

2019
Corporate Activity
Report







2019 Corporate Activity Report

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2019 in figures

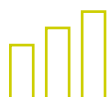
Management focused on sound and responsible growth

Balance sheet (in thousands of euros)



Assets	5,255,033	Net equity	469,665
Customer funds	14,647,215	Customer deposits	3,830,248
		Customer loans	2,417,134

Profit/loss (in thousands of euros)



Business volume	17,064,349	Pre-tax profit/loss	53,932	Net profit	46,244
Financial margin(*)	43,530	Net profit from operations(**)	203,256	Operating income(***)	56,093

Profitability and efficiency (%)



Efficiency ratio	61.47%	RoE	10.92%	RoA	0.87%	RoTE(****)	14.22%
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RoE: return on equity. RoA: return on assets. RoE: return on tangible equity.

Solvency (%)



Solvency ratio	16.79%	Liquidity ratio	147.04%	NPL ratio	7.45%
				NPL coverage ratio	32.9%

(*) Interest income - interest expenditure - 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.

(****) Income after tax on average equity, excluding intangible assets. 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 Crédit Andorra's consolidated financial statements, approved by the General Shareholders' Meeting of 29 June 2020 and available at informeannual.creditandorragroup.com

In the event of any discrepancy between the two, the version of the consolidated financial statements approved by the General Shareholders' Meeting of 29 June 2020 will prevail.

Comprehensive commitment to society

471 people
Staff in Andorra

429 people
International staff

94%
Permanent contracts

52%
Women in the workforce

81%
Workforce who have received training

€528
Average investment in training

31.3%
Retail banking customers

13.1%
Corporate banking customers

55.6%
Private banking customers

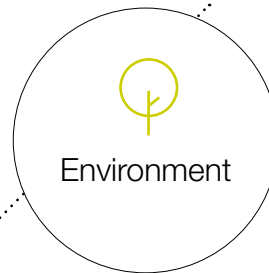
Digital banking
66%
Retail customers
14%
Corporate customers

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



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

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



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

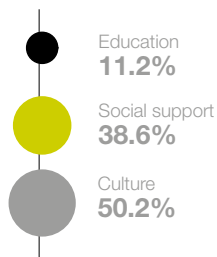
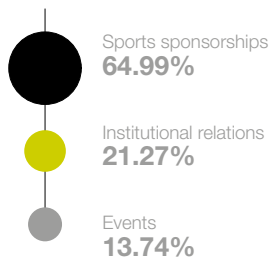
Investment in CSR

84.51%
Initiatives to boost the economy and sports sponsorships

12.55%
Initiatives to support the community

2.94%
investment in CSR

1,327
tonnes of CO₂ from energy consumption (-3%)



-9%
power consumption per employee

-3,563 kg
paper consumption

Major milestones of 2019

January

- > The Crèdit Andorrà GSeries start with more competition days, three new categories and a new lines of boxes
- > Organisation of the first 2019 Crèdit Andorrà Financial Institutions Event
- > L'espai, the Crèdit Andorrà Foundation's social centre for activities for over 60s, begins its annual programming
- > The 27th edition of the Borrufa Trophy youth ski competition begins

February

- > A new corporate profile for the Crèdit Andorrà Financial Group is launched on Twitter @creditandorra
- > Talk *The current situation in the financial markets and outlook for the year 2019* by David Macià, director of investments at Crèdit Andorrà Asset Management

September

- > Andorran Banking agrees to close bank branches on Friday afternoons

July-August

- > Mountain Bike World Cup in Vallnord Pal-Arinsal
- > Scale Lab Andorra, Crèdit Andorrà's business hyper-acceleration programme aimed at start-ups, is launched
- > Crèdit Andorrà signs an agreement with Mútua General de Catalunya i Caravela to become shareholders in CA Life Insurance Experts
- > The e-Crèdit app offers fingerprint access for Android devices
- > The Investment division and the management company retain the ISO 9001 quality standard
- > 33 young people start their summer internships
- > Crèdit Andorrà updates its capital structure by issuing new subordinated financial instruments

October

- > New Crèdit Andorrà Visa Infinite, the highest-end Visa card
- > 41st edition of the Andorra la Vella Fair
- > The Crèdit Andorrà Foundation launches its own profiles on Facebook, Twitter, Instagram and YouTube
- > Ara Malikian opens the second edition of Ordino Clàssic

November

- > New structure for the Investment division, managed by Eduard Galceran Cerqueda
- > Best bank in Andorra in private banking in the magazines *The Banker* and *PWM*, from the Financial Times Group
- > Crèdit Andorrà Global Fòrum: talk *The magic formula following the success of Silicon Valley* by Mar Hershenson, co-founder and managing partner of Pear VC, a Palo Alto-based venture capital firm that invests in start-ups
- > The Crèdit Andorrà Foundation awards a new grant for excellence in postgraduate studies
- > Crèdit Andorrà and Caser Seguros sign an agreement under which the Spanish company enters the Group's life insurance business in Andorra
- > Crèdit Andorrà Asset Management renews its international GIPS certification for another year
- > The EFA holds its 18th forum, focused on climate change

March

- > Finals of the women's and men's Alpine Ski World Cup in Soldeu-El Tarter (Grandvalira)
- > New WhatsApp customer service channel, +376 320 888
- > *Global Banking & Finance Review* recognises Crèdit Andorrà as the best bank in Andorra in private banking and in CSR
- > ONCA presents its 26th season

April

- > *Crèdit Avui*, the monthly news bulletin, is digitalised into a news blog and newsletter format creditavui.ad/

June

- > 30th Trobada Empresarial al Pirineu (Business Meeting in the Pyrenees), 'Defining the business agenda'
- > Crèdit Andorrà Global Fòrum with Marc Vidal, economic disseminator and consultant on digital strategy and transformation
- > The Environmental Management System gets ISO 14001:2015 certification
- > 21st Quality and Family Business Series
- > 6th Casamanya Extrem Vertical Race Crèdit Andorrà Trophy

May

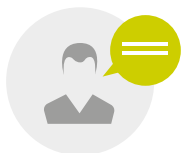
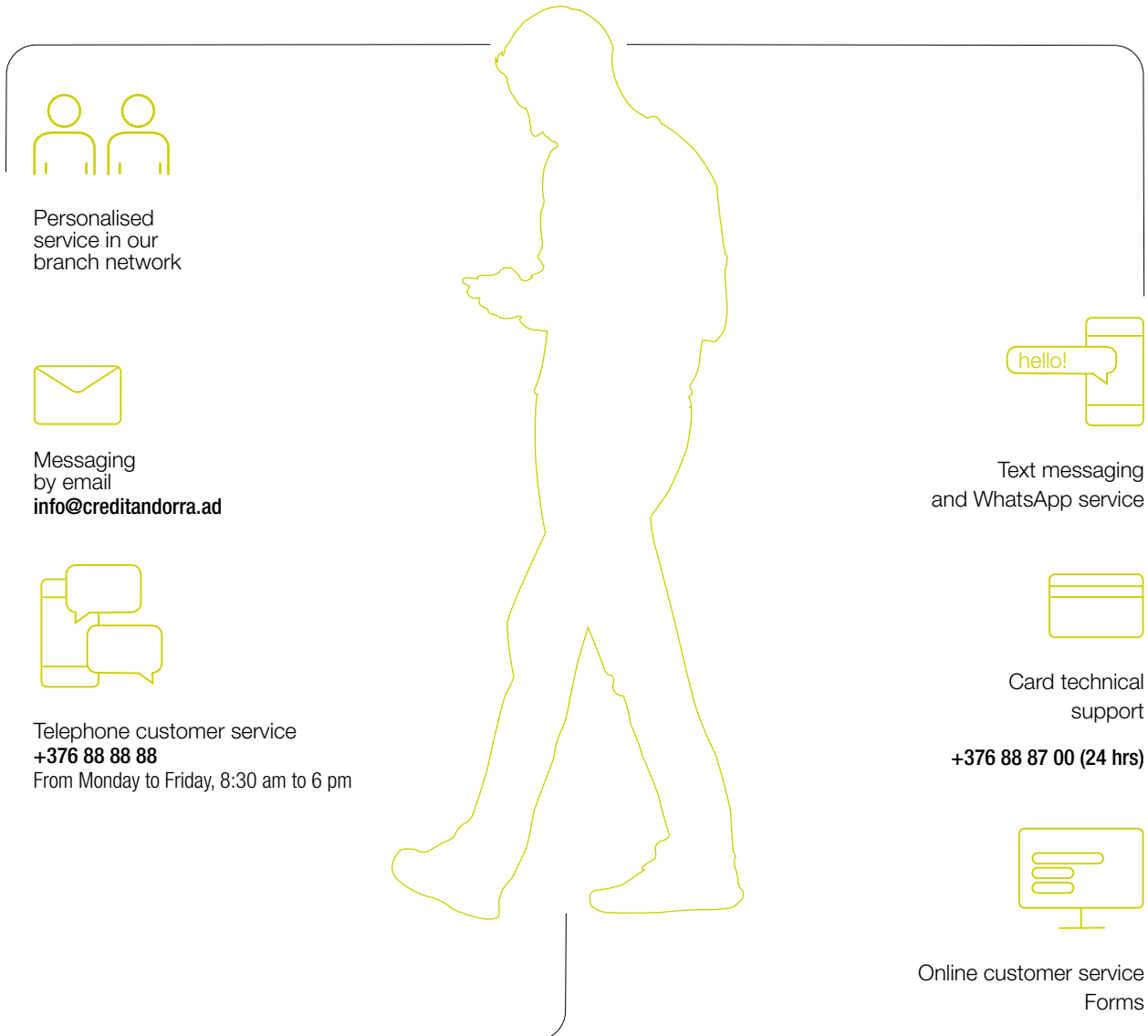
- > Fitch guarantees the strength of the Crèdit Andorrà Group by confirming its BBB rating with a stable outlook
- > Crèdit Hipoteca and Crèdit Cotxe launch two online simulators to calculate loan instalments
- > 6th Jornada de Mobilitat Elèctrica (electric mobility conference)
- > The new Global Risks division is created, managed by Xavier Soro Ventura, within the company's management structure
- > The Crèdit Andorrà Ordinary General Shareholders' meeting approves the 2018 accounts and management report

December

- > Crèdit Andorrà and Crowe Andorra host the talk *The challenges for family business in Andorra: generational handover or divestment?*
- > Collaboration between Crèdit Andorrà employees and the Càritas Andorrana food bank



Closer to our customers: listening to their needs so we can be better every day



'El meu gestor' ('My manager') customer service through e-Crèdit

 **Crédit Andorrà**

 3,959
followers

 225
followers

 6,667
followers

 311
followers

Supporting

 2,376
followers

 486
followers


 1,696
followers

 43
followers

 **Research**


 271
followers

WhatsApp channel

 +376 320 888




 250+
customer users

 350+
chats recorded

El meu gestor

 900
customers



 4,800+
messages



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Antoni Pintat Mas

Chairman of the Board of Directors
of Crèdit Andorrà

Letter from the Chairman

We leave behind a year in which we embarked on a path in a new direction marked by the foundations of a strategic vision that aims to act as a route map to cement the Crèdit Andorrà Group's presence in an increasingly demanding and complex financial scenario.

2019 turned out to be even more demanding than initial macro-economic forecasts suggested. The ECB's stimulus policy has continued to keep interest rates low and geopolitical tensions – with the US-China trade war and the Brexit process at the fore – have brought uncertainty to the markets.

This global situation comes in addition to the major adaptation process the Andorran sector is currently engaged in to adopt international banking regulations, with more requirements in terms of provisions and significant technological investment considering the business challenges. At the Crèdit Andorrà Group, however, we are ready to meet these challenges.

We have continued working to adapt to this market environment, concentrating on the company's internal reorganisation, the focusing of the international banking business, improved operational efficiency and the search for valuable alliances, along with the strengthening of corporate governance.

The results achieved are a reflection of this prudent and careful management, a model that year after year shows us that we are on the right track. Profits at the end of year totalled €46.24 million, 28.45% more than in 2018, consolidating Crèdit Andorrà's leading position in the country in terms of results. This positive figure is reinforced by the 10.51% increase in business volume, rising to €17,064 million, and an operating margin of €56.09 million (48.62% more than in 2018, despite the 7.75% decrease in financial margin as a result of the low interest rates mentioned above).

The return on investment (RoE) (10.92% compared to 9.25% in 2018) confirms the soundness of the organisation, along with the regulatory solvency ratio (16.79%) and liquidity ratio (147.04%) that enable us to enjoy the trust of international rating agencies. In 2019, in fact, Fitch Ratings again gave us a BBB rating with a stable outlook.

The Board of Directors are convinced of the Group's robust nature, demonstrated by both the financial results and the business management initiatives. We have also been recognised for the third time in a row with a new award for best bank in Andorra in private banking, given by the Financial Times Group.

Unwavering in our commitment to ethics and transparency, we have continued to focus significant efforts on corporate governance, always with the aim

of ensuring Group sustainability as well as the protection and security of our customers, investors, shareholders and employees. This is our commitment to all of them and to Andorra, which means we believe in them and we invest in them. This is reflected in the €2,417 million in credit granted, €1,843 million of which was earmarked for economic stimulation in our country.

We work alongside business owners, self-employed people and entrepreneurs, as well as families and individuals. For us, the customer is and always has been at the core of our business and the main challenge that we have going forward is keeping their trust. We can only achieve this goal with a team of talented professionals who are committed, eager to grow with the organisation and keen to be part of the Group's development. At the close of 2019, the company was made up of 900 people who share a common goal and to whom, on behalf of the Board of Directors, we would like to give our sincere thanks.

Thank you for everything that you have done and continue to do. Now, in June 2020, we find ourselves in one of the most critical situations in modern history. Your determination and professionalism have contributed to keeping the Bank operational in the face of a global health crisis with as yet unknown economic, political and social repercussions. From the very first day and across all geographical regions and countries, you have all been working to ensure that the Crèdit Andorrà Group maintains the dedication to service with which it was founded more than 70 years ago.

This dedication to service towards individuals and the country gives us a huge sense of responsibility beyond our business activity. We show this mainly through the educational, social and cultural projects that the Crèdit Andorrà Foundation is involved in, as well as through our corporate social responsibility policy, which includes important sponsorship programmes such as the Alpine Ski World Cup finals and our commitment to the environment, with an ISO 14001:2015-certified management system. We are firmly committed to Andorra, investing year after year, with a figure in 2019 that totalled €3 million. For the fifth year in a row, we have also been recognised as the best bank in Andorra for CSR by the *Global Banking & Finance Review*.

We close 2019 satisfied, solidly established on our path, reaffirming our leadership in results in the Andorran financial market and maintaining the firm commitment to the companies in which we operate, without losing the essence of what defines us and what gives us our real competitive advantage: capacity for service. Given times as difficult as the ones we are currently experiencing, staying strong in our values allows us to face the future of a more sustainable world in which the Crèdit Andorrà Group wants to be present. We will achieve this by counting on you, our shareholders, customers and employees. On this note, I would again like to reiterate my appreciation for the trust you place in us each and every day.



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Xavier Cornella Castel

Chief Executive Officer

Letter from the Chief Executive Officer

2019 has been a particularly significant year for the Crèdit Andorrà Group. The good results achieved reaffirm our leading position in Andorra in terms of the financial business as well as our commitment to shareholders, customers, employees and society as a whole. They are the result of a conscious and thorough effort to lay the foundations that will allow us to face with more determination a future that seems uncertain, complex and challenging, yet also full of opportunities.

We have created the pillars of a business vision that rests on five basic axes as the main driver of change. Our expansion as a Group is focused on establishing strategic alliances that can guarantee us future growth, with the best partners in each business area. We can only do this if we are also the best. We have continued to pursue excellence through specialised management of differentiated and value-added products and services for customers, accompanied by a determined push for digitalisation and an open attitude towards innovation, in order to be more efficient every day, but above all to maintain what has set us apart for more than 70 years: being pioneers in Andorra in banking services and products, as well as in business, social and financial initiatives for the whole of society. This is one of our competitive advantages, which has made the Crèdit Andorrà Group the benchmark for Andorran banking, and our hope for the future is to continue being what we are currently.

The Group's results for 2019 reflect this leading position within our country, with total income (net operating profit/loss) of €200.9 million and a net profit of €46.24 million, 12.54% and 28.45% more, respectively, than in 2018. These figures are backed up by solid figures confirming the adequate capitalisation and strength of the Bank, with a regulatory solvency ratio of 16.79% (CET1 is 15.13%) and a liquidity ratio of 147.04%, above the 60% required by the Andorran regulator. 2019 was the first year in which we presented the solvency ratio according to the European Basel III criteria, after the entry into force of the law on solvency, liquidity and prudential supervision of banking entities and investment companies.

In this regard, I would like to highlight the relevant and pioneering operation to update the structure of the Bank's capital base. Subordinated financial instruments are being issued for the first time in Andorra, supported by the Basel III banking regulation, allowing us to improve the diversification of sources of funding.

The strategy of growth through strategic alliances has contributed in part to achieving these results, which confirms that the initiatives promoted are headed in the right direction.

Two operations stand out in the corporate business field that we have implemented within the Insurance Group, one of the strategic pillars of the Crèdit Andorrà Group. Firstly, the arrival of Caser Seguros as a strategic partner to maintain the leading position in Andorra in the banking and insurance segment, in a pioneering corporate operation for the country in this sector. The other operation involved CA Life Insurance Experts, our subsidiary in Spain, with two leading life insurance companies, Mútua General de Catalunya, also Spanish, and the Portuguese Caravela, becoming shareholders.

By adding capabilities and talent, these operations should allow us to guarantee and lead the Group's future growth, which also involves technological, operational and human adaptation to an environment of global transformation of the financial sector, both in terms of digitalisation of processes, products and services and a European and global regulatory framework that is increasingly demanding and has an increasing impact on the business. These are operations that, in the medium and long term, should allow us to further consolidate our strategic position in the insurance business.

From this perspective, we continue to work on the digital transformation of our business, with a global vision covering both internal operations and customer services. This is confirmed by the penetration figures for e-Crèdit, our online banking service, among individuals, freelancers and companies: 45% of our customers are digital and 75% of the transfers made to the Bank are already through e-Crèdit.

We were pioneers in digitalising part of our services to meet the demands of a context that we saw as here to stay. At the Crèdit Andorrà Group, we are ready to offer our customers a service proposal that is appropriate for now and that will also meet new needs. This is our challenge, synonymous with present and future growth for the organisation.

It is thanks to digital transformation that we have opted for new ways of doing things, new ways of relating to customers and new value-generating projects. This is how we define innovation: a desire to adapt to change and turn potential business opportunities into a reality.

We have shown this with our own initiatives, such as Merkaat, Andorra's leading digital investment advisory service, and the development of CrèditBroker, the investment portal integrated into online banking, as well as by supporting future projects. One example is Scale Lab Andorra, the business hyper-acceleration programme aimed at budding entrepreneurial projects that combines financing and advisory actions, bringing investors together with businesses with high growth potential. Until recently, supporting innovative projects seemed like a risk. Today, the real risk is being left out.

The decisive commitment to innovation and the digitalisation of the banking business has accompanied the process of improving the Group's operational efficiency, an essential factor in consolidating the pillars of our growth. To do all of this, we have the most important asset: people.

The Crèdit Andorrà Group is currently made up of a team of 900 professionals committed to a shared project, in a more demanding organisation, just like the environment in which we find ourselves. At the same time, this team is also committed to a fairer organisation that looks for talent, with attention given the personal and professional needs of its employees, and that seeks to be flexible, with an organisational structure connected to change.

Individuals, both customers and employees, are at the core of our banking model. It is with this in mind that we have extended our commitment beyond our business activity. We are an organisation with a profound sense of responsibility towards Andorran society and with a real desire to contribute to the common good through initiatives developed by the Bank that come in addition to the work that the Crèdit Andorrà Foundation has been doing for over 30 years in the educational, social and cultural spheres.

I would particularly like to mention a milestone that we have supported in 2019. The men's and women's Alpine Ski World Cup in Soldeu placed Andorra at the centre of international elite sport. The presence of Crèdit Andorrà was essential, because we understand that snow is a backbone of the country and a vector for economic growth, just as it was understood half a century ago by the pioneers who set up the ski resort in Canillo and whom Crèdit Andorrà also supported by becoming a shareholder in Ensisa as a founding partner.

We have the desire to continue to be a driver of change for development and progress within our industry and country. We will continue working to cement our position as a global bank, a leader, with capacity for service and a strong commitment to Andorran society and its development, and we want to achieve this with the active participation of our shareholders, customers and employees.

For our part, we are convinced that we play an active part in transforming the world we want, a world that, at the time of writing these words, is facing one of the biggest social, economic and business challenges ever seen. The health crisis resulting from COVID-19 has forced us all to rethink the way we have lived together in this world up to now. At the Crèdit Andorrà Group, we will act responsibly and with dedication, putting people at the centre of our actions, because this is the number one lesson we have learnt from the current circumstances. But that is not the only lesson, and our duty is to forge ahead with them together with the participation of everyone.

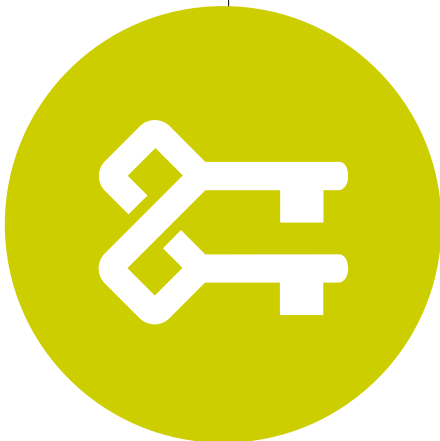


01. Value creation model and strategy

1.1 A strategy suited to the new challenges of the future

The new strategic vision must be accompanied by growth for the Crèdit Andorrà Group in the 2020-2023 period and it must ensure that the goals set are achieved, with the priority objective of maintaining the organisation's leadership in the Andorran financial market, both in terms of business creation and results generation.

We have thus defined a new mission, giving rise to the values on which this new roadmap will be based.



Mission

To contribute to the financial development of shareholders, customers and employees, and to the progress of Andorran society.

Values

Empathy and closeness

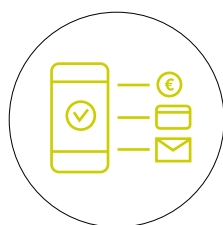
Pioneering

Capacity for service

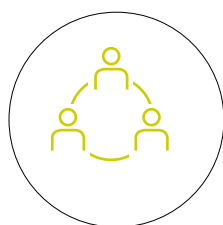
Social commitment

The business fundamentals of the new strategy are focused international growth through private banking and asset management in key geographical areas in which we have an established presence: Spain, through Banco Alcalá; Luxembourg, with Banque de Patrimoines Privés; and the United States, with Beta Capital Wealth Management.

