.

VidaCaixa has, from its conception, taken on a high degree of commitment with environmental, social and corporate governance aspects related with its management and has wanted to share it with its stakeholders, be they the control committees or the dialogue processes with its stakeholders. This fact reinforces the effort and interest of the company and shows its alignment with their needs and expectations.

Furthermore, every year VidaCaixa reports its achievements and the new challenges for the improvement in investment management in line with the criteria and principles set out by the United Nations in the PRI.

Awards for investment management

The awards received throughout the trajectory of the company are a clear recognition of the quality work undertaken and the effort made to offer customers the greatest possible profitability through responsible management.

The socially responsible investment is clearly compatible with profitability and the aspiration to excellence. In this sense, four out of five members of a control committee consider that the funds based on SRI give a higher or equal profitability than the traditional funds. (according to the Barometer of Employment Pension Plans). Proof of this is the "la Caixa" employee pension fund, which has won for the third consecutive year, the IPE European prize for the best pension fund in Spain, valuing highly VidaCaixa's application of the PRI principles in its management.



For further information:

Press release: VidaCaixa receives the award for the best global variable income pension plan in 2012

Press release: VidaCaixa receives the award for the best variable income pension fund in Europe

VidaCaixa also received the Salmon Award as the best variable income pension fund in Europe for *PlanCaixa Selección*, awarded by the Investment Research team of Allfunds Bank, as well as the award for the best

Global variable income pension plan in 2012 awarded by Morningstar to the best investment funds and pension plans in Spain.

“la Caixa” employee Pension Plan

The “la Caixa” employee pension fund received, for the third consecutive year, the European IPE award as the best Spanish pension fund. Among the factors that influenced this recognition the following stand out: the strong commitment to responsible investment, a risk-adjusted return, a sophisticated investment strategy with emphasis on risk control, a high degree of diversification and a social responsibility approach, all of which helped to win the award as the best Spanish pension plan as well as to improve the bottom line.

For further information:

Press release: *Pensions Caixa 30*, managed by VidaCaixa, awarded the best Spanish pension fund in 2012



European IPE 2012 award to *Pensions Caixa 30*.

4

Key elements of management

Principal points of action

A professional team aligned with the project

Operational excellence

Loyal customers



Principal points of action



Personal advice for customers for their retirement planning

In the face of the challenge of an aging Spanish population and the legislative changes that have taken place over the last few years, which affect the retirement of citizens, VidaCaixa is aware of the importance of offering their customers the best advice and solutions so that they can plan their retirement decisions. For this reason VidaCaixa prioritises its strategy through a new model of personalised advice, improvement in knowledge about savings and welfare and the training of the branch office network employees of CaixaBank. The aim is to develop their knowledge and capabilities during the process of customer advice.

Emphasis on the quality of service and innovation

The VidaCaixa customer stands at the core of the company's strategy. In spite of the negative evolution of the market, the company continued to increase its customer base, which is now over 3 million people. The development of new products to answer the needs of savings for the retirement of customers and

the permanent search for excellence in service are VidaCaixa's foremost priorities and the underlying reason that enables it to build long-term, trust-building relationships.

Development of competences and professional skills

The leadership of VidaCaixa and the excellence of its management is fruit of a dynamic, motivated and competent team ready to take on the challenges of the company. In a highly competitive environment VidaCaixa was concerned about the creation of more favourable conditions to attract the best professionals in the sector, promote their personal and professional growth and acknowledge the merit of their achievements. For this, VidaCaixa pays special attention to the development of the capabilities, competences and skills of all the staff while providing the best conditions to create an excellent place to work.

Solvency first

The base of the trust relationship with customers stems from the fulfilment of VidaCaixa's promise to assume the future commitments derived from the customers' contributions to savings and social welfare products. In this regard, solvency is a key element in strategic management and VidaCaixa is aware of it, so

it guarantees levels of solvency well above the legally required limit. This priority of the company is manifest in the increase in the solvency margin from 17% in 2012 to 207%, way above what is required by law. In addition to this management, VidaCaixa actively participates in initiatives of entities that promote solvency, such as the Dirección General de Seguros y Fondos de Pensiones (Directorate General of Insurance and Pension Funds) and UNESPA.

Act subject to the strictest ethical and good governance principles

In a most difficult and complex economic environment, that affected the reputation of the financial sector in general, VidaCaixa remained true to its corporate values –trust, quality and dynamism– and fulfilled its commitments to its stakeholders –shareholder, customers, employees, suppliers, society and the environment-. Ethics is a mainstay in all the decisions and behaviour of VidaCaixa and this is reflected in the code of ethics of the company, which lays down the directives to achieve a seamless corporate governance of the organisation. Moreover, VidaCaixa marks this commitment in favour of good governance, ethics and responsibility through its adhesion to and support of initiatives that promote these characteristics, such as the Global Compact and the United Nations Principles of Responsible Investment.

A team of professionals aligned with the project

The main source of value creation in VidaCaixa resides in its 656 employees. A dynamic team of professionals that constantly look for innovative solutions for customers, offering them quality products and services that answer their savings and welfare needs.

The professional improvement of the employees implies not only reinforcing their capabilities, competences and strengthening their leadership but also aligning their behaviour with the strategy of the organisation, while generating better conditions to create an excellent place to work.



Presentation of the results to the professional team.

Strategic map: People

Maximum organisational capabilities

VidaCaixa
Our Project

VidaCaixa
Excellent place to work



In this chapter we cover the Principles: **1-6**

To consult the strategic map, [click here](#)

Our project: alignment with values and strategy

One of the main challenges to managing VidaCaixa's human resources is to create the necessary conditions so that the vast majority of the employees share the same vision and project. To this end, aligning the behaviour of the employees with the values and strategy of the organisation has become an element of reference that has enabled VidaCaixa to achieve its goals and results year after year.

VidaCaixa has been employing the Balanced Scorecard (BSC) for 13 years in order to manage and transmit its strategy to its entire staff. This method manages to evaluate the results of the Group and the different units of the organisation down to departmental level. The Personal Balanced Scorecard (PSC) is also used to assess the results on an individual basis.

Similarly, VidaCaixa pays special attention to internal communications as a tool for transmitting strategy to all employees.

Principal advances in communications with our employees in 2012

Implementation of a new internal communications plan with the aim of improving the flow of and access to information by all the employees in the organisation concerning every aspect that has to do with VidaCaixa's strategy and achieving objectives.

Development of new information and communications tools adapted to each message and public. The means and channels were structured to allow a greater flow of information (bottom-up and top-down as well as horizontal) and all employees were informed about the evolution of the business.

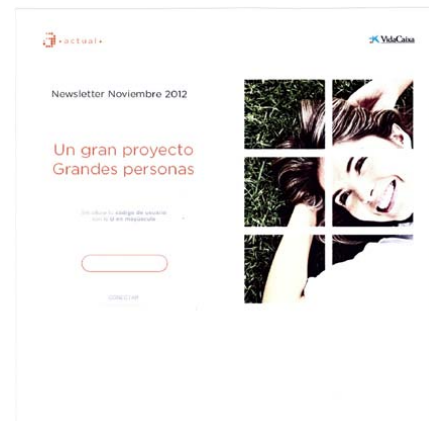
With the aim of implicating all employees through communications, certain actions were undertaken to promote pride of place, increase the degree of satisfaction, motivation, commitment and employee retention. The mid-level management were actively involved and became efficient "communicators".

The new newsletter allows us to improve the information given to employees

There were also major advances in our communications instruments. The most notable were the following:

Newsletter

In 2012, a new newsletter was set up that had a change of image and better content. Four issues were published so that all the employees could be kept up to date with the latest information related to the insurance and welfare sector, the workings of the different departments and areas as well as the actions carried out by the employees themselves, among other things.



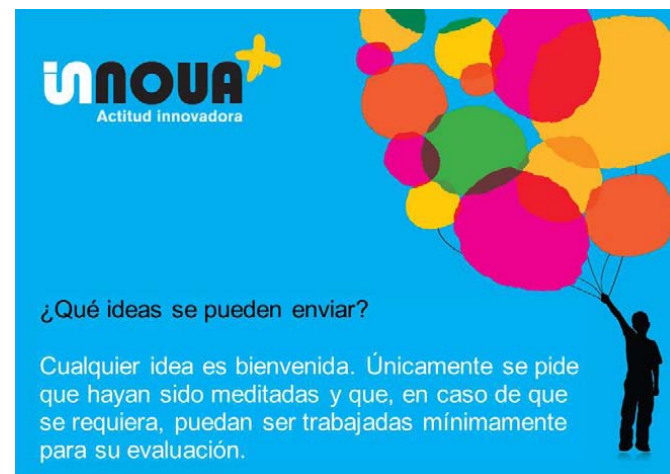
Newsletter.

Correspondents

In an effort to facilitate internal communications and access to information, the position of correspondent was created in 2012: employees who detect and highlight interesting events and news for the other employees.

Suggestion box and ideas channel

Through the suggestion box proposals from the CaixaBank branch office employees continued to pour in. In like fashion, the employees of VidaCaixa continued to use the ideas channel to contribute their ideas, opinions and improvement suggestions for the organisation.



Ideas channel.



Mid-level management meetings.



Annual Convention of Managers.

Internal communiques

On a recurring basis, all the employees of VidaCaixa were kept informed about newsworthy events such as new hirings, promotions, social benefits, the working day and the changes to our organisational chart, among other things.

Meetings with mid-level management

Throughout 2012 there were also numerous meetings of management with mid-level management to share objectives and lines from the strategic plan, commercial campaigns, projects and relevant initiatives and specific communiques that affect their roles as managers.

Annual Convention of Managers

At the beginning of the year we held the Annual Convention of Managers, which was attended by everyone from senior management down to coordinators. The goal of that meeting was to transmit the results for 2011 and communicate the main objectives and challenges for 2012.

New Intranet

Throughout 2012 the company worked on a new intranet for employees. Specifically, they developed certain aspects of structure, functionalities and design, the aim of which was to get it up and running at the beginning of 2013.

305

ideas were received from CaixaBank branch office staff through the suggestions box

98.8%

of employees have an indefinite contract

Maximum organisational capabilities

In spite of the adverse economic situation, VidaCaixa continued to create stable employment in 2012. VidaCaixa's quality of service is based on a solid team in which all the members have the opportunity to work in an atmosphere that guarantees maximum use of their capabilities and skills.

Improving the selection process

In 2012 the selection policies and process were consolidated with the support of new 2.0 tools. The process was improved and was made more efficient with the implementation of the new competence management model, which meant a revision and an

upgrading of the talent attraction process and the performance appraisal, thereby helping to define the requirements of training plans and the future development of VidaCaixa professionals.

Welcoming new professionals

With the purpose of getting to know VidaCaixa well, all new people joining the organisation receive basic information about the company through individual or group face to face meetings, or via online training. All new employees can avail of a set of information tools, among which are the Integrated Annual Report and the Code of Ethics of VidaCaixa. This process is complemented with a specific welcoming plan, which involves going through different areas of the organisation while having the support of a tutor throughout the entire training period.

Training itinerary for new employees



Training and professional development of all employees

VidaCaixa earmarks an important amount for the competence and skills training of its employees, which allows it to promote its professional development and continuously improve the organisation. In 2012 the investment in training rose to 209,787 euros and was translated into a total of 16,672 hours.

VidaCaixa works with a competence management model (MGC as per Spanish acronym). This is the cornerstone of talent management in the organisation. This comprehensive model affects the selection, training, development, appraisal and retribution areas.

The main characteristics of this model are its adaptation to the present situation and its alignment with the strategy of the company.

Characteristics of the new competence management model

The competence management model is composed of:

A catalogue or dictionary of competences that include:

- **Core Competence:** general skills defined for all the employees of the company, independently of the hierarchy level they hold and the organisational area where they perform their work.
- **Management Competences:** specific skills defined for those positions that have a position of responsibility over employees.
- **Ad Hoc Competences:** specific skills of a position that are identified by the manager. Each professional profile will be able to have up to two Ad Hoc competences. These will be applied starting in 2013.

Competence profiles.

Each profile sets out the competences and required levels for each competence, understanding these to be "the necessary level of each competence to adequately perform the work in that position". A series of profiles were set up with each professional being assigned to certain ones. Every professional will be appraised on their responsibility in their position.

For further information on training, [click here](#)



The training plan enabled the company to segment the training offer depending on the needs of the different groups

In 2012 a new training and development plan was put into practice for mid-level management with the aim of answering the training needs of the organisation. The department heads took part in it and the performance appraisal and, logically, the objectives set by VidaCaixa were taken into account. Among the contents of this training plan, key aspects such as the management of uncertainty, the conciliation of professional and private life and time management were addressed.

This training plan enabled the company to segment the training offer depending on the needs of different groups: mid-level management training, area or department employee training and individual training contingent upon the needs detected.

The training took place on a face-to-face level, online –through Aulaforum– and a mixed format consisting of face to face activity with support from Aulaforum.

661

employees trained

303

training actions undertaken

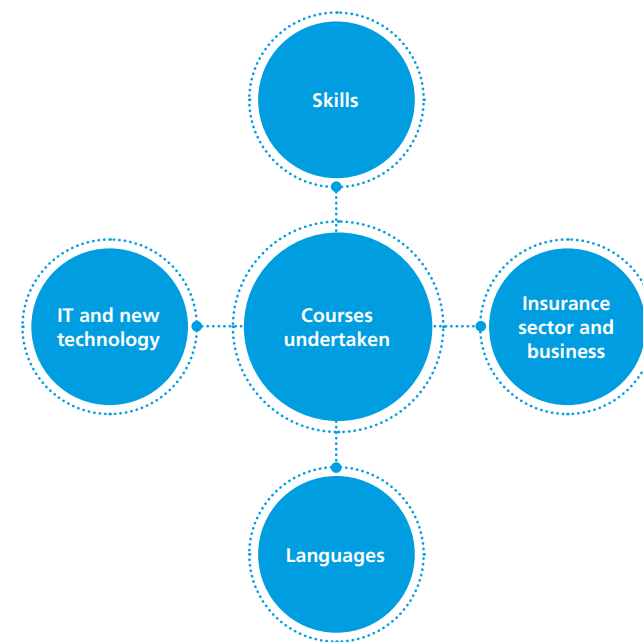
Training channel for “laCaixa” network

Throughout 2012 VidaCaixa carried out two types of training actions with its commercial channels, CaixaBank and AgenCaixa. On the one hand, virtual training resources were made available to them coinciding with the launching and/or modification of their product offer; and on the other, the development of specific training programmes associated with the jobs the employees did with them, depending on the segmentation of the business.

In the first instance, we are talking about virtual resources resident in AulaVirtual, the virtual learning platform of CaixaBank, for the products marketed on this channel; and virtual resources resident in Aulaforum, the virtual learning platform of AgenCaixa, for the specific products of this marketing network. Both cases refer to short term resources that simply want to provide knowledge in a time and a way about any enlargement or modification of the portfolio of products to be sold.

As far as the training programmes are concerned, the ones that stand out in CaixaBank are those that refer to the insurance value offer for the Personal Banking segment (Coach programme), given in a blended format during the month of February for risk products and in October for savings products.

New employee training itinerary



To know more about training actions,
[click here](#)

Similarly, during the month of May, the virtual programme called Management of insurance knowledge was given with content linked to the Multi-Insurance Campaign. It was focussed on Individual Banking and more than 15,000 employees participated.

The training programmes, also in blended format, that were given to the AgenCaixa managers were framed in an Academic Diploma as Specialists in SMEs, granted by the *Centro de Estudios del Consejo General de los Colegios de Mediadores de Seguros* (CECAS as per Spanish acronym).



