



# Annual Report 2021





# TABLE OF CONTENTS

---

MicroBank in 2021 **p. 4**

Introductory letters **p. 7**

---

## 01

MicroBank's  
commitment

**p. 10**

---

## 02

MicroBank's  
key strategies

**p. 12**

---

## 03

MicroBank's  
teamwork with  
CaixaBank and its  
main stakeholders

**p. 14**

---

## 04

Business  
model

**p. 24**

---

## 05

Impact of our  
business

**p. 32**

---

## 06

Corporate  
governance

**p. 48**

---

## 07

Economic-financial  
information

**p. 56**

---

Annexes

**p. 60**



## MicroBank in 2021

MicroBank operates  
in a number of  
areas related to  
the Sustainable  
Development Goals



4



Microcredits  
and other financing  
with social impact

**102,080**

microcredits granted

For an amount of:

**€742<sub>M</sub>**

**5,142**

other loans with a social impact

For an amount of:

**€209<sub>M</sub>**

## Contribution .....



...to economic  
growth and job  
creation

**17,007**

direct jobs created  
with support for entrepreneurs

**6,672**

businesses launched  
with the financial support provided

**€3,595<sub>M</sub>**

contributed to the Spanish GDP by  
companies that received funding



...to financial  
inclusion

**86,859**

family microcredit recipients

**15,221**

entrepreneurs took out  
a Business Microcredit

**€34<sub>M</sub>**

in microcredits for entrepreneurs supported by social  
institutions

**€0.5<sub>M</sub>**

in microcredits for highly vulnerable people



...to generating  
a positive social  
impact

**€28<sub>M</sub>**

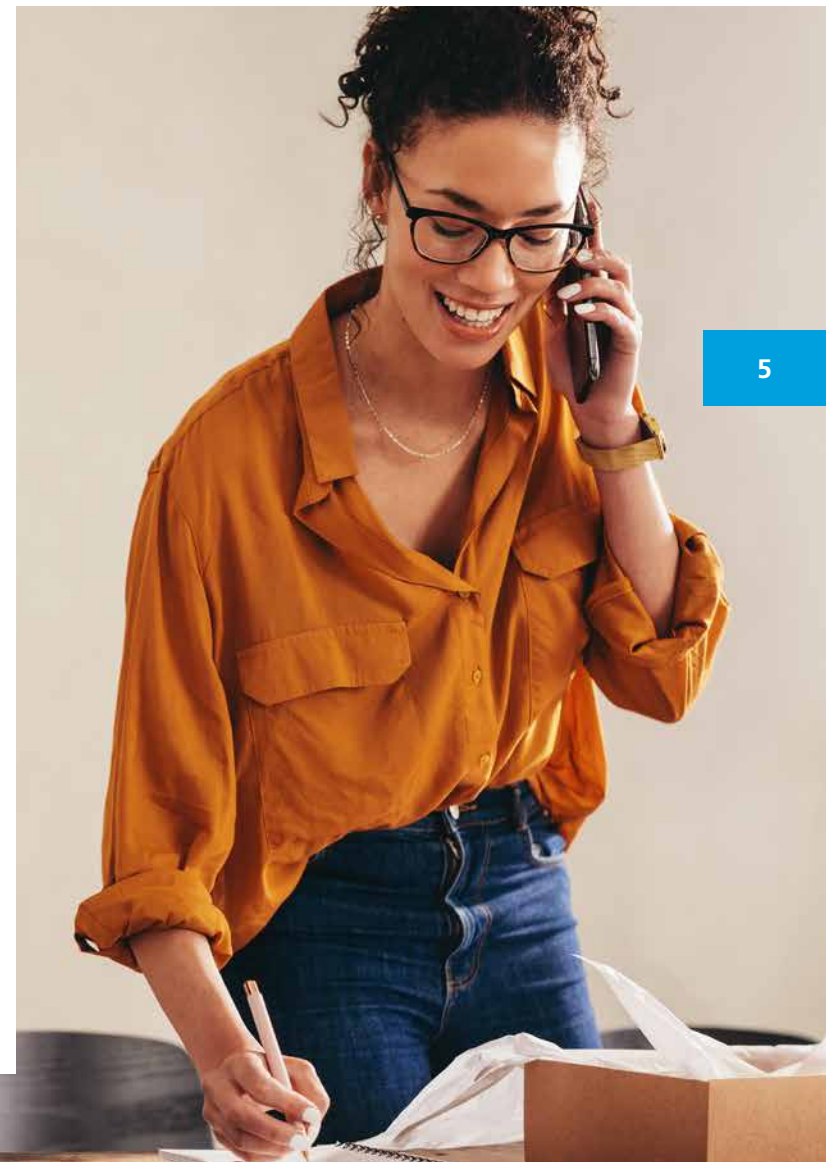
for social enterprises

**50%**

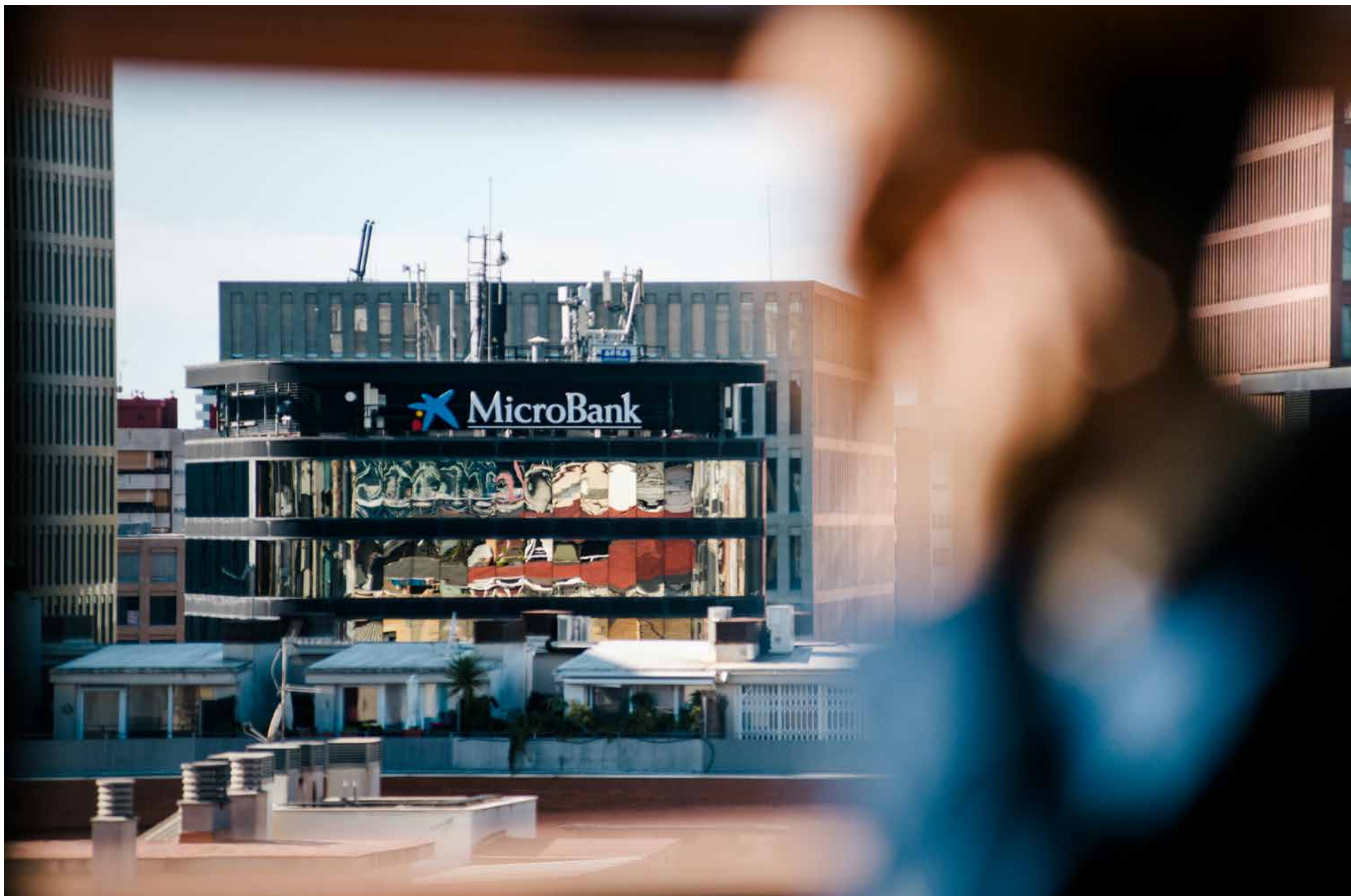
of beneficiaries assisted thanks  
to the loan from MicroBank

**4,619**

of microcredits granted used to  
mitigate the effects of COVID-19









## Letter from the Chairman of CaixaBank

2021 will be remembered as a year of economic and social recovery following the sharp downturn we experienced after the pandemic hit in the first part of 2020. Although this recovery is great news, we must bear in mind that not everyone benefits equally from it.

For CaixaBank, 2021 was undoubtedly one of the most important years in our history. A year that saw the merger between CaixaBank and Bankia, which made us the country's leading financial institution and the benchmark for more than 20 million customers in Spain and Portugal. This is not only a reason for all of us to be proud, but also carries with it a great responsibility, to our customers, to the region and to society as a whole.

We take on this responsibility with great resolve, because we are very aware of the impact that our activity has on society for two reasons: firstly, we help companies and families by financing their projects and managing their investments; and secondly, a very substantial portion of our profits are given back to society through the welfare projects of the "la Caixa" Banking Foundation.

CaixaBank is in a strong position as it has achieved a very significant critical size, great financial soundness and an extraordinary ability to achieve sustainable profits. This should help us to continue to fulfil our purpose, which is none other than to continue supporting companies and families because this is the best way to help the socio-economic recovery of our country and, therefore, the wellbeing of our society.

And to ensure that this recovery reaches everyone, we have a model of banking with a difference. This model is based on a great commitment to service, driven by our passion for being close to our customers and to society as a whole.

It is within this banking model that MicroBank, CaixaBank's social bank, plays a key role in supporting and assisting customers through microcredits and financing with social impact, carrying out extraordinary work to promote inclusion, cohesion and social entrepreneurship.

In 2020, MicroBank's performance reached record figures in the wake of the outbreak of the pandemic, both in terms of the number of transactions and the amount, with an enormous effort made to help vulnerable families, entrepreneurs and small businesses hit by COVID-19. Because while it is true that the crisis affected the whole of society, its effects were even more acute on the most vulnerable groups.

In 2021, the institution has continued to grow even more, achieving figures of which we are deeply proud and which mean that, since its foundation in 2007, MicroBank has helped more than 940,000 families and more than 215,000 small businesses to make their projects a reality.

Looking ahead, there is no doubt that CaixaBank enjoys a privileged position as a result of the merger that allows us to confidently face the challenges ahead of us as a society, as a sector and as an institution. We want to equip ourselves with the necessary capabilities to spearhead the transformation process currently taking place in our sector. To do so, we rely on solid financial strength, strong solvency and a unique distribution model, but above all we rely on the trust of our customers and the commitment of the entire team at CaixaBank.

Ultimately, our approach is based on a model of banking that is very inclusive and close to society and to the needs of families and businesses. A model in which the "what", the goals, are very important; but the "how", the ways of doing things, must be truly distinctive.



**José Ignacio Goirigolzarri**

Chairman of CaixaBank

## Letter from CaixaBank's CEO

The CaixaBank Group closed 2021 having cemented its position as the leading financial institution in the Spanish market.

We successfully completed the largest merger in the sector in Spain, and in just eight months we have integrated the teams, the business model and the technology systems of the two original institutions. More importantly, this major drive for integration has gone hand in hand with a tremendous development of our business activity and service to our more than 20 million customers in Spain and Portugal.

Following the integration of Bankia, the Group manages assets of €680,036 million; it has the most extensive business network in Spain, with 4,615 retail branches and 13,008 ATMs; it provides face-to-face service in more than 2,600 municipalities, and continues to be the benchmark in digitisation, with more than 10 million digital customers. This significant presence and distribution capacity, combined with the Group's considerable financial strength, positions us as a key player in supporting families and companies and thereby contributing to the recovery of the economy.

MicroBank plays a key role in achieving this goal, by providing access to financial solutions for the most vulnerable groups and families, and by supporting entrepreneurs and microenterprises so that they can grow their businesses and create jobs.

MicroBank's work, which has been instrumental since its founding in 2007, became even more vital during the COVID-19 pandemic, when many people needed support to cope with unforeseen needs or to ensure the viability of their businesses. In 2021 MicroBank carried out more than 107,000 transactions, the highest figure since its inception, which led to the creation of 6,672 new businesses and 17,007 new jobs.

In its almost 15 years of history, MicroBank has granted microcredits for a total amount of €6,906 million and has contributed to the protection or creation of more than 280,000 jobs. It also funded a total of €514 million in projects with a positive social impact in sectors such as healthcare, education or social economy.

Today, MicroBank is the European benchmark in financing with social impact and, with the ongoing support of CaixaBank, it makes an effective contribution to the development of society as a whole and to the achievement of the United Nations (UN) Sustainable Development Goals (SDGs).

At the CaixaBank Group, we are aware that financial institutions have an important role to play in helping to mobilise capital towards a more inclusive and sustainable economy, which is why we continue to make significant progress in the area of sustainability. We recently approved a new Sustainability Master Plan for the coming three years, with MicroBank continuing to play a key role in fulfilling CaixaBank's purpose.

We are also aware that our success depends on remaining true to our long-standing values and acting at all times in the service of our customers and society as a whole. We will work to continue supporting families, entrepreneurs and businesses, and to continue offering solutions that contribute to social progress. This is the very essence of the CaixaBank Group and also that of its main shareholder, "la Caixa".



**Gonzalo Gortázar Rotaache**  
CEO of CaixaBank





## Letter from MicroBank's Chairman

We will remember 2021 as another year inextricably linked to the pandemic. While the arrival of the vaccine was the best piece of news of the year, the emergence of new variants has prevented the end of the pandemic and, despite signs of recovery, the economic fallout continues to affect the most vulnerable families and companies of all sizes and across all sectors of activity.

Against this backdrop, at MicroBank, CaixaBank's social bank, we have focused our efforts on contributing to the economic recovery of families, entrepreneurs and social enterprises. Specifically, throughout 2021 we granted financing for a total value of €953 million, which has resulted in 107,222 transactions in Spain, an increase of 5.85% compared to the previous year. While in 2020 the emergence of COVID-19 shaped MicroBank's activity with an emphasis on microcredits to entrepreneurs and microenterprises (who suffered severe financial impact due to the restrictions and the effects of the pandemic and needed considerable liquidity to keep their businesses running), in 2021 the focus has shifted to families. The microcredits provided by MicroBank to help meet the needs and unforeseen expenses of vulnerable people have grown by 46.8% in 2021, to help almost 87,000 families with financing of €546.85 million.

However, microcredits aimed at businesses remain a cornerstone of our work, and during 2021 we contributed to the financing of 15,221 projects with €195.8 million that have served to create jobs, wealth and wellbeing in the region. A number of these projects have been true success stories in spite of the challenging environment, which encourages us to continue our efforts in bringing more and more stories of personal achievement to a happy ending.

2021 was also a year of growth in the financing facilities aimed at sectors with a social impact, such as healthcare,

education and the social economy, in which we invested €210 million, an increase of 36.7% compared to 2020.

These figures highlight the success of the path we have embarked on to position ourselves as a bank for financing with social impact and the achievement of the goals set out in our 2019-2021 Strategic Plan. Within a short period of time we have managed to solidify our position as a benchmark in financing with social impact. We will continue our efforts to further expand this vision, not forgetting the considerable work that MicroBank carries out in the area of microfinance, where we are a leading institution in Europe.

These successes, however, would not have been possible without the involvement of CaixaBank and the European institutions that support our activity in the areas of entrepreneurship and microfinance. This is a team effort, a collective achievement in which CaixaBank continues to demonstrate its inherent social awareness and commitment to the most underprivileged people and groups. This has led to some of the most prestigious European institutions in the sector endorsing and promoting MicroBank's work towards generating wealth, progress and wellbeing in the region.

2022 brings with it new challenges for the future, defined in particular by the merger with Bankia. This transaction has made CaixaBank a market leader and will undoubtedly allow it to further translate its social commitment into concrete actions. The merger also opens up new growth opportunities for MicroBank in a year in which digitalisation and new strategic alliances will also serve to further our mission of providing access to credit for the most vulnerable groups and creating jobs and wealth through microcredits for entrepreneurs and microenterprises, as well as supporting sectors with a social impact.



**Juan Carlos Gallego**

Chairman of MicroBank



01

10

## MicroBank's commitment

MicroBank, the CaixaBank Group's social bank, is a leader in financial inclusion through microcredits. MicroBank's goals revolve around meeting needs that are not sufficiently covered by the traditional lending system, following the stringent and sustainable standards of a banking institution.

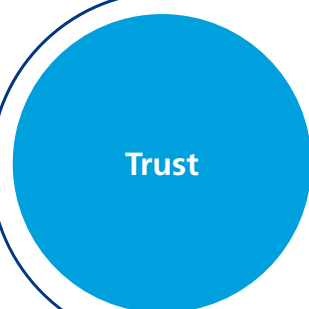
## MicroBank's actions are governed by the corporate values of the CaixaBank Group:

A commitment to service and offering outstanding customer care with the appropriate products and services for every customer.