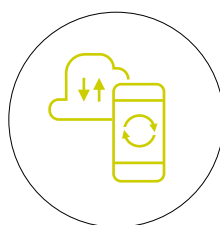
The five pillars of the business strategy



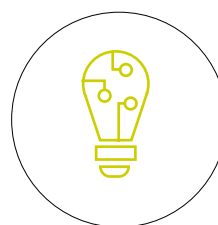
**Product and
service
specialisation**



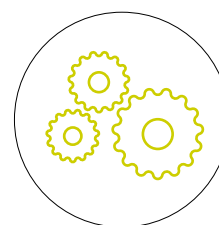
**Strategic
alliances**



**Digital
transformation**



Innovation



Efficiency

We want to strengthen the Group's expansion starting from these three locations, seeking to build strategic alliances that will enable us to accelerate and develop these lines of business, and with a differentiated value offer based on product and service specialisation.

Personalisation and adaptation to our customers' needs remains a foundation of the Group. Digital transformation is one of the main levers of change that continues to help us keep our position as the pioneering bank in Andorra in the implementation of service initiatives with real added value for our customers. We were the first to open up new business opportunities that have since been implemented in the market for the benefit of the whole country, and were able to do so because part of our essence is working with a culture of wanting to do new things, with a desire to innovate.

To innovate to grow and improve. This has been our *raison d'être* throughout our history and has allowed us to consolidate a leading position in Andorra with a solid business model focused on commercial banking services (retail and corporate), private banking and asset management, as well as insurance.

'With Andorra as the centre of corporate services and a service provider for the Group, we have designed an organisational strategy adopting a model that guarantees us agility and accessibility. Our culture is key to our competitive advantage, providing service to customers and to the country.'

Xavier Cornella, Chief Executive Officer

Highlighted project

Crèdit Andorrà, a pioneer issuing subordinated bonds for the international market with a value of €50 million

The Group has updated its capital base structure by issuing new subordinated financial instruments. The offer is aimed at international institutional clients who, under MiFID II regulations, are professional clients and eligible counterparties, such as banks, insurers, investment funds, pension funds, etc.

These subordinated financial instruments, supported by the Basel III banking regulations, will allow the Bank to improve the diversification of funding sources. Securities are listed on the Dublin Stock Exchange.

With this initial issue, Crèdit Andorrà has become the first entity in Andorra to issue this type of product on the wholesale market and on an international scale under MiFID II parameters, thus joining the trend of many other renowned financial institutions.

Operation details

Issuing of subordinated bonds

Tier 2

Amount

€50M

Maturity

10 years (with early redemption clause by the issuer after five years (*call*) and then each year).



1.2 Business model

The Crèdit Andorrà Financial Group offers financial products and services belonging to private banking, retail banking and corporate banking, focused on three geographic areas: Andorra, Europe and the Americas.

Asset management

We offer our customers a wide range of financial asset management services: managed accounts, personal advice and execution of purchase agreements. Our geographical presence gives us access to a wide range of products.

Social activity

Fundació Crèdit Andorrà, founded in 1987, is one of the biggest private foundations in the country, both in terms of the number of programmes carried out and the amount of resources dedicated to responding to the social needs of Andorra as a country.

Private banking and wealth management

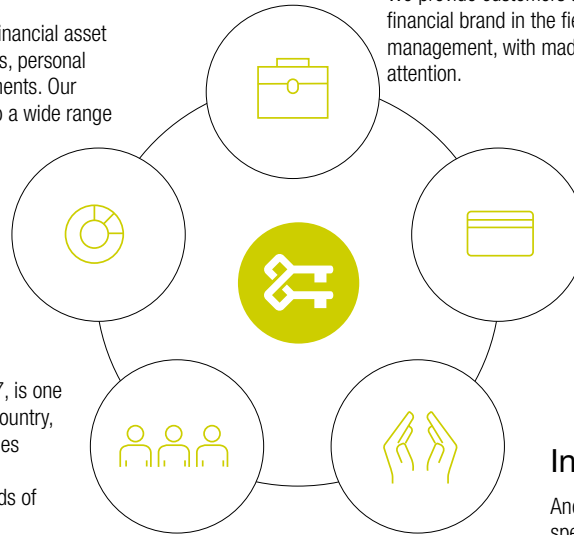
We provide customers and investors the support of a global financial brand in the field of wealth management and asset management, with made-to-measure service and personalised attention.

Commercial banking

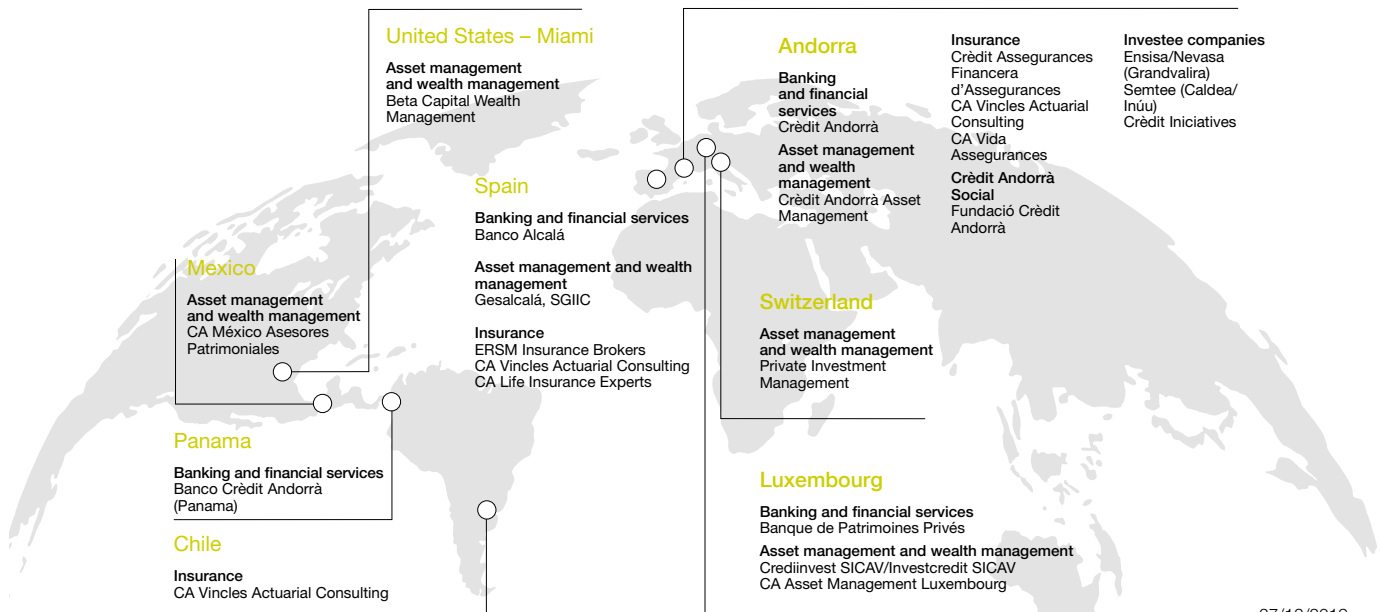
We offer financing, savings and investment services and products to individuals and businesses. We use new technologies, with automated branches open 24 hours a day, online banking through e-Crèdit and telephone customer service through Línia Directa Crèdit, among others.

Insurance Group

Andorran market leader in life insurance, specialising in risk, health, savings and pension plan products.

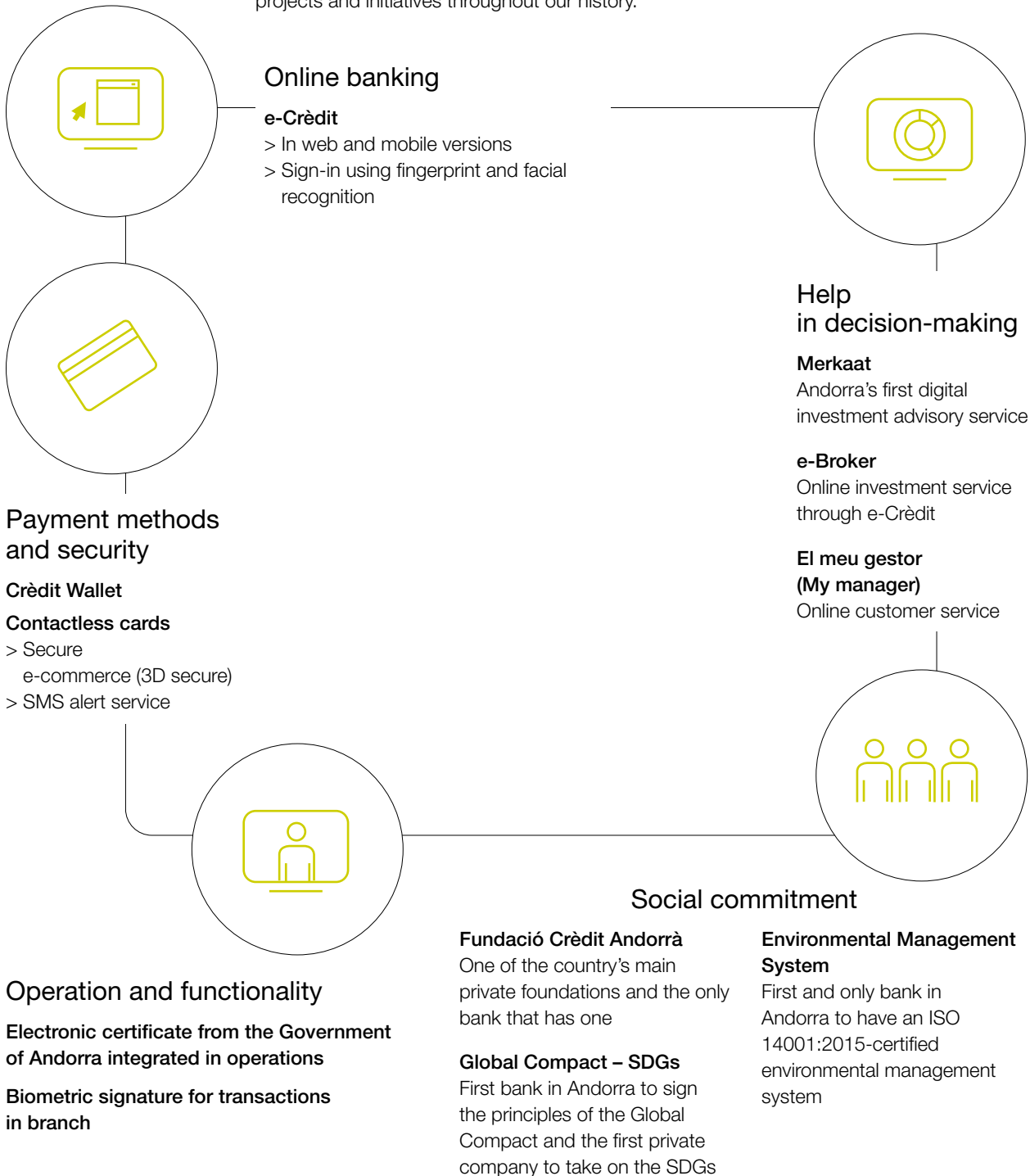


Crèdit Andorrà's activity around the world



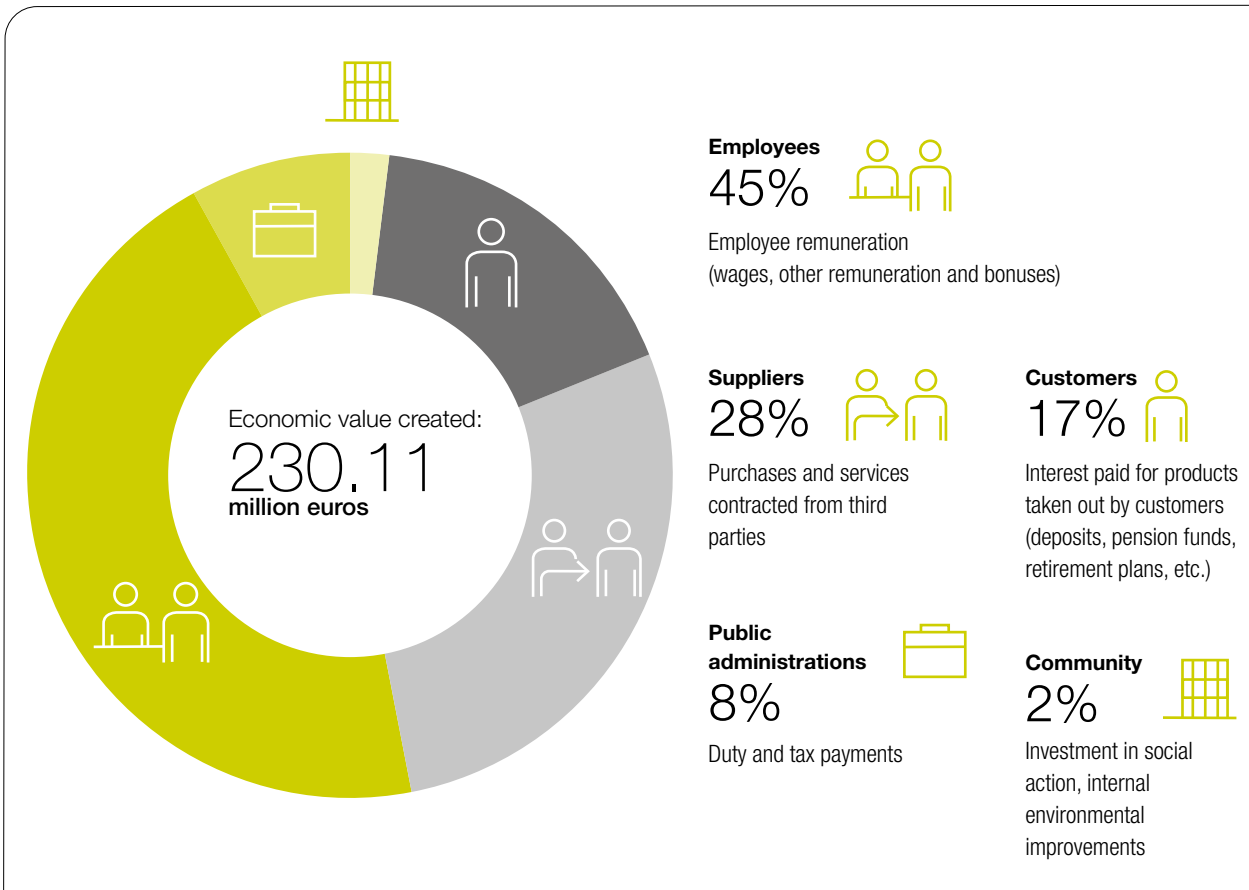
1.3 Crèdit Andorrà, the pioneering services bank

An attitude of leadership and a real dedication to service have allowed us to lead the digital transformation of Andorran banking and of the country as a whole, taking shape in various projects and initiatives throughout our history.



1.4 A national driving force

The Crèdit Andorrà Group's contribution to the country's economic and social development is defined through the impacts of its business activity, both directly and indirectly. Its activity generates economic value that has a direct impact on the region and benefits its main stakeholders and society as a whole:



Aware of the socio-economic impact of tourism and commerce for Andorra's development, we invest in projects that boost these sectors, and therefore indirectly promote the international image of the country.

This is how we see our shareholding in Caldea and Ensisa (Grandvalira), in addition to supporting the country's three snowfields and value-added initiatives that contribute to positioning Andorra as a key destination on the international tourist scene.

Skiing, a strategic commitment for the country

#CrèditAndorràWithTheSnow

Crèdit Andorrà has always supported the snow industry as one of the key activities for the country's economic development. Our involvement goes beyond one-off support and revolves around three main areas:

- > **Strategic shareholding:** Crèdit Andorrà was present from the beginning in founding and launching the Soldeu-El Tarter resort, currently part of Ensisa, in which the Bank holds 49% of the shares.
- > **The competitive side:** our presence in high-level alpine skiing takes shape through sponsorship with the Andorran Ski Federation (FAE), both in terms of the FAE competition team and in supporting major international events, such as the Alpine Ski World Cup.
- > **From the ground up:** we promote alpine skiing from the grassroots, supporting the local ski clubs Esquí Club d'Andorra (ECA), Esquí Club Ordino-Arcalis (EOCA) and Esquí Club Arinsal-Pal (ECAP) year after year. As a result of this desire to promote sport in the training categories, we have been long-term sponsors of the Borrufa Trophy, which brings together young athletes ages 14 to 16.

Finals of the 2019 Alpine Skiing World Cup

The Àliga and Avet slopes in the Soldeu-El Tarter sector of Grandvalira hosted the finals of the 2019 Alpine Ski World Cup from 11-17 March, with some of the best skiers in the world competing in the international contest.

Crèdit Andorrà was there from the very start, when, in October 2015, the International Ski Federation (FIS) announced its decision to award Andorra the biggest sporting event the country has hosted to date. Xavier Cornella, Chief Executive Officer of Crèdit Andorrà, remembers the day the announcement was made, 'We have been supporting skiing for over half a century. Our commitment to these finals comes from a conviction that goes back a long way and time has proven that this commitment was spot on'.



© Oriol Molas.

The World Cup in figures

25,000+

members of the public
over five competition days

60

television stations
with broadcasting
rights (35
broadcast the
events live)

700

million potential
television
viewers

350

volunteers

150

competitors

350

certified
journalists

130

people from the
organisation

600

people on the
teams

1.5 Social commitment

Fundació Crèdit Andorrà

The Fundació Crèdit Andorrà was formed in 1987 with the creation of a grant programme designed to offer the country's young people the possibility of training 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. Commitment to Andorra, training for the future and dedication to service are the three axes on which a business that has been at the service of people for over 30 years is built.

The Sustainable Development Goals: Our route map for the future

Adhering to the United Nations Global Compact in 2016 and the incorporation of the SDGs into our business offer a route map for future initiatives that will contribute to positioning Crèdit Andorrà as an organisation that is also committed to the overall development of our planet, responding to major challenges such as climate change, access to education and health and well-being.

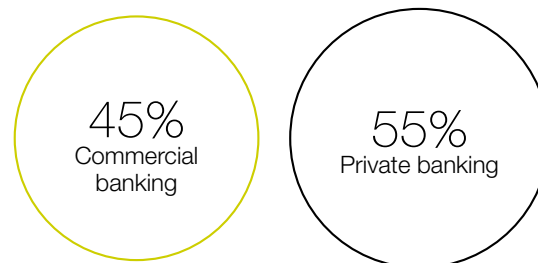


02. Focused on our customers

At Crèdit Andorrà, we work constantly to gain robust, proactive and comprehensive knowledge of our customers' needs. Our customer focus takes shape in a value offer that emphasises our efforts in terms of innovation and digital transformation to provide leading products and services, as well as in the specialisation of our teams, to maintain the pioneering spirit that has characterised us throughout our history.

2.1 Andorra Banking Business Division

Crèdit Andorrà structures its Andorran banking business into 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 retain our leading position within the country.



The division is functionally complemented by two further units, focused on advice and service personalisation: Key Accounts and Equity Planning.

Andorra Banking Business Division

Commercial Banking

Private Banking Andorra

Private Banking Key
Accounts

Equity Planning

2.1.1 Commercial banking

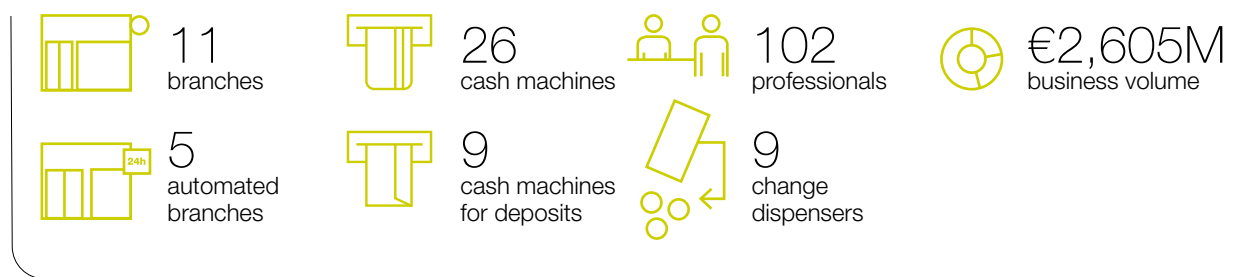
During 2019, we committed to the development of commercial banking, strengthening our leadership in the Principality by expanding of our offer with new products and services responding to the interests and expectations of our new customer profiles, in particular younger customers.

This year of change leaves us with new challenges to overcome that will allow us to continue the trend of maintaining and increasing our customer base in the country. Our aim is to reach out to younger customers by improving remote banking and our online services, adapting them to the needs of the new generations.

Retail: 70%
Corporate: 30%

Retail Banking

We offer banking adapted to our customers' needs and expectations, based on multi-channel services and a wide range of financial and insurance products, whilst maintaining Andorra's most extensive commercial network.



Within the Retail Banking service operations, the Foreign Investment Unit serves foreign companies that, as a result of the economic opening process being promoted in Andorra since 2012, wish to begin a business project or, for those that are already established, wish to expand their activity by setting up in our country.

The unit is dedicated solely and exclusively to providing services to these companies, with a wide range of banking services adapted to their needs, having its own entity and operations.

Corporate Banking

The Corporate Banking unit fulfils the more specific needs of the national business network with a team of specialised managers through which we offer financial solutions for customers who have more complex operational requirements due to the nature of their activity or business. Focusing on technology and efficiency, we work to offer products and services that are adapted to changing market conditions.

16

professionals



€1,074M

business volume



Customer types



Business groups



Institutions



Public administrations and semi-public bodies

Products and services



Financing tailored to business needs



Secure online solutions



International commerce (support for all types of international activity for businesses in the country)



Investments and optimisation of the liquid assets and capital of companies



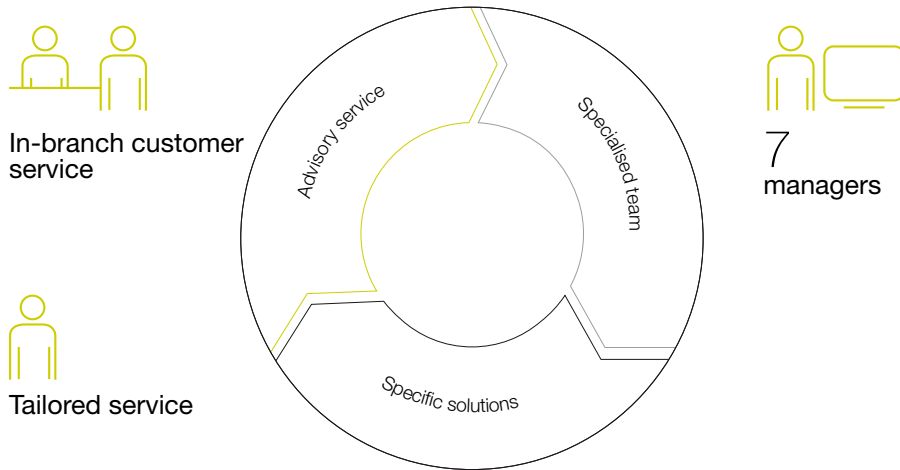
Reverse factoring (payment management for purchases from suppliers)



Advisory services for companies undertaking new projects

Personal Banking

With the aim of extending our services to all customer segments, the Personal Banking unit provides service for to customers with their own and individual needs, offering management solutions and investment products, beyond those provided by Retail Banking.