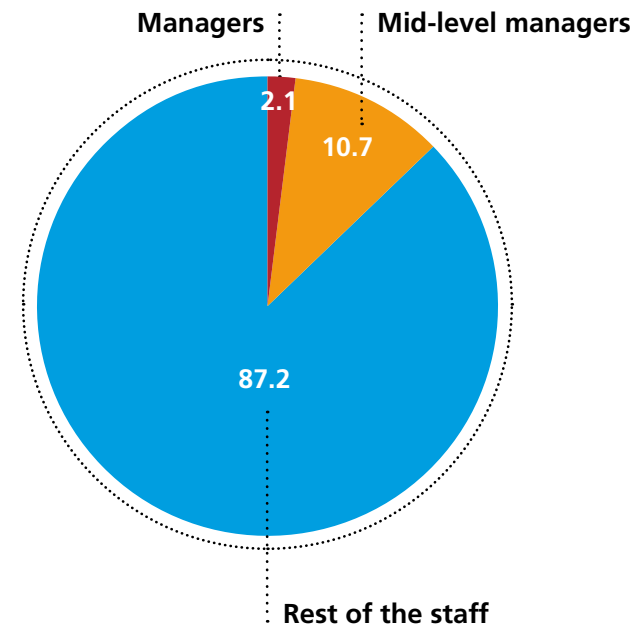
An excellent place to work

Apart from providing the most ideal conditions for the professional development of employees, VidaCaixa Grupo is aware of the importance of guaranteeing the greatest physical, social and psychological wellbeing of its employees in the workplace.

For this, VidaCaixa undertakes multiple projects and activities in such areas as the conciliation of professional and family life, diversity and the equality of opportunities, retribution and the involvement of its employees in society and the environment.

In this sense, VidaCaixa participated in the Best Place to Work initiative, as a formula that guarantees a demanding level that serves as a benchmark for continuous improvement in VidaCaixa's aspiration to be a good place to work.

Distribution of the staff by professional category (percentage)



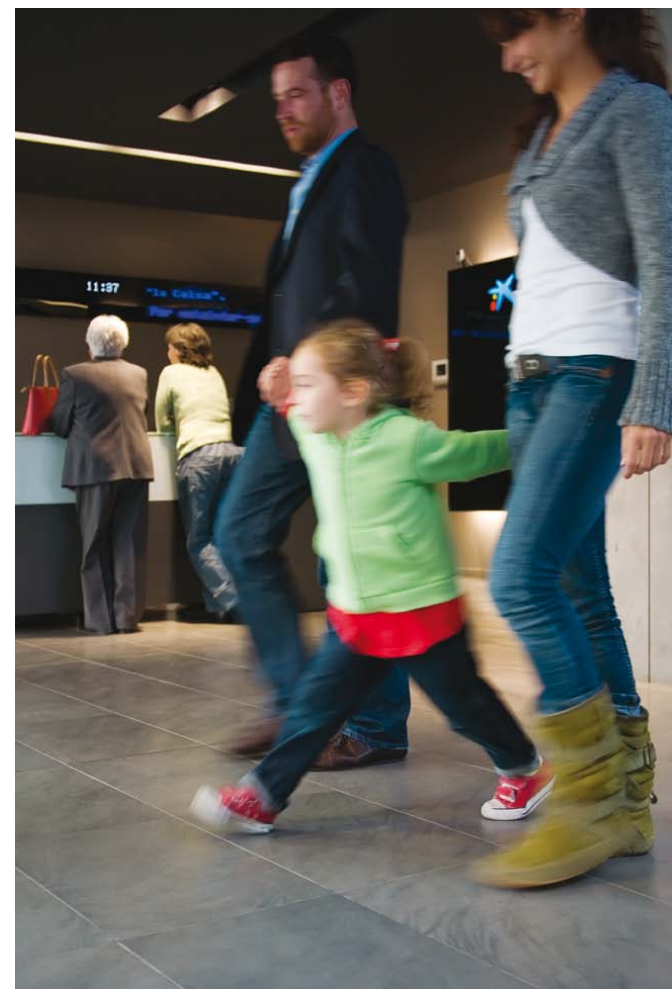
Support for the employee and his/her family life

In 2012 VidaCaixa satisfactorily passed the audit and analysis established to renew the Family Responsible Company certificate (EFR as per Spanish acronym), that is granted by the *Fundación Más Familia* and whose audit is carried out by an independent third party.

VidaCaixa has been certified as a Family Responsible Company since 2009, thereby recognising the effort to create a management model that promotes a balance between the company, private life and the family. It is based on 40 measures that help to make professional and family life compatible.



To find out more details about the staff,
[Click here](#)



40

is the average age of employees

31.0%

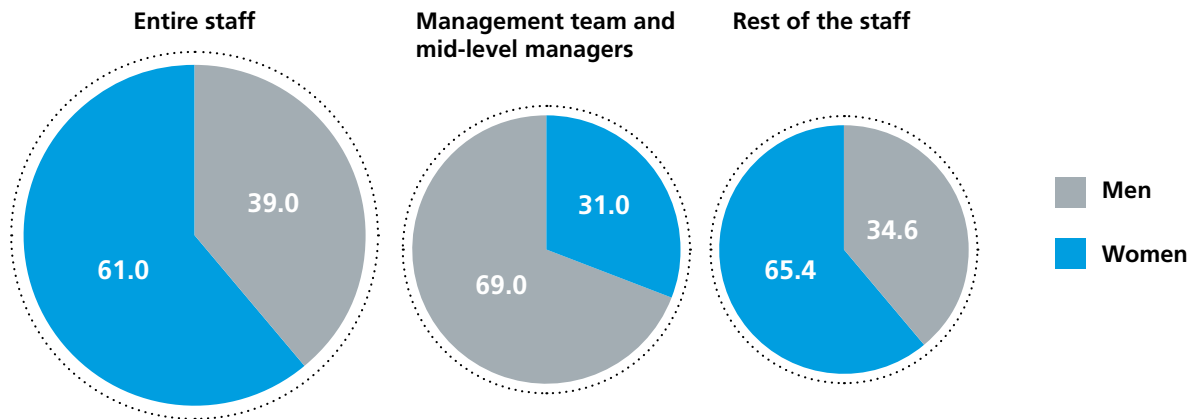
of management team and mid-level managers are women

Equal opportunities and integration of people with different capacities

VidaCaixa favours a work environment where equal opportunities are guaranteed and the integration of people with different capacities is provided.

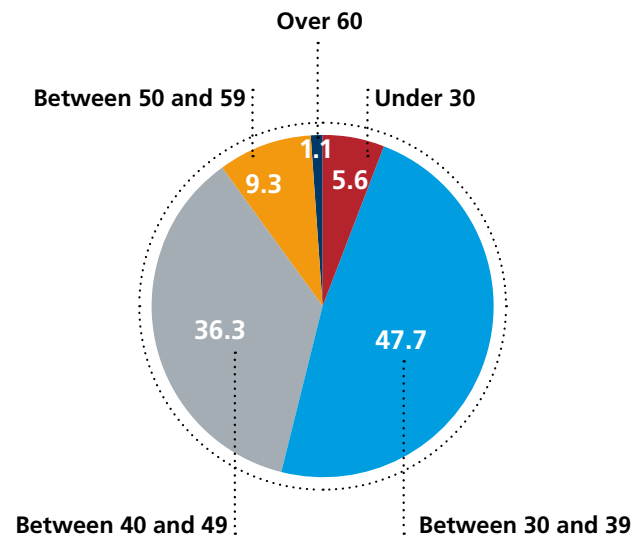
The percentage of women in positions of responsibility (senior management and mid-level management) varied from 33.0% in 2011 to 31,0% in 2012. This was basically due to the process of segregation from SegurCaixa Adeslas. With respect to the number of internal promotions, 19 were women against 7 internal promotions for men.

Distribution of the staff by gender (percentage)



Distribution of staff by age

(percentage)



53.3%

of the staff at VidaCaixa is under 40

Support for integration of the disabled into the workplace

VidaCaixa's compliance of the legal obligation of hiring disabled people is met by adopting alternative means like contracting services with specialised employment centers.

Within the integration measures, VidaCaixa set up the "Plan Familia" or Family Plan in 2009 with which it actively promoted the social and labour integration of disabled people, relatives of people who work in our company, through different educational, training and therapeutic actions to favour social-labour integration, thereby benefitting 11 families.

In 2012 VidaCaixa continued to provide opportunities so that disabled relatives of employees could develop, with subsidies, skills and attitudes that prepare them for the labour market.

11

solidary and sports initiatives were carried out through *Retorn*

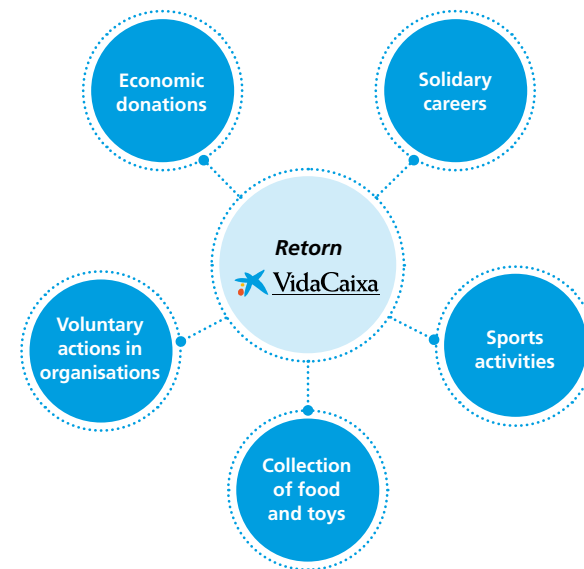
Involvement of employees in favour of society and the environment: *Retorn* Programme

Retorn came to life in 2006 under the initiative of a team of volunteer employees who were in charge of promoting and managing projects related with social responsibility and sustainability focussed on three central themes: society, the environment and employees. The volunteer nature of the initiative offers the volunteers the possibility of choosing and directly managing the activities. In 2012, 29,488 euros were donated to a total of 11 activities of non-profit organisations.

retorn 
Compromiso Social



Actions undertaken in the *Retorn* programme



To know exactly what actions were undertaken in the *Retorn* programme, [click here](#)

Compensation and social benefits mechanisms

VidaCaixa has a remunerations policy for all the staff based on a system of fixed and variable remuneration, which guarantees and grants objectivity to achieving goals on a group and an individual basis. These goals are set out in the Balanced Scorecard and the Personal Scorecard.

In 2012 the retribution model was revised so that the application of internal and external principles of equality could be guaranteed

For some years now VidaCaixa has had a system of advantages and social benefits that let it attract and retain talent while making the employees feel that they are an important part of the company. These benefits affect all the employees regardless of the type of work they do.

Principal social benefits for employees

- Enlargement and improvement of healthcare cover for employees and a larger capital on the amount of the Collective Agreement in life insurance.
- Possibility of joining the pension plan with employees contributing 1% and a matching contribution by VidaCaixa with contributions of up to 3% of the annual base salary.
- Annual holidays of 29 days and an intensive working day in the summer period.
- Access to loans from the company with a maximum capital of 20,000 euros.
- Assistance for children from birth to the age of 21.
- *Plan Familia*: helping families with disabled relatives.
- Annual training plan.
- Lunch compensation (for employees who work full time).
- Subsidies for university studies and languages.

2,648,513 €

assigned to pension plans, study and education subsidies, life and accident insurance, financial advantages and other social benefits for employees

To know more about human area activity,
[click here](#)

3

health and safety committees
and 17 risk prevention delegates

373

hours of training in work risk
prevention

Health and safety in the workplace

Working in a safe environment is fundamental so that employees can carry out their daily work with the maximum guarantees. In this sense, VidaCaixa provides the necessary training for all the professionals in the company for which it has the support of the security and health committees and the risk prevention delegates.

With the aim of helping the communications of the employees in this area, the "Prevention is better" e-mail box continued to work so that suggestions and proposals could be made to improve risk prevention.

Fulfilment of collective rights

All the employees of VidaCaixa are covered by the state-wide collective agreement for insurance companies and they have union representation. Union elections were held in 2012.

For further details on security and collective rights, [click here](#)



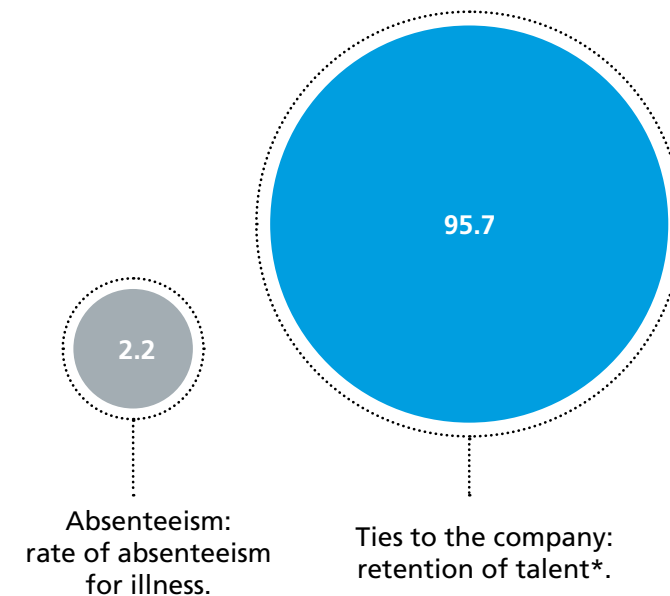
Results: better professionals, more motivated and with more ties to the company

VidaCaixa's leadership is the result of effort of a team of highly qualified, highly motivated professionals with strong ties to the company, its values and its objectives.

As a result of VidaCaixa's commitment to favouring the professional growth of its employees and creating conditions to improve their wellbeing in the workplace, the company managed to consolidate itself as an excellent place to work.

All of this, together with the value proposal the people in VidaCaixa receive, creates a work environment that facilitates employee retention and promotion of talent in our organisation.

Absenteeism and ties to the company (percentage)



*Total number of employees hired in the previous 2 years less the number of employees in the previous 2 years who voluntarily resigned over the total number of employees hired in the last 2 years.

For further information on absenteeism in VidaCaixa, [click here](#)

Operational excellence

VidaCaixa continued to strive to respond to the challenges of the environment and the needs of its customers, managing once again to consolidate its leadership and its results. This achievement was due in part to the commitment of the company to continuous improvement in the internal management of processes, which allowed it to contain costs, improve the productivity of the staff, maintain the excellence in service to the customer and achieve the least possible impact on the environment.

improve the efficiency ratio, thereby contributing to the positive results of the company without affecting the quality of service to the customer.

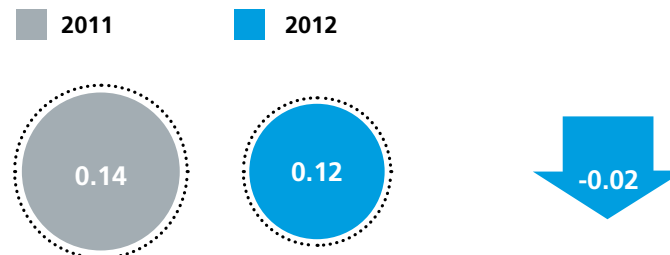
Efficiency, maintaining the commitment to quality of service

In line with previous years, VidaCaixa's prioritisation in favour of technology, innovation in processes and products and the multi-channel offer contributed very decisively in reaching our commercial objectives at a time in which the position of the market and the evolution of the sector continued to be adverse.

