



**Crédit Andorrà**

*al vostre servei i al servei del país*

## 2018 Corporate Activity Report



# Crèdit Andorrà Group around the world

## Banking and financial services

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## Social activity

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## 2018 Corporate Activity Report



# 2018 in figures

Balance sheet (thousands of euros)	2018	2017
Assets	5,182,231	5,459,917
Customer loans	2,502,179	2,607,806
Customer deposits	3,869,164	4,112,796
Customer funds	12,939,614	13,658,407
Net equity	425,368	421,098

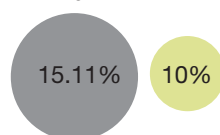
Profit/loss (thousands of euros)	2018	2017
Financial margin <sup>(*)</sup>	47,189	42,441
Net profit from operations <sup>(**)</sup>	176,649	198,987
Operating income <sup>(***)</sup>	37,743	59,393
Pre-tax profit/loss	39,052	56,219
Attributable profit	36,001	50,194

Profitability and efficiency (%)	2018	2017
RoE	9.25	13.53
RoA	0.69	0.89
Efficiency ratio	70.00	64.00

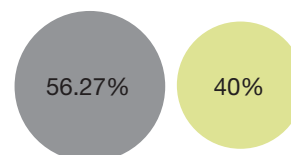
RoE: return on equity.  
RoA: return on assets.

Solvency (%)	2018	2017
Solvency ratio	15.11	16.15
Liquidity ratio	56.27	61.02
Default ratio	7.70	5.70

Solvency ratio  
versus legal  
minimum



Liquidity ratio versus  
legal minimum



(\*) Interest income - interest expenditures - expenditure for share capital refundable on demand + dividend income.

See the corresponding table in the income statement in the audited financial statements.

(\*\*) Total net operating profit/loss + share in profit or loss of investments in subsidiaries, joint ventures and associates.

See the corresponding table in the income statement in the audited financial statements.

(\*\*\*) Total net operating profit/loss + share in profit or loss of investments in subsidiaries, joint ventures and associates - administration expenses - depreciation. See the corresponding table in the income statement in the audited financial statements.

Note: The information set out in the tables is an extract from Crèdit Andorrà's consolidated financial statements, approved by the General Shareholder's Meeting of 30 May 2019 and available at [informeanual.creditandorrargroup.com](http://informeanual.creditandorrargroup.com)

In the event of any discrepancy between the two, the version of the consolidated financial statements approved by the General Shareholder's Meeting of 30 May 2019 will prevail.

# Our stakeholders

## Employees

A team of professionals committed to the Bank's values, who are proactive and motivated with our customers...

469 people  
Staff in Andorra

53%  
Women in the workforce

470 people  
International workforce

92%  
Workforce who have received training

93%  
Permanent contracts

€568  
Average investment in training

## Customers

...whom we offer high-quality products and services so they recognise us as the leading bank in the Andorran marketplace...

€2,502 m  
Loan investment

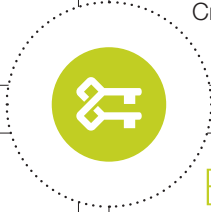
796 users  
Unicef Card

+6.3% of users  
Channel contracts (e-Crédit and Contact Centre)

€39,034.34  
Contribution of Crèdit Andorrà + customers

€0.78 m  
Crèdit Estudis

51.11%  
of Carnet Jove 16PUNT30 cards among the young people of Andorra from 16 to 31 years old

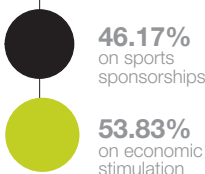


## Community

...because we are committed to the country's economic and social growth, and we act responsibly wherever we are present, around the world...

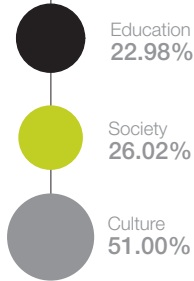
77.10%  
of investment in CSR

Initiatives to boost the economy and sports sponsorships



19.68%  
of investment in CSR

Initiatives to support the community



## Environment

...a world we want to be more sustainable, because we are committed to the future.

3.22%  
of investment in CSR

-9%  
Power consumption per employee

1,327 tons  
of CO<sub>2</sub> from energy consumption (-3%)

-10%  
Paper consumption

132 tons  
of CO<sub>2</sub> from travel (-44%)

# Report scope and criteria

The *2018 Corporate Activity Report* presents the most relevant financial and non-financial information of the Crèdit Andorrà Group that has occurred between 1 January and 31 December 2018.

The aim is to present information on the management model and performance of Crèdit Andorrà in the economic, financial, social, environmental and corporate governance fields.

Crèdit Andorrà SA is the parent company of the investee companies listed in the report. In this regard, the presented information corresponds to the Crèdit Andorrà Financial Group, excluding the data presented in the clients and environment sections, which refer exclusively to the Group's companies located in the Principality of Andorra. The economic and financial information included was obtained from the consolidated financial statements.

It is the fifteenth edition of the Crèdit Andorrà publication and it replaces the Corporate Social Responsibility report, published until 2017.

The *2018 Corporate Activity Report* has been written in accordance with the GRI standards: "Compliance - Exhaustive" option based on GRI Standards.

## Materiality analysis

In order to bring consistency and credibility, comply with the directives established by the GRI Standards and comply with them in the *Corporate activity report*, Crèdit Andorrà has carried out a materiality analysis which has allowed us to identify the relevant topics and prioritise them depending on their level of importance.

Materiality is the threshold at which an issue becomes relevant enough to be included in the *Corporate activity report*. As the GRI Standards establish, this document reports on the material topics resulting from the consultation process based on economic, social or environmental impact on the value chain.

## Methodology and results

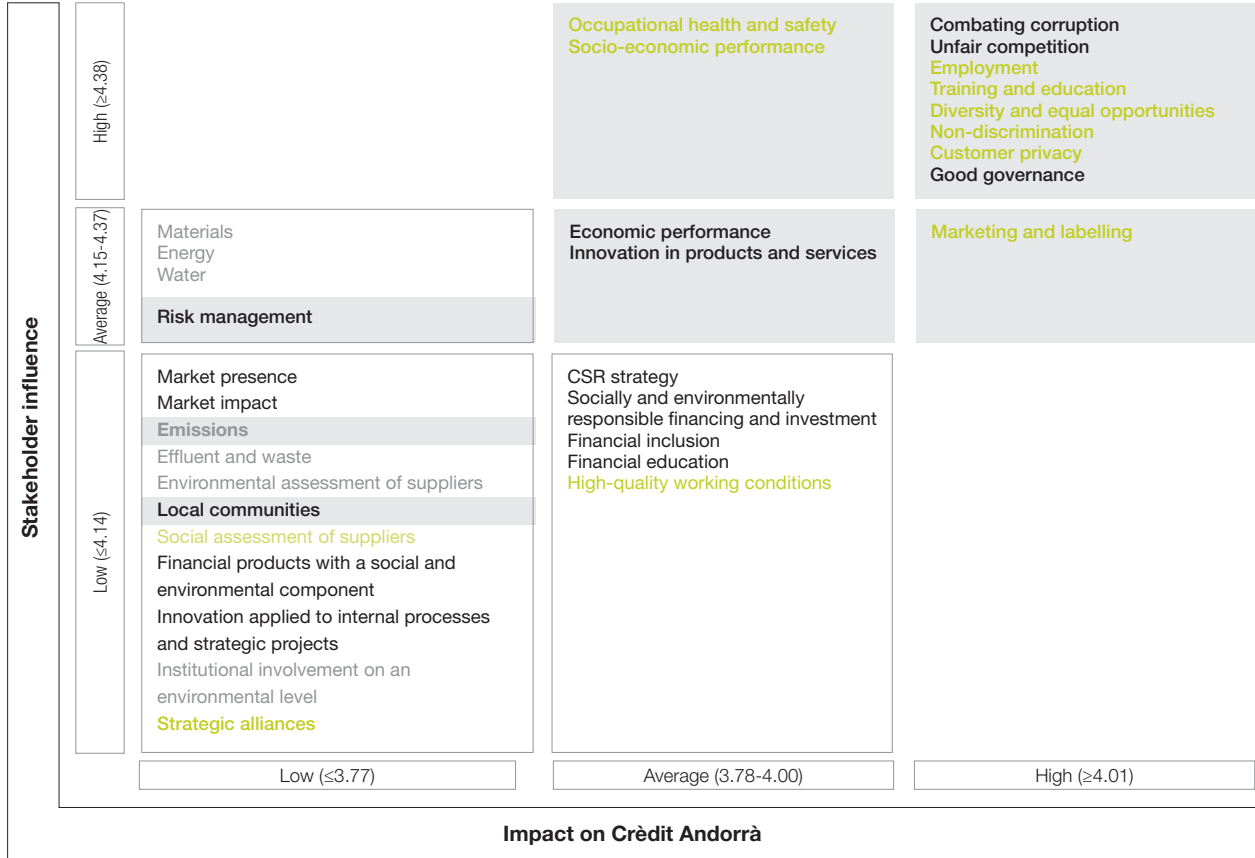
Identification was carried out based on the impacts of the actions and activities of the Crèdit Andorrà Financial Group on the banking, financial and insurance sectors, and on their stakeholders.

The issues identified have been classified into six categories: sector (business strategy and economic management), ethics and integrity (good corporate governance and compliance), service (relationship with the customer and product responsibility), employees (team management), environment (environmental management) and involvement with society (social action and involvement with the country).

To ensure that materiality provides a reasonable and balanced view of the sustainable development of the Group, a more detailed internal analysis of the results was carried out. As a result of this vertical analysis, it was also considered important to class the following aspects as material: local communities, emissions and risk management. Furthermore, information related to non-material issues according to the GRI Standards is reported as this enables the Group's CSR efforts to be explained in more detail.

For further details, see the table with the GRI indicators.

# Materiality matrix



Economic
  Social
  Environmental
  Material topics

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## Letter from the Chairman

The year that is ending has been important for the Crèdit Andorrà Group, both in business and organisational terms. The environment in which we find ourselves has led us to aim for the direction of international standardisation, transparency, management efficiency and social commitment. In pursuit of this, the Group has closed 2018 still in the lead in terms of income in the Andorran financial market and enhancing our social involvement, something with which we are completely satisfied.

In the economic sphere, the results obtained reflect prudent management, anticipating the requirements of the new context in terms of legislation and financial regulations, with the aim of regaining the highest levels of growth. The 36 million euros of profit obtained strengthen Crèdit Andorrà's position as the country's leading bank, which is reinforced by business volume in Andorra of €9.408 billion (€15.442 billion in total in the Group). We have also strengthened our support of the Andorran economy and its society, with €2.502 billion in loans to customers. Our good economic management has been confirmed by Fitch Ratings, who maintained Crèdit Andorrà's BBB rating with a stable outlook.

The entity has made significant efforts in corporate governance, in line with global transparency requirements. Aspects that stand out are the restructuring of the Board of Directors, with the incorporation of new members of the Board of Directors (proprietaries and independents) and an Executive Director; the creation of the delegate committees of Audit and Risks and of Appointments and Remunerations, chaired by the new independent Board members, in addition to the implementation of the Shareholder Space portal. This microsite gathers together all the information and documentation relevant to shareholders and allows the sale and purchase of shares.

In compliance with the IFRS-EU regulation applied in Andorra, the Bank has also undertaken a redistribution of the shareholder structure that has affected share capital, which as of 31 December 2018 is 63,102,130 euros, represented by 901,459 nominative shares that are distributed among 894,396 class A shares and 7,063 class E shares.

This redefinition in the governing bodies was also transferred to the management bodies, with a clear desire to facilitate and consolidate the Group's strategic areas. These are changes that we consider necessary to allow us to face the challenges of the future that is already here and in which our entity wants to continue to play an active role. Digitalisation of banking, focusing on strategic international marketplaces, retaining talent and providing service to customers who are more informed, more connected and more demanding are some of the challenges, which have led us to constantly reinvent ourselves.

We are convinced that we are moving in the right direction. We thrive on a way of banking based on the values of service, commitment and people, and which has been recognised again on various occasions in 2018. The financial publications *The Banker* and *PWM*, from the *Financial Times* group, have highlighted us as the Best private bank in Andorra, and *Global Banking and Finance Review* awarded us the prize for the Best private bank in Andorra and the Best Andorran bank for corporate social responsibility.

We want to highlight the latter award in particular because involvement with society has been one of our main distinguishing features, with a continued commitment to the business and associative fabric of the country that we make clear through the Bank's social responsibility programme. In addition, since 1987, when *Fundació Crèdit Andorrà* was founded, our initiatives have benefited a wide spectrum of the population: from the 200 young people who were trained thanks to the grants programme (which is celebrating its 30th anniversary), to the over 1,500 users over 60 years old that continuously use the training on offer at *L'espai*, not forgetting supporting musical creation through the *Fundació ONCA* or the new *Ordino Clàssic* festival, and the promotion of research and personal well-being.

Being responsible and acting with responsibility has been the aim of the *Crèdit Andorrà* Group from the beginning, both in financial management and in ethical and social performance. Our leadership goes well beyond being first: it means staying strong regarding our principles and continuing to open doors that allow us to achieve excellency, profitability and sustainability, at the service of our customers, employees and shareholders.

### **Antoni Pintat Mas**

Chairman of the Board of Directors of *Crèdit Andorrà*



## Letter from the CEO

It is an honour to address you for the first time as CEO of the Crèdit Andorrà Group. The changes to the Board of Directors and in the management team reaffirm the desire for Crèdit Andorrà to remain leader in the Andorran financial market and present ourselves abroad as a bank with reliable results, that is efficient and innovative in its processes and committed to people and the country.

The Group's results for 2018 reflect this leadership status in the country, with total net operating profit/loss of 172.6 million euros and a net profit of 36 million euros. These figures are in line with the business plan, despite the fairly unfavourable context for the financial industry, due to the poor performance of the markets, an environment of low interest rates and the new banking regulation. It is also worth mentioning other structural factors, due to their impact in terms of efficiency, such as the fiscal transparency measures and the effort using technological and human resources to adapt to the legislative requirements resulting from the Monetary Agreement, as well as the new reality of digital transformation.

However, the Group has maintained solid figures that confirm its sufficient capitalisation and liquidity. Thus, the solvency ratio is 15.11% (15.98% CRD IV Phased-In criteria) and the liquidity ratio is 56.27%, both above the legal minimums in Andorra (10% and 40% respectively).

In response to the new business plan, I would like to highlight the restructuring of the governing bodies, according to efficiency criteria in decision making and efficiency in operational functioning. The Group's Internal Audit division has been strengthened, which reporting directly to the Audit and Risk Committee enhances strategic control functions, and various divisions and departments have been concentrated into the Financial Planning, Operations and Resources Division. In addition, the following have been redefined: the Department of Innovation and Strategic Projects and the Department of Corporate Communications, Marketing and Client Digital Transformation.

Since the digital and technological area is another strategic challenge. We have responded with an investment of 19.9 million euros, in order to continue to be a technological benchmark for the sector and pioneers in offering digital services to customers who are demanding more and better solutions. It is worth highlighting Merkaat, the digital investment fund advisory service; Crèdit Wallet, which enables payment by mobile phone; access to the online bank e-Crèdit using your finger print and facial recognition, or the biometric signature for common in-branch transactions.

The business focus on efficiency and focused growth has been another milestone, as well as strengthening the international expansion in three geographic areas: Beta Capital Wealth Management concentrates business in America thanks to the new self-clearing licence, which enables us to boost our genuine differential value offer by being able to also act as trustees. In Luxembourg, Banque de Patrimoines Privés has cemented itself as a hub in Europe for the safeguarding of assets, structuring and administration of investment vehicles for institutional customers, and in Spain Banco Alcalá continues on the path of growth with a diversification strategy that includes entering the management portfolios of a broad segment of customers. Also in Spain, the Insurance Group has headed up an important operation, with the merger of our subsidiary ERM Holding with RSM to become the new ERSM Insurance Brokers, the leading private insurance brokers in Spain, with a brokered premiums volume of 169 million euros.

Lastly, in Andorra, with a banking model based on service that places the customer at the centre, our strategic commitment has been confirmed as adequate by the country. The Bank has continued to stand by its commitment to support the Andorran economy and society, which has materialised in €1.211 billion in financing operations to individuals and companies and with regard to investment in corporate social responsibility, through the important work of Fundació Crèdit Andorrà, one of the most important in the country in terms of resources and programmes.

We are facing several challenges for which we have a team of professionals who are committed and involved in the same future horizon. The Crèdit Andorrà Group must present itself to the world as a pioneering global bank with the ability to serve and a strong commitment to Andorran society and its development, with the active participation of our shareholders, customers and employees.

**Xavier Cornella Castel**

CEO of Crèdit Andorrà Group

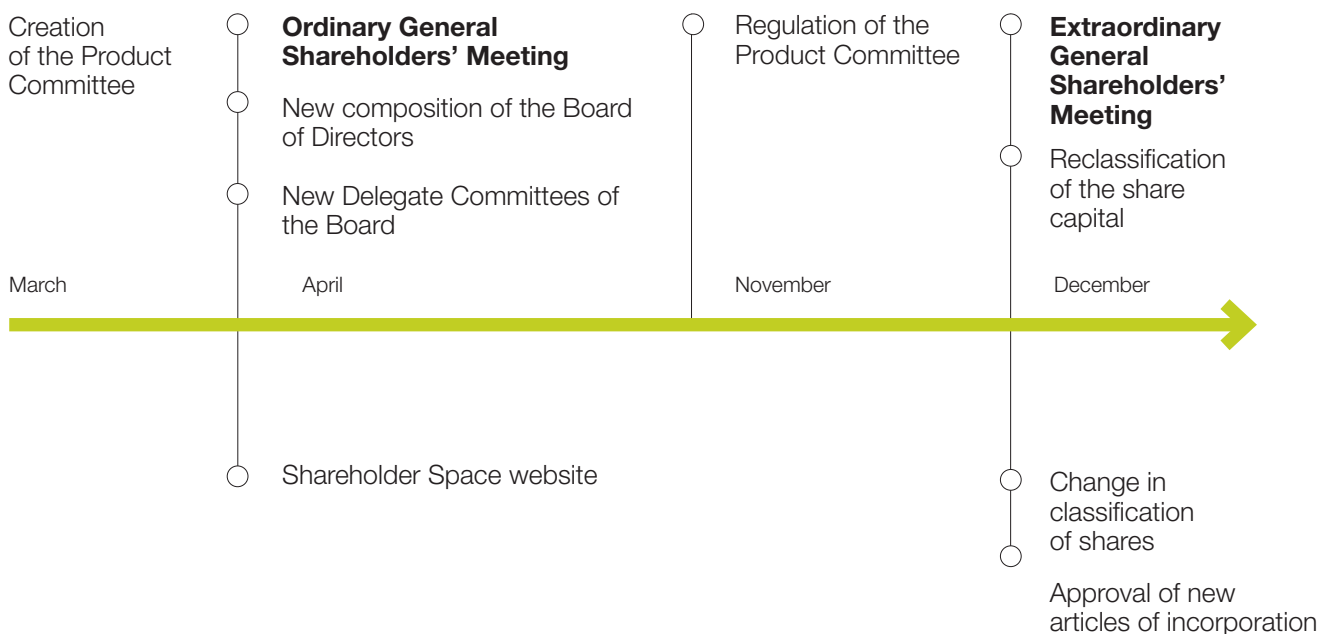


# 01. Corporate governance

Corporate governance is one of the fundamental pillars that sustain the strategy of the Crèdit Andorrà Group. In this regard, and in compliance with the provisions of the legislation applicable to financial institutions, Crèdit Andorrà has implemented a suite of actions to strengthen the entity's corporate governance and align the Bank with the best international practices in relation to transparency and banking ethics.

Crèdit Andorrà Group's corporate governance system is structured around a framework that defines risk management responsibilities according to the three lines of defence model, recommended by the Basel Committee on Banking Supervision in its "Corporate governance principles for banks".

## Main milestones in the corporate governance of Crèdit Andorrà

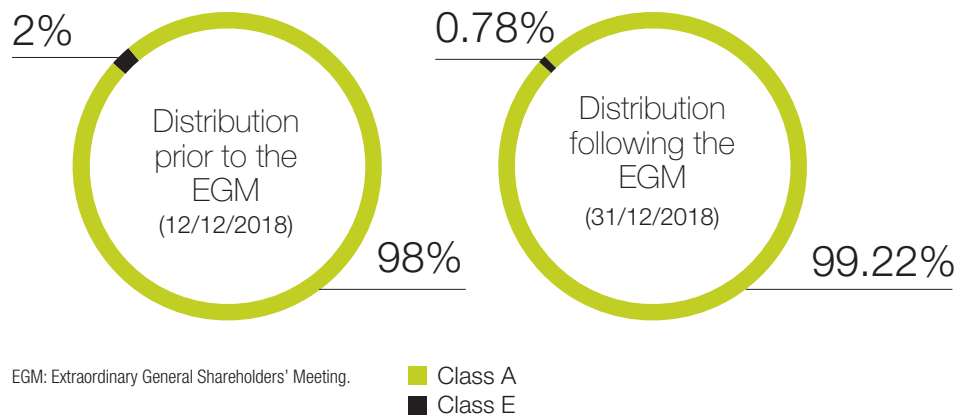


## 1.1 Shareholder structure

The share capital of Crèdit Andorrà is, as of 31 December 2018, 63,102,130 euros, represented by 901,459 nominative shares that are distributed between 894,396 class A shares and 7,063 class E shares.

In 2018 the Bank carried out a redistribution of the shareholder structure on class E shares and which has affected share capital, in compliance with the IFRS-EU legislation in application in Andorra. This modification received the approval of the Extraordinary General Shareholders' Meeting, held on 12 December 2018.

### Shareholder distribution



## Communication with the shareholder

Crèdit Andorrà has strengthened its commitment to shareholders through the creation of a new digital communication area: the Shareholder Space.

The portal aims as a priority to improve transparency with and proximity to the shareholders, who have all the relevant information available there on corporate issues, good governance and the Shareholders' Meeting, as well as facilitating intermediation of shares with sale and purchase of securities operations.

### Shareholder Space

#### The Shareholder Space allows access to:

Information on the General Shareholders' Meeting: when it will be held, agenda and associated documentation.

Voting card and vote delegation card.

The screenshot shows the 'Espai Accionista' portal for Crèdit Andorrà Financial Group. The interface includes a navigation menu with options like 'Junta general', 'Intermediació d'accions', 'Informació corporativa', 'Govern corporatiu', 'Posició accionistes', and 'Perfil accionista'. The main content area is divided into several sections:

- Govern corporatiu:** A green section with sub-items like 'Òrgans de govern', 'Comitè Executiu', 'Organigrama', and 'Reglaments'.
- Junta General d'Accionistes:** A dark grey section with sub-items like 'Convocatòria', 'Històric de juntes', and 'Documentació de la Junta'.
- Intermediació d'accions:** A dark grey section with a sub-item 'Peticions de compra i de venda'.
- Informació complementària:** A dark grey section with icons for 'Preguntes freqüents', 'Alertes de l'Espai de l'accionista', and 'Contact'.
- Informació corporativa:** A green section with sub-items like 'Estatuts socials' and 'Informe anual de Crèdit Andorrà'.

Annotations with lines pointing to specific parts of the interface include:

- A line from the text 'Information on the General Shareholders' Meeting...' points to the 'Junta general' menu item.
- A line from the text 'Voting card and vote delegation card.' points to the 'Junta General d'Accionistes' section.
- A line from the text 'Area for intermediation for trading shares.' points to the 'Intermediació d'accions' menu item.
- A line from the text 'Corporate and corporate governance information.' points to the 'Govern corporatiu' section.
- A line from the text 'Information on the position of each shareholder.' points to the 'Posició accionistes' menu item.
- A line from the text 'Archive of past meetings.' points to the 'Històric de juntes' sub-item.
- A line from the text 'Frequently asked questions.' points to the 'Preguntes freqüents' icon.
- A line from the text 'Contact form.' points to the 'Contact' icon.



## 1.2 Corporate governance structure

In 2018, changes were made to the governing structure in order to comply with the new international legislative requirements in relation to good corporate governance.

The Crèdit Andorrà shareholders, at the Ordinary General Meeting on 26 April 2018, approved the agreement to modify the Board of Directors of the Crèdit Andorrà Group.

Thus, the Meeting approved the re-election of Antoni Pintat Mas and Jaume Casal Mor in the positions of Chairman and Vice-chairman, respectively, as well as that of Rosa Pintat Santolària as Board member. In addition, it approved the appointment of André Roelants and Alfons Casanova Martí as independent Board members; of Gilles Dregi de Fontcuberta as Board member representing Maria Reig Moles, and of Xavier Cornella Castel in the position of CEO. Xavier Cornella Castel therefore became the first executive of the Group, adding to the new role the responsibilities of General Manager which he was already performing.

Strengthening the corporate governance bodies is one of Crèdit Andorrà's strategic principles



Chairman  
**Antoni Pintat Mas**



Vice-chairman  
**Jaume Casal Mor**



CEO  
**Xavier Cornella Castel**



Board member  
**Rosa Pintat Santolària**



Board member  
**Gilles Dregi de Fontcuberta**



Independent Board member  
**Alfons Casanova Martí**



Independent Board member  
**André Roelants**



Secretary (non-Board member)  
**Daniel Arqués Tomàs**

## Governing bodies

The corporate governance system of Crèdit Andorrà is set up so that the Board of Directors has established a series of committees that assist the Board on strategic decision-making and various subjects.

The incorporation of independent Board members as the heads of these committees is in response to professionalism, suitability and experience criteria, although it also fosters the adequate performance of the managerial, supervisory and monitoring roles that are assigned to them.

This guarantees the objectivity and independence of criteria in the Bank's decisive governing bodies, in accordance with the recommendations and best international practices on the subject.



## Management and monitoring bodies of Crèdit Andorrà



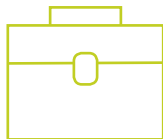
### Audit and Risk Committee

Delegated by the Board of Directors, it performs the key role of establishing and supervising the internal monitoring framework of Crèdit Andorrà. Also by delegation, it performs the key role of establishing and supervising the general strategy and risks policy of the Bank and the Group.



### Appointments and Remunerations Committee

By delegation of the Board of Directors, it performs the role of establishing and supervising the appointments policy and succession plans as well as establishing and supervising the remuneration framework in the long term for the main directors and members of the Board.



### Delegate Committee

Created in 2014 and consisting of the chairman, vice-chairman and Executive Director, it is responsible for dealing with the most important matters in the management and operation of the Crèdit Andorrà Group.

## Regulations of the Crèdit Andorrà Group

The Crèdit Andorrà Group has adopted regulations that govern the roles, organisation and operation of each of the governing bodies:



- > Regulation of the Board of Directors, approved in 2008 and most recently amended in 2014.
- > Regulation of the Delegate Committee of the Board, approved in 2014.
- > Regulation of the Appointments and Remunerations Committee, approved in 2018.
- > Regulation of the Audit and Risk Committee, approved in 2018.

## Management bodies

Crèdit Andorrà has also redefined the entity's managing structure, with a fundamental focus on efficiency criteria in decision-making, efficiency in operation and suitability to the new needs which the financial sector must fulfil, both in Andorra and in the rest of the world.

In this regard, the new structure seeks to cover the Bank's strategic principles, with a management direction defined in order to maintain Crèdit Andorrà as the leading Andorran bank. The main changes introduced to the management team are reflected in the creation of two divisions and two departments:

Internal Audit Division of the Group, led by Ramon Lladós Bernaus.

