

BPA Group Corporate Responsibility Report 2012

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1. BPA GROUP AND CORPORATE RESPONSIBILITY

In 2008 Banca Privada d'Andorra (BPA) undertook to publish an annual Corporate Responsibility report, with a double objective: to define the identity and values of BPA, and to inform its stakeholders and society as a whole of BPA's commitment to developing its business in a sustainable way and contribute to social welfare.

Since then many things have changed so much in the economic, financial and social external environment as they have changed in the BPA Group layout. These changes involve getting new requirements for managing Corporate Responsibility which we want to fulfil. This BPA Group Corporate Responsibility report projects our desire to inform in a relevant, comprehensive and overall view about the Group's contribution towards environmental, social and economic sustainability.

BPA has evolved over time and today it is an international financial group that improves day by day. This progress is the result of a growth strategy based on quality management and sustainable in the long term. Over the last few years the Group has gained in size – between 2004 and 2012 it quadrupled the number of employees to reach 547 and it has also diversified its geographic presence. Currently, the Group is a benchmark player both in the Andorran banking market, which is the market source of the parent company BPA, and in the Spanish banking market, where the Group's subsidiary, Banco Madrid, has been the most solvent bank in 2012. The aim of this Corporate Responsibility report is to adapt to the changes that the Group has experienced in recent years and collect in a more comprehensive way the policies of the BPA Group related to this area.

In regard to the environment where the BPA Group develops its activity, there is no doubt that the global financial crisis has raised the demands for a responsible, ethical and transparent behaviour in its banks from its customers, employees, regulators and in general, from the whole society. At the same time, corporate responsibility is currently considered as an asset that can significantly help reach both a sustainable development and a highly competitive social economy. From this point of view, the role of banks is essential, as the quality of its management largely depends on the proper functioning of the financial system, which is necessary for economic and social development.

In Europe, community institutions consider corporate responsibility to be a tool for the development of the European project, and have traditionally promoted the adoption of these Principles of Corporate Social Responsibility among companies. In 2011, the European Commission introduced a new definition of Corporate

Social Responsibility, as “the responsibility of the companies for their impact on society.” The BPA Group has taken these words as its own after being aware of how its activity affects individuals, the current context and the environment, apart from generating an economic return. For this reason, the BPA Group consists of social, environmental and ethical concerns in its business strategy and day-to-day financial activity. Through this commitment to the principles of Corporate Responsibility, the BPA Group wants to maximise the creation of shared value for its customers, employees, shareholders, and broadly, for society as a whole.

The fifth edition of the BPA Corporate Responsibility Report is to be published, for the first time, independently of the Group's financial statements. Consequently, the structure of the report shows slight variations in comparison to the previous editions. The objective of this new report is to provide an overview of the activities of Corporate Responsibility in the context of the financial activity. Thus, the report begins with the introduction of the BPA Group, the highlights of its career in finance, its governing bodies, its code of ethics and the values that define its corporate culture. In the next lines you can find various aspects of the BPA Group's connection with the environment and the economic actors; right after, the most important elements that define the BPA Group's link with its workers. The following section focuses on the connection between BPA and society throughout actions from different fields, for instance: social, cultural and sport fields. The actions of the Banca Privada d'Andorra Private Foundation are reviewed below in this report. This Foundation is the entity for which BPA allocates much of its social, healthcare and environmental commitment activities. The last section describes the economic assessment of BPA's Corporate Responsibility.

The 2012 edition of the BPA's Corporate Responsibility Report reveals that the Bank continues to promote a good social, economic and environmental health and maintains the commitment in this area with its stakeholders and the whole society.

The BPA Group is aware of the current times where the economic crisis is casting its harshest effects on the labour market. For this reason, its main contribution to the welfare of society is to renew its yearly commitment to employment that it has always maintained. Therefore, it is a sign of special satisfaction for the BPA Group to experience a steady growth in its number of employees in recent years, a trend that continued in 2012. Meanwhile, BPA wants to emphasize its commitment to diversity and inclusion in its workforce of different groups under the

1. “A renewed EU strategy 2011-14 for Corporate Social Responsibility”. Announcement from the Commission to the European Parliament, to the European Council, to the European Economic and Social Committee and to the Committee of the Regions”. COM (2011) 681.

same conditions, and to maintain high levels of quality in the working conditions of its employees. In recognition of the BPA People Management policy which was orientated to promote diversity, quality employment and a good work-family life balance, the Company has renewed the 2012 Family Responsible Business Certification awarded by the Foundation Másfamilia.

We want to acknowledge the support of society, who has warmly welcomed the initiative of the Corporate Social Responsibility Report. The activities in this report have been created from the collaboration of ideas, involvement and enthusiasm of the whole team of the BPA Group and have been possible thanks to their efforts.

For further information on these subjects, please contact the Quality Area: atencioclient@bpa.ad.

2. ACTIVITY, CORPORATE GOVERNANCE AND CODE OF ETHICS OF THE BPA GROUP

2.1. GROWTH STRATEGY BASED ON QUALITY MANAGEMENT

Banca Privada d'Andorra is a 100% Andorran Bank that has been providing financial services over 50 years. In 1958, the Company was set up in Andorra as a limited company under the name of Banca Cassany which changed in 1994 to the current name.

BPA has achieved a solid reputation for being a solvent institution thanks to its steady management and caution when taking risks. The Bank has reported high levels of quality management with a process of constant growth.

In 2003, BPA launched an expansion plan to strengthen its international presence. The BPA Group is currently present in six countries: Andorra, Spain, Switzerland, Luxembourg, Panama and Uruguay.

2011 was a watershed year on the growth of the BPA Group because of the acquisition of Banco Madrid, the Spanish subsidiary of the Group. Banco Madrid works on private banking along with the assets management company Banco Madrid Gestión de Activos SGIIC and the stocks and securities company Interdin Bolsa S.V., which is also owned by BPA.

Since 2012, the BPA Group's growth process took another step forward with the acquisition of Nordkapp in Spain in 2012 and Liberbank Gestión at the beginning of 2013. Both acquisitions have enabled the Group to gain size, to be present in strategic markets and to project its targets on private banking.

In 2012, BPA's own growth, along with its acquisitions, showed that its business volume stood at EUR 6,404 million, a 21% higher than in 2011. The results of BPA's net profit for 2012 were EUR 17.6 million, which means a significant improvement in financial margin, ordinary margin and operating margin.

The expansion of the BPA Group is part of its strategic plan for growing, which aims to achieve an AUMs volume of EUR 7,800 million and a net profit of EUR 22.2 million in 2015. This plan forecasts that the consolidation and development of the Group's synergies will increase its incomes in the following years.

2.2. BPA'S CORPORATE GOVERNING BODIES

The BPA's Board of Directors is set as it follows:

BANCA PRIVADA D'ANDORRA. BOARD OF DIRECTORS	
Higini Cierco Noguer	Chairman
Ramon Cierco Noguer	Chairman
Anna Maria Zamora Bonet	Board member
Bonaventura Riberaygua Sasplugas	Board member
Joan Pau Miquel Prats	Board member
Ricard Climent Meca	Board member
Frederic Borràs Pàmies	Board member
Rosa Castellón Sánchez	Secretary

The new organization chart is headed by the Group's Chief Executive Officer, Joan Pau Miquel Prats; the entity's Management Team is comprised of five Assistant General Managers (Santi de Rosselló Piera, Joan Cejudo Peña, Xavier Campos Tomàs, Cristina Lozano Bonet and Juan Carlos Peón Melón), two Deputy General 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 Advisor (Alfredo Español Guijarro).

