

Report on Corporate Responsibility of the BPA Group 2013



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1

The BPA Group and Corporate Responsibility



Commitment to society

In 2008 Banca Privada d'Andorra gave an undertaking to publish a Corporate Responsibility report each year with a two-fold objective: to define the identity and the values of BPA and to bring BPA's commitment to do business in a sustainable manner and contribute to social welfare to the attention of its stakeholders and society as a whole.

Since then, there have been many changes both in the external economic, financial and social environment and in the structure of the BPA Group, and this has generated new demands with regard to managing Corporate Responsibility, which we are seeking to respond to. This Report on Corporate Responsibility of the BPA Group reflects our wish to provide relevant, full and complete information on the Group's contribution to environmental, social and economic sustainability.

Sustainable growth

BPA has developed with the passage of time, and today it is an international financial group that is making constant progress. This progress is the result of a growth strategy based on quality control and which is sustainable in the long term. In recent years, the Group has increased in size – it more than quadrupled its number of employees to 556 between 2004 and 2013 – and it has also diversified its geographical presence. The Group is currently a leading player in the Andorran banking market, the original market of its parent company BPA, and also in the Spanish banking market, where the Group's subsidiary, Banco Madrid, was a leader in terms of solvency in 2013. This Report on Corporate Responsibility has sought to adapt to the changes that the Group has undergone in recent years and to offer an overall view of BPA Group policies in this area.

Social impact

As far as the environment in which the BPA Group carries on business is concerned, there can be no doubt that the international financial crisis has resulted in customers, employees, regulators and society in general placing greater demands on banks to behave responsibly, ethically and transparently. At the same time, corporate responsibility is currently considered to be an asset that can make a significant contribution to achieving sustainable development and a highly competitive social economy. The function that banks play is essential from this standpoint because the proper functioning of the financial system, which is essential for economic and social development, depends to a large extent on the way in which they manage their activities.

Presentació del llibre sobre l'emissió de moneda a Andorra

Ajuts a les persones amb minusvalidesa

BPA aportarà fins a 150.000 € per

Nacional als Tallers Ocupacionals Xeridell

La Fundació i l'Escola Especialitzada Nostra Senyora de Meritxell renoven el seu acord per cinc anys

SOLIDARITAT Els joves van començar l'estada ahir.

Fundació BPA col·labora en la formació de voluntaris

Tretze beneficiaris de les beques de BPA

In Europe, the adoption of the Principles of Corporate Social Responsibility by businesses has been traditionally supported by Community institutions, which view corporate responsibility as a tool for the development of the European project. In 2011, the European Commission presented a new definition of the Social Responsibility of Corporations as the "responsibility of corporations for their effect on society". The BPA Group has adopted this message as it is aware that its activity, in addition to generating financial returns, affects people, their surroundings and the environment. For this reason, the BPA Group includes social, environmental and ethical concerns in its business strategy and in its day-to-day financial activities. With this commitment to the principles of Corporate Responsibility, the BPA Group seeks to maximise the creation of value shared with its customers, employees, shareholders, and in the widest sense, with society as a whole.

1. "A renewed EU strategy 2011-2014 for corporate social responsibility". Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM (2011) 681

2013 edition

The aim of the sixth edition of the BPA Report on Corporate Responsibility is to give an overall view of its Corporate Responsibility actions within the context of its financial activity. The report begins with the presentation of the BPA Group, its most noteworthy financial operations, its organs of governance, its code of ethics and the values that define its business culture. The Report then looks at various aspects of the relationship between the BPA Group and its environment and other economic operators; the most important elements define the relationship between the BPA Group and its employees. The next section centres on the links between BPA and society in the form of its actions in the social, cultural and sporting arenas. The Report then reviews the activities of the Banca Privada d'Andorra Private Foundation, the entity through which BPA channels most of the works related to its social, welfare and environmental commitments. The final section contains an economic assessment of the Corporate Responsibility of the BPA Group.

The 2013 edition of the Report on Corporate Responsibility of BPA makes it clear that the group is still engaged in an ongoing project to promote good social, economic and environmental health, and that it continues to uphold its commitment within this area to its stakeholders and to society as a whole.

Diversity and inclusion of staff

BPA wishes to emphasize its commitment to diversity and the inclusion of different groups on its staff under conditions of equality, as well as its commitment to maintaining high levels of quality in the working conditions of its workers. The BPA group was awarded the Family Responsible Business certificate of the Más-familia Foundation once again in 2013 as recognition of its human resources policy designed to encourage diversity, quality work conditions and conciliation. BPA has also reasserted its intention to contribute to the dissemination of culture, and the assigning of the *7 Poetes* sculpture by the sculptor Jaume Plensa to the Community of Andorra la Vella deserves special mention here. This project was carried out during 2013 and it concluded with the transfer ceremony at the beginning of 2014. This represented a unique opportunity to bring art closer to the people and to contribute to the promotion of cultural tourism and the quality of the Principality of Andorra.

The activities referred to in this Report were made possible thanks to the co-operation, ideas, involvement and enthusiasm of all the BP Group team.

The Quality Control Department invites you to use the following email address for any additional information, consultations or comments related to the matters dealt with in this Report: atencioclient@bpa.ad.

2

Activity, Corporate Governance and Code of Ethics of the BPA Group

A growth strategy based on quality control

Banca Privada d'Andorra is a fully Andorran entity, which has been providing financial services in this market for more than 55 years. The entity was incorporated as a public limited company in Andorra in 1958 under the name Banca Cassany, and the name was changed to its current form in 1994.

BPA has achieved a solid reputation as a reliable institution thanks to its conservative and prudent management of risks. The company has also combined high levels of management quality with a process of constant growth.

BPA initiated an expansion plan in 1993 to consolidate its international presence. The BPA Group currently has a presence in six countries: Andorra, Spain, Switzerland, Luxembourg, Panama and Uruguay.

2011 was a decisive year in the growth of BPA with the purchase of Banco Madrid, the Group's Spanish subsidiary. Banco Madrid carries on the activity of a private bank together with the management company Banco Madrid Gestión de Activos SGIIC and the securities firm Interdin, which is also owned by BPA.

In 2012, the growth of the BPA Group in Spain took another step forward with the acquisitions of Nordkapp in 2012, Liberbank Gestión at the beginning of 2013 and BMN Gestión de Activos at the end of 2013, which became effective in 2014. These incorporations have allowed the Group to increase its size, position itself geographically in strategic markets and further its objectives as a private bank.

The BPA Group's expansion continued in 2013 with turnover growing by 26% to reach 8,071 million euros

The growth of BPA itself, together with the acquisitions it has made, saw turnover reach 8,071 million euros in 2013, which was a 26% increase on 2012. The Consolidated Net Result was 20.5 million euros in 2013 and there was a significant improvement in the financial, ordinary and operating margins.

The expansion of the BPA Group has taken place within the context of the Group's strategic growth plan, which aims to reach an AUM level of 12,658 million euros and a Consolidated Net Profit of 37.7 million euros by 2017. This plan sees consolidation and the development of the synergies of the Group as a way of improving results in the coming years.

The organs of governance of the BPA Group

The composition of the BPA Board of Directors is as follows:

BANCA PRIVADA D'ANDORRA. BOARD OF DIRECTORS

| | |
|---|----------------|
| Higini Cierco Noguer | PRESIDENT |
| Ramon Cierco Noguer | VICE-PRESIDENT |
| Frederic Borràs Pàmies | DIRECTOR |
| Ricard Climent Meca | DIRECTOR |
| Joan Pau Miquel Prats | DIRECTOR |
| Bonaventura Riberaigua Sasplugas | DIRECTOR |
| Rosa Castellón Sánchez | SECRETARY |

The organization chart is headed by the Managing Director of the Group, Joan Pau Miquel Prats, and the Management Committee of the company is made up of five Assistant General Managers (Santi de Rosselló Piera, Joan Cejudo Peña, Xavier Campos Tomàs, Cristina Lozano Bonet and Juan Carlos Peón Melón), two General Sub-Managers (Josep Antoni Rivero Carrizo and Carles Izquierdo Mor), the Head of the Legal Department and Secretary of the Board of Directors (Roser Castellón Sánchez) and the International Legal Adviser (Alfredo Español Guijarro).



Code of Ethics of the BPA Group

The BPA Board of Directors approved the current Code of Conduct of the Banca Privada d'Andorra Group at a meeting held on 28 November 2011.

This document contains the ethical principles and rules of conduct which all staff, managers and directors must observe in their activities within the BPA Group. It also re-states the mechanisms of an organisational nature that the BPA Group has adopted to ensure a level of control and supervision suited to achieving its objectives in the field of Corporate Responsibility. From this perspective, professional ethics is not just a deontological requirement; it is also the expression of the way in which the Group wishes to carry out its activities, and indispensable material for building solid and lasting links with its stakeholders (customers, shareholders, staff, suppliers, institutions, competitors and the rest of society), and in more general terms with the entire surrounding area - economic, social and environmental - in which the Group does business.