Financial Planning, Operations And Resources Division, led by Francesc Jordà Blanes.

Department of Innovation and Strategic Projects, led by Eduard Galceran Cerqueda.

Department of Corporate Communications, Marketing and Client Digital Transformation, led by Joan Ramon Mas Navarro.

Senior Management has established various committees for decision-making, aimed at a model based on transparency, legal compliance and proper risk management according to international standards.

In 2018, this structure was expanded upon with the creation of the **Product Committee**, which aims as a priority to ensure that the banking and investment products and services are aimed at or sold to the right customers. The performance regulation was also approved.

Ethics Committee

Senior Loans Committee

Assets, Liabilities and Risks Committee

Product Committee

Prevention of Money Laundering Committee

Investment Strategy Committee

Risk Coordination Committee

## Operational chart

The body responsible for managing and coordinating the Crèdit Andorrà Group is the Executive Committee, which is responsible for implementing the strategy, policies and management systems, the controls and risks for the Bank's appropriate operation.



CEO  
**Xavier Cornella Castel**

### Business



Director of Andorran  
Banking Business  
Division  
**Martí Alfonso Simón**



Director of International  
Banking Business  
Division  
**Esteban J. Estévez  
Zurita**



Chief Investment Officer  
**José Luis Dorado  
Ocaña**



Insurance Group  
Director  
**Josep Brunet Niu**

### Finance and monitoring



Director of Financial  
Planning, Operations  
and Resources  
**Francesc Jordà Blanes**



Credits Division Director  
**Xavier Soro Ventura<sup>(\*)</sup>**



Chief Risk &  
Compliance Officer  
**Christophe Canler**



Group Internal Audit Director  
**Ramon Lladós Bernaus<sup>(\*)</sup>**

### Strategic support<sup>(\*)</sup>



Innovation and Strategic  
Projects  
**Eduard Galceran  
Cerqueda**



Human Resources  
**Francesc Obiols  
Argerich**



Corporate  
Communications,  
Marketing  
and Client Digital  
Transformation  
**Joan R. Mas Navarro**



Fundació Crèdit Andorrà  
**Francesca Ros  
Pascuet**

Organisation chart as of  
31 December 2018.

<sup>(\*)</sup> Not a member of the Executive  
Committee.

## 1.3 Best corporate governance practices

The corporate governance model of the Bank ensures that the requirements for ethics and integrity are met in every aspect and in every situation. Therefore, the entity has mechanisms covering everything from the most basic operational principles that govern the management's decision making, to the roles, composition and performance of the highest governing body and its committees. In addition, we are continuously adapting to the legislative changes that affect our activity in relation to transparency, cooperation and standardisation of services and processes according to international standards.

Crédit Andorrà is taking part in various initiatives to promote good practices on this subject. Since 2016 it has supported the United Nations Global Compact, with a commitment to disseminate its 10 principles, based on human rights, labour, the environment and the fight against corruption.



Human rights



Labor standards



Environment



Combating corruption

### Ethics in banking practices

The Board of Directors approves the policies that govern the Group's compliance and conduct risk, as well as incorporating the industry-wide texts (from both within and beyond Andorra) and universal principles resulting from the Global Compact as its own and applying them to the entity.



#### Legislative activity in 2018

- *Cross-Border policy of Crédit Andorrà Group*
- *Crédit Andorrà Group policy in relation to internal regulations*



#### Ethical and conduct regulations

- *Regulation of the Board of Directors (approved in 2008 and amended in 2014)*
- *Regulation of the Delegate Committee (2014)*
- *Regulation of the Appointments and Remunerations Committee (2018)*
- *Regulation of the Audit and Risk Committee (2018)*
- *Code of ethics and conduct of the Crédit Andorrà Group (2014)*
- *Code of conduct in the securities markets of the Crédit Andorrà Group (2014)*



#### Policies and regulations

- *Policy for prevention of money or asset laundering and terrorist financing*
- *Regulatory compliance policy*
- *Investor protection policy*
- *Comprehensive policy on investment and risk management*
- *FATCA (Foreign Account Tax Compliance Act)/ CRS (Common Reporting Standard) Policy*
- *Personal data protection policy*
- *Corporate social responsibility policy*
- *Automatic exchange of tax information standard*

## 1.4 Comprehensive risk management

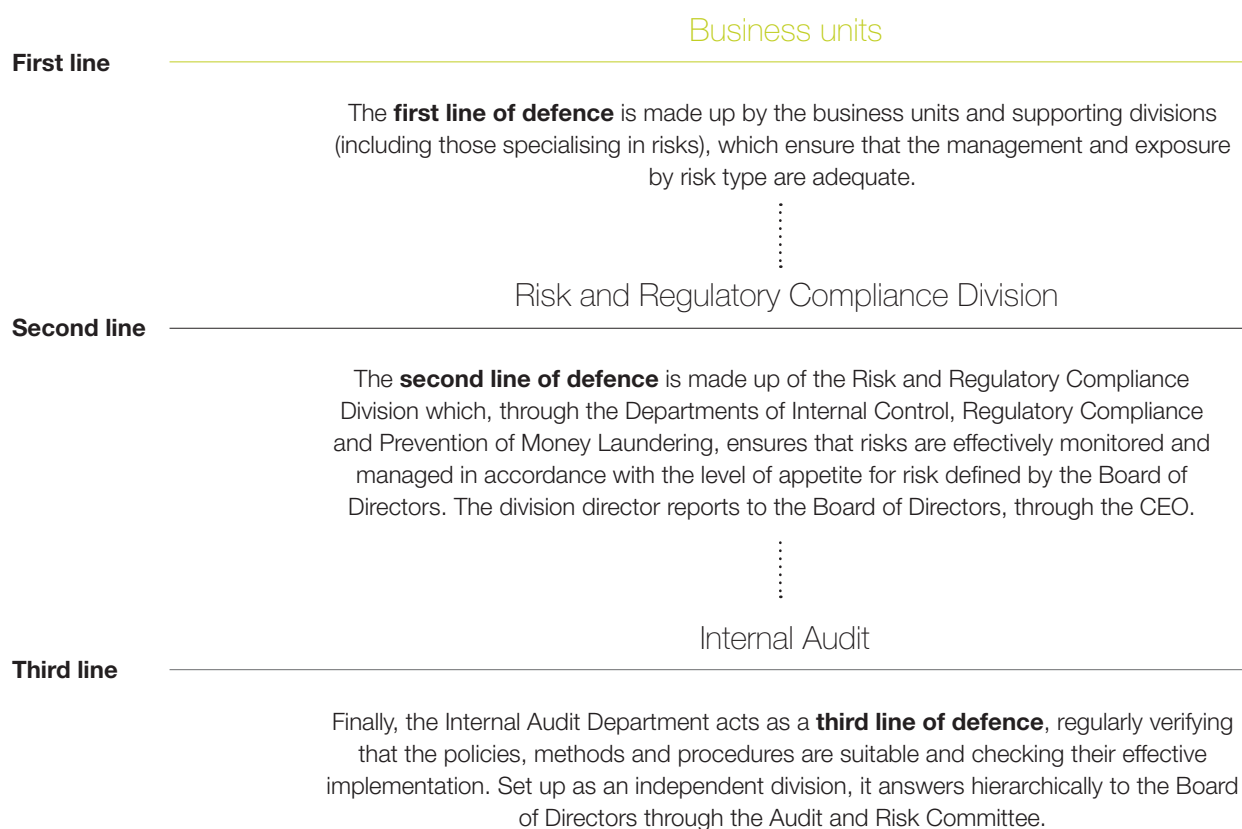
The goal of risk management at the Crèdit Andorrà Group is to reach an efficient level of control of all risks to which the Group has been or could be exposed, with the aim of maintaining a moderate/low risk profile and conservative criteria in the development of business opportunities.

The Crèdit Andorrà Group's corporate governance system is structured around a framework that defines risk management responsibilities according to the three lines of defence model, recommended by the Basel Committee on Banking Supervision in its "Corporate governance principles for banks".

These lines of defence are divided by hierarchy and work in coordination while being sufficiently independent of each other, in order to reach the objectives set out in the policies approved by the Board.

In line with the decision of the Board of Directors to consolidate the strategic role of control with the constitution of the Audit and Risk Committee of the Board, the Bank's third line of defence has been strengthened with the creation of the Group's Internal audit division, which answers hierarchically to the Board of Directors through the Audit and Risk Committee.

The strategic monitoring function is strengthened by the Audit and Risk Committee, and the third line of defence is strengthened by the creation of the Group's Internal Audit Division to which it answers hierarchically



## Communication and training to promote the risk management culture

### Launch of the Corporate Risks Portal

Accessible through the WeCrédit corporate intranet, and with the aim of helping the Group's entire workforce to consult and review the documentation on risks, the portal compiles all the internal regulations (policies, regulations, procedures etc.) ordered by type of risk.

The portal was created due to the desire to strengthen the corporate risk culture through a space for sharing content and exchanging best practices. It includes internal regulations, educational and methodological material, content that allows contact with the activities and tools used in managing and monitoring the Group's risks, as well as the most relevant concepts, trends and projects.



## 02. Crèdit Andorrà Financial Group. Financial statements

The consolidated financial statements of the Crèdit Andorrà Group corresponding to the year 2018 have been prepared with the same principles, accounting policies and criteria as those applied to the consolidated financial statements for the year 2017, except for the regulatory changes that have entered into force on 1 January 2018.

Therefore, during their preparation, the International Financial Reporting Standards that were adopted by the European Union (IFRS-EU) were taken into account, and which in turn were fully adopted by Andorra (IFRS-Andorra) by means of the Decree dated 22 December 2016 and the Decree dated 12 December 2018.

### 2.1 Statement of financial position

#### Assets (thousands of euros)

	Note (*)	31/12/2018	31/12/2017 <sup>o</sup>
Cash, cash balances in central banks and other sight deposits	8	343,553	251,265
Held-for-trading financial assets	9.1	12,560	8,409
Financial assets not held-for-trading required to be valued at fair value with changes through profit and loss	9.2	185,903	215,970
Financial assets at fair value with changes through profit and loss	10	1,865	14,763
Other financial assets at fair value with changes through another global profit and loss	11	365,996	405,340
Financial assets at depreciated cost		3,764,342	4,083,559
Derivatives - hedge accounting	14	—	—
Changes in fair value of hedged items of a portfolio with interest-rate risk hedging	14	21,711	25,611
Investments in joint ventures and associates	3	37,046	31,491
Assets used for insurance and reinsurance contracts	20	3,431	2,760
Tangible assets	15	122,832	127,155
Intangible assets	16	129,837	112,717
Tax assets	45	28,219	25,694
Other assets	17	52,908	51,898
Non-current assets and disposable groups of items classified as held for sale	18	112,028	103,285
<b>Total assets</b>		<b>5,182,231</b>	<b>5,459,917</b>

(\*) Presented solely and exclusively for comparative purposes (see note 1.3 of the audited financial statements).

(\*\*) The notes refer to the consolidated financial statements, available at [informeannual.creditandorrargroup.com](http://informeannual.creditandorrargroup.com)

## Liabilities (thousands of euros)

	Note <sup>(*)</sup>	31/12/2018	31/12/2017 <sup>(*)</sup>
Held-for-trading financial liabilities	9.3	10,405	4,772
Financial liabilities at fair value through profit and loss	10	71,411	123,374
Financial liabilities at depreciated cost	19	4,282,232	4,493,974
Derivatives - hedge accounting	14	35,194	42,192
Changes in fair value of hedged items of a portfolio with interest-rate risk hedging	14	—	—
Liabilities used for insurance and reinsurance contracts	20	265,650	254,287
Provisions	21	31,299	62,305
Tax liabilities	45	3,085	2,169
Share capital refundable on demand		—	—
Other liabilities	23	57,587	55,746
Liabilities included in disposable groups of elements classified as held for sale	18	—	—
<b>Total liabilities</b>		<b>4,756,863</b>	<b>5,038,819</b>

(\*) Presented solely and exclusively for comparative purposes (see note 1.3 of the audited financial statements).

(\*\*) The notes refer to the consolidated financial statements, available at [informeannual.creditandorragroup.com](http://informeannual.creditandorragroup.com)

## Equity (thousands of euros)

	Note <sup>(*)</sup>	31/12/2018	31/12/2017 <sup>(*)</sup>
Capital	24	63,462	63,462
Issue premium	24	—	—
Issued equity instruments other than capital		—	—
Other net equity items		—	—
Other accumulated comprehensive profit and loss	26	4,222	4,972
Retained earnings		—	—
Revaluation reserves		—	—
Other reserves	24	311,581	293,721
(-) Treasury shares	25	—	—
Profit and loss attributable to owners of the parent company	4	36,001	50,194
(-) Interim dividends	4	—	—
Minority interests (non-controlling interest)	27	10,102	8,749
<b>Total net equity</b>		<b>425,368</b>	<b>421,098</b>
<b>Total net equity and liabilities</b>		<b>5,182,231</b>	<b>5,459,917</b>

(\*) Presented solely and exclusively for comparative purposes (see note 1.3 of the audited financial statements).

(\*\*) The notes refer to the consolidated financial statements, available at [informeannual.creditandorragroup.com](http://informeannual.creditandorragroup.com)

## 2.2 Statements of profit and loss

### Income statement (thousands of euros)

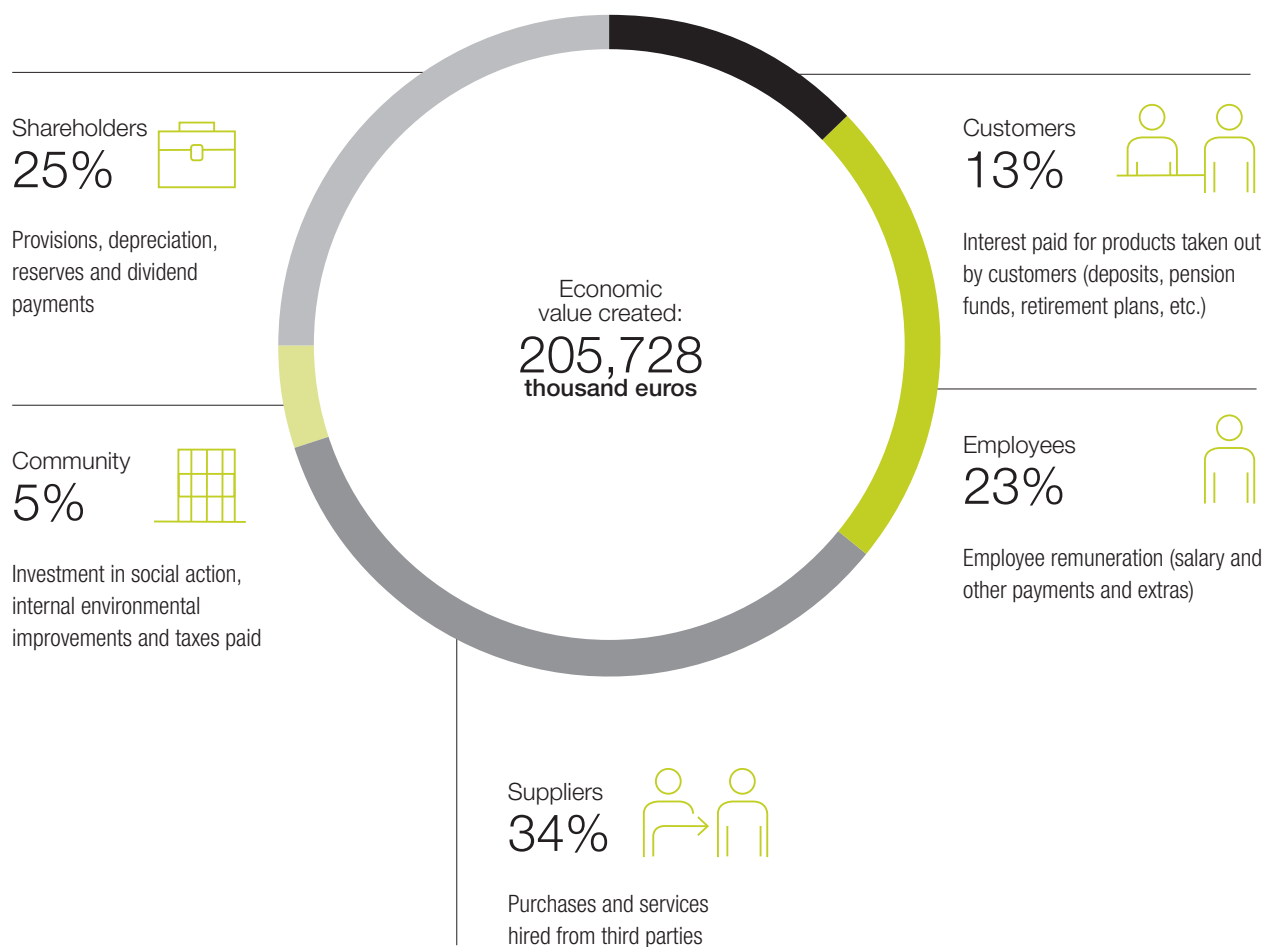
	Note (*)	31/12/2018	31/12/2017 (†)
Interest income	34	72,932	70,243
(Interest expenditure)	34	-26,447	-31,532
(Expenses for share capital refundable on demand)		–	–
Dividend income	35	704	3,730
Commission income	36	124,376	158,678
(Commission expenditure)	36	-31,081	-33,135
Profit or loss due to retirement of financial assets and liabilities not valued at fair value through profit and loss, net	37	14,046	3,184
Profit or loss due to held-for-trading financial assets and liabilities, net	37	6,203	3,768
Profit or loss due to financial assets not held-for-sale compulsorily measured at fair value with changes through profit and loss.	37	-12,462	–
Profit or loss due to financial assets and liabilities at fair value with changes through profit and loss, net	37	11,092	-79
Profit or loss resulting from hedge accounting, net	14	-431	1,115
Exchange rate differences (profit or loss), net	37	3,016	9,029
Profit or loss due to retirement of non-financial asset accounts, net		870	172
Other operating income and expenditure	38	6,027	6,224
Other income and expenses of assets and liabilities covered by insurance or reinsurance contracts	38	3,706	4,192
<b>Total net operating profit/loss</b>		<b>172,551</b>	<b>195,589</b>
(Administration expenses)		-123,583	-127,330
(Depreciation)	41	-15,323	-12,264
(Provisions or reversal of provisions)	42	-2,760	-2,092
(Impairment of the value or reversal of value impairment of financial assets not valued at fair value with changes through profit and loss or loss due to modification)	43	1,724	-228
(Impairment of the value or reversal of the value impairment of investments in joint ventures and associates)		–	-231
(Impairment of the value or reversal of value impairment of non-financial assets)		-161	–
Negative goodwill recognised in the profit and loss	3.6	2,632	–
Share in profit or loss of investments in subsidiaries, joint ventures and associates	44	4,098	3,398
Profit or loss from non-current assets and disposable groups of items held for sale not admissible in discontinued operations	18	-126	-623
<b>Profit and loss before tax from continuing activities</b>		<b>39,052</b>	<b>56,219</b>
<b>(Income or expenditure for tax on profit from continued activities)</b>	45	<b>-2,698</b>	<b>-5,660</b>
<b>Profit or loss after tax from continuing activities</b>		<b>36,354</b>	<b>50,559</b>
<b>Profit or loss after tax from discontinued activities</b>		<b>–</b>	<b>–</b>
<b>Profit or loss for the year</b>		<b>36,354</b>	<b>50,559</b>
<b>Attributable to minority interests (non-controlling interests)</b>		<b>353</b>	<b>365</b>
<b>Attributable to the owners of the parent company</b>		<b>36,001</b>	<b>50,194</b>
<b>Earnings per share (basic) - in euros</b>	4	<b>40.35</b>	<b>59.72</b>
<b>Earnings per share (diluted) - in euros</b>	4	<b>40.35</b>	<b>59.72</b>

(\*) Presented solely and exclusively for comparative purposes (see note 1.3 of the audited financial statements).

(\*\*) The notes refer to the consolidated financial statements, available at [informeannual.creditandorragroup.com](http://informeannual.creditandorragroup.com)

## 2.3 Socio-economic impact

The Crèdit Andorrà Group's main contribution to economic and social development are defined through the impacts of its business activity, both directly and indirectly. The Bank's business activity generates economic value that has a direct impact on the system where it operates and benefits our main stakeholders and society as a whole.

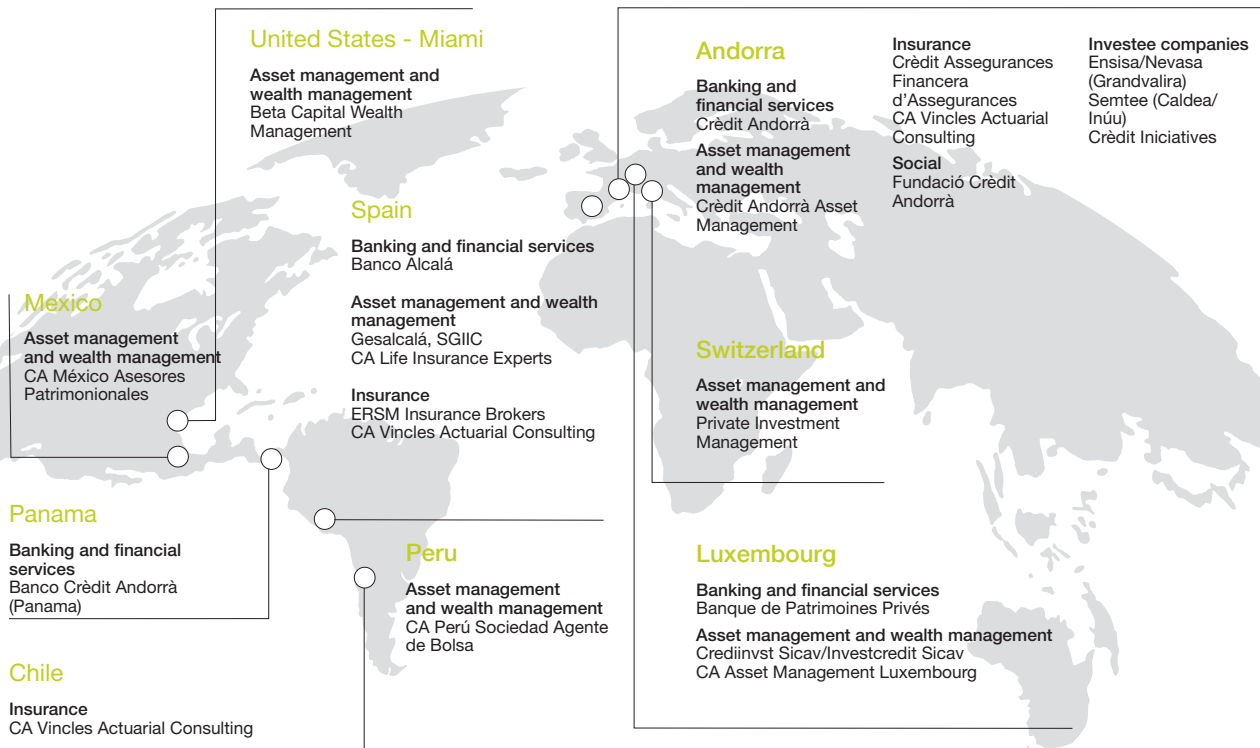


# 03. Business strategy and activity

The Crèdit Andorrà Financial Group offers a universal banking model, with financial products and services belonging to private banking, retail banking and corporate banking, focused on three geographic areas: Andorra, Europe and America.

The business activity is complemented by investment and asset management activities, as well as selling insurance products.

## Worldwide activity and presence



## 3.1 Business model



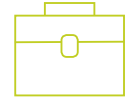
### Commercial banking

In Andorra, we offer financial, savings and investment services and products both to individuals as well as companies through the most extensive network of branches in the country, with presence throughout the entire country. We are showcasing our commitment to service by decisively opting for digitalisation, with the opening of automatic branches available to customers 24 hours a day, the e-Crédit online banking service and the Línia Directa Crèdit telephone banking service, among other services.



### Insurance Group

The Insurance Group of Crèdit Andorrà was established in 1996 with Crèdit Assegurances, the leading company in the Andorran life insurance market, which specialises in risk, health, savings and pension plan products. At present it is made up of five different companies, and is also present in Spain and Chile.



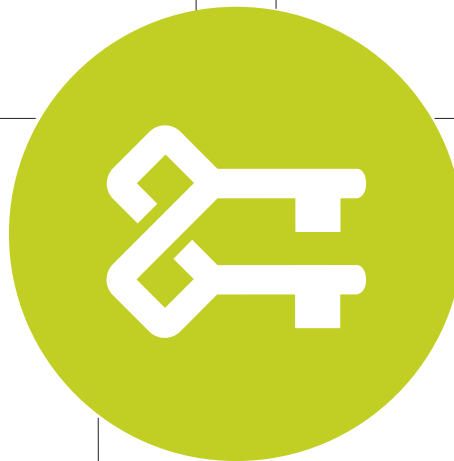
### Private banking and wealth management

The Crèdit Andorrà Group bases its private banking on an independent, specialised and international service. Our presence in the financial markets of Andorra, Europe and America allows us to offer customers and investors the support of a global brand in the field of wealth management and asset management, with a service that is tailored to the customer, flexible and comes with personalised care.



### Asset management

Crèdit Andorrà Asset Management, created in 1990, is devoted to asset management, investment funds and discretionary management portfolios as well as providing financial advice. It is the parent company from which we extend our management to Europe and the rest of the world.



### Social activity

Fundació Crèdit Andorrà was founded in 1987 with the creation of a grant programme for young people. Since then, the scope of the Foundation has been progressively expanding, to the point where its projects include the promotion of activities in response to the country's social needs. Nowadays, Fundació Crèdit Andorrà has become one of the country's main private foundations, both in the number of programmes carried out and in resources assigned. It is currently carrying out a wide range of activities over three large thematic areas: education, social programmes and culture.

## 3.2 Corporate strategy

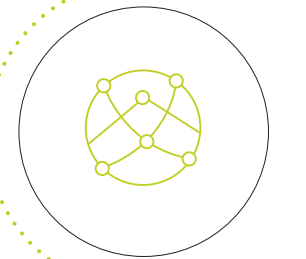
### Efficient growth

If we want to be present in a highly demanding and competitive global market, we must be capable of generating beneficial growth for all parties involved in the performance of the Crèdit Andorrà Group, from the shareholders to the employees, customers and society as a whole.



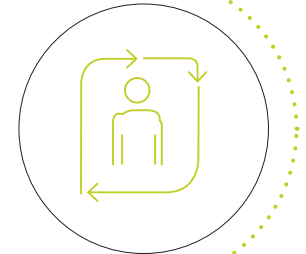
### Focus of international business

The international expansion of the Crèdit Andorrà Group is made up of three broad geographic directions: Spain, Luxembourg and Miami, from which the private banking and asset management business is directed.



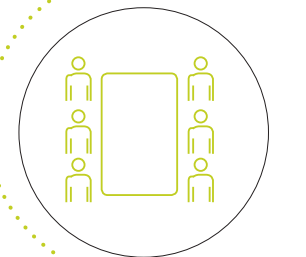
### The customer, at the centre of the digital transformation

Placing the customer at the centre means we have a real drive for service, which forces us to work on this. The Crèdit Andorrà Group has identified digital transformation as the true value challenge. It has always been one of our defining features, which has distinguished us as a pioneering bank in terms of products, services and processes at the service of the customer.