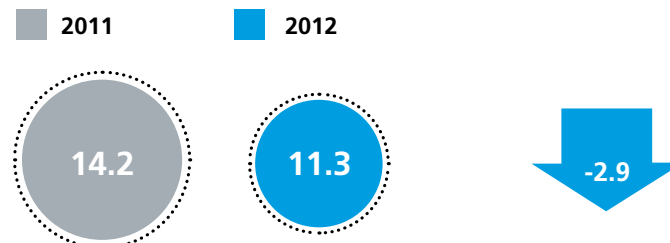
In this sense, the contention of expenses and the rationalisation of investments enabled us to keep down operating expenses with respect to 2011 and

Operating expenses over Managed Funds

(percentage)



Efficiency Ratio (percentage)



In this chapter we comply with the Principles: 1-5, 7-9

For this, VidaCaixa worked hard on key aspects to improve efficiency in the service, among which the consolidation of the efficiency model is worthy of note. Its objective is to strengthen a common policy in service over all the areas of the organisation that enables the identification of improvement opportunities. Our goal with this model is to identify and analyse those activities that can lead to optimising processes, containing costs and improving the productivity of the staff.

The improvements introduced into the work processes enabled us to increase the quality of service through reducing the response times to customers.

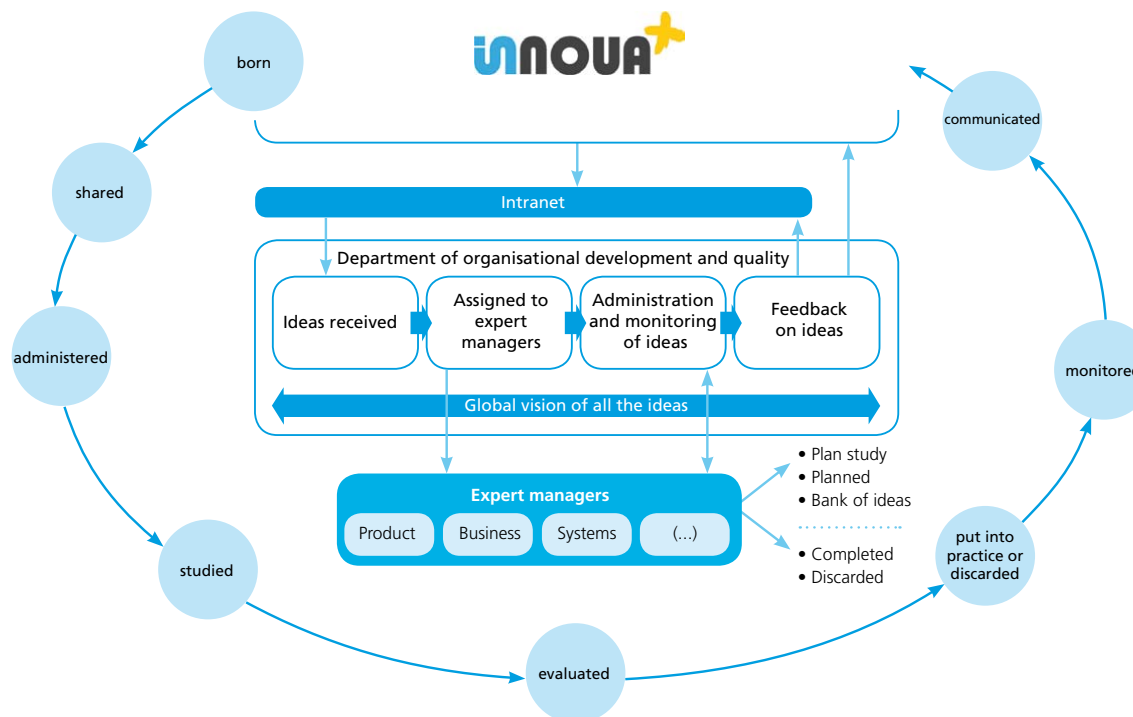
For further information on how to consult the average time frame to handle claims, [click here](#)



Innovation

The dynamism of the professionals in VidaCaixa and the employees of the territorial branch-office network of CaixaBank is also evident in the permanent search for new ideas that let us improve the activities and processes in our quest for excellence and innovation

in the service to customers. In this sense, the company have long been promoting an attitude towards innovation among its employees. For this, the company provides them with a set of internal channels through which they can send their suggestions and ideas on improvements, thus contributing to creating value for both VidaCaixa and its customers.



329

ideas received

In 2012, although no action was taken, unlike in previous years, to encourage the participation of employees, a total of 321 new ideas were received, which demonstrates the innovative attitude in the DNA of the professionals in the company. Of all the ideas received, 67 had to do with new products, prices, campaigns and insurance cover while the other 262

were ideas related with computer operations, internal processes and other matters.

The ideas received from the CaixaBank branch offices outnumbered the rest and of all the ideas received some 20% are in the planning stage or have been put into practice.

Ideas as a source of innovation and continuous improvement

Among the main contributions are:

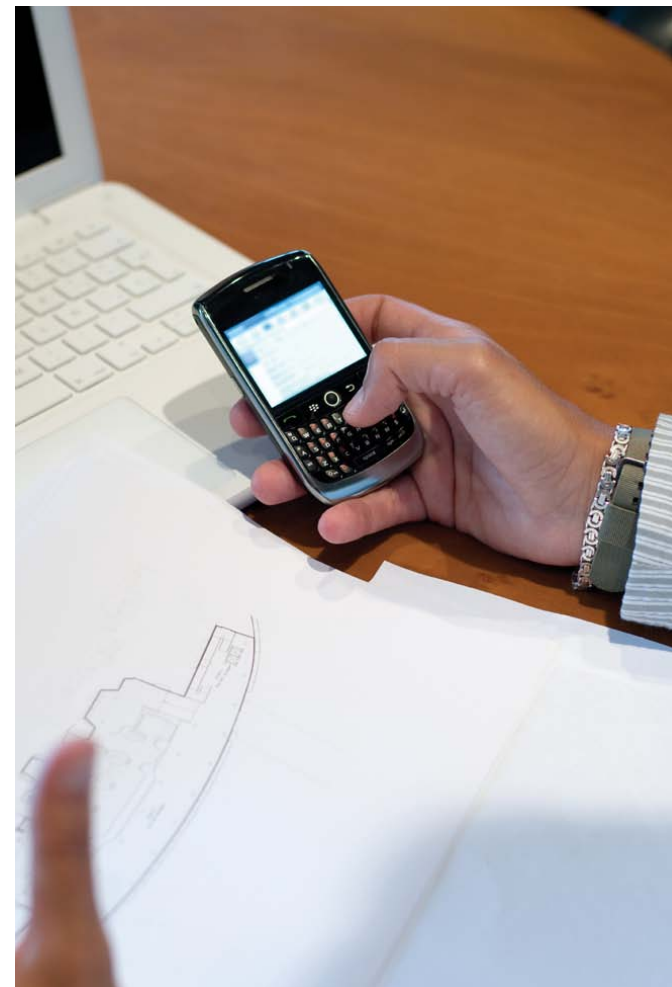
- In the new products area, a new product for periodic contributions with good profitability was developed.
- Improvements were made to the forms application, in the application of non-payments of insurance contracts, in the health insurance survey of the *Vida Familiar* product and in the claims process of the *Seviam Plus* product.
- Improvements were made to the information directed at CaixaBank branch-office employees about the *PPA* product and the on-going commercial campaigns.
- Improvements were made to the design and communications of the *Extracomisión* campaign.
- Improvements were made to some of the departmental applications like WebOT, the management of travelling expenses and the reservations of meeting rooms.

Commitment to technology

VidaCaixa's commitment to technology as an instrument to better know customers and their needs allows the company to offer an excellent service and increase the efficiency ratio.

Our investment in technology has turned into a source of competitive advantage for VidaCaixa and a lever to achieve VidaCaixa's commercial goals and profits.

Technological development has paved the way for having new types of relationships with customers, thereby improving the processes of communication and accessibility to the products and services of VidaCaixa.



The electronic file has enabled the company to improve the speed and security of the processes

Technology to better know and speed up the relationship with the customer

Document manager

In 2012 the document manager was fully implemented. This helps to order, classify and store information digitally, resulting in paper transactions being reduced to situations where legal, contractual or commercial requisites oblige the reception or issuance of original documentation.

Electronic file

The use of the electronic file was consolidated during the year as a tool to manage the services linked to life insurance and pension plans of groups and companies. Setting it up entailed the following benefits for the customer:

- It speeds up and eases the consultation of claims.
- It guarantees compliance of the *LOPD* regulation (Organic Law for Data Protection).
- It guarantees the follow-up and control of the state and conservation of documentation. It is a support for the compliance of the regulation on money laundering.
- It makes it easier to deal with claims and reassign files between managers.

Improvements to the subscription platforms

Improvements were made to the platforms for brokers and group and company policy holders. These were based on suggestions made by users and focussed on the following:

- Browsing usability.
- Information on the control of subscriptions.
- File-loading systems.
- Management, forwarding and documentation follow-up operations.

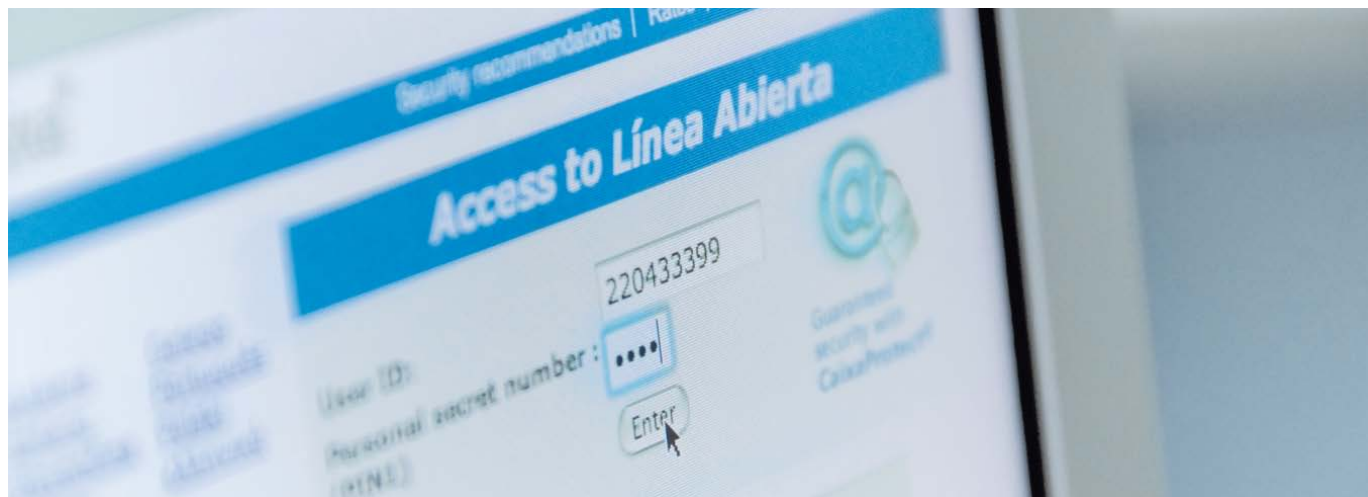
Completion of the ready-to-buy operations for external transfers of guaranteed welfare plans and pension plans

This sales operation makes the processes easy for the customer and speeds up the work of the manager, given that the system of sales starts in the branch office and it is closed via the Internet. This system makes the processes easier for the customer, speeds up the work of the commercial manager and guarantees the transfer of clear and transparent information.

New options in the *Línea Abierta*, the online channel of CaixaBank

It is easier for SME customers to update the number of employees subscribed to the *VidaCaixa Convenios* product.

Similarly, in the private banking customer group, there were improvement made to the management of policies linked to social welfare products, thereby contributing to an improvement in the management.



Reduction in the environmental impact

In addition to integrating environmental aspects into the management of all the investments undertaken by VidaCaixa, in accordance with the commitments assumed in the PRI, the entire organisation is aligned with the goal of minimising the environmental impact, achieving the maximum improvement in the efficiencies of the work processes, as per the VidaCaixa code of ethics and the principles 7, 8 and 9 of the United Nations Global Compact.

This chapter reports on the total consumption and the average ratios per employee for the main resources consumed. Due to the important change in the scope of the VidaCaixa staff, together with the reorganisation described earlier, it is not possible to include the variations of these ratios in inter-annual terms for the 2012 exercise.



Actions carried out for the protection of the environment

Improve the efficiency in the consumption of natural resources and reduce the consumption of CO₂. We continued the on-going process, which started some years ago, of progressively substituting computer and printing equipment that improve efficiency and the impact on the environment. Likewise, the promotion of the use of video-conferences helped our goal of limiting as much as possible the emissions derived from travelling.

Reinforce the communications and the environmental awareness on an internal level. We continued to develop environmental educational initiatives directed at the entire staff. These initiatives pursue the good use of office material and the rational consumption of energy and water through such actions as the installation of double flush buttons on toilets and sensors to detect presence or the publication on the intranet of catalogues of good environmental practices with the use of energy, water and the printing of documents.

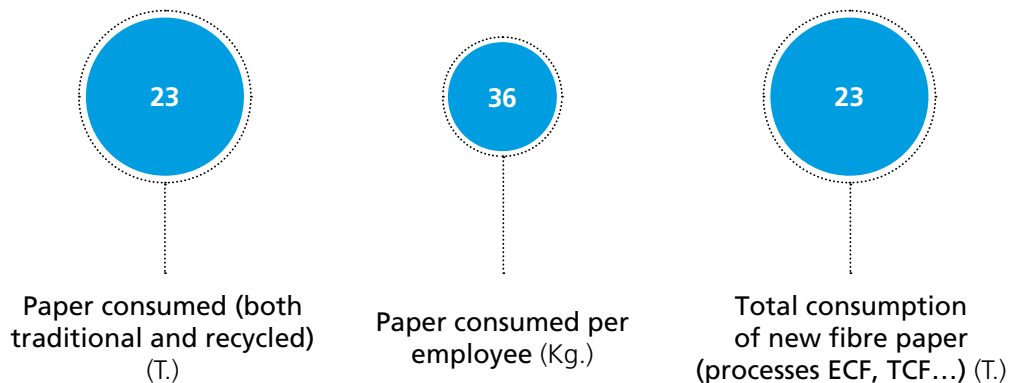
Reduce the generation of waste and promote the segregation of waste to favour its recycling and reuse. VidaCaixa continued to make space available for the employees on all the floors at Headquarters for the collection of such material as batteries, plastic containers and toner cartridges.

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

Internal consumption of paper

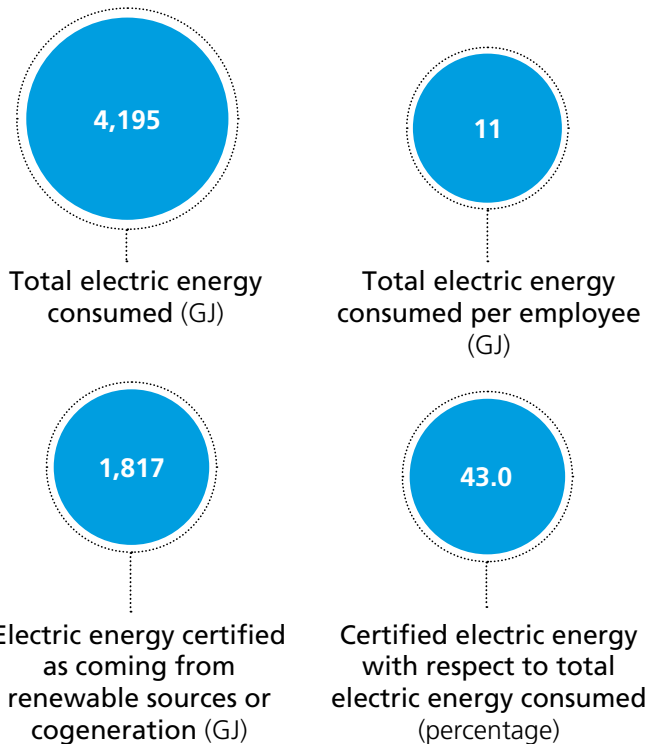
The consumption of paper is one of the heaviest resources the VidaCaixa activity has. Being aware

of that the company kept on working on reducing the total quantity of paper consumed. The amount of paper consumed is certified on an environmental level. Moreover, a full 35% of our paper is recycled.



