

2005 BUDGETARY EXPENDITURE

In 2005 the Caixa Galicia Group invested €65.81 million in its Community Projects activities, which represents an increase of 8% on 2004. This volume of funds, amounting to €300 million in the last six years, has enabled the Entity to both consolidate its position as the leading private social organisation in Galicia and attain the objectives set in relation to training, assistance, social and work integration, international cooperation, social-economic development and cultural promotion in the areas in which it operates.

COMMUNITY
PROJECTS
EXPENDITURE GREW
BY 5%

COMMUNITY PROJECTS EXPENDITURE 2005 (€'000)

	Amount	% Total
Actions assigned to programmes	40.294	• 66,07
Investment plan Social-Cultural properties	20.689	• 33,93
Total expenses (not including administration and amortisation/depreciation)	60.983	• 100,00
Community projects admin. expenses	1.776	
Amortisation/ depreciation	3.053	
Total	65.812	

In 2005 expenditure in Community Programmes remained consistent. Investment in social-cultural infrastructures continued to be significant while investment in action programmes connect-

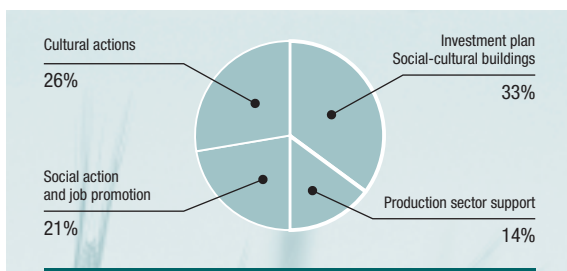
FUNDS ASSIGNED
TO PROGRAMMES
GREW BY 14%

ed with differing social demands grew by 14%. Noteworthy is the fact that funds were invested for the purposes for which they were earmarked, with only 7.33% being assigned to cover administrative costs and the depreciation of Community Projects buildings.

BUDGETARY EXPENDITURE (€'000)		
	Budget	• Expenditure
Community projects	48.197	• 49.065
Caixa Galicia Foundation	17.564	• 16.747
Total expenditure	65.761	• 65.812
Revenue deriving from activities and budgetary surplus	10.360	• 7.438
Total budget	55.401	• 58.374

As a result of the Community Projects actions carried out in 2005, net funds invested in the year exceeded the initial budget by €2.97 million, which was financed through the Community Projects Fund.

Expenditure by area was as follows:



Caixa Galicia's social activity, channelled through Community Projects and its Foundation, was particularly intense in 2005, as is borne out by the 4,903 acts that were arranged in more than 140 municipalities and which benefited more than 1.4 million people. Taking into account the more than 800 entities and bodies with

which the Entity collaborated by ceding facilities or through economic support to ensure that its activities filter through to all levels, Caixa Galicia's social actions covered 225 municipalities with an estimated 2.6 million beneficiaries.

The activities carried out are distributed in four areas, where the most noteworthy objectives and actions in 2005 were as follows:

A) Social Action and Job Creation

The Caixa Galicia Group's Community Projects commitment with poorer countries has grown since 1999. This commitment has found its ultimate expression in the "Call for Development Cooperation". In the past five years, financing provided has amounted to €1.55 million, aimed at 39 Development NGOs involved in 63 projects, of which 47 were located in South America, 13 in Africa and 3 in Palestine. In 2005 ten development projects were selected while 82 projects have been presented by Development NGOs for the 2006 edition.

Social micro-credit is a financial product with a social purpose through which Caixa Galicia drives its core foundational aims on both a financial and social level. Micro-financing has given rise to a new understanding of social exclusion and afforded substance to the idea that people at risk or excluded can be enterprising and set up their own companies. In 2005 205 operations were approved, with the volume of credit granted amounting to €1.8 million, which contributed to the creation of over 250 jobs. Similarly, Caixa Galicia participated in specialist forums such as Nartik Lum, and collaborated with FUNCAS, within the framework of the acts

scheduled in relation to the “International Year of Micro-credit”, and in the preparation of the “Micro-credit White Paper” while the collaborator network was strengthened.