The Code of Conduct of the BPA Group defines the basic elements of its corporate culture, and together with its ethical principles and rules of conduct, they are the expression of a public commitment that the group has made to the community.

The BPA Code of Conduct sets out the Group's commitment to its environment and represents the base for building solid links with society and stakeholders

BPA also expressly accepts the Code of Ethics and Conduct published by the Andorran National Financial Institute (Institut Nacional Andorrà de Finances or INAF) on 31 March 2006, and it supports the decision of the INAF to lay down a framework for professional discipline in the sector through rules designed to strengthen the good name, reputation and prestige of the Andorran financial services industry and to prevent any practices that might infringe supervisory guidelines and good usages and customs.

BPA also has an Audit and Control Commission (ACC) chaired by an independent director. The purpose of this Commission, which operates without deference to the Group's commercial interests, is to ensure the independence and effectiveness of internal control functions related to the process of preparing financial information, risk management and control, the selection of the auditors proposed to the Board and the preservation of the corporate integrity of the BPA Group.



Values of the corporate culture of the BPA Group

Banca Privada d'Andorra is an independent financial group, with a desire to lead, which includes a set of values within a traditional banking model that defines its corporate culture to allow it to respond to the demands of customers, other stakeholders and society as a whole.

The management of the BPA Group is characterised by confidentiality, transparency, security and ethical values. Quality and rigorousness, confidence and personal service are other fundamental values together with communication, teamwork and ongoing training. At the same time, values such as competence, respect, optimism and trust express the commitment of BPA Group employees to offer the best possible service to our customers. All of these principles are applied to a management system geared to the sustainable growth of the Group and the development of an innovative and distinctive set of services that aspire to excellence.

BPA is committed to protecting the interests of its customers and to building solid long-term links based on trust, integrity, quality and personal service. With this philosophy, BPA offers its customers personalised and exclusive services and it designs made-to-measure solutions for the preservation of assets, which at the same time adapt to the dynamics of the financial markets and to the changes that are taking place in the world economy.

BPA relies on talent and training as a means of achieving excellence and strengthening corporate identity, corporate culture and the Group's social dimension. With this in mind, it encourages the professional and personal development of its team and the active participation of staff in the generation of ideas or projects that promote innovation within the group, ongoing improvements to the quality of products and services and the definition of the Group's values, among which respect, trust and optimism are a constant point of reference in its daily business.

Trust, integrity, quality and personal treatment are values forming part of the corporate culture of BPA which inform relations with customers and employees.

BPA returns a part of the profits that it obtains from its financial activity to society in order to help create social cohesion and sustainable economic growth. In this way, BPA develops a number of activities related to the environment, education and training, social action and the promotion of culture and sport, as well as leading initiatives to improve the economy in those territories in which the Group has a presence.

3

The Corporate Responsibility of BPA in the economic field

The principles of responsibility in the management of the BPA Group

Integrity, transparency and the wish to contribute to the development of the Principality of Andorra and the other countries in which the Group has a presence are the objectives of BPA which give rise to the corporate responsibility criteria it applies to management. BPA also seeks to contribute to the development and improvement of public services and infrastructure and to help the community, prioritising the hiring of local employees and suppliers. In order to attain these objectives, the BPA Group applies a series of principles to daily management which define the Group's economic and social responsibility in carrying out its functions as a financial institution.

Integrity

BPA strictly observes Andorran law on the banking sector and the Code of Ethics and Conduct of the Andorran National Financial Institute of 31 March 2006.

Corporate governance

BPA is governed by internal regulations which include the Articles of Association and the functions and organisation of its organs of governance. These regulations lay down a series of rules which must be followed and obeyed by the various members of the commissions.

Economic development of the community

With its resources, BPA contributes to the development of the public sector: it finances operations of the local communal authorities and various quasi-public entities and it participates in the granting of syndicated loans to the government and the communal authorities through the Andorran Banks Association (Associació de Bancs Andorrans or ABA).

Local suppliers and staff

The adoption of a management model based on the ISO 9001:2008 quality standard has brought about an improvement to the selection and assessment of suppliers. Proximity is a priority in terms of helping the Andorran economy to develop. These same criteria are also applied in the various countries in which the BPA Group carries out operations.

Transparency

Transparency is an essential value in all fields of BPA's activity and of the products and services that it offers to customers, who receive regular, precise and comprehensible information.

BPA has adopted the criteria of the European MiFID Directive on financial markets,

The BPA Group prioritises the hiring of local employees and suppliers and seeks to help the economic development of the territories in which it has a presence

which protects investors and provides them with more information in order to ensure that the group's products are in line with their profile and their interests, and it also guarantees the transparency of management and trading in accordance with Law 14/2010 of 13 May on the legal system for banks and the basic administrative system of institutions operating in the financial system.

Regulatory compliance

Banca Privada d'Andorra, SA and the companies which make up the Group are committed, in accordance with current regulations, to the application of all national and international legal initiatives aimed at preventing money laundering and the financing of terrorism.

The fight against money laundering, apart from being a legal obligation, is a priority for all employees, managers and directors of the BPA Group, arising out of their corporate values and ethical code. When confronted with a suspicious activity, employees, managers and directors are obliged to inform the internal control body immediately.

In matters related to money laundering and terrorist financing, the BPA Group is under the supervision of the Financial Intelligence Unit (Unitat d'Intel·ligència Financera or UIF). It also works with the relevant public authorities and with the other entities and institutions that make up the Andorran financial system.

The Money Laundering Prevention Department of BPA has a programme designed to comply with the law on money laundering and terrorist financing. It also has an internal control and communication body

responsible for creating and implementing anti-money laundering policies, and it works in unison with the UIF as laid down by law. The BPA Group has developed due diligence measures based on risk and special diligence measures for correspondent banks, private banks, Politically Exposed Persons (PEP) and the use of government lists of alleged or known terrorists or terrorist organisations. The Money Laundering and Financing of Terrorism Prevention Department has policies and procedures for these specific areas.

The efforts of BPA take on a specific form in the General Policy of the BPA Group on the prevention of money laundering and the financing of terrorism, approved by the BPA Board of Directors on 3 September 2012.

The objective of this policy is to establish the compulsory rules and procedures for all companies of the Group in order to:

- Use operation and analysis and control systems.
- Submit the group's policies and procedures to internal and external review.
- Prevent operations suspected of being linked to the laundering of money or related to the financing of terrorist activity in strict compliance with the law on money laundering and the financing of terrorism, the recommendations of the International Financial Action Group and those of the relevant national and international authorities.
- Have an internal organisational structure and internal policies and procedures that are adequate and sufficient to prevent money laundering and terrorist financing.



- Inform the relevant authorities of operations that show signs of being related to money laundering or the financing of terrorist activity, and any other operations that are laid down in local regulations from time to time.
- Check customer records against the lists of persons linked to these criminal activities issued by recognised bodies.
- Introduce procedures and controls and communication systems to prevent access to the Group by undesirable persons or groups.
- Lay down customer acceptance policies and “Know Your Customer” procedures, and ensure that all employees know these and apply them.

- Implement “Know Your Customer” procedures which ensure standards of identification, verification and knowledge on the part of the employees who work within the organisation

Regulations

In the last regulatory period, a number of laws were passed affecting the financial system and the prevention of money laundering and the financing of terrorism. Particular reference should be made to Law 7/2013 of 9 May on the legal system for entities operating in the Andorran financial system and other provisions governing the carrying out of financial activities in the Principality of Andorra, the main purpose of which is to provide a clearer structure for the law on the Andorran financial system, by bringing together the rules contained in a number of different laws,

and Law 8/2013 of 9 May on the organisational requirements and conditions for entities operating in the financial sector, investor protection, market fixing and financial guarantee agreements, which includes amendments to the law on investor protection and new regulations on the use of privileged information and market fixing.

The law on the prevention of money laundering and the financing of terrorism was amended in this period by Laws 20/2013 and Law 4/2014 amending the law on international co-operation on crime and combating money laundering and the proceeds of international crime and the financing of terrorism, of 29 December 2000, in order to adapt it to the international standards set by the recommendations of the Financial Action Group (Grup d'Acció Financera or GAFI) and the reports of Moneyval. BPA has altered and extended its internal rules to adapt them to these regulatory changes.

Training

One of the main objectives of the BPA Group is to adopt the measures necessary to ensure that all staff receive ongoing training on the regulations concerning the prevention of money laundering and the financing of terrorism and their requirements. For these purposes, general plans aimed at all employees of the companies of the Group are organised and specific courses are provided for those persons most directly involved in prevention measures, in order to help them acquire sufficient knowledge to detect operations linked to money laundering and to take the appropriate action.