2.3. BPA GROUP'S CODE OF ETHICS

In a meeting session held on November 28th of 2011, the BPA's Board of Directors approved a new Code of Conduct for the Banca Privada d'Andorra Group.

This report includes both ethical principles and standards of conduct that all employees, directors and administrators should follow in their activities inside the BPA Group. It also echoes the organisational mechanisms that BPA has adopted to ensure the level of control and supervision that are appropriate for the achievement of its objectives in the field of Corporate Social Responsibility. From this point of view, professional ethics is not only an ethical requirement: it also represents an opportunity for differentiation and business success.

The BPA Group's Code of Conduct defines the main elements of company culture, along with the ethical principles and standards of conduct, as an expression of inherent commitment to the community. Making them public, the Board of Directors of the Banca Privada d'Andorra wants to present to its stakeholders, and to society in general, the way how the Group develops its business.

BPA expressly carries out both the ethical standards and the Code of Conduct issued by the Andorran National Institute of Finance (INAF) on March 31st 2006, and endorses the INAF's decision of implementing a framework in the professional regulation of this area by means of rules which aim is to boost a good visibility, reputation and prestige of the Andorran financial activity. Thus, any practice that might violate the guidelines of supervision and good uses and habits can be avoided.

BPA has an Audit and Control Commission, chaired by an independent advisor. The aim of this Commission, which works regardless of the Entity's commercial interests, is to safeguard the independence and the efficiency of the internal control functions related to the financial information making process, the risk management and control, the selection of auditors to be proposed to the Board of Directors and the preservation of the corporate integrity of the BPA Group.

2.4. THE VALUES IN THE BPA GROUP'S CORPORATE CULTURE

Banca Privada d'Andorra is an independent financial group with inherited leadership that within a traditional banking model incorporates a set of values that define a particular corporate culture of its own, with the aim of fulfilling the demands of its customers, of its stakeholders and the society as a whole.

The way in which the BPA Group is managed is characterized by confidentiality, transparency, security and ethical principles. Quality, accuracy, trust and personal service are other fundamental values that are present along with communication, teamwork and continuous training. All these principles apply to a sustainable growth-oriented management of the Group and the development of a range of innovation and differentiation that aims to reach for excellence. This set of values dominates the relationship that BPA has with its customers, shareholders, staff, suppliers and society as a whole.

BPA is committed to protecting the interests of its customers and developing strong and long-term ties based on trust, integrity, quality and personal service. With this attitude, BPA offers its customers personalized and exclusive services, designs customized solutions oriented to preserving their equity which at the same time adapt to the dynamics of financial markets and the changes that the global economy experiences.

BPA commits to talent and training as a way of going forward towards excellence. It also commits to strengthening corporate identity, corporate culture and the social dimension of the Group. For this purpose, it fosters professional and personal development of its staff, while it encourages the active participation of its employees in the generation of ideas and projects that promote innovation within the Group and

the continuous improvement of product and services quality. BPA employees are an active part of the definition of the Group's values. In 2006 they participated in the management by values project and chose competence —understood as professionalism—, respect, trust and enthusiasm as their core values. Being aware of the importance of human capital in the development of corporate culture, BPA organizes activities to promote values among the employees of the Group.

BPA returns to society a portion of the profits generated from its financial activities, with the purpose of promoting social cohesion and fostering a sustainable economic growth. BPA develops several activities related to the environment, education, training, social action and cultural and sports promotion, while leading efforts to make the most of the economy of the regions in which the Group operates.

3. BPA'S CORPORATE RESPONSIBILITY IN THE ECONOMIC SPHERE

3.1. THE PRINCIPLES OF RESPONSIBILITY IN THE MANAGEMENT OF THE BPA GROUP

Integrity, transparency and willingness to contribute to the development of the Principality of Andorra and the rest of countries in which the Group operates are the objectives of BPA which result in corporate responsibility criteria applied by its management. BPA also wants to contribute to the development and improvement of public services and infrastructure, and to benefit the community by prioritizing the hiring of local workers and suppliers. In order to achieve these objectives, the BPA Group applies to daily management a set of principles that define the economic and social responsibility of the Group in the performance of its functions as a bank.

Integrity

BPA strictly complies with Andorran legislation on the banking sector and the Code of Conduct and ethical standards of the Andorran National Institute of Finance of March 31st 2006.

Corporate Governance

BPA is governed by internal rules of procedure which include its articles of association, the functions and the organisation of its governing bodies. This Regulation establishes a set of internal rules that must be respected and demanded of the different members and / or participants of committees.

Economic development of the community

BPA provides with its resources to the development of the public sector: it finances transactions of the comuns (local councils) and semi-public organisations, and it also participates in granting syndicated loans to the Government and the local councils through the Association of Andorran Banks (ABA).

Suppliers and local staff

The incorporation of a management model based on the standard ISO 9001:2008 has brought an improvement in the selection and evaluation of suppliers. To encourage the development of Andorra's business sector, closeness is the priority. This same principle applies in the countries where the BPA Group carries out its activity.

Transparency

Transparency is a core value in all actions of the BPA Group and in the products and services offered to its customers, who receive regular accurate and understandable updates.

BPA has adopted the criteria of the MiFID European Directive on financial markets that protects the investors and provides them with more information to ensure that the Bank's products fit their profile and their suitability, while ensuring transparency management and negotiation in accordance with Law 8/2013, of 9 May, regulating organisational requirements and operating conditions of entities operating within the financial system, investor protection, market abuse and financial guarantee contracts."

Prevention of money laundering and terrorist financing

In accordance with current regulations, Banca Privada d'Andorra, SA and the companies comprising the Group are committed to the implementation of all national and international legal efforts to prevent money laundering and terrorist financing.

The fight against money laundering, apart from being a legal obligation, is a priority for all employees, managers and administrators of the BPA Group, in line with its corporate values and its Code of ethics. In the event of a suspicious activity in this area, employees, managers and administrators must communicate it immediately to the internal control body.

To prevent money laundering and terrorist financing, the BPA Group is supervised by a Financial Intelligence Unit (UIF). It also actively collaborates with the authorities and other organisations and institutions that form the Andorran financial system.

The Department of Prevention of Money Laundering of BPA conducts a program designed to enforce laws against money laundering and terrorist financing. In the same way, it has an internal control and communications unit that deals with the definition and development of the policies to prevent money laundering, and works in collaboration with the UIF in accordance with the terms of the Law. Concerning correspondent banking, private banking, the existence of politically exposed persons (PEP) and the implementation of the Government lists of alleged or known terrorists and terrorist organisations, the BPA Group has established risk-based due diligence measures and enhanced due diligence measures. The Department of Prevention of Money Laundering and terrorist financing has defined policies and procedures to control these specific areas.