The website www.socialia.org consolidated its position in 2005 as a point of reference for non-profit organisations, with more than 250,000 visits and 1,043 associated entities, of which 75% are

SOCIALIA
ENCOMPASSES
1,043 NGOs

Galician. Similarly, within the framework of Socialia, Caixa Galicia Community Projects continued to drive and support the professionalisation and strengthening of the third sector in Galicia and started up two pioneer programmes nationwide: “Introduction Programme to Quality Management Systems” and “Self-Assessment Workshops on Transparency and Best Practices”. Moreover, the “I Sociala Forum” was held, which was conceived as a meeting point for specialists to analyse topics connected with associationism. Particularly noteworthy is the presentation of the study “The third sector, present and promise. An analysis of the issues and reality in Galicia” commissioned by Caixa Galicia Community Projects with the department managed by the Sociology Professional at Universidad Complutense, Victor Perez Diaz.

There are numerous initiatives and collaborations connected with the social-employment integration of vulnerable and underprivileged groups. Particularly noteworthy is the work carried out in collaboration with associations for the physically handicapped and mentally disabled, which resulted in the creation of almost 2000 jobs for this group. In

addition, adapted vehicles were donated (since 2001 Caixa Galicia Community Projects has delivered 24 vans) and sporting activities were financed and promoted, including the Sailing School for the disabled and participation in the Special Olympics.

CREATION OF 2000
JOBS FOR
VULNERABLE AND
UNDER-PRIVILEGED
GROUPS

Young people are equally a priority for the Entity’s actions. Together with the learning centre network (3 infant schools, 2 Cyber classes, 1 Vocational Training School and 1 Children’s Library), with almost 20,000 members and in which 2,500 students were trained in 2005, Community Projects participated in primary level education programmes, on both a national and European level, and tutored various teams of Secondary School and Baccalaureate students.

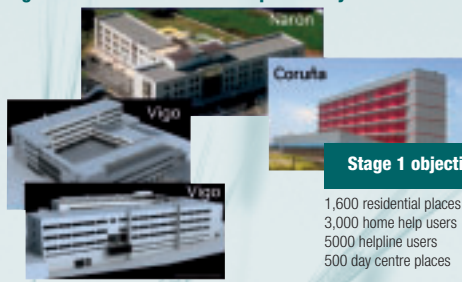
Senior and Active Ageing Assistance Programmes attempt to address the social needs of an increasingly large group, seniors, within a context

TWO NEW SENIOR
CENTRES

of deepening social concern as is revealed by the recent preparation of the Dependence Bill. Within this framework, the creation of residential places following the construction of the Naron Centre (Ferrol) and the forthcoming opening of the Barreiro Centre (Vigo) will help to mitigate the existing shortage in Galicia. Similarly noteworthy is the collaboration with the Regional Authorities of Galicia in the “Cheque Asistencial” programme for seniors and their carers.

INDEPENDENT SENIOR CARE

Vigo and Coruña centres set to open shortly



Stage 1 objectives

- 1,600 residential places
- 3,000 home help users
- 5,000 helpline users
- 500 day centre places

The Group makes available to its customers a home telephone helpline, “Caixa Galicia Asistencia”, which in 2005 was extended throughout the Galicia. The users of this service, namely senior living at home alone, have a permanent link to a contingency switchboard.

With respect to the active ageing programme, the ten Caixa Galicia Community Project Centres offer, together with a wide range of services (press, cafeteria, chiropody, hairdressers, non-therapeutic massages, psychology, etc) and within the framework of an active ageing policy, a highly varied activity programme which conforms to and even anticipates the changes taking place in Society. More than half a million euro was appropriated for this purpose in 2005 and total funds assigned to the centres amounted to €2.2 million. Senior Centres have 35,266 members and more than 40,000 people have participated in activities.

Similarly, in view of the notable shortage of professionals in the sector, Caixa Galicia’s Community

THE LARGEST
CENTRES HAVE MORE
THAN 35,000
MEMBERS

Projects assigns part of its funds to training actions. This year the “V Edition of the International Gerontology School” was held, which has already consolidated its position as a sector benchmark and the Caixa Galicia Vocational Training School has given “Home help” courses and “Alzheimer Specialist Care Courses”.