Quality

The sum of honesty and professionalism. It must be cultivated with empathy, dialogue and by being close and accessible.



Trust

A commitment not only to provide value to customers and employees, but also to contribute to the development of a fairer society with greater equality of opportunity.



Social  
commitment

MicroBank combines the contribution of social value, by meeting needs that are not sufficiently covered by the traditional credit system, with the provision of the necessary resources so that projects can continue to grow at the pace required by the existing demand, in line with the rigour and sustainability inherent to a bank. In doing so, it creates a social banking model that provides access to credit through high-quality financial services, with the following goals:



**Job creation** through the launch or expansion of businesses by granting microcredits to entrepreneurs and social enterprises.



**Financial inclusion**, promoting equal access to credit, in particular for those unable to provide guarantees, along with access to banking services for new customers through CaixaBank's commercial network.



**Promoting production activity**, granting financial assistance to self-employed persons and microenterprises as a means of boosting the economy.



**Generation of social and environmental impact**, by granting financial support for projects that have a positive and measurable social impact.



**Personal and family development** by meeting the financial needs of people with moderate income and helping them overcome temporary difficulties through microcredits.



**Direct, indirect and induced contribution** to the Spanish economy in terms of **GDP impact and job creation**.





# 02

12

## MicroBank's key strategies

2021 marks the completion of the 2019-2021 Strategic Plan. This plan was focused on shifting the bank towards a more ambitious model, from a bank specialising in microfinance to a leading bank in finance with social impact.

However, some of the plan's objectives were adjusted in response to the COVID-19 pandemic, and priority was always given to reaching the groups that needed it most at such a sensitive time from a social and economic point of view. As a result, our work has strengthened the shared commitment we have with CaixaBank: to contribute to the welfare of society, especially for the most vulnerable groups.

The main points set out in the 2019-2021 Strategic Plan have been achieved to a high degree.

## Strategic Areas 2019-2021

### A Maintaining the focus on the traditional business

- Optimising the microfinance business

### B Strengthening of our organisational and management abilities

- Organisational integration/coordination with CaixaBank
- Improving the quality of and access to management information
- Adapting risk functions to new requirements

### C Transition from microcredit leadership to leadership in banking with a social impact

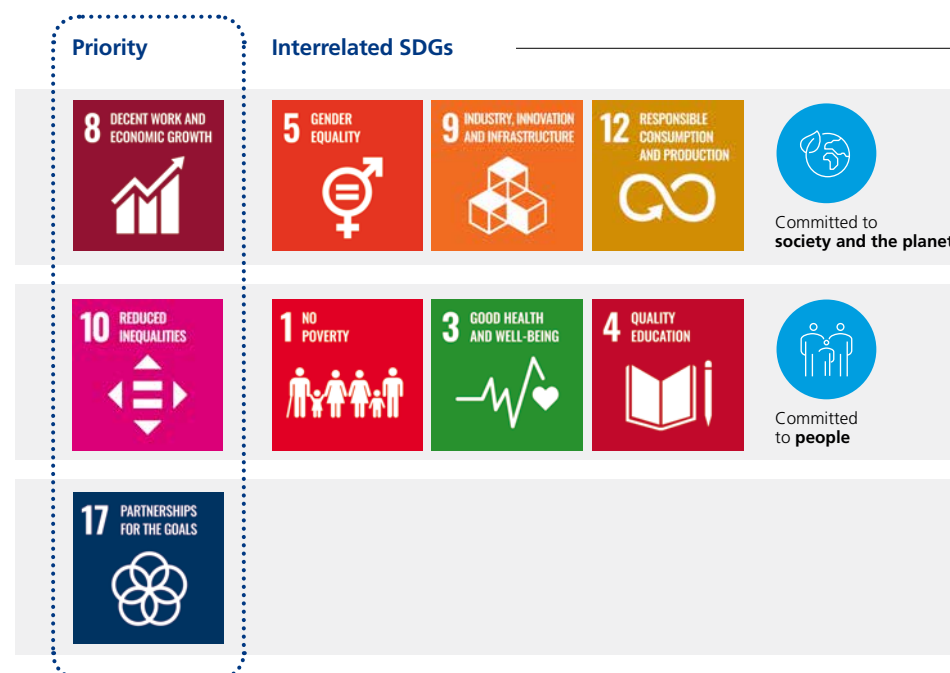
- Development and validation of the expanded value proposition.
- Repositioning the bank with regard to its stakeholders

Society is changing and we are faced with new challenges every day that require strategic updates marking out a new roadmap for the coming years. Preparation of the next Strategic Plan, which is currently underway, reflects new opportunities for growth in a year in which digitalisation and new strategic alliances will also serve to further our mission of providing access to credit to the most vulnerable groups and continuing to contribute to the Sustainable Development Goals.

## MicroBank's contribution to the 2030 Agenda

In September 2015, the United Nations General Assembly adopted the 2030 Agenda for Sustainable Development, an action plan for people, the planet and prosperity, which also aims to strengthen universal peace and access to justice. The 2030 Agenda for Sustainable Development includes 17 Sustainable Development Goals with 169 targets covering economic, social and environmental aspects.

Through its activity and business model, MicroBank contributes to the Sustainable Development Goals. Specifically, three priority SDGs have been identified, which in turn are interrelated with six others, to which MicroBank also contributes in a multidisciplinary way. Section "5. Impact of our business" lists the specific targets to which MicroBank contributes.



# 03

14

## MicroBank's teamwork with CaixaBank and its main stakeholders

The support of CaixaBank, the involvement of European financial institutions and the high level of capitalisation, along with a wide distribution network, are the essential strengths enabling MicroBank to achieve its goals, which focus on meeting needs that are not sufficiently covered by the traditional lending system.



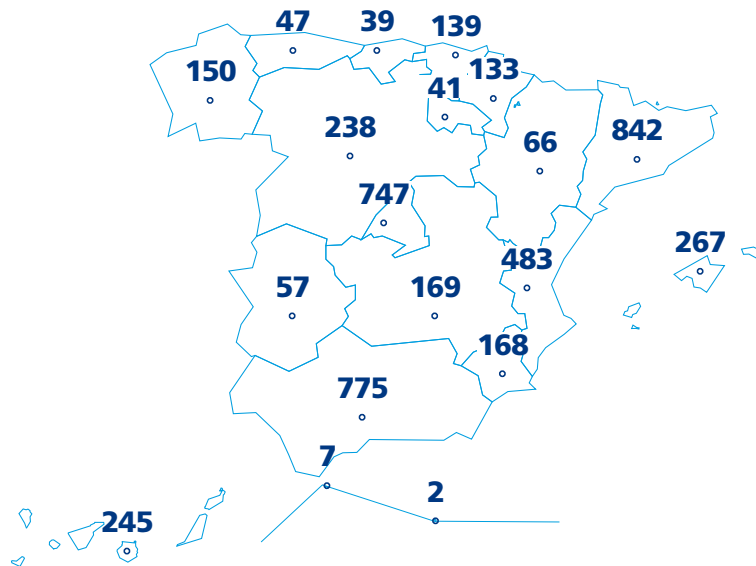


## Relationship between CaixaBank and MicroBank

CaixaBank is MicroBank's sole shareholder. It has supported MicroBank since its foundation in 2007 by providing it with the financial support required to grow its lending business and by marketing its products through the more than 4,000 branches in its network, putting the entire range of options at the customers' disposal with the highest possible levels of service quality and proximity, which enables MicroBank to serve all groups, including the most vulnerable.

The relationship between CaixaBank and MicroBank is governed by an agency agreement by virtue of which CaixaBank provides MicroBank with comprehensive support and marketing services.

**4,615**  
retail branches



"Through MicroBank, we help many entrepreneurs to achieve their dreams, and we also support families facing the greatest difficulties so that they can cope with unforeseen

events. The extensive coverage provided by CaixaBank's commercial network makes it possible to reach everyone, even those who live in less populated areas. This is exciting and motivating for me on a personal and professional level."

**María Lourdes Montes Salvador**

Manager of branch 7413 (Almería)



"MicroBank is a longstanding EIF partner and has benefited from several guarantee programmes over the years. This cooperation supports the bank in strengthening

and broadening its inclusive approach, making financial services available to all, without discrimination. Be it a migrant or unemployed person, a student, a female entrepreneur or a social enterprise, everyone is given an opportunity by MicroBank to fulfil their dreams."

**Cristina Dumitrescu**

Senior Investment Manager at the European Investment Fund for Inclusive Financing

## Support from European institutions

MicroBank is supported by the major European institutions dedicated to the promotion of entrepreneurship and microfinance. We act as intermediaries between the institutions and the end client, by channelling funds from the European Commission.

### European Investment Fund (EIF)

Since 2008, MicroBank and the EIF have been working closely together to promote funding for launching, consolidating or expanding entrepreneurial or business projects. They first began working together through the Competitiveness and Innovation Framework Programme (CIP).



The following programmes were continued in 2021:



## | COSME II Programme

The programme provides MicroBank with guarantees to cover part of the risk it undertakes when granting microcredits.

The current agreement will enable microcredits worth a total of €1.2 billion to be granted to entrepreneurs and microenterprises with the aim of promoting entrepreneurship.

### **COSME COVID-19**

As part of the COSME programme, in 2020 MicroBank signed a new agreement aimed at entrepreneurs in need of liquidity to ease the effects of the pandemic. The agreement, which is still in force, will allow €310 million to be allocated for this purpose.



## | ERASMUS Master

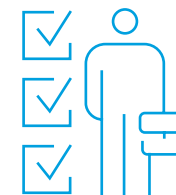
This agreement provides university students with limited means with access to Erasmus Master's studies, thus encouraging them to broaden their studies in European universities located in a country other than their country of residence.



## | EaSI Programme (Employment and Social Innovation) for the funding of social enterprises

As part of the close relationship between MicroBank and the EIF, the two parties decided to sign a new guarantee agreement in July 2018. This agreement is extremely important for the institution as it allows for the launch and consolidation of one of the new lines of business included in the strategic plan: the funding of companies and organisations operating in the social economy.

The agreement, which was initially for an amount of €50 million and was increased in 2020 to €130 million, will continue to provide financial support to social enterprises until 2023.



## | Skills and Education Programme

In 2021, MicroBank signed a new agreement with the European Investment Fund (EIF) to improve access to finance for individuals and organisations wishing to invest in training and education with the aim of improving employability.



## European Investment Bank (EIB)

In 2013, MicroBank became the first European bank to receive funding from the EIB for the purpose of granting microcredits. Since then, it has taken out three loans with the EU bank for an amount of €190 million, aiming to promote access to long-term funding and job creation, in particular for young people.

## Council of Europe Development Bank (CEB)

The CEB has supported MicroBank's business since its foundation.

The funds received from the CEB enable MicroBank to grant new microcredits and contribute to its ability to continue to offer highly competitive conditions adapted to its customers' needs.



<b>Impact of MicroBank's collaboration with the EIF</b>	<b>Amount</b> <b>€2,198 M</b>	<b>Microcredits</b> <b>171,642</b>	<b>Average amount</b> <b>€12,806</b>
<b>Impact of the EIB loan on MicroBank's business</b>	<b>Amount</b> <b>€267.7 M</b>	<b>Microcredits</b> <b>23,923</b>	<b>Average amount</b> <b>€11,188</b>
<b>Impact of the CEB loan on MicroBank's business</b>	<b>Amount</b> <b>€660.9 M</b>	<b>Microcredits</b> <b>69,392</b>	<b>Average amount</b> <b>€9,524</b>

## Collaborating institutions

Another essential element of MicroBank's strategic goals are the 270 institutions that cooperate actively with the bank in order to promote self-employment by providing access to funding through microcredits, in particular among the groups most at risk of financial exclusion.



"At the Red Cross we deal with people at risk of financial exclusion every day. Our knowledge of their situation and the advice and technical support services we offer, together with MicroBank's extensive work in granting microcredits, have become a perfect tandem in recent years supporting the creation of self-employment projects by vulnerable groups."

### Maika Sánchez

Head of the Employment Department at the Spanish Red Cross

Types of institutions that collaborate with MicroBank:

**92**

town/city councils

**39**

chambers of commerce

**88**

non-profit organisations

**11**

universities and business schools

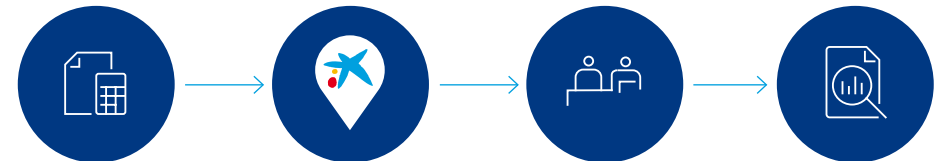
**40**

other public authorities

**270**

**institutions in total**

These institutions act as a link between potential customers and MicroBank.



The entrepreneur turns to the collaborating institution for advice and to issue the feasibility report.

The entrepreneur applies for the microcredit at the branch.

The branch has a conversation with the entrepreneur and submits the documents to MicroBank.

MicroBank's Risk Committee adopts a decision on the transaction and communicates this to the branch.

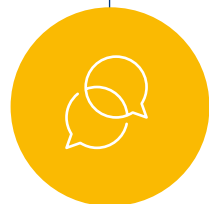


## Services provided by the collaborating institutions



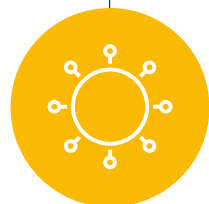
### Assessment

They provide knowledge about customers applying for a microcredit, which contributes to better transaction assessment.



### Support

They offer advisory and technical support services to entrepreneurs, which the latter need to draw up their business plans and conduct prior assessments regarding the feasibility and coherence thereof.



### Universalisation

They contribute to expanding the distribution network for MicroBank's products and services, above all among the groups with the greatest difficulty in accessing funding.

In 2021, MicroBank provided €34 million in microcredits to support entrepreneurs who needed the advice of collaborating entities in the social area.

Some of the most prominent entities in terms of number and amount of transactions are Incorpora - "la Caixa" Foundation; Andalucía Emprende; the Spanish Chambers of Commerce, Industry, Services and Navigation; the Women's Institute; the Spanish Red Cross; the Canary Islands Employment Service and Fundación Acción contra el Hambre.

## Business Microcredits / Institutions Agreement

**1,825**  
benefitting entrepreneurs

**€34 M**  
granted in total

Through this collaborative network, we can reach entrepreneurs who need the advice of an institution to carry out their business project.

Most requested types of support in the first months:

	First three months
Management	79%
Communication and marketing	71%
Digitalisation and e-commerce	39%
Logistics	25%
Finances	64%
People management	32%
Personal aspects of the entrepreneur	82%

Monthly hours allocated to support entrepreneurs:

	0 to 5	6 to 10	11 to 15	16 to 20
First three months	9%	55%	27%	9%
After three months, during the first year	59%	18%	9%	14%

Thanks to this non-financial support, entrepreneurs have been able to improve their financial (66%) and commercial (68%) management skills, with a positive effect on their business.



## Our employees

As a bank with a social impact, we foster the development of people's potential and talent. We believe in diversity and empowerment and strive to constantly improve our employees' experience.

MicroBank's staff is made up of 53% men and 47% women. The average age is 45 years old. All staff have permanent contracts.

Our employees are key to the achievement of MicroBank's objectives and this is why we want to attract the very best professionals and encourage human development in a great working environment.



### Talent development

In 2021, we have implemented new programmes to improve the skills of our staff, who have completed a total of nearly 700 hours of training. Among them are the Corporate Management Development Plan and the onboarding of new employees.

At the same time, discussions have been held with employees to identify areas for improvement and development and to draw up Individual Development Plans.

### Diversity and equality

MicroBank has in place a robust framework of effective policies that ensure equality and promote diversity in all aspects. In addition to the Group policies it follows, MicroBank has its own work-life balance protocol, protocol for the prevention, treatment and eradication of sexual and workplace harassment and protocol for unmarried couples.

### Family-responsible company

MicroBank has held the EFR (family-responsible company) certificate awarded by the Másfamilia Foundation since 2018. This certificate recognises good practices at organisations implementing models for reconciling work, personal and family life.



## MicroBank customers

Matching financial products to customers' real needs is fundamental to achieving our objectives. CaixaBank's commercial network and the collaborating institutions transmit the customers' perceived needs to MicroBank. The process of launching a new product involves the development of the product by MicroBank's team and the approval by CaixaBank's Product Committee, which analyses its features and associated risks along with its appropriateness for the audience at which it is aimed.

22

MicroBank's customers can be segmented as follows:

**39.4%**

entrepreneurs and  
microenterprises

**57.7%**

families

**2.9%**

social enterprises

### Customer profile



#### Entrepreneur profile

Average applicant age range:  
**36-45 — years old**

Gender:  
**63% — men**

Nationality:  
**79% — Spanish**

Education:  
**68% — without higher education**



#### Family profile

Average applicant age range:  
**36-45 — years old**

Gender:  
**51% — women**

Nationality:  
**80% — Spanish**

Education:  
**89% — without higher education**



## Customer Support Department

MicroBank is committed to providing its customers with precise, accurate and understandable information about transactions, fees and procedures in order to channel complaints and resolve any incidents.

MicroBank has signed up to CaixaBank's Customer Protection Regulations.

Complaints received through the Customer Support Department and the Bank of Spain in 2021.

**62**  
complaints received

**31%**  
settled in favour of the institution

**69%**  
settled in favour of the customer



**11%**  
not admitted

## Customer satisfaction

Excellence is one of MicroBank's fundamental values and therefore customer satisfaction lies at the heart of our professional activities.