Adopt the measures
necessary to ensure that
all staff receive ongoing
training

Recognition of the management of the BPA Group

Fitch Ratings maintains the rating and the prospects of BPA as a long-term issuer

In July 2013 the ratings agency Fitch Ratings gave a new rating to BPA as a long-term issuer and maintained both its BB+ rating and its forecast as stable. The review of the ratings agency stressed the Group's levels of liquidity and capitalisation and the improvement in the quality of its assets, and it favourably viewed the emphasis placed on increasing AUM and profitability.

BPA retains the ISO 9001:2008 quality certificate issued by AENOR

In 2013 after a process of study, documentation and adaptation, the Spanish Certification Association (Asociación Española de Normalización y Certificación or AENOR) renewed the ISO 9001:2008 Certificate awarded in 2011 to the organisation and the technical services of Banca Privada d'Andorra in recognition of their levels of quality. This quality certificate acts as a source of confidence and as a guarantee for all of BPA's partners.

Recognition of AVALOQ as a technological innovation

The R+D+I project for the introduction of AVALOQ technology in Banco Madrid was rated as an innovative technological project by the Spanish Ministry of Industry, Energy and Tourism in 2012 and 2013.



Certificate AENOR.



Certificate IQNet.

Recognition of management quality

One of the main elements on which the reputation of the BPA Group in the world of private banking is based is the quality of its financial management, which has been recognised by independent analysts and publications, and this is reflected in the leading positions that BPA managers occupy in international rankings:

- The British consultancy Citywire named **Gonzalo Lardiés** as the best variable yield manager in Europe in 2007 and as the person with the best returns on the Spanish market in 2010. He was given an A rating by Citywire in 2012, which was renewed in January 2013.
- **Javier Escoda** and **Daniel García**: rated by Citywire among the twenty best managers in Europe in the global variable yield category in 2010 and given a rating by Citywire as Spanish managers in 2011.

The BPA Group's Spanish subsidiary, Banco Madrid, is one of Euromoney's Top 10 private banks and it was nominated Best Private Bank in Spain in 2013 by the financial journal Capital.

The fixed yield fund managed by Banco Madrid Gestión de Activos has also been recognised by Inverco – Association of Collective Investment Institutions and Pension Funds in Spain – as the best Spanish fixed yield investment fund of the last three years (2011-2013). This fund has also been given a maximum five-star rating by the prestigious British publication Morningstar for being the Spanish fixed yield fund with the best accumulated returns over the last three years (35%) and the only one to break the barrier of 10% for annual return over three years.

Among more recent recognitions, the exclusive fund Banco Madrid SICAV Selección has achieved first place among the 25 funds in its category making up the January 2014 ranking of the economic journal Expansión. The investment fund portfolios of Banco Madrid have also received the gold award for best conservative portfolio and the silver award for second best aggressive portfolio in the competition organised by Expansión and AllFunds.

Banco Madrid was nominated the Best Private Bank in Spain in 2013 by the financial journal Capital

Peròdic d'Andorra, 11th January 2013.



The commitment of the BPA Group to communication and transparency

As part of its commitment to Corporate Responsibility, the BPA Group wishes to promote transparency as one of its marks of identity, aware of the fact that providing regular, relevant, clear and reliable information is a key requirement in times of financial instability and uncertainty.

With this in mind, the Group has begun a process of updating and strengthening its communication channels in order to improve the awareness of customers, other stakeholders and society as a whole of the more important economic variables and the activities of the companies that make up the Group.

In line with this approach, BPA redesigned its website in 2013 to make it more accessible, give it a more modern design and allow simpler and more intuitive browsing. This new BPA website provides full

information on BPA products and services to the various types of customer and a full corporate presentation of BPA and the Group's activities in the field of Corporate Responsibility. The website also contains a publications section, which allows access to the annual financial statements, corporate responsibility reports and the various financial disclosure reports prepared by BPA.

BPA and Banco Madrid redesigned their website in 2013 to improve accessibility and to make browsing easier



New design of Banca Privada d'Andorra's web.

Reference should also be made to the work of the redesigned press room of the Banco Madrid website, which provides regular information on both corporate and individual additions to the company and on all the information on the bank that appears in the media. It should be stressed that Banco Madrid maintains a firm commitment to the self-regulation of responsible advertising, and in line with this stance, it is a member of Autocontrol, the leading Spanish body in this area.

As part of the strategy to promote transparency at Banco Madrid, the most important project put in motion in 2013 was undoubtedly the re-designing of the image of the institution and the creation of a new website which is more accessible, more informative, updated and geared to providing a response to the needs of customers and users in general.

In the same way, the website of Interdin, the securities firm that forms part of the

Group, was also re-designed in 2013 and this brought about a significant improvement in the transparency and level of information offered by the firm. As far as operations are concerned, the new audiovisual tools included in the Interdin.com website develop and clearly explain the characteristics of the products, markets and platforms available to customers. At the same time, the Interdin Forex market offers institutional and variable spreads in foreign currencies and full visibility of rollovers in order to show the real cost of the operation at all times. The new Interdin.com blog and the Twitter news feed also make market analysis and strategy available to customers and users on a daily basis and it also monitors the most important developments in the economic situation and the financial markets.

To improve proximity to customers and to society as a whole, Banco Madrid is highly active in social networks such as *Youtube*, *Linkedin*, *Google+* and *Facebook*.



New design of Banco Madrid's web.

Economic publications

Síntesi d'Indicadors

Socioeconòmics d'Andorra 2013

Since 2007, the Research Department of BPA has prepared a six-monthly *Síntesi d'Indicadors Socioeconòmics d'Andorra* (Synthesis of Socioeconomic Indicators of Andorra), which presents the main trends of the Andorran economy to the public through the movements of the key indicators of the Principality's economy and society, in a highly graphic, clear and comprehensible form. This publication is distributed free of charge through the national media.

In 2013, BPA re-designed the content and structure of the Synthesis of Indicators to provide greater analysis of the external setting of the Andorran economy and to emphasize the links and interrelations between the progress of the Principality and that of the neighbouring economies. This new format of the Synthesis of Socioeconomic Indicators was launched in the second number of 2013 published in September. The two numbers published in 2013 stated that 2013 was continuing to be a difficult year for the economy of the Principality, although some indicators had begun to show improvement during the course of the year.



Bon dia, 27th November 2013.



Diari d'Andorra, 8th March 2013.

Quadern d'Actualitat Econòmica

The series published by Banca Privada d'Andorra *Quaderns d'Actualitat Econòmica*, which started in July 2008, devotes each of its editions to new economic laws passed in Andorra.

The twentieth edition, published in March 2013, covered the General Indirect Tax

(IGI). This new tax, which came into force on 1 January 2013, is levied on the final consumption of goods or services, and in the last resort, the economic resources of the final consumer, and it replaces most of the indirect taxes that have been in force up until now in Andorra (IMI, IAC, ISI and IPI), and which had tried in an imperfect fashion to tax consumption in the Principality.



Diari d'Andorra, 26th November 2013.

In November 2013, BPA published *Quadern d'Actualitat Econòmica* Number 9 on the Tax on Income from Economic Activities (IAE), a tax levied on income obtained by natural persons in the course of their economic and business activities.

The aim of these *Quaderns d'Actualitat Econòmica* is to explain the new tax system in a simple and comprehensible way and to illustrate its application by way of examples and case studies. These were prepared by Alfa Capital Assessors & Auditors, published by the Research Department of Banca Privada d'Andorra and distributed free of charge at the offices of BPA and by way of Diari d'Andorra.

The two new editions of the *Quaderns d'Actualitat Econòmica* published in 2013 set out the most recent changes to the Andorran tax system

Editions of the *Quaderns d'Actualitat Econòmica* from BPA prior to 2013 dealt with the new rules on keeping accounts in Andorra, the new Companies Act, the new rules on foreign investment in Andorra, the new Social Security Law in Andorra, the application of the new General Plan of Accounts and Income Tax for non-residents (INR).

Support of economic sectors and business associations

Co-operation with the Farmers' Association of Andorra

The co-operation between BPA and the Farmers' Association of Andorra combines economic forecasting, applied research and respect for the environment, three values that are fundamental for the future of Andorra and which BPA has made part of its management system. At the same time, it associates the name of the Principality with the culture of the land and publicises the quality of its products which have become of vital importance for the country as a tourist destination. As a result of its commitment to this key sector for the Andorran economy, BPA contributes annually to the publication of the activity report of the Association and it takes part in training programmes, seminars, studies, external consultations and other farming-related activities.

The Farmers' Association has continued to work on the promotion of beekeeping. In the months of February and March 2013, it organised the Fifth Basic Course on Beekeeping. The training course of 2013, designed by members of the Beekeeping Commission of the Farmers' Association, to which Banca Privada d'Andorra gave support, was attended by 25 people.