Highlighted project

Young Banking

In April 2019, the Young Banking project was implemented as the result of work that began in 2018 with the Innovation and Digital Projects department.

The business objective was to introduce a new concept of banking service aimed at young people aged 18 to 30, adapted to their needs and using new communication tools, with a WhatsApp channel enabled for this purpose.

We also gave a major boost to financial education by creating informative snippets explaining concepts that young people should become familiar with, such as what a loan is, why to start planning savings from a young age or the requirements to apply for a mortgage, among other topics.



1,394
customers
contacted

514
customers
took part

1
specific
space
(company
headquarters)

2.1.2 Private Banking

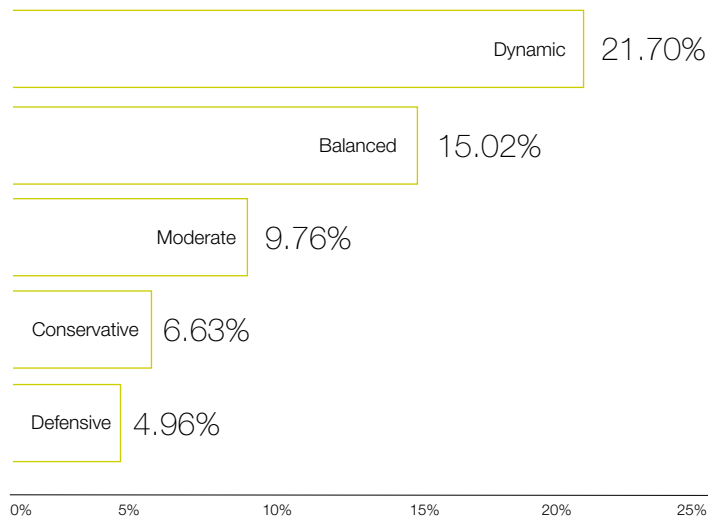
This unit offers specialist and personalised advice in asset and investment management, open architecture, multi-booking, including online advice, through the pioneering Merkaat platform. The international expansion of the business takes shape in private banking with the New Geographies department.

Highlighted service

Merkaat closes 2019 with record high yields

Merkaat, the Crèdit Andorrà Group's digital investment advisory service, closed 2019 with its best returns. These returns have also been achieved with less volatility than the market average for each.

The good results are the product of a careful selection of the best funds by applying a quantitative methodology under the open architecture concept, as well as flexible management that adapts the positioning of portfolios to market developments at all times.



Private Banking Andorra

Private banking activity in our country is characterised by service specialisation through teams exclusively dedicated to serving customers, with a focus based on close relationships and constant monitoring of our customers' needs.

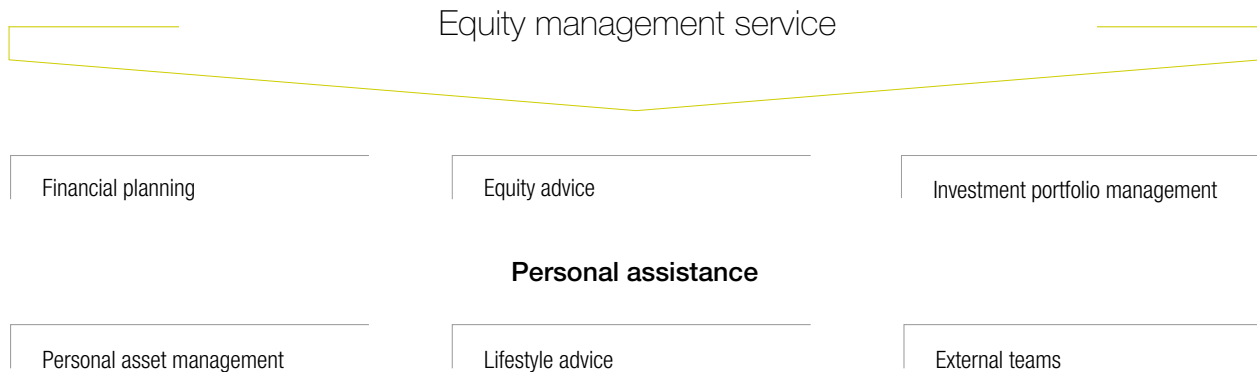


New Business

Bringing the Andorran financial marketplace in line with international standards allows us to respond to the needs of customers outside Andorra (mainly within the European Union) from within this unit. The service we offer is adapted to the fiscal reality of the country of origin, with products that are defined by specialisation and optimisation.

Sports&Business

Specialisation in customer service and care led us to create the Sports&Business Development team, with a product range that is pioneering in our country, focused on responding to a very specific type of profile: elite athletes, entrepreneurs and businesspeople interested in establishing themselves in the country, taking advantage of the benefits of the economic opening.



2.1.3 Key Account Unit

Focused on serving customers with outstanding equity interests with the aim of offering them management and advisory services to help them make their investments profitable, both from the point of view of financial profitability and optimisation through tax planning.

A team of expert professionals is responsible for monitoring the evolution of portfolios, designing appropriate investment proposals and, above all, maintaining a continuous and close relationship with the customer.

2.1.4 Equity Planning

As a result of the internal reorganisation to make Crèdit Andorra's management structure more efficient, the Andorra Banking Business Division incorporated the Equity Planning unit, which helps to optimise and protect customers' assets based on a comprehensive understanding of their needs.



Retirement succession planning



Identification of risks and diversification



Equity protection



Relocation



Family governance



International fiscal optimisation

2.2 International Banking Business Division

The growth of the international business has been a strategic commitment of the Crèdit Andorrà Group, dedicating efforts to strengthening our presence in each of the priority locations (Spain, Miami and Luxembourg), as well as resizing and focusing teams to consolidate activity around the world.

Americas

We are keeping the focus of the business on the Group's strategic divisions, improving our offer and looking for the specialisation that will meet our customers' needs. Miami is becoming established as the launchpad through which the Group's growth in the Latin American and Mexican area can be developed, focusing on domestic private banking, broker-dealer and securities safekeeping services, as well as providing advisory services to third-party funds.



Beta Capital Wealth Management

38 employees

€950M business volume

Beta Capital Wealth Management

With a business volume of €950 million and base in Miami, this is the financial benchmark for the development of the private banking market in Latin America, as well as for commercial development in institutional clients, both domestic and international, thanks to the self-clearing licence obtained in 2018. Beta Capital is the Group's strategic spot for growth in the region, through innovative advisory services for each of its customers.



Safekeeping

We have world-renowned partners in the safekeeping, liquidation and distribution of financial securities (Euroclear, Depository Trust & Clearing Corporation (DTCC) and Allfunds Bank).



Security

We protect our clients' financial assets (Securities Investor Protection Corporation (SIPC)).



IT SERVICES and operations

We entrust our communications to the world leader (Broadridge).



Cash management

We manage our clients' most liquid assets by seeking to optimise their performance with renowned managers (Blackrock and Invesco).

In 2019, Beta Capital's was activity reorganised to prioritise any geographical areas with the greatest growth potential and to gain efficiency by concentrating all its activity in the Miami office.

Europe



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



Banque de Patrimoines Privés

93 employees

€5,098M business volume

Banco Alcalá

82 employees

€2,043M business volume

Banque de Patrimoines Privés

We are a benchmark in the provision of services to corporate clients in tailor-made investment packages, both regulated and non-regulated, thanks to our team, who are highly specialised in our wide range of products and services. We have also improved sizing to respond to our clients' needs, mainly following Brexit. In 2019, we managed almost €5,100 million and for 2020 we have a range of new products that will cement Luxembourg as an driver of growth for our corporate market within the Group.

The product range is divided into:

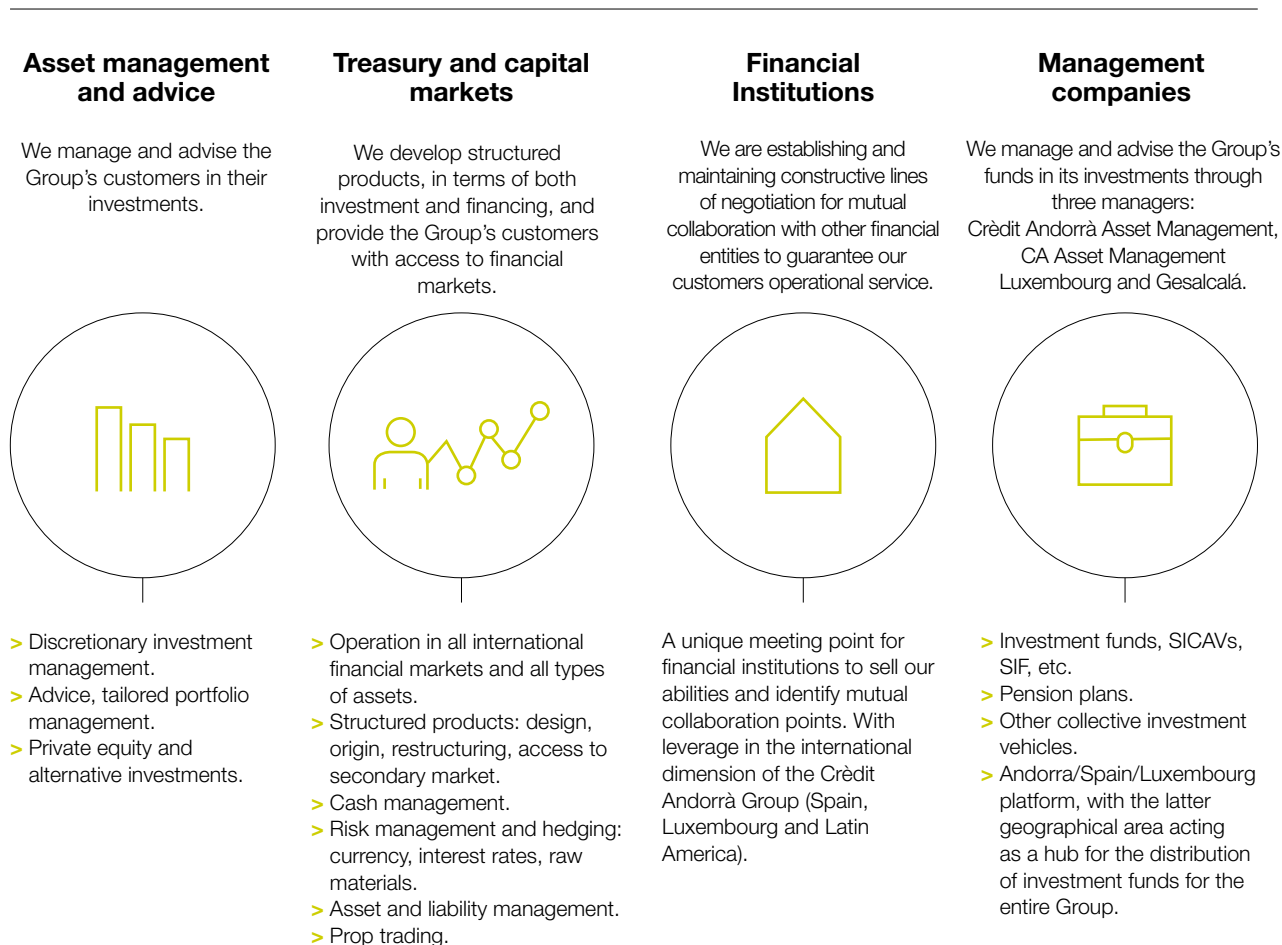
- > Discretionary investment management.
- > Advice: personalised investment proposals adapted to the client's risk profile.
- > Alternative assets: Private Equity, HF, Commodities, Real Estate, etc.

Banco Alcalá

With a strategic positioning as *boutique* private banking focused on advising clients through three branches (Madrid, Barcelona and Valencia), the year closed with an asset volume over €2,000 million, maintaining the growth seen in the Agents and EAM division, as well as the good evolution in the uptake of collective investment instruments. The range of socially responsible investment products particularly stands out and is of huge interest to corporate clients, whilst the launch of the Merkaat platform for offering advice to clients digitally combines the benefits of management and advisory services in a much more dynamic digital environment.

2.3 Investment Division

The Group's Investment division focuses its efforts on offering the best range of investment and financing services available. Our specialised management is tailored to the customer, meeting their investment needs thanks to a working method based on continuous interaction with our investors and the financial markets. This constant assessment and communication with our customers helps us to understand their needs and aims, and to look for the financial assets that best fit those needs.



The division has kept its commitment to protecting investors, consolidating the adaptation process to the MiFID II directive since 2018. This has particular relevance for the Group entities in Spain and Luxembourg, as well as for the markets, ensuring greater transparency, safety and efficiency in operations and information, providing customers with greater protection and prior and subsequent information. In corporate governance, on the other hand, it ensures protection against possible conflicts of interest, defining the responsibility and control mechanisms of the Board of Directors.

As a Group, we respond to customers' investment needs through specialised management and financial advice based on personalising financial advisory services and discretionary investment management through investment fund management, as well as offering structured products and access to a distribution table for VIP customers.

Global team:

60+
professionals in
Andorra/Europe/the
Americas

€3,600M
AuM

> €1,700M in 100+ funds and
sub-funds

> €900M with 500+ customers
advised

> €1,000M in 800+ discretionary
management portfolios

> €300M
average annual volume of
structured products issued

> €7,500M
volume executed on markets

Highlighted product

Active Allocation funds

The **Active Allocation funds** remain at the forefront of their category, both among Andorran funds and on an international scale. Defined as collective investment undertakings (CIU), they invest in other funds around the world through active management adapted to the environment to locate opportunities, giving our customers the best and most diversified portfolios, guaranteeing them access to a broad range of investment funds.

During 2019, Crediinvest SICAV Active Allocation Dynamic was situated among the top 10% of funds* in the Morningstar ranking in the category 'EUR Aggressive Allocation – Global' and closed 2019 with a return of 23.90%.

Crediinvest SICAV Active Allocation Flexible, meanwhile, with a return of 15.29% at the close of 2019, finished among the top 25% of funds in the Morningstar ranking in its category, 'EUR Flexible Allocation – Global'.

These results are from applying the open architecture principle, selecting the best third-party funds in each asset category and in each geographical area, as well as active management, adapting to the environment to design optimised, diversified portfolios in line with the investment aims of our customers' different profiles.

Crediinvest SICAV Active Allocation Dynamic	23.90%
Crediinvest SICAV Active Allocation Flexible	15.29%
Crediinvest SICAV Active Allocation Conservation	3.24%



*Average annual data obtained from the list of funds assessed by Morningstar in the respective categories.

2.4 Insurance Group

The Insurance Group is a benchmark in the sector in Andorra, with a business strategy based on customer focus, a broad range of products and services, as well as strategic partnerships that have allowed us to consolidate our position both on the Andorran market and on the international market.

The Group is made up of six leading companies comprising a team of more than 200 people. This structure allows sustained growth, with a contribution to the Financial Group of a recurring profit of €9.4 million.



International Group

6

companies

3

countries
(Andorra, Spain
and Chile)



Soundness

€218M

volume of risk premiums
and intermediaries for
100% of the business

€9.4M

recurring profit
contributed to the
Group (pre-tax)



Team of

207

professionals who
make up the
Insurance Group

‘The insurance business is and will continue to be a strategic pillar for the Group. These agreements will allow us to develop a shared project with benchmark companies, where we will join capabilities and talent to ensure and lead future growth’.

Xavier Cornella, Chief Executive Officer of the Crèdit Andorrà Financial Group

Growth with leadership vision

In 2019 there were two strategic operations within the Insurance Group that particularly stood out. The main corporate operation involved Crèdit Andorrà and Caser Seguros, with the Spanish company becoming part of the insurance business of the Andorran financial group. Both companies want to pave the way in Andorra when it comes to insurance banking, maintaining the range of products and services, as well as the commercial structure through the branch network of the Bank, the insurance company and external brokers.

As a result of the agreement, the Crèdit Assegurances portfolio has been divided into two newly formed companies.

CA Vida Assegurances



With shares held by Caser Seguros (51%) and Crèdit Andorrà (49%), specialising in life risk.

Crèdit Assegurances

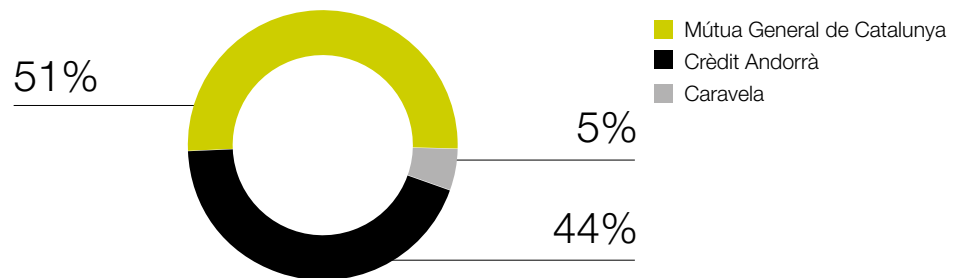


100% owned by Crèdit Andorrà, with business centred around savings products, retirement plans and pension plans.

This strategic partnership, the first of its kind in the country in this sector, aims to promote the Crèdit Andorrà Group's insurance business and contribute to its growth and expansion, whilst also creating added value for customers and competitively facing long-term business challenges.

The other corporate operation was the agreement with the Spanish company Mútua General de Catalunya and the Portuguese company Caravela through which they became shareholders in CA Life Insurance Experts, the Crèdit Andorrà Group's life insurance company in Spain.

CA Life Insurance Experts



The operation should make it possible to boost the respective insurance businesses and guarantee their future growth, in the face of an environment of global transformation in the financial sector – and insurance in particular – both due to the digitalisation of products and services and the European regulatory framework.

2.5 Constant product and service innovation

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.

Our challenge is to consolidate Crèdit Andorrà's leading position, contributing to the financial development of our customers in all segments.

Commercial banking for retail customers

- > With the collaboration and sponsorships of the Club Piolet children's club in Andorra, we are bringing a savings culture to the youngest members of the family. The products and services in this segment are all themed around the Club characters (Piolet account, Piolet card, Piolet savings, etc.).

We have also made the Crèdit Escola (School Loan) available to parents, a tailored loan to cover the various expenses at the beginning of their children's school year.

 1,509 Piolet cards



- > With the 16PUNT30 young person's card programme, we bring our younger customers exemptions from cash machine fees, constant benefits and discounts on products and services, and a huge range of financing facilities to access training and university studies. Thanks to agreements with the University of Andorra (UdA), Crèdit Andorrà offers all the university's students a credit policy aimed at funding any type of training and education.

 6,866 16PUNT30 young person's card holders



- > Open collaborations with the Automobile Club of Andorra (ACA) and UNICEF.

ACA members (whether they are customers of ours or not) have access to exclusive benefits and services.

 2,709 ACA Mastercards



Users of Crèdit Andorrà's UNICEF Card contribute through an annual personal donation, and Crèdit Andorrà gives UNICEF 50% of any fees paid for international purchases made using a UNICEF Card.

 725 UNICEF cards



- > All the institution's customers benefit from products, services and insurance adapted and suited to their needs at all times. The Crèdit Salut Plus was created with this in mind, offering a health care product for persons registered with CASS (the Andorran social security system) as salaried employees or insured persons who regularly use the medical services that have an agreement with CASS, both in Andorra and abroad, and who do not want to be linked to the Via Preferent (a means of accessing primary health care).

An e-mail and SMS notification system aimed at PIAM life insurance policyholders has also been launched. These periodic notifications are generated whenever a payment is made by the insurance company to the current account and are sent automatically to the customer to inform them that the payment has been made, as well as all the details thereof.

We have also incorporated new online functions to allow easy and quick management of insurance documents, including medical bills, illness sheets ('yellow sheets'), sick leave and others. These new functions allow customers to easily upload files and images and send them to the company quickly for management and processing.

Highlighted project

New loans

In parallel with the adaptation of new credit simulators and the improvement of the online application process through new forms, we have introduced the new Crèdit Reformes remodelling loan, a tailor-made loan for home renovations, whether it be buying new furniture, decorating or even improving energy efficiency, and Crèdit Cotxe, a loan to make our customers' dreams of the new car they always wanted come true, with very favourable terms and conditions.

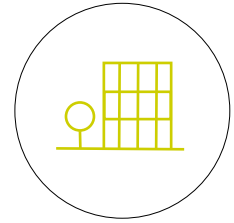


55% of retail banking customers in Andorra bank with Crèdit Andorrà, scoring it **7.6 on average in terms of overall satisfaction** with the organisation's banking service quality.

Commercial banking for companies

Supporting the country's business fabric and contributing to its economic growth is one of our *raisons d'être*. In addition to offering top-quality financial services adapted to the needs of the moment by combining services and technology, we also offer current meetings with experts who are able to provide new knowledge and experiences and fresh perspectives to help companies with financial and operations development.

We stand side by side with companies through sponsorships and collaborations. The Andorra la Vella Trade Fair is one example, as part of which we sponsor the Associació d'Importadors de Vehicles d'Andorra (Andorra Vehicle Importers Association), we take part with a stand, we promote Crèdits Cotxe for the sale of vehicles and Crèdits Ràpids to encourage the sale of consumer goods from the other industry sectors in attendance.



69% of corporate banking customers in Andorra bank with Crèdit Andorrà, giving it a score of **7.30 on average in terms of overall satisfaction** with the organisation's service quality.



Andorra la Vella Fair. © ANA



Private banking

We base our relationship with private banking customers on closeness, trust and discretion. We transform market complexity into practical, personalised ideas, basing our management model on the principle of prudence, so that investments offer returns and sustainability over time.

- > Throughout 2019, thanks to a team of professionals highly qualified in asset and wealth management, we have been able to offer customers a new flexible discretionary investment portfolio. Through this service, the customer entrusts the Bank with management of their money and the entity, in line with the Bank's view of the markets at any given time, actively manages this money through shares, bonds, investment funds and structured products.
- > The launch of the SIO Strategic Investment Opportunities SICAV – Scale Lab sub-fund that acquires stakes in early stage companies with business models based on a differential technology and with high growth potential, is another example of the Bank's desire to offer new investment products to customers and at the same time contribute to the economic development of Andorra through the impact that these companies (start-ups) can generate.
- > New programme of exclusive services attached to the Visa Infinite card. Designed to satisfy the most demanding needs of the Bank's most exclusive customers. This card, together with the accompanying programme of services, was designed to convert customers' trips into unique, personalised experiences.