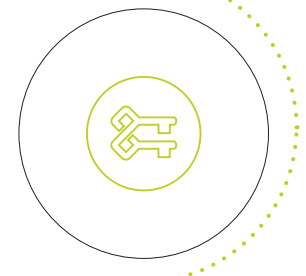
### Corporate governance

Good practices in corporate governance must allow us transparent and suitable management with the aim of favouring the credibility and stability of the Crèdit Andorrà Group, to promote growth and the sustainable generation of wealth.



### Values and brand

The Crèdit Andorrà Group's most significant asset is our values, which have allowed us to build a solid brand, rooted in the country, committed to the most universal principles and leading the sector in the Andorran marketplace.



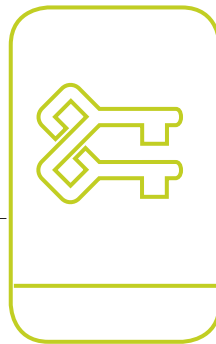
## Digitalisation as a competitive advantage

Digitalisation is one of the key principles in the Group's operational and business strategy, so we are promoting a digitalisation model applicable to the entire Group, which is becoming a real competitive advantage.

This model is based on the **maximisation of efficiency** focused on achieving the **maximum differentiation** on the market, which currently hinges on two key areas:



**Strategy**, which establishes a reference framework around the aim of the actions that must be carried out (where to act).



**Processes**, organising the operational part that allows us to achieve strategic milestones (how to act).

In this regard, what stands out is integrating the management of demand, with certain defined objectives:

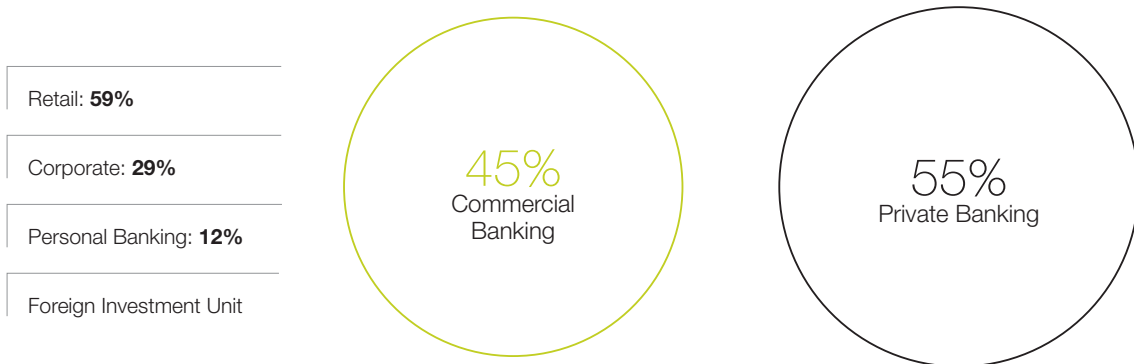
- > Review the project prioritisation model.
- > Facilitate, boost and consolidate the continuous digitalisation process in the context of the two preceding principles.



## 3.3 Andorra Banking Business Division

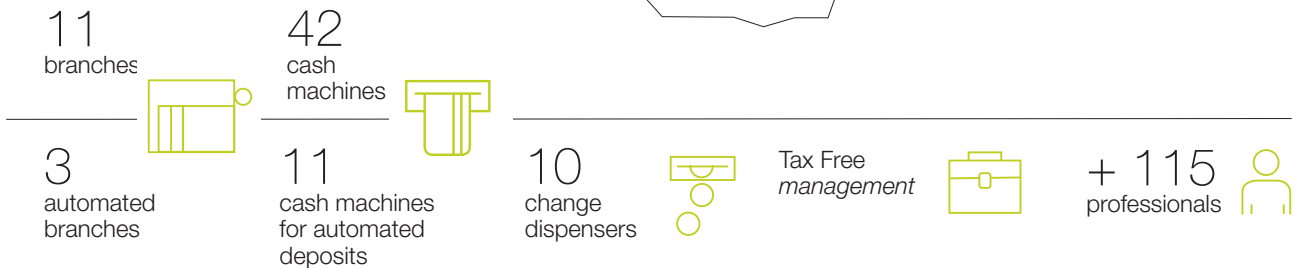
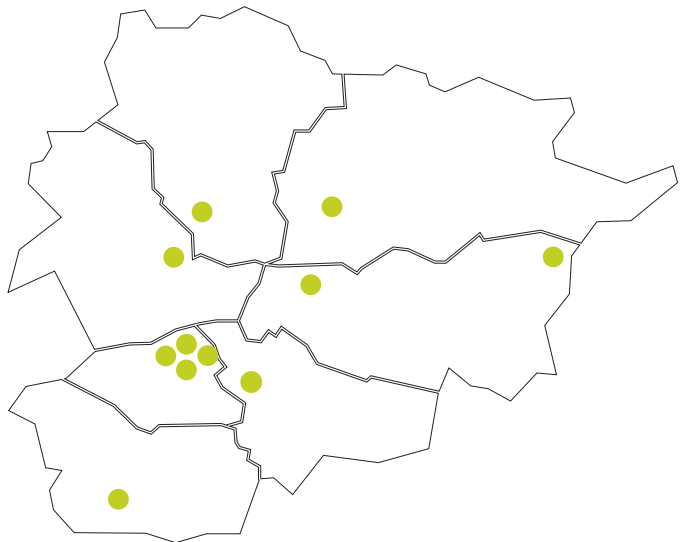
### Commercial Banking

Crédit Andorrà structures its Andorran banking business on two broad areas of activity, commercial banking and private banking, with a value proposition focused on service, innovation in products and services and commitment to the country, all of which have allowed us to continuously stay in the lead in the Principality.



### Retail Banking

We have the most extensive commercial network in the country, from which we offer banking adapted to our customers' needs and expectations, based on multi-channel services and a wide range of financial and insurance products.



## Corporate Banking

The Corporate Banking unit fulfils the more specific needs of the national business network with a team of specialised managers.

Through this unit, we manage financial solutions for large business groups and corporations that, due to the nature of their business activity, have more complex operating requirements, as well as public and partially-public bodies and entities.

## Foreign Investment Unit Service

Also as part of Retail Banking, but with its own entity and operations, the Foreign Investment Unit provides services to foreign companies that, as the result of the Andorran economic opening process that has been encouraged since 2012, want to begin a business project as well as those that are already established and want to expand their activity, establishing themselves in the country. The unit, comprising a team of professionals with extensive experience and knowledge of the country, is dedicated solely and exclusively to providing services to these companies, with a wide range of banking services adapted to their needs.

### Customer types



### Foreign investment data



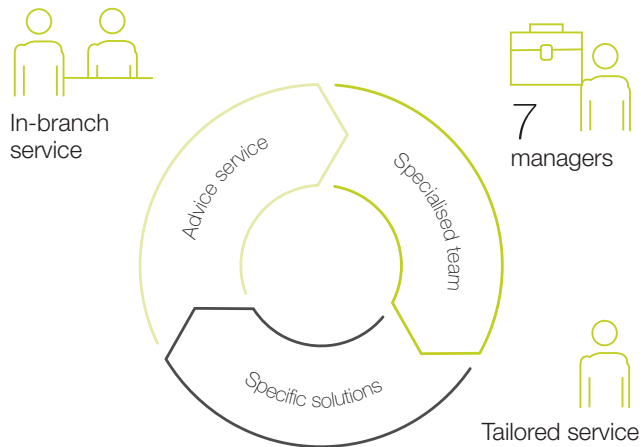
<sup>(\*)</sup>Data from 2012 to 2017. Statistics Service of the Government of Andorra.

### Highlighted project

## Personal Banking

Facing the strategic challenge of guaranteeing the best service to all customer segments, we have created the Personal Banking unit, to which we have assigned a team of seven specialised managers in the seven largest branches.

The aim of this new unit is to attend to customers with needs beyond what we provide through Retail Banking, focused mainly on presenting management solutions and investment products.



## Private Banking Andorra

The country's private banking activity is defined by service **specialisation**, through three teams exclusively dedicated to dealing with customers.

The Private Banking Andorra unit offers personalised and exclusive advice on asset management and investments. It is also worth noting that it is a pioneer in the country for providing online advice through the **Merkaat** platform.

Private Banking Andorra has been a pioneer in the country for providing digital advice on investments through the Merkaat platform



 20  
professionals

 3  
specialised  
teams

## New Business unit

Through this unit, we attend to the needs of customers from outside of Andorra, mainly European Union nationals. Bringing the Andorran financial marketplace in line with the international standards allows us to offer this customer segment a service adapted to the fiscal reality of their home country, with products that are defined by specialisation and optimisation.

Our private banking service has once more received international recognition in 2018



The Banker/PWM  
(Financial Times Group)



Global Banking  
& Finance Review

## Sports&Business

Specialisation in customer service and attention led us to create the Sports&Business Development team in 2014, with a range that at that time was pioneering in the country, focused on responding to a very specific type of new resident: elite athletes, entrepreneurs and business people interested in establishing themselves in the country, making use of the benefits of the economic opening.

### Equity management service

Financial planning

Equity advice

Investment portfolio management

#### Personal assistance

Personal asset management

Lifestyle advice

External teams

## New Regions unit

Business expansion has always been one of the aims of Crèdit Andorrà, which we have put into practice through private banking with the New Regions department. For this purpose, we have created two specialised teams, distributed between Eastern Europe, Africa and the Middle East.

## 3.4 International Banking Business Division

The focused growth of international business has been the main strategic aim of the Crèdit Andorrà Group, we have concentrated our efforts on enhancing our presence in each of the countries considered key for consolidating our activity around the world.

The Group's strategic geographical positions are Spain, Luxembourg and Miami, with the support of Panama.



Private Banking  
Wealth Management  
Asset Management  
Insurance



### America

We are following the process of business concentration in the strategic areas for the Group's business, improving the value proposition and seeking specialisation in each market.

Miami, the group's dollar hub, is being established as the platform through which we want to develop commercial growth in Latin America. Mexico, with a particular focus on domestic private banking activity, and Panama as a key area for private banking activity in Central America, complement our offering in the area.

#### Beta Capital Wealth Management

40 employees

€906 m business volume

#### Banco Crèdit Andorrà (Panama)

58 employees

€1,202 m business volume



### Miami

The financial benchmark for developing the private banking market in Latin America, it also represents the strategic point of the Group for our growth in the region. Evidence of this commitment is the authorisation of self-clearing activity, a step forward that strengthens us and enhances our ability for commercial development with institutional customers, both domestic and international.

Beta Capital Wealth Management closed 2018 with a business volume over 900 million euros, with business focused on private banking and advice services for the entire region.

### Panama

The efforts made by the Central American country on the subject of regulatory adaptation to international standards and the improvement of transparency have allowed the Group to continue providing private banking services to the region during 2018. It closed the year with a business volume of €1.202 billion, operating as a leading market for commercial development in Central America.

Through Beta Capital Wealth Management, we are focusing business on the South American continent thanks to the new self-clearing licence

**Banque de Patrimoines Privés****87** employees**€3,161** m business volume**Banco Alcalá****258** employees**€1,839** m business volume

## Europe

The European Private Banking division covers private banking activity through the Banque de Patrimoines Privés, with headquarters in Luxembourg, and the Banco Alcalá, with branches in Madrid, Barcelona and Valencia. We are also dedicated to asset management through the fund managers CA Asset Management Luxembourg, Gesalcalá in Spain, and PIM, Private Investment Management, in Switzerland.



### Banque de Patrimoines Privés

A highly specialised team, a wide range of services and the improvement of operating efficiency have allowed us to consolidate our position in the market as the leading entity in the provision of services to institutional customers in relation to tailor-made investment structures, both in regulated and unregulated vehicles in Luxembourg.

2018 closed with over €3.100 billion under management and there are new products to be offered in 2019 that confirm Luxembourg as an engine for growth through our institutional market within the Group.

The consolidation of Luxembourg as a leading market in Europe in private banking and advice activity, in particular in relation to the Brexit, has allowed us to strengthen our service in this area.



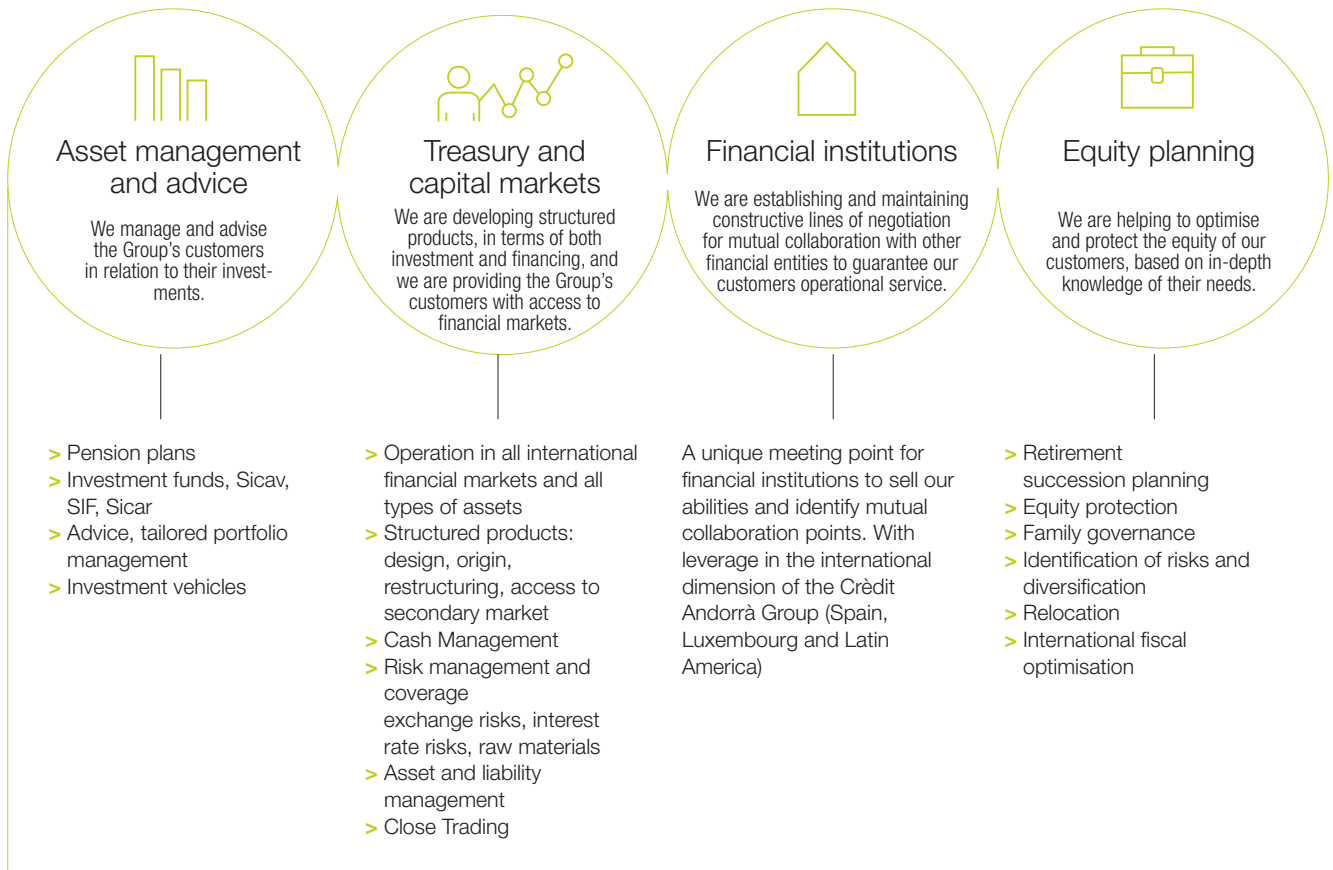
Banco Alcalá has been strengthened in the field of digital transformation, incorporating the digital platform Merkaat into its range of advice services.

### Banco Alcalá

With *boutique* private banking strategic positioning and focused on advising clients through three branches (Madrid, Barcelona and Valencia), the year closed with an asset volume over €1.800 billion.

It is worth pointing out the consolidation of the Valencia branch; in less than two years since it opened it has already achieved a volume under management of 100 million euros. The sustained growth in the Agents and EAM division is significant, as well as the good development in capturing collective investment instruments.

## 3.5 Investment Division



### Investor Protection

The Investment Division, jointly with Regulatory Compliance, has led the project that the Group has implemented in relation to the entry into force, in January 2018, of the **MiFID II** directive, which affects entities established in Spain and Luxembourg.

MiFID II entails greater advocacy and protection for the customer, which has an impact on three fields of activity: the markets (more transparency, security and operational and informational efficiency), the customer (more protection and prior and subsequent information) and corporate governance (conflicts of interest, responsibility and control mechanisms of the Board of Directors).

The work carried out in the division to implement MiFID II in Spain and Luxembourg has served to prepare the ground for the future application of the directive in Andorra, forecast for 2020

## Management that is specialised and tailored to the customer

Through Crèdit Andorrà Asset Management, the Group meets our customers' investment needs, with the discretionary management of investment funds and management portfolios, and a financial consultancy service based on customisation.

In 2018, our focus was on four main aims:

The **consolidation of the business model**, with a value proposition focused on asset management and adapted to the new requirements of the MiFID II (applied to the Spanish and Luxembourgish financial entities of the Group, and ready for Andorra).

The enhancement of **Luxembourg as a hub** for the management and administration of investment vehicles.

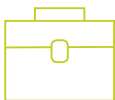
**Rationalisation** in the field of discretionary management, with the standardisation of portfolios and processes.

**Specialisation** in consultancy, segmenting customers and adapting to their needs.

### Crèdit Andorrà Asset Management

#### MANAGEMENT MODEL

Investment philosophy *value*



Global team  
**+50**  
professionals  
**Andorra/Europe/America**

**+€3,900 m**  
AuM

**+€1,200 m**  
in + 1,000 discretionary  
management portfolios

**+€1,600 m**  
in + 100 funds and  
sub-funds

**+€1,100 m**  
in + 300 consultancy  
customers

**Strategic agreements**  
Cobas Asset Management  
European equity instruments

Highlighted product

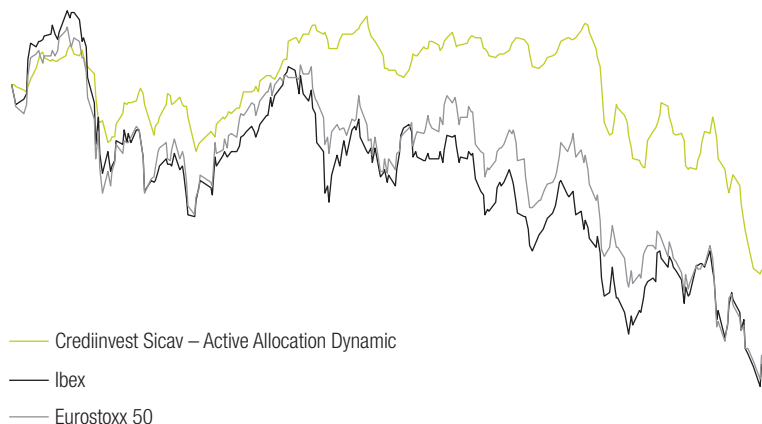
#### Active Allocation

The Active Allocation funds in 2018 were positioned at the forefront of their category, both among Andorran funds and on an international scale.

They are a range of collective investment funds (CIF) that invest in other funds around the world with active management that constantly adapts to the environment to find the best opportunity.

With an open architecture design, the customer has several more optimum and diversified portfolios, as they can access a larger and more varied range of investment funds.

#### Evolution of Active Allocation Dynamic<sup>(\*)</sup>



(\*) January-December 2018.



## 3.6 Insurance Group

The Insurance Group has maintained its growth plan, both in Andorra and on an international scale, with particular emphasis on strengthening its presence in Spain.

It is currently comprised of five companies, at the forefront of which is Crèdit Assegurances, founded in 1996 and which has been positioned as the Andorran market leader. A team of over 200 people and presence in three countries (Andorra, Spain and Chile) confirm the robustness of a group in expansion that has closed the business year with value contributed to the Crèdit Andorrà Group of 40.78%.

### International group

5  
companies  
comprising the  
Insurance Group

3  
countries:  
Andorra,  
Spain and Chile

### Robustness

€200 m  
in volume of  
premiums (risk and  
intermediated)

€15.9 m  
value contributed to  
the Crèdit Andorrà  
Group (pre-tax)

### Team

203  
people forming  
part of the  
workforce

### Highlighted project

ERSM Insurance Brokers, the new holding company leading the Spanish insurance brokers market

ERM Holding, from the Crèdit Andorrà Group, and the holding company RSM merged the brokerage and consultancy businesses in an operation that resulted in the new holding company ERSM Insurance Brokers, a leader in the Spanish market becoming the top private insurance brokers in Spain. The new holding company is owned by ERM (51%) and RSM (49%).

142  
employees

169  
million euros  
of intermediated  
premiums

160,085  
customers

23  
million euros in  
income

Coverage throughout  
Spain: network  
of offices and  
collaborators



## 3.7 Digitalisation, a constant challenge

### Innovation for growth

With the aim of encouraging the culture of innovation from within the very heart of the organisation, the Group has created the Innovation and Strategic Projects department, which promotes various kinds of proposals (organisational, products and services, functional etc.), and which can be applied to any of the Group's companies, both parent and subsidiaries. Its multi-faceted nature is the unit's differentiating factor, which is structured on three organic pillars:



#### 1. The creator of ideas

The innovation challenges of the Group are gathered and solutions are proposed to the Management.

Work based on prototypes promotes the creation of multi-disciplinary working teams created expressly to meet the challenges posed. The first one, a new relational model with the customer, was set up in 2018 and, once approved by Management, will be carried out during 2019 for the involved business areas.

The creator of ideas aims to instil **design thinking** techniques to its employees using a *workshops* service, which enables meetings to be transformed into highly productive workshops. It also introduces experimental work with new technologies, such as artificial intelligence and *blockchain*, always with the participation of the Group's team of employees.



#### 2. Relationships with start-ups

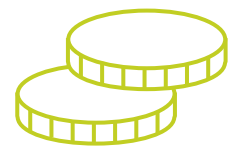
Crèdit Andorrà is collaborating with UniqVentures, the first *venture builder* in Andorra that launched with the Vesto project, an app designed to facilitate family savings.



#### 3. Merkaat

The leading digital investment advisory service in Andorra. (see page 54)

€19.9 m

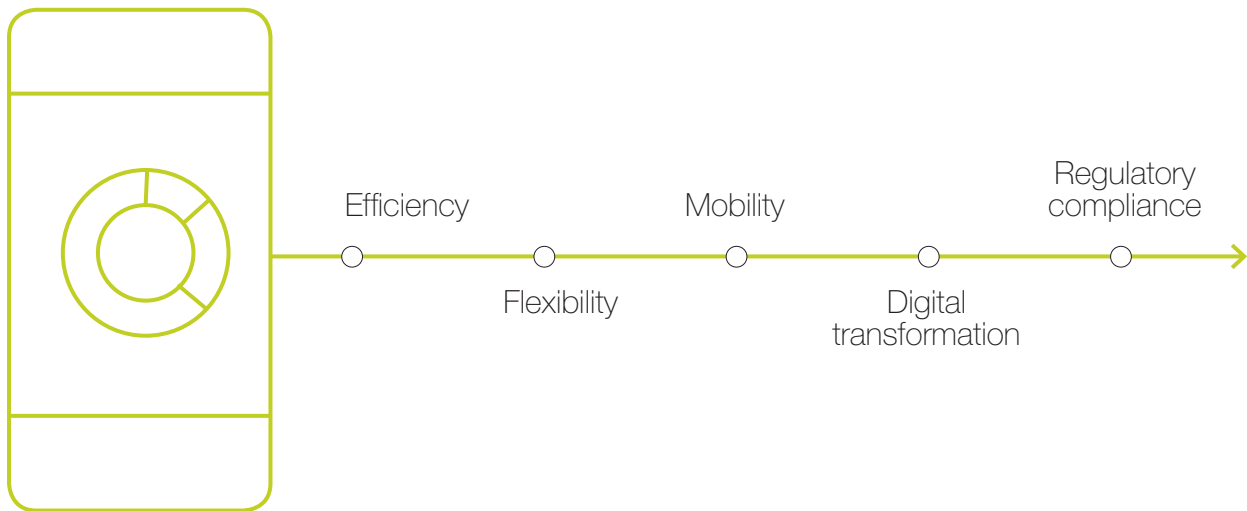


Investment in the technological and digital spheres

## The customer, the focus of the security and digital transformations

The appearance of new competitors in the fintech industry, rapid adaptation to the current regulatory framework, as well as the impact caused by the entry into force of the automatic exchange of information have been the engines that have driven the significant investment in technological adaptation measures that the entity has carried out.

The **Systems unit** provides the Group with sufficient technology to continue being the leading Bank in Andorra. During 2018, it has been working on technological solutions focused on the following cornerstones.



These strategic directions have been developed in several centralised working areas to respond to a constantly changing and evolving reality.

### Infrastructures

The design of the network of servers enables flexibility and adaptation in order to optimise resources depending on the Group's growth.

- > Hyper-converged infrastructures: permit very simple structures that are easily maintained.
- > Multitenant architecture: guarantees the separation of isolated resources, communications and security among the Group's companies.



### Communications

A communications network based on public technologies (internet) and on private networks to guarantee continuity and permanence of communications.



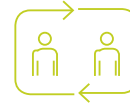
### Mobility

Employees have been given tools and resources to develop their responsibilities outside of their usual workplace.



### Value alliances

Contracting key services with leading companies in the sector allows us to maintain evolved platforms with the highest standards in the sector.



### Specialisation of the teams

Teams have been created that specialise in *core* banking platforms (Avaloq and Salesforce).



### Appification

Architecture based on the development and consumption of business micro-services.

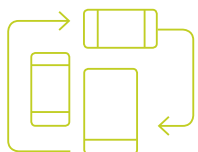


The **Client Digital Transformation unit** is leading projects for transferring digitalisation into customers' everyday lives and continuously improving the user experience in digital environments. With a focus on offering customers from all business areas of the Group a complete, omni-channel banking experience, it has two aims:

- > Meet customers' expectations (easy, expert and secure banking).
- > Promote the digital commercial range adapted to every user profile (specialisation and segmentation).