MicroBank conducts half-yearly customer satisfaction surveys with both families and entrepreneurs.

### Management ratio figures

	2021
<b>Businesses</b> 	
Customers satisfied or very satisfied with MicroBank's services	<b>93.6%</b>
Average score	<b>8.84</b>
Highest-rated aspect of the service	<b>Care and service received from staff</b>
Second highest-rated aspect of the service	<b>Turnaround times</b>
<b>Families</b> 	
Customers satisfied or very satisfied with MicroBank's services	<b>94.1%</b>
Average score	<b>8.93</b>
Highest-rated aspect of the service	<b>Care and service received from staff</b>
Second highest-rated aspect of the service	<b>Turnaround times</b>

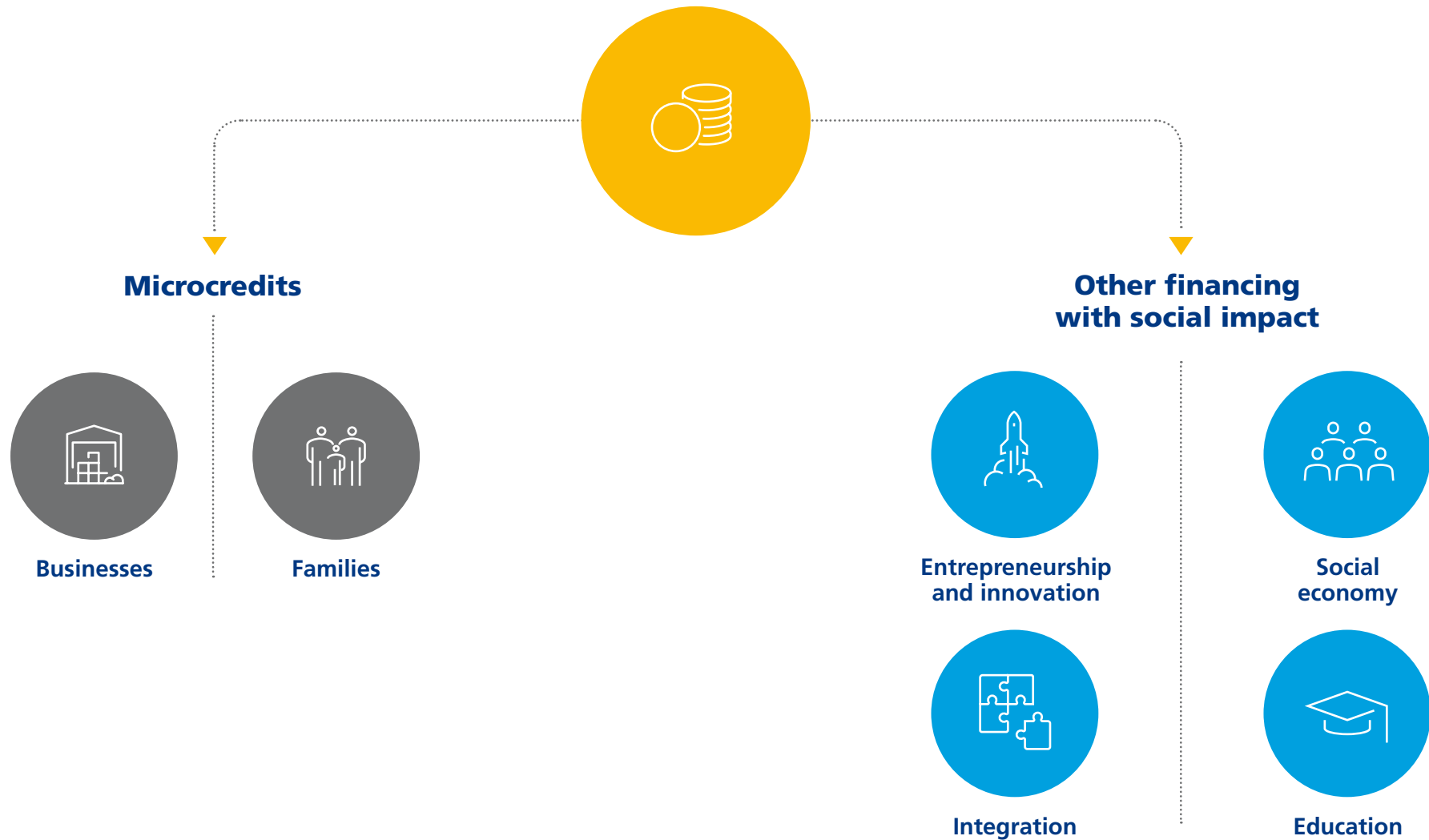


## 04

## Business model

MicroBank has established a business model based on microcredits and other financing with social impact.

## Financing offer



## Microcredits

### What is a microcredit?

Microcredits are loans of up to €25,000, without in rem guarantee, aimed at people who, due to their economic and social circumstances, may have difficulty in accessing funding from traditional banks. Their purpose is to promote production activity, job creation and personal and family microcredits.

## Business Microcredits

### Aimed at:

Entrepreneurs and microenterprises with fewer than 10 employees and annual turnover of no more than €2,000,000 that need funding to launch, consolidate or expand their business or meet working capital needs.

This funding is possible thanks to the guarantee provided by the COSME Programme and the European Fund for Strategic Investments (EFSI) set up under the Investment Plan for Europe.



### Main features:

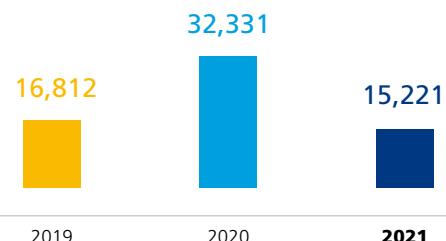
**Fixed-rate loan with personal guarantee.**

**Business Microcredits are granted based on trust in the applicant and their business plan, without any in rem guarantee.**

**The maximum repayment term is 6 years, with an optional grace period of 6 months.**

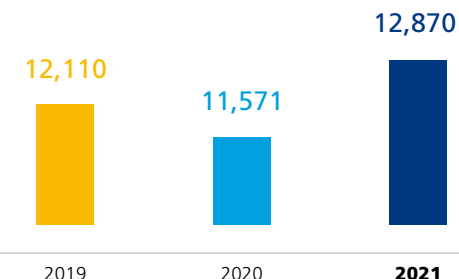
### Total Business microcredits

No. of transactions



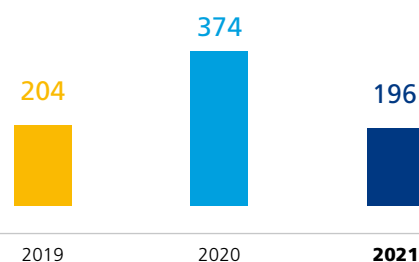
### Average amount

Euros



### Total amount

Million euros



## 63%

of transactions went to entrepreneurs and 37% to micro-enterprises.

## 30%

of transactions were used to alleviate the effects of COVID-19.

### Financial year 2021:

**15,221**  
microcredits

**€195.9 M**



# Family Microcredit

## Aimed at:

People with limited income of up to €19,300 per year<sup>1</sup> for the purpose of funding personal and family development projects along with needs arising due to unforeseen circumstances.

The income criterion is reviewed on a regular basis in order to always maintain the focus on the groups that continue to face the greatest difficulty in accessing credit, many times assuming the impact that decisions of this type can have on growth, the risk profile of the portfolio and the generation of profits.

## Main features:

*Fixed-rate personal loan.*

*Family microcredits are granted without an in rem guarantee.*

*The maximum repayment term is 6 years, with a grace period of up to 12 months.*

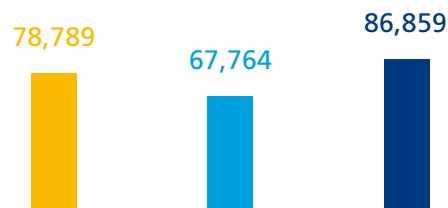
## Financial year 2021:

**86,859**  
microcredits

**€546.9 M**

## Total Family microcredits

No. of transactions



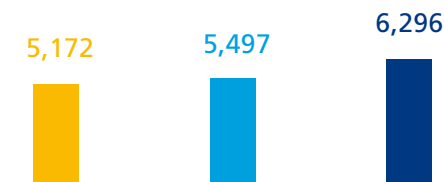
2019

2020

2021

## Average amount

Euros



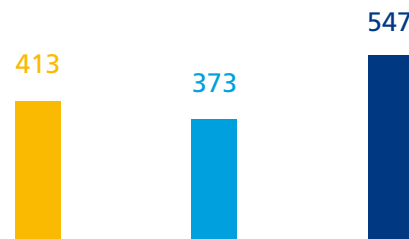
2019

2020

2021

## Total amount

Million euros



2019

2020

2021

## Confianza Project

In 2016, MicroBank signed a collaboration agreement with the Asociación Proyecto Confianza in order to make a contribution to the social and financial inclusion of extremely vulnerable people.

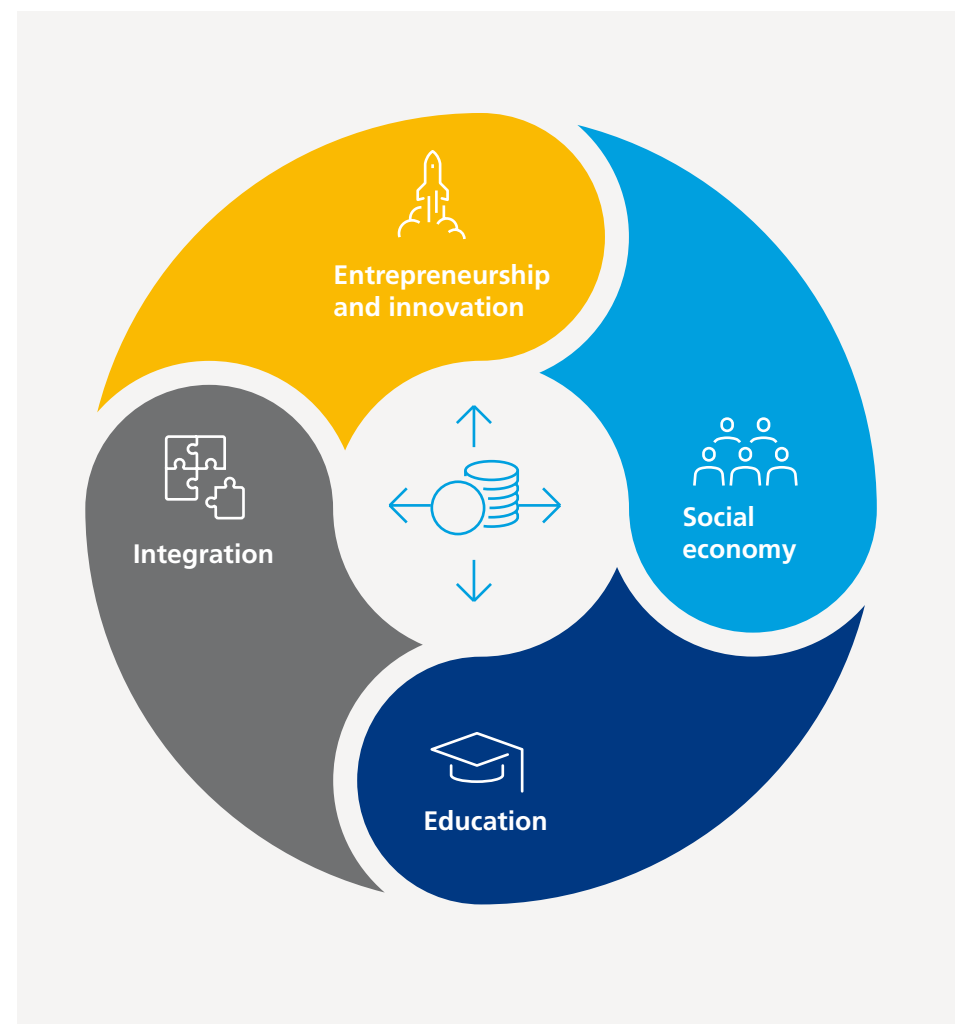
In the financial year 2021, 179 loans for an amount of €509,000 were granted to extremely vulnerable people who had previously received support through group dynamics aimed at improving the self-esteem and dignity of the members.



1. In order to determine income levels, we have taken into account the Public Multi-Purpose Income Indicator (IPREM).

## Other financing with social impact

Loans aimed at projects that generate a positive and measurable social impact on society. The purpose is to make a contribution to maximising social impact in these sectors.



28

## Entrepreneurship and innovation

### | Innovation Loan

#### **Aimed at:**

Entrepreneurs and microenterprises.

#### **Main features:**

**Amount:** Up to €50,000.

**Purpose:** Launching or expanding innovating business projects.

**Term:** The maximum repayment term is 7 years, with a grace period of 24 months.

The applicant must submit a business plan along with a feasibility report issued by a collaborating institution.

#### **Financial year 2021:**

**4,565**

transactions

**€176.9 M**





## Social economy

### EaSI Social Enterprise Loan

#### Aimed at:

Social institutions and enterprises striving to have a positive and measurable social impact.

#### Main features:

**Amount:** Up to €500,000.

**Purpose:** Funding of investments made by social enterprises. Social enterprises are deemed to mean enterprises specialised in job market integration and those performing their business in sectors such as promoting personal autonomy, care for people with disabilities and those needing assistance, the fight against poverty and social exclusion, interculturality, social cohesion and social action projects.

**Term:** Up to 10 years (with an optional capital grace period of up to 12 months).

#### Financial year 2021:

**209**  
transactions

**€28.1 M**

## Education

### Education loan

#### Aimed at:

Students wishing to finance the costs of a master's degree or postgraduate studies. These products were specifically created for each of these purposes and have features tailored to each of them.

#### Main features:

**Purpose:** To cover tuition fees and related living expenses.

#### Financial year 2021:

**65**  
transactions

**€3.2 M**



### New agreement with the EIF. Skills and Education Programme

MicroBank has signed a new agreement with the European Investment Fund (EIF) to improve access to finance for individuals and organisations wishing to invest in training and education with the aim of improving employability.

The facility was implemented in 2021 and provides support to organisations involved in education, training or professional skills development.

## Integration

### Healthcare loan

#### Aimed at:

Financing medical treatment and temporary assistance to people suffering from a mental health condition or from a behavioural disorder and/or dual disorder, with the aim of contributing to improving their quality of life and personal autonomy.

#### Main features:

**Amount:** Up to €25,000.

**Purpose:** Treatment costs for the aforementioned people.

**Term:** Up to six years.

#### Financial year 2021:

**46**  
transactions

**€0.9 M**



## ICO Rent

A financing facility launched in 2020 in response to the COVID-19 crisis, aimed at vulnerable customers and non-customers who are unable to pay the rent on their primary residence.

### Figures for 2021:

**257**  
transactions

**€0.9 M**  
Total amount

**2,367**  
households have benefited from the measure since the programme was launched in 2020

**€8.5 M**  
Granted in total

## Other products

In addition to microcredits and loans, MicroBank offers a range of products tailored to the needs of our customers.

### MicroBank's Basic Payment account

As part of its commitment to financial inclusion, MicroBank provides its customers with the Basic Payment Account.

It is aimed at people with income below the interprofessional minimum wage. This account is fee free and offers a range of basic services free of charge.

### Investment products

MicroBank is committed to socially and ecologically responsible investments and therefore promotes the marketing of two socially responsible investment funds through CaixaBank: MicroBank Ethical Fund and MicroBank Ecological Fund.

#### MicroBank ETHICAL FUND

**€169 M**  
volume

MicroBank's Ethical Fund is a mixed ethical and charitable fund combining the search for profitability with criteria associated with social responsibility. It is characterised by the fact that it combines traditional financial investment criteria with socially responsible criteria.

In addition, the fund includes a charitable component with MicroBank's Ethical Fund giving 25% of the management fee to non-profit organisations, while the "la Caixa" Banking Foundation contributes an equivalent amount to an international cooperation project.