Overall satisfaction with the organisation = 7.95% (2017 indicator)



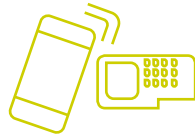
Easy, expert and secure banking

Our aim is to meet the customer's expectations and promote a digital offer adapted to the user's profile. We are working on 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.



Card payment

We are working to continue being pioneers in Andorra in the use of cards as a payment method thanks to the expansion of digital banking services. Payment methods is one of the pillars of digital transformation and its development has been marked by constant innovation and a desire to meet customers' travel needs.



Crèdit Wallet, the country's first direct payment service through mobile phones

We are the first Andorran financial entity to offer customers with a credit or debit card (Visa or Mastercard) the option to pay with a smartphone, as if it were another 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 has the same security and protection guarantees.



New e-Crèdit login using fingerprint and facial recognition

We have incorporated biometric login through digital fingerprint recognition to e-Crèdit online banking on devices with an Android operating system.

The service adds to the digital fingerprint (Touch ID) and facial identification (Face ID) already available on iOS devices.



Integration of the new electronic certificate from the Government of Andorra

We are the first private entity in the country to integrate a new electronic certificate from the Government of Andorra into our online platform, e-Crèdit. It allows users who have it to sign operations such as transfers, purchase or sale of securities, and to submit remittances and files through the new authentication system.



Implementation of biometric signature

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



e-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.



e-Crédit, the largest Crèdit Andorrà branch

For Crèdit Andorrà's online banking service, continuous improvement of its functionalities and processes is a priority, in order to adapt to new times and offer customers a better service adapted to their needs.



+ customer experience and new functionalities



> 75% of transfers are made through online banking

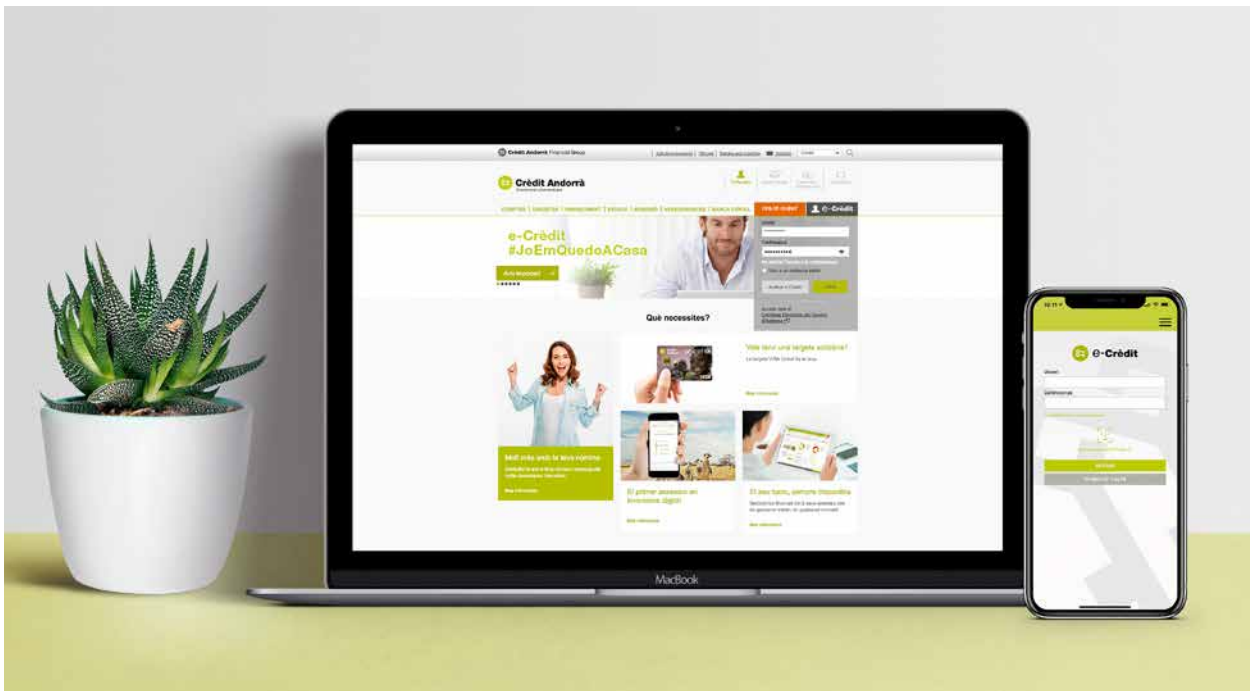


> 60% of online banking logins are via mobile phones



> 45% of Crèdit Andorrà's customers are already digital

2,000 leads/forms received from digital channels



Scale Lab Andorra

Crèdit Andorra's business hyper-acceleration programme aimed at start-ups, combining up to €500,000 funding with consultancy to help establish and/or expand the companies selected.

More than 300 companies applied for this first edition and a team made up of experts in business and innovation selected 15 projects to submit to the advisory committee, which prioritised between five and seven companies to receive funding and support to promote their growth.

The programme is aimed at start-ups, innovative and technology-based companies in sectors that are strategic to Andorra, such as health and well-being, sustainability, mobility, financial services and leisure and sports, among others. They must also have a documented, scalable business model. Crèdit Andorra offers its customers the option to invest in a financial product connected to companies with high growth potential that allows them to access qualified innovative proposals and take part in follow-up actions.

The programme also aims to facilitate concept testing and the implementation of new solutions in the region in order to position Andorra as a suitable place for the development of entrepreneurial projects with an international outlook.



Press conference introducing the Scale Lab Andorra project. © ANA

2.6 Digital transformation and omni-channel banking

In recent years, Andorran banking has undergone a far-reaching transformation process as a result of adapting to international standards, the persistence of a widespread environment of low interest rates, the increase in global competition and the disruption generated by the arrival of fintech. All of these factors together have accelerated the digital transformation towards the future. Digitalisation is a process that started a long time ago, but in recent years it has become particularly relevant on account of changing consumer habits, technological development and its democratisation, as well as users becoming more mobile.

Digitalisation is one of the key lines in the Group's operational and business strategy in order to gain a competitive advantage by maximising efficiency, focused on achieving maximum differentiation in the market. The most recent phase of this strategy focuses 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.

The Customer Digital Transformation unit is leading projects for transferring digitalisation into customers' everyday lives and continuously improving the user experience. 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:

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

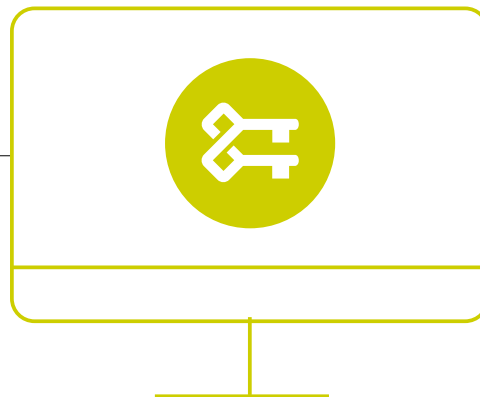
Profitable banking

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

04

Digital culture

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



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. Digital transformation takes into account two fundamental factors: usability, to facilitate and improve the customer's user experience, and security, key for offering a trusted service.

Digitalisation has also changed the methods for addressing projects, which are now more cross-cutting, since it affects all divisions of the Bank. The methods must now allow for greater flexibility, agility and speed, as this is what we are seeing among the new market players. In 2019, our Innovation and Digital Projects department promoted the following activities:

17

workshops: investments, marketing, environmental management system, private banking, etc.



9

outreach exercises: community manager in WeCrèdit communities, blockchain, ICN challenge platform, etc.



6

partnerships: UNIQ Ventures, Vesto, Verse, Zenoquantum, Octans and Fondos.com.



15

Salesforce actions and Merkaat: improvements to Merkaat, business transfer, blog, social media and developments in Salesforce, productive relationship, life time value, ratings, etc.



6

prototypes: Young People's Banking, chatbot, WhatsApp, private streaming of live courses, development of portfolios with Markov chains and Web-to-Leads.



2.7 Quality and excellence in banking practices

Crédit Andorrà has been ranked best private bank in Andorra by the financial publications *The Banker* and PWM, both part of the Financial Times Group, for the third consecutive year. The award recognises the strategy to consolidate competitive, digital, innovative and responsible private banking aimed specifically at offering the best personalised customer service. The award underlines Crèdit Andorrà corporate governance action plan with the reorganisation of its corporate structure, maintenance of its leadership of the Andorran market and a strategy based on focused and efficient international growth. It also highlights the customer-focused digital transformation and the Group's widespread corporate social responsibility actions.

The financial publication *Global Banking & Finance Review* has also ranked Crèdit Andorrà the best bank in Andorra in private banking for the seventh year in a row, and best bank in CSR in the Principality for the fifth year in a row.

Best bank in Andorra in private banking

PWM/The Banker. Financial Times Group

Best bank in Andorra in private banking for the last three years, 2017-2019



2019 Global Private Banking award ceremony. From left to right: Yuri Bender, Editor-in-Chief of the publication PWM, Martí Alfonso, Head of the Andorra Banking Business division of the Crèdit Andorrà Financial Group and Joan R. Mas, Head of Corporate Communication, Marketing and Customer Digital Transformation of the Crèdit Andorrà Financial Group. © Financial Times Live

Global Banking & Finance Review

Best bank in Andorra in private banking, 2013-2019



Best Andorran Bank in corporate social responsibility

Best bank in Andorra in CSR, 2015-2019

The award recognises Crèdit Andorrà's commitment to focusing on customers and on society in general through its corporate social responsibility policy. It recognises the entity's good governance, as well as educational, social, cultural and environmental initiatives, and those in support of the country's economy and business fabric, carried out by the Bank and its Foundation. Crèdit Andorrà has joined the United Nations Global Compact and has adopted the 2030 Agenda to contribute to achieving the Sustainable Development Goals (SDGs).



Quality in procedures and management

Investment division

Crèdit Andorrà's Treasury and Capital Markets, and Market Administration and Control divisions, along with the Crèdit Andorrà Asset Management unit, all have ISO 9001:2008 certification, guaranteeing customers high management quality standards.

Crèdit Andorrà Asset Management has GIPS certification, a standard adopted to ensure the use of ethical and transparent processes when it comes to calculating and publishing customers' returns on investment. The standard also certifies that the data published is fair to other international investment fund management entities. Crèdit Andorrà Asset Management forms part of the board of directors of the Spanish association that promotes GIPS.



Environmental management

Crèdit Andorrà has obtained ISO 14001:2015 environmental management system certification from the certification firm TÜV Rheinland. This certification guarantees the quality and correct implementation of the entity's environmental management system, which covers all banking and financial services in Andorra, and shows the Bank's commitment to minimising the environmental impact of its business.

High levels of solvency and financial strength

Fitch Ratings

In 2019, credit rating agency Fitch Ratings awarded Crèdit Andorrà a 'BBB' long-term rating with a stable outlook and an 'F3' short-term rating, a rating that reflects the financial stability of the Bank and its leading position in the Andorran market.



In May 2020, as a result of the health crisis due to COVID-19, Fitch revised Crèdit Andorrà's rating to BBB- and a negative outlook, in line with the recent position shown in the assessments of entities in the national and international financial system.

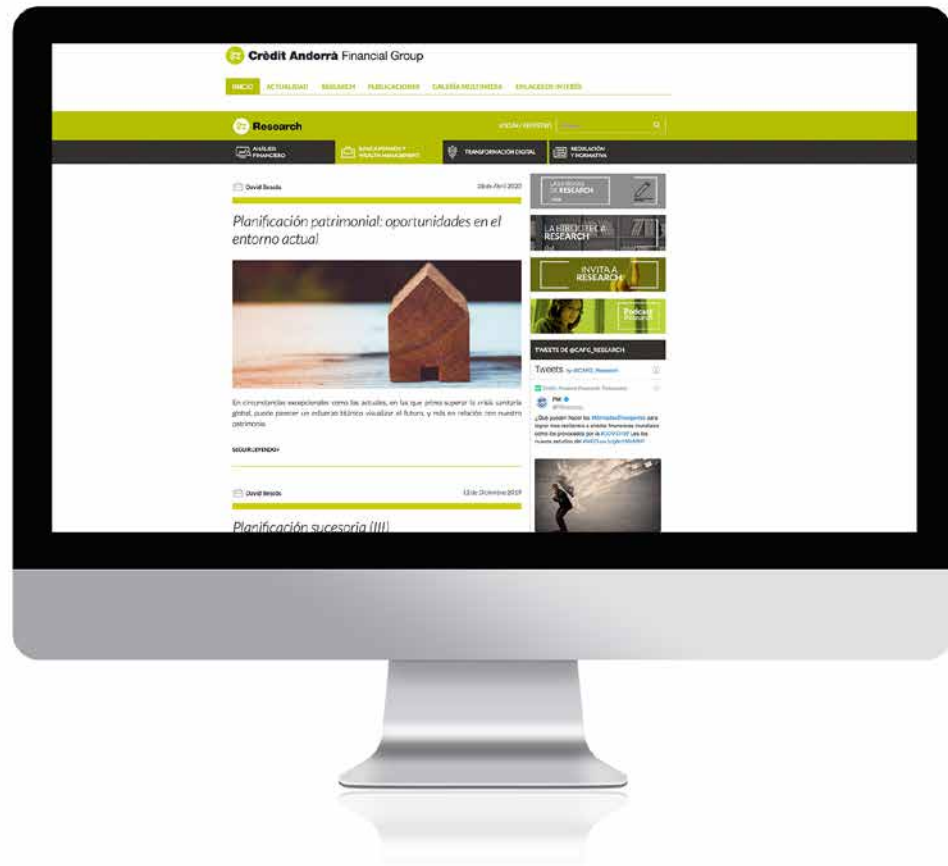
2.8 Financial education and inclusion

Supporting the country's business fabric beyond the strictly business sphere is one of Crèdit Andorrà's priorities. The priority objective of the various training initiatives we promote is to provide individuals with the tools, knowledge and experiences to allow them to continue to grow as well as to promote and consolidate the entrepreneurial spirit that has traditionally characterised the country.

Created in 2006 and under the direction of Professor Josep Maria Rosanas, the **Crèdit Andorrà IESE Chair in Markets, Organisations and Humanism** aims to foster interaction between the business world and universities, as well as to encourage research, corporate social responsibility and corporate governance.

Research blog

We contribute to financial education through the Research blog, an online platform of financial content and up-to-date economic information open to the whole of society and bringing together the knowledge generated by the Group.



Crédit Andorrà Global Forum

Crédit Andorrà Global Forum is an annual lecture series with leading speakers in 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.



Mar Hershenson. © ANA

Mar Hershenson, co-founder and Managing Partner of Pear VC, a Palo Alto early-stage fund.

The magic formula behind Silicon Valley's success

The speaker addressed issues such as the success model of what is considered the 18th largest economy on the planet, practical ideas for starting a business and how the Silicon Valley model can be adapted and replicated.

185
attendees



Marc Vidal. © ANA

Marc Vidal, economic educator and digital strategy and transformation consultant

ReThinking: digitalisation and digital transformation are not the same thing

How to tackle digital transformation and the technological advances of Industry 4.0 was the main theme of the discussion. The outreach expert spoke about how to rethink a company in a context of new business models and customer profiles and presented real case studies, along with the method used by those who have completed their own transformation.

165
attendees

Talks



Antoni Bisbal. © ANA

Antoni Bisbal and Gerardo Roca

The challenges of family business in Andorra: generational handover or divestment

Crèdit Andorrà and Crowe Andorra put on the talk *The challenges of family business in Andorra: generational handover or divestment*, by Gerardo Roca, lawyer and partner in charge of the legal department of Crowe Spain and specialist in advising on M&A operations and business reorganisation, and Antoni Bisbal, managing partner of Crowe Andorra and specialist in the field of taxation.

126
attendees



David Macià. © Eduard Comellas

David Macià

The current situation of the financial markets and prospects for 2019

Financial market volatility was outlined as the general trend that would characterise 2019. A circumstance that, on the other hand, could be used as an opportunity for investors to buy. This is what David Macià, Investment Director of Crèdit Andorrà Asset Management had to say in the talk he gave on the financial market situation and the prospects for this year.

102
attendees

Clément Rozant and Vincent Cohen

Master your taxation in a Franco-Andorran context

The two experts addressed the most significant tax aspects affecting economic relations between Andorra and France, especially the most recent tax changes in France, the main aspects to consider in changes of tax residence and the advantages of the agreement to avoid double taxation between the two countries.

Clément Rozant, a partner at Rozant & Cohen, is a specialist in French and international taxation, and Vincent Choen, a partner at Rozant & Cohen, is a specialist in wealth taxation.

50
attendees

Events to boost the local economy

30th Trobada Empresarial al Pirineu (Business Meeting in the Pyrenees), 'Defining the business agenda'

The debate in this edition focused on digitalisation and sustainable development in the current environment of internationalisation and climate change. Various experts spoke on how the future can be approached in the face of these challenges. The presentations took place in La Seu d'Urgell for two days and the Meeting concluded with a talk by the acting Spanish Minister of Development, José Luis Ábalos, and the Head of the Government of Andorra, Xavier Espot.

607 attendees



30th Trobada Empresarial al Pirineu (Business Meeting in the Pyrenees). © ANA

Family business in Andorra

18th Andorran Family Business Forum, 'The challenges of climate change'

Sílvia Calvó, Minister of the Environment, Agriculture and Sustainability, gave the opening speech of the day, in which experts from different business sectors presented their approaches and projects to address the issue of climate change. Among the participants were Alfonso Libano Daurella, Chairman of Equatorial Coca-Cola Bottling Company, and Carlos Moro González, Chairman and founder of Bodegas Familiares Matarromera. The round table was presented by Antoni Pintat, Chairman of the Board of Directors of Crèdit Andorrà.

150 attendees



Alfonso Libano, Deputy Chairman of Cobega S.A. and Chairman of Equatorial Coca-Cola Bottling Company, and Carlos Moro, Chairman and founder of Bodegas Familiares Matarromera. © ANA

21st Quality and Family Business Series, 'Commerce in Andorra: a sector in need of revitalisation'

The reflection in this edition revolved around the Andorran commercial sector and was attended by commercial expert José Luis Nueno, a law professor at the University of Barcelona, who gave the opening speech. The topics covered during the traditional round table revolved around the commerce conducted by family businesses. The closing speech by Xavier Fernandez, a professor of international law at the University of Barcelona, who spoke about the impact that the disappearance of customs might have on the country's commerce, was of particular note.

90 attendees



José Luis Nueno. © ANA

03. Sound, responsible management

3.1 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 the necessary measures to strengthen the entity's corporate governance and align the Bank with the best international practices in relation to transparency and banking ethics.

Shareholder structure

The share capital of Crèdit Andorrà SA is represented by two types of shares, Class A shares and Class E shares. Both classes of shares have the same financial and political rights, although Class E shares are syndicated, with regard to transfer and policy-making rights.

As at 31 December 2019, the share capital of Crèdit Andorrà SA amounted to €63,102,130 (€63,462,070 as at 31 December 2018) distributed into 901,459 shares, spread across 894,396 Class A and 7,063 Class E shares.

Shareholder distribution of Crèdit Andorrà SA

(31/12/2019)



Corporate governance structure

Board of Directors of Crèdit Andorrà



Chairman
Antoni Pintat Mas



Vice-chairman
Jaume Casal Mor



Chief Executive Officer
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

Crèdit Andorrà's corporate governance system is based on committees that assist the Board in various matters, including strategic decision-making.

The incorporation of independent Board members in 2018 as the heads of these committees responds to professionalism, suitability and experience criteria, and it fosters 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.

More transparency and closer relationships with shareholders

From 2018, we have been strengthening our commitment to shareholders with a direct communication platform.

The Shareholder Area has the primary objective of providing shareholders with all the relevant information on corporate matters, good governance and the Shareholders' Meeting, as well as facilitating intermediation of shares with sale and purchase of securities transactions.

(*) With effect from 1 January 2020, they have ceased to hold their respective positions on the Crèdit Andorrà Board of Directors.

Governing and control bodies

General Shareholders' Meeting

Made up of all the entity's shareholders, it adopts the final decisions on relevant topics for the entity.

Board of Directors

A fully representative body, it is responsible for the Bank's governmental powers. It approves the basic guidelines for acting as well as the risk policies and strategy, those for internal monitoring and regulatory compliance, with the dual role of managing and supervising the entity.

Board regulatory activity during 2019

Group Internal Audit Policy

Works execution policy

Service outsourcing policy

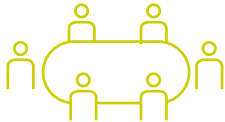
Remuneration policy for the supervised group



8 sessions

Delegated Committees

They have the role of assisting the Board in making strategic decisions.



Audit and Risk Committee

Assumes, by delegation of the Board of Directors, the key function of determining and overseeing the internal control framework of Crèdit Andorrà, ensuring that it is adequate and effective, that it includes the establishment of risk, compliance and internal audit functions which are competent, robust and independent and that it provides an adequate environment for the preparation of accounting and financial information.



4 sessions



Appointments and Remunerations Committee

Assumes, by delegation of the Board of Directors, the key function of establishing and overseeing the remuneration policy and succession plans for people with particularly key roles within the entity. Also assumes the function of establishing and overseeing the long-term remuneration framework of the main directors and members of the Board of Directors in line with the interests of the entity and its shareholders and with the Bank's risk strategy.



6 sessions



Preparatory Committee

Prepares the agenda and the matters to be discussed at Board meetings. Conducts an initial detailed review of corporate documents, projects and processes, without exercising decision-making powers.



7 sessions

Management bodies

Crédit Andorrà has continued to adapt its managing structure, with a focus on decision-making efficacy criteria, efficiency in management and suitability to the new demands and needs which the financial sector must fulfil, both in Andorra and in the rest of the world.

The new structure will be tasked with executing the Bank's strategic principles and responding to the desire to maintain Crédit Andorrà's position as the leading Andorran bank.

Management reorganisation

Efficiency-orientated management structure

The main changes introduced in the structure and organisational chart of the company's management are:

- > The Regulatory Compliance and Internal Control division is renamed Money Laundering Prevention and Regulatory Compliance, headed by Arpine Abgaryan Ghazaryan.
- > The Global Risks division, under the management of Xavier Soro Ventura, becomes part of the Loans division.
- > The Investment division expands its function and is renamed the Investment, Innovation and Strategic Projects division, under the direction of Eduard Galceran Cerqueda.

The Executive Committee is the body responsible for managing and coordinating the Crèdit Andorrà Group, which is responsible for implementing the strategy, policies and management systems, the controls and risks for the Bank's proper operation. Chaired by the Executive Director and Chief Executive Officer, it is made up of eight members, one of whom also serves as secretary.