With the aim of maintaining our leading role and remaining the top Bank in pioneering initiatives in the digital sphere, we are basing our digital transformation strategy on four action areas, which we have put into practice in various fields:

### Omni-channel banking



### Customer experience



### Profitable banking

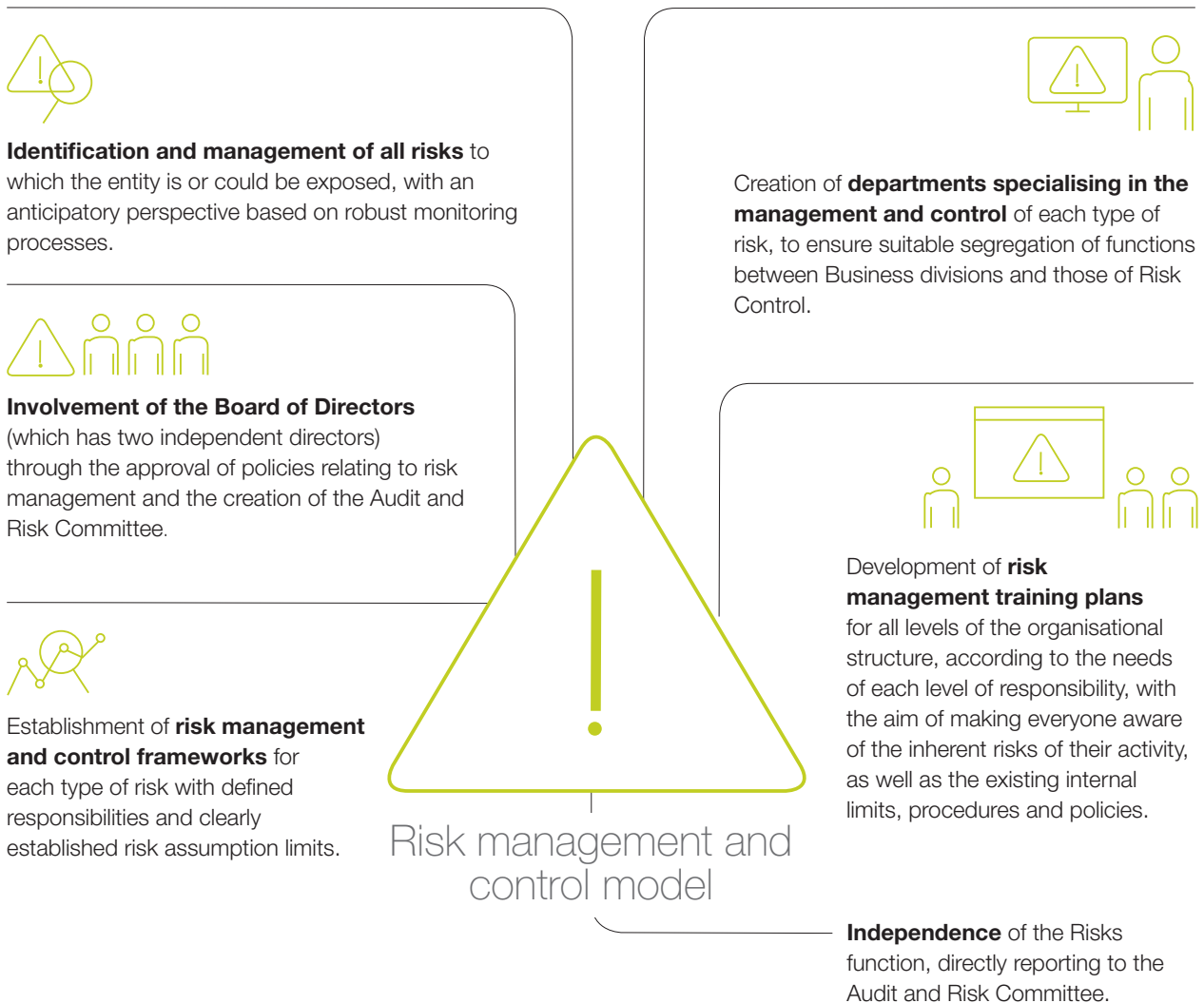


### Digital culture

## 3.8 Risks and regulatory compliance

The risk management and monitoring model of the Crèdit Andorrà Group is aimed at maintaining a low-medium risk profile that is predictable for all risks to which it is exposed. It constitutes a key factor for achieving the entity's strategic objectives.

This comprehensive model is based on principles inspired by the recommendations of regulators and supervisors, and on the best market practices.



As a consequence of the Monetary Agreement, Law 35/2018, of 20 December, on the solvency, liquidity and prudential supervision of banking entities and investment companies was approved on 20 January 2019, which for 2019 entails the development of a new strategic framework for risk management

## 3.9 Quality and excellence in banking practices

High levels of solvency and financial strength

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### Fitch Ratings

Ratings: BBB (long term)/F3 (short term) with a stable outlook



Banking practices

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### PWM/The Banker (Financial Times Group)

Best bank in Andorra in private banking 2018



### Global Banking & Finance Review

Best bank in Andorra in private banking 2018



### World Finance

Best Wealth Management Provider in Andorra 2018

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## Quality in procedures and management

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### Quality management

Investment division of Crèdit Andorrà: departments of Treasury and Capital Markets, and Market Administration and Control of Crèdit Andorrà  
Crèdit Andorrà Asset Management



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### Global Investment Performance Standards (GIPS)

Crèdit Andorrà Asset Management



## Comprehensive commitment to society

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**Best Andorran Bank 2018 in corporate  
social responsibility**



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**First financial entity in Andorra to be a signatory  
of the UN Global Compact**



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**First private institution in Andorra to sign up  
to the SDGs to help achieve the United Nations 2030  
Agenda**





### 3.10 Close and constant communication

Aware that excellence in customer relations does not end with the products and services that we offer, the Crèdit Andorrà Group has been working to strengthen our channels of dialogue by adapting them to new realities and consumption habits.

With this aim we are continuing our multi-channel strategy with a wide range of options all designed to provide customer service with comprehensive coverage in terms of time and mobility.



Personalised service at our network of branches



Messaging by email  
**info@creditandorra.ad**



Telephone customer service  
**+376 88 88 88**  
From Monday to Friday, 8:30am to 6:00pm.



Text message service



Technical assistance for cards  
**+376 88 87 00 (24 h.)**



Online contact form  
**<https://comercial.creditandorragroup.ad/ca/contacte-5>**

The “El meu gestor” (my manager) service, customer service through e-Crèdit

In addition, and adapting to the new communication methods introduced by the social media, we have strengthened our corporate presence on various networks with the opening of new platforms such as Supporting, for sports sponsorships, or strengthening others that were already operating, such as Research and the new Twitter channel.

### **Crédit Andorrà**



3,788 followers  
Reaching 130,498 people



267 subscribers  
23,430 views



4,870  
followers

### **Research**



204 followers  
780 tweets  
197,100 views



519 subscribers  
27,423 visits  
3.13 pages per visit

### **Supporting**



1,520 subscribers  
Reaching 880,303 people



3,621  
impressions/views



345 followers  
334 posts/tweets  
679,818  
impressions/views



1,250 followers  
Reaching 157,565 people

Data as of 31 December 2018.

# 04. At the service of the customer

Crédit Andorrà is constantly working to have a robust, proactive and holistic knowledge of our customers' needs. Our customer focus is carried out through a value proposition that highlights our efforts in relation to innovation and digital transformation of products and services.



2018 milestones

**7-8**  
Satisfaction index for customers with a high rating with e-Crédit

**+500** customers from the “El meu gestor” (my manager) tool using private banking

**+8** million resources managed by Merkaat

## Customer types<sup>(\*)</sup>

### Exclusive

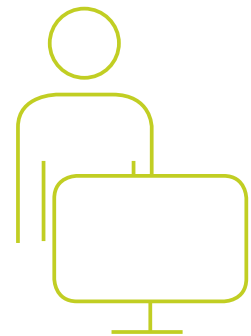
**75%**  
Customers who only work with Crédit Andorrà

### Related

**15%**  
Customers for whom Crédit Andorrà is their main bank.

### Shared

**10%**  
Customers with another institution as their main bank, but who are also Crédit Andorrà customers



<sup>(\*)</sup> Source: Crédit Andorrà. Study on the Andorran financial market for individual customers, 2017. Hamilton.

## 4.1 Digital transformation as a driver for improvement

Digital transformation is being tackled taking into account two fundamental factors: Usability, to facilitate and improve the customer's user experience, and security, key to offering a trusted service.

Constant innovation is essential for developing new forms of relationship and adapting to the new needs of customers and the market. Personalising the range, improving the user experience, the growing importance of advice services and the increase in interactions through mobile channels are aspects that are key to continuing to be pioneers in the Andorran banking sector.

In 2017, we strengthened our foundations in order to continue moving forward with the challenges of digital transformation. In 2018 we focused on increasing business obtained through digital channels by improving our commercial range, increasing operations through these channels, improving the omni-channel range with new applications for mobility and mobile payments, and establishing areas that allow remote customer service.

### Key aspects of the Crèdit Andorrà digital transformation strategy

01

#### Omni-channel banking

Offering the customer a comprehensive banking experience through all channels.

02

#### The customer at the centre

Meeting the customer's expectations with easy, expert and secure banking.

03

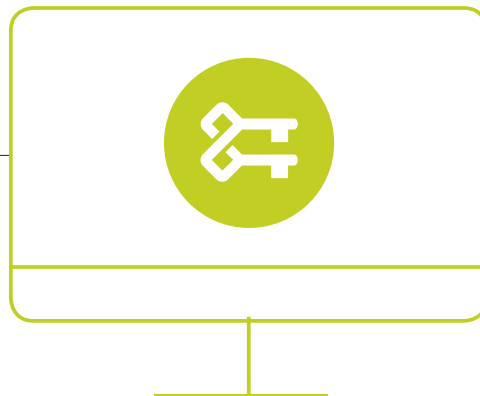
#### Profitable banking

Increasing the bank's online business through commercial initiatives and new procedures.

04

#### Digital culture

Promoting the digitalisation of the entire Group by developing digital tools.



Highlighted projects



Crèdit Wallet, the country's first service for mobile payments

We are the first Andorran financial entity to offer customers with a credit or debit card (Visa or Mastercard) the ability to pay with a smartphone, as if it were an additional card. This is a free service accessed through the Crèdit Wallet application. The operation is the same as when using a traditional credit card with contactless technology and, therefore, with the same security and protection guarantees.



Fingerprint and facial recognition to access e-Crèdit

Customers with Apple mobile devices can quickly and easily access e-Crèdit biometrically, using their fingerprint (Touch ID) or facial recognition (Face ID) in the case of the iPhone X.



Integration of the new electronic certificate of the Government of Andorra

We are the first private entity in the country to integrate the new electronic certificate of the Government of Andorra. It allows users who have it to sign operations such as transfers, purchase or sale of securities, and submission of remittances and files through this new authentication system.



Implementation of the biometric signature

Customers can electronically sign their most frequent transactions that are carried out in the commercial network of branches with the same level of trust and security as with a traditional signature.



Expansion and new functionality of "El meu gestor"

This is the e-Crèdit channel through which customers can communicate and exchange documents with their trusted person at the branch.



e-Broker, also at Banco Alcalá

In 2017, Crèdit Andorrà launched Crèdit Broker, a digital platform integrated into e-Crèdit which makes the most relevant information on the markets available to users so that they can invest in equity instruments and investment funds in an easy, visual and intuitive manner. Since 2018 this service has also been available through Banco Alcalá.

## 4.2 Crèdit Andorrà, pioneer in online banking in Andorra

e-Crèdit is the online banking service of Crèdit Andorrà. The continuous improvement of its functionalities and processes is a priority, in order to adapt to new times and offer customers a better service in accordance with their needs.

In 2018 we launched the “*On vulguis, quan vulguis*” (*wherever you want, wherever you want*) e-Crèdit campaign, with the aim of promoting the use of online banking and rewarding customers with monthly withdrawals of 1,000 euros during the months of July and August.

e-Crèdit,  
the largest Crèdit  
Andorrà branch

+ 75%  
of transfers  
are made via  
online banking

+ 50%  
of *online* banking log-ins  
are via mobile phones

+ 48%  
of Crèdit Andorrà  
customers are  
already digital<sup>(\*)</sup>

+ customer  
experience  
and new  
functionalities

(\*) Have accessed *online* banking in the last six months.  
Data from 31/12/2018.

## 4.3 Digitalisation and omni-channel banking

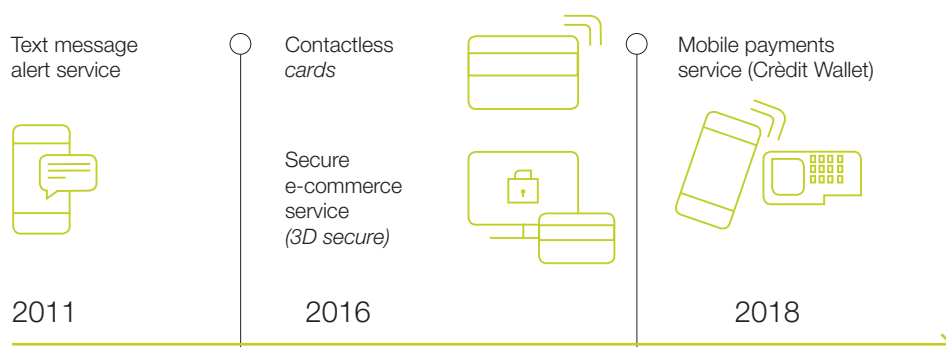
We are working to transfer digitalisation into our customers' everyday lives and continuously improve the user experience in digital environments, focusing on offering them a complete banking experience through all channels.

We are facing the digital transformation in a systemic manner, with a structure that entails the entire organisation across the board being able to put the best solutions forward to our customers.

### Adapting to new customer habits

Payment methods are one of the cornerstones of the digital transformation applied to the customer. In this field we remain pioneers in Andorra in the use of cards as a payment method thanks to the expansion of digital banking services.

### Most significant milestones



We are continuing to advance by improving the range of digital channels in terms of payments, operations and communication, with a focus on 360 degree mobility

### Technology for commercial management

We are accelerating the internal digital transformation process with a project based on the product of the multinational software company Salesforce. It is a unified *cloud* technology solution, integrated with banking *cores* and the Group's insurance companies, which complies with the regulatory compliance requirements of the sector, such as MiFID II, FACTA, Basel III and PSD2.

Thanks to our *expertise* and knowledge of the private banking and insurance world, we have developed a specific financial consultancy module for private banking services on this platform.

This technological solution will enable us to focus even more on excellence in delivering value to customers, improving the commercial system and providing greater efficiency and effectiveness in management. It also allows us to proactively anticipate our customers' new needs.

## Highlighted project

## Merkaat, available as an app and webapp

The digital investment fund advisory service Merkaat, until now accessible through *online* banking, has evolved and is now available as a mobile application (app) and webapp.

The main advantage is that users can directly open a Merkaat account with Crèdit Andorrà to receive advice on digital investments, becoming customers through the app, without needing to go to a branch.

The service is contracted digitally, with the support of an *online* manager who helps the customer through videoconferencing.



## New web portals

The Client Digital Transformation unit has led the project for redesigning, updating and creating web portals for the Banco Crèdit Andorrà (Panamá), Crèdit Assegurances and Fundació Crèdit Andorrà, aside from the Shareholder Space.



1



2



3



## 4.4 Specific solutions for products and services

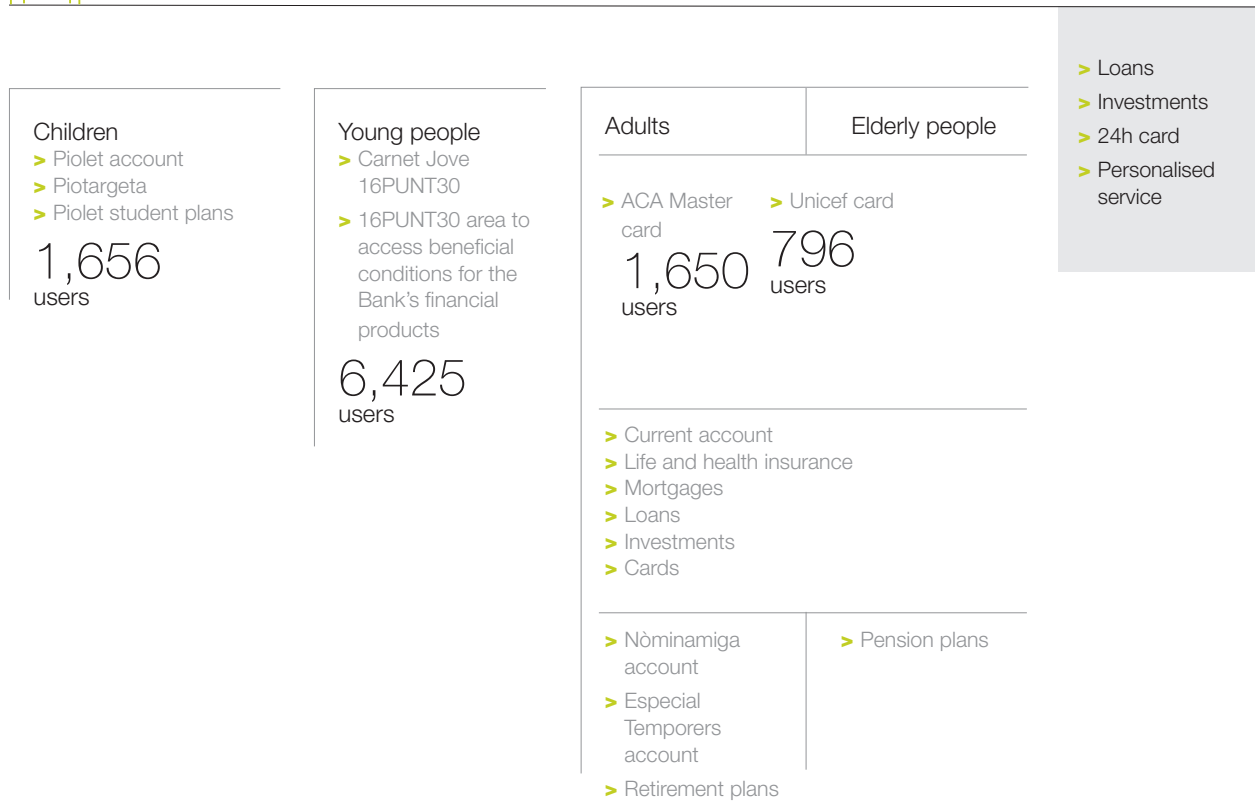
Our universal banking model, based on innovation, quality, inclusion and specialisation, offers a wide range of products and services adapted to the needs of various customer profiles through a commercial platform that combines branches and digital channels. In addition, we have built strategic alliances with third parties that mean our customers can benefit from our sponsors and collaborations.



Individuals



Companies



## Main news for 2018

- > New range of **Active Allocation funds**. This is a range of collective investment funds (CIF) that invest in investment funds around the world. It applies active management to adapt to the market and the environment at all times to achieve the best dual risk-profitability depending on the investment objective of each profile, offering three investment alternatives to adapt to each customer's various risk profiles.
- > New **Creditfund Rendibilitat Objectiu**. This is a distribution investment fund that aims to return the initial investment after making mandatory payments corresponding to a fixed period of time. The fund is limited to a specific marketing volume and intends to achieve its profitability objective through investing in government bonds with an *investment grade* rating at the time of acquisition. The aim of the entity with the launch of the fund is to widen our value proposition for the following groups of customers:
  - > Customers with a low tolerance to the volatility of the markets and who want to obtain attractive profitability in the short term.
  - > Customers who want to diversify part of their equity in low-risk assets.
  - > Customers who have money invested in a current account and deposits and want to use products with controlled risk to obtain more returns from their portfolio.
- > Strengthening of the range of products for **individual financing** with the new Crèdit Vacances (holiday loan), Crèdit Escola (school loan) and Crèdit Temporada Hivern (winter season loan).
- > Reinforcement of the **Crèdit Cotxe** (car loan), with very beneficial conditions.
- > Continuity of the **Crèdit Estudis** (student loan), specifically for the University of Andorra, launched in 2017.
- > Improvement of the conditions and expansion of the benefits of the **ACA Master card**, a unique credit card, free and exclusive for members of the Automòbil Club d'Andorra (ACA, Andorran automobile club).
- > Strategic agreement with the **Illa Carlemany** shopping centre to implement the Gift Card.
- > Launch of the **life insurance campaign** "*Ja tens al cap el futur dels teus?*" (*already thinking about your loved ones' future?*), to promote the wide range of insurance products available to our customers, among which there is the Crèditvida Integral (comprehensive life insurance), Crèditvida Capital (capital life insurance) and Crèditvida Previsió (anticipation life insurance).

### Highlighted project

#### More transparent with the private banking customer

We are proactively drafting the **Informe patrimonial** (equity report), a periodic report for private banking customers who receive information on their accounts and investment positions by email and through their online banking.

In this manner, we are complying with the MiFID II requirements for the customers of Banco Alcalá and Banque de Patrimoines Privés, with a more comprehensive regularity, as they receive it monthly (the regulations anticipate every six months).



## 4.5 Goals

### 2018

Expand e-Crédit operations.	Achieved
Implement the mobile payment service.	Achieved
New e-Crédit app.	In progress
Expand e-Commerce functionalities.	In progress
Launch the new investment app.	In progress
Launch the new website of Fundació Crèdit Andorrà and Banco Crèdit Andorrà (Panamá).	Achieved
Put the new e-Crédit communication programme into operation.	Achieved
Consolidate the system for managing and tracking commercial sales.	Achieved

### 2019

Expand our value proposition to customers with the launch of new marketable investment products for the Group (Crédit Andorrà, Banco Alcalá and Banque de Patrimoines Privés).
Provide high-end customers with payment solutions adapted to their needs.
Facilitate Merkaat access to a wider investing audience.
Implement reporting procedures on investment services and products in Andorra to customers.
Implement improvements in the Business Intelligence unit focused on a better knowledge and management of customers.
Increase customers' operations through digital channels.
Add innovative and pioneering functionalities to online banking.
Strengthen the direct customer contact channels.
Align the Group's web platforms.

## 05. At the service of the team

The strategic innovation model of the Crèdit Andorrà Group places people at the centre. We work with the aim of generating involvement and proactivity among our professionals, offering them the chance to form part of participative, flexible and multi-faceted projects focused on responding to business challenges.

People  
management

Proactive  
and  
innovative

Leadership



Principles of the  
Global Compact  
1, 2, 3, 4,  
5, 6 and 10

Sustainable  
Development goals



2018  
milestones

**469** employees  
Staff in Andorra

**99**  
new hires

**€568**  
Average investment  
in training per  
employee

## 5.1 Culture of innovation

Fruit of the Hackaton sessions on internal innovation, a multi-disciplinary team of seven people, with support from the Ideadora team, has worked over a 9-month period to develop the project which won the 2017 Hackaton edition.

### Highlighted project

#### The “Nou model relacional” (New relational model) prototype

The project responded to the challenge posed in the 2017 Hackathon of making a type of customer loyal and capitalising on the relationship in the long term, making progress towards their needs and exploring new channels, both communication channels (new contact forms and methods) as well as service channels (proactive proposal of products) and relationship channels (motivational elements for the manager in their contact with the customer).

The prototype places the person at the centre: the **employees** become catalysts for change and the **customer** participates in developing a new banking service model.

#### Communication

- > Instant messaging: WhatsApp, Telegram



- > Transformation and suitability of the space



#### Service

- > Bots with product simulators

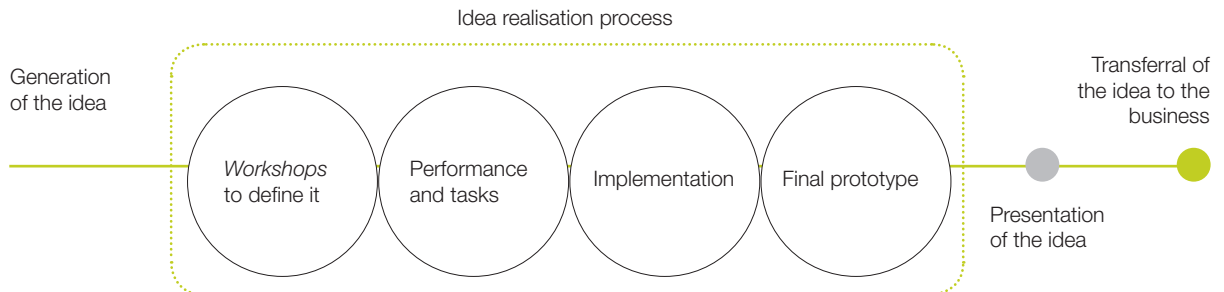


- > Financial education as a source of new business opportunities



#### Communication

- > Scoring system based on customer satisfaction and manager commitment



## 5.2 Efficient management to accompany growth

The people who work in the Crèdit Andorrà Financial Group are the main asset for business transformation. Contributing to their professional development through training is key to responding efficiently and effectively to future challenges.

### We are committed to internal, external and future talent

In the context of the Job Posting programme, we are working on a model that will guarantee the identification of key internal talent to cover the Group's needs and alignment with the business and professional personal development.



When looking for external talent, the bank uses digital means and professional social networks such as LinkedIn.



LinkedIn  
Recruitment

14  
offers



Additionally, we are opening the doors of the Bank to young students. Firstly, with the aim of promoting education, creating a link between university and the working world and identifying junior talent, we have welcomed a total of 32 young people in higher education (university degree or masters degree in various disciplines) to work in several of the bank's branches and departments.

In addition, we are offering Andorran students the chance to visit our business headquarters and introduce them to the various functional areas of the bank, the tasks carried out by professionals in the banking sector and the professional career opportunities on a national and international level, as well as helping them transition into the working world by offering them tools and advice to help guide their future.



Over 1,000 places since the Estades d'estiu (Summer work placement) programme began.



Two professional orientation seminars for baccalaureate students



Participation in the Forum des Métiers, organised by the Lycée Comte de Foix

## Team-building activities outside of work

A Crèdit Andorrà team has participated once again in the Jocs Interempreses - the company Olympic games for charity.

Designed as an amateur competition between companies, the games are a platform for meeting employees of companies from various sectors and locations across Spain and France, using sport as a tool for communication and cohesion.

## Social benefits

Our employees enjoy multiple social benefits, for both themselves and their families. These include preferential conditions for loans, contracting a life, health or debt insurance policy, and company contribution to the retirement plan.

## WeCrèdit, the main internal communication channel

The corporate intranet WeCrèdit has been strengthened since its launch in 2015 as the internal communication platform. As well as being the channel through which internal job opportunities are posted (Job Posting), it has become the tool for cohesion and promoting the Group's values.

From an operational point of view, the creation of communities allows information to be shared among work teams, document management, direct dialogue and the chance to form (functionally and geographically) multi-faceted internal groups for managing projects with a global scope.

## WeCrèdit data

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### Visits



### Time spent



### Bounce rate



## 5.3 A diverse, professional team

	2016	2017	2018
Number of Crèdit Andorrà Financial Group employees	880	840	939
Number of Crèdit Andorrà employees (companies based in Andorra)	510	475	469



**939**  
employees

50%  
Employees from  
companies established in  
Andorra

**40**  
Different nationalities  
on staff

28%  
Employees with Andorran  
nationality

60%  
Employees from the rest  
of Europe

**99**  
new hires

39%  
New employees  
hired in Andorra

**53%**  
Women in the workforce

21%  
Women in  
executive roles

47%  
Women in intermediate  
roles

60%  
Women in the rest  
of the workforce

**93%**  
Workforce with  
permanent contracts

**98%**  
Workforce working  
full time

**50%**  
Staff between  
36 and 50 years old

**55%**  
Directors from the  
local community of  
the country in which  
the subsidiary is  
located

**12.9%**  
Rate of workforce  
turnover

**7.8%**  
Voluntary resignations  
in the workforce

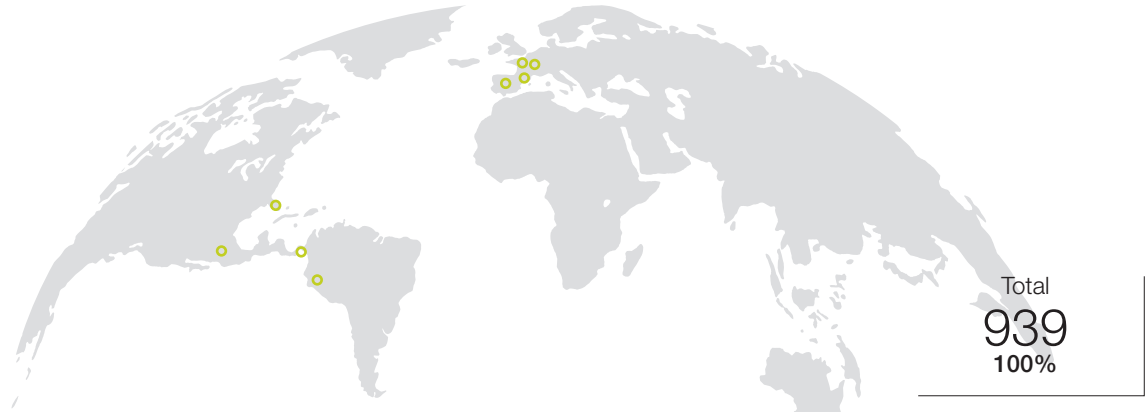
**12.94** years  
Average stay of  
employees at Crèdit  
Andorrà (14.47 years for  
men and 11.35 years for  
women)

**92%**  
Retention rate after  
maternity or paternity  
leave (100% for  
women and 79% for  
men)



## Distribution of employees by country

Country	Employees	Percentage
Andorra	469	49.9%
Spain	259	27.5%
Luxembourg	87	9.3%
Mexico	13	1.4%
Miami (USA)	40	4.3%
Peru	9	1.0%
Switzerland	3	0.3%
Panama	59	6.3%

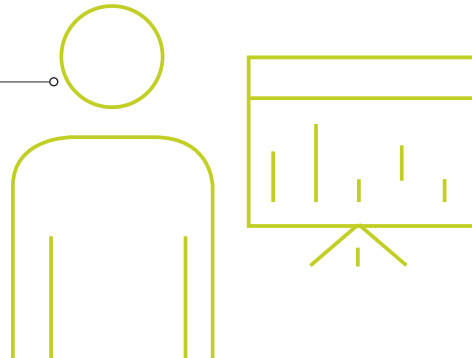


## 5.4 Training for professional development

Training employees is key for our activity, based on a business model that requires constant innovation and adaptation to the environment. Our training plan, in addition to developing technical knowledge and skills to help employees carry out their daily activities, is adapted to a changing environment and creates a positive impact on the quality of service to the customer.