The efforts of the BPA Group are specified in the BPA Group's Global Policy on the prevention of money laundering and terrorist financing, whose last update was approved by the Board of Directors of BPA on September 3rd of 2012.

The aim of this policy is to establish standards and procedures that are mandatory for all the Group companies for the purposes of:

- Strict compliance with laws against money laundering and terrorist financing, recommendations issued by the Financial Action Task Force (FATF) and competent national and international authorities.

- Having a proper internal organisation structure and suitable for the prevention of money laundering and terrorist financing.
- Setting performance standards and appropriate communication and control systems to prevent access to the Group of unwelcome people or groups.
- Establishing customer acceptance policies and procedures in relation to the “know your customer” (KYC) and ensure that all the Bank employees are aware of it and implement it.
- Having internal policies and procedures to prevent money laundering and terrorist financing.
- Implementing procedures relating to “know your employee” to ensure standards for identification, verification and knowledge of the employees who work in the Group.
- Not carrying out suspicious transactions related to money laundering or the financing of terrorist activities.
- Using systems of analysis and control of operations.
- Reporting to the competent authorities any obvious transaction that may be related to money laundering or the financing of terrorist activities, and any other transaction being set out by the current local legislation at any time.
- Organizing training sessions for employees.
- Submitting the policies and procedures of the Bank into internal and external audit reviews.
- Contrasting clients' files with lists of people involved in the above-mentioned criminal activities, which are disclosed by expert agencies in this area.

Legislation

BPA has taken all the necessary steps to adapt to the new Andorran legislation. Willing to constantly adapt to international standards, the Consell General (Andorran Parliament) of the Principality of Andorra has approved the Law 4/2011 of the 25th of May, amending the criminal law on international cooperation and to combat both money laundering and securities arising from international crime and terrorist financing. It has also approved the Act of amendments of the Rules that the new legislation has to develop.

Thus, the Andorran legislation includes amendments that turn the preventive measures already implemented by the reporting institutions that require an explicit

planned regulation into a positive right. Moreover, the concept of beneficial owner widens; the regulation of simplified due diligence gets strengthened; and additional measures to protect the regulated entities that make suspicious statements are taken.

Training

The BPA Group has established as one of its priorities adopting the required measures to ensure that all staff receive ongoing training related to regulations for preventing money laundering and terrorist financing, and its demands. For this reason, general sessions are organized for all staff that work in the Group's companies and also specific courses for those who are directly involved in prevention. The purpose of these training courses is to make employees acquire enough appropriate knowledge to enable them to detect operations related to laundering so they can take action in the best way, depending on the case.

3.2. BPA GROUP MANAGEMENT AWARDS

Fitch Ratings improves the outlook of BPA as a long-term issuer

In June 2012 Fitch Ratings issued a new rating of BPA as a long-term issuer, which maintains the level of BB+ and improves the outlook from negative to stable. This positive review by the rating agency is consistent with the fact that BPA is taking appropriate measures to strengthen the integration of the Group, with the emphasis put on improving corporate governance and increasing profitability, along with a dividend policy aimed at strengthening the level of capitalization of the Company.

BPA renews the ISO 9001:2008 of AENOR

The Spanish Association for Standardisation and Certification (AENOR) has renewed the ISO 9001:2008 quality certification that was awarded to the Banca Privada d'Andorra services of Organisation and Technology, in recognition of its quality and safety, after a process of study, documentation and adaptation.

This certification is a badge of quality that builds trust and becomes a guarantee for the whole social environment of BPA. However, at the same time, it is an incentive to promote the continuous improvement of our services and to extend the model to other areas of the structure of the Bank and to the different companies of the BPA Group.



AENOR Certificate.



Deutsche Bank's 2012 Straight-Through Processing (STP) Excellence Award

Excellence Award

Deutsche Bank has awarded the certificate and letter of recognition Deutsche Bank's 2012 Straight-Through Processing (STP) Excellence Award to BPA. This award recognizes the quality of the operations performed by our Group during the year 2012. This is the third year that BPA has been awarded, after having received it in 2008 and 2009.

Recognition of quality management

The quality of managing professionals at the BPA Group is recognized by analysts and independent financial publications. This is reflected at the top positions that the BPA managers reach in international rankings:

- **Gonzalo Lardiés** has been awarded by the British consultancy Citywire as the best European manager in equities in 2007 and as the most profitable of the Spanish market in 2010. In 2012 he achieved the Citywire "A" rating, which has been reaffirmed on January 2013, when he was in the third place of the Citywire ranking for 3-year national equities.



Funds people.

- **Javier Escoda** and **Daniel García**: were recognized among the top twenty managers in Europe in the global equity category by Citywire in 2010 and among Spain's managers rated by Citywire in 2011.

In this section of acknowledgments, we want to highlight the fact that the BPA Ibérico Acciones, managed by Banco Madrid which in March 2013 changed its name to Banco Madrid Ibérico Acciones, won the 2012 four-star award by Morningstar and the Morningstar Analyst Rating Bronze. According to Bloomberg, it is the most profitable three-year domestic equity euro fund.

According to Morningstar, as for fixed rate funds, we want to highlight the fact that Premium Renta Fija, which is managed by Banco Madrid, stands as the most profitable fund in Europe in its category, among a universe of more than 200 funds.

Similarly, the analyst firm VDOS Stochastics has affirmed Banco Madrid as the leader in profitability of SICAVs in Spain in 2012, with six companies among the 15 most profitable of the year.

In the same vein, Banco Madrid and Interdin Analysis have reached the top positions in two of the most prestigious rankings of “model portfolios” by the specialized Spanish media *Expansión* and *El Economista*.

3.3. BPA GROUP'S COMMITMENT TO TRANSPARENCY

Within its Corporate Responsibility commitment, the BPA Group aims to promote transparency as one of its hallmarks, being aware that in times of financial instability and distrust it is a key factor to promote access to timely, relevant, clear and credible information.

To this end, the Group has initiated a process of renewal and strengthening of its communication channels in order to improve the knowledge by customers, other stakeholders and the whole society on the key economic variables and the activities held by the BPA Group companies.

In 2012, a decisive year for the Group's expansion in Spain, it is worth noting that the intense activity carried out by the renewed press website of Banco Madrid gave accurate information on new incorporations into the Group, either businesses or individuals, and it also began preparing an information dossier, updated monthly, with key data of the Organisation and the BPA Group and the most important actions undertaken by the Organisation. With reference to the field of communications, Banco Madrid maintains a strong commitment to complying with responsible advertising self-regulation, and in line with this commitment, it is a member of Autocontrol, a renowned association in this field in Spain. This responsible advertising policy is equivalent to the one that the BPA parent company holds in Andorra, in accordance with the ethical standards of conduct from Andorran financial organisations of the Andorran National Institute of Finance (INAF).

As part of the strategy to promote transparency in Banco Madrid, undoubtedly the most important project, which began to be developed throughout 2012 and has concluded in 2013, was the renewal of the corporate image and the launch of a new website which is more accessible, informative, updated and designed to meet the needs of the customers and all users.