#### MicroBank ECOLOGICAL FUND

**€122 M**  
volume

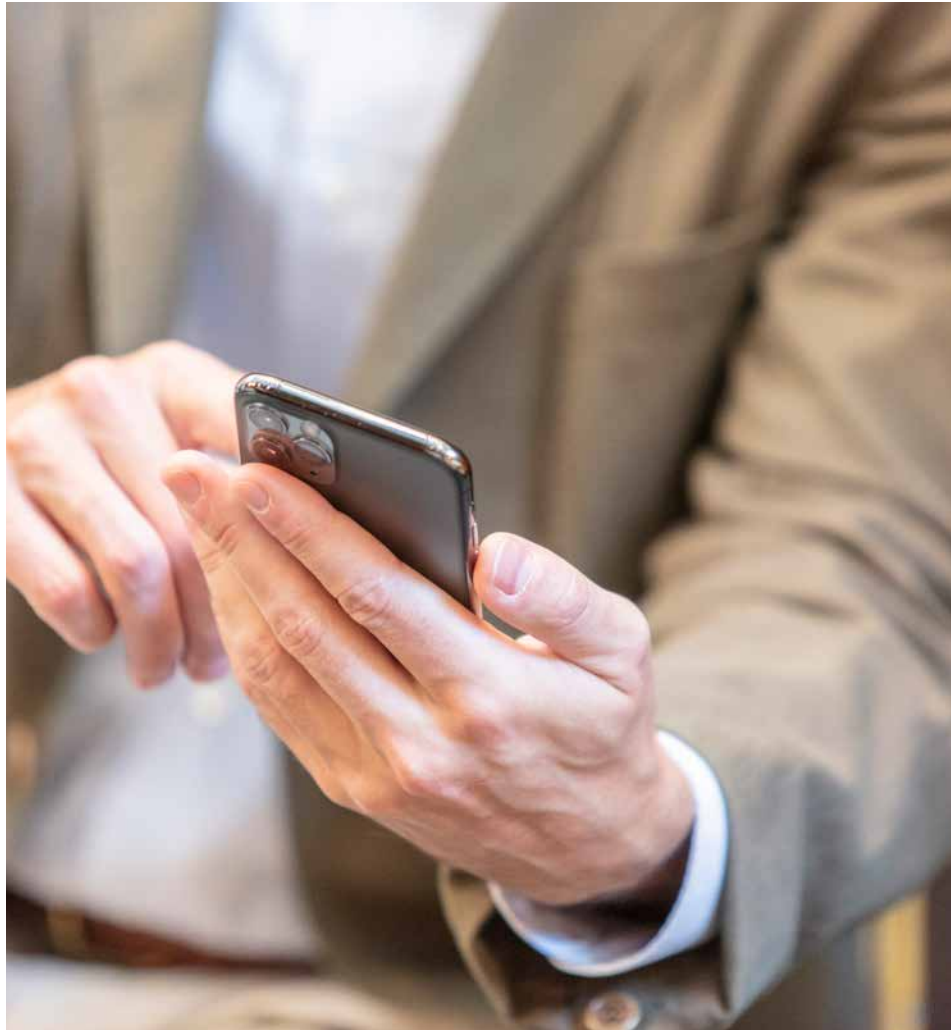
MicroBank Ecological Fund is an international variable-income fund investing in a selection of ecologically responsible funds in sectors such as renewable energy, ecological food, recycling, water treatment, etc. This is the first fund in Spain to combine the search for profitability with protecting the environment.

In December 2021 MicroBank Ecological Fund was incorporated into the SI Impacto range and changed its name to MicroBank SI Impacto Renta Variable, FI. This is an international variable income fund that invests in companies whose activities are aimed at solving the main social and environmental problems identified in the United Nations' SDGs.



## | CaixaBankNow online banking

CaixaBankNow is CaixaBank's online platform which makes it easy and quick to carry out any banking transaction. It is available at any time and day of the year and can be accessed from any channel, whether web, mobile or TV, and allows users of MicroBank products to carry out transactions.



## | Monte de Piedad

MicroBank manages Monte de Piedad in order to increase the impact of its business and boost the quality of service offered to customers.

CaixaBank's Monte de Piedad is a traditional instrument for financing and one of the oldest still in existence in Spain for the pursuit of the institution's charitable and social purposes.

Monte de Piedad grants loans secured with jewellery for personal use by people who, due to their employment, financial or family circumstances, may have difficulty in accessing credit. To obtain a loan, customers must visit one of the Monte de Piedad branches where the jewellery is instantly appraised and the maximum loan amount is calculated and paid out instantly.

The jewellery can be redeemed at any time or upon maturity (one year) after the loan has been repaid. Successive renewals of one year may also be requested. More than 90% of guarantees are redeemed or the loan is renewed.

Any guarantees that are not redeemed or renewed are put up for auction after the customer has been notified. It should be pointed out that Monte de Piedad's auction business is a non-profit activity. The surplus from the auction is paid back to the customer after the loan has been paid off. A total of 12 on-line auctions were held in 2021.

**9,705**  
loans granted

**30,306**  
loans in force

**1,177**  
average amount (in euros)

**1,576**  
new customers



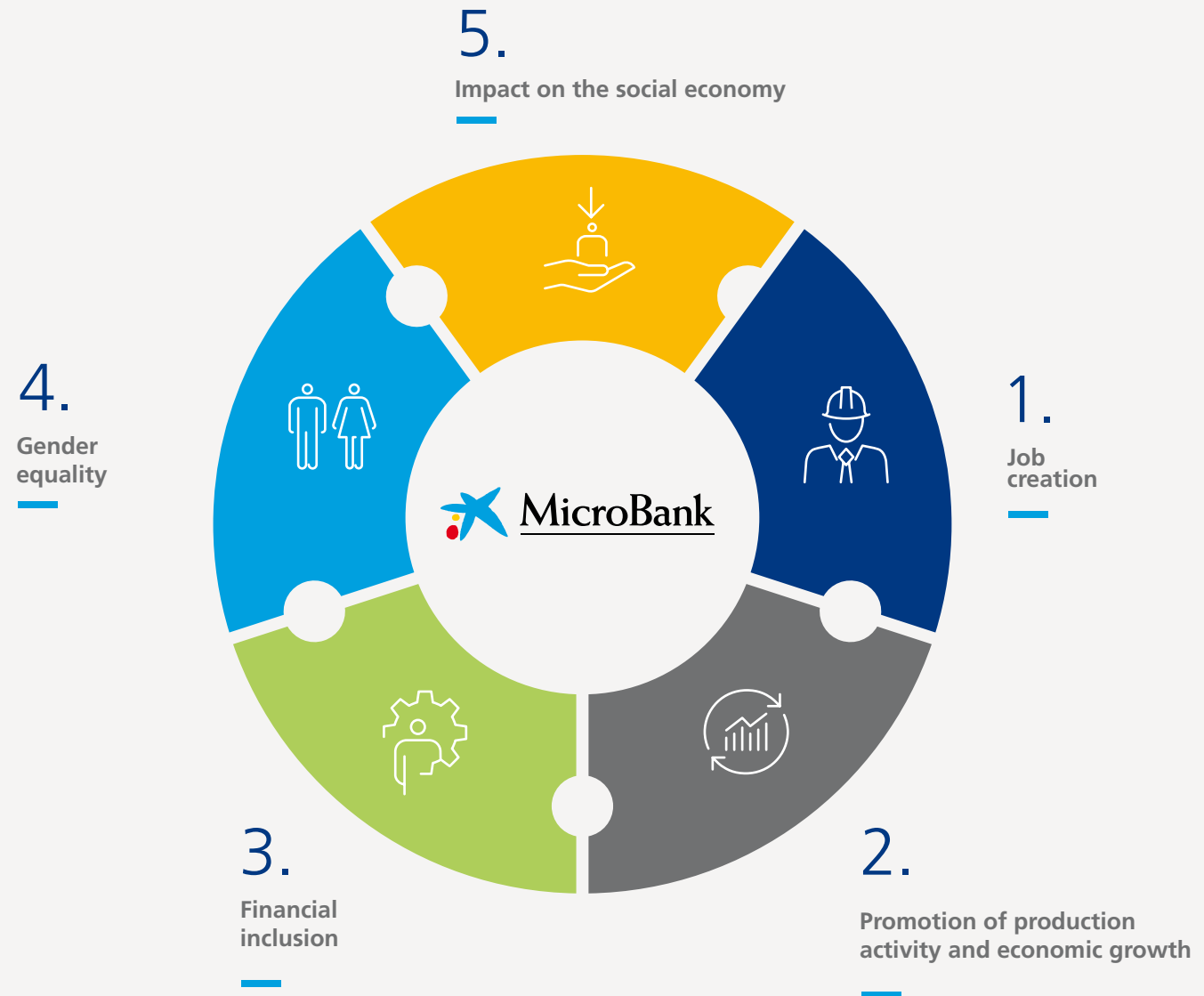
05

Impact  
of our  
business

Measuring and managing social impact is one of MicroBank's key strategic focuses. This is why a study was carried out with the support of KPMG Asesores and Stone Soup Consulting to analyse the impact of the financing granted by the institution.

A specific analysis was conducted of the impact of microcredits and loans granted to entrepreneurs, microcredits to families and loans aimed at the social economy, in different areas linked to the Sustainable Development Goals (SDGs) of the United Nations (UN).

In this chapter we present a more in-depth analysis of the most relevant areas of impact:







## 1. Job creation

MicroBank's activity has a direct impact on job creation. The main contribution to the job market is through self-employment, by supporting entrepreneurs and microenterprises. However, in addition to self-employment, 26% of the businesses in the survey have created new jobs since the loan was granted.

In 2021, self-employed persons and micro-enterprises that received support from MicroBank created an average of 0.87 jobs directly, which is equivalent to a total of 17,007 jobs.

34

# 17,007

jobs created thanks to the support given to entrepreneurs

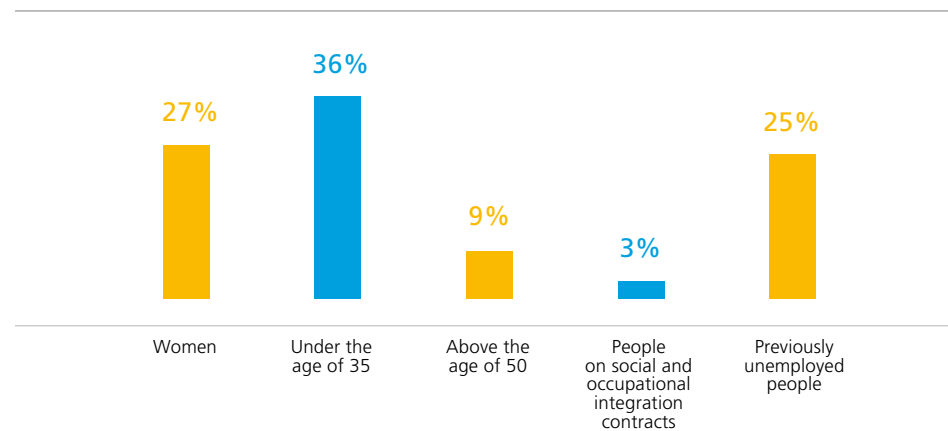
# 84%

of entrepreneurs surveyed state that they have improved their job situation



> The most significant of the jobs created are linked to the **most vulnerable profiles**: young people under 35 years of age, women and previously unemployed people, all of whom are groups with particularly high unemployment rates.

### Profile of most vulnerable new employees

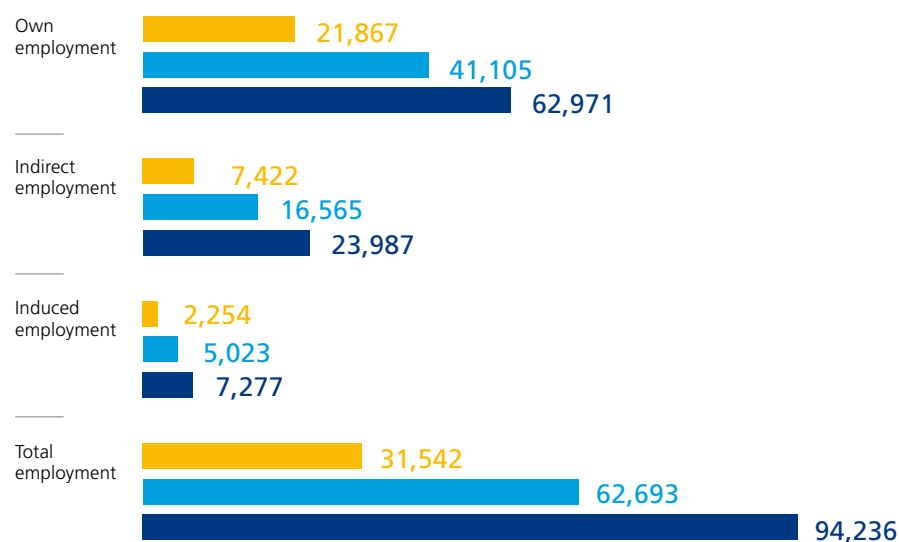




- > In terms of the **quality of the jobs created**, 60% are full-time contracts and almost one in three contracts signed is permanent. In addition, 84% of entrepreneurs surveyed state that they have improved their job situation.
- > Despite the crisis, 73% of businesses have maintained a constant number of employees, the same as last year. There has also been a positive **net job creation** of 9% and future expectations are good: 57% of businesses expect to hire more staff in the coming year.
- > In addition to the direct creation of jobs, through ancillary activities they need in order to run (mainly purchases from suppliers and payment of taxes), the businesses supported by MicroBank's microcredits generate cash flows with a **multiplier effect on the economy**, which leads to economic effects on many other sectors and the resulting creation of jobs.

### Jobs linked to the businesses supported by MicroBank

● Entrepreneurs ● Microenterprises ● Total



- > The **job creation results by business sector** show that most of the jobs linked to the activity of the businesses financed are in the professional services sector, followed by the commerce and followed by the commerce and hospitality and catering sectors.

## Contribution to SDGs



SDG 8  
Decent  
work and  
economic  
growth

### Target 8.3

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and **encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.**

### Target 8.5

Achieve **full and productive employment and decent work** for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.



## 2. Promotion of production activity and economic development

Microenterprises and entrepreneurs are the backbone of the Spanish production fabric and a key driving force for the economy. According to data from PIMEC, SMEs represent 99.8% of the business fabric, accounting for more than 60% of private employment generated by the Spanish economy.

The findings of the study show that microcredits are a key instrument for the creation or expansion of these businesses.

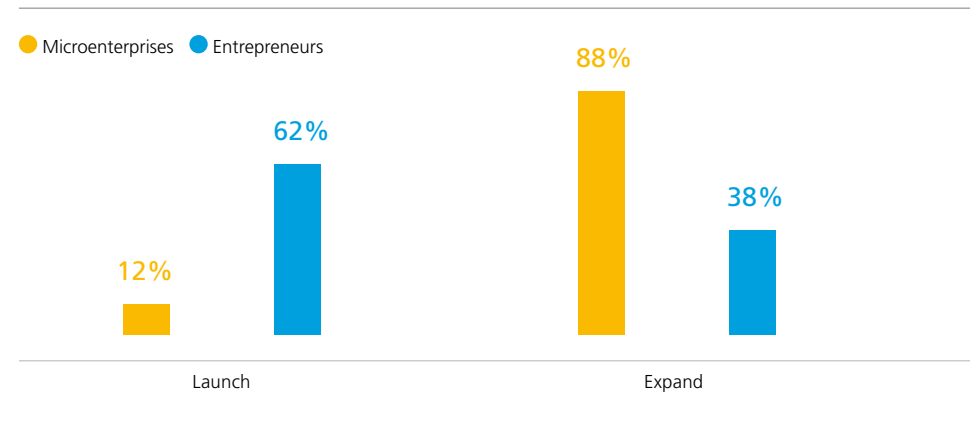
# 6,672

new businesses created thanks to the support given to entrepreneurs

# 81%

of respondents state that they could not have launched/expanded their business or would have had great difficulty in doing so without the help of the loan

> 34% of beneficiaries who received support from MicroBank used it to **start up a new business**. However, there are significant differences when differentiating between microenterprises and self-employed entrepreneurs, as in the latter case the percentage rises to 62%. This is why microcredits are so important for this segment, where the lack of guarantees is often a problem in accessing finance.

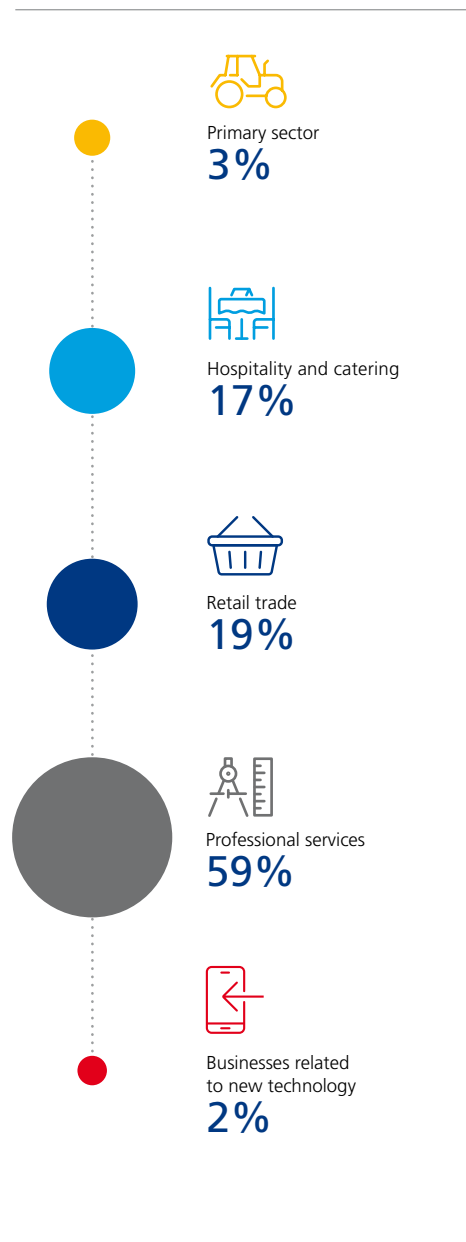


> **MicroBank's support** was very important. The majority of respondents (81%) consider that they would not have been able to launch businesses or would have had great difficulty in doing so. Only slightly less than 20% believe they could have launched it anyway.

> In terms of **business sector**, 59% of the businesses set up with a microcredit are related to professional services (hairdressing and beauty salons, construction, renovations, transport, etc.). Retail-related businesses account for 19% and there has been a significant decline this year in businesses associated with hospitality and catering (17%).



## Sector to which the businesses belong



> An in-depth analysis in terms of **business type** shows the most significant difference between entrepreneurs and microenterprises in the professional services sector, where the percentage is 8 points higher in the case of self-employed entrepreneurs.