Range of training focused on legal and regulatory issues

Training on MiFID II for all bank managers of branches in Spain



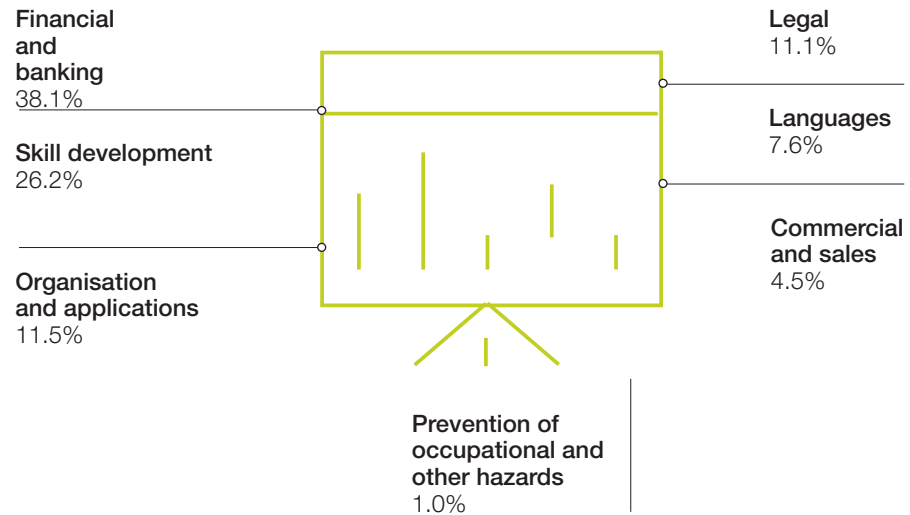
92%  
Staff who have received training

568  
Average investment in training per employee

46%  
Training provided during working hours

## Type of training provided

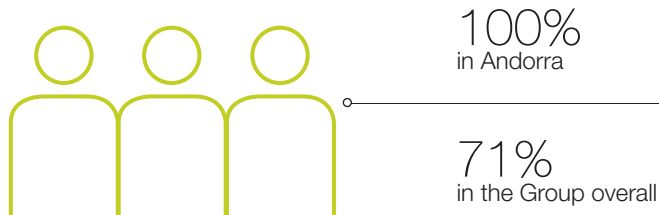
Crédit Andorrà data (companies based in Andorra) in 2018:



## Average training hours per employee according to gender and job category

2018	Men			Women			Both genders
	Senior management	Intermediate roles	Other staff	Senior management	Intermediate roles	Other staff	
Andorra			48.57			38.34	43.55
Spain	10.56	23.65	12.19	15.00	12.33	11.41	12.77
Luxembourg	15	0	20.33	0	0	12.00	16.00
Mexico	0	38.33	0	5.00	38.33	5.00	28.08
Miami (USA)	10.91	9.60	8.00	16.25	8.00	8.00	10.65
Peru	0	0	0	0	0	0	0
Switzerland	0	0	0	0	0	0	0
Panama	14.14	40.33	10.17	32.50	12.17	9.53	14.13
Chile	0	0	0	0	0	0	0

## Staff whose performance is evaluated



## Extension of performance evaluation to subsidiaries

Our performance evaluation system enables us to systematically and periodically evaluate and measure the level of development and efficiency of the person in relation to their workplace, as well as clarifying their priorities and expectations in the workplace.

## 5.5 Safe working environment

One of our priorities is the well-being of everyone who works at Crèdit Andorrà. Therefore we are focusing on strengthening the management and prevention culture for occupational health and safety.

### Prevention of occupational hazards and absenteeism indicators

2018		Andorra	Spain <sup>(1)</sup>	Luxembourg <sup>(2)</sup>	Mexico	Miami (USA)	Peru	Switzerland	Panama	Chile
Hours of training on ORP		757	108	0	0	3	0	0	0	0
Sick leave according to gender	Men	72	8	193	0	5	0	0	0	0
	Women	114	9	284	0	5	0	0	0	0
Days lost due to sick leave according to gender	Men	644	577	193	0	66	0	0	37	0
	Women	1,329	587	284	0	50	0	0	150	0
Absenteeism rate	Men	5.85%	1.33%	4.97%	7.47%	6.01%	0.00%	0.00%	2.38%	0.00%
	Women	0.97%	0.56%	8.94%	5.54%	5.56%	0.00%	0.00%	5.88%	0.00%

(1) The Spanish data only includes Banco Alcalá and ERM. (2) Only includes data from Banque de Patrimoines Privés Luxembourg. ORP: Occupational risk prevention.

Note: The absenteeism rate includes work accidents, *in itinere* work accidents, temporary incapacity due to illness and long-term temporary incapacity. Sick leave due to maternity or paternity leave is excluded.

Since 2012 we have obtained the Indoor Environmental Quality building certification for the Ròdol d'Escaldes-Engordany building in accordance with the following standards: UNE 100012 Cleaning of air conditioning systems, UNE 171330-1 Indoor air quality diagnostic and UNE 171330-2 Indoor air quality inspection procedures.

## 5.6 Goals

### 2018

The Human Resources department, due to the specific nature of its management, does not work in terms of quantitative objectives or objectives with a clear end, but with projects that are constantly being reviewed, which are given higher or lower priorities depending on the current business plan in any given business year.

Extension of Group values to all geographical locations using performance evaluation.	In progress
Description, evaluation and establishment of the professional classification of Crèdit Andorrà subsidiaries.	In progress
Alignment of the variable remuneration policy with the levels of professional classification.	—
Review of the Group's size.	In progress

### 2019

Strategic directions for the 2019 business year set by the department are:

- Description, evaluation and establishment of the professional classification of Crèdit Andorrà subsidiaries.
- Suitability of internal regulations for new legislation in the workplace.
- Modification of the performance evaluation system.



## 06. At the service of the community

Being faithful to our philosophy, our commitment to Andorra is a commitment to the progress and well-being of its society. For 70 years, we have been working on a daily basis to construct the future by promoting initiatives that create a positive impact on the business network, the local economy, social progress and the environment.

For over 30 years, via Fundació Crèdit Andorrà we have also been promoting a range of initiatives on our own and in collaboration with third parties to comprehensively meet the needs of the people and the country.



2018  
milestones

**30 years** from the first  
study grant of Fundació Crèdit  
Andorrà

**€2.68 m**  
invested in the  
community

**Supporting**, Crèdit  
Andorrà's new social  
network channel dedicated  
to sports sponsorships



Consolidated overall investment in the community  
€2.68 m



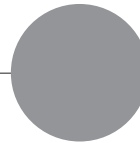
Society  
19.68%



Education  
22.98%



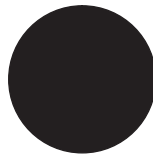
Social  
26.02%



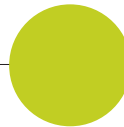
Culture  
51.00%



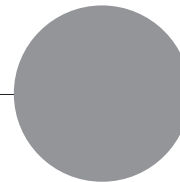
Economic stimulation  
77.10%



Economic and institutional  
31.23%



Customers and collaborations  
22.60%



Sports sponsorships  
46.17%



Environment  
3.22%

## 6.1 Fundació Crèdit Andorrà

Fundació Crèdit Andorrà was formed in 1987 with the creation of a grant programme designed to offer the country's young people the chance to train in order to cope with the progress of the Andorran economy. Currently, it is one of the main private foundations in the country both in terms of earmarked resources as well as in the number of programmes carried out in the fields of education, culture and social action.

*més de 30 anys  
al servei de  
les persones*



**Committed to Andorra**  
Contributing to the development of Andorra and its citizens



**Training for the future**  
Promoting training and the dissemination of knowledge as values for creating progress



**Dedication to service**  
Meeting the needs of the country



## Communication

Fundació Crèdit Andorrà is launching a new website (<http://fundaciocreditandorra.ad>) which goes a step further in bringing us closer to our users, by harnessing design and usability to emphasise the opportunities the Foundation offers to the Andorran population.

## 6.2 Training, the key to the future

### Young people, guaranteeing the future

Both training and the acquisition and dissemination of knowledge are essential values for contributing to the future of a more competitive, innovative and committed Andorra and the progress of its society.

#### Highlighted project

#### 30 years since the first postgraduate study grant

The grant programme is the first of the initiatives that was promoted by Fundació Crèdit Andorrà in 1988. Using these grants, for young people who choose postgraduate studies, they can study in any country and priority is given to studies leading to formal qualifications (Bologna Process). The duration of the grant is one year for a masters and three for doctorates. The economic allocation is up to 20,000 euros for tuition.

#### Grant recipients in 2018



**Miriam Daravano Ferreira Mesquita**, Master's degree in Pharmaceutical Industry and Biotechnology at Pompeu Fabra University, Barcelona (Spain).



**Winona Oliveros Díez**, Master's degree in Bioinformatics for Health Sciences at Pompeu Fabra University, Barcelona (Spain).



**Francesc Rich Martell**, *Specialist master's degree in Tunnels and Underground Works* at the National Institute of Applied Sciences of Lyon (France).

#### Grant recipients in 1988

**Concepció Antuñá Cervera**  
Doctorate in Biology at the Kartoffelverarbeitung Institut für Bäckereitechnologie, Detmold (Germany).

**Antoni Bernadó Planas**  
Veterinary Internal Medicine and Surgery at Ohio State University Veterinary Hospital (USA).

**Carme Mombiedro de Castellarnau**  
Master's degree in Physical Activity Sciences at the University of Montreal (Canada).

Currently, 200 young people have benefited from a Fundació Crèdit Andorrà grant



## Fifth Calvó Armengol International Prize

Harvard professor Melissa Dell was awarded the Fifth International Calvó Armengol Prize by the Government of Andorra, Fundació Crèdit Andorrà and the Barcelona Graduate School of Economics, for her work on the operation of a variety of economic, social and political aspects.

### Other award recipients

Esther Duflo (2010)  
Roland J. Fryer (2012)  
Raj Chetty (2014)  
Matthew Gentzkow (2016)

## Consolidating postgraduate studies at the University of Andorra

In 2018, the second and third modules of the postgraduate studies in Accompanying people with cognitive deterioration were given. This postgraduate course fulfils a national need and has the following aims: to give professionals the tools to deal with the stigmatisation of people in this situation, for the early diagnosis of diseases of this kind and to provide information, support and assistance to families. The programme includes six modules, which will be given until 2020.

41  
students



## 6.3 Business people and entrepreneurs, the country's driving force

One of the bank's priorities is to be close to the country's business network with lectures and conferences on current economic topics of interest to promote the country's entrepreneurial initiative and spirit.

### Lectures on current financial topics

*The current situation of the financial markets and perspectives for 2018* by David Macià, director of Investments at Crèdit Andorrà Asset Management.

*Investing in Value: A philosophy to achieve sustained yields*, by Francisco García Paramés, CEO of COBAS Asset Management.

340  
attendees



David Macià. © Eduard Comellas



Francisco García-Paramés. © Eduard Comellas

## Crèdit Andorrà Global Forum

Crèdit Andorrà Global Forum is an annual lecture series with leading speakers in the most diverse spheres of knowledge, from current economic issues to social issues, education, new technologies and innovation, social responsibility or commerce.

The aim is to provide a space for knowledge and the generation of ideas, debate and opinions on issues that will help the country and the world make progress in the medium and long term.



Daniel Calleja. © ANA

### **Daniel Calleja, Director-General for the Environment at the European Commission**

*The circular economy and green finance: the future of Europe*

The expert presented the work of the European Union in the field of circular economy as a strategy for the future, as the way to balance all three factors: the environment, the economy and society. Calleja considers that Andorra could benefit in particular in the energy and tourism sectors.

127  
attendees



Carmen Malvar. © Eduard Comellas

### **Carmen Malvar, founder of Atelier Malvar + Tusch Llc**

*Shop or Showroom?*

Malvar highlighted the need for Andorra to strengthen the country's distinguishing and unique elements, such as the landscape, to create a brand that promotes "exclusivity, something unique and special that Andorra has", to offer more competitive trade and better positioning.

167  
attendees



Núria Mas. © Eduard Comellas

### **Núria Mas, professor and head of the Economy department of the IESE Business School**

*Global economic environment: implications for health*

The interaction between the public and private sectors, and the economy of health, with particular interest for the organisation and management of health systems, were some of the topics covered by Núria Mas during her speech. The expert highlighted ageing population, globalisation and technology as the three challenges that the health sector will need to tackle in the global economic environment.

85  
attendees



## Events to boost the local economy



A moment from the lecture in Madrid. © Juan de los Ríos

### IV Conference on investment and business in Andorra, held in Madrid

Innovation and technology were the theme of the event, in which over a hundred people were able to tackle the opportunities of the country as a recipient of investment and business.

115  
attendees



29th Trobada empresarial del Pirineu (Pyrenean business meeting). © TEP

### 29th Trobada empresarial del Pirineu (Pyrenean business meeting) “Leading sustainable growth”

Around 600 business men and women, entrepreneurs and professionals from the area of Lleida, the Pyrenees and Andorra gathered in La Seu d’Urgell to debate on how to manage sustainable growth in a context that is constantly progressing and creating complex and demanding markets.

650  
attendees



Antoni Pintat, chairman of Crèdit Andorrà. © ANA

### Family business in Andorra

#### 17th Family Business in Andorra forum “an airport strategy for Andorra”

The event gathered specialists in the field of infrastructure and communications who debated based around three thematic blocks: essential infrastructure, improving the economic and social model of Andorra, and the country as a global destination. Among the participants were the general director for Airports in Catalonia, Jordi Candela, the ex-general director of Ferrovial, Tomás Aranda, and the chairman of Binter Canarias, Pedro Agustín del Castillo.

318  
attendees



### XX Cicle d’empresa familiar i qualitat (Cycle of family business and quality) “Technological changes and entrepreneurship III”

Various companies in the fields of innovation and technology presented their respective experiences, with a reflection on the social impact of new technologies. The importance of education and training on the subject of security and the use of 3D printers in the food sector as a disruptive tool in the introduction of food habits were other topics covered.

94  
attendees



## Institutional sponsors



III Andorra Conference on Innovation and New Technologies (INNTEC). © ST

### III Andorra Conference on Innovation and New Technologies (INNTEC)

The third edition of INNTEC reclaimed the role of women in technology, with the need to introduce gender diversity at the very first levels of education, and the importance of more human values and more ethical companies in the technological revolution in which we find ourselves.



European Family Business. © European Commission

### European Family Business, in Brussels

The Andorran Family business, as a member of the European Family Business, participated in the round table organised by the European Commission with the aim of analysing the challenges faced by family businesses and improving their development.

104  
attendees



### Spanish embassy “European dialogues in Andorra”

Lecture by Norbert Bilbeny, professor of Ethics at the University of Barcelona, who defended the future of the European project, despite its political difficulties and who showed his conviction that in a few decades from now a European confederation will emerge.

## 6.4 Culture, within everyone's reach

### Support for musical creation

Highlighted project

ORDINO CLÀSSIC - *Experience classical music in the winter, too*

ORDINO CLÀSSIC was created with the aim of being a winter festival for various audiences interested in styles that include the current concept of classical music.

For over three decades now, Comú d'Ordino and Fundació Crèdit Andorrà, through the Ordino Festivals Association, have demonstrated their commitment to culture by striving to bring music closer to the public. With a view to going back to the original essence of what was the Narciso Yepes Festival, both entities have designed a new proposal that aspires to become Andorra's leading classical festival and the main winter festival in the Pyrenees.

It is an outward-looking event, with a diverse range of performers from international greats to young Andorran musicians. It is made up of shows in different formats that offer a world of experiences, including large-scale concerts, smaller, day-time performances, a family concert, recitals by emerging young artists and family workshops.



784 attendees 



Jan Lisiecki. © Jean-Luc Herbert



New Year's Eve Concert. © Sergi Pérez

## 25th season of the National Orchestra of Classical Music of Andorra Foundation (ONCA)

The season has been structured on four areas that aim to continue bringing music closer to the greatest number of people.



Creating **high-quality productions** for the public. Highlighting the concert in celebration of 25 years of the Fundació ONCA, which coincided with the 25th anniversary of the Constitution of the Principality of Andorra.



Developing an **attractive educational project** to train the country's young generations, while introducing children and their families to music through creative workshops.



**Strengthening the National Youth Chamber Orchestra of Andorra (JONCA).**



Developing the socio-educational project **"Music and creativity"** to bring art and music to the entire population.

### Highlighted project

#### Social ONCA The 'Music and creativity' project

The project, which began in 2015, encourages the use of music as a tool for social inclusion that explores new horizons and brings artistic participation within everyone's reach.

In 2018 it was continued and extended to new groups, such as elderly people, young people on the autistic spectrum, vulnerable adolescents, students of the Education Sciences degree and second year baccalaureate students from the Escola Andorrana.



Musician Àlex Arajol in a session at the Nostra Senyora de Meritxell Specialised School. © Fundació ONCA

1,720  
attendees



## Promoting theatrical arts

We have continued to support the Escena Nacional d'Andorra (ENA, Andorran national cultural association), the country's main platform for performing arts. The sponsors of the Fundació ENA are the Government of Andorra, the Comú de la Massana and Fundació Crèdit Andorrà, with the support of the Comú de Sant Julià de Lòria as a collaborator. The 2018 season combined the spectacles of dance and family theatre, dramatic comedy, *thriller* comedy, science fiction and dramatised reading.

### 11th season of the Escena Nacional d'Andorra

5

performances



970

attendees

## Supporting the promotion of art, literature and popular culture

We want to recognise and give visibility to creative talent in literature, painting and sculpture and, at the same time, enable the Andorran public to enjoy our own cultural activities or those provided in collaboration with third parties.

As an entity close to and deep rooted in the country, we are also contributing to the promotion of the popular and traditional culture of Andorra. Of note are the sponsorship of celebrations, such as major festivals of towns and districts, as well as “sardana” groups (a traditional Andorran dance), which help keep folklore alive as part of the country’s immaterial heritage.

### Collaboration with the Cercle de les Arts i de les Lletres

#### (Arts and literature circle)

In 2018 the 24th edition of the Cartell Arts Andorra was held, in which the Crèdit Andorrà awards for painting and sculpture were awarded.

In the context of the 41st Literary Night of the Cercle de les Arts i de les Lletres, the Crèdit Andorrà Grandalla award for poetry was awarded to Núria Abad’s poem “La fosca”. Raimon Quintana received an honourable mention for at the Crèdit Andorrà 50th anniversary Theatre Prize for the work *El torb*. During the celebration, Antoni Pintat Santolària, the ex-chairman of Crèdit Andorrà, was honoured for his support of the event both personally and through the Bank



Antoni Pintat, chairman of Crèdit Andorrà, receiving the recognition award given to his father, Antoni Pintat Santolària. © ANA

### Open day at the Crèdit Andorrà art fund

to bring the collection to the residents of the DomusVi Salita Residential Centre and the El Cedre Health and Social Centre.



Gemma Martin, curator of the art fund, on a visit. © ANA

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**Collaboration with the Saison Culturelle Française (French cultural season)** through the French embassy, which aims to promote French culture in the country and bring it to the public, especially to the very young people, with a programme of activities that includes exhibitions, music, theatre, poetry, conferences, cinema and gastronomy.



Passage from *L'Odyssée*, the film about the life of Jacques Cousteau. © ANA

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Sponsorship of the **6th edition of the Andorra Sax Fest**, an innovative event that combines an international saxophone contest, concerts, masterclasses, contests for young saxophone players and a battle of the bands in the street, in the context of Walking Street Music.



Presentation of the 6th edition of the Andorra Sax Fest. © ST



## 6.5 Closer to people

### The elderly are an asset

L'espai is the social centre for activities and training that Fundació Crèdit Andorrà is making available to elderly people to promote their well-being. It offers a wide range of resources designed so that this group stays active and participates in society.



Course on the history of Andorra, led by historian Pere Caveró.  
© Crèdit Andorrà Foundation



Sandra Sancho, head of Client Digital Transformation  
at Crèdit Andorrà. © ANA

1,388  
registrations

401  
volunteers

1,215  
teaching hours

### Addressing social needs

#### Up-to-date health

The “*La salut al dia*” (*Up-to-date health*) programme promoted by Fundació Crèdit Andorrà is a line of work focused on providing training and information for people affected by illnesses with a high social impact, as well as their families and carers, with the aim of improving their quality of life and equipping them with tools that can help them face day-to-day life.

Highlighted project

#### Lymphoma and leukaemia research

The agreement between Fundació Crèdit Andorrà, the “Servei Andorrà d’Atenció Sanitària” (Andorran healthcare service, SAAS) and the Clinic Foundation for Biomedical research allows tissue samples from patients in Andorra with these diseases to become part of the research programme led by Dr. Elías Campo.

With this agreement, Fundació Crèdit Andorrà contributes to the research relating to lymphoproliferative syndromes, lymphomas and leukaemia, with the aim of standardising and improving diagnosis and treatment of patients in Andorra.

**Lecture *The cancer genome: a path to personalised medicine***, by Dr. Elías Campo, professor of Anatomical Pathology at the University of Barcelona, director of research at Hospital Clínic de Barcelona and director of the August Pi i Sunyer Biomedical Research Institute, Barcelona.



Dr. Elías Campo during the lecture.  
© Eduard Comellas

137  
attendees





A moment during Dr. Josep Antoni Ramos-Quiroga's talk. © Eduard Comellas

> **Lecture *Mental disorders and drug use: what do we need to know?***, by Josep Antoni Ramos-Quiroga, head of the Psychiatry department at the University Hospital Vall d'Hebron.

175  
attendees



Dietician and nutritionist Berta Jiménez. © Eduard Comellas

> **Gluten-free day**, organised jointly with the Coeliac Association of Andorra, in which a manual was presented that aids the comprehension of labels on gluten-free products, and seminars have taken place on this topic. With the participation of Elena Mora, trainer from the Technical Department at the Coeliac Association of Catalonia, and Gemma Castillejo, consultant and head of the Paediatric Gastroenterology Unit in the Paediatrics Department at Sant Joan de Reus University Hospital and Berta Jiménez, dietitian and nutritionist.

80  
attendees



María Josefa López. © Eduard Comellas

> **Lecture *Fibromyalgia and multidisciplinary treatment***, by Lluís Rosselló, doctor of Medicine and Surgery, specialist in rheumatology and clinical head of the Rheumatology Unit and the Locomotor System Unit of the Santa Maria University Hospital in Lleida, and María Josefa López, qualified nurse, specialist in rheumatology and fibromyalgia, and outpatient rheumatology and hospitalisation nurse.

91  
attendees



## Càritas Andorrana Food Bank

We have continued our collaboration with the Càritas Andorrana Food Bank project to help people and families with limited resources by supplying food, personal hygiene and home goods.

Families benefiting  
103

Total recipients  
207



Càritas Andorrana Food Bank. © Càritas Andorrana

## Breaking down barriers

We have continued our collaboration with the Special Olympics Andorra Sports Federation to promote sports as an element for integration among people suffering from intellectual disabilities.

- > Sponsorship of the 9th International Skiing Trophy.  
Out of the 32 skiers, 11 were representing Andorra.



Ninth edition of the Trofeu internacional d'esquí (International ski trophy). © Special Olympics

## Concòrdia *programme*

We are continuing to support the programme to donate units of umbilical cord blood. In 2018, for the fourth time, a unit of umbilical cord blood from Andorra has helped to save someone's life.

465  
births



336  
women registered



193  
umbilical cord  
units collected



## 6.6 Committed to the country

### Sports for personal development

We sponsor, on a yearly basis, various popular sporting events that promote values such as effort and personal drive and which encourage healthy and active lifestyles by practising various sporting disciplines.

#### Highlighted project

Supporting, Crèdit Andorrà's new social network channel dedicated to sports sponsorships

The aim of this channel is to offer users detailed and immediate information on the competitions and other events sponsored by Crèdit Andorrà, and also spread the values shared by the Bank and the various sponsored entities. To accompany the launch of the new profiles a campaign was launched to find the ideal supporter, someone who could participate in managing these profiles.



**Facebook**  
@creditandorrasupporting  
1,520  
followers

Reaching  
880,303 users



**Twitter**  
@CreditSupport\_  
345  
followers

679,818  
impressions



**Instagram**  
@creditandorrasupporting  
1,250  
followers

Reaching  
157,565 users



**Youtube**  
@CreditAndorraSupporting  
3,621  
views<sup>(\*)</sup>



(\*) Data from January-December 2018.



## Golf

- > Sponsorship of the Aravell golf course
- > Associació Club Esportiu de Pitch&Putt d'Andorra (Andorra Pitch&Putt Sports Association, AAPP)
- > Federació de Golf d'Andorra (Andorra Golf Federation)
- > Pro-Am Crèdit Andorrà 2018
- > Tournament sponsorship (XXVIII Trofeu Golf Master (Golf masters trophy), XXIX Trofeu Social Club de Golf del Principat (Andorra Golf Club Social Trophy), ProAm Soldeu...)



## Mountain sports

- > Andorra Ultra Trail Vallnord
- > Casamanya Extrem Vertical Race Crèdit Andorrà Trophy



## Motor sports

- > Crèdit Andorrà GSeries
- > Albert Llovera



## Cycling

- > BTT

## #CreditAndorràAmbLaNeu

The snow sector is one of the cornerstones for the country's economic development and Crèdit Andorrà is involved across the board, acting in three areas:

### 01

#### Strategic

We hold shares in Ensisa and Nevasa; we have a promotion and sponsorship agreement for the ski resorts of Grandvalira, Vallnord and Naturlandia.



### 02

#### Competitive

We sponsor high-level sports events, such as the finals of the 2018 Alpine Skiing European Cup, and we support the Federació Andorrana d'Esquí (Andorran ski federation).

Economic collaboration with Alpine skiers who achieve certain competitive goals (4 skiers in 2018).

