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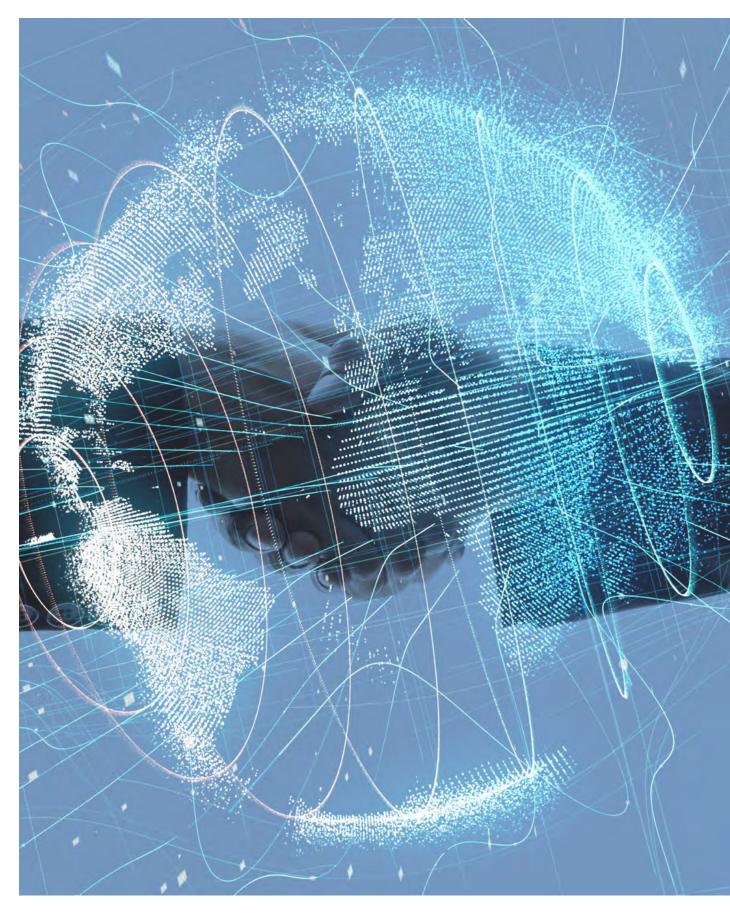
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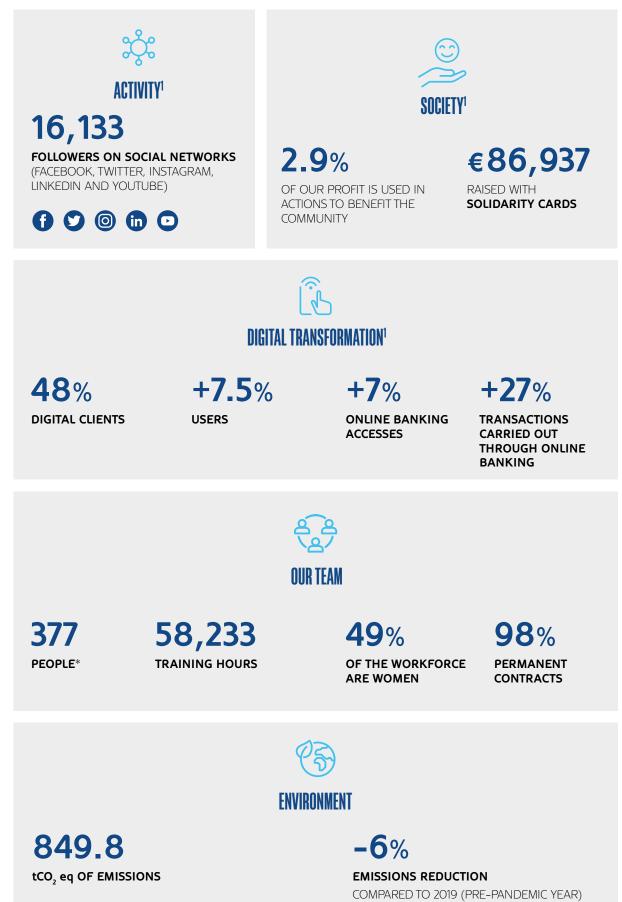


MORABANC

2021 SUMMARY OF THE MORABANC GROUP



2021 SUMMARY OF THE MORABANC GROUP



2021 SUMMARY OF THE MORABANC GROUP



LOAN BOOK

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MORABANC

The Chairman's vision

TRUST TO GROW TOGETHER

Joan Maria Nin Génova

In recent years, the world seems to be testing us with difficult situations that have demanded, and still demand today, the best from people and companies. Although it seems that we are at the end of the tunnel, the COVID pandemic has affected us very significantly and we still notice its effects today. And when it seemed that we could see an improvement in the economy, the war in Ukraine has entered the international scene with severe effects on the world economy. The upward trend in GDP gives us optimism, but doubts about the management of high inflation data and the energy crisis are causing us uncertainty. The impact on our families is painful, on society as a whole as well, and we need to be aware of this in order to act responsibly.