Operational chart



Chief Executive Officer
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 /
Director of Innovation and
Strategic Division
Eduard Galceran Cerqueda



Insurance Group Director
Josep Brunet Niu



Chief Financial Officer / Director
of Operations and Resources
Division
Francesc Jordà Blanes



Director of Global Risk Division
Xavier Soro Ventura



Director of Money Laundering
Prevention and Regulatory
Compliance Division
Arpine Abgaryan Ghazaryan



Group Internal Audit Director
Ramon Lladós Bernaus(*)

Strategic support and social commitment(*)



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



Human Resources
**Francesc Obiols
Argerich**



Fundació Crèdit
Andorrà
**Francesca Ros
Pascuet**

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.

Decision-making committees

Assets, Liabilities and Risks Committee

Investment Strategy Committee

Senior Loans Committee

Product Committee

Prevention of Money Laundering Committee

Customer Acceptance Committee

Ethics Committee

Efficiency Committee

3.2 Comprehensive risk management

Crèdit Andorrà believes that in order to carry on investment business with a conservative and low/moderate level risk profile, it is fundamental to have a risk culture throughout the organisation, founded on these principles:



Involvement of the Board of Directors by means of the approval of policies on the subject of risk management.



Establishment of risk management and control frameworks for each type of risk with defined responsibilities and clearly established risk assumption limits.



Creation of specialist departments in the management and control of each type of risk, to ensure appropriate segregation of functions between business divisions and risk control.

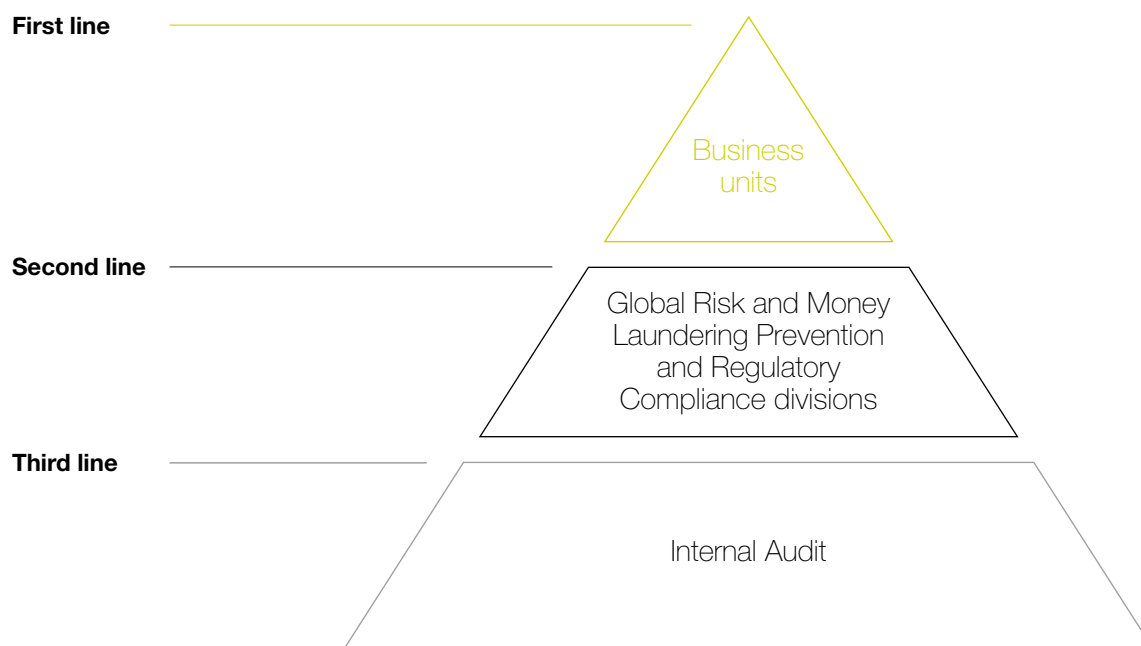


Development of risk management training plans for all levels of the organisational structure, according to the needs of each level of responsibility, with the aim of making everyone aware of the inherent risk of their activity, as well as the existing internal limits, procedures and policies.

Our corporate governance system is structured within a framework that defines responsibilities in risk management following the model of the three lines of defence⁽¹⁾. These lines of defence are divided by hierarchy and work in coordination while being independent of each other, in order to reach the objectives set out in the policies approved by the Board.

During 2019, the Group Internal Audit division functions were consolidated, with the Board of Directors approving a new Group Internal Audit Policy, unifying the working method of the entire Group, aligning and standardising the company's auditing plans and strengthening the mechanism for monitoring and reporting of all the improvement recommendations issued.

1) Following the recommendations of the Basel Committee on Banking Supervision and its 'Corporate governance principles for banks'.



The **first line of defence** is made up of the business units and support divisions (including those specialising in risks), which ensure that the management and exposure by risk type are adequate.

The **second line of defence** is made up of the Global Risk division and the Money Laundering Prevention and Regulatory Compliance division, which ensure that risks are effectively monitored and managed in accordance with the level of risk appetite defined by the Board of Directors. The head of Global Risk and the head of Money Laundering Prevention and Regulatory Compliance have direct access to the Board of Directors through the executive director.

Internal Audit, the **third line of defence**, regularly checks that the policies, methods and procedures are suitable and monitors effective implementation thereof. To guarantee its impartiality, it reports hierarchically to the Board of Directors through the Audit and Risk Committee.

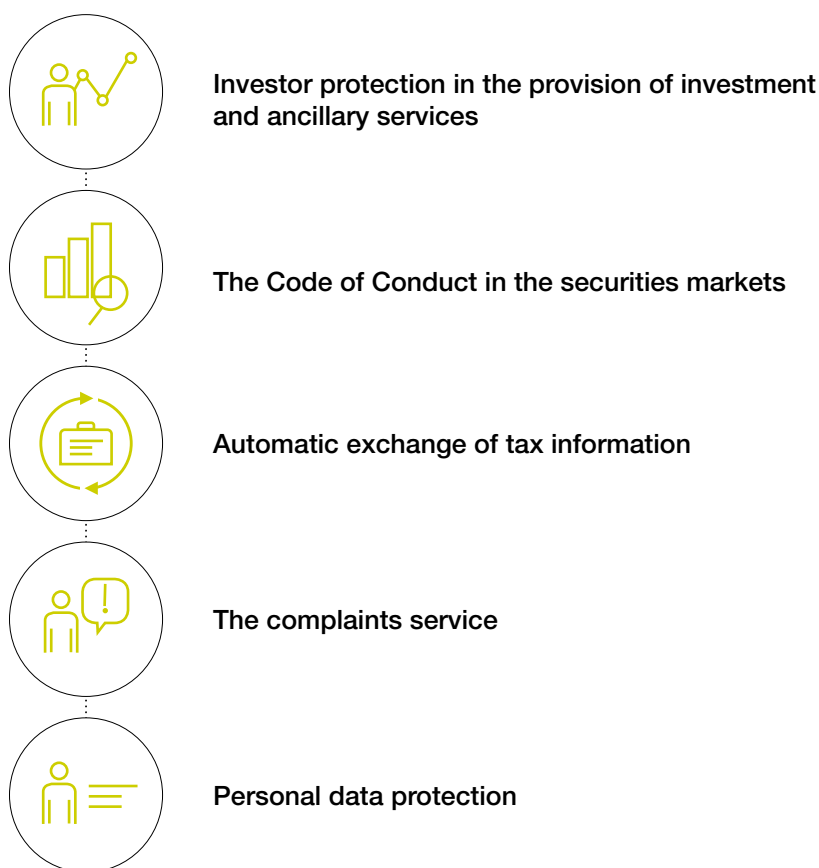
Within this organisational structure with local and corporate risk management units specialised by type of risk, the Global Risk division and Money Laundering Prevention and Regulatory Compliance division have the function of making available to senior management and specifically the Audit and Risk Committee a comprehensive view of the profile of risks to which the Group is exposed, with a global scope of action, both regarding risk type and geographical location.

For 2020, the Group's Internal Audit division plans to update its internal operating procedures and implement an internal control system and a system for continuous improvement of its activity in order to ensure that its work is performed efficiently, effectively and reliably.

Regulatory compliance

The Group's objectives in terms of compliance and conduct risks are to minimise the likelihood of irregularities occurring and to identify any irregularities that may occur. The Regulatory Compliance Department is the permanent body responsible for providing identification, assessment, monitoring and reporting of non-compliance risks within the Group. It thus reports results of the non-compliance risk assessment regularly to senior management of the company, expressing the most important aspects that may have occurred, indicating in particular whether appropriate action has been taken in the event that shortcomings have been detected.

The division's scope includes the following, among others:



The division has promoted the adoption of the policy on personal data protection, as well as the automatic exchange of tax information standard to comply with requirements in the Law on automatic exchange of tax information, which came into force on 1 January 2017.

It has also set up an e-learning platform with content and training information on regulatory compliance matters managed entirely by the division and has promoted coordination with the Internal Control division in relation to operational risk incidents to identify sources of regulatory compliance and conduct risk.

3.3 Integrity and ethics

The Crèdit Andorrà Group is committed to integrity and ethics, both in its business and in the day-to-day of the organisation, through an established set of values, codes and procedures:



Code of Ethics of the Andorran Banking Association

Establishes the standards of honesty, integrity, professionalism and confidentiality that Andorran banking entities must comply with in their relations with customers, third parties, supervisory bodies and regulators.



Code of ethics and conduct

Aims to establish and enforce the ethical principles that govern the Group's business and activities. The code of ethics and conduct applies to Crèdit Andorrà, SA and to its subsidiaries, whatever country they operate in.



Code of conduct in securities markets

Governs the requirements for transparency and protection of investors' interests and gathers together the principles relating to financial instrument markets and the minimum international standards in best banking practices.



Global Compact

As a signatory member of the Global Compact, the Group undertakes to respect the 10 guiding principles, in the areas of human rights, labour standards, the environment and anti-corruption measures.

The Group also has the following policies to guarantee compliance with the principles of integrity and ethics:

- > Regulatory Compliance Policy.
- > Conflicts of Interest Policy.
- > Asset Protection Policy.
- > Internal Audit Policy. (Amended in 2019)
- > FACTA Policy.
- > Investor Protection Policy.
- > Investment and Risk Management Policy.
- > Internal Regulations Policy.
- > Personal Data Protection Policy. (Amended in 2019)
- > Information Security Policy.
- > Corporate Social Responsibility Policy. (Amended in 2019)
- > Policy for Prevention of Money or Asset Laundering and Terrorist Financing.
- > Cross-Border Policy.

During 2019, the Group worked to implement the translation of the MiFID II regulation (the European Markets in Financial Instruments Directive), through the adaptation of Standards, Procedures, Documents and Systems for effective application thereof, from 1 January 2021 in the Principality of Andorra. Making the most of the Banco Alcalá and Banque de Patrimoines Privés experiences in their adaptation process, Crèdit Andorrà worked to continue improving the tasks required for its implementation, focusing on the optimum measures to protect investors' interests, guaranteeing that investors are informed about the products and services they are purchasing and the associated risks, and increasing transparency and efficacy.

Also during 2019, the Crèdit Andorrà Group investment manager, Crèdit Andorrà Asset Management, again obtained Global Investment Performance Standards (GIPS) international certification. GIPS standards are a benchmark in good governance practices for asset management and private banking companies.

3.4 Relationship with our stakeholders

The main stakeholders identified by the Crèdit Andorrà Group are as follows: customers, the focus of the business' decisions and our *raison d'être*; shareholders, the Group's owners; employees, the Group's most important asset, essential for achieving objectives; the local 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 in an increasingly transparent world.

For Crèdit Andorrà, achieving the Group's innovation, efficiency and solvency aims would not be possible without establishing a good relationship with stakeholders, fostering dialogue, communication and especially trust with each and every one of them. This is why we are constantly working to improve the various channels we operate, promoting the company's digitalisation and looking at achieving omni-channel banking, as well as establishing more continuous and dynamic communication, so that we can find out about the queries and expectations people have in relation to our business or service and thus adapt them quickly.



Channels of communication and dialogue with stakeholders

Shareholders

- > General Shareholders' Meeting
- > Annual and quarterly reports
- > Meetings
- > Shareholder web page
- > E-mail



Community

- > Corporate website
- > Press room (corporate website)
- > Social media
- > Regular training talks and workshops
- > Meetings with sector associations and associations from the region



Employees

- > WeCrédit (intranet)
- > Committees
- > Meetings



Suppliers

- > Hiring processes
- > Meetings



Customers

- > Corporate website, commercial website and press room
- > Social media
- > Branch/manager networks
- > Online banking
- > Customer service
- > Internal and external surveys
- > Regular training talks and workshops for businesspeople and the general public
- > Publicity and marketing communications
- > Contractual communications
- > E-mail and SMS



Media

- > Corporate communications
- > Press releases and talks
- > Meetings with media
- > Social media
- > Press room (corporate website)



3.5 Information security and confidentiality

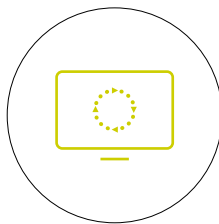
At Crèdit Andorrà, we are aware of the need to guarantee information security within the Group and with our customers. This is why we adopt the highest possible security measures to guarantee the protection and confidentiality of communications, both from a transactional and a relational point of view.

Security in customer banking operations



Practical tips

We offer periodic reminders to customers about information security and Crèdit Andorrà's protocol when it comes to two-way communications: asking for a password to be entered, verification of secure connection, etc.



Protecting devices

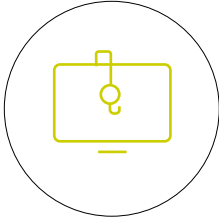
Advice aimed at ensuring good practice, such as browser updates or avoiding connecting to public Wi-Fi networks.



Secure e-commerce

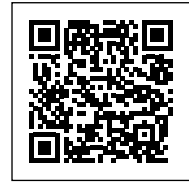
Free authentication system that allows more secure online shopping to avoid possible fraud in companies signed up to the Verified by Visa and Mastercard Secure Code payment systems.



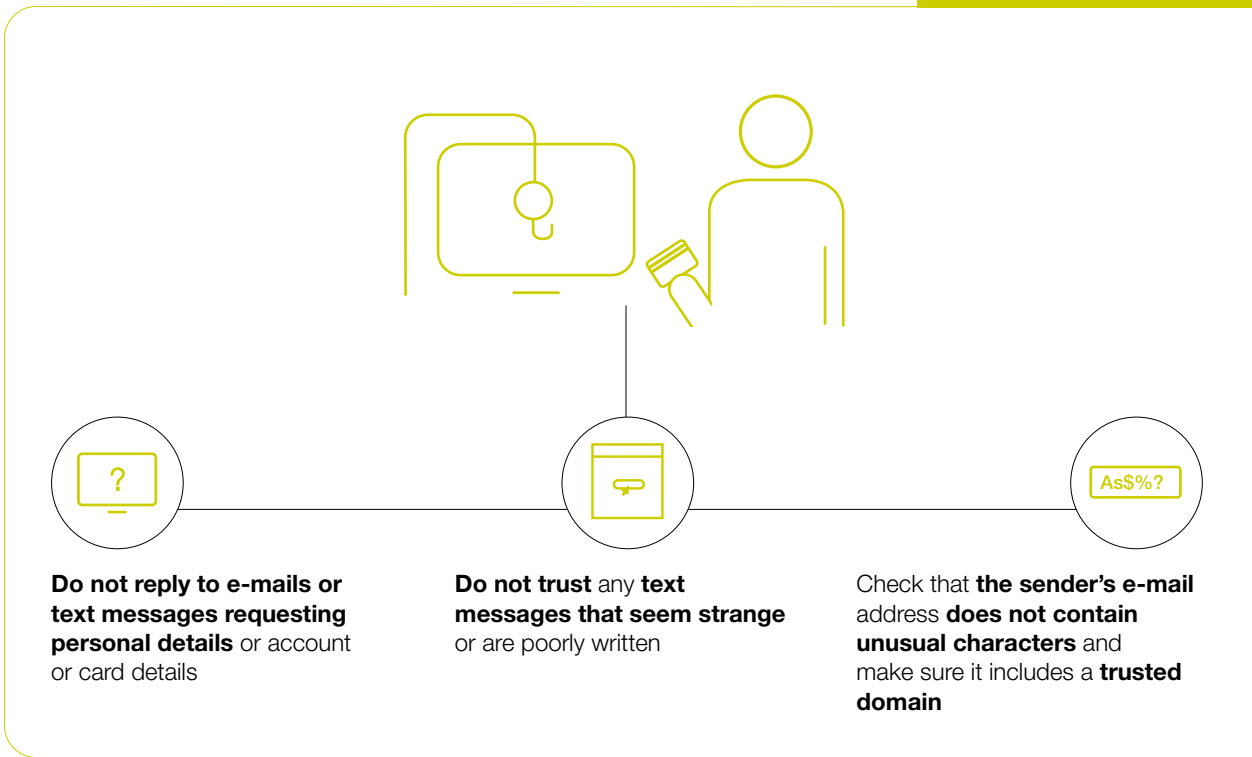


Phishing

Phishing is fraudulent activity that seeks to illegally obtain personal details from third parties, impersonating the user's identity to obtain confidential information from them, such as bank details or card number.



Anti-phishing tips





Managing our human resources team has continued to be a priority for the past year. The Crédit Andorrà Group has conducted an internal reordering process of its divisions with the main aim of improving the organisation's efficiency. It has also worked to adapt to the changes in the new Andorran labour regulations governing absenteeism, the requirements for written contracts and the presence of trade unions.

The axes on which the coordination of people is based are:



Continuous analysis of the size of work teams



Encouragement of intra-group mobility by promoting internal selection processes (Job Posting)



Introduction of new flexibility criteria in the organisation of the working day (Friday afternoons off, for example)



Incentivise Group policies and measures



Consolidation of WeCrédit as a collaborative communication tool

4.1 Diversity and employment

Crédit Andorrà's human resources policies guarantee respect for diversity, equality of opportunities and no discrimination on the basis of gender, sex, age, disability or any other characteristic. This equality principle is embodied in the relationship we have with our employees: hiring, training, promotion, working conditions, including remuneration, among others.

A diverse, professional team	2017	2018	2019
Number of Crédit Andorrà Group employees	840	939	900
Number of Crédit Andorrà employees (companies based in Andorra)	475	469	471



900
employees

52%
employees from
companies established
in Andorra

34
different nationalities
on staff

28%
employees with Andorran
nationality

61%
employees from the rest
of Europe

11%
employees from the rest
of the world

97
new hires

38%
employees hired
in Andorra

52%
women in the workforce

22%
women in executive
roles

45%
women in middle
manager roles

59%
women in other
roles

94%
workforce with
permanent contracts

96%
workforce working
full time

50%
staff between 36
and 50 years old

61%
directors from the
local community
of the country
in which the
subsidiary is
located

8.3%
rate of workforce
turnover

6.3%
voluntary resignations
in the workforce

12.79 average
years at Crèdit Andorrà
(13.94 years for men and
11.54 years for women)

90%
retention rate after
maternity or paternity
leave (88% for women
and 93% for men)

Distribution of employees by country

Andorra	Spain	Luxembourg	Mexico	USA	Peru	Switzerland	Panama
471	226	101	13	38	6	1	44
52.3%	25.1%	11.2%	1.4%	4.2%	0.7%	0.1%	4.9%



4.2 Training and professional development

The people who work in the Crèdit Andorrà 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, alignment with the business and the professional development of individuals.

Additionally, we are opening the doors of the Bank to young students. Thus, 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 33 young people in higher education (undergraduate degree or master's degree in various disciplines) to work in several of the bank's branches and departments.

We are also offering students in the three educational systems the chance to visit our premises and be introduced to the various functional areas of the bank, the tasks performed by professionals in the banking sector and 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.



Almost 400 young people have taken part in the summer internship programme since 2010



Career talks to secondary school students in Andorra



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

Training plan

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.



81%
staff who
received training



€528
average investment
in training per employee



41%
training given during
working hours

Type of training provided

Crédit Andorrà data (companies based in Andorra) in 2019



Financial and banking

35.3%



Skills development

4.8%



Organisation and applications

6.7%



Legal

11.2%



Languages

37.6%



Commercial and sales

0.1%



Prevention of occupational and other hazards

3.8%

Average training hours per employee according to gender and job category

2019	Men			Women			Both genders
	Senior management	Middle manager roles	Other staff	Senior management	Middle manager roles	Other staff	
Andorra	30.94	19.89	32.38	31.18	40.55	28.95	30.25
Spain	13.75	17.65	8.60	18.00	14.00	9.53	10.54
Luxembourg	34.25	40.00	26.57	10.00	10.00	18.92	23.46
Mexico	0	1.00	0	1.00	1.00	1.00	1.00
Miami (USA)	18.00	16.00	14.40	23.00	14.00	13.83	15.53
Panama	36.17	22.83	9.67	29.30	19.17	15.03	18.24
Peru	0	0	0	0	0	0	0
Switzerland	0	0	0	0	0	0	0

4.3 Quality working environment

At Crèdit Andorrà, we aim to place people at the core of our management. We are demanding, fair, flexible and attentive to our employees, listening to both their personal and professional needs and at the same time offering them an organisation that adapts to internal and external strategic changes.

Social benefits

Our employees enjoy multiple social benefits, for both themselves and their families. These include preferential financial products, various insurance policies and company contribution to retirement plans.

Team-building activities outside of work

A Crèdit Andorrà team participated once again in the Jocs Interempreses – the business Olympic games for charity. Designed as an amateur competition between companies, the games are a platform for meeting employees of companies from various sectors, using sport as a tool for communication and cohesion.

A total of 31 employees took part in the various disciplines: Pitch&Putt, 7-a-side football, indoor football and karting (coming second and winning the silver medal).

WeCrédit, the main internal communication channel

The corporate network WeCrédit 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 a 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.



Channel usage data

Visits	Time spent (minutes)	Bounce rate*
459,609 2019	6.57 2019	0.12% 2019
487,081 2018	6.11 2018	0.15% 2018

*Bounce refers to when a user opens a page on a website and then leaves without interacting.

05. Committed to society

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 fabric, the local economy, social progress and the environment. For over 30 years, with the Crèdit Andorrà Foundation, we have also promoted a range of initiatives on our own and in collaboration with third parties to comprehensively meet the needs of the people and the country.