### 03

#### Training

With agreements and conventions with all the ski schools in the country, sponsorship of courses and direct sponsorship of the Esquí Club Andorra (Ski Club Andorra), the Esquí Club Ordino-Arcalis (Ski Club Ordino-Arcalis) and the Esquí Club Arinsal-Pal (Ski Club Arinsal-Pal).

- > Sponsorship of a course at all ski clubs in the country.
- > Sponsorship of the Borrufa trophy.

## Promotion of tourism as a strategic sector

The socio-economic impact of tourism and business is relevant for Andorra. We continue to invest in events that provide a strong boost to these sectors as well as investing indirectly in Andorra's international image.

From a strategic perspective, Crèdit Andorrà holds shares in Caldea and Ensisa (Grandvalira), as well as supporting the country's three ski resorts. Institutionally, we support added value initiatives that contribute to positioning Andorra as a relevant destination on the international tourist stage.

### 10th Snow and Mountain Tourism World Congress “Establishing the future of hospitality in mountain destinations”

400  
attendees



Around thirty international experts, as well as Andorran professionals and politicians, debated techniques and procedures to improve the tourist product of natural destinations, with an analysis focused on the concepts of hospitality and quality. Also in connection to new technologies applied to the tourism sector, especially on how to apply the idea of smart cities to mountain destinations to convert them into intelligent destinations.

During the congress, which takes place every two years, the new postgraduate course in Mountain destination management was presented, which will be given in 2019 at the University of Andorra (UdA) and which is in collaboration with WTO Themis.



10th Snow and Mountain World Congress. © ANA

## 6.7 Goals

### 2018

Publish a guide on drug use. Not achieved

Broaden collaboration with health bodies and organisations to improve care for the ill. Achieved

Define the ONCA Social educational programme. Achieved

### 2019

Strengthen sponsorships related to the snow sector that are both strategic as well as competitive and related to training.

Offer training and provide tools for the businesses of Andorra, as well as other groups to improve their degree of understanding of various topics.

Enhance social networks as a channel to contribute to broadcasting the main events in the country.

Promote the Foundation's digital communication through social networks.

Implement new activities at L'espai for healthy and active ageing.

Increase knowledge of the Supporting channel.

Support the country through relevant sponsorships.

## 07. At the service of the environment

In the context of our commitment to continuous improvement, the environmental management system has been adapted to the Bank's organisational changes. Relying on collaboration with the people involved, we have analysed the operational processes related to the environment by identifying and implementing improvements aimed at increasing the effectiveness and efficiency of the system.

Goal-oriented

Proactive and innovative

Teamwork



Principles of the  
Global Compact  
7, 8  
and 9

Sustainable  
Development goals



2018  
milestones

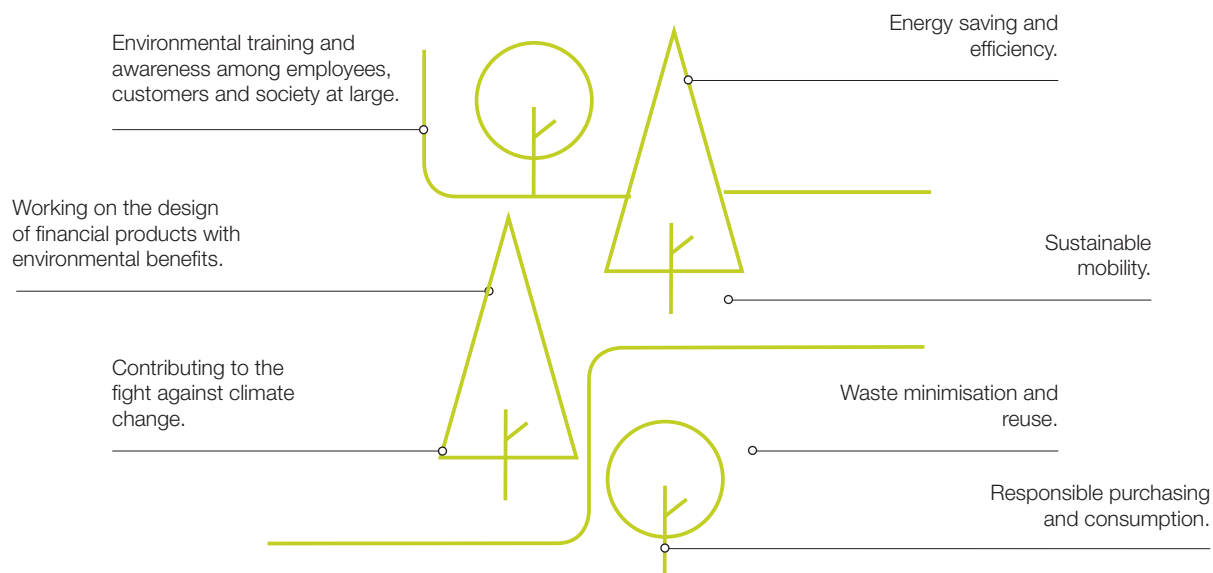
Implementation of the  
**biometric signature**  
used for the most common  
transactions in the commercial  
network of branches

Sponsorship of  
**Cicland**, public  
shared electric bicycle  
service

Reduction  
of energy  
**consumption**  
Thanks to CPDs



## Strategic environmental goals



### 7.1 Energy saving and efficiency

The reduction of energy consumption associated with the reduction of the data processing centre (CPD) of Crèdit Centre and the lower refrigeration requirements, opting for a more efficient and sustainable external centre.

#### Ròdol and ICA buildings, branches and Headquarters

		2016	2017	2018	2017-2018 Trend
Power consumption	(302-1) MWh	5,171	4,504	4,031	-10.5%
	(302-3) kWh/m <sup>2</sup> of office space	1,421.5	1,238.3	1,108.2	-10.5%
	(302-3) kWh/employee	10,139.3	9,482.8	8,595.0	-9.4%
Diesel consumed by air conditioning	(302-1) MWh	2,350	1,977	2,087	5.6%
	(302-3) kWh/m <sup>2</sup> of office space <sup>(*)</sup>	112.0	94.2	99.5	5.6%
Total energy consumption	(302-1) MWh	7,521	6,481	6,119	-5.6%

(\*) Includes air-conditioned facilities using diesel.

## 7.2 Sustainable mobility and fight against climate change

Our commitment to sustainable mobility and the fight against climate change has been carried out through the following initiatives with a high social value:

### Highlighted project



© ANA

#### Sponsorship of Cicland

The new shared electric bicycle service has put around fifty shared bicycles into operation through the country's seven parishes. The aim is for them to be used by both citizens as well as visitors with the aim of encouraging more sustainable mobility habits.

The initiative has been encouraged by the Ministry for the Environment, Agriculture and Sustainability and the seven parishes in the context of a more efficient and respectful energy model promoted by the Principality's institutions, and it reflects the Bank's commitment to projects that highlight our involvement in the social, economic and environmental well-being of Andorra.

[www.cicland.ad](http://www.cicland.ad)

#### Refurbishment of the corporate vehicle fleet

We have continued the progressive renewal of the corporate vehicle fleet with the purchase of an electric car by the Andorran Banking Business Division, which has replaced the diesel model previously in circulation. The initiative meets our aim of reducing CO<sub>2</sub> emissions.



© ANA

#### Jornada de Mobilitat Elèctrica (electric mobility conference)

Our sponsorship of the Jornada de Mobilitat Elèctrica, organised by FEDA and the Automòbil Club d'Andorra (Andorra automobile club), expresses our commitment to raising awareness among the public regarding the new challenges posed by environmental protection.

The conference includes a wide variety of sustainable proposals in the automotive sector, as well as opportunities offered by electric mobility.

## CO<sub>2</sub> emissions

	2016	2017	2018	2017-2018 Trend
<b>Direct CO<sub>2</sub> emissions (magnitude 1)</b>				
Diesel (t of CO <sub>2</sub> )	689.27	577.40	613.27	6.2%
<b>Indirect CO<sub>2</sub> emissions (magnitude 2)</b>				
Electricity (t of CO <sub>2</sub> ) <sup>(*)</sup>	915.27	797.27	713.50	-10.5%
<b>Other indirect emissions (magnitude 3)</b>				
Business trips	189.24	234.68	131.69	-43.9%
Waste generation (paper, cardboard, newspapers, plastic and toners)	N/A	N/A	N/A	—
Paper consumption (internal and for customers)	49.61	23.26	22.58	-2.9%
Water consumption	4.39	2.11	2.60	23.3%
Toner consumption	13.81	7.42	3.94	-46.9%

(\*) Source: Data from FEDAs 2017 sustainability report.

## Intensity of CO<sub>2</sub> emissions

	2016	2017	2018	2017-2018 Trend
t of CO <sub>2</sub> stemming from energy consumption/100 m <sup>2</sup> of office space	44.11	37.79	36.47	-3.5%
t of CO <sub>2</sub> stemming from energy consumption/employee	3.15	2.89	2.83	-2.2%

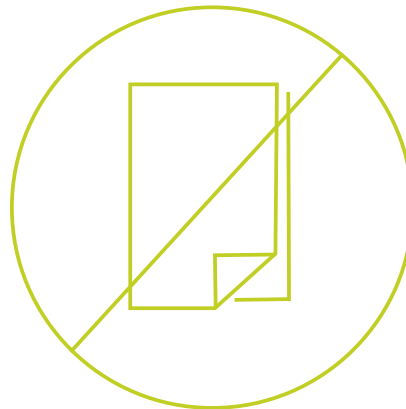
## 7.3 Responsible purchasing and consumption. “Sense paper” (paperless) project

In the context of the **Sense paper** project, we have made our strategic commitment to innovation compatible with the responsible consumption of paper.

The implementation of biometric signatures allows our customers to validate the most common transactional documentation in branch using an electronic signature, with the same level of confidence and security as with a signature on paper. Simultaneously, we have introduced significant paper savings and we have reduced the use of toners as main actions in the field of consumable materials.

Alternatively, with the aim of involving our suppliers and turning healing the environment into a co-responsibility project, we have reviewed and established new environmental commitments applicable to the suppliers most directly involved in tasks at our facilities.

### “Sense paper” (paperless)



#### TELLER

- > Deposits
- > Refunds
- > Currency conversion



#### CHEQUES

- > Deposits
- > Payment



#### CARDS

- > Delivery
- > Contract

#### TRANSFERS

- > Transfers
- > Intra-bank Transfers
- > Standing orders



#### SECURITIES

- > Purchase
- > Sale



## Consumption of materials

		2016	2017	2018	2017-2018 Trend
Paper <sup>(*)</sup>	T	31	22	19	-11.3%
	kg/employee	60.7	46.0	41.3	-10.2%
Toners	Units	1,447	778	575	-26.1%
	Units/employee	2.8	1.6	1.2	-25.1%

(\*) Includes paper consumed internally and given to customers.

## Water consumption

		2016	2017	2018	2017-2018 Trend
Water consumption	m <sup>3</sup>	11,110	5,337	6,580	23.3%
	m <sup>3</sup> /m <sup>2</sup> of office space	3.1	1.5	1.8	23.3%
	m <sup>3</sup> /employee	21.8	11.2	14.0	24.9%

## 7.4 Environmental training and awareness for employees, customers and society

At Crèdit Andorrà, we want to extend our commitment to the environment to our employees and society in general. Therefore, in 2018 we undertook various initiatives and have consolidated others that were set up in previous years.



### Crèdit Marketplace

We promoted the Crèdit Marketplace community by implementing a digital platform to facilitate the exchange of second-hand products between people working for the Bank, which enables the useful life of these products to be extended.



### Andorra Fair

In the context of the Andorra Fair, we have promoted the performance of environmental workshops aimed at the country's children, with the aim of teaching them to transform and reuse unused packaging and materials selected by the Bank's employees.

Over 150 children from 3 to 12 years old enjoyed the workshops, in which they created their own particular works of art as autumn decorations.

© Reinaldo Márquez



### UNEP FI

We have continued to collaborate with the United Nations Environment Programme Finance Initiative: UNEP FI

<https://www.unepfi.org/>

## 7.5 Products with environmental benefits

At Crèdit Andorrà we are working to have a portfolio of products with environmental aspects:

### Préstec Regenera (Regeneration Loan)

In 2018 we granted the first Préstec Regenera, in the Comú d'Andorra la Vella. This loan makes tailor-made financing available to companies and individuals for constructing or refurbishing property using environmental sustainability and energy efficiency criteria. The operation will enable the refurbishment of the commercial hub on the Avinguda Meritxell and the attainment of the "Andorra Regenera" seal as recognition of the project's sustainability.

### Crèdit Cotxe Verd (Green car loan)

Product with advantageous financing conditions to encourage the purchase of electric or hybrid cars. This financing is connected to the Engega plan promoted by the Government, which involves all seven parishes, FEDA, the Automòbil Club d'Andorra (Andorra Automobile Club), the energy distribution companies and the Associació d'Importadors de Vehicles (vehicle importers association).



© ANA

### Evolution of the Crediinvest SICAV Sustainability fund

#### Crediinvest Sicav Sustainability Funds

This makes it possible to invest in funds that meet corporate social responsibility criteria. The main areas of investment are companies linked to promoting a cleaner environment and producing alternative energies. There are also companies related to the efficient management of water, the use of efficient materials and ecological transport and construction.

On 31 December 2018, the equity of the fund was 2.82 million euros.



## 7.6 Goals

### 2018

Prepare a study to reduce to a minimum the paper associated with our customers' face-to-face transactions (*Sense paper* project). **Achieved**

Carry out a study to assess the possibilities of reducing the printed communications sent to customers. **Achieved**

Reduce the CO<sub>2</sub> emissions and air pollution generated by the conventional vehicles in the Crèdit Andorrà fleet. **Achieved**

Reduce the electricity consumption of Crèdit Andorrà's data processing centres. **Achieved**

### 2019

Reduce paper consumption

Reduce the consumption of returnable containers

Carry out a study to evaluate the implementation of more efficient lighting solutions at 24h cash machines

Increase the acquisition of products with ecological labels

**NOTE:**

The scope of the data for the 2018 business year is from January to December, unlike previous years in which the period of analysis was from October to September. To provide the maximum coherency with previous years, we have proceeded to recalculate the data corresponding to the 2017 and 2016 years, which will not correspond to those in previous years' reports.



## 08. Committed to the future



At the Crèdit Andorrà Financial Group, we want to be recognised as a leader in excellence, responsibility and sustainability. The Principles of the United Nations Global Compact enhance our role in society and our global model for corporate social responsibility.

These principles are aligned with the 17 sustainable development goals (SDGs), six of which we have identified as relevant and on which our strategy is focused.

### Our contribution to the SDGs



- > Unicef Visa
- > *La força dels grans (the strength of the elderly) project* (L'espai)
- > *La salut al dia (up-to-date health) programme*
- > *Concòrdia* programme for obtaining units of umbilical cord
- > Collaboration with illness associations
- > Sponsorship of popular sporting events
- > *Collection of preventative guides for parents and children.*
- > Insurance and other health products (Pla Integral d'Assistència Mèdica (Comprehensive Medical Healthcare Plan), Crèditsalut)
- > Support for the Biotech fund (private equities)
- > Agreement between Fundació Crèdit Andorrà, the Andorran health service (SAAS) and the Clinic Foundation for Biomedical Research, which ensures that Andorra is at the cutting edge of research into lymphomas and leukaemia.
- > Collaboration with Special Olympics Andorra



- > Student finance products (Crèdit Estudis (Study Loans), Crèdit Pla Estudiant Dinàmic o Assegurat (Dynamic or Insured Student Loan Plan), Estudiant Piolet Plans, University of Andorra loans)
- > Research blog: financial content platform open to the public
- > Crèdit Andorrà Chair in Markets, Organisations and Humanities at IESE and Crèdit Andorrà Global Forum
- > Fundació Crèdit Andorrà grants programme
- > Esquí Estudi (ski study) programme
- > Calvó Armengol International Prize
- > Summer internships for students on placement
- > Regular training talks and workshops for business people and entrepreneurs in economics and finance
- > Career guidance workshops
- > Collaboration with the University of Andorra
- > Publications of interest on economics, legal and other topics
- > Community and social impact Project with the ONCA
- > Collaboration with the Nostra Senyora de Meritxell Specialised School
- > Online retirement simulator



- > Support and collaboration on initiatives linked to the country's main economic engines (tourism, commerce and snow)
- > Promotion and sponsorship of the ski resorts of Grandvalira, Vallnord and Naturlandia
- > Collaboration with the businesses and associations of Andorra
- > Sponsorship of the "Diàlegs europeus a Andorra" (European Dialogues in Andorra) programme.
- > Agreement with the Agentas Employment Agency
- > Sponsorships for the promotion of tourism and commerce in Andorra

We have taken on a leading role with the SDGs to promote the generation of shared value for Andorran society

## 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



- > e-Crèdit, the first *online* bank in Andorra
- > Payment methods: Crèdit Wallet
- > Merkaat, the leading digital investment advisory service in Andorra
- > “Nou model relacional” (New relational model) prototype
- > Biometric signatures for in-branch transactions (*Sense paper* project)
- > Collaboration with the INNTEC Andorra conferences
- > Collaboration with the Andorra clusters to create new economic sectors for the country
- > Participation in *workshops* with people linked to innovation and new technologies

## 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



- > Crediinvest Sicav Sustainability Funds
- > Environmental education workshops at the Andorra la Vella Fair
- > Indoor environmental quality certification of the Operational Services Central (OSC) buildings
- > Environmental risk analysis for bank products
- > Guide to good environmental practices (*Sustainable Banking Guide*)

## 13 CLIMATE ACTION



- > Préstec Regenera (Regeneration Loan)
- > Crèdit Cotxe Verd (Green Car Loan)
- > Sponsorship of Cicland
- > Sponsorship of the hybrid bus
- > Sponsorship of the Jornades de mobilitat elèctrica (electric mobility conferences)
- > Participation in producing the UNEP FI guide on *Greenhouse Gas Accounting for the Financial Sector*

## 17 ALLIANCE FOR OBJECTIVES



- > First Andorran financial entity to subscribe to the United Nations Global Compact
- > Adherence to the United Nations Environment Program Finance Initiative (UNEP FI).
- > Participation in the *National voluntary report on achievement of SDGs*, carried out by the Government of Andorra

## 8.1 “Committed to the future”, the SDGs awareness campaign

Set up at the beginning of 2018, the aim of the campaign has been to raise awareness of Crèdit Andorrà’s commitment to the 2030 Agenda of the United Nations (“Transforming our world” ) and to contributing to the sustainable development goals (SDGs).

With this initiative we aimed to help raise awareness among the public on the importance of making efforts towards economic, social and environmental sustainability.

www.creditandorra.ad  
www.compromesosambelfutur.com

Nosaltres viurem en el món  
on tots desitgem viure

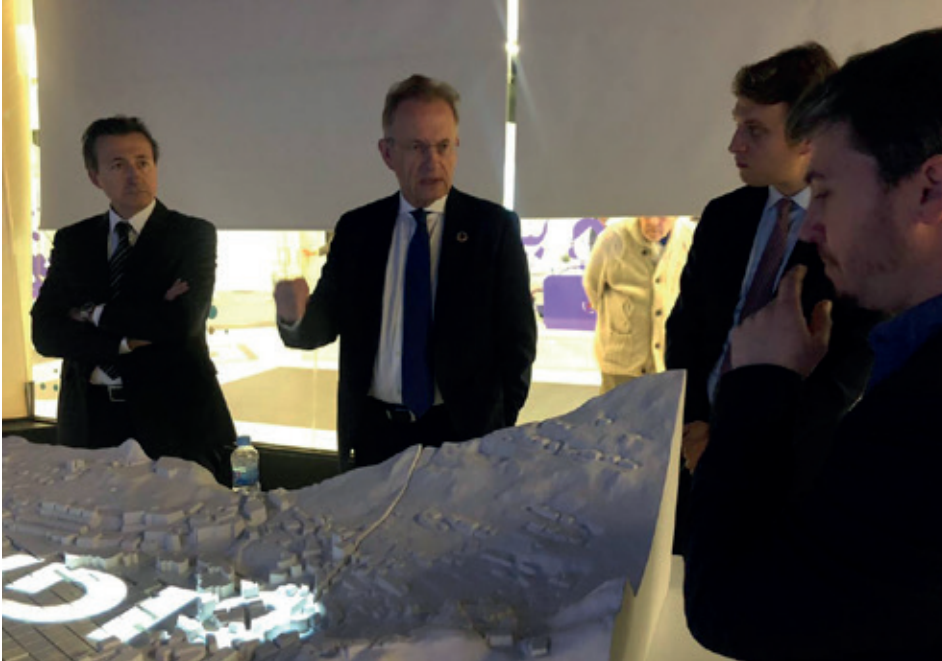
3 SAUAT BIENESTAR  
4 EDUCACIÓ DE QUALITAT  
12 CONSUM I PRODUCCIÓ RESPONSABLES  
9 INDÚSTRIA, INNOVACIÓ I INFRAESTRUCTURES  
8 TREBALL DIGNI I CREIXEMENT ECONÒMIC  
13 ACCIÓ CLIMÀTICA

**COMPROMESOS AMB EL FUTUR**

Creiem en un futur més sostenible. En un futur que respecti el medi ambient, que ofereixi educació, salut i benestar per a tothom i que fomenti el creixement econòmic responsable. Per això, ens hem sumat al Pacte Mundial de les Nacions Unides i ens comprometem a contribuir als Objectius de Desenvolupament Sostenible (ODS). Perquè el futur que tots volem es comença a construir aquí i avui. Amb tota la il·lusió del món.

OBJECTIUS DE DESARROL·LAMENT SOSTENIBLE

**Crèdit Andorrà**  
al vostre servei i al servei del país



Michael Moller during the visit. © SFG

## 8.2 Strategic alliances

At Crèdit Andorrà we have been participating in the working meeting with the Director General of the United Nations office in Geneva, Michael Moller, in the context of the visit he made to Andorra in December.

A representative of the Bank was able to show the entity's commitment to the sustainable development goals and how they have been incorporated into our social responsibility strategy, as a commitment to implement the 2030 Agenda, a universal roadmap for peaceful, sustainable, resilient and inclusive societies.

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Appendix.  
Materiality,  
GRI Table of  
Contents  
and Table  
of the Principles  
of the Global  
Compact

**2018**

## Appendix. Materiality, GRI Table of Contents and Table of the Principles of the Global Compact

This appendix supplements the content of the *Crédit Andorrà 2018 Corporate Activity Report*, which replaces the *Corporate Social Responsibility Report*. This is the fifteenth edition to be published by Crédit Andorrà (the second as the *Corporate Activity Report*) and it encompasses the period ranging from January 1 to December 31, 2018.

The report covers the Crédit Andorrà Financial Group. Crédit Andorrà SA is the parent company of the subsidiaries listed in the *Corporate Activity Report* (page 15). In this regard, the information presented corresponds to the Crédit Andorrà Financial Group, excluding the data in the customers and environment sections, which refer exclusively to the Group's companies located in the Principality of Andorra. The economic and financial information included was obtained from the consolidated financial statements.

# Materiality analysis

In order to bring consistency and credibility, comply with the directives established by the GRI Standards and ensure compliance in the *Corporate Activity Report*, Crèdit Andorrà has carried out a materiality analysis process, which has allowed us to identify the relevant topics and prioritize them according to their level of importance.

Materiality is the threshold at which an issue becomes relevant enough to be included in the *Corporate Activity Report*. Thus, as the GRI Standards establish, this document reports on the material topics resulting from the consultation process based on economic, social or environmental impact on the value chain.

The *2018 Corporate Activity Report* has been written in accordance with the GRI Standards: **Exhaustive option**, which is the more demanding option.

# Methodology and results

## 1. Identifying the relevant topics

Identification was carried out according to the impacts of the actions and activities of Crèdit Andorrà on the banking, financial and insurance sectors, and on their stakeholders. This exercise was carried out using sources from within the organization and external ones. For the external analysis, an industry-wide *benchmarking* study was conducted, analyzing the main reference standards as regards sustainability: the GRI Standards; G4 version of the Global Reporting Initiative financial services sector supplement; Sustainability Topics for Sectors: What do stakeholders want to know? of the Global Reporting Initiative. 34 – Banks, Diverse Financials and Insurance – 42 Topics; Sustainability – what matters? from the Governance & Accountability Institute, Inc. Financial Services; and Sustainability Accounting Standards Board (SASB). Asset Management, Commercial Banks, Insurance and Investment.

The issues identified were classified into six categories: sector (business strategy and economic management), ethics and integrity (good corporate governance and *compliance*), service (relationship with the customer and product responsibility), employees (team management), environment (environmental management) and involvement in society (social action and involvement with the country). For further details, see the table with the GRI indicators.



## 2. Prioritisation.

To prioritize the aforementioned issues, and following the principles of *Accountability* and standard AA1000SES (2011) in our relationship with stakeholders, we carried out a specific investigation using an online survey to rate the various issues according to their level of importance for the Group's sustainable and socially responsible development. This evaluation involved the participation of all of the group's internal and external stakeholders.

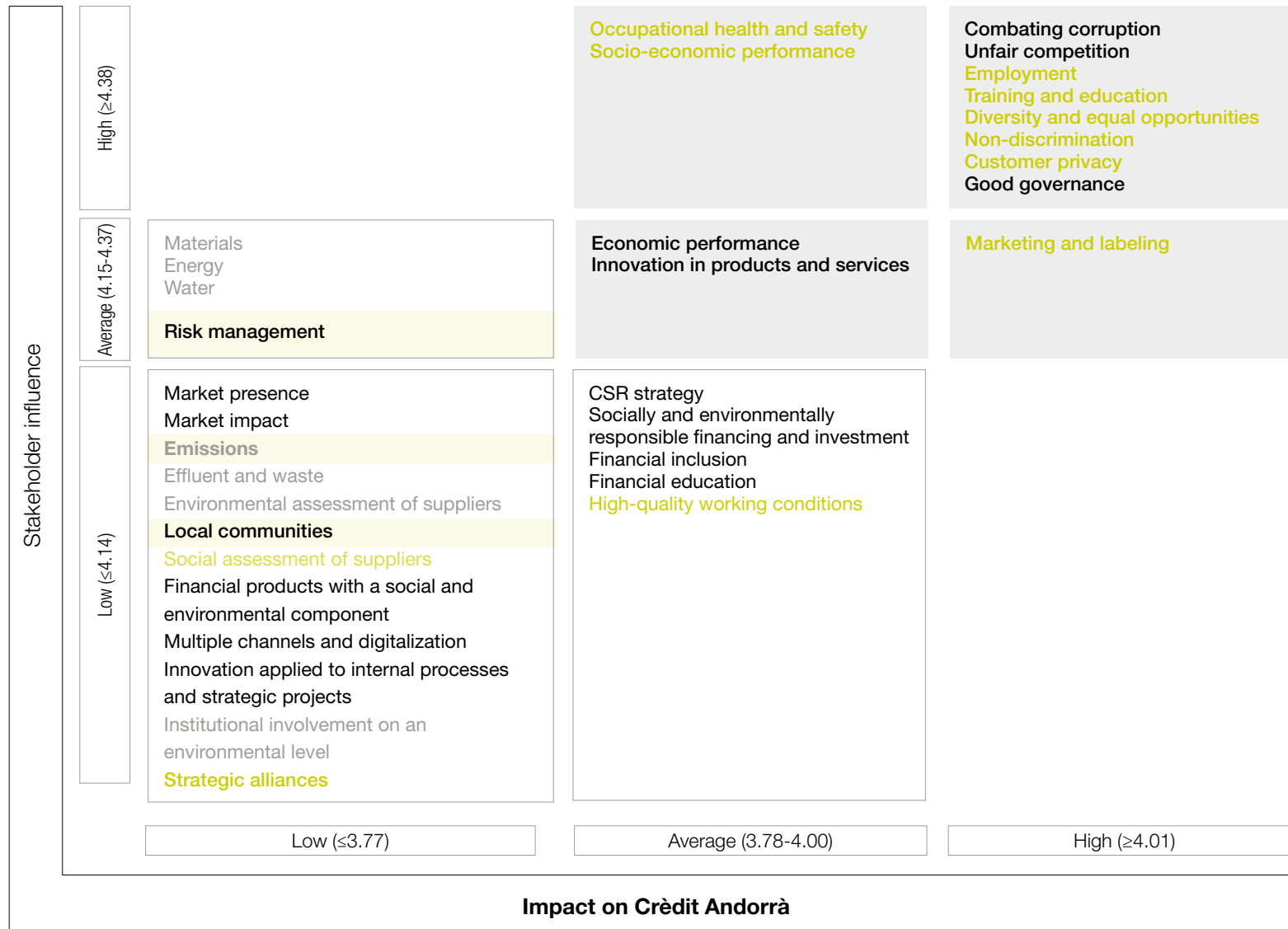
The internal assessment involved shareholder participation. Meanwhile, the external assessments involved all of Crèdit Andorrà's stakeholders, i.e. employees, customers, community, suppliers and media. In addition to the online survey, the external analysis took into account the results obtained from the *benchmarking* carried out.