In the same vein, it is worth mentioning about the project of redesigning the website Interdin.com, which was developed throughout 2012, and has been finally launched in February 2013, resulting in a significant improvement of transparency in many dimensions:

- **Transparency in transactions:** the new audio-visual tools added to the web Interdin.com develop and clearly explain the characteristics of the products,

markets and platforms available for the customers. Automated trading systems incorporate accessible and quality information that allow users to understand and simulate investments.

- **Price transparency:** the new Interdin's Forex market offers institutional spreads and variable foreign currency spreads plus total visibility in rollovers to know at all times the actual cost of the operations. The information concerning the charged fees by Interdin.com for every product has a specific section on the website which shows a high quality level of details.
- **Organisational Transparency:** customers have at their disposal the most recent financial statements of Banca Privada d'Andorra, SA and its subsidiaries as well as the most important figures of the Spanish subsidiary of the Group: Banco Madrid. The new Interdin website provides extensive information about the BPA Group.
- **Transparency in market analysis and information:** the new Interdin.com's blog and the Twitter news feed offer to users and customers a daily service with market analysis reports, market strategy and the monitoring of the most relevant news on the field of economic and financial markets. All the reports, articles and news posted in the blog and Twitter include the value-added analysis of the Interdin team, which consists of professionals and recognized experts in their field.

3.4. PUBLICATIONS ON ECONOMICS

Andorra. Anuari Socioeconòmic 2012

The Andorra. Anuari Socioeconòmic report was created in 1996 with the aim of providing elements of socio-economic analysis of the evolution of Andorra as an integrated economy in a global context and in relation to its immediate neighbouring countries (France and Spain). The BPA Research Department prepares this publication under the direction of Joan Pau Miquel, Chief Executive Officer- General Director of the Organisation.

In these recent times of crisis and uncertainty in financial markets, the BPA's Andorra. Anuari Socioeconòmic 2012 report has been a particularly valuable study tool to assess and understand the situation, regardless of the immediacy that often dominates the economic analysis in the international context and with the prospect of a whole year.



Andorra. Anuari Socioeconòmic 2012
(Annual socio-economic report)

The Andorra. Anuari Socioeconòmic 2012 report highlights the international context and the evolution of the Andorran economy in 2011, when there was a deterioration in growth prospects in the Principality as a result of the slowdown that the world economy experienced and the impact of this adverse international context on the Andorran economy.



Synthesis of Andorra's Socioeconomic Indicators 2012

The presentation of the edition of the Andorra. Anuari Socioeconòmic 2012 report was made by Leopoldo Abadía, who is a member of the founding team of the IESE business school renowned for its informative activity around the financial crisis, at a ceremony held on November 12th at the Palau de Congressos d'Andorra la Vella.

Synthesis of socio-economic indicators of Andorra 2012

In parallel to the Andorra. Anuari Socioeconòmic 2012 report, since 2007 the BPA Research Department produces a semi-annual summary of socio-economic indicators of Andorra that show to its readers the main features of the Andorran economy through the development of key indicators of the economy and society in the Principality. In particular, the analysis includes fifteen indicators presented in a very graphic, clear and understandable way. The first edition was published in June 2007. This publication is distributed free of charge through national newspapers.

Notes on current economic topics

The collection of Banca Privada d'Andorra Notes on economic current topics, which began in July 2008, focuses each of its editions on the new economic laws that are being enacted in Andorra.

In March 2012 the seventh issue was published, dedicated to corporate tax, a new tax that since January 1st of 2012 applies to all employers with residence in Andorra and who are constituted as legal entities, collective investment schemes or public, semi-public and public law entities. The purpose of this booklet is to explain in a simple and understandable way the new tax regulations and to illustrate their application with examples and



Notes on Current Economic Topics (7th issue). March 2012

case studies. It was produced by Alfa Capital Advisors & Auditors, published by the BPA Research Department and distributed free of charge in the BPA offices and through the newspaper Diari d'Andorra.

The BPA Notes on economic current topics is a tool for citizens to let them know about the new economic laws. Since July 2008, eight issues have been published; the different topics tackled are the new accounting standards in Andorra, the new Companies Act, the new regulation for foreign investment in Andorra, the new Social Security Act in Andorra, the implementation of the new General Accounting Plan and the income tax of non-residents for tax purposes (Impost sobre la renda dels no residents - INR). The latest issue, published in March 2013, is dedicated to the general indirect tax (Impost General Indirecte - IGI).

3.5. SUPPORTING ECONOMIC SECTORS AND BUSINESS ASSOCIATIONS

Collaboration with the Association of Farmers and Cattle Breeders of Andorra

The collaboration between BPA and the Association of Farmers and Cattle Breeders of Andorra combines economic projection, applied research and respect for the environment: three core values for the future of Andorra, which BPA has conveyed into its management. At the same time, it links the name of the Principality to the mountain culture and promotes the quality of its products in the fields of gastronomy, which has become strategic for the development of tourism in the Principality. As a result of the commitment to this key sector for the economy of the Principality, BPA annually collaborates in the publication of the report of activities of the Association and promotes various activities of information and training.

In 2012 the final results of two research studies for diversification of agriculture were presented. These studies were conducted between 2008 and 2011, featuring the collaboration of BPA: a Research Plan on the trumfa (a type of regional potato) Quality and a Research Plan on medicinal and aromatic plants. The aim of both studies was to get real proposals that could become an extra income for the farmers, to produce high value products obtained by techniques that respect the environment and the health of people and to provide the market a range of local products. The



Association of Farmers and Cattle Breeders of Andorra. 2012 Report.

encouraging results obtained from these studies have led to the creation of the cooperative Sabors i Aromes d'Andorra, SA. The Research Plan on the quality of the trumfa was presented on 31st May 2012 at the Teatre de les Fontetes in la Massana, where the Research Plan on medicinal and aromatic plants was also presented on June 25th.

BPA has also collaborated in the informative session on horse meat organised by the Andorran Farmers Association on November 5th 2012 in the Auditori Rocafort del Centre Cultural i de Congressos Lauredià. The aim of this session was to make the public aware of the nutritional properties of horse meat and give it the recognition it deserves in order to promote sustainable consumption and horse production, which will make possible the survival of the Andorran horse.

Concurrently, the Association of Farmers and Cattle Breeders is still working on the promotion of beekeeping through generic and specific training. On the second half of February and in early March of 2012 the fourth basic beekeeping course started thanks to the broadcast media sponsored by BPA. The purpose of the training was to provide knowledge and basic guidelines to address the management of beekeeping in a respectful way with bees and the environment.

As part of this collaboration, BPA organised an informative session in June 2012 on the Law on corporate accounts and the general accounting Plan addressed to members of the Association. The briefing aimed at treating the obligations concerning farms and resolving doubts raised by its compliance. The session was attended by Roger Campamà Pelejà, General Director of the BPA insurance group.

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

In 2002, Banca Privada d'Andorra was one of the promoters of the creation of the Andorran Family Business (EFA), an association that was born with the aim of encouraging the creation of family businesses and to provide technical assistance and training for their members in order to, among other purposes, plan and facilitate the generational shift. The EFA includes associated members from the most representative business sectors of the Andorran economy and also the most influential business personalities in the Principality.



Signature of an agreement with the Association of Economists of the Balearic Islands.