> Another important aspect of the study is the data on the **main reason why entrepreneurs start up their businesses**. While an entrepreneur by necessity is one who is engaged in entrepreneurship because he/she has no better option in the job market; an entrepreneur by opportunity is one who chooses to start a business based on the perception that there is an untapped business opportunity, or one that is not fully utilised by existing businesses.

For the majority of entrepreneurs (73%), the reason for starting a business was a business opportunity, a desire to gain independence or a personal calling. However, it is also worth noting that 20% were motivated by necessity, unemployment or fear of losing their jobs.

> Microcredits have also played a significant role in **the consolidation or continuation of businesses**. Despite the crisis, approximately 74% of businesses are making a profit.

## Reasons for starting up a business

I was unemployed and opening my business was a way to have a job

13%

I was scared of losing my job and opening my business was a way to have a job

1%

I saw a clear business opportunity

37%

I needed more income and could not find a job in the market

6%

I wanted to become independent and be my own boss

24%

To continue the family business or because of family tradition

2%

Due to a personal calling or to do what I like

12%

Other

3%

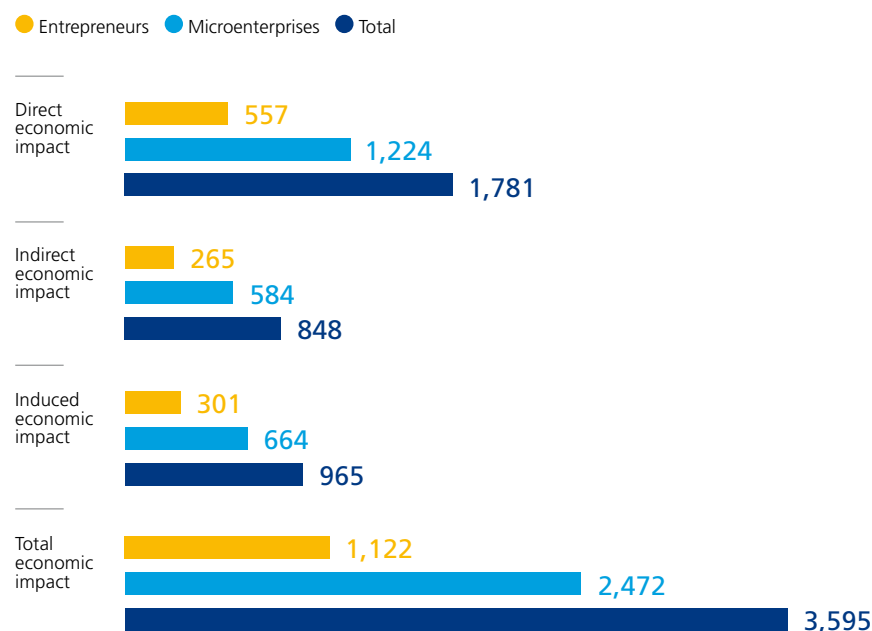
Don't know/No answer

1%



> Similarly to the creation of employment, the knock-on effect of the activity of the businesses supported by MicroBank has an indirect and induced impact on the Spanish economy and therefore promotes **economic development in the region**. In 2021, the businesses supported by MicroBank contributed €3,595 million to the Spanish economy, which is equivalent to 0.3% of Spanish GDP (gross domestic product) or 48% of the amount budgeted for the promotion of employment in the General State Budget for 2021<sup>1</sup>.

### GDP impact of the businesses supported by MicroBank (€M)



1. Provision 17339 of Spanish Official State Gazette no. 341 of 2020.

## Contribution to SDGs



SDG 8  
Decent  
work and  
economic  
growth

### Target 8.3

Promote development-oriented policies **that support productive activities**, decent job creation, entrepreneurship, creativity and innovation, and **encourage the formalization and growth of micro-, small- and medium-sized enterprises**, including through access to financial services.



SDG 9  
Industry,  
innovation and  
infrastructure

### Target 9.3

Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including **affordable credit**, and their integration into value chains and markets.



### 3. Financial inclusion

At MicroBank we promote financial inclusion and social progress through a socially responsible banking model.

For people and businesses, financial inclusion means having access to useful and affordable financial products that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way.

The family microcredit plays a significant role in equal opportunities and financial inclusion, as it is aimed at people with limited income (up to €19,300 per year) and who need to finance projects related to personal and family development, as well as needs arising due to unforeseen circumstances.

# 86,859

beneficiaries:

# 97%

say that they have met the needs for which they requested the microcredit

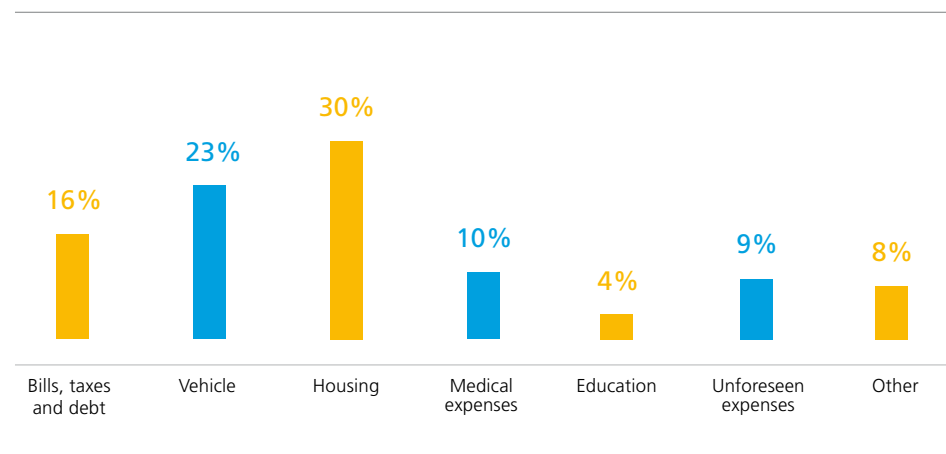
# 80%

say that microcredit has had a positive impact on their well-being and that of their family

> While families are in a better situation this year than last year, the **recipient profile** shows a poorer economic situation than the national average in terms of material deprivation<sup>2</sup>.

More than half of the recipients make ends meet (55%) and only 9% say they do not make ends meet. In fact, 28% are unemployed or retired. However, it is interesting to note that the health and social care crisis has had a positive effect on savings capacity. While 57% cannot meet an unforeseen expense of €750, those who can would mostly do so using their own funds (31%), although 22% would need to sell material goods, 11% would use a credit card and only 2% would have to resort to a short-term loan.

> The **main reasons for applying for microcredit** are related to basic needs such as housing, the purchase or repair of a vehicle and the payment of debts, bills and taxes.



2. INE. Data on material deprivation from 2020: <https://www.ine.es/jaxiT3/Tabla.htm?t=9971&L=0>.

- > An important aspect of inclusion is that products should be affordable. This is why we calculate an indicator related to the **risk of over-indebtedness**. 97% of respondents feel that they are able to cope with repayments, which shows that the instalments are in line with the customers' ability to repay. In addition, this year, the percentage of recipients who would take out a short-term loan to cope with an unexpected payment has significantly declined from 15% in 2020 to 2% in 2021.
- > In short, the study data show that the microcredit has had a **positive impact** on families, mainly on their wellbeing.

## Contribution to SDGs



SDG 1  
**No poverty**

### Target 1.4

Ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, **including microfinance**.



SDG 10  
**Reduced inequalities**

### Target 10.2

Empower and promote the **social, economic** and political **inclusion** of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.





## 4. Gender equality

Although all entrepreneurs, irrespective of gender, should have equal access to resources and support, in practice, fewer women decide to start their own business and ultimately do so. They also face more problems in getting them up and running. The latest GEM Global report shows that female entrepreneurship rates are about three quarters of those of men.

At MicroBank we work to ensure that lack of financing is not an obstacle for any woman to start up or consolidate her business. The share of loans granted to women exceeds the average entrepreneurship rate (20%<sup>3</sup>) and, in particular, 37% of business loans were granted to self-employed women.

# 3,835

loans granted to self-employed women for an amount of €52 M

Average amount:

# €13,560



- > MicroBank is helping **more women** to become entrepreneurs: more than half of them used the microcredit to start up new businesses, a higher figure than men (57% compared to 44%).
- > Looking at the **profile of women entrepreneurs** who have applied for support from MicroBank, 32% of the women who have received a microcredit from the bank in 2021 are between 36 and 45 years old. In terms of level of education, 36% of those who took part in the study had a university education.
- > **Reasons linked to opportunity** have also been the most common among women who have received a microcredit from MicroBank in 2021. Of the 75% of women who have chosen to start a business, 30% have done so to become independent and 18% have started a business due to a personal calling. Entrepreneurship out of necessity is, however, slightly higher for the women who participated in the study than for the men, which is also confirmed at the general level. 23% have started a business because they were unemployed or feared losing their job, which is not a negligible percentage and highlights the key role played by microcredits in the creation of new job opportunities.



- > When discussing female entrepreneurship, people often point to the differences in the **type of enterprises** that women set up compared to men. One of the most significant is in the business sector. The majority have set up or expanded a business linked to professional services. This group accounts for 50% of the total. However, compared to the sample average, women are more likely to choose retail-related businesses, accounting for 28% of the total (compared to 15% for men). As noted above, there is a lower representation of women in businesses related to new technologies, which account for only 1% of the sample.

### Sector to which the businesses belong by gender



- > In terms of **job creation**, it was found that women are more likely to hire women than men, so that companies managed by women have a knock-on effect on the employability of this group. However, the data also show that, in terms of the **type of contract**, part-time contracts are in the majority for women (67% compared to 45%). As regards contract terms, there are also differences between genders, as women are more likely to be employed on temporary contracts (72% compared to 65%).

## Support for female entrepreneurship

In order to be able to keep moving forward and support women, MicroBank has specific collaboration agreements to support female entrepreneurship. This includes, for example, the agreement with the Spanish Women's Institute through its Women's Entrepreneurial Support Programme (PAEM), which is implemented through the chambers of commerce.

The programme aims to provide information, advice and business support to women to promote self-employment and entrepreneurship.

### Programme details

# 151

women received support in 2021

# +1,200

women have received support since the agreement came into force

Amount granted since the agreement came into force:

# €21 M

## Contribution to SDGs



SDG 5  
**Gender equality**

### Target 5.a

Undertake reforms to give **women equal rights to economic resources**, as well as access to ownership and control over land and other forms of property, financial services, inheritance, and natural resources in accordance with national laws.



## 5. Impact on the social economy

One of the main objectives of MicroBank is to generate social impact by supporting projects designed for this purpose. A prime example of this is the EaSI Social Enterprise loan, which is targeted at institutions and companies whose main purpose is to generate a positive and measurable impact on society and/or the environment.

Supporting organisations in the social economy is important: according to CEPES (the Spanish Social Economy Business Confederation), 6 out of every 100 Spanish companies operate in the social economy and directly or indirectly generate 12% of the country's jobs. They play an essential role in the social and economic cohesion of the country.

Through this financing facility, MicroBank aims to help strengthen the financial strength of organisations so that, depending on their situation, they can consolidate and thereby maintain, diversify or increase their social impact.

**€28 M**  
granted to

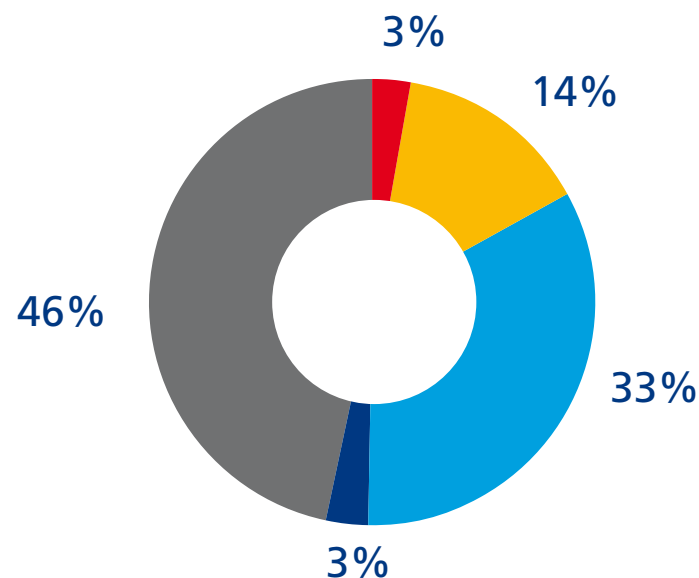
**187**  
social enterprises

## Features of the recipient social enterprises

> In terms of **type**, of the 187 social enterprises that have received EaSI loans, 46% are associations, followed by foundations, which account for 29% of the total.

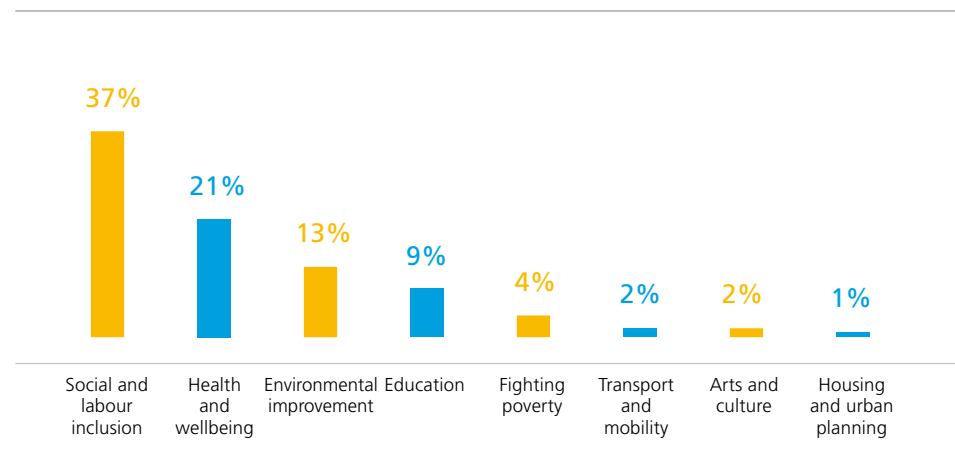
### Organisation types

● Joint-Stock Company (S.A.) / Limited Company (S.L.) ● Foundation ● Cooperative ● Association ● Other



- > In terms of **areas of action**, 37% of organisations work in the area of social and labour inclusion, 21% health and wellbeing, 13% in the area of environmental improvement and 9% in education.

#### Area of action affected by the loan



- > Almost all organisations report that their work contributes to one or more of the **UN Sustainable Development Goals**, in particular reducing inequality (SDG 10), health and wellbeing (SDG 3), gender equality (SDG 5) and decent work and economic growth (SDG 8).
- > Organisations that have received support from MicroBank are located **throughout Spain**, although Catalonia has the highest number of organisations (25%). Similarly, a breakdown of recipients shows that they are concentrated in Catalonia (17%), Andalusia (14%) and the Community of Madrid (11%).

## MicroBank's impact on organisations

- > The EaSI Social Enterprise loan indirectly affects the impact of the organisations through a **knock-on effect**: the loan is expected to enhance the management of the organisation, bringing more financial strength and improved or increased organisational capacity, thus helping it to fulfil its social mission and grow the ecosystem of the social and solidarity economy in Spain.

This MicroBank loan is highly important for sustaining the social activity of the recipient enterprises and, despite the healthcare crisis and its associated negative impacts, the enterprises appear to be in a good financial and developmental situation.

- > To understand how EaSI affects organisations' abilities, we have developed an **indicator to measure the organisational development**<sup>4</sup> of the sample of institutions, with larger values implying greater organisational development. According to the responses given by the surveyed organisations, on average they have an indicator of 3.33 (out of 5) in terms of their level of organisational development for all organisations as a whole.



4. Indicator calculated based on the responses regarding the level of development of companies in the areas of projects, finance, human resources, IT and management.

### Value of the organisational development indicator by organisation type

Joint-Stock Company (S.A.) / Limited Company (S.L.)	3.58
Foundation	3.33
Cooperative	3.71
Association	3.14

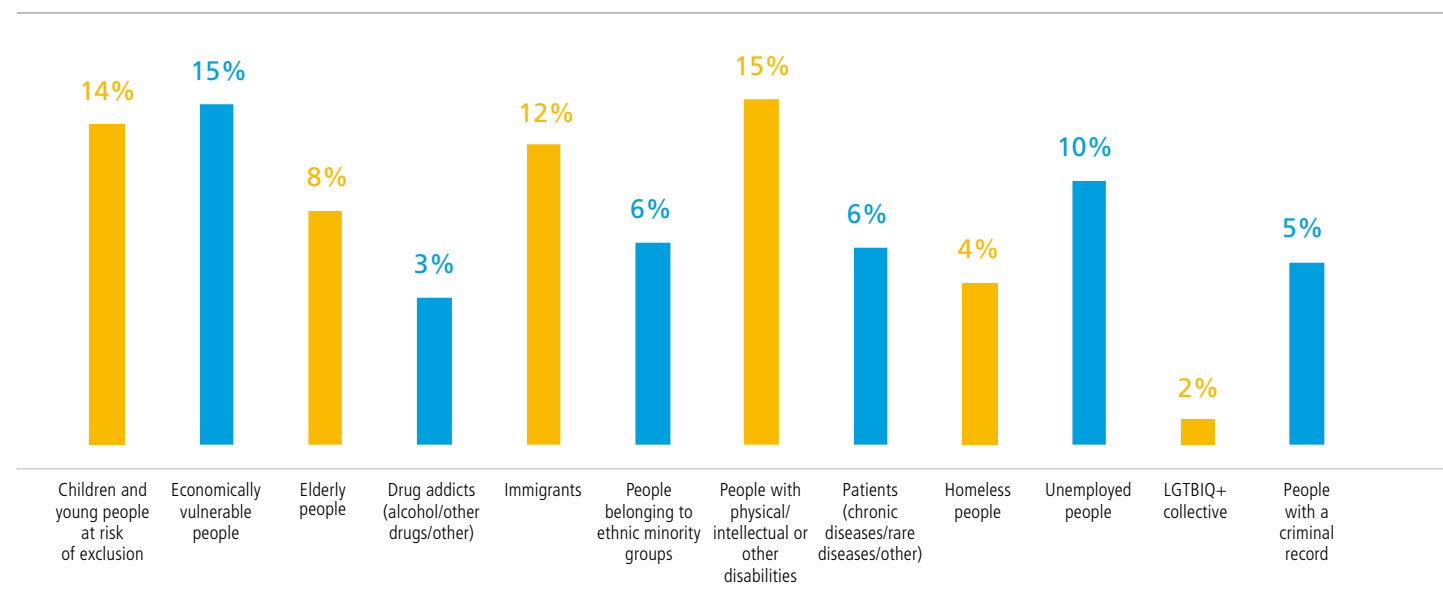
> Indeed, 93% of the institutions consider their **financial sustainability** to be good/ acceptable, including 5% who consider it to be very good. However, at the time of the survey only 73% of institutions were able to secure sufficient funds to operate this year.