In this context, 2013 saw the country's first Beekeepers' Conference with the support of BPA, which was responsible for designing the material publicising the event and for the promotion campaign in the media. At the Conference, which was attended by a number of well-known personalities from the Principality, experiences were shared and future action



1st beekeepers meeting in Andorra.



Farmers' association activities report, 2013.

discussed for promoting this activity in Andorra and helping with the marketing of its associated products.

The importance of growing black tobacco to the agrarian economy of Andorra and the need for its preservation led the Farmers' Association to organise a training course on tobacco quality in 2013 with the assistance of Banca Privada d'Andorra.

Co-operation with the Chamber of Commerce, Industry and Services (CCIS) of Andorra

In 2013, BPA worked with the Chamber of Commerce, Industry and Services of Andorra on the sponsorship of the 2012 edition of the Economic Report, prepared annually by the Chamber. With this initiative, Banca Privada d'Andorra wished to make explicit its support for the valuable work of the Chamber of Commerce, Industry and Services of Andorra, and by extension, for the efforts of the country's business community to create wealth and contribute to the welfare of Andorran society.

BPA, founding member of the Andorran Family Business (Empresa Familiar Andorrana or EFA)

Banca Privada d'Andorra was one of the promoters of the creation of Andorran Family Business (EFA) in 2002, an association which was created with the aim of encouraging the formation of family businesses and providing technical assistance and training to their members, in order, among other objectives, to plan and facilitate the handover from one generation to another. The EFA includes figures from the sectors most representative of the

BPA co-operated in the special number of the journal *Papers de recerca històrica* research on the issuing of currency in Andorra

Andorran economy among its members as well as the most influential business personalities of the Principality.

Co-operation with the Andorran Sciences Society

In 2013, BPA supported the publication of number 7 of *Papers de recerca històrica*, the journal of the Andorran Sciences Society: This issue titled "The issuing of currency in Andorra. From troubled beginnings to consolidation" was devoted to the issuing of currency in Andorra in view of the future coming into circulation of the first Andorran euros.

In recent years, the Andorran Sciences Society has carried out very important research into the history of the Principality, which has been published in the journal *Papers de recerca històrica*. As an An-

Bon dia, 17th December 2013.



dorran bank open to the world, BPA has taken part in various stages of that research. It is for this reason that it wished to collaborate in this number of *Papers de recerca històrica*, which has been produced to offer an overview of the question and which will surely become a point of reference whenever the matter is discussed.

Banco Madrid with the business world

Banco Madrid supports a variety of associations and institutions from the business world and carries out a number of activities designed to encourage the business sector. The group maintains a firm commitment to the economy and society of the places in which it operates. For this reason, it often works with local suppliers as a means of promoting economic activity, the creation of jobs and the creation of wealth in the regions in which it has a presence.

Banco Madrid was nominated a Patron Company of IESE in May 2013. This is a recognition granted by the prestigious business school to companies that help in the carrying out of short- and long-term projects, such as research programmes, the training of new members of staff or the financing of scholarships. Banco Madrid works with the IESE Business School to promote the training of young lecturers, research, investment in new technologies and the updating of both the library and other facilities.

Another important initiative on the part of Banco Madrid in 2013 was its involvement in the Day of Celebration of the College of Economists of the Balearic Islands, with which a co-operation agreement has been signed granting its members preferential

terms for purchasing banking products and services. Banco Madrid is also an associate member of Cercle d'Economia, based in Barcelona, and the Cercle d'Economia in Mallorca.

In 2013, Banco Madrid also sponsored the 23rd edition of the Forum of the Professional Auditor organised by the Association of Sworn Reviewers of Accounts of Catalonia. This was held under the title "Transparency: Advancing towards new models" with the participation of the Head of Portfolio Management of Banco Madrid as a speaker at the session "Managing your net worth in five steps".

Banco Madrid was recognised as a Patron of IESE in 2013 on account of its support for projects developed by the business school



4

Corporate Responsibility of the BPA Group towards its employees

The BPA Group as a source of quality work

BPA's main asset is its employees. It is for this reason that the Group promotes quality of work, fosters the professional and personal development of its staff and encourages the active participation of employees in the generation of ideas or projects to drive innovation and ongoing improvement in the BPA Group.

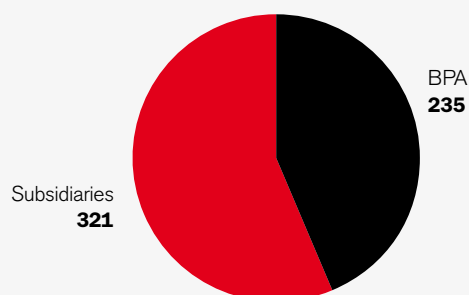
The BPA Group's commitment to employment

The BPA Group is aware that in moments such as the current one, in which the economic crisis is having its worst effects on the labour market, the main contribution it can make to social welfare is to renew the commitment it has always had to employment year after year. The main factor contributing to the growth of the Group is its having the best professional team, and for that reason, in addition to acknowledging the value of those who have been working for years to consolidate the project, it is also continually adding new talent, and bringing in knowledge and experience.

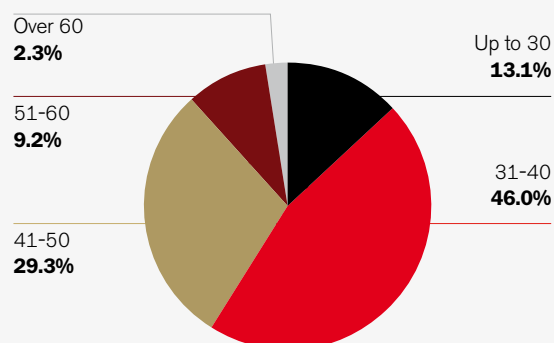
The BPA Group closed 2013 with 556 employees, which is equivalent to growth of 1.6% over the workforce for 2012 and this represents a new record in terms of the number of people within the group. The number of employees of the parent company BPA was 235 at the end of 2013 (1.7% less than in 2012), while for the subsidiaries it was 321, 4.2% more than in 2012.

TOTAL NUMBER OF EMPLOYEES

BPA Group: **556**

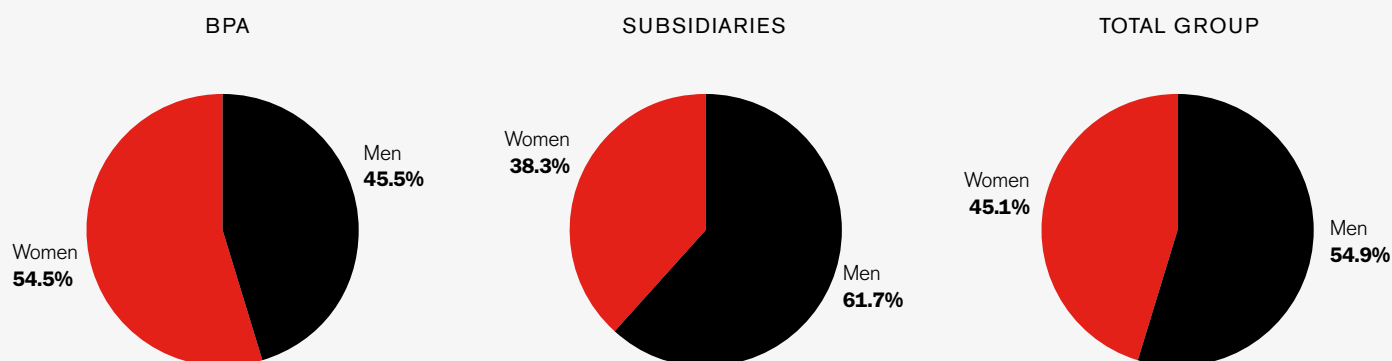


DISTRIBUTION OF EMPLOYEES BY AGE



The number of employees of the BPA Group grew 1.2% in 2013, reaching a new record of 556 people

DISTRIBUTION OF EMPLOYEES BY GENDER



Human Resources Policy geared to stability, diversity and equality of opportunities

The BPA Group promotes long-term, stable quality employment. For that reason, permanent contracts are the normal rule at BPA, and in 2013 96.6% of the Group's employees had such a contract.

Diversity and equality of opportunity are values which BPA has made part of its corporate culture and which are reflected in the Group's staff management policy. The distribution of the Group's total workforce by gender in 2013 shows proportions that were already quite close to parity: 54.9% men, 45.1% women. In the case of BPA, the parent company, women are

in a majority, 54.5% women and 45.5% men, while in the subsidiaries, the percentage of men is 61.7% and that of women 38.3%.

The BPA Group workforce is also characterised by a notable diversity in terms of age.

The distribution of the Group's total workforce by gender in 2013 shows proportions that were already quite close to parity

Support for personal life and work balance

BPA, Family Responsible Business

In 2010 BPA won the Certificate of Family Responsible Business (FRB) awarded by the Másfamilia Foundation with the backing of the Ministry of Health, Social Policy and Equality of the Spanish state. By retaining the FRB certificate in 2013, it has renewed its commitment and seeks to make it part of its identity as a company. BPA is the first Andorran company to receive this certificate as recognition of its policies of work-home balance and equality of opportunity.