Internal consumption of electric energy

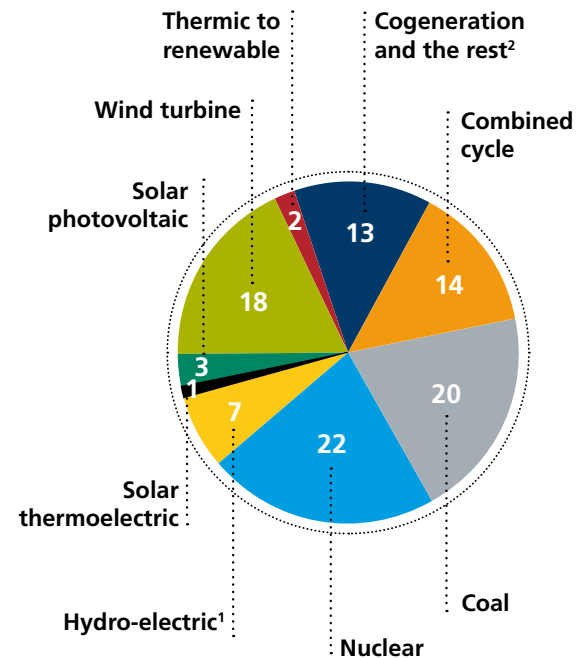
VidaCaixa is firmly committed to the maximum reduction of energy consumption and the level of the associated greenhouse gas emissions.



Note: The information refers to Headquarters.

In this sense, the awareness effort of the staff through the diffusion of good practices is a key factor in controlling the consumption of energy.

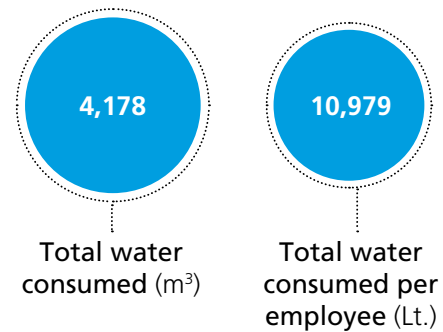
Cover of the annual demand¹ (percentage)



1 Does not include pumping generation.
 2 Includes fuel-gas and non-renewable thermic
 Source: Red Eléctrica.

Internal consumption of water

The consumption of water in the corporate centres and buildings comes from the municipal mains network.



Note: The information refers to Headquarters.

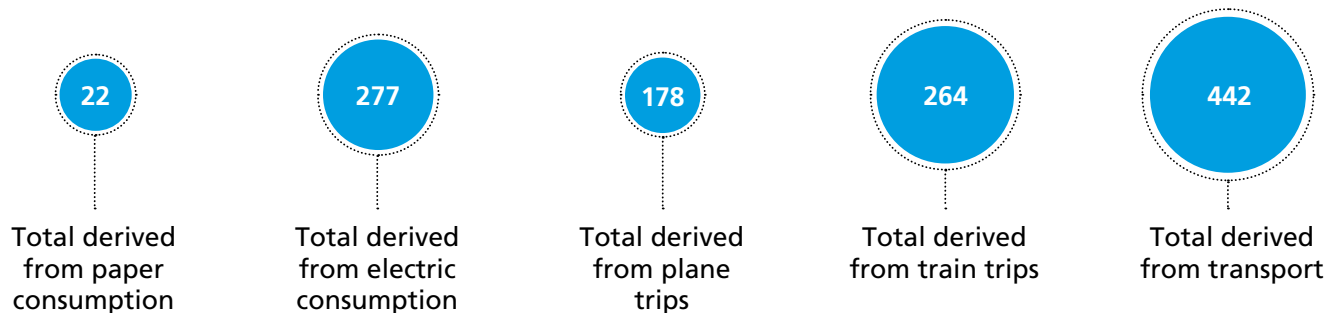


CO₂ Emissions

VidaCaixa continued its commitment to carry out actions to decrease the impact on the environment. Therefore work continued to reduce the emissions of CO₂ associated with transport.

With respect to the emissions derived from travelling, it is worth noting the change in the mobility habits of the staff by favouring more sustainable means of transport like the train in detriment to the plane.

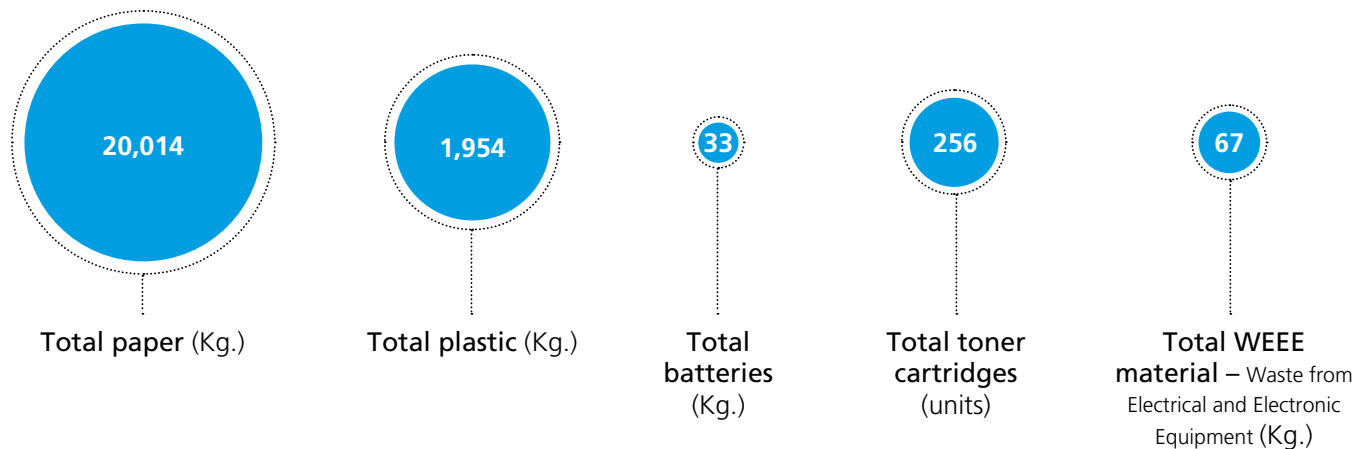
CO₂ emissions (tons)



Collection and treatment of waste

VidaCaixa makes waste collection points available to its employees, where they can leave their personal waste and the waste created in the workplace.

Waste created



Suppliers

VidaCaixa not only involves its employees in the improvement in the environment, it also extends its undertaking of responsibility and sustainability to the suppliers of its Headquarters in line with the procurement, services contracting and payment standards in place at CaixaBank.

Our relationship with suppliers is based on compliance with the criteria of transparency, rigour and efficiency with the aim of providing an excellent service for its customers. Moreover, given the company's commitment to sustainability, VidaCaixa takes into account the compliance of its suppliers with its commitments to the environment and human rights derived from the Global Compact as well as the United Nations Principles of Responsible Investment, which contributes to an improvement in the environment and a greater operational efficiency for VidaCaixa.

Suppliers to VidaCaixa are solvent and reputable companies whose services are carried out in Spain, where the company carries out its activity. Although the derived risk from non-compliance in human rights and sustainability is very limited, VidaCaixa incorporates a clause of compliance with the current environmental legislation in all its contracts with suppliers of general services.



Loyal customers

The personalised advice to customers, the quality of the wide range of savings and welfare products and the excellence in our service are the stamp of our identity that enabled VidaCaixa to build up a relationship of trust with its more than 3.1 million customers.

Solutions for retirement

VidaCaixa exercises responsible leadership that goes beyond the fact of being the foremost company in the complementary social welfare ranking.

In this sense, VidaCaixa is aware of the challenges that are derived from the demographic change that will affect the Spanish population in the near future. Besides, it is attentive to the pulse of the public opinion as a result of the economic situation and the legislative changes that have taken place over the last two years, which will have a bearing on the labour market and the age of retirement.

In the face of this situation and after the process initiated in 2011, the company continued to adapt its commercial strategy to the new changes in the environment with a commitment to service and advice to customers as its core concepts.



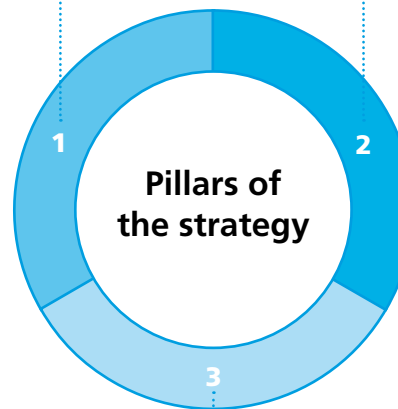
In this chapter we complied with the
Principles: **1, 2, 8, 9**

1

VidaCaixa continued to strive to create a positive awareness among its customers about the importance of planning savings for retirement.

2

Respond to their customers' main concerns that arise at the time of retirement. Retirement is a vital stage in which customers face complex questions such as the management of their savings during retirement, the maintenance of their level of life and the possible costs associated with dependence. VidaCaixa continued to pay attention to these needs and wanted to respond to them through a new model of continuous relationship with the customer, which is based on personalised advice.



Pillars of the strategy

3

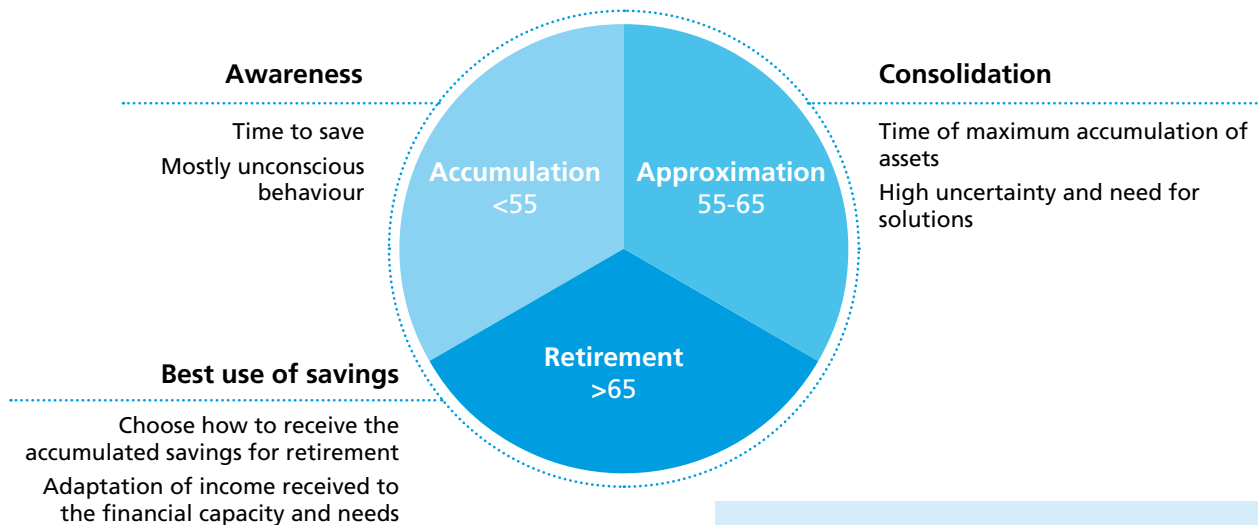
Train the employees of the CaixaBank branch office network in the process of advising customers. The objective is to improve their knowledge and skills so as to make it easier for them to provide the most suitable recommendation for customers depending on their needs. For this, VidaCaixa trained and coordinated a network of 210 assistant branch managers in order to teach and orient them over a period of time in the process of relationship with and advice to Personal Banking customers about certain aspects of risk and savings.

A specialised wide range of products for customers

Knowing the specific needs of each of our customer segments –individuals, the self-employed, SMEs and large entities– is the starting point of all the commercial strategy of VidaCaixa. This customer oriented priority provides the design and the marketing of innovative products that respond to the savings and welfare needs of our customers.

Individual customers

In the individual customer segment, VidaCaixa added to its offer of savings and welfare products with the aim of responding to the needs of its customers at different stages: the accumulation of savings, prior to retirement age; the period approaching retirement when customers consolidate their assets; and the moment of retirement, in which the customers decide how to make the best use of the savings they accumulated.



For further information on the main campaigns for individuals in 2012, [click here](#)

Through an extensive portfolio of savings and welfare products, which are renewed annually, VidaCaixa's customers can avail of multiple solutions in terms of fiscal treatment, liquidity, profitability and risk that

adapt to their particular profile. In 2012 there were 6 new products developed and sold that covered the three vital periods in planning for retirement.

6

new products to respond to the welfare needs of individual customers

Accumulation stage

- **PlanCaixa Crecimiento Garantizado.** This is a *Plan de Previsión Asegurado (PPA)* or Guaranteed Pension Plan, the only one of its kind on the market that offers customers a high profitability for their contributions that may be monthly, quarterly, biannually or annually. By way of monthly contributions the customer succeeds in having systematic savings for his retirement stage. The customer can also complement these periodic contributions with a single contribution at the end of the year.

Approximation/Pre-retirement stage

- **PlanCaixa Futuro Garantizado 60.** A *PPA* or Guaranteed Pension Plan directed at those over 60, which generates a guaranteed capital for the future and combines the fiscal advantages of pension plans.
- **PlanCaixa Doble Tranquilidad.** This product combines a Guaranteed Pension plan (*PPA*) with an income plan in the same product, which can be redeemed whenever the customer decides and, apart from that, it has an attractive profitability and an excellent fiscal treatment.
- **PlanCaixa Tándem Premium.** Through a combination of a *PPA* and a pension plan with variable income, the customer creates his own guaranteed plan as he chooses the term, the percentage of guarantee and the amount he wishes to invest. This is a do-it-yourself- product the customer makes to measure depending on his needs and financial goals.

Retirement stage

- **Renta Vitalicia Diferida.** This is a new model of annuity that allows for an initial period of capitalisation as well as choosing the time the customer wishes to start his income.
- **Renta Vitalicia a Tipos de Interés Fijo.** This is also an annuity that guarantees a fixed profitability in the term.

Personal Banking and Private Banking

With regard to the Personal Banking and Private Banking customers of CaixaBank, VidaCaixa continued

to work on creating a specific offer to respond to their present and future financial needs. In this sense it is worth noting the redefinition of the *PlanCaixa Tándem Premium* product.

PlanCaixa Doble Tranquilidad, for customers who are looking for future peace of mind

This is a guaranteed pension that gives a customer, once he is retired, a monthly annuity with good fiscal advantages as well as total security.

It contains the following advantages and benefits:

- An amount of capital for retirement, which can be enjoyed in the form of a monthly annuity for life.
- An attractive technical interest guaranteed for the savings during the entire life of the plan.
- A fiscal savings of up to 52% in personal tax returns.
- A death insurance that guarantees the beneficiary the accumulated amount of the plan plus a percentage that varies depending on age.