This is where MicroBank's loan becomes relevant, as the bank assumes a higher risk by lending to organisations that are, in some cases, financially fragile. Most likely as a consequence of the pandemic, 21% of organisations admit to having some, albeit minor, difficulty in repaying their loans and 27% report less liquidity this year.

## Impact on recipients

- > The **number of recipients** assisted during the reporting period is estimated at just over 160,000 people<sup>5</sup>. The average number of recipients per organisation depends on the size of the organisation: for 35% of the organisations, the average number of recipients does not exceed 100 people, while for 25% of the organisations the average number of recipients exceeds 1,000 people. In addition, these organisations estimate that 50% of the recipients have been assisted thanks to the loan from MicroBank.
- > In terms of the **type of recipients**, 15% of organisations work with people with disabilities and vulnerable people and 14% with children, adolescents and young people at risk of social exclusion.

### Recipient types assisted



5. Own estimate based on extrapolating the recipient outcome based on responses from 118 organisations.



## Strengthening the social and solidarity economy: job creation

- > In addition to their social objective of supporting employment, the entities themselves are an important source of **recruitment and job creation**. Specifically, the organisations surveyed employ almost 7,000 employees. 10% of jobs are protected and 12% are socially and economically inclusive.

### Contribution to SDGs



SDG 8  
**Decent  
work and  
economic  
growth**

#### Target 8.5

Achieve **full and productive employment and decent work** for all women and men, **including for young people and persons with disabilities**, and equal pay for work of equal value.



SDG 10  
**Reduced  
inequalities**

#### Target 10.2

By 2030, empower and promote the social, economic and political inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.



## Environmental management

MicroBank is committed to protecting the environment, observing the laws in this respect and adopting procedures to reduce the environmental impact of its activities, mainly due to raw material consumption, electricity consumption and associated emissions.

This commitment to the environment is reflected in the Climate Change Statement, in addition to other responsible corporate policies, such as the Code of Ethics and Business Principles, CaixaBank's Groupwide Sustainability/ Social Responsibility Policy and the Environmental Risk Management Policy.

# 100%

of our emissions  
have been offset

### Key environmental indicators:



Paper consumption:  
**128 kg**



Waste generated  
(paper and  
cardboard):  
**307 kg**



Power consumption:  
**61,440.80 kWh**



Scope 2  
emissions:  
**11,298.52 kg CO<sub>2</sub><sup>6</sup>**



Emissions  
per employee:  
**376.6 kg CO<sub>2</sub>**

## Sustainable use of resources

### Paper

We have implemented a number of initiatives that have led to a reduction in paper consumption in recent years, such as the digitalisation of a large part of our processes, which has led to significant savings in the use of paper and a subsequent reduction in storage space. We also use recycled paper as a preferred material.

In 2021, paper consumption amounted to 128 kg, 100% of which was recycled.

### Energy

For some years now, our offices have been maintained according to energy efficiency principles. In 2018, all air conditioning equipment and lighting fixtures were replaced with more efficient units. In 2020, we also replaced the lighting fixtures on the façade signs with energy-saving lights.

No significant action has been taken in this area in 2021.

6. Source of emission factor. MITECO. Emission factor. Recording of carbon footprint, offsetting and carbon dioxide absorption projects. Version of 17 April 2021.

## Carbon footprint

As part of CaixaBank's commitment to minimise and offset the bank's CO<sub>2</sub> emissions, MicroBank has for the first time calculated the emissions associated with the power consumption of its business activities.

Scope 2 emissions amount to 11,298.52 kg CO<sub>2</sub> and have been fully offset.

## Boosting the low-carbon economy

MicroBank works towards the transition to a low-carbon economy that promotes sustainable development and is socially inclusive. The public sector, the private sector and society must play a key role in developing long-term climate strategies that are in line with the objectives of the Paris Agreement (COP21) and the UN Sustainable Development Goals.



# 06

48

## Corporate governance

Robust corporate governance enables companies to maintain an efficient and methodical decision-making process, which gives clarity in the assignment of responsibilities, thereby avoiding possible conflicts of interest, ensuring efficient risk management and internal control, and promoting transparency.



MicroBank's **Board of Directors** is the bank's most senior body for representation, management and administration pursuant to the instructions issued by its sole shareholder, CaixaBank. The Board approves the bank's strategic plan, which is submitted for the consideration of the shareholder, and conducts in-depth monitoring of its business, controlling developments in terms of equity, finances, profit and the risks inherent to its operations.

For MicroBank, good governance and transparency are essential to protecting the interests and earning the trust of all stakeholders. In line with CaixaBank's 2019-2021 Strategic Plan, one of MicroBank's priorities is to become a benchmark in good governance.

The governance structure includes a balanced Board of Directors consisting of five independent and four proprietary directors, of whom one third are foreign nationals and more than 20% are women. MicroBank has two specialised Committees, the Audit and Risk Committee and the Appointment, Remuneration and Social Impact Committee, which report to the Board of Directors.

MicroBank's Board of Directors and its Committees hold extensive authority, the only limits being those of the duties assigned to them by law or the institution's articles of association.

## Board of Directors

### Chairman



**Juan Carlos Gallego González**

Proprietary  
28/06/2018<sup>1</sup>

### Directors



**Raphaël Alomar**

Independent  
09/11/2011<sup>2</sup>



**Christian Eugène de Noose**

Independent  
19/04/2012<sup>3</sup>



**Richard Fowler Pelly**

Independent  
30/03/2015<sup>4</sup>



**Carles Alfred Gasòliba Böhm**

Independent  
30/03/2015



**Ana Rocío Sáenz de Miera Cárdenas**

Independent  
28/06/2018



**Joaquín Vilar Barrabeig**

Proprietary  
21/02/2019



**Alberto López Martínez**

Proprietary  
27/03/2019



**Ana Díez Fontana**

Proprietary  
11/02/2020

### Secretary



**Montserrat Pérez Simeón**

21/06/2018

1. Juan Carlos Gallego was appointed Chairman of the Board of Directors effective as of 19/09/2019.

2. Appointment renewed on 18/01/2018.

3. Appointment renewed on 05/04/2018.

4. Appointment renewed on 18/02/2021.

NB: All directors were appointed following a favourable report or, where appropriate, at the proposal of the Appointment, Remuneration and Social Impact Committee.



## Audit and Risk Committee

Among other duties, the **Audit and Risk Committee** reports on the outcome of the audit, oversees the process of drawing up and submitting financial statements, and makes recommendations or proposals to the Board in this regard.

### Chairman

#### Richard Fowler Pelly

Independent  
31/03/2016<sup>1</sup>

### Members

#### Raphaël Alomar

Independent  
31/03/2016<sup>2</sup>

#### Carles Alfred Gasòliba Böhm

Independent  
31/03/2016<sup>3</sup>

#### Joaquín Vilar Barrabeig

Proprietary  
27/03/2019

### Secretary (non-member)

#### Montserrat Pérez Simeón

21/06/2018

1. Reappointed as member and Chairman of the Committee on 26/03/2020. Reappointed as member on 16/03/2018 and Chairman on 20/06/2018.
2. Reappointed on 19/12/2019 and previously reappointed with effect from 18/01/2018.
3. Reappointed on 26/03/2020 and previously reappointed with effect from 16/03/2018.



## Appointment, Remuneration and Social Impact Committee

The **Appointment, Remuneration and Social Impact Committee** is tasked with assessing the skills of Board members; proposing new members; reviewing the balance of knowledge, skills and diversity on the Board; deciding on remuneration policy and addressing all issues related to the institution's social impact and corporate social responsibility.

### Chairman

#### Carles Alfred Gasòliba Böhm

Independent  
01/07/2017<sup>1</sup>

### Members

#### Christian Eugène de Noose

Independent  
31/03/2016<sup>2</sup>

#### Richard Fowler Pelly

Independent  
15/12/2017<sup>3</sup>

#### Ana Rocío Sáenz de Miera Cárdenas

Independent  
25/03/2021

### Secretary (non-member)

#### Montserrat Pérez Simeón

21/06/2018

1. Reappointed as Chairman and member of the Committee on 19/12/2019. Appointed as Chairman of the Committee on 21/06/2018.
2. Reappointed on 26/03/2020 and previously reappointed with effect from 05/04/2018.
3. Reappointed on 19/12/2019.

## Management Team

The Management Team aims to achieve the targets set by the Board of Directors in order to ensure that MicroBank is sustainable in the long term. The duties of the management team include adopting high-level decisions regarding the organisation's strategy, the principles of conduct and the policies and protocols that develop them, in relation to all kinds of matters with a social impact, including economic and/or environmental issues.

### General Manager

**Cristina González Viu**

### Area Managers

Risk Area

**David Ferrer Rodero**

Admission Area

**Frederic Flaquer Revaud**

Media Area

**Susana Fons Lete**

Control Area

**Francesc Xavier Gómez Naches**

Communication and  
Social Impact Area

**María Elena Martín Martín**

Finance Area

**Hugo Martínez Pérez**

Business Area

**Ángel Soto Martín**



## Responsible and ethical conduct

All the members of MicroBank's staff have an obligation to act on the basis of good faith, integrity and common sense.

### Code of ethical values and principles of conduct



MicroBank's Code of Ethics and Principles of Conduct set out the values, principles and rules that must be observed both in the institution's internal professional relations and in external relations with customers, shareholders, suppliers and the community at large, in all areas where MicroBank is active.



They outline the ethical values and principles that govern the actions of all employees, executives and members of the management body.



These principles for action are as follows: compliance with the law and regulations applicable from time to time, respect, integrity, transparency, excellence, professionalism, confidentiality and social responsibility.



The Code also specifies the commercial policy, which revolves around funding projects aimed at boosting production activity and job creation along with projects aimed at fostering personal and family development and promoting financial inclusion.



MicroBank currently has a confidential internal channel for queries and complaints in relation to the Code of Ethics and a channel for reporting conflicts of interest, both of which are managed directly by CaixaBank and accessible through the employee portal, Endalia. Both channels were launched in the third quarter of 2021 and awareness of their existence and functioning was raised among all affected groups, including MicroBank employees.

### United Nations' Global Compact

MicroBank is a member of the UN's Global Compact. The Global Compact is an international initiative aiming to achieve a voluntary commitment to social responsibility by institutions through the implementation of 10 basic principles based on human, labour and environmental rights and the fight against corruption.

The institution includes a mandatory clause for its suppliers, whereby they state they know and observe the 10 principles of the United Nations' Global Compact.



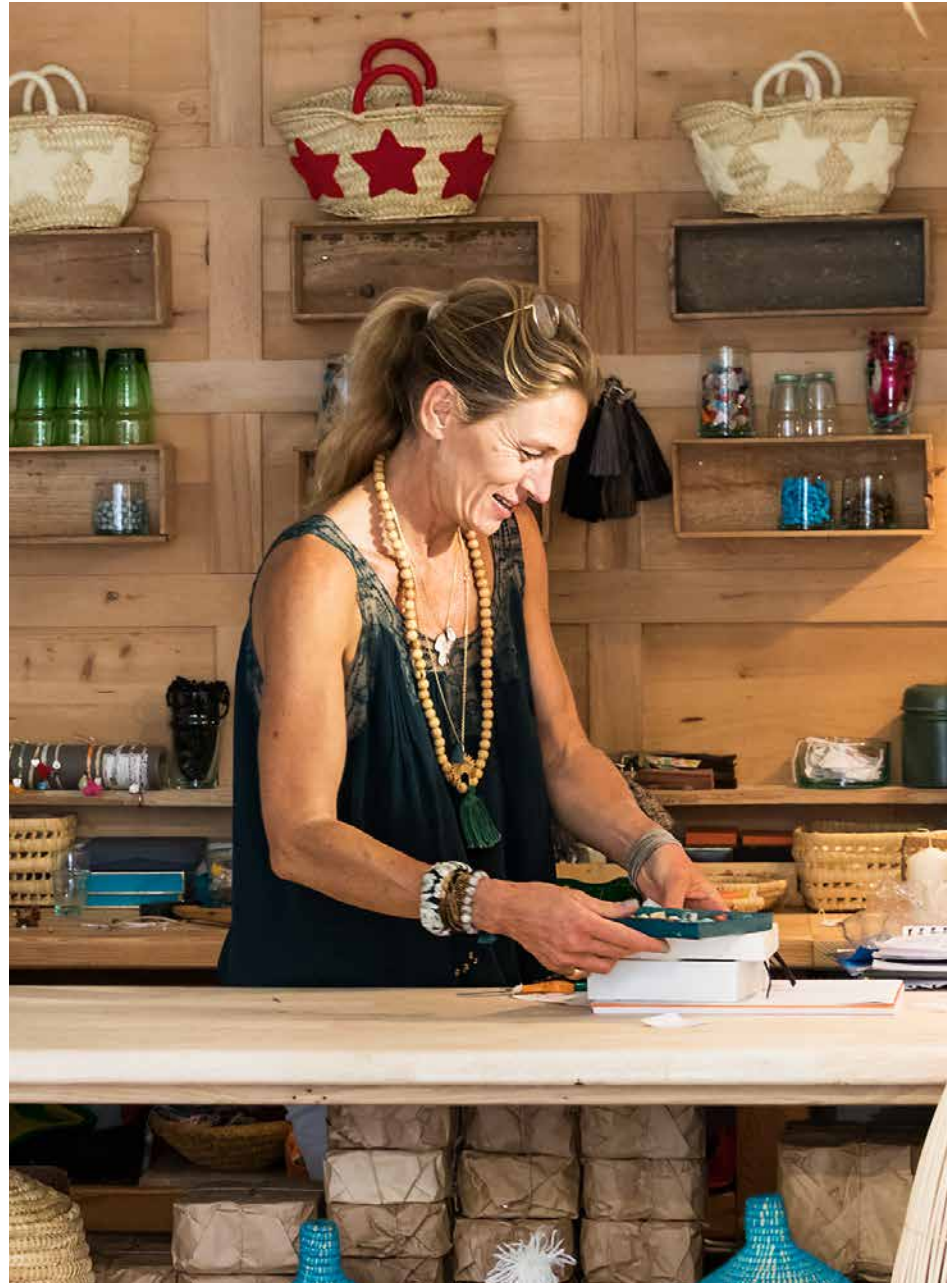
## Fighting corruption

As a signatory of the United Nations' Global Compact, MicroBank is committed to observing the 10 principles set out therein, one of which is to work against all forms of corruption, including extortion and bribery (principle number 10).

In this regard, MicroBank has adhered to the General Principles of the Corporate Anti-Corruption Policy approved by CaixaBank's Board of Directors in May 2021.

## Corporate Sustainability and Social Responsibility Policy

The purpose of this groupwide policy on Sustainability and Corporate Social Responsibility, which is applicable to MicroBank, is to promote responsible and sustainable business practices that benefit the reputation of the institution and therefore benefit society, in particular in social and environmental matters. MicroBank has also implemented the CaixaBank Group's Corporate Environmental Management Policy. During the 2021 financial year, MicroBank employees received training on ESG criteria, inter alia: "ESG: Environmental, Social and Governance factors".



Among other issues, this policy takes into account the United Nations Environment Programme Finance Initiative Principles (UNEP FI) as an international benchmark standard, the Equator Principles, CaixaBank's Climate Change Statement for the protection of the environment and the requirements of the CNMV's Code of Good Governance.

## Respect for Human Rights

MicroBank has also signed up to the Corporate Human Rights Policy, which commits the institution to respecting the recognised human rights of its stakeholders, be they customers, suppliers, employees, executives or others, and to requiring compliance by any third party with whom it maintains a business relationship.

In particular, it includes a commitment to upholding the human rights enshrined in the Charter of Fundamental Rights of the European Union, the Principles of the United Nations' Global Compact and the UNEP FI Principles, along with the Group's Supplier Code of Conduct.



## Corporate policies on compliance

Moreover, throughout 2021, the institution has signed up to the updates and revisions of the various Corporate Compliance Policies approved by CaixaBank, including the Reputational Risk Management Policy, the Prevention of Money Laundering and Terrorist Financing and Sanctions Policy and its Procedures; the Product Governance Policy; the Communication Policy; the Conflict of Interest Management Policy; the Anti-Corruption Policy; the Regulatory Compliance Policy; and the Internal Control Policy.