Banca Privada d'Andorra has a long tradition of introducing and developing a work philosophy that seeks quality of work, equality of opportunity and a balance between work and family life. One of the central values of BPA is its commitment to people and to society. The FRB certificate acknowledges BPA policies geared towards a balance of work and family life, taking the form of favourable treatment regarding leave, training, banking terms, insurance and pension funds.

The FRB certificate is a tool that provides a simple and effective method for procedures to balance work and family life in companies, which uses a management model based on ongoing improvement, as a response to a new work culture in the context of corporate social responsibility. A series of requirements must be complied with in order to obtain the FRB certificate and these help strengthen the commitment to corporate responsibility. The FRB certificate emphasises that the company has adopted measures which go above and beyond those which it has

to comply with by law, in order to ensure that employees have quality employment, social benefits, employment and spatial flexibility, family support measures and opportunities for personal development.

The process for the renewal of the FRB certificate in 2013 involved a re-certification audit with a complete review of the procedures, objectives, plans and programmes and indicators that BPA created in order to comply with rule EFR 1000-1, and ongoing improvements in all the measures that were proposed in the search for a balance between work and personal life. This audit included confidential interviews with staff to verify the effectiveness of the measures introduced to achieve a balance between work and personal life. The results showed that BPA has been able to balance the need for greater organisational efficiency due to the economic difficulties of recent years and the implementation of measures which, without involving large financial outlays, lead to greater employee satisfaction.

BPA is the first Andorran company to receive a certificate of Family Responsible Business in recognition of its policies of work-home balance and equality of opportunities

Professional and personal development of BPA staff

Professional and personal training and development

Training is fundamental at Banca Privada d'Andorra. It contributes to maintaining the management capability of employees and makes their knowledge develop in tandem with the development of the banking industry and that of society.

BPA makes great efforts to promote the training of staff in areas such as languages and technical and personal abilities and it also does so through courses specifically devoted to areas linked to bank operations. BPA also grants scholarships for university degrees.

In 2013, BPA employees as a whole received a total of 21,078 hours training, of which 70% consisted of technical training, 23% of language training, 5% of training in the development of personal skills and 2% of training in office automation.

BPA uses staff training to aspire to excellence and promote the development of its professionals

BPA is aware that the constant changes that occur in the financial, regulatory and tax environment imply high training requirements for those working in asset management. For this reason, the Group uses training as a way of moving towards excellence and it promotes the development of the knowledge and technical abilities of its staff. In 2013, the following aspects stand out with regard to the participation of BPA staff in training and certification processes within the area of finance and asset management:

- Banking Management – 354 hours
- *International Certificate in Wealth Management* – 1,870 hours
- Executive Master in Marketing and Commercial Management – 252 hours
- Course on corporate practices and company law – 288 hours

Health and safety at work

BPA organises training sessions on risk prevention. In 2013, campaigns for medical check-ups and flu vaccination were carried out and a total of 199 people participated in these. Technical training sessions with a duration of 630 hours have also been held on specific workplace risks and the emergency plan.

Encouraging employee participation, communication and cohesion within the Group

Canal Grupo

Canal Grupo is a digital internal communication channel of the BPA Group designed to allow employees share in the projects that are implemented, provide regular information on matters of interest to staff and develop knowledge of the Group. At the same time, this tool seeks to generate a climate of trust and motivation, encourage the participation of employees and help internal communication in such a way as to strengthen the identification between employees and the Group from a values perspective.

This new channel seeks to contribute to the dissemination and advancement of the corporate culture and values of the BPA Group by increasing everyone's awareness of it and getting them to participate. In order to advance in this direction, a new intranet of Canal Grupo was introduced in 2013 and all employees of the BPA Group have access to this tool.

BPA Initiatives

BPA also promotes the participation of staff and their involvement in the development of the Group's corporate culture by way of the *BPA Initiatives* project, which rewards entrepreneurial spirit within the organisation. This is an initiatives competition concerning the bank's internal procedures, systems, work practices and labour environment. 24 Group employees took part in the programme in 2013.

BPA Initiatives is based on the fact that employees have a direct and very precise perception of their working environment, based on its more practical and immediate

Canal Grupo encourages internal communication and makes all employees share in the corporate culture and values of the BPA Group

aspects, and this is a very important value which makes it possible to improve and innovate in the management of the bank.

Leisure and family activities

BPA organises various leisure activities for employees with a view to strengthening the links between people within the Group, not only between employees but also between their families.

Among the more traditional and family based events, reference should be made to the Christmas Party and the Festival of Hope, where Father Christmas distributes presents to the children of Group employees. In 2013, a total of 156 boys and girls from three countries in which the BPA Group has a presence (104 from Andorra, 48 from Spain and 4 from Panama) took part in the Festival of Hope. The giving of presents was accompanied by a variety of children's activities and the children of the Group's employees had an opportunity to show their solidarity by giving presents to Càritas for other boys and girls.

The Group's employees also take part in various sporting activities such as the interbank Pitch & Putt championship in the Principality of Andorra.



5

The Corporate Responsibility of the BPA Group towards society

Initiatives of the BPA Group in training

PRACTICAL TRAINING PROGRAMME

In 2013, three students from the Aixovall Professional Training Centre (Sant Julià de Lòria) and one from the Faculty of Economic and Social Sciences took part in the practical training programme agreed with BPA. The aim of this programme is to give young people the opportunity to make contact with the world of work, see the day-to-day workings of a financial institution and contribute to defining their professional vocation and their personal and professional development.

Initiatives of the BPA Group in the field of social action

BANCO MADRID PROMOTES PROJECTS IN THE SOCIAL FIELD

Banco Madrid works with the Adecco Foundation in social and employment integration programmes and with the Juan XXIII Foundation on programmes to help the mentally handicapped.

The Group also signed a co-operation agreement with the Manantial Foundation in 2013 and this co-operation was broadened in 2014 with the signing of two further co-operation agreements. These undertakings state that Banco Madrid will co-operate in the Foundation's project to create an early treatment centre for young people who suffer from mental illness and there will be an increase in the financial support for the Foundation's work within the area of legal guardianship. With these agreements, Banco Madrid seeks to promote the social objectives of the Foundation to protect persons with certain mental illnesses so as to advance their welfare and improve their quality of life.

COLLECTIVE COMMITMENT TO SOCIETY

The initiatives of BPA in the social field are based on the premise that each small individual effort represents a great collective assistance. An example of this philosophy in 2013 was BPA's work with the NGOs of Andorra to combat the devastating effects of Hurricane Hiyan in the Philippines. The combined contributions of the employees and management of BPA, and by the BPA Private Foundation, totalled 10,810 euros for this initiative.

The BPA Group promotes various activities in the areas of training, social action, culture and sport.



Periòdic d'Andorra, 12th December 2013

BPA also works with UNICEF by selling Christmas lottery numbers at its offices, and also through direct participation. There is also a similar process with the Andorran Red Cross and their numbers in the “sorteig de l'Or” lottery.

The Group actively encourages its employees to take part in social activities. BPA prioritises the selection of solidarity products for making small corporate gifts to employees. A noteworthy initiative in this area is the programme implemented in 2013 which involved the collection of presents for children carried out by employees of Banco Madrid in collaboration with Càritas. Employees of Banco Madrid also took part in a blood donation programme promoted by the Red Cross.

Initiatives of the BPA Group in the cultural field

ASSIGNING OF THE 7 POETES SET OF SCULPTURES BY JAUME PLENSA TO THE COMMUNITY OF ANDORRA

One of the most significant initiatives of cultural promotion by BPA was the assigning of the sculpture *7 Poetes* by the sculptor Jaume Plensa to the local authority (*Comú*) of Andorra la Vella, a project which was carried out during the course of 2013 and which concluded with the assigning ceremony at the beginning of 2014.

The sculptures of Plensa have a humanistic basis and seek to relate to people and invite us to think about what it is that makes us human beings. For that reason, they have represented a great transforma-

With the assigning of the *7 Poetes* set of sculptures to the local authority of Andorra la Vella, BPA has contributed to bringing art closer to the public and to the promotion of cultural tourism in Andorra



tion in the field of public sculpture. Plensa's work can be found in the great cities of the world including Frankfurt, Salzburg, Liverpool, Zaragoza, Ogijima, Tokyo, Chicago and Jacksonville. Andorra la Vella has now been added to that list.

Since 2011, the offices of BPA in Escaldes-Engordany have had a work by Jaume Plensa, *Gran latent*, and in recent years it has become a part of the urban landscape. *7 Poetes* has the same desire to connect with people and will come to represent a turning point in the urban sculpture of Andorra.