In the midst of these circumstances, MoraBanc has presented some results in 2021 that we consider extraordinary, especially against the background that we have just described. We closed the financial year with a profit of 34.5 million euros, a figure that places us as the leading bank in Andorra in terms of profit generation. However, the main goal has been to achieve the purchase of Banco Sabadell's holdings in BancSabadell d'Andorra, now BSABanc, and which in 2022 will lead to the integration into MoraBanc. The operation is very large for MoraBanc, which ranks as the leading bank in most indicators and volumes, and which plays an essential role in the Andorran market future, as a major player, but also on a more global level.

With this strong position, we face the challenges we have to achieve: goals such as digitalisation, the membership agreement with the European Union and the growing commitment that companies must have in terms of sustainability and equality. Issues that society is increasingly demanding with a louder and clearer voice and that the bank will manage with the expertise and commitment that they require.

THE CHAIRMAN'S VISION

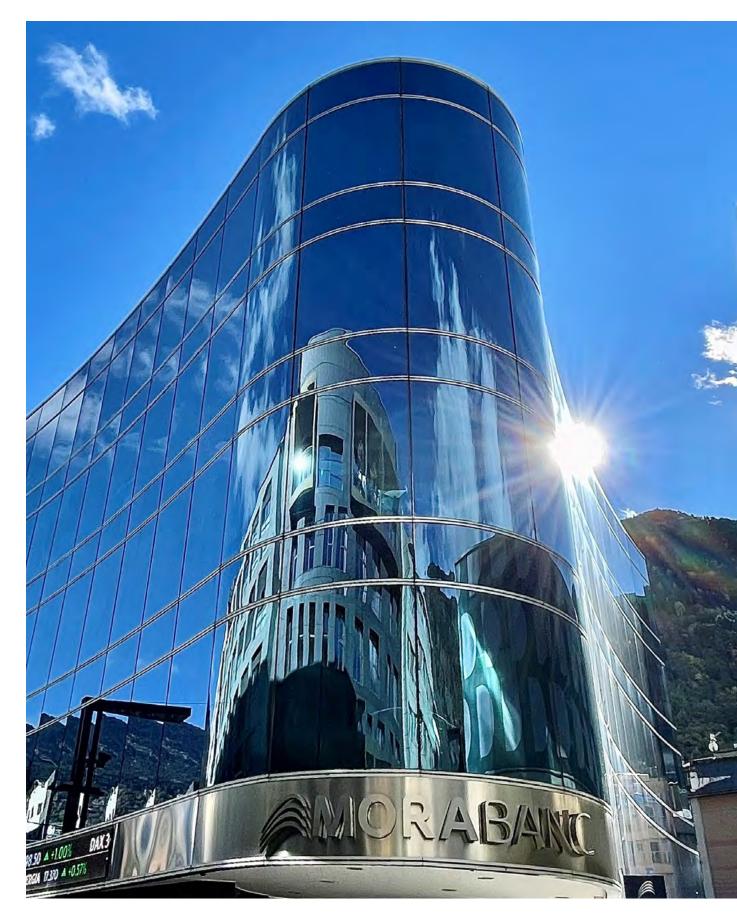
The new strategic plan that has begun to be implemented by the management of MoraBanc focuses on all these objectives, with a prioritisation of investment in digital projects to keep the bank as the leader in Andorra in this regard. With new technologies we will be closer and closer to the client in order to facilitate all the management, no matter how far away or near they may be.

The negotiation of the Association Agreement with Europe raises new horizons for a financial centre such as the Andorran one, which has recently changed greatly from 5 to 3 financial institutions in 2022. This concentration follows international trends and should serve to strengthen a sector that is of paramount importance in any society. For any country, having its own banking sector is an asset that provides security in difficult times, as demonstrated during the pandemic. Approaching Europe must be done keeping in mind the advantages we can gain as a country and preserving those elements that guarantee independence and provide security, and the bank must be there with a clear commitment to society. For MoraBanc, this commitment also extends to the field of sustainability – an aspect also present in the strategic plan which has specific mobility and equality plans – and the desire to apply ESG criteria within our management and committing ourselves from Andorra to the international agenda. We, as financial institutions, have an essential role to play in the face of the climate emergency and an inescapable responsibility. We must incorporate climate action into our decisions and operations, and we must also apply sustainability criteria to our funding activities, in line with the goals set by our Government and international organisations.