Oversight of the Group's compliance with the aforementioned policies is carried out by CaixaBank's Regulatory Compliance area. At MicroBank, the Control Area checks the control procedures in place and coordinates MicroBank's application of the Crime Prevention Model put in place by the CaixaBank Group. We also provide regular and mandatory training for all staff in relation to the Code of Ethics and the other applicable policies on Compliance.

The bank also develops other initiatives to strengthen its model of action and transparency in management, such as the following:



There is a confidential internal query and complaints channel and a conflict of interest channel to promote compliance with internal policies and regulations.



In addition, MicroBank has made available to its employees a channel for the internal reporting of suspicious transactions with signs of money laundering and/or terrorist financing, accessible via the intranet.



Customers and other stakeholders have the usual customer service channels for inquiries and complaints available to them.



MicroBank is a voluntary member of Autocontrol, the Association for Commercial Self-Regulation, which promotes good practices in advertising.



In June 2021, MicroBank also implemented the Code of Good Practices issued by the Spanish Official Credit Institute.

# Risk Management

In accordance with the standards and best practices issued by the Basel Committee on Banking Supervision, MicroBank's risk management policy is based on a set of calculation tools and techniques for the purpose of measuring, monitoring and managing risk.

The main risks arising from the bank's own activities are categorised as follows:



## Risks related to business model

Liquidity risk

## Risks related to financial activity

Credit risk  
Interest rate structure risk

## Risks related to business continuity

Operational risk

Pursuant to the CaixaBank Group's guidelines, MicroBank has an internal control model structured around three lines of defence. This is why the institution has a risk management function, a regulatory compliance function and an internal audit function.

Moreover, it has a Risk Management Area and a Control Area, which respectively act as points of contact for CaixaBank's Risk and Regulatory Compliance departments.

In particular, MicroBank's Risk Management Area conducts an in-depth control of both quality in transaction admission and the development of the risk quality of microcredits granted along with the subsequent level of non-performance. In doing so, MicroBank's Management is provided with a comprehensive overview of each customer's situation along with aggregate information at the production line and management unit level.

In addition, the Control Area handles coordination between MicroBank and its shareholder and agent, CaixaBank, in all initiatives related to regulatory aspects with an impact on the institution. MicroBank grants 100% of its microcredits on the basis of the personal guarantee provided by the applicants, without requesting or accepting any kind of in rem guarantee. Since the institution deals with customers with little or

no credit history, the traditional risk analysis tools must be supplemented with other types of techniques enabling it to conduct an in-depth analysis of the feasibility of each proposed project.

This approach allows MicroBank to achieve its company purpose of promoting credit inclusion.

## Management ratio figures

	2021	2020	2019
<b>NPL ratio</b>	<b>4.66%</b>	<b>3.75%</b>	<b>4.19%</b>
<b>Accumulated write-off % vs. granted and due capital</b>	<b>6.07%</b>	<b>5.38%</b>	<b>6.04%</b>
<b>Impaired asset coverage</b>	<b>117.85%</b>	<b>154.02%</b>	<b>166.99%</b>



07

56

Economic-  
financial  
information

## A sustainable social bank

MicroBank ended 2021 with a record number of transactions and a record volume of financing.

The year was closed with an active portfolio balance of €2,075 million, 13% more than in 2020. The segment experiencing the greatest growth in 2021 was support for low-income families. Specifically, MicroBank granted 86,859 microcredits to this group to cover specific needs last year, up 28%, for a total of €546 million, representing an increase of 46% compared to 2020. In another of MicroBank's major business areas, the granting of microcredits for the self-employed and microenterprises, a total of 15,221 transactions were completed in 2021, similar to the figure for 2019, although lower than in 2020, when this area saw unusual growth due to the high liquidity needs of many businesses, which were severely affected by the pandemic-related restrictions.

MicroBank closed out the year with own funds of €388 million, of which 90 million were capital and 262 million reserves, with a net profit of €36 million. This amount of own funds accounted for 19% of total assets and is significantly higher than the regulatory capital amount estimated pursuant to the advanced approaches for calculating the required own funds (for credit, operational and other risks), estimated at €109 million in December 2021.



At year-end, MicroBank's impaired assets were at €97 million, which translates into an NPL ratio of 4.66%. The write-off ratio (the percentage of debt transferred to write-off risks out of the accumulated amount of credit already matured or repaid since the commencement of business, excluding refinancing) reached 6.07% before applying the EIF's coverage and 4.65% after applying the amounts recovered through the guarantees arranged with this body in the different agreements. These figures show the current portfolio's risk quality remains within the prudential range we deem acceptable.

The net amount of insolvency costs recorded in 2021 was €31 million (€39 million for insolvency costs minus €8 million income from the agreements with the EIF, allocated in the year). The provision for loan losses amounted to €114 million. This overall provision volume results in an impaired asset coverage ratio of 118%.

This volume of own funds, the availability of a marketing network with more than 4,000 branches, the important organisational support from the Group and the ongoing availability of funding are some of the most

important competitive advantages provided by our sole shareholder, CaixaBank.



Profit after tax

**€36 M**

Active portfolio balance

**€2,075 M**

Family loans:

Transactions

**250,725****€1,078 M**

Business loans

Transactions

**72,381****€632 M**

Other financing with social impact

Transactions

**13,011****€365 M**

## FINANCIAL DATA

	2021	2020	2019
<b>Balance statement*</b>			
Total assets	2,000,251	1,768,880	1,532,858
Loan portfolio	2,074,762	1,832,296	1,582,594
Resources from customers	50,224	48,396	42,326
Resources from credit institutions	1,520,291	1,321,281	1,086,392
Capital and reserves	388,238	353,503	358,508
<b>Profit and loss account*</b>			
Interest margin	113,459	116,170	123,735
Gross margin	119,438	120,862	131,493
Recurrent administrative overheads and amortisation	-36,343	-37,588	-30,529
Allocation to provisions and impairment losses and asset write-offs	-31,045	-75,526	-51,274
Profit (loss) before tax	51,950	7,748	49,690
Net profit or loss in the financial year	36,357	5,405	34,704

\*In thousands of euros.

	2021	2020	2019
<b>Resources</b>			
MicroBank staff	29	30	27
Total number of CaixaBank Group employees	49,762	35,434	35,736
CaixaBank's retail branches	4,615	3,571	3,918
<b>Management ratios</b>			
Profitability ROE	9.97%	1.54%	9.98%
Profitability ROA	1.94%	0.33%	2.26%
Solvency (Own Funds without Tax)	19.41%	19.98%	23.39%
Impaired assets	4.66%	3.75%	4.19%
Coverage	117.85%	166.99%	137.85%
Write-offs (without loans granted)	6.07%	6.04%	5.38%
Write-offs with EIF recoveries	4.65%	4.59%	3.99%

	Número	Saldo vivo*
<b>Loan portfolio</b>		
Family Microcredit	250,725	1,077,916
Business Microcredits	72,381	631,641
Other loans with impact	13,011	365,205
<b>Total MicroBank</b>	<b>336,117</b>	<b>2.074.762</b>
<b>Liability contracts</b>		
MicroBank current account	3,993	21,933
MicroBank savings book	11,976	28,291
<b>Total MicroBank</b>	<b>15,969</b>	<b>50,224</b>

\*In thousands of euros.

A man with a beard and a woman with glasses are sitting at a desk, looking at a laptop. The man is on the left, wearing a dark suit and tie, with his hands clasped. The woman is on the right, wearing a white blouse, looking at the laptop screen. A large blue rectangle is overlaid on the right side of the image, containing the word 'Annexes' in white text.

# Annexes



## Annex I: Methodological breakdown for calculating social impact

MicroBank analyses the impact of its activity on a recurring basis in order to understand the effects of its loans on the recipients and their businesses. This is why a study on the impact of the loans granted by MicroBank was carried out by the firms KPMG Asesores and Stone Soup Consulting.

### Impact on entrepreneurs and families

The impact data in this report is based on an *ex-post* analysis conducted through telephone surveys of entrepreneurs, microenterprises and families. For businesses, the survey was carried out on a random sample of 600 entrepreneurs/microenterprises, with information collected on the recipient's profile, the features of the business, the socio-economic impact and the main cash outflows of the business (expenditure on salaries, taxes and suppliers). These figures were used in input-output calculations to determine the total impact on Spanish society of the businesses that have received a loan in terms of economic contribution and job creation. For the impact analysis in the case of entrepreneurs receiving a Business Microcredit, a total of 600 valid interviews were carried out from a universe of 19,624 people. The sample taken is statistically representative with a confidence level of 95% and a margin of error of 3.94 points. The sample is broken down into microenterprises, which represent 26% of the sample, and entrepreneurs, which represent the remaining 74%.

A further 600 surveys of Family Microcredit recipients were also conducted to collect information on the recipient's profile, socio-economic impact and financial habits. In this case, a total of 600 valid surveys were carried out, for a total population of 86,859 recipients. This means that the sample of recipients is representative with a confidence level of 95% and a margin of error of 3.99 points.

### Impact on the social economy

In addition, due to the strategic importance of EaSI loans for MicroBank, a specific analysis of the impact of this product has been carried out, with the methodology used being presented below.

A total of 132 interviews were conducted with social enterprises that applied for the loan throughout 2021. Regarding the universe of organisations that benefited from EaSI in 2021, this is a statistically relevant sample with a margin of error of 5.19 at a confidence level of 95%.

Based on the potential impacts identified in a theory of change workshop, large areas of impact were developed, with which certain indicators were associated. The short, medium and long term impacts of these activities, which can be broken down into direct impacts on the organisations (more financial strength, better or greater organisational capacity) and impacts related to the number and diversity of the recipients assisted and their impact on society through job creation and the contribution made to the sustainable development goals.



## Input-Output analysis methodology

The Input-Output framework is a statistical accounting tool used to show all production and distribution operations taking place in an economy in a certain period of time. It enables the flows of the different intersectoral transactions to be observed in a given economy for a reference year. The purpose of the Input-Output framework is to provide a systematic and in-depth description of the economy, its components and its relationships with other economies. Using the framework, an economy can be analysed as a whole but also in detail. The constructed model on which this tool is based, and which is standardised in general methodology in the closed Leontief system, is defined as this basic equation in matrix form.

$$X = AX + DF$$

X is the matrix of productions in the different homogenous activity branches

A is the matrix of coefficients by production (each average consumption divided by the production of the branch)

DF is the system's vector of final demand

This model is defined as an equation based on the inverse Leontief matrix:

$$X = (I-A)^{-1} DF$$

Using this model, we can observe a series of effects on the production of the system linked to the final, external, demand thereof. These effects are broken down into direct or initial, indirect, induced and total effects, with the latter being the sum of all the aforementioned effects. The inverse Leontief matrix shows the effect of the successive rounds of economic transactions taking place in the different sectors when demand is increased in one or several of them.

Using the tools developed, and based on the features of the model, we can establish a series of predictions and proportionalities allowing us to assess the sectorial impacts or effects of the businesses to which MicroBank has granted a loan on the Spanish economy as a whole.

These effects can be divided into the following:

- **Direct effect**, which refers to purchases made from direct suppliers and the jobs directly created by the businesses to which a loan was granted, along with the economic aspects related to their business activity.
- **Indirect effect**, which is the drag along effect exercised on the second line of suppliers by boosting their spending on intermediary products in other sectors and contributing to their job creation.
- **Induced effect**, which refers to the effect on other sectors which, following the increased demand, increase their orders from their respective suppliers

### Application of the method to the case being studied

In order to calculate the direct, indirect and reduced impact of the activities performed by the businesses to which MicroBank has granted a loan (hereinafter referred to as "businesses") on the Spanish economy, we have used the Input-Output framework matrices drawn up by the Spanish National Statistics Institute (INE). These tables are public and drawn up based on the methodology set out by the European Commission.

The table used for the calculations made in this work was the symmetric domestic production at basic prices table, since the aim of the calculations is to find the direct impact of the businesses' activity on the Spanish economy. This table sets out the intersectoral relationships taking place in an economy for a reference year. The sectors included in this table roughly correspond to the sectors designated by the National Classification of Economic Activities (CNAE). The table also provides information on production in each of these sectors.

We have also obtained data on employment by sector from the INE. Using this data, we have calculated the number of jobs generated by each of the sectors of the communities being studied. With these sector, production and employment data we can establish proportionality

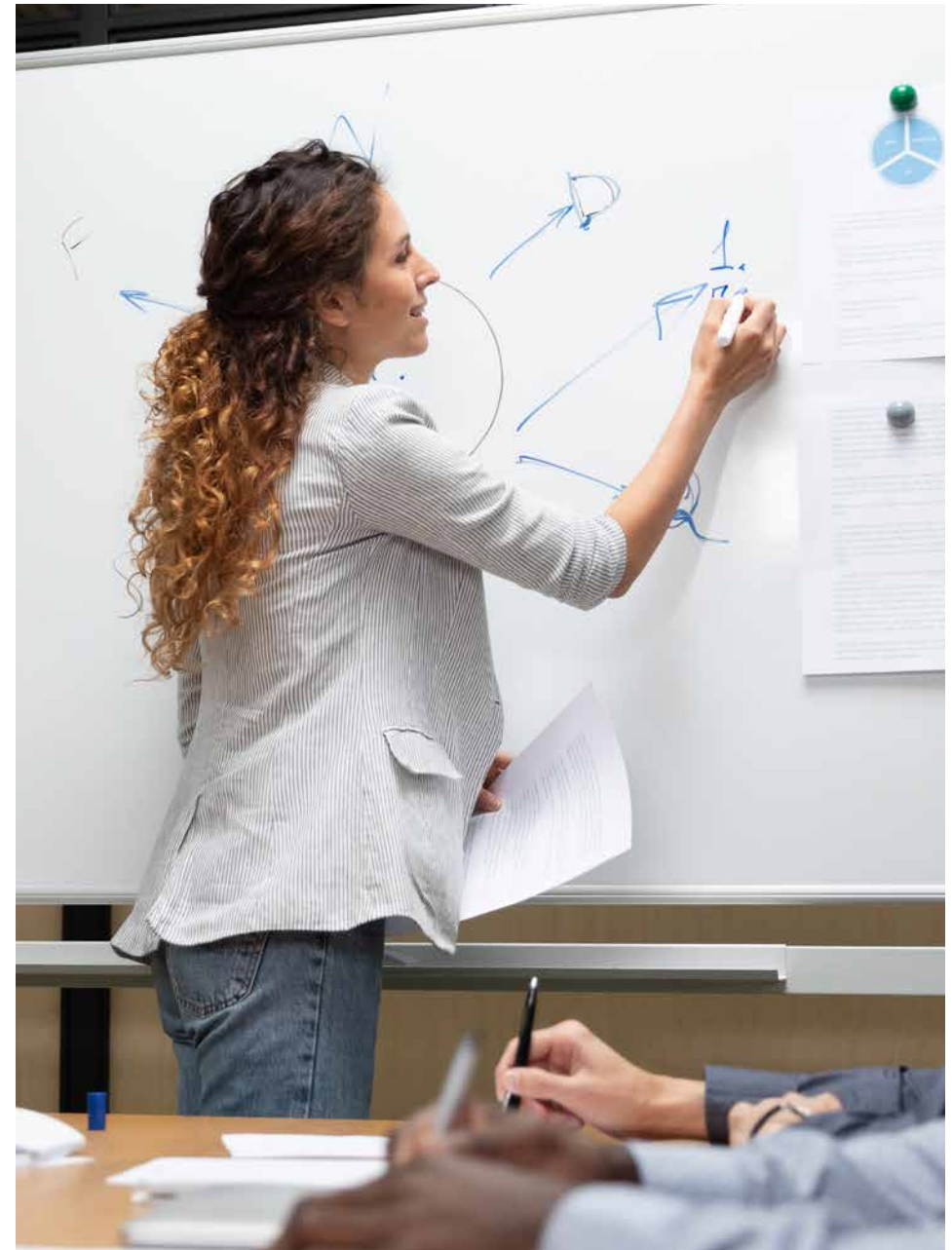
rules to find out the direct, indirect and induced employment generated depending on a given production.

The Input-Output methodology also allows us to find out the contribution made by the businesses to the Spanish economy in terms of GDP. The inputs used were supplier expenses, tax expenses and salary expenses. The former two figures were obtained from surveys in which we enquired about annual supplier and tax spending. In the case of salaries, we have worked with conservative data and used the interprofessional minimum wage.

Using the interviews, we can calculate the inputs by company sector. In the case of supplier expenses, after we have obtained the total expenses by sector, we have used the information from the Input-Output tables to estimate the distribution thereof over the different sectors in the symmetric table and by applying the methods explained above, we were able to calculate the direct, indirect and induced effects. The tax expenses were directly allocated to the Public Authority sector.

Payment of salaries generates direct employment but also generates indirect and induced employment due to the money spent by the people who receive a salary. In order to calculate this spending and find out in which sectors it occurs, we have used data from the Family Budget Survey 2021 conducted by the Spanish National Statistics Institute (INE), whose analyses show the typical spending structure of a Spanish consumer. Deducting savings, distributing this spending among the different sectors in the symmetric table of domestic production at basic prices and proceeding similarly as with the supplier expenses, we can calculate the indirect and induced impact in terms of the impact on the GDP and employment.