Banco Madrid supports the business world

Banco Madrid supports various associations and institutions of the economic and business sphere. In 2012 the bank made a significant contribution to the construction of the new headquarters of the Catalan Association of Eco-

nomists. Furthermore, Banco Madrid contributed to the working lunches program of the Associació Joves of young entrepreneurs of the Balearic Islands, which aims to promote entrepreneurship and create jobs in the region.

Also, Banco Madrid maintains a strong commitment to the economy and the society of the places in which it develops its activity. For this reason, the organisation regularly collaborates with local suppliers as a way to promote economic activity, job creation and wealth creation in the regions where it operates.

Among the more recent collaborations of Banco Madrid with the business world we must mention the appointment of the bank in May 2013 as an IESE Partner. This is the recognition of the prestigious business school granted to companies that collaborate in the development of short and long term projects such as research programs, training of newly arrived teachers or grant funding.



Banco Madrid, Patron of IESE.

4. BPA GROUP CORPORATE RESPONSIBILITY WITH ITS EMPLOYEES

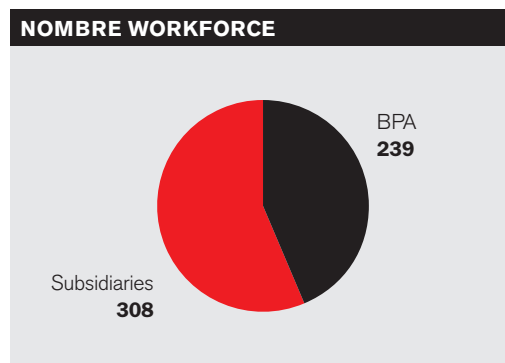
Employees are the greatest asset of BPA. That is the reason why the group promotes employment quality, the personal and professional development of its staff, and it also encourages employees to actively participate in the generation of ideas and projects to foster innovation and continuous improvement within the BPA Group.

4.1. THE BPA GROUP AS A SOURCE OF QUALITY EMPLOYMENT

The BPA Group's commitment to employment

The BPA Group is aware of today's economic crisis casting its harsh effects on the labour market. Due to this situation, the Group mainly contributes to the welfare of society with the renewal of the yearly commitment to employment that it has always maintained. The expansion process of the Group relies on its main asset: the most professional team. The Group does not only recognize the worth of the human value of the workers that have contributed to consolidating the project for years but it also continuously welcomes new talented staff who bring added value and experience to the Bank.

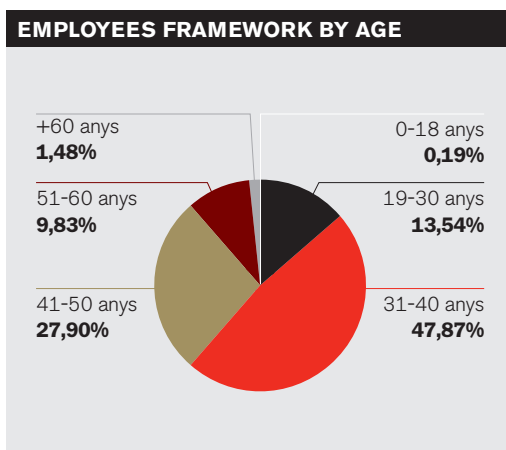
The BPA Group closed the year 2012 with 547 employees, a figure which equates to an increase of 5.6% of the workforce in 2011 and represents a new maximum in the number of people who are part of the staff. The number of employees at the end of 2012 in the BPA parent company was 239 (3.5% more than in 2011), while the figure for subsidiaries was 308 people.



HR policy aimed at stability, diversity and equal opportunities

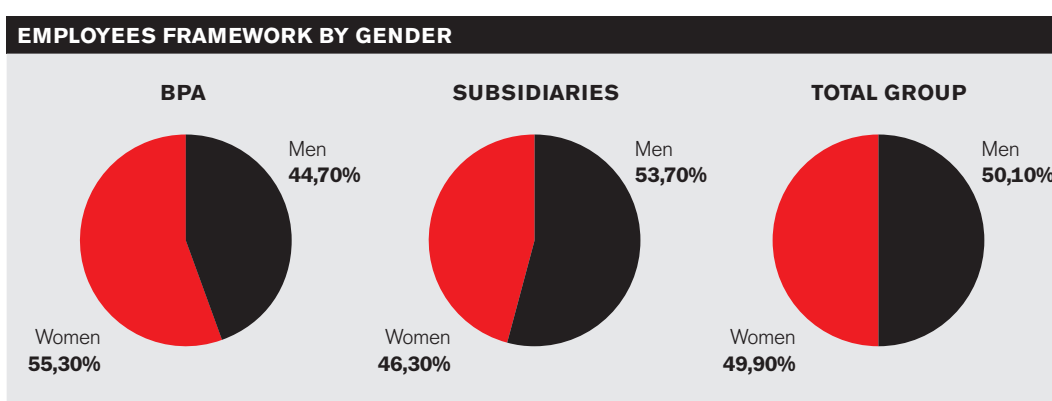
The BPA Group promotes long-term, stable and quality employment. For this reason, the indefinite contract is usual in BPA, to such an extent that by 2012 the 100% of the Group's employees enjoyed this contract modality.

Diversity and equal opportunities are values that BPA has brought to the company culture and are reflected in its people management policy. The gender distribution of the total workforce at the end of 2012 shows a practical parity with a weight of 49.9% women and 50.1% men. In the case of the BPA parent company, the presence of women is higher and reaches the 55.3% of the



workforce compared to the 44.7% of men, while the opposite situation is observed in the Group's subsidiaries in that the percentage of men is 54.2% versus 45.8% women.

In addition, the BPA Group's workforce is also characterised by a remarkable diversity in terms of age, as evidenced by the fact that all age groups are represented among the staff of the Group.



4.2. SUPPORTING THE RECONCILIATION OF FAMILY AND WORK

BPA, a Family Responsible Business

In 2010, BPA became certified as Family Responsible Business by Másfamilia Foundation, with the backing of the Spanish Ministry of Health, Social Policy and Equality. After regaining the EFR certification in 2012, BPA renewed its commitment with the intention of making it a characteristic of its identity as a company. BPA is the first Andorran company that has obtained the certificate in recognition of its reconciliation policies and equal opportunities.

Banca Privada d'Andorra has a long tradition in the development and implementation of a working philosophy that promotes quality jobs, equal opportunities and the balance between



EFR Certificate

work and family life. The EFR certificate guarantees BPA policies supporting the reconciliation of family and work and resulting in benefits in terms of permits, training, good banking conditions, insurance and pension funds.

The EFR certification is a tool that provides a simple and effective methodology to allow reconciliation processes in companies, through a management model based on continuous improvement, responding to a new work culture in the field of social responsibility business. In order to acquire the EFR certification companies must meet certain requirements that spotlight the commitment to corporate responsibility. Meeting the legislation is not enough. The EFR certification shows that the company has taken steps to improve the measures to comply with the law in order to ensure that the institution's employees enjoy quality employment, benefits, flexible working, measures of family support and professional development opportunities.

4.3. PROFESSIONAL AND PERSONAL DEVELOPMENT OF BPA'S STAFF

Training and professional and personal development

At Banca Privada d'Andorra training is an essential element. It helps to maintain our employees' management skills and their knowledge evolves in parallel to the development of banking and the evolution of society.