Within a framework of favouring the development of a sustainable growth policy, Community Projects carries out multiple environmental actions. In 2005 particularly noteworthy were the training and awareness enhancement actions, aimed particularly at young people, as well as the programmes aimed at training companies in all the municipalities involved in environmental conservation.

B) Cultural activities

The year 2005 was undoubtedly particularly important for the Caixa Galicia Foundation. In addition to the opening of its headquarters in Ferrol and the practical completion of the building work on its Coruña headquarters, particularly noteworthy was the remarkable cultural offering largely in Galicia but which was also extended nationwide and even abroad.

80 EXHIBITIONS
VISITED BY
390,000 PEOPLE

Together with the top class exhibitions, the Foundation continued to support young artists and activities were scheduled not only at the Foundation’s headquarters in the main Galician cities but also in numerous municipalities throughout the areas in which the Entity is present. The

Caixa Galicia Foundation ensured that 2005 was a resounding success thanks to the exhibitions that have had a huge impact such as the Tapies exhibition, the Andalusia paintings in the Carmen Thyssen Bornemiza Collection or the prestigious Mexican painter Frida Kahlo. Following her astounding success at the London Tate Gallery in the summer of 2005, Frida Kahlo arrived at the headquarters of the Caixa Galicia Foundation in Santiago de Compostela in October, where the exhibition remained until January 2006 and was visited by almost 120,000 people. In this case, the exhibition went further and was accompanied by a series of actions devoted to Mexican culture. In this way, and at the same time as the exhibition, Mexican films and music were presented at the Social-Cultural Centre in Santiago, with 10 Mexican films and 4 concerts that were attended by more than 1100 people. In total there were 80 exhibitions which were attended by 390,000 people.

Similarly, an essential part of the exhibitions focused on displaying the works that make up Caixa Galicia's substantial art collection.

The scenic and musical arts have also played a very important role in the programmes scheduled by the Caixa Galicia Foundation. The institution participates actively to offer numerous activities throughout the year such as the "Great Orchestra Cycle", which is a keynote musical event. It also works actively to support and publicise Galician music with As Nosas Músicas through which it has arranged 150 con-

THE "AS NOSAS
MÚSICA" CYCLE
CHANNELLED
150 CONCERTS

certs since the first edition. In 2005 30 concerts were offered by leading Galician musicians in 30 different municipalities and were attended by 55,000 people. Similarly, for traditional music, particularly noteworthy was the collaboration in arranging the Celtic World Festival in Ortigueira, which won international acclaim and was attended by more than 100,000 people.

Collaboration continued with the Town Councils of A Coruña and Vigo in relation to two of the main cultural events in these cities. The eighth edition of the Mozart Festival, which is organised by the A Coruña Town Council and which for the fifth consecutive year involved the Caixa Galicia Foundation, presented in its 2005 edition a major opera programme with an own production of Don Giovanni. Particularly noteworthy in Vigo was the sixth edition of "Are More 2005", a major musical event organised at the Frax Caixa Galicia Theatre in Vigo. During this time, the festival has consolidated its position as a benchmark within the Galician musical scenario as well as nationally and internationally.

Finally, particularly noteworthy was the intense training activity and the cultural promotion and drive carried out through awards and contests and numerous publications. The training activity agenda was arranged through seminars, master degrees, post-graduate courses, conferences, congresses and workshops. The 278 training activities carried out in 2005 were attended by 19,758 people. The publications edited by Caixa Galicia Foundation address cultural and training topics and are presented as one-off or regular publications. The Entity's collection has increased over the years, 139 new publications being launched in 2005. The awards regularly given by the Entity include both narratives and

essays, lyrics and scientific research, and are a major analysis, study and creativity in Galicia. In 2005 the Caixa Galicia Foundation arranged 12 contests that have had a far-reaching impact in Galicia, Spain and internationally.

C) Production sector incentive programme

Venture capital funds in which the Caixa Galicia Community Projects has an interest invested in companies and / or projects which favour cultural, educational and social-economic development in the areas where

VENTURE CAPITAL
AS A TOOL TO
SUPPORT SOCIAL
PROJECTS

Caixa Galicia is present, facilitating the integration of underprivileged groups and the creation of senior social infrastructures, in companies integrating disabled workers, in clean-energy companies and companies set up by young entrepreneurs.