This analysis has been conducted for the fourth consecutive year. For the first time this year, the scope has been broadened to include the impact of the total business loans granted by the institution, both microcredits and loans. The data in the previous reports only covered microcredits, so the figures are not comparable.



## Annex II: GRI content index

	GRI Standard	Disclosure	Section or direct response	Principles of the Global Compact	SDG
<b>GRI 101: Foundation 2016</b>					
<b>GRI 102: General Disclosures</b>					
<b>GRI 102: General Disclosures 2016</b>	<b>Organisational profile</b>				
	102-1	Name of the Organisation	NUEVO MicroBank, S.A.U.		
	102-2	Activities, brands, products and services	4. Business model		
	102-3	Location of headquarters	Aduana, 18. 28013 - Madrid, Spain		
	102-4	Location of operations	3. MicroBank's teamwork with CaixaBank and its main stakeholders		
	102-5	Ownership and legal form	3. MicroBank's teamwork with CaixaBank and its main stakeholders		
	102-6	Markets served	3. MicroBank's teamwork with CaixaBank and its main stakeholders		
	102-7	Scale of the organisation	4. Business model		
	102-8	Information on employees and other workers	3. MicroBank's teamwork with CaixaBank and its main stakeholders	6	8
	102-9	Supply chain	3. MicroBank's teamwork with CaixaBank and its main stakeholders		
	102-10	Significant changes to the organisation and its supply chain	There were no significant changes to the organisation in 2021		
	102-11	Precautionary principle or approach	5. Impact of our business		
	102-12	External initiatives	6. Corporate governance		
	102-13	Membership of associations	Member of the European Microfinance Network and the Spanish Banking Association		
<b>Strategy</b>					
	102-14	Statement from senior decision-maker	Introductory letters		

	GRI Standard	Disclosure	Section or direct response	Principles of the Global Compact	SDG
GRI 102: General Disclosures 2016	<b>Ethics and integrity</b>				
	102-16	Values, principles, standards and norms of behaviour	6. Corporate governance	1, 10	
	<b>Governance</b>				
	102-18	Governance structure	6. Corporate governance		
	<b>Stakeholder engagement</b>				
	102-40	List of stakeholder groups	Annex III: Materiality and dialogue with stakeholder groups		
	102-41	Collective bargaining agreements	MicroBank's employees are covered by the collective bargaining agreement applicable to them	3	8
	102-42	Identifying and selecting stakeholders	Annex III: Materiality and dialogue with stakeholder groups		
	102-43	Approach to stakeholder engagement	Annex III: Materiality and dialogue with stakeholder groups		
	102-44	Key topics and concerns raised	Annex III: Materiality and dialogue with stakeholder groups		
	<b>Reporting practice</b>				
	102-45	Entities included in the consolidated financial statements	NUEVO MicroBank, S.A.U.		
	102-46	Defining report content and topic boundaries	Annex III: Materiality and dialogue with stakeholder groups		
	102-47	List of material topics	Annex III: Materiality and dialogue with stakeholder groups		
	102-48	Restatements of information	No restatements of information took place		
	102-49	Changes in reporting	Annex I: Methodological breakdown for calculating social impact		
	102-50	Reporting period	2021		
	102-51	Date of most recent report	2020		



	GRI Standard	Disclosure	Section or direct response	Principles of the Global Compact	SDG
<b>GRI 102: General Disclosures 2016</b>	102-52	Reporting cycle	Yearly		
	102-53	Contact point for questions regarding the report	The usual customer support channels available on the corporate website		
	102-54	Claims of reporting in accordance with the GRI Standards	This report was drawn up pursuant to the Core option of the GRI Standards		
	102-55	GRI content index	Annex II: GRI content index		
	102-56	External assurance	The information was not verified by an independent third party		
<b>Material topics</b>					
<b>Good Governance</b>				<b>1, 2</b>	<b>16</b>
<b>GRI 103: Management approach 2016</b>	103-1	Explanation of the material topic and its boundary	Annex III: Materiality and dialogue with stakeholder groups		
	103-2	The management approach and its components	6. Corporate governance		
	103-3	Evaluation of the management approach	6. Corporate governance		
<b>Business ethics</b>				<b>1, 2, 10</b>	<b>16</b>
<b>GRI 103: Management approach 2016</b>	103-1	Explanation of the material topic and its boundary	Annex III: Materiality and dialogue with stakeholder groups		
	103-2	The management approach and its components	6. Corporate governance		
	103-3	Evaluation of the management approach	6. Corporate governance		
<b>Data protection and cybersecurity</b>					<b>9</b>
<b>GRI 103: Management approach 2016</b>	103-1	Explanation of the material topic and its boundary	Annex III: Materiality and dialogue with stakeholder groups		
	103-2	The management approach and its components	6. Corporate governance		
	103-3	Evaluation of the management approach	6. Corporate governance		
<b>GRI 418: Customer privacy 2016</b>	418-1	Substantiated complaints regarding breaches of customer privacy and loss of customer data	6. Corporate governance		



	GRI Standard	Disclosure	Section or direct response	Principles of the Global Compact	SDG
<b>Digitalisation</b>					<b>9</b>
<b>GRI 103: Management approach 2016</b>	103-1	Explanation of the material topic and its boundary	Annex III: Materiality and dialogue with stakeholder groups		
	103-2	The management approach and its components	4. Business model		
	103-3	Evaluation of the management approach	4. Business model		
<b>Social and economic inclusion</b>					<b>1, 2, 1, 3, 4, 10, 12</b>
<b>GRI 103: Management approach 2016</b>	103-1	Explanation of the material topic and its boundary	Annex III: Materiality and dialogue with stakeholder groups		
	103-2	The management approach and its components	5. Impact of our business		
	103-3	Evaluation of the management approach	5. Impact of our business		
<b>GRI 413: Local communities 2016</b>	413-1	Operations with local community engagement, impact assessments, and development programs	5. Impact of our business		
<b>Contribution to economic development</b>					<b>8, 9</b>
<b>GRI 103: Management approach 2016</b>	103-1	Explanation of the material topic and its boundary	Annex III: Materiality and dialogue with stakeholder groups		
	103-2	The management approach and its components	5. Impact of our business		
	103-3	Evaluation of the management approach	5. Impact of our business		
<b>GRI 203: Indirect economic impacts 2016</b>	203-1	Infrastructure investments and services supported	5. Impact of our business		
	203-2	Significant indirect economic impacts	5. Impact of our business		

	GRI Standard	Disclosure	Section or direct response	Principles of the Global Compact	SDG
<b>Job creation</b>				<b>6</b>	<b>5, 8, 9</b>
<b>GRI 103: Management approach 2016</b>	103-1	Explanation of the material topic and its boundary	Annex III: Materiality and dialogue with stakeholder groups		
	103-2	The management approach and its components	5. Impact of our business		
	103-3	Evaluation of the management approach	5. Impact of our business		
<b>Innovative products and services</b>					<b>9</b>
<b>GRI 103: Management approach 2016</b>	103-1	Explanation of the material topic and its boundary	Annex III: Materiality and dialogue with stakeholder groups		
	103-2	The management approach and its components	4. Business model		
	103-3	Evaluation of the management approach	4. Business model		
<b>Climate Change</b>				<b>7, 8</b>	<b>12, 13</b>
<b>GRI 103: Management approach 2016</b>	103-1	Explanation of the material topic and its boundary	Annex III: Materiality and dialogue with stakeholder groups		
	103-2	The management approach and its components	5. Impact of our business		
	103-3	Evaluation of the management approach	5. Impact of our business		
<b>Products with impact</b>				<b>1, 2, 6, 8, 9</b>	<b>10, 12</b>
<b>GRI 103: Management approach 2016</b>	103-1	Explanation of the material topic and its boundary	Annex III: Materiality and dialogue with stakeholder groups		
	103-2	The management approach and its components	4. Business model 5. Impact of our business		
	103-3	Evaluation of the management approach	4. Business model 5. Impact of our business		



	GRI Standard	Disclosure	Section or direct response	Principles of the Global Compact	SDG
<b>Customer satisfaction</b>				<b>1</b>	<b>12</b>
<b>GRI 103: Management approach 2016</b>	103-1	Explanation of the material topic and its boundary	Annex III: Materiality and dialogue with stakeholder groups		
	103-2	The management approach and its components	3. MicroBank's teamwork with CaixaBank and its main stakeholders		
	103-3	Evaluation of the management approach	3. MicroBank's teamwork with CaixaBank and its main stakeholders		
<b>Talent Management</b>				<b>1, 2, 3, 4, 5, 6</b>	<b>3, 5, 8</b>
<b>GRI 103: Management approach 2016</b>	103-1	Explanation of the material topic and its boundary	Annex III: Materiality and dialogue with stakeholder groups		
	103-2	The management approach and its components	3. MicroBank's teamwork with CaixaBank and its main stakeholders		
	103-3	Evaluation of the management approach	3. MicroBank's teamwork with CaixaBank and its main stakeholders		
<b>GRI 405: Diversity and equal opportunities 2016</b>	405-1	Diversity of governing bodies and employees	3. MicroBank's teamwork with CaixaBank and its main stakeholders 6. Corporate governance		
<b>Equality</b>				<b>1, 2, 6</b>	<b>5, 10</b>
<b>GRI 103: Management approach 2016</b>	103-1	Explanation of the material topic and its boundary	Annex III: Materiality and dialogue with stakeholder groups		
	103-2	The management approach and its components	3. MicroBank's teamwork with CaixaBank and its main stakeholders 5. Impact of our business		
	103-3	Evaluation of the management approach	3. MicroBank's teamwork with CaixaBank and its main stakeholders 5. Impact of our business		



	GRI Standard	Disclosure	Section or direct response	Principles of the Global Compact	SDG
Stakeholder relations					17
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	Annex III: Materiality and dialogue with stakeholder groups		
	103-2	The management approach and its components	3. MicroBank's teamwork with CaixaBank and its main stakeholders Annex III: Materiality and dialogue with stakeholder groups		
	103-3	Evaluation of the management approach	3. MicroBank's teamwork with CaixaBank and its main stakeholders Annex III: Materiality and dialogue with stakeholder groups		

## Annex III: Materiality and dialogue with stakeholder groups

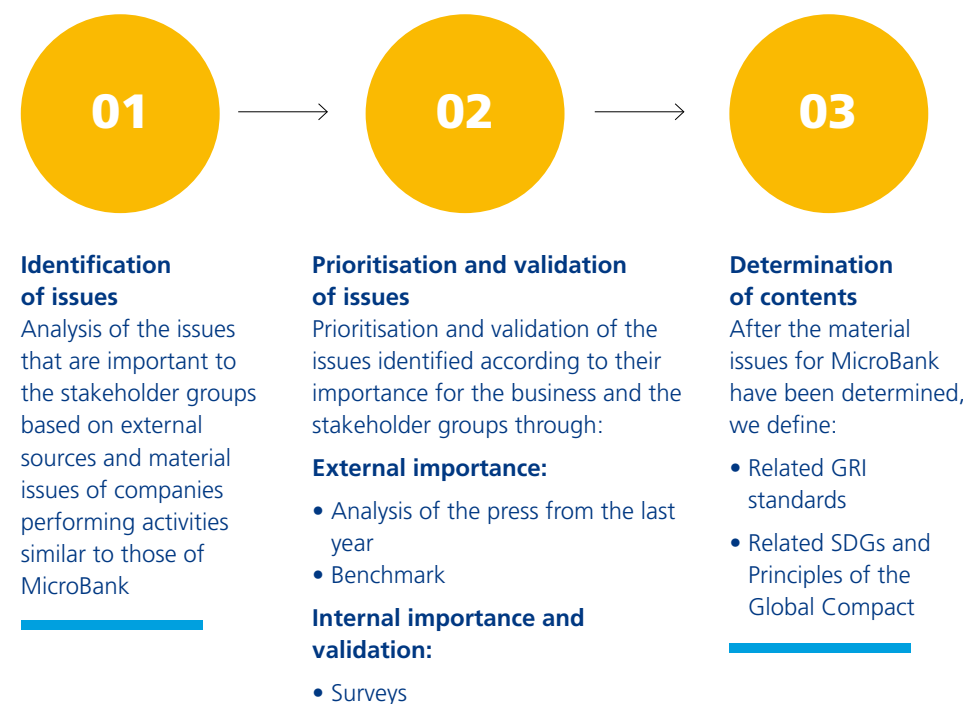
MicroBank is firmly convinced that one of the greatest values it can contribute to its stakeholder groups is to gain their trust and provide them with the information they wish to obtain. To do so, it establishes channels allowing for simple communication while understanding the needs and expectations of the stakeholder groups.

Stakeholder groups	Available channels
<b>CaixaBank</b>	<ul style="list-style-type: none"> <li>• Regular meetings</li> <li>• Email</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Web</li> <li>• Email</li> <li>• CaixaBank Branches</li> <li>• Annual Report</li> <li>• Enquiries</li> </ul>
<b>European institutions</b>	<ul style="list-style-type: none"> <li>• Regular meetings</li> <li>• Email</li> </ul>
<b>Collaborating institutions</b>	<ul style="list-style-type: none"> <li>• Web</li> <li>• Regular meetings</li> <li>• Email</li> </ul>
<b>Staff</b>	<ul style="list-style-type: none"> <li>• Intranet</li> <li>• Email</li> <li>• Channel for queries</li> </ul>
<b>Society</b>	<ul style="list-style-type: none"> <li>• Web</li> <li>• Annual Report</li> </ul>






MicroBank has a range of processes for dialogue with its stakeholder groups at its disposal, along with processes for analysing its environment which, through indirect sources, enable it to identify the important issues for both its direct stakeholder groups and the sector in general terms.

A materiality analysis was carried out for 2021 in order to identify the key aspects to be considered from the standpoint of their importance both for the organisation and for the stakeholder groups. These aspects include both those that reflect the bank's significant economic, environmental and social impact and those that have a material influence on the analyses and decisions of the stakeholder groups.

The method it uses is based on the GRI standard methodology, specifically GRI 101. In order to verify compliance with the completeness principle of the GRI and that there are no omissions in the material issues identified by MicroBank, we have designed a process enabling us to identify what is important for the company and its stakeholders and where it is important (coverage). Based on the issues identified as material for MicroBank in 2021, the most relevant issues for inclusion in this report have been identified.






The list of material issues initially identified is as follows:

Material issues	Topics included	SDG	Principles of the Global Compact
<b>1. Good Governance</b>	Transparent and responsible management.		1, 2
	Regulatory Compliance.		
	Good practices in corporate governance.		
<b>2. Business ethics</b>	Code of ethics and principles of conduct.		1, 2, 10
	Measures for preventing corruption, bribery and fraud.		
	Commitment to international practices and standards (Global Compact, Responsible Banking Principles, etc.).		
	Transparent reporting on contribution to priority SDGs based on KPIs to track social and environmental strategy performance.		
	Ensuring an efficient and confidential complaints mechanism.		
	Responsible marketing.		
<b>3. Data protection and cybersecurity</b>	Preventing and managing cybersecurity risks, ensuring the protection of systems and the organisation.		—
	Ensuring the privacy of information and data protection by putting in place robust protection mechanisms.		
<b>4. Digitalisation</b>	Promoting technology for the development of new products and services.		—
	Development of new communication channels arising from new digital environments.		
<b>5. Social and economic inclusion</b>	Financial inclusion: promoting access to high-quality financial products and services provided in a responsible and sustainable manner.		1, 2
	Supporting people at risk of exclusion so that they have access to basic necessities: health, education, employment, etc.		
	Supporting people to alleviate the effects of extraordinary events: pandemics, natural disasters, etc.		
	Ancillary financial service for the most disadvantaged or deprived private households: Monte de Piedad.		



Material issues	Topics included	SDG	Principles of the Global Compact
<b>6. Contribution to economic development</b>	Impact on socio-economic development in the region.	 	—
	Launch and growth of microenterprises.		
<b>7. Job creation</b>	Creation of quality jobs.	  	6
	Promoting entrepreneurship.		
<b>8. Innovative products and services</b>	Access to new market niches.		—
	Response to new competitors/financing models (e.g. crowdfunding, fintech).		
<b>9. Climate Change</b>	Measuring the carbon footprint of the business microcredit portfolio.	 	7, 8
	Credit portfolio decarbonisation strategy.		
<b>10. Products with impact</b>	Development of specific products and services designed to mitigate or adapt to the impacts of climate change.	 	1, 2, 6, 8, 9
	Development of products to address the specific needs of women, young people, older people, migrants and other disadvantaged groups.		
	Impact measurement and management.		
<b>11. Customer satisfaction</b>	Facilitating and simplifying customer relations in the digital space and driving improvements in the customer experience in the online environment.		1
	Measuring and managing customer satisfaction.		
	Maintaining and promoting transparency of products and services (clear language).		
<b>12. Talent management</b>	Talent management and personal development.	  	1, 2, 3, 4, 5, 6
	Promoting diversity, equality and work-life balance in the workplace.		
	Ensuring working environments that promote the health and wellbeing of workers and partners.		



Material issues	Topics included	SDG	Principles of the Global Compact
13. Equality	Promoting equality through products and services.	 	1, 2, 6
	Cooperation with customers, partners, European institutions and relevant stakeholders to raise awareness of ESG issues.		—
14. Stakeholder relations	External and internal communication strategy.		



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**Published by:** MicroBank

**Design, layout and print:** [www.cegeglobal.com](http://www.cegeglobal.com)

**L.D.:** B 35833-2011

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