BPA devotes great efforts to promote the training of personnel in such areas as language, technical and personal skills. It also offers specific courses devoted to issues related to the bank's activity, such as money laundering. In addition, BPA awards grants for accessing into university degrees.



Delivery of EFA and EFP diplomas in Andorra.

In 2012 BPA employees received a total of 15,327 hours of training, of which 63% consisted of technical training, 24% in language training, 7% in office tools training and 6% in training on the development of personal skills.

BPA is aware of the constant changes occurring in the financial, tax and regulatory environment that entail high educational requirements for professionals in the field of asset management. Therefore, BPA is committed to offering training as a way to move towards excellence and fostering the development of knowledge and technical skills of its professionals. In 2012, the participation of the BPA team in the process of training and certification within the financial environment and asset management were as it follows:

- International Certificate in Wealth Management: 880 hours.
- Advanced Programme in Internal Audit for Credit Institutions: 784 hours
- Avaloq Certification Program (ACP): 630 hours
- CIIA / CEFA - Certified International Investment Analyst / Certified European Financial Advisory: 385 hours
- Superior Property Management Program (PSP): 380 hours

Health and safety in the workplace

BPA organizes training sessions on risk prevention and fire-fighting. It has also promoted a research to assess and correct ergonomic, psychological and socio-logical factors related to the workplace. In 2012, training sessions were conducted on personal and professional development. BPA also conducted sessions on technical training on occupational specific hazards and the emergency plan, with a length of 350 hours.

4.4. ENCOURAGING EMPLOYEE PARTICIPATION, COMMUNICATION AND COHESION WITHIN THE GROUP

Canal Grupo

Canal Grupo is an internal digital communications channel of the BPA group that aims to involve employees in the projects that are carried out, to publicize periodic reports on issues of interest to our professionals and to develop their knowledge of the group. At the same time, this tool aims to create a climate of confidence and motivation, to encourage employees' participation and internal communication, so that everyone can clearly identify the employees' values with the Group's.

This new channel aims to promote and move forward in the creation of the company culture and the values of the BPA Group by means of knowledge and participation of everyone.



Canal Grupo Blog.

BPA initiatives

BPA also promotes employees participation and involvement in the development of the Group's corporate culture through BPA Initiatives project, which rewards entrepreneurial spirit within the organisation. It is a contest of initiatives related to internal bank processes, systems, ways of working, management values and the environment in the workplace.

BPA *Initiatives* is based on the idea that all employees have a direct perception of the professional environment, based on the most immediate and practical aspects, and that this outlook is a very important value to improve and update the management of the bank.

Leisure and Family

With the aim of strengthening ties within the people of the Group, not only among employees but also among their families, BPA organises various recreational activities and entertainment addressed to its employees.

Among the most traditional and family-related activities we include the Christmas Party, in which Santa Claus delivers gifts among the employees' children. In 2012 a total of 186 children in four countries where the BPA Group is operating (104 in Andorra, 70 in Spain, 8 in Panama and 7 in Uruguay) participated in that party. In Andorra, the delivery of gifts was followed by the implementation of various activities for children, while in Spain the children of the Group employees had the opportunity to show their solidarity by delivering to Cáritas some gifts for other children.

Moreover, the Group's employees also participate in various sports activities, such as interbank Pitch & Putt Championship.



Christmas Party, 2012.

5. BPA GROUP CORPORATE RESPONSIBILITY TOWARDS SOCIETY

The BPA Group promotes various activities in the fields of education, social action, culture and sports promotion.

5.1. BPA GROUP INITIATIVES IN THE FIELD OF EDUCATION

Internship program

During 2012 three students of the Centre for Professional Training Aixovall (Sant Julià de Lòria) and the Lycée Comte de Foix (Andorra la Vella) participated in the internship program agreed with BPA with a total length of 742 hours. The objective of this program is to give young people the opportunity to establish contact with the workplace, see the daily life of a financial institution and help define their professional vocation and their personal and professional development.

5.2. BPA GROUP INITIATIVES IN THE FIELD OF SOCIAL ACTION

BPA collaboration with social institutions

Through the Association of Andorran Banks (ABA) the BPA Group subsidizes specific projects from institutions such as UNICEF, Mans Unides, Red Cross, CCIS, Infants del Món and Cáritas. Moreover, BPA prioritises the selection of solidarity products when distributing corporate gifts to the employees of the Group.

Banco Madrid promotes projects of social inclusion in the labour market

In the field of social and labour inclusion, Banco Madrid makes an annual contribution to the Invest for Children Foundation, to collaborate with Project Aura. This program is a pioneer in the implementation of a methodology for Employment Support to facilitate access into the labour market of people with disabilities, mainly affected by Down syndrome. This initiative has since 1989 made possible to have more than 80 young people starting their career in the labour market.

As part of its activities to fight against social and labour exclusion, Banco Madrid also features the collaboration of the organisation with the inclusion programs from Adecco Foundation, as well as the activities of the Foundation Juan XXIII in favour of people with intellectual disabilities.



Banco Madrid with Invest for Children.

Staff committed to society

Group employees actively contribute to develop Social Responsibility activities. A remarkable initiative in this area is the program for collecting presents for children made during 2012 by employees of Banco Madrid in collaboration with Cáritas. Employees of Banco Madrid also participated in a blood donation program sponsored by the Red Cross and purchased Christmas cards from organisations which collaborate with Save the Children and the José Carreras Leukaemia Foundation.

5.3. BPA GROUP INITIATIVES IN THE FIELD OF CULTURE

Collaboration with traditional festivals in Andorra

BPA collaborated in the organisation of folk festivals celebrated in different parts of the Principality as a way of contributing to the maintenance of traditions and popular culture. In this area, BPA supports, among other events, the *Aplec de la Sardana* in Encamp, the *Festa major* of Escaldes-Engordany, the floral games of the Col·legi Sant Armengol and the Festa Major of Canillo. BPA also collaborated with Russian residents in the celebration of the old New Year.

Banco Madrid supports the Fundación-Museo Lázaro Galdiano

Banco Madrid carries out patronage activities to promote the dissemination of culture in Spain. In this area, supporting the work of the Fundación-Museo Lázaro Galdiano has been a noteworthy activity. The contribution of Banco Madrid to this foundation encourages dissemination of its artistic heritage into society.

5.4. BPA GROUP INITIATIVES IN THE FIELD OF SPORTS

BPA works with several initiatives related to mountain sports to publicise the Principality of Andorra and to support Andorran young athletes.

GSeries BPA 2012

BPA GSeries is one of the hallmarks of the BPA Group to the world: a very popular championship, which serves as a showcase of Andorra, its landscapes and country's ability to organise major sporting events. This year's turnout has been really significant, with teams from different nationalities and a great participation of the audience.

Organised by the Automobile Club of Andorra, it has been sponsored by Banca Privada d'Andorra since 2010. The success of the BPA GSeries is based on the show it offers, which has an



Article on GSeries BPA in Airbag.

ideal setting: the Grandvalira circuit, the mountain pass of Envalira at 2,400 meters above the sea level with unchanging cold conditions to enjoy a thick layer of ice on the track suitable for car skid competition.