For the statistical analysis, the answers provided by the stakeholders were weighted based on their importance for Crèdit Andorrà, according to the influence the group holds over Crèdit Andorrà's economic, social and environmental activity and according to the extent to which the Group is affected by this activity. This analysis enabled us to determine the level of importance of each of the issues, which has been reflected in the materiality matrix. Having concluded the previous process, all issues with high importance for the organization and its stakeholders (high-medium, medium-high and medium-medium) were considered material.

## 3. Validation

To ensure that materiality provides a reasonable and balanced view of the sustainable development of the Crèdit Andorrà Financial Group, a more detailed internal analysis of the results was carried out. As a result of this vertical analysis, it was also considered important to class the following aspects as material: local communities, emissions and risk management. Furthermore, information related to non-material issues according to the GRI Standards is reported as this enables the Group's CSR efforts to be explained in more detail.

# Materiality matrix



## Material topics and coverage

Category and subject	Topics	Coverage and limit						
		Internal					External	
		Banking and financial services	Asset management and wealth management	Insurance	Partner companies	Social activity	Customers	Society
<b>SECTOR</b>								
Sustained and sustainable economic results	Economic performance	●	●	●	●	●	●	●
Proactiveness and innovation in products and services	Innovation in products and services	●	●	●			●	
<b>ETHICS AND INTEGRITY</b>								
Compliance and adaptation to regulatory changes	Socio-economic compliance	●	●	●	●	●	●	●
Good performance of the governing bodies and information transparency	Good governance	●	●	●	●	●	●	●
Prevention of corruption, money laundering, fraud and unfair competition practices	Fight against corruption Unfair competition	●	●	●	●	●	●	●
Responsible marketing and transparent communication of products and services to the customer	Marketing and labeling	●	●	●			●	
<b>SERVICES</b>								
Privacy and security of customer data	Customer privacy	●	●	●			●	
<b>EMPLOYEES</b>								
Employment and working conditions for stable and high-quality jobs	Employment	●	●	●				
Talent attraction and retention, professional training and development	Training and education	●	●	●				
Diversity and equal opportunities among men and women and non-discrimination	Diversity and equal opportunities / Non-discrimination	●	●	●				
Ensuring the health and safety of employees in the workplace	Occupational health and safety	●	●	●				
<b>ENVIRONMENT</b>								
Fight against climate change	Emissions	●	●	●				●
<b>INVOLVEMENT IN SOCIETY</b>								
Promotion of initiatives within the educational, social and cultural spheres to foster the progress of society through the Fundació Crèdit Andorra	Local communities	●	●	●	●	●		●

# Crèdit Andorrà and the Sustainable Development Goals

## Relevant SDGs

## Key initiatives



Guaranteeing a health life and promoting well-being for everyone at all ages

- > Unicef Visa
- > “La força dels grans” (The strength of senior citizens) project (L’espai)
- > *La salut al dia (Up-to-date health) program*
- > *Concòrdia* program for collecting units of umbilical cord
- > Collaboration with illness associations
- > Sponsorship of popular sporting events
- > Collection of *preventative guides for parents and children*.
- > Insurance and other health products (Pla Integral d’Assistència Mèdica (Comprehensive Medical Healthcare Plan), Crèditsalut)
- > Support for the Biotech fund (*private equities*)
- > Agreement between Fundació Crèdit Andorrà, the Andorran Health Service (SAAS) and the Clinic Foundation for Biomedical Research, which ensures that Andorra is at the cutting edge of research into lymphomas and leukemia.



Guaranteeing inclusive, equal and quality education and promoting life-long learning opportunities for everyone

- > Student finance products (Crèdit Estudis (Study Loans), Crèdit Pla Estudiant Dinàmic o Assegurat (Dynamic or Insured Student Loan Plan), Estudiant Piolet Plans, University of Andorra loans)
- > Research blog: financial content platform open to the public
- > Crèdit Andorrà Chair in Markets, Organizations and Humanities at IESE and Crèdit Andorrà Global Forum
- > Fundació Crèdit Andorrà grants program
- > *Esquí Estudi (ski study) program*
- > Calvó Armengol International Prize
- > Summer internships for students on placement
- > Regular training talks and workshops for business people and entrepreneurs in economics and finance
- > Career guidance workshops
- > Collaboration with the University of Andorra
- > Publications of interest on economics, legal and other topics
- > *Community and Social Impact* project with the ONCA
- > Collaboration with Special Olympics Andorra
- > Collaboration with the Nostra Senyora de Meritxell Specialized School
- > Online *retirement* simulator



Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for everyone

- > Support and collaboration on initiatives linked to the country’s main economic engines (tourism, commerce and snow)
- > Promotion and sponsorship of the ski resorts of Grandvalira, Vallnord and Naturlandia
- > Collaboration with the businesses and associations of Andorra
- > Sponsorship of the *Diàlegs europeus a Andorra (European dialogues in Andorra) program*
- > Agreement with the Agentas Employment Agency
- > Sponsorships for the promotion of tourism and commerce in Andorra

**Relevant SDGs****Key initiatives**

Building resilient infrastructures, promoting inclusive and sustainable industrialisation and fostering innovation

- > e-Crèdit, the first *online* bank in Andorra
- > Payment methods: Crèdit Wallet
- > Merkaat, the leading digital investment advisory service in Andorra
- > “Nou model relacional” (New relational model) prototype
- > Biometric signatures for in-branch transactions
- > Collaboration with the INNTEC Andorra conferences
- > Collaboration with the Andorra clusters to create new economic sectors for the country
- > Participation in *workshops* with people linked to innovation and new technologies



Guaranteeing sustainable forms of consumption and production

- > Crediinvest Sicav Sustainability Funds
- > Sense Paper (paperless) *project*
- > Environmental education workshops at the Andorra la Vella Fair
- > Indoor environmental quality certification of the Operational Services Central (OSC) buildings
- > Environmental risk analysis for bank products
- > Guide to good environmental practices (*Sustainable Banking Guides*)



Adopting urgent measures to combat climate change and its effects

- > Prèstec Regenera (Regeneration Loan)
- > Crèdit Cotxe Verd (Green car loan)
- > Sponsorship of Cicland
- > Sponsorship of the hybrid bus
- > Sponsorship of the Jornades de mobilitat elèctrica (electric mobility conferences)
- > Participation in producing the UNEP FI guide on Greenhouse Gas Accounting *for the Financial Sector*




- > First Andorran financial entity to subscribe to the United Nations Global Compact
- > Adherence to the United Nations Environment Program Finance Initiative (UNEP FI).
- > Participation in the National Voluntary Report on Achievement of SDGs, carried out by the Government of Andorra

# Global Reporting Initiative content index

(102-54) “Compliance - Exhaustive” option based on GRI Standards.

## General content

GRI Standards	Content	Page number or URL	Omissions	SDG
<b>Organisational profile</b>				
102-1	Name of the organisation	4		
102-2	Activities brands, products and services	27-28, 31-39, 55-56		
102-3	Location of headquarters	Av. Meritxell, 80 AD500 Andorra la Vella Principality of Andorra		
102-4	Location of operations	27, 31-39		
102-5	Ownership and legal form	Crèdit Andorrà SA, authorized in 1949, is a limited company engaged in banking activities, which it carries out as a commercial bank and as a private bank, and is subject to the rules and regulations governing financial institutions operating in Andorra. On April 11, 2011, the Andorran National Institute of Finance, currently the Andorran Financial Authority, authorized the application for extension of the Bank's corporate purpose to include investment and ancillary services. Crèdit Andorrà SA, the parent of the Group, and its invested companies make up the Crèdit Andorrà Financial Group.		
102-6	Markets served	27, 31-39, 49 For further information, see the Crèdit Andorrà Financial Group's website.		
102-7	Scale of the organisation	2-3 All products and services can be looked up on the Crèdit Andorrà Financial Group's website.		

GRI  
Standards

Content

Page number or URL

Omissions

SDG

102-8

Information on  
employees and other  
workers

**Workforce at 31 December**

	2016	2017	2018
Andorra	510	475	469
Spain	141	141	258
Luxembourg	66	76	87
Mexico	30	31	13
Miami (USA)	36	38	40
Peru	12	11	9
Switzerland	12	12	3
Panama	60	54	59
Chile	5	2	1
Portugal	8	–	–
<b>Crédit Andorrà Financial Group</b>	<b>880</b>	<b>840</b>	<b>939</b>

**Workforce with permanent contract**

	2016	2017	2018
Andorra	89%	88%	89%
Spain	97%	98%	97%
Luxembourg	100%	96%	95%
Mexico	100%	100%	100%
Miami (USA)	100%	100%	100%
Peru	100%	100%	100%
Switzerland	100%	100%	100%
Panama	97%	100%	100%
Chile	100%	100%	100%
Portugal	100%	–	–
<b>Crédit Andorrà Financial Group</b>	<b>93%</b>	<b>92%</b>	<b>93%</b>



102-8 Information on employees and other workers (*cont.*)

<b>Workforce working full time</b>			
	2016	2017	2018
Andorra	100%	100%	100%
Spain	94%	98%	97%
Luxembourg	88%	91%	89%
Mexico	100%	100%	100%
Miami (USA)	100%	100%	100%
Peru	100%	100%	100%
Switzerland	83%	75%	100%
Panama	98%	100%	100%
Chile	100%	100%	100%
Portugal	100%	–	–
<b>Crédit Andorrà Financial Group</b>	<b>98%</b>	<b>98%</b>	<b>98%</b>

<b>Workforce according to gender and working category</b>			
	2016	2017	2018
<b>Men</b>	<b>460</b>	<b>422</b>	<b>443</b>
Senior management	119	115	107
Intermediate positions	78	67	59
Other staff	263	240	277
<b>Women</b>	<b>420</b>	<b>418</b>	<b>496</b>
Senior management	26	32	28
Intermediate positions	51	54	53
Other staff	343	332	415



102-8 Information on employees and other workers (*cont.*)

### Women on the workforce and in roles of responsibility

	2016		2017		2018	
	On the workforce	In roles of responsibility	On the workforce	In roles of responsibility	On the workforce	In roles of responsibility
Andorra	48%	26%	49%	27%	49%	29%
Spain	53%	21%	55%	22%	61%	28%
Luxembourg	38%	10%	43%	16%	48%	12%
Mexico	60%	67%	61%	100%	69%	100%
Miami (USA)	39%	56%	45%	55%	48%	56%
Peru	58%	75%	64%	75%	78%	100%
Switzerland	25%	33%	25%	33%	33%	0%
Panama	52%	53%	56%	58%	51%	52%
Chile	20%	0%	0%	0%	0%	9%
Portugal	33%	0%	–	–	–	–
<b>Crédit Andorrà Financial Group</b>	<b>48%</b>	<b>29%</b>	<b>50%</b>	<b>32%</b>	<b>53%</b>	<b>32%</b>

### Workforce according to gender and age group

	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
Total	460	420	422	418	443	496
≤ 25 years	18	25	13	22	12	32
26-30 years	34	51	43	54	48	66
31-35 years	50	65	43	67	50	76
36-40 years	73	82	64	78	72	77
41-45 years	77	80	72	83	77	101
46-50 years	65	60	65	58	70	77
51-55 years	70	32	73	35	65	41
56-60 years	47	17	31	17	33	18
> 60 years	26	8	18	4	16	8

GRI Standards	Content	Page number or URL	Omissions	SDG																																																																												
102-8	Information on employees and other workers ( <i>cont.</i> )	<p><b>Workforce according to nationality</b></p> <table border="1"> <thead> <tr> <th></th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Andorra</td> <td>30.6%</td> <td>30.6%</td> <td>27.8%</td> </tr> <tr> <td>Rest of Europe</td> <td>54.3%</td> <td>54.5%</td> <td>60.5%</td> </tr> <tr> <td>Africa</td> <td>14.3%</td> <td>14.3%</td> <td>0.3%</td> </tr> <tr> <td>America</td> <td>0.1%</td> <td>0.1%</td> <td>11.1%</td> </tr> <tr> <td>Asia</td> <td>0.6%</td> <td>0.4%</td> <td>0.3%</td> </tr> <tr> <td>Oceania</td> <td>0.1%</td> <td>0.1%</td> <td>0%</td> </tr> </tbody> </table> <p><b>Directors from the country (by subsidiaries)</b></p> <table border="1"> <thead> <tr> <th></th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Andorra</td> <td>54%</td> <td>57%</td> <td>56%</td> </tr> <tr> <td>Spain</td> <td>100%</td> <td>100%</td> <td>100%</td> </tr> <tr> <td>Luxembourg</td> <td>5%</td> <td>6%</td> <td>6%</td> </tr> <tr> <td>Mexico</td> <td>100%</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>Miami (USA)</td> <td>0%</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>Peru</td> <td>0%</td> <td>0%</td> <td>100%</td> </tr> <tr> <td>Switzerland</td> <td>25%</td> <td>33%</td> <td>0%</td> </tr> <tr> <td>Panama</td> <td>67%</td> <td>56%</td> <td>56%</td> </tr> <tr> <td>Chile</td> <td>50%</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>Portugal</td> <td>100%</td> <td>–</td> <td>–</td> </tr> <tr> <td><b>Crédit Andorrà Financial Group</b></td> <td><b>55%</b></td> <td><b>54%</b></td> <td><b>55%</b></td> </tr> </tbody> </table>		2016	2017	2018	Andorra	30.6%	30.6%	27.8%	Rest of Europe	54.3%	54.5%	60.5%	Africa	14.3%	14.3%	0.3%	America	0.1%	0.1%	11.1%	Asia	0.6%	0.4%	0.3%	Oceania	0.1%	0.1%	0%		2016	2017	2018	Andorra	54%	57%	56%	Spain	100%	100%	100%	Luxembourg	5%	6%	6%	Mexico	100%	0%	0%	Miami (USA)	0%	0%	0%	Peru	0%	0%	100%	Switzerland	25%	33%	0%	Panama	67%	56%	56%	Chile	50%	0%	0%	Portugal	100%	–	–	<b>Crédit Andorrà Financial Group</b>	<b>55%</b>	<b>54%</b>	<b>55%</b>		
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102-41	Percentage of employees covered by collective agreements	Crédit Andorrà does not currently have any collective agreements. Collective agreements must be launched by the workers, a situation that has not yet arisen.																																																																														
102-9	Supply chain	<p>Supply chain management is carried out in accordance with our corporate values. It includes all aspects related to corporate social responsibility and is based on transparency and mutual benefits so as to ensure safe, efficient and quality service provision.</p> <p>The Group's main suppliers include companies that provide leases and real estate, office material, marketing and advertising, computer equipment, technological and communications services, security services, financial services and specific professional services, among others.</p> <p>Moreover, the Bank prioritizes suppliers from the Principality of Andorra (local suppliers), as well as other local suppliers from the territories where it operates.</p> <p>In 2018, the approximate value of purchases made by the Group to suppliers amounted to 47,379,000 euros.</p>																																																																														






GRI Standards	Content	Page number or URL	Omissions	SDG
102-10	Significant changes to the organisation and its supply chain	13, 15, 39 There were no significant changes in the location of suppliers.		
102-11	Precautionary principle or approach	86-87		
102-12	External initiatives	46, 95-99 Crèdit Andorrà is a member of the United Nations Global Compact and of the United Nations Environment Program Finance Initiative (UNEP FI) and draws up its Corporate Activity Report, which includes indicators related to action in the environmental, social and corporate governance fields, in accordance with GRI Standards.		
102-13	Membership of associations	20, 49, 58, 67, 86 <b>Crèdit Andorrà:</b> Andorran Banking, Confederació Empresarial Andorrana, Cambra de Comerç, Indústria i Serveis d'Andorra, Empresa Familiar Andorrana, Asociación para el Progreso de la Dirección (APD), Trobada Empresarial del Pirineu, EFMA, IESE (Crèdit Andorrà Chair in Markets, Organizations and Humanities), University of Andorra. <b>Banque de Patrimoines Privés:</b> Association pour la Garantie des Dépôts Luxembourg (AGDL), Association des Banques et Banquiers (ABBL) and Association Luxembourgeoise des Fonds d'Investissement (ALFI). <b>Banco Alcalá:</b> Asociación Española de Banca and Asociación de Instituciones de Inversión Colectiva y Fondos de Pensiones (INVERCO). <b>Banco Crèdit Andorrà Panamá:</b> Superintendencia de Bancos, Superintendencias del Mercado de Valores (SMV), Asociación Bancaria de Panamá and Cámara Panameña del Mercado de Capitales (Capamec). <b>Beta Capital Wealth Management (Miami)</b> <ul style="list-style-type: none"> <li>• Beta Capital Securities LLC: Financial Industry Regulatory Authority (FINRA), Securities and Exchange Commission (SEC), National Futures Association (NFA), Securities Investor Protection Corporation (SIPC), Municipal Securities Rulemaking Board (MSRB) and NASDAQ.</li> <li>• Beta Capital Management LLC: Securities and Exchange Commission (SEC).</li> </ul> <b>CA México Asesores Patrimoniales:</b> Asociación Mexicana de Asesores Independientes de Inversiones (AMAI). <b>CA Perú Sociedad Agente de Bolsa:</b> Bolsa de Valores de Lima (BVL), Cavali (Registro Central de Valores y Liquidaciones del Perú), Superintendencia del Mercado de Valores (SMV).		
<b>Strategy</b>				
102-14	Statement from senior decision-maker	8-11		
102-15	Key impacts, risks, and opportunities	3, 21-22, 44, 68		



**Ethics and integrity**



102-16	Values, principles, standards, and norms of behaviour	<p>20, 49, 58, 67, 86</p> <p>Crèdit Andorrà has adopted the <b>Code of Ethics of the Andorran Banking Association</b> of 1990, updated in 2017. This Code compiles the main professional conduct recommendations adapted to the latest international standards, in line with the Andorran legal framework and the international principles on the subject. The purpose of the Code is to establish the standards of honesty, integrity, professionalism and confidentiality with which Andorran banks should comply in their relationships with customers, third parties, supervisors and regulators.</p> <p>The Bank also applies the <b>Ethical and Conduct Regulations of the Andorran Financial Authority</b>, aimed at enhancing the good name, reputation and prestige of the Andorran financial sector and avoiding any behavior that could infringe its good customs and traditions. These regulations define the ethical and conduct rules that financial institutions authorized to operate in the Principality must uphold at all times while performing their activities.</p> <p>Crèdit Andorrà is also subject to <b>Law 8/2013 on the organizational requirements and operating conditions of organizations operating in the financial system, the protection of investors, abuse of markets and financial collateral arrangements</b>. The aims of this law are to protect investors' interests, guarantee that investors know the products and services they acquire and the associated risks, and promote transparency and effectiveness. This law gathers the principles established in the community directive known as <b>MiFID</b> (Markets in Financial Instruments Directive) and regulates the way in which financial institutions provide their investment services, so that they are provided within a framework of high-level protection for the investor. The law regulates the provision of investment and ancillary services, hence it directly affects all persons and organizations that work in the financial markets.</p> <p>Crèdit Andorrà Group has also adopted the <b>Code of Ethics and Conduct</b>, approved by the Board of Directors in 2014, for the purpose of establishing and ensuring compliance with the ethical principles that should govern the business and activities carried out by the Group. The Code of Ethics and Conduct of the Crèdit Andorrà Group is applicable to Crèdit Andorrà, SA and its invested companies, regardless of the country from which they operate, identified by the General Management of Crèdit Andorrà, SA because any member of the Group or its employees is directly responsible for its ordinary management (obliged entities). Within each of these entities, the Code applies to their directors and all employees, and is made available to all of them, in the Group's commonly used languages.</p> <p>Lastly, in 2014 the Board of Directors approved the <b>Code of Conduct in the Securities Markets</b> of the Crèdit Andorrà Group, which regulates the requirements for transparency and protection of the interests of investors and gathers the principles relating to the markets in financial instruments and the minimum international standards for best banking practices. The Code of Conduct in the Securities Markets supplements the Code of Ethics and expresses the Board's commitment towards achieving high-quality compliance standards throughout the entire Group. The Code of Conduct in the Securities Markets of the Crèdit Andorrà Group is applicable to Crèdit Andorrà, SA and its invested companies, regardless of the country from which they operate, identified by the General Management of Crèdit Andorrà, SA because any member of the Group or its employees is directly responsible for its ordinary management (obliged entities). Within each of these entities, the Code applies to their directors and employees, and is made available to all of them.</p> <p>Crèdit Andorrà, as a signatory member of the Global Compact, is committed to upholding the 10 principles emanating from the Compact, framed within the scopes of human rights, work standards, the environment and the fight against corruption.</p>		
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102-17	Mechanisms for advice and concerns about ethics	<p>Crèdit Andorrà has an Ethics and Deontology Committee to promote best practices and ensure compliance with the institution's Code of Ethics and Conduct. This committee is responsible for managing and resolving any doubts or queries that may arise related to the practical interpretation or application of the code.</p> <p>In 2018, the Ethics and Deontology Committee received 12 consultations or requests for assessment from employees.</p> <p>The Ethics and Deontology Committee is the body that receives cases of possible violations of the Code. It is responsible for analyzing unethical conduct and conduct that is beyond the scope of the established framework. It also has the power to approve, reject and issue penalties. The Ethics and Deontology Committee directs investigations of cases, which may entail the involvement of other bodies in the organisation. In all cases, the confidentiality of the reporting party is guaranteed, except when this information is essential for conducting the investigation.</p> <p>During 2018, the Ethics and Deontology Committee reviewed 7 files, 2 of which were new in 2018, while the remaining 5 were files that had been opened in 2017 and closed in 2018.</p>		
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GRI Standards	Content	Page number or URL	Omissions	SDG
<b>Governing bodies</b>				
102-18	Governance structure	15-19		
102-19	Delegating authority	16 The CEO, under the supervision of the Board of Directors, takes on responsibility for the strategic management of the Group and assumes the execution of all agreements reached by the Board of Directors. The Bank's General Management and Executive Committee are responsible for driving the agreements made by the Board of Directors and for managing the economic, environmental and social policies adopted within the Crèdit Andorrà Financial Group.		
102-20	Executive-level responsibility for economic, environmental, and social topics	All business lines and areas of the Crèdit Andorrà Financial Group are represented in the Executive Committee of Crèdit Andorrà. Members of this committee have the power to make decisions on the operational and organizational aspects of the institution. The Board of Directors, as the institution's highest governing body, is kept up to date on all economic, environment and social matters which affect the Group.		
102-21	Consulting stakeholders on economic, environmental, and social topics	The Board of Directors determines information and communication policies according to shareholder input, the markets and public opinion.		
102-22	Composition of the highest governance body and its committees	The Regulations of the Board of Directors of Crèdit Andorrà, approved on January, 24, 2008 and modified for the last time on April, 30, 2014, gathers the legal framework, establishes the acting principles of the governing body, specifies the basic organizational and operating rules and the rules of conduct of its members. The members of the Board of Directors do not perform executive functions, aside from the CEO.		
102-23	Chair of the highest governance body	The functions of the chair and the CEO are different and complementary, with a clear division of responsibilities. The chair is the highest representative of the organization and the leader of the Board of Directors on which the CEO also sits. The CEO holds the highest executive office responsible for executing the strategy of the Group.		
102-24	Nominating and selecting the highest governance body	For board members to be appointed, they must meet legal and statutory requirements required for the office in question, and have appropriate professional knowledge and experience to exercise the duties of the office and for good governance. The regulations of the Board of Directors stipulate that a minimum of one third of total board members must be Andorran citizens or residents with associated economic rights. Furthermore, all members must be people with recognised reputations as honourable professionals and businesspeople. Aspects such as diversity and independence are not taken into consideration. The board members occupy their office for a two-year period, and can be re-appointed.		
102-25	Conflicts of interest	The regulations of the Board of Directors also establishes norms and guidelines to follow to ensure that board members do not enter into situations of conflict of interest. To ensure all actions are carried out in strict compliance with established legal and company requirements, the Group uses its risk management and control model as an internal framework to ensure operational efficacy and efficiency based on appropriate control of risks and prudent business conduct that guarantees the reliability of financial information communicated internally and externally.		

GRI Standards	Content	Page number or URL	Omissions	SDG
102-26	Role of highest governance body in setting purpose, values, and strategy	The Board of Directors analyses and approves basic acting directives, determines the degree of compliance with strategic plans and budgets, and ratifies the Group's Code of Ethics and Conduct and the Code of conduct in securities markets.		
102-27	Collective knowledge of highest governance body	Information is provided at Board meetings on the primary issues to address and related to strategic business, economic, environmental and social matters.		
102-28	Evaluating the highest governance body's performance	There is no formal evaluation process. However, at least once per year, a report is submitted to the Board of Directors on the status of the Bank's policies and strategies related to the corporate social responsibility policy and other matters.		
102-29	Identifying and managing economic, environmental, and social impacts	The organizational structure permits economic, environmental and social matters reported to the Board of Directors to be supervised by the different management bodies and areas of the Bank. The management of these includes supervision of risks and opportunities as well as compliance with international agreements, codes of conduct and principles. To assist these bodies in performing their duties, support is provided by independent external advisers and by means of information from the organization itself, from meetings with Crèdit Andorrà directors.		
102-30	Effectiveness of risk management processes	The Board of Directors is responsible for evaluating strategies and policies on risk, internal control and regulatory compliance. Specifically, it defines the level of risk the organisation is willing to accept, approves policies on risk management, internal controls and compliance, supervises compliance and adopts appropriate measures to correct problems.		
102-31	Review of economic, environmental, and social topics	Crèdit Andorrà Financial Group has a Regulatory Risk and Compliance Unit and Internal Audit Department, which report directly to the CEO. The Delegate Committee is also responsible for analysing all risks at all levels from all perspectives that affect the organisation's activities on a quarterly basis, including economic, environmental and social risks and opportunities.		
102-32	Highest governance body's role in sustainability reporting	The department of Corporate Communication, Marketing and Customer Digital Transformation is responsible for coordinating and preparing the Corporate Activity report, including the materiality process. This report is reviewed by the members of the management team responsible for handling issues related to human resources, the environment, customers and marketing, and community relations, in addition to Fundació Crèdit Andorrà. One of the functions of the Corporate Communication, Marketing and Customer Digital Transformation department is to monitor the performance of the organization in relation to CSR issues and to submit any proposals deemed appropriate on these matters to the Board of Directors.		
102-33	Communicating critical concerns	The Executive Committee is responsible for reporting annual planning to the Board of Directors, including any critical issues it deems relevant or opportune. The Executive Committee meets monthly.		
102-34	Nature and number of critical concerns	Critical issues of any nature (economic, financial, environmental, social, etc.) may be brought to the Board of Directors on a recurring basis if deemed necessary. The degree of progress of the Strategic Plan and results in economic, social and environmental matters are evaluated at the Executive Committee meetings and at the Board of Directors meetings. Based on this evaluation, decisions are made to continue or alter strategy.		