The assigning of *7 Poetes* represents a unique opportunity to bring art closer to the public and to contribute to the promotion of cultural and quality tourism in Andorra. Behind this initiative is the conviction of BPA that the spreading of culture opens the door to the creation of new knowledge and capabilities by making it possible to come into contact with other environments and perspectives.

WORK WITH THE THEATRICAL ARTS AND THE POPULAR CULTURE OF THE PRINCIPALITY OF ANDORRA

BPA worked with the Andorran theatre company "La companyia és grata" in 2013, which celebrated its 15th anniversary by performing the work "La Gran Nit", a comedy by the Catalan playwrights Josep Maria Miró and Cristina Clemente.

At the same time, BPA's support of cultural activity in the Principality helps to maintain the country's traditions and popular culture. Celebrations as traditional as the Local Festival of Escaldes-Engordany and the Col·legi Sant Ermengol flower show have the support of Banca Privada d'Andorra.



Diari d'Andorra, 9th January 2013.

BANCO MADRID ENCOURAGES THE DISSEMINATION OF CULTURAL ACTIVITY TO SPAIN

Banco Madrid wishes to recover the role that banks have traditionally played in the promotion of culture, and with that in mind it supports and encourages cultural activities that enrich society whilst also backing various patronage activities that promote the spread of culture to Spain.

As part of its activity in this area, Banco Madrid supports the work of the Lázaro Galdiano Foundation-Museum to bring its artistic treasures to the attention of society as a whole.

Banco Madrid also signed a co-operation agreement in 2013 with the promoter of classical music concerts, La Filarmónica, to sponsor concerts with leading international artists and to act as a partner in subsidising tickets for young people. As part of this co-operation, a concert was held in the National Auditorium in January 2014 to pay tribute to the Master Frühbeck de Burgos and those attending were able to see one of the Master's last live performances in front of the Symphony Orchestra



Frühbeck de Burgos and the Denmark Symphony Orchestra.

of Denmark of which he was the conductor. Thanks to his career, Frühbeck de Burgos is considered to be the greatest conductor in the history of music in Spain after Ataúlfo Argenta.

Banco Madrid also offers its support to the Libertas 7 Foundation to encourage culture in the Region of Valencia and to bring art closer to the public of that region. The Libertas 7 Foundation promotes culture by way of institutions such as the Iber Museum of Toy Soldiers, the Valencia Institute of Classical and Oriental Studies and the Iber Library.

Initiatives of the BPA Group in the field of sport

BPA works with a number of initiatives connected to mountain sports, which are aimed at bringing attention to the Principality of Andorra and giving support to young Andorran sportsmen and women.

BPA GSERIES 2013

The BPA GSeries is one of the ways in which the BPA Group presents itself to the world: this a very popular championship and it showcases the Principality of Andorra, its countryside and the country's ability to organise large sporting events. The 2013 edition was eagerly awaited thanks to the very large number of entrants, with teams from different countries and it attracted large crowds. The BPA GSeries is a fully established part of the sporting calendar in southern Europe. It attracts the interest of elite sportsmen from both the world of motor sports and other disciplines who regularly take part in the BPA GSeries.

Organised by the Automòbil Club d'Andorra, Banca Privada d'Andorra has been its main sponsor since the 2010 season. The success of the BPA GSeries is due to the

Feature article on GSeries BPA in *Airbag*.



spectacular nature of this sport, which takes place in an ideal setting: the Grandvalira circuit at the neck of the Envalira pass situated 2,400 metres above sea-level, and with the cold conditions providing a layer of ice over the tarmac, this makes it ideal for sliding and racing.

BPA wishes to promote the identity of Andorra by way of sport. Motor racing is one of the oldest and most popular sports, linked to the mountains in the form of rally driving –with internationally renowned teams and competitors– and more recently racing on ice.

PROGRAMME FOR TRAINING YOUNG DRIVERS IN ANDORRA

As part of the BPA GSeries, the Group runs a programme with Automòbil Club d'Andorra (ACA) to find young drivers in Andorra. This programme aims at training young people as drivers, purely in the sense of driving the car as well as in other respects that are no less important, such as interpreting the regulations, relations with the judges of the races, physical and mental preparation, fair play and the sport's relations with the community. It also includes a joint project with UNICEF Andorra arising out of the group's commit-

ment to a better society and a better world and which in 2013 consisted of sponsoring a charitable sporting event on behalf of UNICEF.

BANCO MADRID SPONSORS THE RENAULT SPORT BANCO MADRID TEAM

Banco Madrid opened a new phase of support in the world of sport in 2013 by sponsoring the participation of the Renault Sport Banco Madrid team in the 2013 Spanish Road Rally Championship. Together with the motor company, Banco Madrid lent its name for this period to the Megane RS N4 driven by Joan Carchat, a sportsman who began his career in the young drivers programme of Automòbil Club d'Andorra and who won the Suzuki Cup in the Spanish championship of 2011. With this sponsorship, Banco Madrid is seeking to promote new talent in the world of motor racing, a sport based on effort, experience and team work, values which the bank fully identifies with.

Young pilots.





6

Corporate Responsibility of the BPA Group in the environmental field

BPA includes environmental criteria in its management plans in order to ensure that the Group's operations result in the responsible consumption of energy and material resources and in waste management that respects the environment.

Management of property and facilities

BPA has been applying energy-saving and emission reduction criteria to its property and facilities for many years, thereby achieving improvements in terms of the reduction of air pollution.

Opportunities are taken to repair or replace equipment to make improvements aimed at saving energy and reducing emissions of greenhouse gases in line with the environmental policy of the Group. The purchase or replacement of air conditioning equipment is decided on the basis of consumption parameters and environmental criteria.

The maintenance of the BPA facilities, which is outsourced to another company, follows the same policy of including environmental and energy-saving criteria.

Saving paper

Saving on the consumption of paper has been one of the priority objectives of the environmental policy of BPA in recent years. BPA encourages customers to use email to consult it from home, thereby reducing

or eliminating the need to print out documents. In addition to a reduction in the consumption of paper, there has also been a fall in the consumption of envelopes and toner for printers.

Recycling

The national waste plan of the Principality of Andorra establishes shared responsibility as one of its basic principles, which consists of all the agents involved -the government, the communities, businesses and the public - working together to solve the problems caused by the generation and management of waste. Within this regulatory framework, the Principality of Andorra has set itself the objective of recovering waste and reintroducing it into the economic cycle, particularly by way of recycling.

BPA assumes the responsibility of managing waste in such a way as to ensure the protection of health, the environment and the countryside. With this in mind, it seeks to minimise the generation of waste and separates the categories of waste produced as much as possible in order to facilitate transport and subsequent re-use at recycling centres.



7

Banca Privada
d'Andorra Private
Foundation

The BPA Private Foundation came into being in 2008 in order to strengthen the actions of BPA in the fields of social welfare, employment and the environment, and to contribute to improving the life of the community. The integration of vulnerable groups and the training of social workers have been its priorities up to the present. In order to carry out its tasks, the BPA Private Foundation works with Andorran associations and entities which contribute their knowledge and experience.

To make its commitment to transparency even more explicit, the BPA Private Foundation submits itself to an annual audit of its accounts. This is a voluntary measure, as the Foundation, on account of its net worth and income, is not obliged to do this by law.

In 2013, the audit was carried out by Alfa Capital Assessors i Auditors, SL, an independent external company, which has

set out to verify that the annual accounts give a true and fair view of the equity and financial position of the BPA Private Foundation, the results of its operations and changes in its net worth in accordance with generally accepted accounting principles and the rules laid down in the General Accounting Plan of Andorra.

Xeridell Occupational Workshops

Xeridell is a programme of Occupational Workshops of the Escola Especialitzada de Ntra. Sra. de Meritxell (EENSM) supported by the BPA Foundation. The co-operation agreement of the BPA Foundation with Escola Especialitzada Nostra Senyora de Meritxel was renewed in 2013. The Occupational Workshop is a model in which employment tasks are the central axis of a structure of activities which is adapted to individual characteristics and needs, and which makes

Periòdic d'Andorra, 5th July 2013.

Ajuts a les persones amb minusvalidesa ►

BPA aportarà fins a 150.000 € per als Tallers Ocupacionals Xeridell

La Fundació i l'Escola Especialitzada Nostra Senyora de Meritxell renoven el seu acord per cinc anys

L'FIM
CARMEN GARCÍA

La Fundació Privada BPA i l'Escola Especialitzada Nostra Sra. de Meritxell (EENSM) van signar el seu acord de col·laboració pel propi any, que permetrà impulsar els Tallers Ocupacionals Xeridell, dedicats a persones amb discapacitat. Tal i com va explicar abans la presidenta de la Fundació BPA, Carme García, la iniciativa per a cadascun d'aquests cinc anys serà d'un mínim de 30.000 euros l'any, adequats a les necessitats dels tallers segons el Pla de Treball que les dues institucions han elaborat conjuntament fa a dia. BPA, la seva aportació que per set de fins a 150.000 euros durant cinc anys i que permetrà millorar els recursos i les condicions dels tallers, que actualment són una prioritat.