Consolidated overall investment in society

Total investment

€3.00M

(+12.08%)

€2.67M

■ 2019 ■ 2018

Environment



2.94%

€88,146

(+2.06%)

3.22%

€86,368

Community



12.55%

€376,919

(-28.51%)

19.68%

€527,231

Economic and institutional stimulation



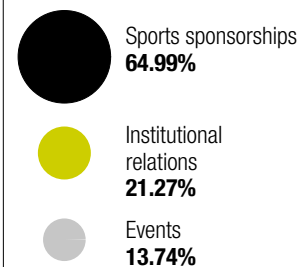
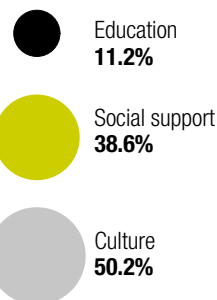
84.51%

€2,537,409

(+22.86%)

77.09%

€2,065,246

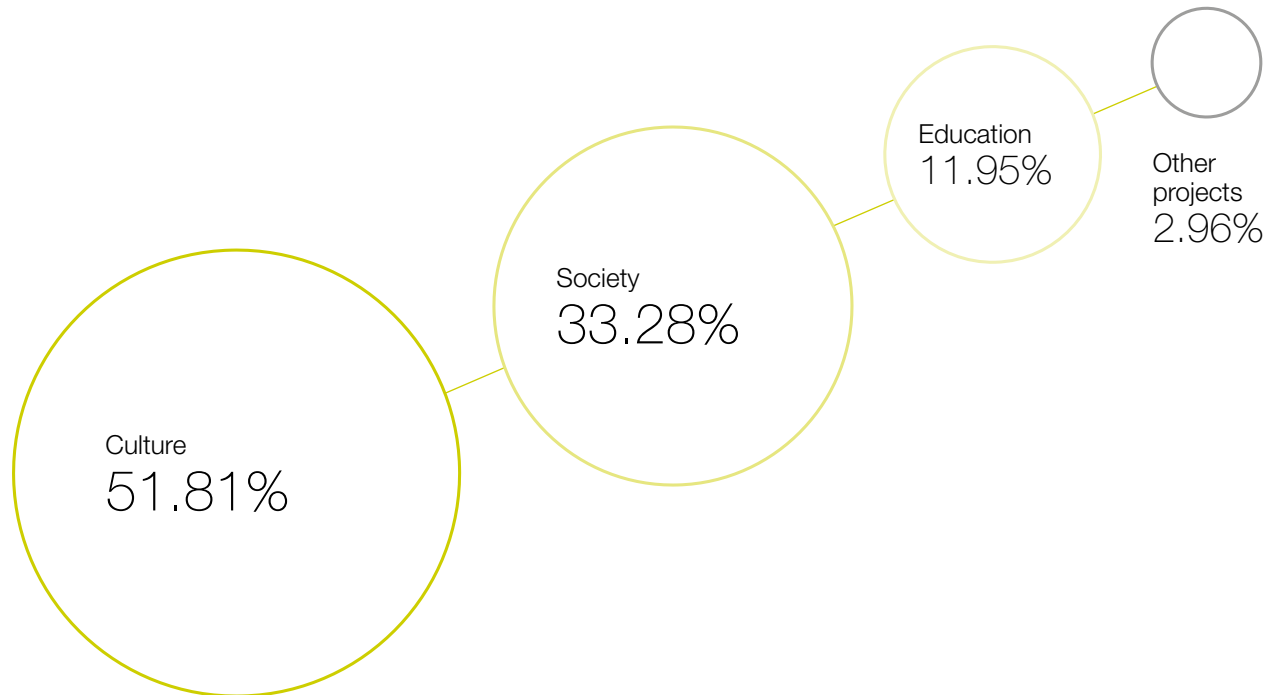


5.1 Fundació Crèdit Andorrà

The Fundació Crèdit Andorrà is one of the leading private foundations in Andorra, in terms of both the resources we invest and the number of programmes we promote, which are divided into three main areas: education, society and culture.

We champion young people and teenagers, senior citizens at risk of exclusion and people affected by illnesses with a significant social impact.

Fundació Crèdit Andorrà Investment 2019



5.1.1 At the service of education

The professionals of tomorrow

Postgraduate grant programme

This year, Raquel Balboa Castells was awarded the excellence grant to study for a master's degree in Neuropsychological Rehabilitation and Cognitive Stimulation at the Institut Guttman, affiliated with the Autonomous University of Barcelona.

 > 200
grant recipients

Collaboration with the University of Andorra

Refresher
courses:
32
attendees



Higher
Professional
Studies Cycle:
152
attendees



Midwife
training:
1
student



From left to right, Raquel Balboa, the 2019 grant recipient, and Francesc Rich, Winona Oliveros and Míriam Daravano, the 2018 grant recipients. © Eduard Comellas

5.1.2 At the service of society

The strength of senior citizens

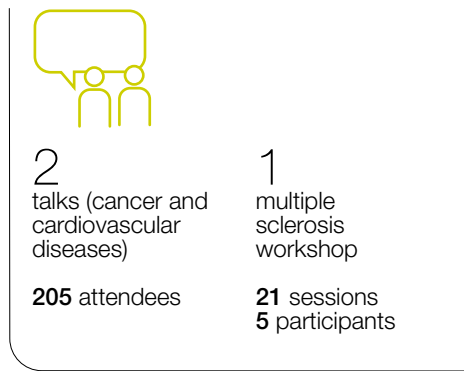
L'espai turns 20

In 1999, the Fundació Crèdit Andorrà opened the L'espai as a social centre for activities for those over 60 years old, offering IT workshops. A huge range of initiatives have since been added, from training courses to hiking trails, discussions, workshops and virtual tours.



Up-to-date health

One of the aims of the Fundació Crèdit Andorrà is to help society to achieve better quality of life. Through this programme, it helps deliver information to contribute to people's well-being and prevent diseases with a significant social impact.



Tània Estapé during the talk *Cancer: how to deal with the different stages.*
© ANA



Ricard Ballester during the talk *Cardiovascular diseases: how to prevent them.*
© Eduard Comellas

Other partnerships

Special Olympics Andorra Sports Foundation

Provision of Alpine skiing equipment. © Jean-Luc Herbert

**Càritas Andorrana
Food Bank**

68
beneficiary
families



594
products
given away
at Christmas



> 2,000 kg
of staple
foods (2015-2019)

**Concòrdia programme**

We continue to support the programme to donate units of umbilical cord blood, saving more and more people's lives each year.

In 2019, for the fifth time, a unit of umbilical cord blood from Andorra provided the chance to save a life.

5.1.3 At the service of culture

Our music

The dissemination of musical knowledge, through the Andorran National Classical Orchestra Foundation (ONCA) and the Ordino Festivals Association, is one of the Crèdit Andorrà Foundation's three main areas of activity, both in Andorra and abroad.

ONCA Foundation

The ONCA Foundation, an institution created by the Andorran Government and the Fundació Crèdit Andorrà, presented its 26th season, structured across four areas:

16,246 attendees 



Andorran National Classical Orchestra (ONCA)

New productions were presented in different formats and with high artistic value, whilst programmes were also developed seeking public contributions.

4,775 attendees 

Summer concert. © ANA



Andorran Classical National Orchestra Youth Foundation (Jonca)

Three annual events were programmed, two of which featured participation by students from music and theatre schools across the country. For the third event, we worked in a smaller format in chamber groups.

1,364 attendees 

Santa Cecília concert. © Àlex Tena



Education programme

A new education programme was designed to train the younger generations and introduce children and their families to the world of music through education workshops and family concerts. Joint programmes have been promoted with music schools to make the orchestra a musical point of reference open to all.

1,644 attendees 

Getting your body moving workshop. © ANA



Social programme

The 'Music and creativity' programme encourages the use of music as a tool for social inclusion, exploring new horizons and bringing artistic participation within everyone's reach.

1,162 attendees 

'Music and creativity' session at Nostra Senyora de Meritxell Specialised School. © ONCA Foundation



The ONCA Foundation has also been asked to collaborate or perform in various formats as part of a host of events and programmes.

7,301 attendees 

Christmas concert at the Basilica of the Sagrada Familia.
© Sagrada Familia

Ordino Festivals Association

962 attendees

Ordino Clàssic: Experience classical music

The Comú d'Ordino and the Fundació Crèdit Andorrà presented the second edition of ORDINO CLASSIC (2019-2020), with programming that aimed to bring classical music closer to the public through a modern, current concept.



Ara Malikian concert. © Rodrigo Mena

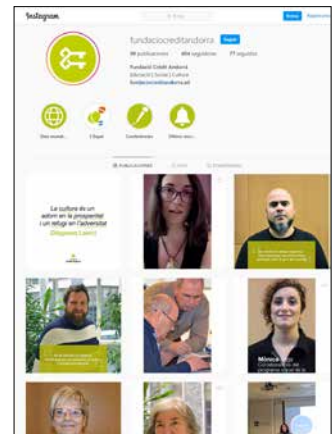


5AndCordes concert. © Jean-Luc Herbert

Featured

Greater social media presence

In 2019, the Fundació Crèdit Andorrà made itself more visible through its own profile on various social media sites, in a great leap forward in terms of its main aim of informing people of the events, programmes and workshops it organises for them.



Data from 31/03/2020 (increase compared to the previous month).

5.2 Crèdit Andorrà, committed to the country and to people

5.2.1 Supporting the economic and business fabric

We support the business world through ongoing involvement in private and public initiatives that contribute to the main business and association sectors in Andorra.

- > 41st Andorra la Vella Trade Fair in 2019.
- > Sponsorship of the 30th Trobada Empresarial al Pirineu (Business Meeting in the Pyrenees), 'Defining the business agenda'.
- > Collaboration with Family Business in Andorra and sponsorship.
- > Collaboration with Automobile Club of Andorra.
- > Third Conference on Innovation and New Technologies in Andorra (INNTEC).

(For more information, see Chapter 2. Focused on our customers).

5.2.2 Multifaceted promotion of tourism

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 point of view, at Crèdit Andorrà we hold shares in Caldea and Grandvalira.



5.2.3. Sports for personal development

Supporting Channel

Since 2018, we have offered detailed and up-to-date information on competitions and other events sponsored by Crèdit Andorrà through Supporting, our social media channel dedicated to sports sponsorships.



#CreditAndorràAmbLaNeu

We sponsor high-level sports events and support the Andorran Ski Federation, as well as having agreements in place with all the country's ski schools, sponsoring a race and direct sponsoring the Esquí Club Andorra, Esquí Club Ordino-Arcalís and Esquí Club Arinsal-Pal ski clubs.

- > Sponsorship of the Andorran Ski Federation (FAE) and financial collaboration with the alpine skiers who meet the established requirements (6 skiers in 2019).
- > Sponsorship of a race at all ski clubs in the country.
- > Sponsorship of the Borrufa Trophy.
(For more information, see page 22.)



Borrufa Trophy. © Toni Grases

Other partnerships

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.



Golf

- > 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 2019
- > Tournament sponsorship (XXVIII Trofeu Golf Master (Golf masters trophy), XXIX Trofeu Social Club de Golf del Principat (Andorra Golf Club Social Trophy), etc.)



Motor sports

- > Crèdit Andorrà GSeries



Mountain sports

- > XI Andorra UltraTrail Vallnord
- > Crèdit Andorrà's Casamanya Extrem Vertical Race Cup



Other

- > Mountain biking: downhill and cross-country races at the World Cup and UCI Track Cycling World Masters



A vehicle taking part in the Crèdit Andorrà GSeries at the Pas de la Casa circuit. © Foto Esport

5.2.4 Culture, within everyone's reach

Collaboration with the Cercle de les Arts i de les Lletres (Arts and Literature Circle)

25th edition of the Andorran Art Awards. The artist Evelí Adam received second prize in the Crèdit Andorrà Painting Award granted as part of the 25th edition of the Andorran Art Awards, organised by the Cercle de les Arts i de les Lletres. Second prize in the Sculpture Prize was awarded to Xavier Puente.

42nd Nit Literària Andorra (Andorran Literary Night). The Crèdit Andorrà 50th Anniversary Theatre Prize, awarded as part of the 42nd Literary Night from the Cercle de les Arts i de les Lletres, went to *Amanita Fal-loide*, by Francesc Puigpelat. Aureli Trujillo was awarded the Crèdit Andorrà Grandalla de Poesia poetry award for *A l'ombra de les paraules (In the Shadow of Words)*.

As an entity with a close relationship to and deeply rooted in the country, we also contribute to promoting Andorra's popular and traditional culture. We sponsor various festivals celebrated in the country and entities that work to promote national folklore, such as groups of sardana dancers, as well as culture and knowledge, such as Societat Andorrana de Ciències (the Andorran Science Society).



Antoni Pintat, Chairman of the Board of Directors of Crèdit Andorrà, presents the award to the winner, Francesc Puigpelat.
© ANA

06. Committed to the environment

6.1 Environmental management system

Efficient environmental management is part of the Bank's responsibility commitment, in terms of minimising the most significant impacts on the environment and fighting climate change.

In 2004, Crèdit Andorrà implemented an environmental management system (EGS) based on the directives established by the ISO 14001 standard. Since 1998, it has worked with the United Nations Environment Programme Finance Initiative (UNEP Fi).

Crèdit Andorrà's environmental management system obtained ISO 14001:2015 certification from TÜV Rheinland. The certification body positively assessed the measures conducted in terms of sustainability and endorsed compliance and adaptation to the principles of the standard, based on the continuous improvement of environmental performance and the coverage of the relevant processes. Obtaining the certification shows strict compliance with environmental legislation, proper management of consumption and waste, control and monitoring of internal processes and annual objectives, social awareness actions and continuous improvement of the System.

The Group has promoted its commitment to protecting the environment and preventing pollution through its Corporate Social Responsibility Policy, approved in 2003.

Goals



Improve **environmental management**, identify, get to know, prevent and permanently correct the environmental aspects and impacts caused by the business activity within the framework of continuous improvement of the management system.



Efficiently manage resources and **minimise environmental impact** through monitoring and control of consumption and continuous improvement of processes and internal operations.



Reduce the generation of greenhouse gas emissions and support initiatives aimed at reduction, compensation and adaptation.



Optimise waste management through **selective waste collection**, encouraging its enhancement whilst also minimising its generation.



Extend the environmental commitment and foster responsible attitudes through training and awareness-raising initiatives among **employees, customers, suppliers and society in general**.



Commit to **financing projects** to encourage the use of cleaner energy, improve energy efficiency and make progress in introducing environmental criteria into financing policy and investment products.

Highlighted project

3,563 kg of thanks

Crédit Andorrà has promoted various inter-departmental initiatives aimed at minimising the environmental impact of our activity, translating, among other things, into a reduction of 3,563 kg in paper consumption.

We would particularly like to highlight the actions undertaken in terms of communicating with customers and society in general, banking operations through e-Crédit and biometric signature for transactions in branch, a project that began in 2018.

3.563 KG
DE GRÀCIES

Crédit Andorrà ha impulsat durant el 2019 un seguit d'iniciatives que han representat una reducció de 3.563 kg de consum de paper.

T'animem a consultar aquesta infografia amb totes les iniciatives que s'han dut a terme.

Crèdit Andorrà's 2019 environmental footprint

EGS coverage: Ròdol buildings and branches and Headquarters		2018	2019	2018-2019 variation
Power consumption	MWh	2,941	2,708	-7.9%
	kWh/m ² of office space	808.5	647.5	-19.9%
	kWh/employee	7,002.6	6,510.2	-7.0%
Diesel consumed by air conditioning	MWh	2,004	2,111	5.3%
	kWh/m ²	95.5	108.3	13.4%
Total energy consumption	MWh	4,945	4,819	-2.6%
	m ³	5,998	6,030	0.5%
Water consumption	m ³ /employee	14.3	14.5	1.5%
	tonnes	19.4	15.9	-17.8%
Paper consumption	kg/employee	46.2	38.3	-16.9%

At Crèdit Andorrà, we want to extend our commitment to the environment and fighting climate change to employees and to society in general.

In 2019, we therefore undertook various initiatives and consolidated others that were set up in previous years.



Raising awareness

- > Drafting of the *Good environmental practice guidelines*, aimed at making our stakeholders and particularly employees and suppliers aware of the EGS principles.
- > Andorra la Vella Trade Fair (in collaboration with La Moixera): children's activities on environmental issues, with a focus on recycling, encouraging children's creativity while raising awareness of reusing materials and preserving the environment.



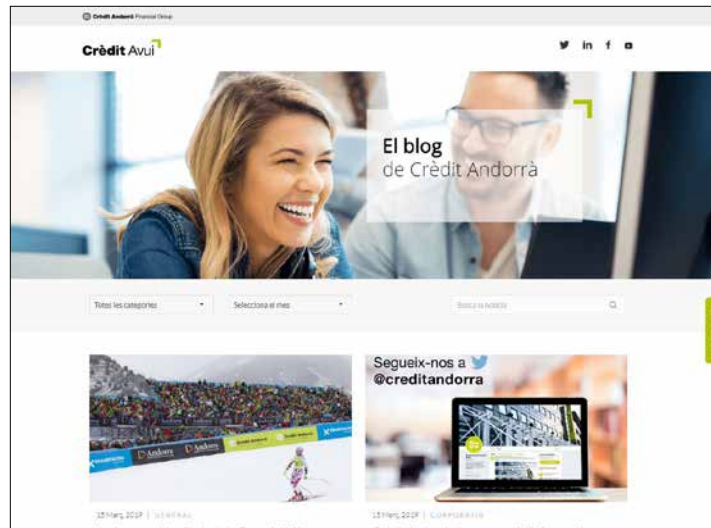
Responsible consumption

- > Installation of water fountains to replace the purchase of glass and plastic bottles, an action that has also allowed us to reduce the generation of waste and the consequent treatment of packaging. In order to make employees aware of responsible consumption, a reusable glass bottle was offered as a gift.
- > New environmental sustainability criteria in the purchase of DIN A4 paper, which has meant gradually replacing the entire stock with recycled and chlorine-free paper (with the Blue Angel stamp). The aim is that by 2020 all DIN A4 paper used by the Bank will be environmentally responsible.



Digitalisation of customer communications

- > The Crèdit Avui information bulletin has turned into a blog with an associated *newsletter*. (www.creditavui.ad)
- > The quarterly report on the markets, aimed at customers and published in three languages, has also been adapted to digital communication, thanks to the Salesforce marketing cloud tool.
- > e-Crèdit: extension of the operations that customers can do through online banking, in addition to the electronic bank correspondence service.



Valuable partnerships

- > **UNEP Fi:** we have continued working alongside the United Nations Environment Programme Finance Initiative, establishing international partnerships that add value to the work we do.
- > **Sustainable Development Goals:** we are continuing to implement measures that strengthen our commitment to the 2030 Agenda through measures orientated towards more responsible consumption and tackling climate change.

6.2 Fight against climate change

On 23 October 2019, the Government of Andorra approved the *Proposal for an agreement recognising the climate crisis and declaring a state of climate and ecological emergency*. It thus took on the climate crisis and the need to declare a state of emergency in order to mobilise the necessary resources to reduce the annual unabsorbed emissions of greenhouse gases in relation to the BaU scenario by a minimum of 37% per year by 2030, at the same time driving the transition to carbon neutrality in Andorra, in the context of SDG 13.

At Crèdit Andorrà, in our commitment to tackling climate change, we have managed to progressively decrease our consumption by implementing environmental efficiency measures and awareness-raising initiatives among our employees.

CO₂ emissions

	2018	2019	Var. 2018-2019
Direct CO₂ emissions (magnitude 1)			
Diesel (t of CO ₂)	588.85	575.81	-2.21%
Indirect CO₂ emissions (magnitude 2)			
Electricity (t of CO ₂)	520.58	479.36	-7.92%
Other indirect emissions (magnitude 3)			
Business trips (t of CO ₂)	N/A	115.04	—
Waste generation (paper, cardboard, newspapers, plastic and toners)	N/A	1.93	—
Paper consumption (internal and for customers)	22.58	18.57	-17.78%
Water consumption	2.37	2.38	0.54%
Toner consumption	7.84	9.06	15.56%

Intensity of CO₂ emissions

	2018	2019	Var. 2018-2019
t of CO ₂ stemming from energy consumption/100 m ² of office space	4.51	4.46	-1.05%
t of CO ₂ stemming from energy consumption/employee	2.64	2.54	-3.98%
t of CO ₂ stemming from business trips/total km travelled	N/A	0.28	—

6.3 Sustainable travel

Also in the fight against climate change, we are supporting initiatives and projects to promote sustainable travel, which we are sure is one of the most effective solutions to combat CO₂ emissions in order to best contribute to achieving the 2030 Agenda goals.

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



© ANA

Jomada de Mobilitat Elèctrica (electric mobility conference)

Our sponsorship of the 6th Electric Mobility Conference expresses our commitment to raising public awareness of the new challenges posed by sustainable travel. This talk, organised by FEDA (Andorra's Electrical Forces) and the Automobile Club of Andorra, aims to disseminate and make the population aware of the wide variety of electric mobility options on the market for replacing vehicles with conventional combustion engines. The exhibition highlights the range of cars, Segways, motorcycles, scooters and bicycles, as well as offering visitors the opportunity to try out different electric vehicles. New this year, an electric bike ride was organised to the peak of Carroi.



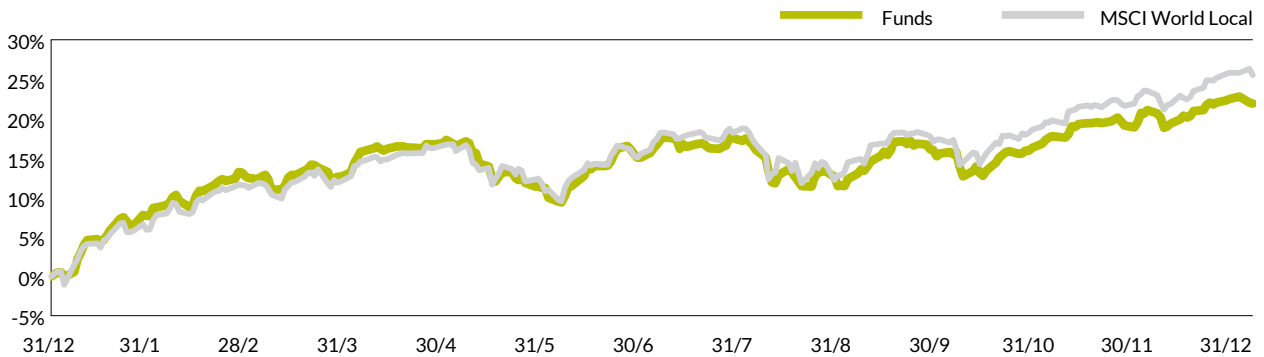
© ANA

6.4 Products with environmental benefits

Sustainable investment

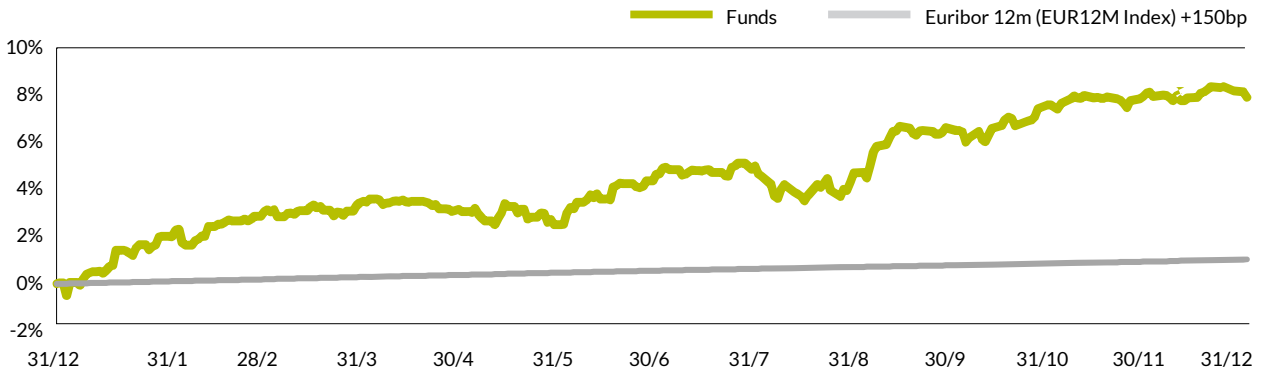
Crediinvest Sustainability SICAV

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. It also include companies related to efficient management of water, the use of efficient materials in construction and environmentally friendly transport.