Since its launch in 1988 the grant programme of the Caixa Galicia Foundation has helped to finance the specialist studies of more than 700 university students. In 2005, with an appropriation of one million euro, 27 young people commenced post-graduate studies at renowned international institutions.

27 POSTGRADUATE
GRANTS

The Centre for Economic-Financial Research (CIEF) which was founded in 1999 has become the quality benchmark in this area of research thanks to the

collaboration with leading specialists connected with teaching and university research and other research centres. Its activities focus on planning and development of research with a strategic interest for the areas where Caixa Galicia is present through sector seminars and workshops specifically aimed at companies and professionals, scientific meetings and with a complete programme of publications on bibliographical series.

Similarly, collaboration continued with the leading Galician business associations, through two European rural development programmes and involvement in an ambitious project for the development of the Information Society within a local environment.

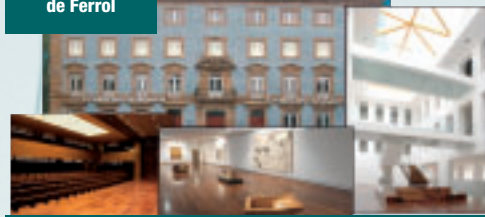
D) Investment plan in Social-Cultural Centres

The Social Action Centre network continued to grow in 2005. The Caixa Galicia Foundation headquarters opened in Ferrol while the Foundation's Coruña headquarters, called to be an architectural and cultural landmark in Galicia, will open in 2006. Following the opening of the Ferrol building, Caixa Galicia has 86 Centres at the service of Society.

LANDMARK PROPERTY

a forum for discussion, creation and cultural activities.

Nueva Sede
de Ferrol



BUDGET FOR 2006

Caixa Galicia's Community Projects budget for 2006 provides for the allocation of funds which represent a 6% increase compared with the previous year and a 9% rise in the commitments entered into for this year. This provides unequivocal evidence of the Entity's intention to assign the necessary funds permanently in order to address the economic, social and cultural needs of the region.

A sum of €69.4 million has been allocated to the social activities carried on by Caixa Galicia. Of this amount, the Entity will contribute €57.8 million by charge to the surplus for 2005 (up 4.33% on 2005), €4.42 million will be generated through income deriving from own and other activities, the remainder will be obtained from the

THE 2006 BUDGET
AMOUNTS TO
€69.4 MILLION ...

inclusion in the year of prior year retained earnings. The appropriation in 2006 to social action represents 32.4% of the surplus of Caixa Galicia.

EXCEEDING THE
COMMITMENTS
ENTERED INTO
BY 9%

In 2006 Caixa Galicia will allocate 52% of its budget to Community Projects actions and the Entity's initiatives to contribute to the social –economic development of the areas where it is present.

For its part, the Caixa Galicia Foundation will absorb around 34% of the budget, enabling it to carry out scheduled artistic, scientific-technological and social-cultural actions.

Lastly, 14% of the budget will be allocated to actions under the Investment Plan for Social-Cultural buildings.

CAIXA GALICIA COMMUNITY PROJECTS AND FOUNDATIONS: 2006 BUDGET
(€'000)

	Production sector	Social and employment	Cultural	Freely available	Total
Actions assigned to Programmes	11.792	15.035	3.167	8.870	38.864
Administration and Management	581	842	229	461	2.114
Amortisation/depreciation	0	0	0	4.876	4.876
COMMUNITY PROJECTS	12.373	15.877	3.396	14.208	45.854
CAIXA GALICIA FOUNDATION	4.328	560	18.705	0	23.593
Total Community Projects expenses	16.701	16.436	22.101	14.208	69.447
Income Community Projects and Foundation activities	451	1.169	109	2.694	4.423
Budgetary retained earnings	2.982	2.000	1.000	1.241	7.223
Total revenues Community projects	3.434	3.168	1.190	3.935	11.647
Appropriation Caixa Galicia	13.268	13.268	20.992	10.272	57.800