García va voler destacar els valors de col·laboració entre persones amb EENSM i la importància de l'ajut en la seva economia per reflectir l'entorn i la integració de les persones amb discapacitat en la vida col·lectiva. La directora de l'escola, Carlota Serra, va dir que amb aquesta aportació es podran fer algunes millores al Tallers, com per exemple la modificació d'activitats i tallers perquè els seus participants puguin fer més del seu treball i millorar alguns aspectes dels seus tallers. A més, permetrà ampliar la gamma de productes que ofereix el taller i elaborar el catàleg comercial dels mateixos.

Serra va voler destacar que l'aportació econòmica de la Fundació BPA no tan sols beneficia als Tallers, sinó que beneficia a tota l'EENSM, perquè per exemple permet organitzar una activitat de formació que es fa cada any amb els 150 treballadors de l'escola.

renova La Tallers Ocupacionals Xeridell es van crear l'any 1988 per contribuir a la integració de les persones amb discapacitat amb dificultats per accedir a un lloc de treball. Funciona com una empresa protegida, donada d'alta al registre de Comerç i Indústria. El 19 de gener del 2007, la Fundació Privada BPA i l'Escola Especialitzada Nostra Sra. de Meritxell van signar un conveni per impulsar els Tallers Ocupacionals Xeridell. El contracte del 2007 ha tingut un efecte molt positiu i el suport econòmic ha permès consolidar l'activitat dels Tallers per fer que la seva funció sigui efectiva i ampliar la gamma de productes que pensa al mercat i han millorat les instal·lacions amb mobiliari ergonòmic i s'ha incorporat una furgoneta per al transport adaptat. Les responsabilitats del centre van afegir abans que amb la col·laboració establerta fins ara s'ha pogut estudiar els seus i diversificar les feines segons les seves característiques, gràcies a un equip de treball més tranquil i estable i garantir que tota els seus tinguin feina continuada.

En aquests anys s'ha donat també un impuls molt important a les activitats socials, que permeten als alumnes integrar-se en l'entorn i augmentar l'autonomia personal.

•• Carme García, Maria Pilar Díaz i el president de la Fundació BPA, Higinio Duran, al·la



Periòdic d'Andorra, 5th July 2013..

it possible to offer handicapped adults a financial incentive and an opportunity for both social interaction and personal development. Xeridell carries out a set of both occupational and therapeutic labour activities aimed at integrating the user to the adapted employment environment.

The Xeridell Workshop applies a work plan – jointly designed by Escola Especialitzada de Nostra Senyora de Meritxell (EENSM), the Workshop and the management of the BPA Foundation – of employment and social-leisure activities, which seek to optimise the functioning of the Workshop. Hence, employment tasks are distributed, sequenced and adapted according to the capacities of the various groups of users in order to obtain continuous occupation over the year. As far as social-leisure activities are concerned, these have a three-fold objective: to provide skills and knowledge for both educators and users; to extend and improve lines of production, and to introduce more participation activities for users.

PROMOTIONAL AND SUPPORT MEASURES FOR THE SCREEN PRINTING AND FINISHED PRODUCTS WORKSHOP

Various measures were carried out in 2013 to promote the work of Xeridell. A new catalogue of articles produced by people in the Workshop has been produced and printed, and in 2013 the catalogue was produced for the first time with 100% of its articles made or personalised in Xeridell. The distribution of the articles produced in the Workshops has also been improved by way of the catalogue. In addition, there were publicity campaigns in the press and on the radio for Sant Jordi's Day and for Christmas. The on-line shop has also been updated and an physical shop was opened during the Christmas present campaign to display and directly sell the products in the new catalogue and bring the work of the users of Xeridell closer to the public. The support of the Xeridell staff was vital in making it possible to open this shop and keep it functioning during business hours.

The publication of the 2013 EENSM calendar also had the financial support of the BPA Foundation, in addition to the contribution from the agreement between the BPA Foundation and EENSM.

SOCIAL-LEISURE ACTIVITIES AIMED AT USERS AND THEIR FAMILIES

In 2013, as in every year, Xeridell organised various social-leisure activities to improve the quality of life of its users by promoting workshops to increase personal autonomy and the quality of life.

The Theatre Workshop continued in 2013, taking up the work of the previous edition and maintaining the number of people taking part. The Dance Workshop, which began in 2012, also continued its work

and the number of participants increased. In both cases the object of the activity is for users to form relations outside the Xeridell environment in their free time.

The traditional Christmas dinner was another part of the leisure activities in 2013 and it was held at the Holiday Inn Hotel, which gave the users of the dance and theatre workshops an opportunity to give a short performance of the skills they had acquired in these workshops.

The families of users also participated in the activities held in 2013. Family members had the opportunity to attend a performance at the La Llacuna Cultural Centre to display the skills acquired during the course in the dance and theatre workshops. A party was also held in 2013 to celebrate the renewal of the co-operation agreement for the families, users and employees of Xeridell.

TRAINING ACTIVITIES FOR EDUCATORS AND USERS

Xeridell also organised training aimed at improving job productivity and widening the knowledge applied in the daily work of educators and users.

Accordingly, in 2013 two educators and a group of users took part in a course to learn how to design and colour silk handkerchiefs. Also in 2013, an educator took a postgraduate course in Cognitive Rehabilitation at the Higher Institute of Psychological Studies (Institut Superior d'Estudis Psicològics or ISEP) in Barcelona with a duration of 120 hours.

Finally, a conference was organised in September 2013 for all the staff of EENSM on "The health of the mentally handicapped: the POMONA-ESP project"

chaired by Rafael Martínez-Leal, Doctor in Psychology, Head of the research unit on Mental Incapacity and Development Disorders of the Specialist Mental Health Service of Villablanca de Reus.

Fundació Privada Tutelar del Principat d'Andorra

The Fundació Privada Tutelar del Principat d'Andorra is a non-profit organisation, which works to improve the quality of life of persons who are incapacitated. Its area of operations is the Principality of Andorra.

The beneficiaries of the Foundation's work are elderly persons who are unable to look after themselves, minors in situations of risk and persons who are legally incapacitated.

The Governing Board of the Fundació Privada Tutelar del Principat d'Andorra is made up of two representatives of the

Periòdic d'Andorra, 2nd December 2013.



Government of Andorra, the President of the Chamber of Notaries, a representative of the seven communities, two representatives of BPA and one representative of Andorran civil society. The Honorary Committee is made up of a representative of each of the Heads of State and the General Syndic.

The Banca Privada d'Andorra Private Foundation is responsible for part of the budget of the Fundació Privada Tutelar del Principat d'Andorra, which is the part that makes it possible to guarantee its functioning. In 2013, this collaboration represented 32% of the total cost of the work of the Banca Privada d'Andorra Private Foundation.

In 2013, the Fundació Privada Tutelar managed thirteen legal guardianships, a curatorship, six pre-guardianships, one property administration and eighteen monitorings. Monitoring consists of ongoing advice and guidance for persons who are not subject to guardianship, because they are not incapacitated, but who need to be supported and guided in life.

Work with other institutions of the Principality of Andorra

UNICEF

The BPA Private Foundation has helped with the printing of *l'Estat Mundial de la Infància*, which has been published by Unicef Andorra for more than 10 years. The subject of the 2013 edition was "Children with disabilities". In view of the work of the Foundation over many years on behalf of persons with disabilities, the opportunity was taken to organise a round table to examine the position of children with disabilities in Andorra.

The Foundation also put into operation the Children Observatory in conjunction with the Unicef National Committee for Andorra and the Centre for Sociological Research (Centre de Recerca Sociològica or CRES). The purpose of the Observatory is to centralise the information on minors in Andorra in order to analyse the phenomena that concern them most and promote measures –political, legislative and social– which contribute to improving their position. The obtaining of this information

Conference on The State of the World's Children with UNICEF.





Bon dia, 17th October 2013.

on minors in the Principality of Andorra is the first step towards studying their situation and making a diagnosis and proposing measures.

LA GAVERNERA CHILD CARE CENTRE

The Foundation works with this Child Care Centre, offering children the opportunity to enjoy summer camps abroad as a way of encouraging boys and girls to learn English and play sports. The collaboration began in 2007 when the Centre won the solidarity prize, which made it possible to organise the holidays for 2007 and 2008. This aid was increased in 2009 and 2010, and in 2011 a co-operation agreement was signed with a duration of 5 years. In 2013, eight boys and girls aged between 12 and 17 were able to enjoy learning and leisure trips to Girona, Menorca and Andorra.

ANDORRAN RED CROSS

The BPA Private Foundation continues to work with the Andorran Red Cross in the

first aid training programme for children. The 2012/2013 edition of this programme had the participation of 889 students from the Spanish, French and congregational education systems.