GRI Standards	Content	Page number or URL	Omissions	SDG
102-35	Remuneration policies	Remuneration policies are planned by members of senior management. Senior management has a remuneration policy that includes fixed and variable parts based on achieving quantitative objectives and performance and attitudes in accordance with Crèdit Andorrà's cultural values model. Severance compensation is subject to applicable law.		
102-36	Process for determining remuneration	Criteria set out in the remuneration policy to determine the amount of compensation to be received. The company uses the <i>Hay Job Evaluation</i> method to assess job roles by profile and pay scale and to classify all positions and categories and salary ranges associated with these.		
102-37	Stakeholders' involvement in remuneration	Criteria set out in the remuneration policy, which establishes remuneration according to professional qualification, are used to determine the amount of remuneration to be received.		
102-38	Annual total compensation ratio	This information is confidential.		
102-39	Percentage increase in annual total compensation ratio	This information is confidential.		
<b>Stakeholder engagement</b>				
102-40	List of stakeholder groups	The stakeholder groups the Group has included are: employees, customers, shareholders, suppliers, the media and the local community.		
102-41	Percentage of employees covered by collective bargaining agreements.	Crèdit Andorrà currently has no collective bargaining agreements. Collective agreements must be launched by the workers, a situation that has not yet arisen.		
102-42	Identifying and selecting stakeholders	The stakeholders identified by the Crèdit Andorrà Financial Group are as follows: customers, the focus of the business decisions; shareholders, the Group's owners; employees, the Group's most important asset, essential for achieving objectives; the community, where the Group wants to drive progress, and economic, social and environmental development; suppliers, for their importance in ensuring top-quality and reliable service; and the media, for their capacity to inform and influence society.		
102-43	Approach to stakeholder engagement	14, 22		

GRI Standards	Content	Page number or URL	Omissions	SDG																
102-44	Key topics and concerns raised																			
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### Reporting practice

102-45	Organisations included in the consolidated financial statements	<p>4</p> <p>The report covers the Crèdit Andorrà Financial Group.</p> <p>Crèdit Andorrà SA is the parent company of the invested companies listed in point 4. In this regard, the information presented corresponds to the Crèdit Andorrà Financial Group, excluding the data presented in the clients and environment sections, which refer exclusively to the Group's companies located in the Principality of Andorra.</p> <p>The economic and financial information included was obtained from the audited consolidated annual statements.</p>		
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GRI Standards	Content	Page number or URL	Omissions	SDG
102-46	Defining report content and topic boundaries	<p data-bbox="557 212 577 229">4</p> <p data-bbox="557 244 1771 292">To determine which issues are relevant for Crèdit Andorrà (internal scope) and its stakeholders (external scope), a tiered process has been carried out in accordance with standard AA1000SES (2011) on Accountability and the GRI Standards.</p> <p data-bbox="557 308 1771 379">The materiality analysis process has been carried out from an internal perspective (including the people with decision-making powers within the Group) and taking into account the series of actors within its value chain, since these are the Crèdit Andorrà stakeholders.</p> <ol data-bbox="557 395 1771 1324" style="list-style-type: none"> <li data-bbox="557 395 1771 722"> <p data-bbox="557 395 1771 722"><b>1. Identification of topics.</b> The identification of relevant topics for Crèdit Andorrà must be carried out based on the impact of its actions and activities on the banking, financial and insurance sectors and on its stakeholders. This exercise has been carried out using the organization's internal sources (including the main strategic lines and the cultural model values) and external sources. For the external analysis, an industry-wide <i>benchmarking</i> study has been carried out on the best practices in the field of CSR at a global level, and the main sustainability reference standards have been analyzed. The tools and sources of information used for the identification are: GRI Standards; G4 version of the <i>Global Reporting Initiative financial services sector supplement</i>; <i>Sustainability Topics for Sectors: What do stakeholders want to know?</i> of the Global Reporting Initiative. "34 – Banks, Diverse Financials and Insurance" – 42 Topics; <i>Sustainability – what matters?</i> of the Governance &amp; Accountability Institute, Inc. Financial Services; Sustainability Accounting Standards Board (SASB). Asset Management, Commercial Banks, Insurance and Investment. The issues identified have been classified into six categories: sector (business strategy and economic management), ethics and integrity (good corporate governance and <i>compliance</i>), service (relationship with the customer and product responsibility), employees (team management), involvement with society (social action and involvement with the country) and environment (environmental management).</p> </li> <li data-bbox="557 738 1771 1153"> <p data-bbox="557 738 1771 834"><b>2. Prioritization of issues.</b> To prioritize the aforementioned issues, and following the principles of Accountability and standard AA1000SES (2011) in our relationship with stakeholders, we have carried out a specific investigation using an online survey to rate the various issues according to their level of importance for the sustainable and socially responsible development of Crèdit Andorrà.</p> <p data-bbox="557 850 1771 970">This evaluation has taken into account the participation of all of the Group's internal and external stakeholders. The internal evaluation has involved the participation of the shareholders. The external evaluation has included participation of all the Crèdit Andorrà stakeholders: employees (of the entire Group), customers (from Andorra), the community (associations, foundations, academia, public bodies, etc. of Andorra), suppliers (of the parent company) and the media (of Andorra). In addition to the online survey, the external analysis took into account the results obtained from the <i>benchmarking</i> carried out.</p> <p data-bbox="557 986 1771 1153">For the statistical analysis, the answers provided by the stakeholders have been weighted based on their importance for Crèdit Andorrà, taking into consideration the influence the group has on the economic, social and environmental performance of Crèdit Andorrà and according to the extent to which the Group is affected by the entity's economic, social and environmental exercise. After the statistical analysis of the responses received, the level of importance of each issue was determined and shown on the materiality matrix. Once the process was concluded and the topics and level of importance determined, all issues with high importance for the organization and its stakeholders (high-medium and medium-high and medium-medium) were considered material.</p> </li> <li data-bbox="557 1169 1771 1265"> <p data-bbox="557 1169 1771 1265"><b>3. Validation.</b> The results obtained were analyzed in detail in order to ensure that we offer a reasonable and balanced vision for the sustainable and responsible development of the Crèdit Andorrà Financial Group internally and with the participation of managers and the departments and areas most directly related to the strategic CSR issues. As a result of this vertical analysis, it was also considered important to class the following aspects as material: local communities and emissions.</p> </li> <li data-bbox="557 1281 1771 1324"> <p data-bbox="557 1281 1771 1324">4. Furthermore, information related to non-material issues according to the GRI Standards is reported as this enables the Group's CSR efforts to be explained in greater detail.</p> </li> </ol>		



GRI Standards	Content	Page number or URL	Omissions	SDG
102-47	List of material topics	5		
102-48	Restatements of information	No relevant restatements took place involving information contained in previous reports. In case any data have been reformulated, said fact is highlighted by the addition of a note explaining the cause for the reformulation.		
102-49	Changes in reporting	There were no relevant changes in scope or coverage with regard to previous reports.		
102-50	Reporting period	4		
102-51	Date of most recent report	4		
102-52	Reporting cycle	Annual		
102-53	Contact point for questions regarding the report	comunicacio@creditandorragroup.com		
102-54	Claims of reporting in accordance with the GRI Standards	4		
102-55	GRI content index	<a href="http://informeanual.creditandorragroup.com/ca/">http://informeanual.creditandorragroup.com/ca/</a>		
102-56	External assurance	The report has not been subjected to external verification.		

# Material topics

## Economic topics






GRI Standards	Content	Page number or URL	Omissions	SDG						
GRI 103: Management approach 2017										
GRI 201: Economic performance, GRI 205: Fight against corruption, GRI 206: Unfair competition, Good governance, Risk management and Innovation in products and services										
103-1	Explanation of the material topic and its boundary	4								
			<b>Coverage and limit</b>							
			Internal			External				
			Banking and financial services	Asset management and wealth management	Insurance	Partner companies	Social activity	Customers	Society	Suppliers
	<b>Category and subject</b>	<b>Topics</b>								
	<b>SECTOR</b>									
	Sustained and sustainable economic results	Economic performance	●	●	●	●	●	●	●	●
	Proactiveness and innovation in products and services	Innovation in products and services	●	●	●			●		
	Asset and operations risk control and comprehensive management	Risk management	●	●	●	●	●	●	●	●
	<b>ETHICS AND INTEGRITY</b>									
	Compliance and adaptation to regulatory changes	Socio-economic compliance	●	●	●	●	●	●	●	●
	Good performance of the governing bodies and information transparency	Good governance	●	●	●	●	●	●	●	●
	Prevention of corruption, money laundering, fraud and unfair competition practices	Fight against corruption Unfair competition	●	●	●	●	●	●	●	●
103-2	The management approach and its components	14, 17-18, 20-22, 26, 40-44, 47-48, 52-56, 87-88								
103-3	Evaluation of the management approach	14, 17-18, 20-22, 26, 40-44, 47-48, 52-56, 87-88								

GRI Standards	Content	Page number or URL	Omissions	SDG
<b>GRI 201: Economic performance</b>				
201-1	Direct economic value generated and distributed	26		    
201-2	Financial implications and other risks and opportunities due to climate change	87-88		
201-3	Defined benefit plan obligations and other retirement plans	The economic value of the benefits is confidential information.		
201-4	Financial assistance received from government	As a banking entity, Crèdit Andorrà does not receive public assistance.		

GRI Standards	Content	Page number or URL	Omissions	SDG
<b>GRI 205: Combating corruption</b>				
205-1	Operations assessed for risks related to corruption	17-18, 20-22 The active struggle against corruption (including preventing money laundering, financing terrorism and other considerations) is part of the entity's corporate culture and is pursued by means of mechanisms extending to all of the Group's business units. Analysis of risks related to corruption is regulated by law. Furthermore, the organization also has an Internal Audit department, which is part of the Regulatory Compliance and Risk unit, and manages risk.		
205-2	Communication and training about anti-corruption policies and procedures	22		
205-3	Confirmed incidents of corruption and actions taken	No confirmed incidents of corruption have taken place.		
<b>GRI 206: Unfair competition</b>				
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	There have been no actions related to monopolistic and anti-competitive practices.		
<b>Good governance (not GRI)</b>				
	Good performance of the governing bodies and information transparency.	15-20		
<b>Risk management</b>				
	Comprehensive risk management	21-22 44		
<b>Innovation in products and services</b>				
	Proactiveness and innovation in products and services	40-43, 50-56		

## Environmental topics

GRI Standards	Content	Page number or URL	Omissions	SDG																								
GRI 103: Management approach 2018																												
GRI 305: Emissions																												
103-1	Explanation of the material topic and its boundary		<table border="1"> <thead> <tr> <th colspan="8">Coverage and limit</th> </tr> <tr> <th colspan="6">Internal</th> <th colspan="2">External</th> </tr> <tr> <th>Banking and financial services</th> <th>Asset management and wealth management</th> <th>Insurance</th> <th>Partner companies</th> <th>Social activity</th> <th>Customers</th> <th>Society</th> <th>Suppliers</th> </tr> </thead> </table>		Coverage and limit								Internal						External		Banking and financial services	Asset management and wealth management	Insurance	Partner companies	Social activity	Customers	Society	Suppliers
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	<b>ENVIRONMENT</b>																											
	Fight against climate change	Emissions	●	●																								
103-2	The management approach and its components	86-89																										
103-3	Evaluation of the management approach	86-89	We have identified the principal eco-efficiency indicators resulting from our activities. These will be measured and controlled so that the measures needed to achieve the highest level of eco-efficiency in our environmental efforts can be implemented. Among other aspects, this translates into minimizing consumption of materials, mainly paper, and minimizing consumption of water and energy in offices and corporate facilities.																									

GRI Standards	Content	Page number or URL	Omissions	SDG
<b>GRI 305: Emissions</b>				
305-1	Direct (Scope 1) GHG emissions	89		
305-2	Energy indirect (Scope 2) GHG emissions	89		
305-3	Other indirect (Scope 3) GHG emissions	89	The calculation of greenhouse gas emissions does not include messenger services.	 
305-4	GHG emissions intensity	89		
305-5	Reduction of GHG emissions	The Bank promotes various actions to prevent CO <sub>2</sub> emissions, such as videoconferencing, which replaces numerous trips by car, train and airplane.	There is no data for reductions of GHG emissions resulting from these initiatives.	 
305-6	Emissions of ozone-depleting substances (ODS)	Crédit Andorrà does not emit substances that destroy the ozone layer, including those in the annexes of the Montreal Protocol.		
305-7	NOX, SOX and other significant air emissions	Crédit Andorrà does not produce NOX, SOX or other emissions.		



## Social issues

GRI Standards	Content	Page number or URL	Omissions	SDG																	
<b>LABOUR PRACTICES</b>																					
GRI 103: Management approach 2018 GRI 401: Employment, GRI 403: Occupational health and safety, GRI 404: Training and education, GRI 405: Diversity and equal opportunities, GRI 406: Non-discrimination, GRI 413: Local communities, GRI 417: Labeling of products and services, GRI 418: Customer privacy and GRI 419: Socio-economic compliance																					
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	<b>Category and subject</b>	<b>Topics</b>																			
	<b>SERVICES</b>																				
	Privacy and security of customer data	Customer privacy	●	●																	
	<b>EMPLOYEES</b>																				
	Employment and working conditions for stable and high-quality jobs	Employment	●	●																	
	Talent attraction and retention, professional training and development	Training and education	●	●																	
	Diversity and equal opportunities among men and women and non-discrimination	Diversity and equal opportunities / Non-discrimination	●	●																	
	Ensuring the health and safety of employees in the workplace	Occupational health and safety	●	●																	
	<b>INVOLVEMENT IN SOCIETY</b>																				
	Promotion of initiatives within the educational, social and cultural spheres to foster the progress of society through the Fundació Crèdit Andorrà	Local communities	●	●																	
103-2	The management approach and its components	58-85, 88, 92-93																			
103-3	Evaluation of the management approach	58-85, 88, 92-93																			

GRI 401: Employment

401-1 New employee hires and employee turnover

62

New employee hires by gender and age group

	2018									
	Andorra	Spain	Luxembourg	Mexico	Miami (USA)	Peru	Switzerland	Panama	Chile	Crédit Andorra Financial Group
<b>Men</b>	<b>16</b>	<b>9</b>	<b>13</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>41</b>
< 25 years	0	2	1	0	0	0	0	0	0	3
26-35 years	11	2	4	0	0	0	0	1	0	18
36-45 years	3	4	6	0	2	0	0	0	0	15
46-55 years	2	1	2	0	0	0	0	0	0	5
> 56 years	0	0	0	0	0	0	0	0	0	0
<b>Women</b>	<b>23</b>	<b>13</b>	<b>15</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>58</b>
< 25 years	11	3	1	1	0	0	0	0	0	16
26-35 years	11	3	7	0	0	0	0	1	0	22
36-45 years	1	5	4	0	2	0	0	1	0	13
46-55 years	0	2	3	0	2	0	0	0	0	7
> 56 years	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>39</b>	<b>22</b>	<b>28</b>	<b>1</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>99</b>



**Turnover rate according to gender**

	2018									
	Andorra	Spain	Luxembourg	Mexico	Miami (USA)	Peru	Switzerland	Panama	Chile	Crédit Andorrà Financial Group
Men	10.5%	17.0%	26.7%	125.0%	9.5%	0%	200.0%	10.3%	0%	15.1%
Women	9.1%	10.8%	16.7%	77.8%	10.5%	0%	0.0%	10.0%	0%	10.9%
<b>Both genders</b>	<b>9.8%</b>	<b>13.2%</b>	<b>21.8%</b>	<b>92.3%</b>	<b>10.0%</b>	<b>0%</b>	<b>133.3%</b>	<b>10.2%</b>	<b>0%</b>	<b>12.9%</b>

**Voluntary resigning from the workforce**

	2016	2017	2018
Andorra	3.5%	7.8%	4.1%
Spain	7.8%	9.9%	7.8%
Luxembourg	15.2%	10.5%	18.4%
Mexico	10%	0%	46.2%
Miami (USA)	11.1%	15.8%	7.5%
Peru	16.7%	9.1%	0%
Switzerland	0%	0.0%	100%
Panama	6.7%	13.0%	10.2%
Chile	40%	50.0%	0%
Portugal	0%	-	-
Crédit Andorrà Financial Group	6.1%	8.8%	7.8%

Note: In 2016, the figures for Panama also included those of Uruguay.

401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	61 Crédit Andorrà allows employees with permanent contract to participate in the retirement plan.
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401-3 Parental leave 62  
100% of employees of the Crèdit Andorrà Financial Group have the right to maternity or paternity leave.

**Retention rate after maternity or paternity leave**

	2018									
	People who have taken parental leave		People who have returned to their job after leave		People who continue in the company after 12 months		Job reincorporation rate		Retention rate	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Andorra	6	15	6	15	5	14	100%	100%	83%	93%
Spain	4	5	3	6	3	6	75%	100%	75%	100%
Luxembourg	1	2	1	2	1	2	100%	100%	100%	100%
Mexico	0	1	0	1	0	0	–	100%	–	0%
Miami (USA)	1	0	1	0	0	0	100%	–	0%	–
Peru	0	0	0	0	0	0	–	–	–	–
Switzerland	0	0	0	0	0	0	–	–	–	–
Panama	2	1	0	0	0	0	0%	0%	0%	0%
Chile	0	0	0	0	0	0	–	–	–	–
<b>Crèdit Andorrà Financial Group</b>	<b>14</b>	<b>24</b>	<b>11</b>	<b>24</b>	<b>9</b>	<b>22</b>	<b>79%</b>	<b>100%</b>	<b>64%</b>	<b>92%</b>

**GRI 403: Occupational health and safety**



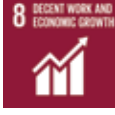
403-1 Workers representation in formal joint management-worker health and safety committees Crèdit Andorrà does not have occupational health and safety committees.

403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities 65



GRI Standards	Content	Page number or URL	Omissions	SDG
403-3	Workers with high incidence or high risk of diseases related to their occupation	Crèdit Andorrà's business activities do not entail a high risk of occupational hazard for its employees. No position has been identified that has high risk of occupational diseases. Prevention awareness campaigns are conducted.		
403-4	Occupational health and safety topics covered in formal agreements with trade unions	Crèdit Andorrà does not have trade unions.		

#### GRI 404: Training and education

GRI Standards	Content	Page number or URL	Training activity									Omissions	SDG	
			Workforce who received training			Average investment in training per employee (€/employee)			Training within working hours					
			2016	2017	2018	2016	2017	2018	2016	2017	2018			
404-1	Average hours of training per year per employee	63-64										No data are available by gender and job category for Andorra, Spain or Luxembourg.	  	
			Andorra	100%	100%	100%	754	752	644	30%	14%	425%		
			Spain	73%	87%	87%	506	635	257	0%	44%	73%		
			Luxembourg	97%	99%	70%	1,123	876	1,445	0%	86%	0%		
			Mexico	100%	90%	100%	55	125	166	100%	100%	80%		
			Miami (USA)	100%	100%	100%	599	578	446	67%	47%	38%		
			Peru	8%	9%	0%	600	2,695	0	100%	100%	0%		
			Switzerland	100%	92%	0%	333	1,091	0	0%	100%	0%		
			Panama	98%	100%	98%	416	252	399	92%	94%	100%		
			Chile	20%	0%	0%	1,200	0	0	0%	0%	0%		
			Portugal	75%	-	-	317	-	-	100%	-	-		
			<b>Crèdit Andorrà Financial Group</b>	<b>93%</b>	<b>96%</b>	<b>92%</b>	<b>688</b>	<b>689</b>	<b>568</b>	<b>26%</b>	<b>23%</b>	<b>46%</b>		
404-2	Programs for upgrading employee skills and transition assistance programs	63-64												

GRI Standards	Content	Page number or URL	Omissions	SDG
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404-3 Percentage of employees receiving regular performance and career development reviews

65

**Workforce subject to the effort evaluation system**

	2018						
	Global	Senior management		Intermediate positions		Other staff	
		Men	Women	Men	Women	Men	Women
Andorra	100%	61	10	30	27	148	193
Spain	40%	10	1	8	2	37	45
Luxembourg	100%	1	0	0	0	2	4
Mexico	62%	0	1	1	3	1	2
Miami (USA)	38%	0	3	5	2	5	0
Peru	0%	0	0	0	0	0	0
Switzerland	100%	2	0	0	1	0	0
Panama	100%	7	5	3	6	18	19
Chile	0%	0	0	0	0	0	0
<b>Crédit Andorrà Financial Group</b>	<b>71%</b>	<b>81</b>	<b>20</b>	<b>47</b>	<b>41</b>	<b>211</b>	<b>263</b>

Note: Luxembourg does not include the data of BPP Lux, and Panama does not include the data of Uruguay.





**GRI 405: Diversity and equal opportunities**



405-1 Diversity in the governing bodies and among employees 19, 62

405-2 Ratio of basic salary and remuneration of women compared to men This information is confidential.

**GRI 406: Non-discrimination**

406-1 Discrimination cases and corrective measures implemented Crèdit Andorrà has not recorded any discrimination cases.

GRI Standards	Content	Page number or URL	Omissions	SDG
<b>GRI 413: Local communities</b>				
413-1	Operations with local community engagement, impact assessments, and development programmes	68-85, 88, 92-93		
413-2	Operations with significant actual and potential negative impacts on local communities	68-85, 88, 92-93 The management and control of risks is one of the priority objectives of the Group, and, as such, the Group has the required infrastructure, methods and internal controls. Policy and risk limits are established by the Assets, Liabilities and Risks Committee.		
<b>GRI 417: Labeling of products and services</b>				
417-1	Requirements for product and service information and labeling	The Bank's product information is subject to AFA regulation on information and how products are marketed and sold, which guarantees the transparency of these procedures. In addition, Crèdit Andorrà has descriptions available for all products that define characteristics and provide detailed information, including general risks. Descriptions of investment products which clearly entail some risk for the customer, include a specific section on risk.		
417-2	Incidents of non-compliance concerning product and service information and labelling	Crèdit Andorrà has not recorded any failure to comply with regulations or voluntary codes related to information and labeling of products and services.		
417-3	Cases of non-compliance related to marketing communications	Crèdit Andorrà promotes responsible, transparent and clear communication and information. This is one of the Bank's key priorities and one of the most important considerations for customers and regulatory agencies. The objective of this is to help the client make well-informed financial decisions. We apply all current legislation on transparency and clarity of information to help our customers and to protect them. We offer all relevant information to our customers in a manner that is easy to understand and protect their interests at all times.  In this sense, the Bank's advertising rigorously complies with the standards of the respective countries in which we operate, considering aspects such as the protection of customer rights, advertising ethics and the use of advertising offering a clear and understandable message. Our commercial websites offer additional information on products and services to aid their comprehension.  Crèdit Andorrà has not recorded any cases of non-compliance related to marketing communications.		

GRI Standards	Content	Page number or URL	Omissions	SDG
<b>GRI 418: Customer privacy</b>				
418-1	Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	<p>Crédit Andorrà has a personal data protection and privacy policy which considers internal management protocols and procedures that ensure compliance with legal requirements on the subject of e-commerce and the processing of personal data. The provision of services is in compliance with Andorran legislation in general, and more specifically according to legislation on financial and banking services and products, under the supervision of the corresponding regulators. The remaining Group companies provide their services in compliance with the legislation applicable at the time and in the country in which the service is provided.</p> <p>Crédit Andorrà has an obligation to protect its customers' and employees' most personal and private information as stated in its Code of ethics and applicable laws on privacy, data protection and banking secrecy.</p> <p>To ensure the security of IT systems we have a series of internal action standards to efficiently protect information in a preventative manner. The Information Security Department strives to minimize risks of non-compliance and ensure coordination between the different areas of the Group. The purpose of this department arises from the firm commitment to extend all our acquired knowledge in the area of IT security to the remaining criteria related to documented information which must be considered as a critical aspect within the Group's operations.</p> <p>Its governing principles are:</p> <p><b>Confidentiality:</b> ensures that information can only be consulted by authorized persons, and legal standards and requirements related to personal data protection and data privacy are complied with at all times.</p> <p><b>Integrity:</b> ensures that stored information is complete and corresponds with the real situation at all times.</p> <p><b>Availability:</b> ensures that information is available on demand when needed to carry out required queries or operations.</p> <p>Crédit Andorrà has not recorded any complaints about respect for privacy or loss of customer data.</p>		
<b>GRI 419: Socio-economic compliance</b>				
419-1	Non-compliance with laws and regulations in the social and economic area	Crédit Andorrà has not recorded any non-compliance with laws and regulations in the social and economic area.		



# Table of contents of the Global Compact

## Links to the 10 Principles of the Global Compact

Principles of the United Nations Global Compact	Pages or direct response	GRI Standards
<b>Human rights</b>		
Principle 1: Businesses must endorse and respect the protection of internationally recognized fundamental human rights within their area of influence.	20-21	GRI 406, GRI 407, GRI 408, GRI 409, GRI 410, GRI 411, GRI 412, GRI 414 GRI 413
Principle 2: Businesses must ensure that they do not act as accomplices in the violation of human rights.	20-21	GRI 406, GRI 407, GRI 408, GRI 409, GRI 410, GRI 411, GRI 412, GRI 414
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Crèdit Andorrà currently has no collective bargaining agreements. Collective agreements must be launched by the workers, a situation that has not yet arisen.	G4-11 102-41 GRI 402 GRI 407
Principle 4: Businesses must support the elimination of all forms of forced labor or labor carried out under duress.	Crèdit Andorrà does not perform operations that involve any risk of originating episodes of forced or compulsory labor.	GRI 409
Principle 5: Businesses must support the effective abolition of child labor.	Crèdit Andorrà does not perform operations that involve any potential risk of incidents involving child labor.	GRI 408
Principle 6: Businesses must support elimination of discrimination in employment.	20 The Crèdit Andorrà human resources policies ensure respect for diversity, equal opportunities and non-discrimination on the basis of gender, age, disability or any other circumstance. The principle of equality is present in the relationships we maintain with our employees: hiring, training, promotion, work conditions, including remuneration, among others.	102-8 GRI 401, GRI 402, GRI 403, GRI 404, GRI 405, GRI 414, GRI 103 GRI 406
Principle 7: Businesses should support a precautionary approach to environmental challenges.	86-94	GRI 301, GRI 302, GRI 303, GRI 304, GRI 305, GRI 306, GRI 307, GRI 308

Principles of the United Nations Global Compact	Pages or direct response	GRI Standards
<b>Human rights</b>		
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	86-94	GRI 301, GRI 302, GRI 303, GRI 304, GRI 305, GRI 306, GRI 307, GRI 308
Principle 9: Companies must encourage the development and dissemination of environmentally-friendly technologies.	86-94	GRI 301, GRI 302, GRI 303, GRI 304, GRI 305, GRI 306, GRI 307, GRI 308
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	16-21 44	GRI 205, GRI 415



**Crèdit Andorrà**

*al vostre servei i al servei del país*

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