Alcalá Flexible Sustainable Management

Global equity fund in which socially responsible investment criteria are applied, both criteria that exclude (not investing in companies whose activity may threaten human life and dignity) and those that relate to values (fighting poverty and inequality, promoting health, well-being, responsible consumption, environmental protection, and human and labour rights).



Responsible financing

Préstec Regenera (Regeneration Loan)

This loan makes tailor-made financing available to companies and individuals for constructing or refurbishing property using environmental sustainability and energy efficiency criteria.

In 2019, the first Regenera loan was granted to the municipality of Andorra la Vella, enabling the refurbishment of the Avinguda Meritxell shopping hub and the attainment of the 'Andorra Regenera' seal in recognition of the project's sustainability.

Crèdit Cotxe Verd (Green Car Credit)

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 Automobile Club of Andorra, the energy distribution companies and the Associació d'Importadors de Vehícles (vehicle importers association).



07. Financial statements of the Crèdit Andorrà Group

7.1 Statement of financial position

Assets (thousands of euros)

	Note (**)	31/12/2019	31/12/2018 (*)
Cash, cash balances in central banks and other sight deposits	8	303,009	343,553
Held-for-trading financial assets	9.1	30,047	12,560
Financial assets not held-for-trading required to be valued at fair value with changes through profit and loss	9.2	188,299	185,903
Financial assets at fair value with changes through profit and loss	10	–	1,865
Other financial assets at fair value with changes through another comprehensive profit and loss	11	330,785	365,996
Financial assets at depreciated cost		3,832,281	3,764,342
Derivatives – hedge accounting	14	–	–
Changes in fair value of hedged items of a portfolio with interest-rate risk hedging	14	21,890	21,711
Investments in joint ventures and associates	3	65,703	37,046
Assets used for insurance and reinsurance contracts	20	1	3,431
Tangible assets	15	183,686	122,832
Intangible assets	16	122,624	129,837
Tax assets	45	24,929	28,219
Other assets	17	45,628	52,908
Non-current assets and disposable groups of items classified as held for sale	18	106,151	112,028
Total assets		5,255,033	5,182,231

(*) Shown solely for purposes of comparison.

(**) Notes 1 to 49 are an integral part of the financial statements at 31 December 2019 and available at informeannual.creditandorrargroup.com.

Liabilities (thousands of euros)

	Note (**)	31/12/2019	31/12/2018 (*)
Held-for-trading financial liabilities	9.3	16,107	10,405
Financial liabilities at fair value through profit and loss	10	49,331	71,411
Financial liabilities at depreciated cost	19	4,307,293	4,282,232
Derivatives - hedge accounting	14	37,190	35,194
Changes in fair value of hedged items of a portfolio with interest-rate risk hedging	14	–	–
Liabilities used for insurance and reinsurance contracts	20	251,815	265,650
Provisions	21	28,563	31,299
Tax liabilities	45	5,355	3,085
Share capital refundable on demand		–	–
Other liabilities	23	89,714	57,587
Liabilities included in disposable groups of items classified as held for sale	18	–	–
Total liabilities		4,785,368	4,756,863

(*) Shown solely for purposes of comparison

(**) Notes 1 to 49 are an integral part of the financial statements at 31 December 2019 and available at informeannual.creditandorragroup.com

Net equity (thousand euros)

	Note (**)	31/12/2019	31/12/2018 (*)
Capital	24	63,102	63,462
Issue premium	24	–	–
Issued equity instruments other than capital		–	–
Other net equity items		–	–
Other accumulated comprehensive profit and loss	26	2,678	4,222
Retained earnings		–	–
Revaluation reserves		–	–
Other reserves	24	347,002	311,581
(–) Treasury stock	25	–	–
Profit and loss attributable to owners of the parent company	4	46,244	36,001
(–) Interim dividends	4	–	–
Minority interests (non-controlling interest)	27	10,639	10,102
Total net equity		469,665	425,368
Total net equity and liabilities		5,255,033	5,182,231

(*) Shown solely for purposes of comparison.

(**) Notes 1 to 49 are an integral part of the financial statements at 31 December 2019 and available at informeannual.creditandorragroup.com.

7.2 Statements of profit and loss

(thousand euros)

	Note (**)	2019	31/12/2018 (*)
Interest income	34	70,082	72,932
(Interest expenditure)	34	-26,854	-26,447
(Expenditure for share capital repayable on demand)		-	-
Dividend income	35	302	704
Fee income	36	112,671	124,376
(Fee expenditure)	36	-32,849	-31,081
Profit or loss due to retirement of financial assets and liabilities not valued at fair value through profit and loss, net	37	11,040	14,046
Profit or loss due to held-for-trading financial assets and liabilities, net	37	7,928	6,203
Profit or loss due to financial assets not held-for-sale compulsorily measured at fair value with changes through profit and loss	37	11,177	-12,462
Profit or loss due to financial assets and liabilities at fair value with changes through profit and loss, net	37	-1,356	11,092
Profit or loss resulting from hedge accounting, net	14	-1,883	-431
Exchange rate differences (profit or loss), net	37	1,582	3,016
Profit or loss due to retirement of non-financial assets, net	37	32,236	870
Other operating income and expenditure	38	12,974	12,039
Other income and expenses of assets and liabilities covered by insurance or reinsurance contracts	38	3,909	3,706
Total net operating profit/loss		200,959	178,563
(Administration expenses)		-124,941	-129,595
(Depreciation)	41	-22,222	-15,323
(Provisions or reversal of provisions)	42	430	-2,760
(Impairment of the value or reversal of impairment of the value of financial assets not valued at fair value with changes to profit and loss or loss due to amendment)	43	-1,082	1,724
(Impairment of the value or reversal of the impairment of the value of investments in joint ventures and associates)		-	-
(Impairment of the value or reversal of impairment of the value of non-financial assets)		-2,164	-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	2,297	4,098
Profit or loss from non-current assets and disposable groups of items classified as held for sale not admitted as discontinued operations	18	655	-126
Profit and loss before tax from continuing operations		53,932	39,052
Profit or loss after tax from continuing operations		47,086	36,354
Profit or loss after tax from discontinued operations		-213	-
Profit or loss for the year		46,873	36,354
Earnings per share (basic) – in euros	4	51.75	40.35
Earnings per share (diluted) – in euros	4	51.75	40.35

(*) Shown solely for purposes of comparison.

(**) Notes 1 to 49 are an integral part of the financial statements at 31 December 2019 and available at informeannual.creditandorràgroup.com.



08. Goals achieved and challenges for 2020



	2019 goals	Degree of achievement	Challenges for 2020
Product and service specialisation	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)	●	> Continue to enhance our value offer to customers with the launch of products and services that provide differentiation and exclusivity
	Provide customers with payment solutions adapted to their needs	●	> Contribute to stimulating the country's business and commercial fabric
	Facilitate Merkaat access to a wider investing audience	●	> Promote new coverage solutions between businesses
Innovation	Implement reporting procedures on investment services and products in Andorra to customers	●	> Explore the online channel for the promotion of corporate events
	Increase the acquisition of products with ecolabels	●	
Commercial and management team	Implement improvement in the Business Intelligence division focused on better customer knowledge and management	●	> Improve efficiency of the commercial network by applying AI data
	Strengthen the direct customer contact channels	●	> Continue the process of implementing new legislation in labour regulations
	Increase knowledge of the Supporting channel	●	> Consolidate the performance evaluation system
	Suitability of internal regulations for new legislation in the workplace	●	> Enhance social media as a channel to contribute to help spreading Group news and the main events organised
	Changes to the performance evaluation system	●	> Define a new route map for corporate social responsibility

● Achieved

● In progress

● Not achieved

	2019 goals	Degree of achievement	Challenges for 2020
Digital transformation	Increase customers' operations through digital channels	●	<ul style="list-style-type: none"> > Develop digital projects aligned with the Group's strategic pillars and integrate initiatives in the framework of business and technological trends > Improve customers' omni-channel experience, focusing on complementing and synchronising all digital and remote customer service channels (Contact Centre) > Continue developing online/mobile banking and digital payment platforms geared towards the customer with new functionalities > Promote the monetisation of digital channels by improving the offer of online banking services > Strengthen the use of digital channels among customers
	Align the Group's web platforms	●	
	Add innovative and pioneering functionalities to online banking	●	
Commitment to Andorra	Support the country through relevant sponsorships	●	<ul style="list-style-type: none"> > Promote economic stimulation through sponsorships and institutional participation in events of value to Andorra > Implement new L'espai activities to promote healthy and active ageing in a holistic way > Expand the social programme of the ONCA Foundation to reach new groups > Give tools to society to encourage good healthy habits > Work with a view to managing problems that affect adolescents and young people
	Strengthen sponsorships related to the snow sector that are both strategic as well as competitive and related to training	●	
	Enhance social media as a channel to contribute to broadcasting the main events in the country	●	
	Promote the Foundation's digital communication through social media	●	
	Offer training and provide tools for the businesses of Andorra, as well as other groups to improve their degree of understanding of various topics	●	
	Implement new L'espai activities for healthy and active ageing	●	
Organisational efficiency	Description, evaluation and establishment of the professional classification of Crèdit Andorrà	●	<ul style="list-style-type: none"> > Promote new corporate values (remote working project, part days, etc.) > Maintain Environmental Management System certification > Foster internal and external commitment to the environment > Reinforce consumption efficiency measures > Minimise waste > Introduce a calculation of ecological footprint into our activity
	Reduce paper consumption	●	
	Reduce the consumption of returnable containers	●	
	Conduct a study to evaluate the implementation of more efficient lighting solutions at 24h cash machines	●	

Appendix

Materiality

Report scope and criteria

The *2019 Corporate Activity Report* gathers together the financial and non-financial information most relevant to the Crèdit Andorrà Group on events occurring between 1 January and 31 December 2019.

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

Crèdit Andorrà SA is the parent company of the invested companies listed in this report. The information presented thus corresponds to the Crèdit Andorrà Financial Group, excluding the data collected in the environment section, which relates 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 line with that which is described in the GRI Standards in the *Guidelines for Preparing Sustainability Reports*, the Crèdit Andorrà Group has conducted a process to update its materiality analysis, with the aim of identifying the topics relevant to the Group and prioritising them according to the level of importance. Prioritising the topics analysed allows the Group to determine which content is most relevant in relation to its business activity and therefore worth including in the *Corporate Activity Report*. This document reports on the material topics resulting from the consultation process based on their economic, social or environmental impact on the value chain.

The *2019 Corporate Activity Report* has been written in accordance with the GRI Standards: Comprehensive option.

Methodology and results

To determine which issues are relevant for Crèdit Andorrà and its stakeholders, a tiered process has been conducted in accordance with the requirements of the GRI Standards:

1. Identification of topics: the identification of topics for Crèdit Andorrà began with a preliminary process of reviewing internal and external documentation to determine the list of aspects to analyse, which cover all the economic, social and environmental fields that interact with the Group's activity and that of its stakeholders. The topics identified were divided into six categories: Company Profile, Corporate Governance and *Compliance*, Economic Aspects, Employment Aspects, Products and Services, Responsible Supply Chain, the Environment and Customer Management.
2. Analysis of the topics: the organisation's internal and external information sources were examined, conducting, among other things, a *benchmark* analysis in which public information relating to sustainability aspects was analysed through the web pages and annual sustainability reports of the selected companies, as well as a CSR and financial/banking sector indicators through the most significant sustainability public information sources for 2019. Finally, a press search was done with the aim of analysing the level of notoriety and the impact of the different topics in the media throughout the financial year.
3. Prioritisation of topics: to prioritise the topics, the relevance of the various Group stakeholders (internal and external) was taken into account when analysing the topics described above, considering the influence each stakeholder has on Crèdit Andorrà's economic, social and environmental performance and the extent to which the stakeholder is affected by the entity's economic, social and environmental practice. Through statistical analysis of this information, the level of relevance and importance of each issue was determined from both an external and an internal perspective, shown in the materiality table below. Once the process was concluded and the topics and level of relevance determined, all topics with high and medium importance for the Group and its stakeholders were considered material or relevant: high-high, high-medium, medium-high and medium-medium (grey text in the table).

4. Validation: with the aim of ensuring that the materiality results offer a fair and balanced view of the Crèdit Andorrà Group's corporate social responsibility (sustainability), the results obtained internally were analysed in detail by the directors, divisions and units most directly linked to strategic topics in the report, in order to validate the topics to be included in the *Annual Activity Report* and the associated GRI indicators. Information on material topics not related to GRI issues was also included: multi-channel services and digitalisation, as well as product and service innovation.

Material topics and coverage

External relevance (stakeholders)	High		<ul style="list-style-type: none"> • Direct and indirect economic impacts • Financial education and inclusion • Social action and investment* 	<ul style="list-style-type: none"> • Risk management • Corporate governance • Ethics, integrity and anti-corruption • Training, professional development and employment • Multi-channel services and digitalisation* • Information security and confidentiality
	Medium	<ul style="list-style-type: none"> • Talent attraction and retention* • Financial products with a social and environmental component 	<ul style="list-style-type: none"> • Market presence and impacts • Institutional involvement • Unfair competition • Equal opportunities, diversity and non-discrimination • High-quality working conditions • Product and service innovation • Socially and environmentally responsible financing and investment • Emissions 	<ul style="list-style-type: none"> • Business model and strategy* • Strategic alliances • <i>Regulatory</i> compliance* • Economic management and performance • Customer satisfaction*
	Low	<ul style="list-style-type: none"> • Occupational health and safety • Innovation applied to internal processes and strategic projects • Environmental and social assessment of suppliers • Waste and wastewater management • Efficient use of resources (materials, water, energy, etc.) 	<ul style="list-style-type: none"> • Investor relations* • Work-life balance and other employee benefits* • Employee satisfaction* • Human rights* • Environmental management systems and certificates* • Marketing and labelling 	
		Low	Medium	High
Internal relevance (Crèdit Andorrà)				

Category and topics	Coverage and limit								
	Internal					External			
	Banking and financial services	Asset management and wealth management	Insurance	Partner companies	Social activity	Customers	Society	Suppliers	The media
Corporate profile									
Business model and strategy									
Risk management									
Market presence and impacts									
Corporate governance and compliance									
Corporate governance									
Strategic alliances									
Ethics, integrity and anti-corruption									
Institutional involvement									
Regulatory compliance									
Economic aspects									
Economic management and performance									
Direct and indirect economic impacts									
Unfair competition									
Employment aspects									
Training, professional development and employment									
Equal opportunities, diversity and non-discrimination									
High-quality working conditions									
Products and services									
Product and service innovation									
Socially responsible financing and investment									
Social contribution									
Social action and investment									
Financial education and inclusion									
Environment									
Emissions									
Customer management									
Customer satisfaction									
Multi-channel services and digitalisation									
Information security and confidentiality									

Crèdit Andorrà and the Sustainable Development Goals

At the Crèdit Andorrà Group, our aim is to continue our efforts to act as a benchmark in Andorra in terms of excellence, responsibility and commitment in everything we do. In 2016, we signed the United Nations Global Compact, reinforcing our desire to take an active part in the growth of society through our corporate social responsibility actions.

We have also taken on the Sustainable Development Goals (SDGs), steering this commitment and acting as a route map towards active and committed participation in the challenges posed by the UN in the 2030 Agenda.

Based on our business operations, we have thus identified seven SDGs that we consider to be relevant and a priority in focusing our actions, aligning our business activity with social, economic and human initiatives to continue leading value generation in Andorran society.

SDG



Projects underway in 2019

> Fundació Crèdit Andorrà

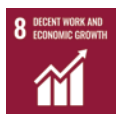
- *Healthy ageing* programme, through L'espai, a social centre for activities and training for those over 60 years old
- *La salut al dia (Up-to-Date Health)* programme
- Sponsorship of the Special Olympics Andorra Sports Foundation
- Support for the *Concòrdia* programme to save lives using umbilical cord blood
- Collaboration with the Càritas Andorrana Food Bank
- Collaboration in biomedical research in the field of lymphoma and leukaemia
- Social programme through the ONCA Foundation

> Crèdit Andorrà

- Sponsorship of popular sporting events
- Supporting channel
- Insurance and other health products (Pla Integral d'Assistència Mèdica (Comprehensive Medical Healthcare Plan), Crèditsalut)
- Support for the Biotech fund (private equities)
- Unicef Visa



- > Fundació Crèdit Andorrà
 - Postgraduate grant programme
 - Collaboration on University of Andorra training projects
 - Education programme through the ONCA Foundation
- > Crèdit Andorrà
 - Financial education initiatives:
 - Piolet and Carnet Jove 16PUNT30 cards
 - Research blog: financial content platform open to the public
 - Crèdit Andorrà Chair in Markets, Organisations and Humanism at IESE
 - Crèdit Andorrà Global Forum series
 - Regular training talks and workshops for business people and entrepreneurs in economics and finance
 - Young Banking Project
 - 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)
 - *Esquí Estudi (Ski Study)* programme
 - Career days for students and pupils in the three different education systems
 - Publications of interest on economics, law and other topics



- > Support and collaboration on initiatives linked to the country's main economic drivers: tourism, commerce and snow
- > Sponsorship of the Grandvalira, Vallnord and Naturlandia resorts
- > Collaboration with the businesses and associations of Andorra
- > Agreement with the Agentas Employment Agency
- > Summer internships for students
- > Sponsorship of events to boost the local economy



- > e-Crèdit, the first *online* bank in Andorra
 - Login using fingerprint and facial recognition
 - e-Broker
 - El meu gestor (my manager): online customer service
- > Payment methods: Crèdit Wallet
- > Contactless cards
- > Scale Lab Andorra business hyper-acceleration programme
- > Merkaat, the leading digital investment advisory service in Andorra
- > Biometric signatures for in-branch transactions
- > Collaboration with the Andorra clusters to create new economic sectors for the country
- > Partnerships with companies in the new digital economy: UniqVentures, Zenoquantum...

SDG

Projects underway in 2019



- > ISO 14001:2015 certified Environmental Management System
 - > Crediinvest Sustainability SICAV and Alcalá Flexible Sustainable Management funds
 - > New Crèdit Avui blog and newsletter
 - > Environmental education workshops at the Andorra la Vella Fair
 - > Guide to good environmental practices (*Sustainable Banking Guide*)
-




- > 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*
-



- > Member of the United Nations Global Compact
 - > Adherence to the United Nations Environment Programme Finance Initiative (UNEP FI)
 - > Participation in the National Voluntary Report on Achievement of the SDGs, conducted by the Government of Andorra
 - > Collaborations with economic, social and professional associations and entities
-

Global Reporting Initiative content index

General content

GRI Standards	Content	Page number or URL	Omissions	SDG
Organisational profile				
102-1	Name of the organisation	10		
102-2	Activities brands, products and services	19, 20, 24-42 All products and services can be looked up on the Crèdit Andorrà Financial Group's website.		
102-3	Location of headquarters	Avinguda Meritxell, 80, AD500 Andorra la Vella, Principality of Andorra		
102-4	Location of operations	19, 25, 31-33, 35		
102-5	Ownership and legal form	Crèdit Andorrà SA, authorised in 1949, is a limited company engaged in banking activities, which it performs as a commercial bank and as a private bank, and is subject to the rules and regulations governing financial institutions operating in Andorra. On 11 April 2011, the Andorran National Institute of Finance, currently the Andorran Financial Authority, authorised 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	19, 25, 31-33, 35 For further information, see the Crèdit Andorrà Financial Group's website.		
102-7	Scale of the organisation	4-5		

GRI
Standards

Content

Page number or URL

Omissions

SDG

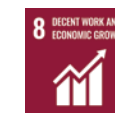
102-8 Information on employees and other workers

Workforce at 31 December

	2017	2018	2019
Andorra	475	469	471
Spain	141	258	226
Luxembourg	76	87	101
Mexico	31	13	13
Miami (USA)	38	40	38
Peru	11	9	6
Switzerland	12	3	1
Panama	54	59	44
Chile	2	1	0
Portugal	–	–	0
Crédit Andorrà Financial Group	840	939	900

Workforce with permanent contracts

	2017	2018	2019
Andorra	88%	89%	90%
Spain	98%	97%	100%
Luxembourg	96%	95%	96%
Mexico	100%	100%	100%
Miami (USA)	100%	100%	100%
Peru	100%	100%	100%
Switzerland	100%	100%	100%
Panama	100%	100%	98%
Chile	100%	100%	
Portugal	–	–	
Crédit Andorrà Financial Group	92%	93%	94%



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

Workforce working full time			
	2017	2018	2019
Andorra	100%	100%	100%
Spain	98%	97%	93%
Luxembourg	91%	89%	84%
Mexico	100%	100%	100%
Miami (USA)	100%	100%	100%
Peru	100%	100%	100%
Switzerland	75%	100%	100%
Panama	100%	100%	100%
Chile	100%	100%	
Portugal	–	–	
Crédit Andorrà Financial Group	98%	98%	96%

Workforce according to gender and working category			
	2017	2018	2019
Men	422	443	433
Senior management	115	107	91
Middle manager roles	67	59	77
Rest of the workforce	240	277	265
Women	418	496	467
Senior management	32	28	26
Middle manager roles	54	53	64
Rest of the workforce	332	415	377

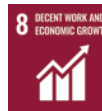


102-8 Information on employees and other workers (cont.)