Banca Personal

Doble tranquilidad para su futuro

Renta mensual para toda la vida

Interés técnico del 4,5%

Ventajas fiscales para sus aportaciones

Y consigue un 2% de abono en efectivo*

PlanCaixa Doble Tranquilidad



En "la Caixa" queremos atender las necesidades de las personas que buscan más tranquilidad para su futuro. Por eso, le presentamos un novedoso producto que les da respuesta.

Se trata del **PlanCaixa Doble Tranquilidad**, que le permitirá obtener, una vez jubilado, una renta mensual vitalicia.

Doble beneficio asegurado

Con este nuevo plan de previsión asegurado, si lo contrata **entre el 22 de mayo y el 30 de junio**, podrá:

- Beneficiarse de un capital para su jubilación que podrá disfrutar en forma de **renta mensual de por vida**.
- Conseguir un **interés técnico* del 4,5%** para sus ahorros durante toda la vida de este plan, por tanto:
 - Durante el periodo de capitalización de las aportaciones.
 - Y durante el periodo de cobro de la renta vitalicia, que empezará en el momento que usted decida entre el 1 de junio de 2014 y antes de cumplir los 70 años de edad.

Además, incluye un seguro de fallecimiento que garantiza al beneficiario el **valor acumulado del plan más un porcentaje** que varía en función de la edad, en caso de que el fallecimiento se produzca antes del inicio del periodo de cobro de la renta vitalicia.

Si es posterior, será el valor acumulado en el momento del inicio de la renta vitalicia, incrementado en un 5% (este incremento no podrá superar los 600 euros).

Consiga un 2% de abono por movilización

Y si tiene un plan en otra entidad y decide movilizarlo al PlanCaixa Doble Tranquilidad antes del 30 de junio de 2012, conseguirá un **abono en efectivo* del 2%** del importe movilizado.

Para más información, contacte con su Gestor Personal

INFORMACIÓN VITALICIA
Fecha de actualización: 2014-06-20

Life-risk insurance for individual customers

VidaCaixa offers its individual customers life-risk products linked or not to loans. Although the housing market continued to be at a standstill throughout 2012, VidaCaixa kept up its excellent evolution, achieving

first-class behaviour in traditional life insurance that offset the smaller evolution of insurance linked to loans. In this sense, the individual life-risk business is worth pointing out as it accumulated 256.8 million euros in premiums, 11.2% more than the previous year.

Seviam for microcredits

VidaCaixa offers insurance products, like *Seviam Abierto*, to respond to the needs of entrepreneurs, micro-entrepreneurs and individuals. Its aim is to promote, together with MicroBank, economic development and financial inclusion. This product is also offered for microcredits and guarantees amortisation of the loan in case of death and optionally in case of absolute and permanent disability.

Seguros de vida

***Su familia y usted,
siempre protegidos***



SMEs and the self-employed

In the customer group composed of SMEs and the self-employed, VidaCaixa's offer is focussed on life-risk products that cover the needs of these companies when they have to comply with the pension plan commitments of their workers, which are derived from the sectorial and voluntary labour agreements. In this segment, VidaCaixa once again continued to commit

itself through its 208 AgenCaixa advisors distributed all over the country. They continued to market VidaCaixa and SegurCaixa Adeslas products for both SMEs and the self-employed and reached 28.5 million euros in premiums, a full 9.5% more than in 2011.

Throughout 2012 VidaCaixa improved the following products for SMEs and the self-employed thereby responding to the needs of this segment of customers:

VidaCaixa Protección Autónomos Vida. This is a group life insurance by which a self-employed person protects himself, his family or collaborators without a labour relationship in the case of death or disability for any reason. This product also allows for additional cover in the case of the temporary sick leave of the self-employed person.

VidaCaixa Convenios: Seguro innominado. This insurance lets companies comply with their legal obligations derived from the sectorial collective agreements when these contemplate compensations in case of death, permanent disability or large disability. Moreover, it guarantees payment of an amount to a beneficiary in the case that any of the foreseen contingencies in the sectorial collective agreement take place. VidaCaixa offers an automatic updating service of capitals and guarantees stemming from the customer's sectorial agreement.

VidaCaixa Pymes. This is a nominated group life insurance through which a company protects its workers, partners, administrators and collaborators in the case of death or disability for any reason. The capitals and the guarantees are modular.

VidaCaixa Escolarización. This is a group life insurance, directed at children who attend schools, that guarantee continuity of education in the case of the death of one of the parents or legal tutors. Optionally, it lets the schoolchildren be incorporated into an accidents and healthcare insurance.

Planes de Pensiones y EPSV de Empleo. VidaCaixa offers its customers a diversified range of Joint Employment Pension Plans. The *PlanCaixa Pyme* provides groups with 3 models of investment: Fixed Income - *PlanCaixa Pyme RF*, *Renta Fija Mixta - PlanCaixa Pyme 20 RV* and Mixed Variable Income - *PlanCaixa Pyme 50 RV*. It also offers its customers integrated Pension Plans in *GeroCaixa Pyme EPSV*, in which there are 5 different models of investment. Moreover, VidaCaixa also manages *PlanCaixa Corporaciones Locales*, a Joint Employment Pension Plan specifically for state and semi-state companies.

Planes de del Sistema Asociado. VidaCaixa manages two Joint Employment Pension Plans: *PlanCaixa Colegios Profesionales* and *Plan de Pensiones del Sector Agrario*. Moreover, it manages associated pension plans promoted by Associations, the *Plan de Pensiones del Sector Agrario*, the Associated Pension Plan promoted by the *Asociación de Hostelería de Cantabria*, the *Ilustre Colegio de Geólogos* and the *Consejo General de Economistas de España* and the *Plan Asociado Tramerpe*.



For further information on the 2012 main campaigns for SMEs and the self-employed, [click here](#)

21.3%
market share for
VidaCaixa Previsión Social

Groups and companies



In group and company business, *VidaCaixa Previsión Social* offers each customer a specific and personalised solution that covers their priorities and expectations in questions of welfare with a focus on profitable and sustainable management of the investments.

For this, *VidaCaixa Previsión Social* has a team of 114 professionals who are specifically dedicated to understanding the welfare needs of each company, while assessing and offering the best personalised solutions in each case.

The personalised management of each group enabled *VidaCaixa Previsión Social* to remain, for yet another year, the leader in complementary social welfare. Besides the consultants on the staff, the company also collaborates with mediators from the main companies present in the sector in our country who distribute welfare products among the group and company customers.

The companies can choose how they want to work with *VidaCaixa Previsión Social*. On the one hand, they can work through the mediator channel as they already work and collaborate with a large number of mediators. On the other hand, they can work directly,

as the *VidaCaixa Previsión Social* team can advise them in all aspects related with the social welfare system, without forgetting that they can have their own consultant to carry out the design, development and monitoring processes.



Meeting of mediators in Madrid.



Dinner of mediators in Barcelona.

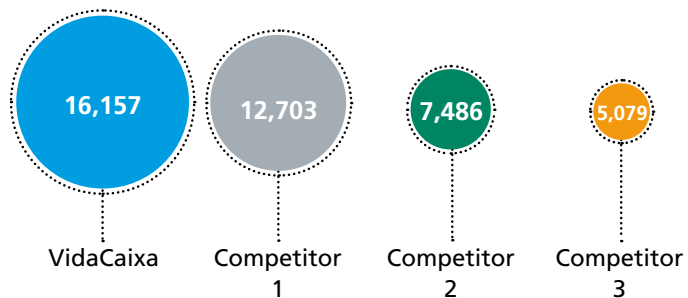
In 2012 *VidaCaixa Previsión Social* maintained its leadership in the complementary social welfare market in our country, with a total volume of managed savings of 16,157 million euros and a market share of 21.3%, an increase in market share in comparison to its competitors.

29

companies from the IBEX 35, more than 700 multi-national companies and more than 300 public organisms placed their trust in *VidaCaixa Previsión Social* in 2012

Complementary social welfare in companies

(millions of euros)



Market share 2012 (percentage)



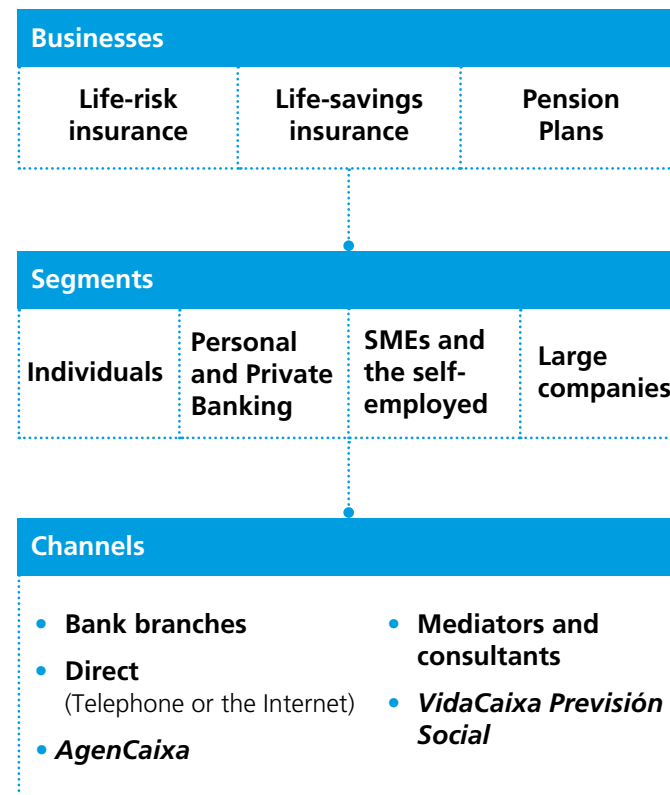
VidaCaixa makes multiple channels available to its customers for information and marketing of its products

Multi-channels at the service of the customer

One of the main strengths of VidaCaixa is its different marketing channels, which apart from offering excellent services adapted to the needs of each group of customers, enable the company to increase its market penetration and achieve greater shares of efficiency.

The principal channels that VidaCaixa makes available to its customers for information and marketing of its products are:

- The bancassurance channel composed of the 6,342 branch offices of CaixaBank.
- The 208 AgenCaixa managers.
- The 150 professionals and consultants of *VidaCaixa Previsión Social*.
- The more than 214 mediators and company consultants.



Direct channels

VidaCaixa's customers have the possibility of consulting and managing their products through the Internet and mobile Internet in *Línea Abierta*. Moreover, they can subscribe to:

- Individual Pension plans and Guaranteed Pension Plans (The Internet and mobile Internet in *Línea Abierta*).
- Life-savings and life-risk insurance products that, because of their characteristics, best adapt to *Línea Abierta* on the Internet.
- Life insurance for personal loan amortisation through Automated Teller Machines (ATMs).



Bancassurance channel

VidaCaixa's main marketing channel, through which it distributes most of its savings products and pension plans, is composed of 6,342 branch offices of CaixaBank.

In spite of the tough economic situation, VidaCaixa continued to increase in terms of market share and profits in individual customers, SMEs and the self-employed, and group and companies, offering them life-savings, life-risk and pension plans through this channel.

The effort made in the bancassurance channel was complemented with investments in other direct channels such as the Internet, through the *Línea Abierta* service of "la Caixa", where it continued to improve some electronic applications, like the ready-to-buy one, that allows a new model of interaction between the branch offices and the customer.

210

professionals provide support for the territorial network of CaixaBank in advice on savings for retirement



Accessibility to products and services

VidaCaixa always aspires to offer its customers the maximum quality in service and for this it integrates new applications and uses in all its marketing channels, which makes access to information and subscription to a wide range of products easier.

In order to guarantee maximum access to customers, in addition to having the largest branch office network in Spain, VidaCaixa has always paid attention to developing technological innovations that increase efficiency and let the company be nearer its customers.

In this sense, given the growing importance of the use of electronic communications devices among customers, VidaCaixa continued to improve the operational capabilities and functionalities of its multiple online channels.

Lastly, VidaCaixa has always had a great awareness of those groups of customers with some type of disability. In this sense, the company adapted its webpage and that of *VidaCaixa Previsión Social* to make it easier for

those people to access the webpages. Similarly, the corporate webpage and that of *VidaCaixa Previsión Social* have the double certificate of access granted by the Web Accessibility Initiative (WAI).

Products available through *Línea Abierta* of CaixaBank in 2012 and principal actions that can be carried out

Life-risk	<i>Vida Familiar Seviam Abierto*</i>	Renunciation (first 30 days) No renovation on maturity Duplication of documentation
	<i>Seguro convenios</i>	Modify number of policyholders
Life-saving	<i>Libreta Futuro Asegurado Plan Ahorro Asegurado (PIAS)</i>	Make extraordinary contributions Renunciation (first 30 days) Application for complete redemption
	Pension Plans and PPA (Contributable from <i>Línea Abierta</i> "la Caixa" and <i>Línea Abierta Móvil</i>)	<i>PPA Joint pension plans Planes asociados</i>
Employment pension plans		Apart from all the above, special consultation for Control Committees

*Novelty 2012: also subscribable by mobile phones apart from the web page and ATMs.

Transparent Information

The clarity and exactitude of the commercial information is key to generating trust among customers. VidaCaixa, throughout 2012, continued to work on improvements in the information and

communications processes, and voluntarily took on a series of commitments that go beyond what is set out in the regulation, such as INVERCO's General Code of Behaviour in publicity.

Principal actions to improve the transparency of information to customers

- Redesign of the pension plan data files to transmit more comprehensible information to the branch office network of CaixaBank and to customers.
- Maintenance of the filters set up by CaixaBank in terms of responsible marketing and communications.
- Internal revision of product publicity by different departments.
- External revision by Autocontrol of the publicity made together with CaixaBank. Autocontrol is an organism that CaixaBank voluntarily joined and that safeguards that the publicity is true, legal, honest and loyal,
- Notification to customers and channels of the voluntary adhesion to the United Nations Principles of Responsible Investment, as well as to Spainsif.



In 2012 there were no claims or sanctions relating to non-compliance of the LOPD (Organic Law on the Protection of Personal Data)

Protected Information

In order to guarantee an environment of maximum privacy and confidentiality for customers, VidaCaixa developed a security policy and a set of regulations and operating procedures that govern internal processes and are mandatory for all those who access the technological and information assets of the company.

In each of those environments, IT centres and offices of VidaCaixa, technical and organisational measures are applied that guarantee the confidentiality and integrity of the data of its customers, preserving their honour, their personal and family privacy while they retain the full exercise of their personal rights against the alteration, loss, treatment or non-authorised access of the data.

Principal actions to improve the security of our customers' information

- A communication was sent out to area managers and department heads reminding them of the security regulation regarding the LOPD (Organic Law on the Protection of Personal Information), in accordance with the internal regulation on document management.
- A revision was carried out on the majority of service contracts with suppliers.

Excellent quality of service to customers and channels

VidaCaixa upholds the growth and excellent results achieved in its wide range of insurance and social welfare products and services, personalised advice, responsible management of its investments and quality of service it offers its 3.1 million customers.

Among the primary priorities of VidaCaixa is to achieve the maximum satisfaction of its customers. In the case of the branch offices of CaixaBank, this is accomplished through the constant and continuous contact between VidaCaixa's staff and the branch office network via the different channels in place. For the other channels and also for the end customers, different indicators are set up that are described below and that allow the monitoring of the level of objective quality.

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

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

The management and measuring of quality

VidaCaixa Grupo has an imbedded management system and certification of quality, which is based on the ISO 9001 norm for the management of funds and employment pension plans.

Likewise, the Group evaluates the satisfaction of its customers through many indicators that measure the objective quality and the indicators that quantify the perception by the customers. For VidaCaixa, the aim of the objective quality is to carry out an internal control and follow-up that guarantees the quality of service in everything the customer himself is unable to perceive but assumes it is inherent when he places his trust in professionals. Whereas the goal of perceived quality for the Group is to maintain a line of communications with customers and channels in order to get to know their perception of the service provided and work towards increasing the degree of satisfaction.