LOCAL AUTHORITY OF ANDORRA LA VELLA

For the third year in a row, the BPA Private Foundation worked with the local authority of Andorra la Vella subsidising flowers for the elderly at the festival organised on the Day of Sant Jordi.

OUR LADY OF LOURDES HOSPITALITY

The Foundation gives financial support to the delegation of Our Lady of Lourdes Hospitality in the Principality, which organises pilgrimages to Lourdes for the sick and disabled.

CÀRITAS

The BPA Foundation co-operates with the primary care programme of Càritas Andorrana. The objective of this programme is to help persons and families who find themselves in a situation of risk or social exclusion, to respond to their basic and social needs, improve their autonomy and help their personal and family situation.

To achieve these objectives Càritas seeks to detect, analyse and diagnose the causes that give rise to situations of social need or risk and it provides back-up to help the processes of personal and family recovery. It also seeks to deal with situations that might give rise to risk or social exclusion, by confronting the factors that cause this and by developing measures that prevent these problems or social needs from appearing. Càritas also encourages communal social work by participating in its organisation and development in order to improve social conditions in the country.

Tercer curs de 'Cooperació internacional i voluntariat'

Després d'atenció la tercera edició del curs de 'Cooperació internacional i voluntariat' organitzat per la Universitat d'Andorra, en el marc de la xarxa UDA Solidària, amb el suport de la Fundació Privada BPA, segueix la seva organització, que es realitzarà en la seva edició del 2014 amb una durada de 1.000 hores per curs, entre altres accions.

La gran finalitat d'aquesta edició és que el projecte s'hi de les en territori andorrà.

La participació en aquest curs és gratuïta i es realitzarà a l'aula de la Universitat d'Andorra. El projecte es realitzarà en la seva edició del 2014 amb una durada de 1.000 hores per curs, entre altres accions.

que han treballat en aquest curs. El treball de final de curs consisteix a desenvolupar un projecte de cooperació.



La unitat pedagògica que s'ha posat en marxa en el treball de final de curs.

Bon dia, 17th October 2013.



Bon dia, 24th May 2013.

INFANTS DEL MÓN (IDM)

This Andorran NGO, founded in 1999, fights to provide access to schooling, food and medical attention for boys and girls from poor families in developing countries.

As most families cannot afford private classes, the kindergarten of Mon-Khmer began to provide these classes free of charge at the same time as it tried to offer teachers a reasonable salary and improve the quality of teaching.

The contribution of the BPA Foundation is used for the education project of the kindergarten of Mon-Khmer, the objective of which is to provide support to the boys and girls of the community in learning to read and write and attaining the millennium goals concerning education and equality of opportunity between genders, and to promote the progress and development of the country's new generations.

COMISSIÓ UDA SOLIDÀRIA OF ANDORRA UNIVERSITY (UDA)

The BPA Private Foundation and the Comissió Uda Solidària of the University of Andorra jointly promote training programmes on social matters, which include both refresher courses and postgraduate studies.

The objective is to offer training to the professional groups responsible for giving support to the most vulnerable. In 2013, the third edition of the refresher course on international co-operation and voluntary work was held within the context of this convention. A new feature this year is that the final coursework consisting of developing a co-operation project must be developed within Andorra. The purpose of this is to attend to the needs of groups in the Principality that are at risk.

ASSOCIATION OF FRIENDS OF THE SAHRAWI PEOPLE (ADSAPS)

The BPA Private Foundation supported the 2013 edition of the project Holidays in Peace which ADSAPS has been organising in Andorra since 2006, with the assistance of the Catalan Association for Solidarity with the Sahara. The aim of this project is to help children escape from the extreme summer conditions of North Africa, where temperatures can exceed 50°C, and provide them with access to general and specific health care (ophthalmology and dentistry). Holidays in Peace is the result of the disinterested collaboration and efforts of Andorran families who take Sahrawi boys and girls into their homes for two months at a time.



Periòdic d'Andorra, 21st November 2013.

COOPERAND

In 2013 the Foundation began work with the NGO Cooperand in the training of volunteers, with the objective of helping them to acquire skills and abilities that can be applied to their work. In this training programme, participants are shown the problems of street children and strategies are analysed that allow better use of available resources. This initiative is

part of the work of the Foundation aimed at promoting and consolidating voluntary work in the various NGOs of Andorra.

INFORMATION EVENTS

In 2013, the Foundation organised a conference at the Congress Centre of Andorra la Vella entitled "Educate with love" by Dr. Carlos González, the President of the Catalan Association for Breastfeeding and the forerunner of *raising with affection*, at which the fathers and mothers in attendance reflected on the task of bringing up their children.

Dr. González used his visit to Andorra to meet with workers at the maternity unit of Nostra Senyora de Meritxell Hospital, to whom he gave a lecture on breastfeeding and he also shared doubts and experiences. Dr. González also met with the students of the socio-sanitary area of the professional training centre of Aixovall, which allowed the young people to set out

"Education with love" by Dr. Carlos González.



their theoretical and practical doubts and find solutions to them.

Support for young people entering the labour market

TRAINING SCHOLARSHIP PROGRAMME AT THE BPA GROUP

The fourth edition of the programme of scholarships for young students took place during the summer of 2013 and for the first time this year, it was extended to university students. On this occasion, thirteen young people had the opportunity to work at the BPA Group under the scholarship programme during the months of July and August. The opportunity to get to know the different professional roles at the bank and to be active in an employment environ-



Els joves becats van començar l'estada ahir.

Tretze beneficiaris de les beques de BPA

REPORTAGE
RECUPERA LA MALLA

Ahí va començar la quarta edició de les beques d'estada del Grup BPA, que aquest any s'han ampliat i se'n podran beneficiar tretze joves respecte als nou del 2012. Els beneficiaris són vuit noies i cinc nois d'entre 16 i 23 anys, estudiants de batxillerat i formació professional, i també universitaris. Aquests aprenentatges tindrán la vessant tècnica, relacionada amb l'àrea on desenvoluparan l'activitat, i d'hàbits de treball, ja que en tots els casos l'estada al Grup BPA serà remunerada.

Els becats desenvoluparan la seva feina en les àrees d'Organització i Tecnologia, Mitjans de Pagament, BPA Fons, Back Office, Gestió i Control de

Risc, BPA Assurances, Qualitat, Intervenció General i BPA Serveis. La distribució es fa en funció dels seus interessos i del perfil acadèmic. La Fundació Privada BPA va exposar que l'objectiu de les beques és donar suport als joves en un moment en què és difícil accedir al mercat laboral i aconseguir experiència professional. Així, es va indicar que una estada de dos mesos permet veure com funciona un banc per dins (treballant al costat de professionals amb experiència), adquirir coneixements i habilitats relacionats amb la feina que han de desenvolupar, i incorporar hàbits de treball que els seran d'utilitat en el futur. Per BPA, també són una oportunitat per detectar talent, segons es va exposar.

Bon dia, 2nd July 2013.



ment is one of the main attractions of the programme. The programme allows young people to acquire work habits and training experience that can help them define their professional vocation.

For the BPA Group, it is a way of showing its operations to the public and also for spotting talent from among the nation's youth.

Thirteen young people had the opportunity to work at the BPA Group under the scholarship programme in 2013

These thirteen students spent their time at BPA in the departments of Organisation and Technology, Quality Control, Risk Management and Control, Means of Payment, Back Office, General Intervention and Administration, and at the subsidiaries BPA Fons, BPA Serveis and BPA Assegurances.

PROFESSIONAL ORIENTATION SESSIONS

In 2013 a group of 24 students from the Andorran secondary school of Santa Coloma and a group of 19 students from the Andorran secondary school of Ordino visited the offices of BPA to get to know the various professional roles to be found in the banking sector.



8

Corporate
Responsibility of
the BPA Group.
Financial assessment

In 2013 the BPA Group spent 18% of the profits from its operations on measures related to Corporate Responsibility and its stakeholders in the economic, social and environmental areas. This percentage shows the extent to which Corporate Responsibility forms a part of the philosophy of the Group. Responsibility, commitment and sensitivity are the basic principles behind these measures.

Initiatives in the social field (employment matters, programmes for the community, initiatives in the cultural field, initiatives in the sporting field and all measures of the Banca Privada d'Andorra Private Foundation) represent 93.75% of the resources that the BPA Group devotes to Corporate Responsibility, while initiatives in the economic field (publications and working with other institutions) account for the remain-

In 2013 the BPA Group spent 18% of the profits from its operations on measures related to Corporate Responsibility

ning 6.25%. In the latter area, the BPA Group has received quality certificates and international distinctions.

All spending by the BPA Group on Corporate Responsibility is made voluntarily. The BPA Group in Andorra is not under any legal obligation nor does it derive any tax advantage from such spending.