Women on the workforce and in roles of responsibility








	2017		2018		2019	
	On the workforce	In roles of responsibility	On the workforce	In roles of responsibility	On the workforce	In roles of responsibility
Andorra	49%	27%	49%	29%	48%	30%
Spain	55%	22%	61%	28%	59%	36%
Luxembourg	43%	16%	48%	12%	50%	6%
Mexico	61%	100%	69%	100%	69%	60%
Miami (USA)	45%	55%	48%	56%	45%	125%
Peru	64%	75%	78%	100%	67%	100%
Switzerland	25%	33%	33%	0%	100%	0%
Panama	56%	58%	51%	52%	61%	65%
Chile	0%	0%	0%	9%	–	–
Portugal	–	–	–	–	–	–
Crédit Andorra Financial Group	50%	32%	53%	32%	52%	34%



Workforce according to gender and age group



	2017		2018		2019	
	Men	Women	Men	Women	Men	Women
Total	422	418	443	496	432	468
≤ 25 years	13	22	12	32	14	22
26-30 years	43	54	48	66	50	57
31-35 years	43	67	50	76	47	76
36-40 years	64	78	72	77	62	66
41-45 years	72	83	77	101	70	95
46-50 years	65	58	70	77	65	80
51-55 years	73	35	65	41	61	46
56-60 years	31	17	33	18	45	17
> 60 years	18	4	16	8	18	9

GRI Standards	Content	Page number or URL	Omissions	SDG																												
102-8	Information on employees and other workers (<i>cont.</i>)	<p>Workforce according to nationality</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>28%</td> </tr> <tr> <td>Rest of Europe</td> <td>54.3%</td> <td>54.5%</td> <td>61%</td> </tr> <tr> <td>Africa</td> <td>14.3%</td> <td>14.3%</td> <td>10%</td> </tr> <tr> <td>America</td> <td>0.1%</td> <td>0.1%</td> <td>1%</td> </tr> <tr> <td>Asia</td> <td>0.6%</td> <td>0.4%</td> <td>1%</td> </tr> <tr> <td>Oceania</td> <td>0.1%</td> <td>0.1%</td> <td>0%</td> </tr> </tbody> </table>		2016	2017	2018	Andorra	30.6%	30.6%	28%	Rest of Europe	54.3%	54.5%	61%	Africa	14.3%	14.3%	10%	America	0.1%	0.1%	1%	Asia	0.6%	0.4%	1%	Oceania	0.1%	0.1%	0%		
	2016	2017	2018																													
Andorra	30.6%	30.6%	28%																													
Rest of Europe	54.3%	54.5%	61%																													
Africa	14.3%	14.3%	10%																													
America	0.1%	0.1%	1%																													
Asia	0.6%	0.4%	1%																													
Oceania	0.1%	0.1%	0%																													
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 prioritises suppliers from the Principality of Andorra (local suppliers), as well as other local suppliers from the territories in which it operates.</p> <p>In 2019, the approximate value of purchases made by the Group from suppliers amounted to 45,000 thousand euros.</p>		 																												
102-10	Significant changes to the organisation and its supply chain	There were no significant changes in suppliers.																														
102-11	Precautionary principle or approach	<p>57-59</p> <p>Senior management has set up various risk management decision-making committees:</p> <ul style="list-style-type: none"> • The Assets, Liabilities and Risks Committee (COAPIR) is the body that establishes the capital base investment and asset and liability management strategies in accordance with the directives issued by the Board of Directors and the Executive Committee. • The Senior Loans Committee (CSC) is the independent high-level body that approves customer credit transactions based on certain thresholds and always ensuring that such transactions fulfil certain characteristics that prevent them from being approved at lower levels (Credit Committee and Office Committee, which also have certain approval powers assigned). • The Prevention of Money Laundering and Financing of Terrorism Committee (CPBFT) is the internal control and communication body established in virtue of the Money Laundering Prevention Act. Its competencies include structuring and supervising compliance with the regulations on combatting money laundering and financing of terrorism. 																														
102-12	External initiatives	23, 46-47																														

GRI Standards	Content	Page number or URL	Omissions	SDG
102-13	Membership of associations	23, 73-79 Crèdit Andorrà: Andorran Banking, Confederació Empresarial Andorrana (Andorran Business Confederation), Cambra de Comerç (Chamber of Commerce), Indústria i Serveis d'Andorra (Industry and Services in Andorra), Empresa Familiar Andorrana (Andorran Family Business), Asociación para el Progreso de la Dirección (APD - Association for the Advancement of Management), Trobada Empresarial del Pirineu (Business Meeting in the Pyrenees), EFMA, IESE (Crèdit Andorrà Chair in Markets, Organisations and Humanism), University of Andorra, Cercle d'Economia (Economy Series) and Círculo Ecuestre (Equestrian Series). Banque de Patrimoines Privés: Fonds de Garantie des Dépôts Luxembourg (FGDL), Système d'indemnisation des investisseurs Luxembourg (SIL), Association des Banques et Banquiers (ABBL) and Association Luxembourgeoise des Fonds d'Investissement (ALFI). Banco Alcalá: Asociación Española de Banca and Asociación de Instituciones de Inversión Colectiva y Fondos de Pensiones (INVERCO - Spanish Banking Association and Association of Collective Investment Institutions and Pension Funds). Beta Capital Wealth Management (Miami) • 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. • Beta Capital Management LLC: Securities and Exchange Commission (SEC).		
Strategy				
102-14	Statement from senior decision-maker	10-11		
102-15	Key impacts, risks, and opportunities	3, 10-11, 17, 58, 102		
Ethics and integrity				
102-16	Values, principles, standards, and code of conduct	61, 64-65		
102-17	Mechanisms for advice and concerns about ethics	64-65		
Governing bodies				
102-18	Governance structure	52-57		
102-19	Delegating authority	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.		

GRI Standards	Content	Page number or URL	Omissions	SDG
102-20	Executive-level responsibility for economic, environmental and social matters	56 All business lines and areas of the Crèdit Andorrà Financial Group are represented in the Crèdit Andorrà Executive Committee. Members of this committee have the power to make decisions on the operational and organisational 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	62-63 The Board of Directors determines information and communication policies according to shareholder input, the markets and public opinion.		
102-22	Composition of the highest governing body and its committees	The Regulations of the Board of Directors of Crèdit Andorrà, approved on 24 January 2008 and amended for the last time on 30 April 2014, gathers the legal framework, establishes the acting principles of the governing body, specifies the basic organisational and operating rules and the code 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 governing 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 organisation 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 Group's strategy.		
102-24	Nominating and selecting the highest governing 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.		
102-26	Role of highest governing 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 governing body	Information is provided in meetings of the Board of Directors on the primary issues to address and related to strategic business, economic, environmental and social matters.		

GRI Standards	Content	Page number or URL	Omissions	SDG
102-28	Evaluating the highest governing body's performance	There is no formal evaluation process. At least once a year, however, 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 organisational 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 organisation itself, from meetings with the various 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 issues.		
102-31	Review of economic, environmental, and social matters	Crèdit Andorrà Financial Group has a Global Risk Division, a Legal Advice, Regulatory Compliance and Prevention of Money Laundering Division and an Internal Audit Division, which reports directly to the CEO. The Audit and Risk 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	The role of the highest governing body in sustainability reporting	The Corporate Communication, Marketing and Client Digital Transformation Division 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 Client Digital Transformation Division is to monitor the organisation's performance 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 in the Strategic Plan and results in economic, social and environmental matters are evaluated in meetings of the Executive Committee and meetings of the Board of Directors. Based on this evaluation, decisions are made to continue or alter strategy.		
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 values. Severance compensation is subject to applicable law.		
102-36	Process for determining remuneration	The criteria set out in the remuneration policy are followed to determine the amount of compensation to be received. The company uses the "Hay" Job Evaluation method to assess job roles by profile and pay scale and to classify all positions and categories and salary ranges associated with these.		






GRI Standards	Content	Page number or URL	Omissions	SDG
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.	
102-40	List of stakeholder groups	62		
102-41	Percentage of employees covered by collective bargaining agreements	Crédit Andorrà does not currently have any collective agreements. The creation of an agreement is an option in accordance with the legislation in force that must come from the workers themselves.		
102-42	Identifying and selecting stakeholders	62		
102-43	Approach to stakeholder engagement	62-63		
102-44	Key topics and concerns raised	102		
102-45	Organisations included in the consolidated financial statements	101		
102-46	Defining report content and topic boundaries	101-103		
102-47	List of material topics	102		
102-48	Restatements of information	No relevant restatements took place involving information contained in previous reports. Where any data has been reformulated, this 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	101		
102-51	Date of most recent report	2018		

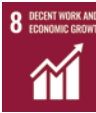
GRI Standards	Content	Page number or URL	Omissions	SDG
102-52	Reporting cycle	Annual		
102-53	Contact point for questions regarding the report	comunicacio@creditandorragroup.com		
102-54	Claims on the level of compliance with the GRI Standards	101		
102-55	GRI content index	http://informeanual.creditandorragroup.com/ca/		
102-56	External auditing	The report has not been subjected to external verification.		

Material topics

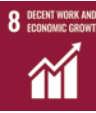

Economic topics

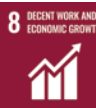




GRI Standards	Content	Page number or URL	Omissions	SDG
GRI 103: Management approach				
103-1	Explanation of the material topic and its boundary	103		
103-2	The management approach and its components	10-12, 16-17, 19, 25-26, 29, 31-33, 35, 62-63		
103-3	Evaluation of the management approach	4, 10-12, 18, 21, 25-26, 29, 31-32, 34, 54-57		

GRI Standards	Content	Page number or URL	Omissions	SDG
GRI 201: Economic performance				
201-1	Direct economic value generated and distributed	21		   
201-2	Financial implications and other risks and opportunities due to climate change	88-91 <p>Crèdit Andorrà believes that, due to its activity, the physical risks of climate change are minimal. Financial implications as a direct consequence for Group organisations as banking, financial, insurance and asset management institutions are, however, considered to be significant, as are the costs of any investments or expenditures to improve environmental performance and to respond to the challenges of climate change.</p> <p>The risks are the impacts of climate change on Andorra and the repercussions on the country's economy and the reputation risk from improper environmental management.</p> <p>The main opportunities are considered to be offering products to counter climate change and having a good reputation should environmental excellence be attained through the Environmental Management System.</p>		
201-3	Defined benefit plan obligations and other retirement plans		This information is confidential. The economic value of the benefits is confidential information.	
201-4	Financial support received from the government	As a banking entity, Crèdit Andorrà does not receive government support.		
GRI 202: Market presence				
202-1	Ratio of standard initial category salary per sex compared to the local minimum		This information is confidential.	






GRI Standards	Content	Page number or URL	Omissions	SDG																																																
202-2	Proportion of directors hired from the local community	<p>Directors from the country (by subsidiaries)</p> <table border="1"> <thead> <tr> <th></th> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Andorra</td> <td>57%</td> <td>56%</td> <td>56%</td> </tr> <tr> <td>Spain</td> <td>100%</td> <td>100%</td> <td>100%</td> </tr> <tr> <td>Luxembourg</td> <td>6%</td> <td>6%</td> <td>6%</td> </tr> <tr> <td>Mexico</td> <td>0%</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>Miami (USA)</td> <td>0%</td> <td>0%</td> <td>75%</td> </tr> <tr> <td>Peru</td> <td>0%</td> <td>100%</td> <td>100%</td> </tr> <tr> <td>Switzerland</td> <td>33%</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>Panama</td> <td>56%</td> <td>56%</td> <td>56%</td> </tr> <tr> <td>Chile</td> <td>0%</td> <td>0%</td> <td>–</td> </tr> <tr> <td>Portugal</td> <td>–</td> <td>–</td> <td>–</td> </tr> <tr> <td>Crédit Andorrà Financial Group</td> <td>54%</td> <td>55%</td> <td>61%</td> </tr> </tbody> </table>		2017	2018	2019	Andorra	57%	56%	56%	Spain	100%	100%	100%	Luxembourg	6%	6%	6%	Mexico	0%	0%	0%	Miami (USA)	0%	0%	75%	Peru	0%	100%	100%	Switzerland	33%	0%	0%	Panama	56%	56%	56%	Chile	0%	0%	–	Portugal	–	–	–	Crédit Andorrà Financial Group	54%	55%	61%		
	2017	2018	2019																																																	
Andorra	57%	56%	56%																																																	
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Panama	56%	56%	56%																																																	
Chile	0%	0%	–																																																	
Portugal	–	–	–																																																	
Crédit Andorrà Financial Group	54%	55%	61%																																																	

GRI 203: Indirect economic impacts

203-1	Investments in infrastructure and services to which support has been given	72		 
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GRI Standards	Content	Page number or URL	Omissions	SDG
203-2	Significant indirect economic impacts	5, 21, 72, 80-82		 
GRI 205: Combating corruption				
205-1	Operations assessed for risks related to corruption	61 The active struggle against corruption (including the prevention of money laundering, financing of 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 divisions. Analysis of risks related to corruption is regulated by law. Furthermore, the organisation also has an Internal Audit Division, a Global Risk Division, a Legal Advice, Regulatory Compliance and Prevention of Money Laundering Division, and a risk management function.		
205-2	Communication and training about anti-corruption policies and procedures	60, 69		
205-3	Confirmed incidents of corruption and actions taken	No confirmed incidents relating to corruption have taken place.		
GRI 206: Unfair competition practices				
206-1	Legal actions for unfair competition, anti-trust and monopoly practices	There have been no actions related to monopolistic and anti-competitive practices.		

Environmental topics

GRI Standards	Content	Page number or URL	Omissions	SDG
GRI 103: Management approach				
103-1	Explanation of the material topic and its boundary	103		
103-2	The management approach and its components	34-35, 47, 62-63, 84-86, 88, 90		
103-3	Evaluation of the management approach	5, 25-26, 29, 31-32, 35, 47, 85-86, 88, 90		
GRI 305: Emissions				
305-1	Direct (Scope 1) GHG emissions	88		
305-2	Indirect (Scope 2) GHG emissions	88		
305-3	Other indirect (Scope 3) GHG emissions	88		
305-4	GHG emission intensity	88		
305-5	Reduction of GHG emissions	5, 87-89		  
305-6	Emissions of ozone-depleting substances (ODS)	Crèdit 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 atmospheric emissions	Crèdit Andorrà does not produce NOx, SOx or other emissions.		

GRI Standards	Content	Page number or URL	Omissions	SDG
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GRI 307: Environmental compliance

307-1	Non-compliance with environmental legislation and regulations	No instances of non-compliance were recorded		
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Social topics

GRI Standards	Content	Page number or URL	Omissions	SDG
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Material topics: Training, professional development and employment

GRI 103: Management approach

103-1	Explanation of the material topic and its boundary	103		
103-2	The management approach and its components	62-63, 66, 68-71		
103-3	Evaluation of the management approach	5, 67-70		

GRI 401: Employment

401-1	New employee hires and employee turnover	67	New employee hires by gender and age group	
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	Andorra	Spain	Luxembourg	Mexico	Miami (USA)	Peru	Switzerland	Panama	Chile	Crédit Andorrà Financial Group
Men	18	17	14	0	2	0	0	0	0	51
< 25 years	3	3	1	0	0	0	0	0	0	7
26-35 years	7	4	4	0	0	0	0	0	0	15
36-45 years	3	4	5	0	1	0	0	0	0	13
46-55 years	4	3	2	0	0	0	0	0	0	9
> 56 years	1	3	2	0	1	0	0	0	0	7
Women	19	14	13	0	0	0	0	0	0	46
< 25 years	4	4	2	1	0	0	0	0	0	10
26-35 years	12	3	4	0	0	0	0	0	0	19
36-45 years	2	4	4	0	0	0	0	0	0	10
46-55 years	0	3	2	0	0	0	0	0	0	5
> 56 years	1	0	1	0	0	0	0	0	0	2
Total	37	31	27	0	2	0	0	0	0	97

GRI Standards	Content	Page number or URL	Omissions	SDG
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401-1 New employee hires and employee turnover (cont.)

Turnover rate according to gender

2019										
	Andorra	Spain	Luxembourg	Mexico	Miami (USA)	Peru	Switzerland	Panama	Chile	Crédit Andorrà Financial Group
Men	5.3%	7.5%	16.0%	25.0%	14.3%	0%	200.0%	35.3%	0%	9.3%
Women	5.3%	9.0%	9.8%	11.1%	5.9%	75%	0.0%	7.4%	0%	7.5%
Both genders	5.3%	8.4%	12.9%	15.4%	10.5%	50%	133.3%	18.2%	0%	8.3%

Voluntary resigning from the workforce

	2017	2018	2019
Andorra	7.8%	4.1%	3.6%
Spain	9.9%	7.8%	5.8%
Luxembourg	10.5%	18.4%	12.9%
Mexico	0%	46.2%	15.4%
Miami (USA)	15.8%	7.5%	7.9%
Peru	9.1%	0%	0%
Switzerland	0.0%	100%	200%
Panama	13.0%	10.2%	15.9%
Chile	50.0%	0%	0%
Portugal	–	–	–
Crédit Andorrà Financial Group	8.8%	7.8%	6.3%

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

70

401-3 Parental leave

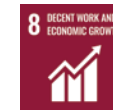
67

GRI Standards	Content	Page number or URL	Omissions	SDG
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GRI 404: Training and education

404-1	Average hours of training per year per employee	63-64 Training activity	Workforce in receipt of training			Average investment in training per employee (€/employee)			Training within working hours		
			2017	2018	2019	2017	2018	2019	2017	2018	2019
			Andorra	100%	100%	100%	752	644	526	14%	42%
Spain	87%	87%	72%	635	257	413	44%	73%	100%		
Luxembourg	99%	70%	26%	876	1445	1897	86%	0%	0%		
Mexico	90%	100%	85%	125	166	17	100%	80%	16%		
Miami (USA)	100%	100%	50%	578	446	267	47%	38%	39%		
Peru	9%	0%	0%	2,695	0	–	100%	0%	–		
Switzerland	92%	0%	0%	1,091	0	–	100%	0%	–		
Panama	100%	98%	95%	252	399	399	94%	100%	100%		
Chile	0%	0%		0	0	–	0%	0%	–		
Portugal	–	–		–	–		–	–			
Crédit Andorrà Financial Group	96%	92%	81%	689	568	528	23%	46%	41%		

No data available by gender and job category for Andorra, Spain or Luxembourg.



404-2	Programmes for refreshing employee skills and transition support programmes	69		
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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

Workforce subject to the effort evaluation system

	2019						
	Global	Senior management		Middle manager roles		Rest of the workforce	
		Men	Women	Men	Women	Men	Women
Andorra	100%	61	13	36	28	148	185
Spain	35%	7	1	7	1	31	33
Luxembourg	100%	15	1	4	7	31	43
Mexico	100%	0	1	3	6	1	2
Miami (USA)	58%	1	3	3	2	8	5
Peru	0%	0	0	0	0	0	0
Switzerland	0%	0	0	0	0	0	0
Panama	100%	3	5	3	6	11	16
Chile	0%	0	0	0	0	0	0
Crédit Andorrà Financial Group	81%	87	24	56	50	230	284

Material topics: Equal opportunities, diversity and non-discrimination



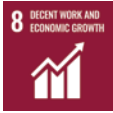

GRI 103: Management approach


103-1	Explanation of the material topic and its boundary	103
103-2	The management approach and its components	62-63, 66, 68, 70
103-3	Evaluation of the management approach	5, 67-68, 70

GRI 405: Diversity and equal opportunities

405-1	Diversity in the governing bodies and among employees	53, 67
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GRI Standards	Content	Page number or URL	Omissions	SDG
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	66 Crédit Andorrà has not recorded any discrimination cases		
Material topics: Multi-channel services and digitalisation				
GRI 103: Management approach				
103-1	Explanation of the material topic and its boundary	103		
103-2	The management approach and its components	8, 41, 62-63, 25, 41-42, 48		
103-3	Evaluation of the management approach	5, 9, 72, 74-79, 84		
GRI 413: Local communities				
413-1	Operations with local community engagement, impact assessments and development programmes	5, 72, 74-79		
413-2	Operations with significant actual and potential negative impacts on local communities	5, 72-73, 84		
FS13	Access points in areas with small populations or economically disadvantaged areas by type	5, 8, 25, 41		


GRI Standards	Content	Page number or URL	Omissions	SDG
FS14	Initiatives to improve access to financial services for people with disadvantages	41-42, 48		 

Material topic: Information security and confidentiality

GRI 103: Management approach

103-1	Explanation of the material topic and its boundary	103		
103-2	The management approach and its components	64		
103-3	Evaluation of the management approach	64		

GRI 418: Customer privacy

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	64		
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Crèdit 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 other Group companies provide their services in compliance with the legislation applicable at the time and in the country in which the service is provided.

Crèdit 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. 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 minimise risks of non-compliance and ensure coordination between the various Group divisions. The purpose of this department arises from the firm commitment to extend all our knowledge acquired in the area of IT security to the other criteria relating to documented information, necessarily considered a critical aspect within the Group's operations.

Its governing principles are:

- Confidentiality: ensures that information can only be consulted by authorised persons, and legal standards and requirements related to personal data protection and data privacy are complied with at all times.
- Integrity: ensures that stored information is complete and corresponds with the real situation at all times.
- Availability: ensures that information is available on demand when needed to conduct required queries or operations.

Crèdit Andorrà has not recorded any complaints about respect for privacy or loss of customer data.


GRI Standards	Content	Page number or URL	Omissions	SDG
GRI 419: Socio-economic compliance				
419-1	Non-compliance with laws and regulations in the social and economic areas	Crédit Andorrà has not recorded any non-compliance with laws and regulations in the social and economic areas		

Table of contents of the Global Compact

Principles of the United Nations Global Compact	Pages or direct response	GRI Standards
Human rights		
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights, within their area of influence.	61	102-16, 102-17, GRI 205, GRI 206, GRI 307, GRI 401, GRI 404, GRI 405, GRI 406, GRI 419
Principle 2: Businesses must make sure that they are not complicit in human rights abuses.	61	GRI 205, GRI 206, GRI 401, GRI 404, GRI 405, GRI 406, GRI 419
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Crédit Andorrà does not currently have any collective agreements. The creation of an agreement is an option in accordance with the legislation in force that must come from the workers themselves.	102-41
Principle 4: Businesses should support the elimination of all forms of forced and compulsory labour.	Crédit Andorrà does not perform operations that involve any risk of leading to instances of forced or compulsory labour.	102-16, 102-17
Principle 5: Businesses should support the effective abolition of child labour.	Crédit Andorrà does not perform operations that involve any potential risk of incidents involving child labour.	102-16, 102-17
Principle 6: Businesses should support the elimination of discrimination in respect of employment and occupation.	61, 66	102-8, 102-16, 102-17, GRI 405, GRI 406
Principle 7: Businesses should support a precautionary approach to environmental challenges.	84-91	102-11, 102-16, 102-17, GRI 305, GRI 307
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	84-91	102-16, 102-17, GRI 305, GRI 307
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	85-87, 89-91	GRI 305, GRI 307
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	61	GRI 205



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