Among the objective indicators that VidaCaixa uses to measure the objective quality, one of note is the response time for claims. Throughout 2012, this indicator was kept in line with the good results

of previous years, which shows the permanent commitment VidaCaixa has to the quality of service of its customers.



To know more amount the response times to claims, [click here](#)

How VidaCaixa measures and evaluates the quality of service given to the customer

Internal measurements:

- For individual customer, Focus Group is used with Branch Managers of "la Caixa" with the aim of getting to know their perception of the quality of service provided and apart from that they measure, control and analyse the complaints/claims that arrive from both customers and branch offices.
- In customers from the group and company business, opinion surveys are carried out on 100% of customers, control committees, mediators and consultants.

External measurements:

- The ADECOSE Survey among mediators. We maintained our second position among companies with Headquarters in Spain and went up to fourth place overall.
- Willis Quality Index (WQI). VidaCaixa kept its 4 stars in two measurements carried out in 2012 and continues to lead the sector in Spain in all the processes and aspects evaluated in the WQI.



Evaluation of the branch office network of CaixaBank

The evaluation of the branch office network of CaixaBank, VidaCaixa's principal marketing channel, is key for the company and for this it is monitored exhaustively and permanently.

The degree of satisfaction of the branch office network of CaixaBank in relation to the services offered by VidaCaixa increased with respect to the previous year, and once again enjoyed a very high degree of satisfaction.

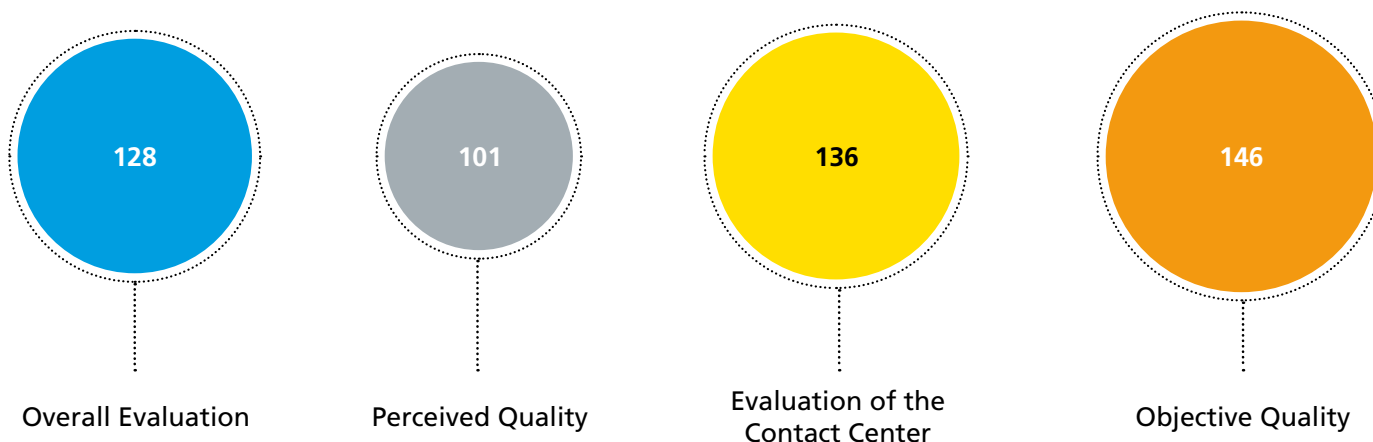
Satisfaction surveys were carried out at the branches of CaixaBank in order to evaluate the quality of the internal suppliers based on three aspects:

1. The quality perceived through the satisfaction surveys in the branch office network.
2. The objective quality, which evaluates such aspects as the creation and implementation of products and services offered to branch offices.
3. The evaluation of the Call Center.

128

out of 148 is the overall evaluation of quality by the branch office network of "la Caixa"

Index of quality of the branch office network of CaixaBank (Evaluation scale: 0-148)



952

surveys were carried out on group and company business professionals, 31.5% more than in 2011

Evaluation of the group and company segment: surveys to customers

Once again, VidaCaixa went to great lengths to know the concerns of the customers belonging to its group and company business.

The data from the satisfaction surveys on risk and savings products show the perception of the quality of service continuing to be very high, in line with the previous year's evaluation (95.0% in 2012 and 95.4% in 2011).

As far as the evaluation of the satisfaction in pension plans, this rose from 94.4% in 2011 to 96.9% in 2012.

In this sense it must be said that 99.2% of customers and the Control Committees would recommend subscribing VidaCaixa products to third parties.

To find out how many surveys *VidaCaixa Previsión Social* carried out, [click here](#)



Evaluations of the group and company segment: surveys to channels

The satisfaction of the mediators and consultants was also measured. These are the people who distribute the *VidaCaixa Previsión Social* products in this segment. The degrees of satisfaction were very high: 97.2% for consultants (down from 98.5% in 2011) and 94.3% for mediators (down from 96.8% in 2011).

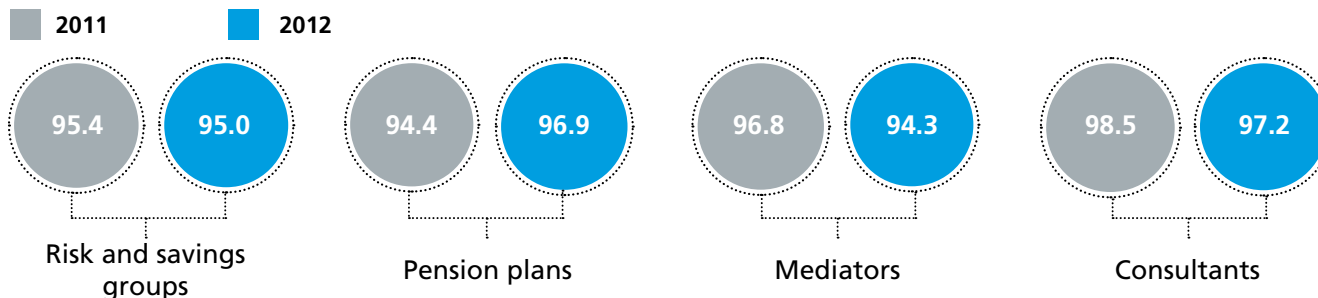
Both the mediators and the consultants show a high degree of recommendation of VidaCaixa products. The degree of recommendation in the case of group and company insurance mediators reached 97.4% and for consultants stood at 94.4%.

External measurements

The elevated degrees of satisfaction perceived are backed up by the good results obtained in the two studies on quality –*Barómetro ADECOSE 2012* and the Willis Quality Index 2012–, in which VidaCaixa participated along with other companies in the sector. The *Barómetro ADECOSE 2012* reflects that *VidaCaixa Previsión Social* is the second best company of all the companies with Headquarters in Spain. In the Willis study, VidaCaixa obtained the same evaluation –4 stars– as in 2011, beating the average of the companies analysed in each and every one of the studied aspects: subscription of products, administrative policy and customer service.

For further information on the evaluation of VidaCaixa in external measurement, [click here](#)

Results of the surveys on group and company business (percentage)



Source: Own study.

Evaluation of the quality of suppliers

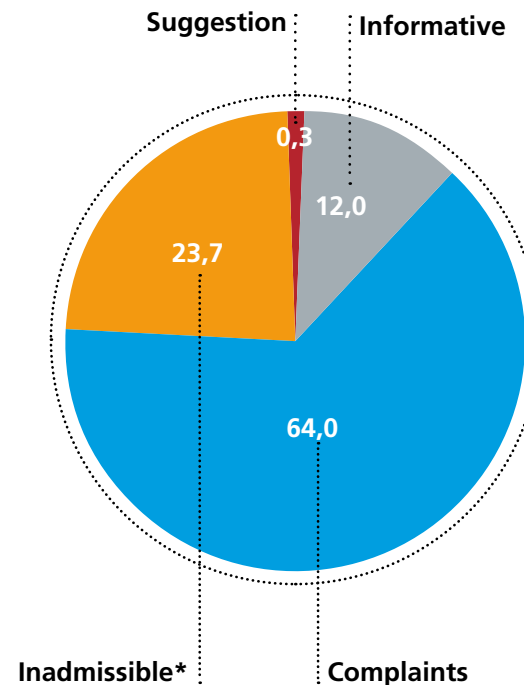
The suppliers who do the quality surveys are audited independently, based on a procedure defined by VidaCaixa, in which an evaluation is carried out for both competences and processes. Depending on the result obtained in the audits, the supplier is presented with the identification of the corresponding improvement actions to be carried out.

Closer to the customer

Apart from the satisfaction indicators, VidaCaixa places the following attention channels at the disposal of customers in the branch offices of CaixaBank:

1. Letters and phone calls to the Manager.
2. VidaCaixa's Contact Center.
3. Customer attention forms on the Internet webpages of CaixaBank, VidaCaixa and *VidaCaixa Previsión Social*.
4. The insurance and pension plan section on the *Línea Abierta* webpage of "la Caixa".
5. Telephone of the customer service attention of *VidaCaixa Previsión Social*.

Reasons for the letters and calls to the Manager (percentage)



* By reason for inadmissible we mean those letters assigned from "la Caixa" unconnected with VidaCaixa (e.g., complaints referring to bad marketing practices).

With respect to letters to the Manager, in 2012 a total of 150 were received, 23.0% more than in 2011. This increase was basically due to the economic situation and the impediment by law of rescuing pension funds.

The letters to the Manager have a response commitment of 7 working days and calls have 4. In 2012 an exhaustive follow-up was carried out on these times and the year closed with average response times for letters of 2.2 days and 1.6 for calls.

The Contact Center managed a total of 620,810 calls, mostly coming from CaixaBank branch offices. Of those 16,779 were calls from *VidaCaixa Previsión Social* customers. Similarly, from the webpages of VidaCaixa and *VidaCaixa Previsión Social* a total of 1,345 e-mails were answered with an average response time of 1.7 days, below the set commitment of 2 days. Among the main reasons for contacting the center were those related to the conditions of liquidity and rescue of pension plans and guaranteed pension plans, as well as how to get paid the amounts.

Customer Ombudsman

Another of the channels the VidaCaixa customers have at their disposal is the Catalan Savings Banks Ombudsman, whose decisions are binding on companies, but not so on the policyholders. The Catalan Savings Banks Ombudsman dealt with 88 claims in 2012. On the other hand, 55 claims were dealt with by the Directorate General of Insurance and Pension Funds and 33 of them were answered.

For further information on the distribution of incoming calls at the Contact Center per product, [click here](#)

For further information on the distribution of letters to the Manager and claims, [click here](#)

For more details of the resolution of the claims handled by the Ombudsman for Catalan Savings Banks and the claims handled by the Directorate General of Insurance and Pension Funds, [click here](#)

Contribution to a culture in favour of savings and pension plans

VidaCaixa, as the leading company on the life and complementary social welfare market in our country, does not merely limit itself to offering innovative products and a maximum quality service, but makes outstanding contributions to the improvements in the levels of financial education of its customers and society in general.

This commitment is assumed by VidaCaixa within its corporate responsibility strategy and it concentrates on carrying out activities that promote a greater knowledge and better culture in savings. Moreover, VidaCaixa promotes the active participation in initiatives in the insurance and social welfare sectors.

In addition to its diffusion of activities, VidaCaixa has a presence and a very active participation in organisations and institutions that promote the advancement of social welfare on a sectorial, business and social level.



To find out what it is the institutions do that VidaCaixa actively collaborates with, [click here](#)

VidaCaixa Previsión Social sponsored 5th Forum of Control Committees of Employment Pension Plans

For more information

Press release: Forum of Control Committees

Principal actions undertaken in 2012

- The 5th Forum of Control Committees, promoted by the Employees Pension Plan of “la Caixa” and sponsored by *VidaCaixa Previsión Social*, was held in 2012. This was a sectorial event that gathered more than 300 attendees, between fund manager members, control committee members –from both the confederation and the trade unions–, consultants, brokers and human resources managers among others, to debate, contrast opinions and discover the novelties related with employment pension plans. At the event, the *Barómetro de Planes de Pensiones de Empleo 2012* was presented, a study that informed us of the needs of the Spanish society in relation with those matters connected with insurance and social welfare.



Forum of Control Committees.



Presentation of the Barómetro de Planes de Pensiones de Empleo 2012.

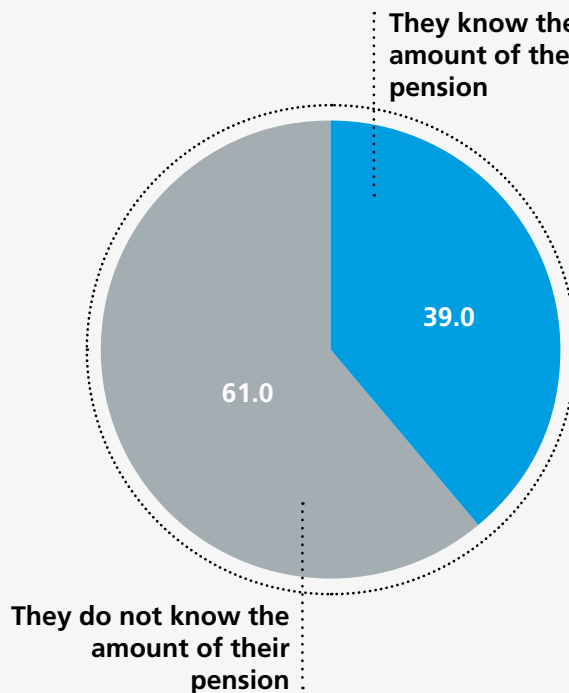
- Active participation of managers and those responsible in VidaCaixa for events, conferences and publication of the insurance sector.
- Info *VidaCaixa Previsión Social*, the *VidaCaixa Previsión Social* newsletter, has articles and interviews with experts and customers. Its aim is to diffuse the culture and benefits of social welfare among the group and business collective. In 2012, 3 issues were published; the last of those had a more attractive, graphic and visual design.
- Info CaixaEmpresa is a periodic newsletter that CaixaEmpresa publishes to report on its new products. 3 issues were published and there was a distribution to more than 106,000 companies.
- Newsletter 360° from *Banca Privada* had a specialised article published on welfare.
- Actions were taken to present the *VidaCaixa Elección* product to customers. 6 sessions were carried out in different parts of the country along with training for executives.
- 12 press releases were published explaining news related with the evolution of the company and its initiatives linked to the contribution of value to society.

Some data on pensions for retirement

Data from the *Barómetro de Planes de Pensiones de Empleo 2012*

Three out of five participants do not know what amount they will receive in their public pension

(percentage)



1. There is a huge ignorance about state retirement pension: 61.0% of those surveyed did not know the amount they would receive and the percentage increases to two out of three among people under 51.
2. Ignorance dominates even among those who are going to retire soon, that is, those between 51 and 65 years old, as 54.0% still do not know the amount of their future pension.
3. In spite of this, 40.0% of those surveyed believe they will have enough income to live as they want once retired.