BPA aims to promote Andorran identity through sport. Motor is one of the most popular and traditional specialties linked to the mountain, through rallies –which have featured teams and pilots with international experience– and, more recently, races on ice.

Program for the detection of young drivers in Andorra

Within the BPA GSeries in 2012, together with the Automobile Club of Andorra, a program for the detection of young drivers in Andorra was created. This program is aimed at training young people as drivers, purely focusing on driving but also in other important areas such as the interpretation of regulations related to the official races, physical and mental preparation, fair play and its relationship to society. On this last issue, a project was developed with UNICEF, in which eight young members of the program, drivers between 15 and 24 years, produced a very illustrative book about the development of the whole BPA GSeries season. The profits from the sale were devoted to a UNICEF program.



Young Pilots Programme, GSeries BPA.

Sponsoring the Andorran driver John Carchat to participate in the Spanish Rallies Championship

BPA is the main sponsor of the Andorran driver John Carchat to participate in the Spanish Rallies Championship. John Carchat began in 2007 as a driver in the GSeries Grandvalira and in 2011 he was the Suzuki Cup champion in the Spanish championship. This project represents the completion of the program



BPA, Joan Carchat's sponsor.

for young drivers of the Automobile Club of Andorra (ACA) that started in the BPA GSeries in order to get internationally competent drivers who can represent Andorra and the Andorran motor racing. With this sponsorship, BPA supports youth sport apart from the BPA GSeries' and raises awareness of the brand Andorra abroad.

6. BPA GROUP CORPORATE RESPONSIBILITY IN THE ENVIRONMENT FIELD

BPA incorporates environmental management standards in order to ensure the Group's responsible consumption of energy and material resources as well as an environmentally friendly waste management.

Property and facilities management

For years, BPA has turned to energy saving and emission reduction in its facilities, making improvements in reducing air pollution.

When repairing or renovating facilities, there is a trend to introduce improvements that will save energy and reduce emissions of greenhouse gases, so as to be consistent with the environmental policy of the Organisation. The selection of HVAC equipment at the time of purchase or renewal is decided on the basis of consumption parameters and analyzing environmental criteria.

Maintenance of the BPA facilities is carried out by an external company that follows the same policy to incorporate energy saving and environmental criteria.

Saving paper

In recent years, saving in paper consumption has been one of the main goals of the environmental policy of BPA. To this end, the mailing virtualization with customers has been prompted. BPA encouraged customers to use electronic correspondence so they can check it from home without having to print the documentation. In addition to the reduction in paper consumption BPA has also achieved a reduction in the consumption of toner printers and envelopes. The results of this project to reduce the consumption of paper have been very positive, because since it was launched it has achieved a 74% reduction of the volume consumed.

Recycling

The National Waste Plan of the Principality of Andorra states as one of its basic principles the shared responsibility, which consists of all stakeholders, Government, comuns, companies and citizens working together in the interest of solving the problems caused by the generation and management of waste. Within this regulatory framework, the Principality of Andorra has taken the aim to recover waste and to reintroduce it in the economic cycle, especially by recycling it.

BPA takes the responsibility for implementing a waste management aimed at ensuring the protection of human health, the environment and the landscape. With this aim, the Group wants to minimise waste generation and separates the categories of produced waste in order to facilitate its transportation and subsequent use to the recycling centres.

7. BANCA PRIVADA D'ANDORRA PRIVATE FOUNDATION

The BPA Foundation was founded in 2008 with the aim of promoting actions from the BPA Group in the field of healthcare, labour and the environment, and contributing to an improvement in the collective life. The inclusion of vulnerable groups and the offer of training to professionals in the social field have been until now the priority actions. To perform its task, the BPA Private Foundation supports Andorran associations and organisations that contribute with their knowledge and experience.

To make its commitment to transparency more accurate, the BPA Foundation undergoes an annual audit. This is a voluntary measure, as the foundation due to its equity and volume of income is not compelled to do it by Law.

In 2012 the audit was conducted by Alfa Capital Assessors i Auditors, SL, an independent external company that was in charge of checking that the annual financial statements show transparency in the Group's assets figures, the financial position of the BPA Foundation, the results of its operations and changes in net assets in accordance with accounting principles generally accepted and established by the general Accounting Plan of Andorra.

7.1. XERIDELL OCCUPATIONAL WORKSHOPS

During 2012 the work plan from the Special Needs School Nostra Senyora de Meritxell (EENSM), the Workshop and the management of the BPA Foundation has focused on the reorganisation of work tasks and leisure activities, with the aim of encouraging workers of the Xeridell Workshop. Regarding the work tasks, they have been distributed, sequenced and adapted according to the capabilities of different user groups for continuous occupation throughout the year. Moreover, the leisure activities have been aimed at three objectives: to provide with resources and expertise to both educators and users; expand and improve the production lines; and create more participatory activities for users.

The main activities carried out in 2012 are listed below:

a) Promotional and support actions for the production lines to boost the silk-screen printing and craft workshop

- Finding a space to work with water adapted to users so they can carry out new activities.

- Publishing, printing and distribution of a new catalogue of items made by employees of the Workshop.
- Maintaining and updating products on the website.
- Financial contribution for the 2013 calendar of the EENSM.
- Designing and printing a display case for introducing Xeridell products in various outlet shops.
- Acquisition of a new and small paper shredder for a group of users with limited mobility.
- Purchase of various materials to launch the new craft workshops.

b) Actions for users

As every year, in 2012 different leisure activities have been organised to improve the quality of life of users by promoting workshops and scheduling outings with the aim of increasing personal autonomy and quality of life.

Thus, leisure workshops conducted in 2012 have been:

- Theatre Workshop, which has continued the work done last year by keeping the participants' group involved. The objective of this activity is that the users get to know each other beyond the environment of Xeridell during their leisure time.
- Starting a dance workshop which involves a group of 10 users.
- Visiting the Museum of Toys and Automats in Verdú.

Other leisure activities developed for users of the workshop have been:

- Stay and training of a user group and two educators to learn how to dye silk scarves with natural products. This activity has made users expand their knowledge and collect plants in the area with dyeing properties.
- Moving the wooden hut outside the Borda Mateu to facilitate the work of the horticulture there.
- Celebrating the traditional Christmas lunch at the Holiday Inn Hotel with the participation of all the Xeridell members and some BPA collaborators.

c) Training actions

Based on proposals from educators, the trainings that have been provided aimed at improving work production and expanding the knowledge of the educators. During 2012 these workshops efforts have paid off and have widened the range of items made at the Xeridell workshops in the new catalogue.

Some of these trainings are provided to both users and educators, while others are specifically intended for teachers, who can apply the acquired knowledge into the daily work of users.



Xeridell's products catalogue.