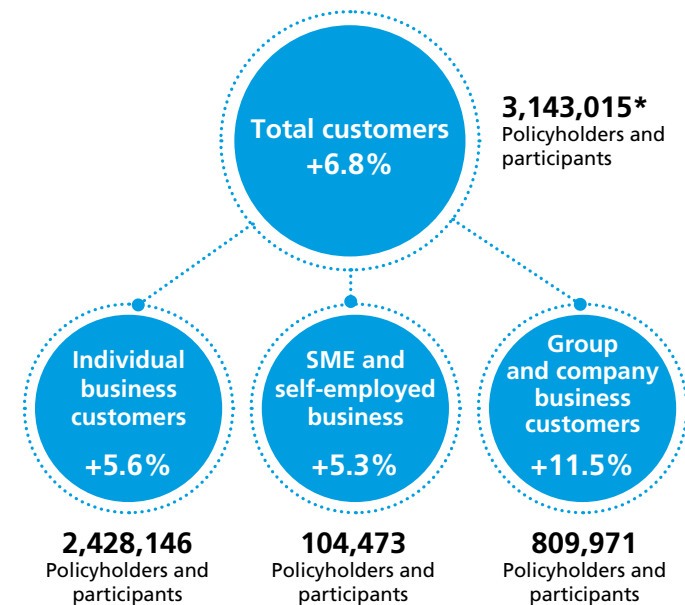
To find out more data on the *Barómetro de Planes de Pensiones de Empleo 2012*, [click here](#)

3.1
million customers, 6.8% more than in 2011, in spite of the adverse economic situation and the recession of the market

Positive results despite the economic situation and the slowdown in the sector

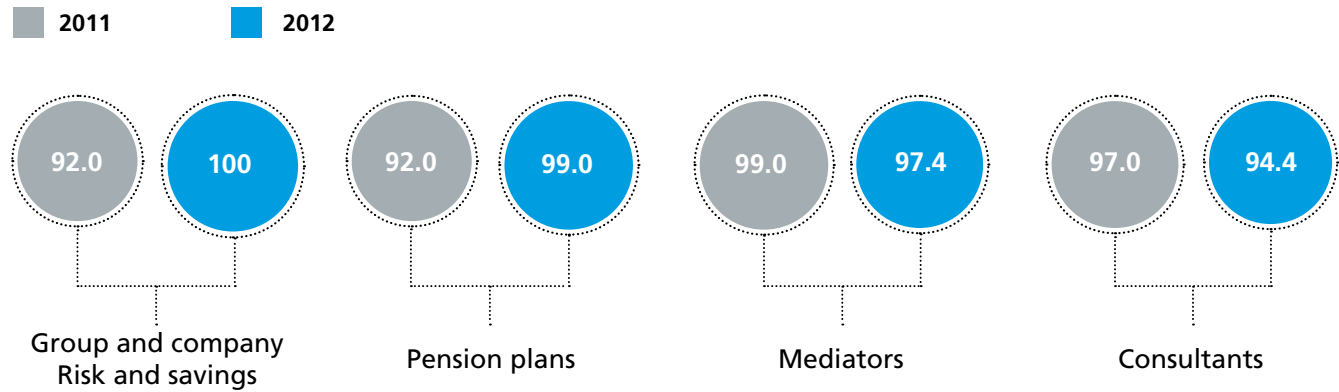
The commitment to innovation through the development of new products, the commercial dynamism of its professionals and excellence in service, based on personalised advice and on an approach focussed on the customer, allowed VidaCaixa once again to achieve an evolution and positive results in terms of growth in the number of customers and loyalty to the company.

The increase in the number of customers in the three segments of business were also reflected in the excellent results in terms of retention and loyalty. Similarly, worthy of note is the high index of recommendation by both risk customers and group and company savings and pension plans and by mediators and consultants.



702 multi-national companies, 29 companies form part of the IBEX 35 and 303 public organisms.

Recommendation of the VidaCaixa service (percentage)



5

Creation of economic and social value

Excellent results in 2012

Leadership and increase in market share

Excellent behaviour of ordinary business, profitable and sustainable growth

Principal management ratios



Excellent results in 2012

In 2012 VidaCaixa Grupo reached a recurrent consolidated net profit of 338.7 million euros, a figure that represents a growth of 21.2% with respect to the result in 2011, in spite of the slowdown in the economy and the recession affecting the market.

Including extraordinary income, coming from the reinsurance operation of the life-risk portfolio with Berkshire Hathaway, the net profit of the company reached 790 million euros.

Those positive results were the consequence of intense marketing activity in all the market segments, which was translated into an increase of 6.8% in the customer base of VidaCaixa, reaching 3.1 millions in a positive evolution in market shares –life-risk business (12.3%), life-savings business (19.1%), pension plans (16.5%) and complementary social welfare (18.4%)– and a growth in the volume of pension plans and complementary social welfare, which reached 43,852 million euros in managed resources, 9.8% more than in 2011. This placed us once again as the leading entity in complementary social welfare. Of this total, 14,782 million euros corresponded to pension plans, 5.4% more than in 2011 and in line with the evolution of the market. With respect to the savings business,

in which VidaCaixa consolidated its leadership for yet another year, the amount of managed savings rose to 29,071 million euros, 12.2% more.



Presentation of results 2012.

Likewise, the strict management of risk enabled the increase in the solvency margin, which stood at 2,986 million euros, 2.1 times above the legally demanded level.

The good results achieved by VidaCaixa in 2012 contributed to the growth of CaixaBank in the number of customers, managed resources and economic results, thereby consolidating its leadership position in the Spanish banking sector.

In this sense, it is worth noting that 90% VidaCaixa's customers are also customers of CaixaBank, thus complementing banking activity and the portfolio of financial products with an offer of savings and welfare. Lastly, VidaCaixa's contribution to the results of CaixaBank rose to 790 million euros, a figure to which one should add the commissions paid out on sales.

Results (millions of euros)

	2011	2012	Var. 12/11	
Premiums and contributions	Sub-total Risk (Indiv. + Group & Company)	423	466	10.1%
	Life-savings insurance	4,647	4,562	-1.8%
	Pension plans	1,433	1,003	-30.1%
	Sub-total Savings (Indiv + Group & Company)	6,080	5,564	-8.5%
	Total Risk and Savings (Indiv + Gr. & Comp.)	6,503	6,030	-7.3%
Managed Funds	Life insurance	25,901	29,071	12.2%
	Pension plans and EPSV	14,024	14,782	5.4%
	Total Customer Res. Man. (Indiv. + Gr. & Co)	39,924	43,852	9.8%
N°	Individual customers	2,943,572	3,143,015	6.8%
	Net consolidated results VidaCaixa	912	790	-13.4%
	Net Recurrent Profit VidaCaixa Grupo	279	339	21.2%

The financial information of the document is reported based on the International Regulation of Financial Information.

The contribution of VidaCaixa to the *Obra Social* of "la Caixa"

The contribution made by VidaCaixa to the results of its controlling shareholder, CaixaBank, enabled VidaCaixa to collaborate indirectly, through dividends and commissions, to the work carried out by the *Obra Social* "la Caixa", through the development of social, environmental and science programmes and cultural, educational and research programmes. In 2012 the budget of the *Obra Social* "la Caixa" was kept at 500 million euros, in spite of the adverse economic situation.

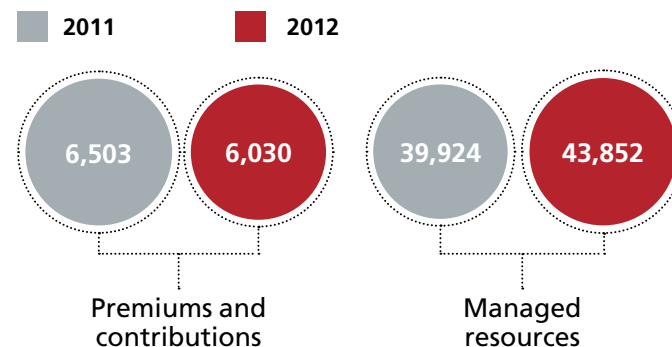


Leadership and increase in market share

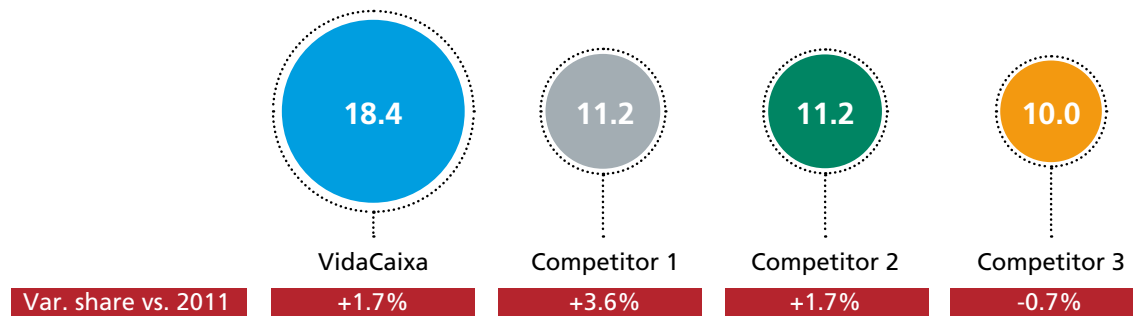
In 2012 VidaCaixa kept its leadership position for yet another year on the complementary social welfare market in Spain, which groups together life insurance and pension plans, with a market share of 18.4% and a growth of 1.7 percentage points with respect to the previous year.

As far as the savings business is concerned, VidaCaixa had premiums and contributions for 6,030 million euros, of which 4,562 millions correspond to life insurance and 1,003 to pension plans.

Consolidation of the leadership position on the market (millions of euros)



Ranking of Complementary Social Welfare (percentage)



Volume of life insurance savings and pension plans.

Source: ICEA, INVERCO and own research.

In the life-risk business, VidaCaixa grew by 10.1%, with premiums amounting to 466 million euros, which meant an especially relevant increase, taking into account the recession on the market. This rise was fundamentally due to the good behaviour of the

individual life-risk business, which rose by 11.3%; also, the positive evolution of the SME and self-employed segment, which increased by 9.5%, and lastly 8.5% rise in group and company insurance.

Evolution compared to the market (percentage)

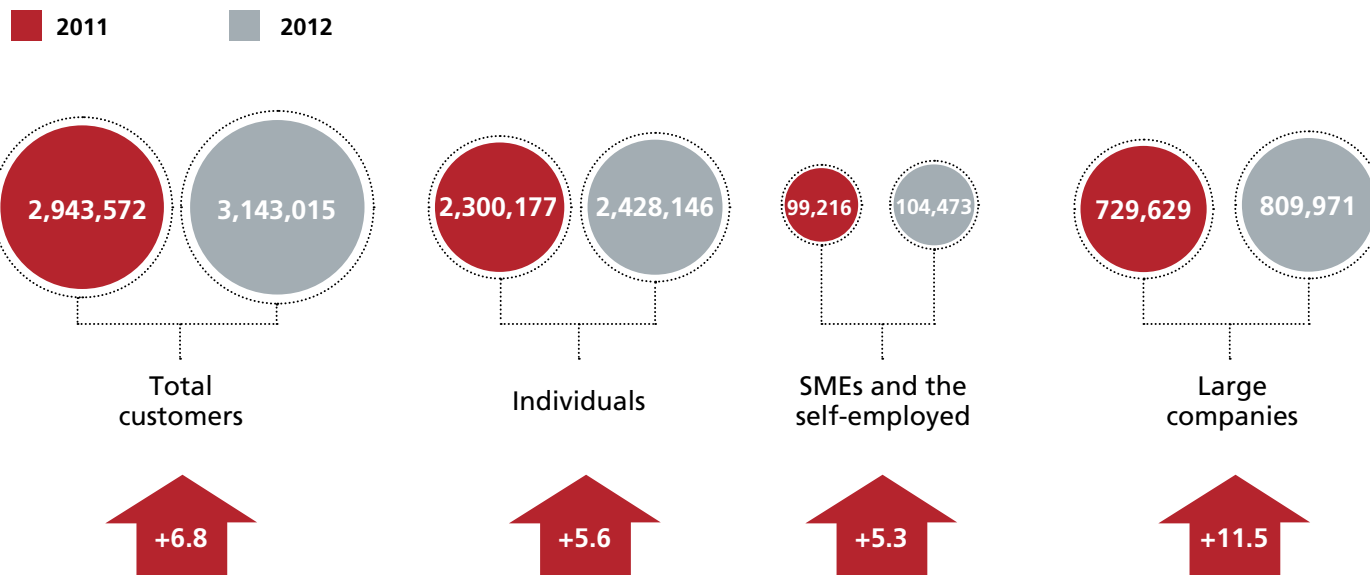
	Branch	Ranking	Market share 2012	Growth VidaCaixa Grupo vs. Market
Premiums	Life-risk	1 st	12.3	-3 11
	Life-savings	1 st	19.1	2 12
Managed resources	Pension plans	2 nd	16.5	4 6
	Complementary social welfare	1 st	18.4	3 13



Source: ICEA, INVERCO and own research.

This positive evolution was translated into an increase in the number of customers and participants up to 3.1 million customers, 6.8% more than in 2011, while growth was experienced in the three customer groups.

Strong growth in customer base (number of customers)



Evolution of individual customers

Personalised advice based on the knowledge of the specific needs of different segments of individual customers, allowed VidaCaixa to better focus its response through a wide range of savings and welfare products accompanied by an excellent service.

In this sense, the anticipation of the welfare needs of customers, derived from the demographic change and the moment of retirement and the strengthening of marketing actions let VidaCaixa achieve major increases in the degree of market penetration for individuals.

Life-savings insurance and pension plans for individuals

VidaCaixa's volume of managed resources in life-savings insurance and pension plans reached 27,706 million euros, 12.2% more than in 2011, in spite of the adverse economic situation of the country.

Among the principal factors that contributed to the good behaviour were the commercial dynamism of the professionals of the sales network and the design and introduction of new products devoted to the personal and private banking segment.

Premiums and contributions of life savings reached 3,622 million euros, which was a decrease of 11.5% over the figure in 2011 due to the fall in family savings and the worsening of the work market and the persistence of the economic crisis. The total



volume of savings managed stood at 19,906 million euros, 15.8% more than in 2011. The good behaviour of annuities stood out as they continued to take in savings from individual customers and consolidate the product with the highest volume of savings in the VidaCaixa portfolio. In addition to the annuities, it is worth mentioning the guaranteed pension plans (PPA as per Spanish acronym) that had a 44.7% increase with respect to 2011, reaching 927 million euros.

While the market only increased 28.1% contributions to individual pension plans suffered a decrease with respect to 2011, in line with what happened in the whole market. This evolution was basically due to the transfer of the PPA contributions, which had started in previous years. The joint volume of contributions to pension plans and PPA –net of transfers between products– increased by 16.5% in 2012, reaching a total of 1,608 million euros and a market share of 16.9%.

VidaCaixa is the leading company in individual pension plans and guaranteed pension plans in terms of managed savings with a market share of 16.9%



Life-risk insurance for individual customers

In spite of the economic situation and the standstill in the real estate market, VidaCaixa experienced a relevant growth of 11.3% in the individual life-risk business. This favourable behaviour was due to the excellent evolution of the traditional life insurance, which offset the lower development of insurance linked to loans.

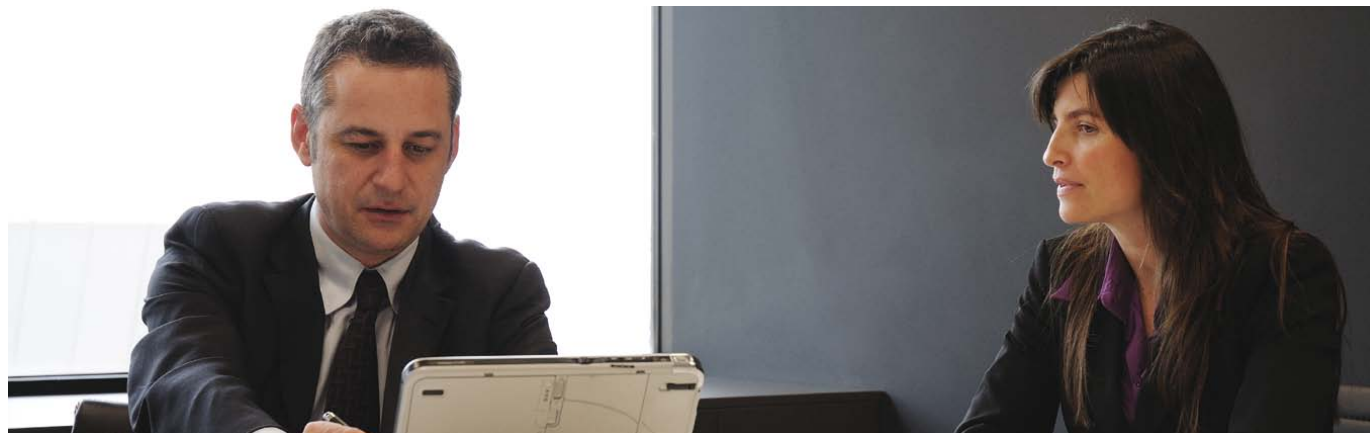
Insurance for SMEs and the self-employed

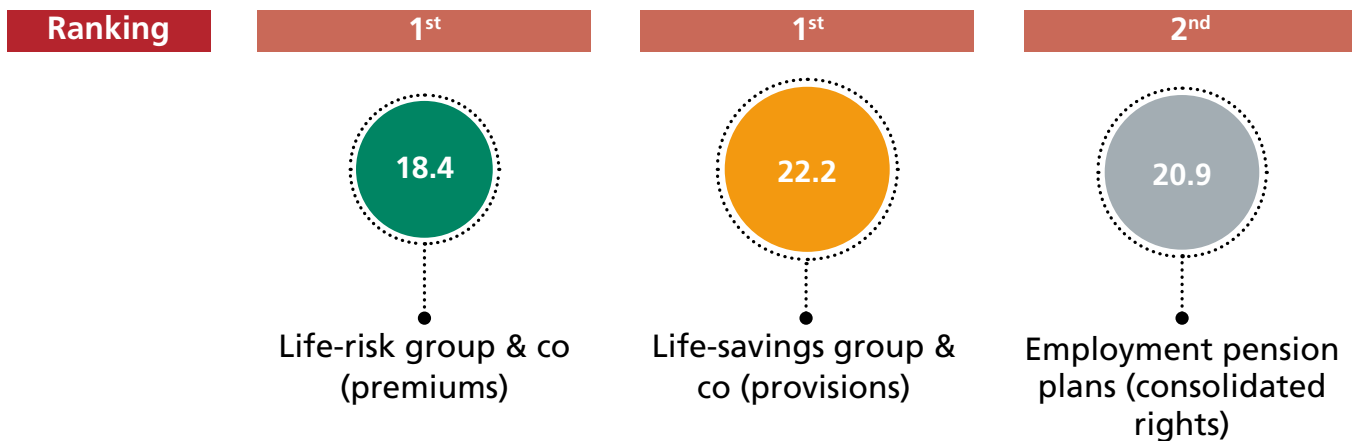
VidaCaixa's commitment to SME and self-employed customers, started years before, continued true to form in 2012. The wide choice of products that make up life insurance, covers for obligations derived from

the different labour agreements and pension plans, comprise one of the main levers for the growth achieved in this segment. In 2012 the good acceptance of these products pushed the volume of premiums up by 9.5% more than in 2011 to 29 million euros.

Insurance for groups and companies

VidaCaixa Previsión Social, market leader in complementary social welfare for business in Spain, is the brand under which it operates in company business, selling life-risk and life savings products. In both businesses it is the leading company in the ranking of premiums while pension plans come in second place.



Leadership in market share (percentage)

Source: ICEA and INVERCO.

The total amount of managed savings reached 16,165 million euros, 6.1% more than in 2011, of which some 6,982 came from employment and associated pension plans, which enjoyed an increase of 7.1 % over the figure in 2011. 9,165 million euros correspond to life insurance for groups and companies, with an increase of 5.3% over the previous year.

In the life-savings business, premiums sold rose to 940 million euros, 69.6% more than in 2011, thereby offsetting the fall in pension plans, which was 322 million euros, 53.6% less than in 2011.

In the life-risk and accidents business premiums topped at 209 million euros or 8.6% higher than in 2011.

It is worth mentioning that the good evolution of the group and company business has an even more positive reading if one bears in mind that the life-risk market for companies fell by 7.7% and the life-savings business for companies went down by 4.1%.

Excellent behaviour of the ordinary business, profitable and sustainable growth

In 2012, the good performance of the business allowed us to achieve excellent results of 339 million euros.

Commercial dynamism, on top of strict risk management, combined with a policy of rationalisation

of costs enabled the company to reach a recurrent operating margin of 401 million euros or 25.0% more.

Profit and Loss account (millions of euros)

	2011	2012	Var. 12/11
Technical margin	332	386	16.3%
Income over Equity	42	66	57.1%
Contribution margin	374	452	20.9%
Operating expenses	-53	-51	-3.6%
Operating margin	321	401	25.0%
Equity method	61	52	-15.6%
Extraordinary profits	815	653	-19.9%
Profits before taxes	1,197	1,106	-7.6%
Taxes	-285	-316	10.8%
Net profit	912	790	-13.4%
Recurrent net profit	279	339	21.2%

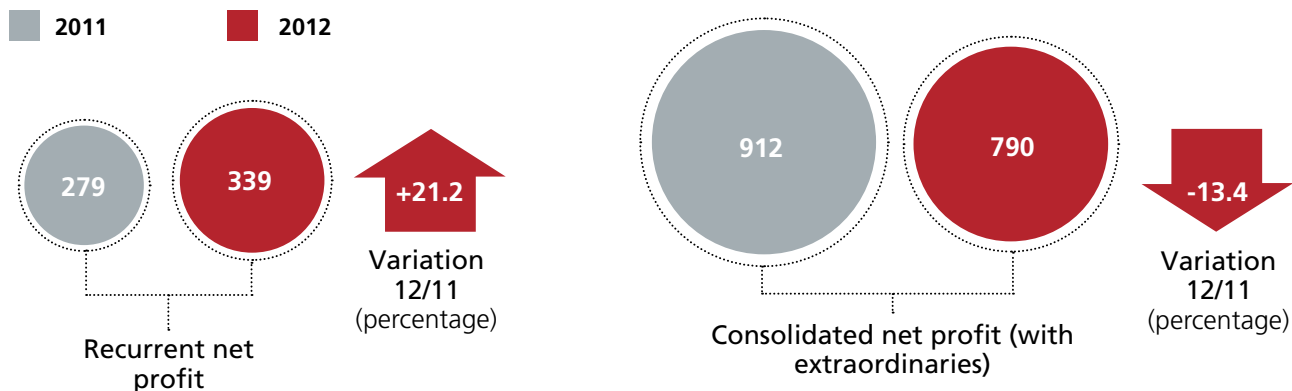
Strong increase in recurrent profit

- 452 million euros in our contribution margin that pushed up a solid growth in recurrent profits.
- Increase in managed resources and a larger portfolio of risk premiums, together with opportunities found in investment management.
- Contentment and reduction of expenses.

Adding the reinsurance operation of the life-risk portfolio with Berkshire Hathaway to the positive behaviour of the recurrent profit and the equity method of the results of SegurCaixa Adeslas, the net profit of the Group was raised to 790 million euros.

This excellent tendency shows the capacity of VidaCaixa to generate results year after year, thereby fulfilling the strategic goals of the business, strengthening the solvency of the company and creating a huge capital and trust reputation among its stakeholders.

Profitable and sustainable growth of the business (millions of euros)



Principal management ratios

VidaCaixa's good results go hand in hand with excellent management ratios.

Operating expenses

Thanks to the strict budget contention and policy, expenses fell by 2%.

VidaCaixa's budget policy continues to be marked by a constant effort to reduce and rationalise expenses, without customer service being affected.

(percentage)

■ 2011

■ 2012



Efficiency ratio

The behaviour of the efficiency ratio points to the good health of VidaCaixa, insofar as it produces more but uses fewer resources to do so.

Starting with a low ratio more is achieved than in the previous year.

(percentage)

■ 2011

■ 2012



ROE (Return On Equity)

Although the ratio fell by 1.1% in 2012, the recurrent profit is measured on equity and, in this case, the drop in the ratio is due to the increase in capital carried out in 2012.

(percentage)

■ 2011

■ 2012



Solvency margin

VidaCaixa increased its solvency margin with the aim of reinforcing its balance sheet, which is a sign of the commitment of the company to its main shareholder and customers. The margin increased with respect to 2011 and stood at 2.1 times the legally required minimum.

(percentage)

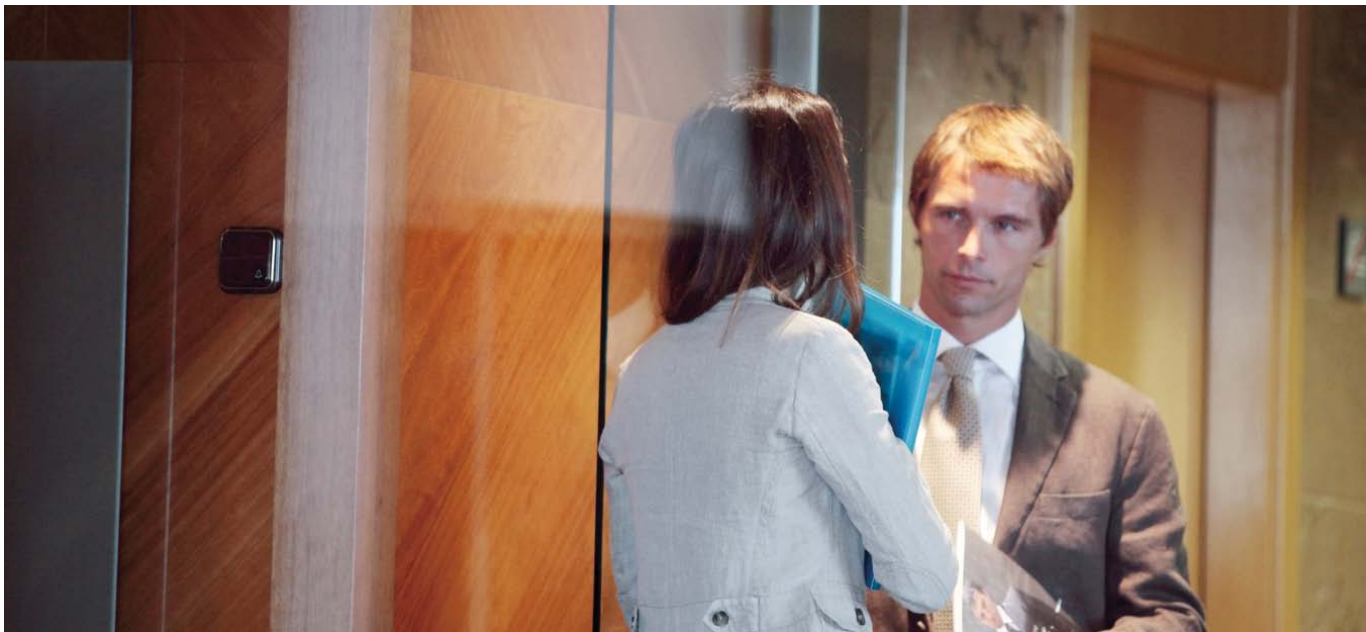
■ 2011

■ 2012

190

207

+17



6

Future challenges



Challenges are posed every year and their performance and degree of accomplishment is reported at the close of the year. In line with what the stakeholders reported, for 2013 the challenges posed are more strategic given that VidaCaixa works hard to accomplish them far beyond committing to a specific and determined action or proposal.

The 2013 challenges, classified by the stakeholders, show VidaCaixa's commitment to the needs of its customers, employees, society and the environment.

To consult the accomplishment of the 2012 challenges, [click here](#)



Customers

Leadership in the sustainable management of investments, solvency and risk control

Attend and participate in Spainsif in order to create and spread knowledge about Socially Responsible Investment (SRI).

Progress and advance in analyses to detect investments in companies that do not respond to SRI criteria.

Advance in the control and management of risk, fulfilling the new regulations (Solvency II) and participating in studies of impact and voluntary sectorial initiatives.

Innovative products and sustainable insurance and welfare

Adapt the processes to construct a value proposal suitable for the SME and self-employed segment.

Take advantage of commercial synergies with customers of "la Caixa" to develop a financial-insurance offer for SMEs and the self-employed.

Offer new welfare and savings products for retirement.

Align the company insurance service with the present services offered to employment pension plans and individual products.

Develop structured products under the body of Unit Linked.

Develop products oriented towards telemarketing.

Security and transparency in the relationship with customers

Finish the revision of the outstanding services contracts.

Improve the control processes of subscription via data transmission: telephone and *Línea Abierta*, as well as finishing outstanding contracts.

Analyse the online processes that have the greatest number of withdrawals.

Accessibility to products and services

Continue to improve product operations.

Improve the Contact Center service for managers and channels based on their needs.

Advance in the on-going project that aims at making the access to the technology of the *Línea Abierta* web of "la Caixa" available to policyholders of *VidaCaixa Previsión Social*.

Develop a commercial action plan with the goal of doubling users on the platforms for brokers and group policyholders.

Customer satisfaction

Maintain and extend the present system of surveys and improve the perception of quality.

Maintain or improve the position in the rankings of external studies.

Integrate the management of the life insurance portfolio of Banca Cívica.

Employees

Commitment to quality employment

Identify and retain the talent and resources needed to guarantee the VidaCaixa Project.

In the present economic crisis, maintain the challenge of parallel and compensated development of the business and the staff.

Selection, welcoming, retention and satisfaction of employees

Consolidate the management model of competences and retention of talent.

Maintain the EFR certification.

Consolidate the work model of the Best Place to Work within the framework of "Nuestro Proyecto VidaCaixa" (Our VidaCaixa Project).

Training and professional development

Definition of the Training Plan based on the new scope of action of the company.

Consolidate the Management Model by attitudinal competences.

Dialogue, participation and communication

Launch the Internet for the scope of VidaCaixa and AgenCaixa, as a new channel of communication that guarantees an optimum and efficient level of information of the communication process.

Maintain and adapt the BSC/PSC to the new organisational structure as a tool of communication of the strategy and alignment of the effort and dedication of the people to the objectives of the company.

Mechanisms of compensation, advantages and social benefits

Maintain the system of total compensation that includes fixed salary, variable and social benefits.

Commitment with labour rights

Maintain the gradual application of the labour agreement.

Carry out PRL activities in accordance with what is set out by law.

Implement the Equality Plan.

Culture in favour of Innovation

Monitor the implementation of the Code of Ethics and the complaints channel.

Strengthen the Internet as a space for innovation and participation.

Use the Efficiency Model so it is a lever in the search and analysis of those activities that are sensitive to optimising and getting a better efficiency ratio.

Society

The social function of insurance and welfare activity

Continue researching, with important university organisations, into themes related with welfare and insurance.

Continue with the organisation of the control committee forums and other training events.

Presence of the Company in society

Continue reinforcing *Retorn* as an instrument to channel the participation of employees.

The environment

Strategy and management of the environmental impact

Start the definition of an environmental policy approved by the management and transmitted to the staff.

Implement Corporate Social Responsibility when hiring suppliers.

Push forward the actions for accessible communication on an internal level in order to spread good environmental practices and provide information on consumption.

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For further information

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