Training activities conducted throughout 2012 have been:

- Three teachers participated in a training that took place in Barcelona to learn how to make glycerine soap and effervescent bath bombs. Later, teachers developed this training workshop with users.
- Jewellery on papier mâché Course at the Centre Cultural de la Llacuna.
- Knowledge of the technique of batik painting on silk.
- Christmas Dolls Workshop at Escola d'Art de Sant Julià de Lòria, four teachers involved.
- Handmade soap for therapeutic use in Escola d'Art de Sant Julià de Lòria.
- 10 hour training on Corel Draw, Corel Photo and how to use a plotter at Xeridell's, which was attended by all educators of the Workshop.
- A member of the studio is doing Postgraduate studies on Cognitive Rehabilitation at ISEP Barcelona. This training will help address in a more optimal way the cognitive stimulation programs that are being used in the Workshop, as well as expand the participation to more users. With the acquired knowledge, we can provide users with a better and specific service, and promote improvements in their life quality, especially for users who, either because of their age and / or disease are in a process of cognitive deterioration.

Within the training aimed at professionals who serve people with disabilities there must also be mentioned the conference held in early October, named *Quality?*, presented by David Pérez López, manager of Aquality Consulting.

7.2. FUNDACIÓ PRIVADA TUTELAR DEL PRINCIPAT D'ANDORRA

The Fundació Privada Tutelar del Principat d'Andorra is a non-profit organisation that works to improve the quality of life for people with competency limitations. Its location scope is the Principality of Andorra.

The beneficiaries of the tutorship of the Foundation are elderly people who cannot fend for themselves, minors at risk and legally incompetent.

The Patrons of Fundació Privada Tutelar del Principat d'Andorra comprise two representatives of the Government of Andorra, the Chairman of the Chamber of Notaries, one representative of the seven *comuns*, two representatives of BPA and a representative of the Andorran civil society. The Committee of Honour shall consist of one representative from each co-prince and the *síndic general*.

The Banca Privada d'Andorra Foundation is responsible for the 56.8% of the budget of the Fundació Privada Tutelar del Principat d'Andorra which ensures its functioning.

In 2012 the Fundació Privada Tutelar del Principat d'Andorra dealt with nine tutorships, a guardianship, two cases of wealth administration and four pre-tutorships. It also took responsibility, in conjunction with the Government, for the cases of two children.

Outreach and promotion activities

As part of the collaboration of the BPA Private Foundation and the Fundació Privada Tutelar, on February 16th 2012 the conference *El procés d'incapacitació i de tutela al s. XXI* was held and there were interventions by Isidre Bartumeu Martínez, notary public of Andorra, Juan José López Burniol, Notary public of the College of Notaries of Catalonia, Leopoldo Ortega-Monasterio, a specialist in psychiatry and legal and forensic medicine, and Alfons Alberca, Attorney General of the Principality of Andorra.



Conference supported by the Fundació Privada Tutelar.

7.3. COLLABORATION WITH INSTITUTIONS OF ANDORRA

Andorran Federation of Adapted Sports (Fadea)

For the first time in 2012, the Andorran Federation of Adapted Sports (Fadea) has participated in a Paralympic Summer Games with the sponsorship of the BPA



Periòdic d'Andorra, 17th July 2012.

Unicef

The BPA Foundation has collaborated with UNICEF in the publication "The State of the World's Children 2012: Children in an Urban World", a report that analyzes the problems related to the fulfilment of children's rights in urban environments.

Moreover, in 2012, The Foundation, UNICEF and the Centre for Sociological Research of the Institut d'Estudis Andorrans (CRES) signed an agreement to set up the Centre for Children, whose objective will be to centralize all data relating to minors in Andorra so that analysis of the phenomena that concerns them can be done and to promote political, legislative and social actions contributing to correct, improve or implement the situations in which they are.

The shelter home for children La Gavernera

For five years the Foundation collaborates with the Shelter home for children, offering them the opportunity to enjoy stays abroad as a way to promote English learning and practicing sports among children.

The summer 2012 new children aged 11 to 17 have enjoyed visits to La Garbinada, Torreferrana, Andorra, Valencia and Britain.



Presentation of the PAPI leaflet.

Foundation. On behalf of Andorra, the swimmer Toni Sánchez competed in the 100m breast-stroke and 50m freestyle races.

The team consisted of Jordi Casellas, chairman and promoter of the project, Carlos de Jesús, coordinator and head of mission, the athlete Toni Sánchez and his coach Joaquim Pujol.



Bon dia, 17th October 2012.

Andorran Red Cross

The BPA Private Foundation continues its collaboration with the Andorran Red Cross in the First Aid training program for Children (PAPI). In the academic year 2011/2012 the PAPI program has had the participation of 545 students from Spanish, French and religious educational systems.

Albatros Association

On November 8th of 2012 the conference *School, Family and ADHD: Fundamental Principles* was held at the Centre de Congressos d'Andorra la Vella. This lecture was delivered by Professor Jesús Bernal Hernández, therapist and family counsellor, specialist in therapeutic education in the Assistance Team for students with behaviour disorders of the Regional Government of Castilla-León, who tried to provide ideas and alternatives to improve the relationship between adults and children suffering from some form of attention deficit disorder with hyperactivity (ADHD).



Conference on ADHD.

Comú d'Andorra la Vella

For the second consecutive year the BPA Private Foundation has collaborated with the *Comú* of Andorra la Vella by acquiring roses for the elders in the festivity of Sant Jordi.

Our Lady of Lourdes Hospitality

The Foundation provides funding for the delegation at the Principality of the Our Lady of Lourdes Hospitality, which facilitates the pilgrimage to Lourdes to help the sick or disabled.

7.4. SUPPORTING YOUNG PEOPLE'S ACCESS INTO THE LABOUR MARKET

Internship program to stay in the BPA Group

In the summer 2012 the third annual work-placement internship program for young students was implemented. This time nine young students had the opportunity to work for the BPA Group during the months of July and August with the work-study scholarship program. The opportunity to meet different professional profiles in a

bank and to develop an activity into a working environment are the main purposes of the program, thus enabling young people to acquire work habits and specific training related to the financial world that can help them define their professional vocation.

For the BPA Group this action is a way to publicize their activities and to identify talented individuals among young students in the country.



Periòdic d'Andorra, 4th September 2012.

These nine students from secondary school, high school and college stayed in several BPA departments, such as Technology and Organisation, Quality, Management and Risk Management, Compliance, Payment Systems and Back Office; and they also stayed in BPA subsidiaries such as BPA Assegurances and BPA Serveis.

Career guidance

In 2012 a group of students from the Andorran Secondary School of Santa Coloma visited the BPA headquarters to meet various job profiles that exist in the professional field of banking.

8. BPA GROUP CORPORATE RESPONSIBILITY. ECONOMIC EVALUATION

In 2012, the BPA Group has devoted 16.24% of the profits from its financial activity to activities related to Corporate Responsibility and to its stakeholders in the economic, social and environmental area. This figure shows the extent to which Corporate Responsibility is linked to the Group's philosophy. Responsibility, sensitivity and commitment are the basic principles of this action.

Initiatives in the social sphere (labour issues, community programs, initiatives in the cultural field, initiatives in sport, and all actions of the BPA Private Foundation) represent the 96.69% of the resources that the BPA Group dedicates to Corporate Responsibility, while initiatives in the economic area (publications and collaborations with other organisations) account for the remaining 3.31%. This section has received international awards and quality certifications.

All contributions of the BPA Group into the field of Corporate Social Responsibility are completely voluntary. The BPA Group neither has a legal obligation nor does it get any tax credit.