The year 2021 was a good one for MoraBanc, and we value it especially because it shows us that our growth is possible only if our clients also move forward. Our mission as a bank is to help make the projects of individuals and companies a reality by making their financial operations as easy as possible, and we will continue to be committed to the strength and expertise of our teams to make this possible.







MORABANC

OUR VISION FOR CREATING VALUE

How we organise ourselves to create value

Founded in 1952, MoraBanc retains the values of a family business and maintains 100% of the family and Andorran ownership, in the hands of the Mora family. Our business model is based on our commitment to the sustainable development in Andorra and its citizens, as well as the implementation of new strategies to address future challenges.

The creation of value is our main objective. We aim to generate a positive long-term impact for all our stakeholders. We strive to meet the needs of our clients and to offer them products and services of the highest quality.



STRATEGIES

SUSTAINABLE COMMITMENT



POSITIVE IMPACT



WHAT MAKES MORABANC DIFFERENT



A STRONG CORPORATE CULTURE

which has implemented change as a tool for growth and continuous improvement.



AN EXPERIENCED MANAGEMENT TEAM

which has led the institution along the path to increasing profits path to recurrent increasing profits after a transformation process to deal with the changes in the business environment.



A 100% FAMILY BANK

which makes decisions based on long-term continuity and permanence with a strategy that seeks to create value in a sustainable manner.



LEADERSHIP IN DIGITAL TRANSFORMATION

in client service: receiving a World Finance Award for the fifth consecutive year for the Best Digital Banking and Best App.



PRUDENT AND CONSERVATIVE ECONOMIC MANAGEMENT

which positions us as one of the most solvent banks.



RECOGNITION AS ANDORRA BANK OF THE YEAR

by "The Banker", part of the Financial Times group, for the fourth time in the last seven years.





PYRĒNĒES ANDORRA





OUR VALUE PROPOSITION

Our relationship with our clients and their satisfaction is at the centre of our strategy.

Our main concern is to advise our clients in all the financial aspects of their lives. This is why we strive to identify their needs and expectations, so we can continually adapt our processes, products and services within a business model based on transparency, innovation and efficiency.

MoraBanc offers its clients commercial banking, private banking and wealth management services, investment funds managed by the group's management company and the policies of the group's insurance company. In In 2021 the volume of transactions totalled 12,928 million euros, 41% higher than in 2020.

MoraBanc's headquarters are located in Andorra la Vella and we have branches across the country in order to offer a high-quality service to our clients. In step with our international outlook, we have also been doing business in other jurisdictions since 2008.

We have two wealth managers, Boreal Capital Management, which operates in Zurich (Switzerland) and Miami (USA) and a securities agency in Barcelona (Spain) under the MoraWealth brand to offer personalised discretionary wealth management and advisory services.

In Miami we also provide a broker-dealer service that mediates in the purchase and sale of securities on behalf of third parties accounts with Boreal Capital Securities.

We distribute a wide range of investment funds within Mora Funds SICAV (based in Luxembourg) and Mora Gestió d'Actius, SAU acts as an investment advisor.



Our areas of activity

COMMERCIAL BANKING

MoraBanc's commercial banking is one of the pillars in providing the best products and services to our clients with the goal of leading the market. We develop commercial segmentation in accordance with the needs of each group, taking into account age and behavioural habits. We address each group via various communication channels: letters, emails, SMS, etc.

Our investment in new technologies allows us to strengthen our relationship with clients and consolidate a more personal dialogue with them, facilitating the link with the bank as a result of the simplification of the administration of the procedures.

Individuals

Businesses Companies Professionals

PRIVATE BANKING AND WEALTH MANAGEMENT

All MoraBanc's private banking activities are managed by expert staff in order to provide an excellent service for its clients.

We have specialised managers and a large professional team geared towards providing support and advisement to find the best solutions for the profiles of each client in matters related to the management of their assets.

PRIVATE BANKING

MoraBanc's private banking adopts a clientfocused management model based on establishing close relationships of mutual trust. Our task is to identify and analyse the clients' personal goals, in order to propose and design solutions to meet their needs. To fulfil this purpose, we provide them with the services of highly-qualified professionals with extensive experience.

High net worth individuals (HNWI)

BOREAL CAPITAL MANAGEMENT

Boreal Capital Management, MoraBanc's asset management company based in Miami and Zurich, provides a sophisticated added value in its asset management service for our clients. These are management services which offer comprehensive investment solutions through multiple custodian banks in various international jurisdictions. It has a team of first-class professionals who analyse the client's cost structure in relation to the custodian bank in detail with the aim of optimising it, as well as advising clients on financial aspects.

High net worth individuals, family wealth managers, institutional clients









How we differ

Our clients

Our areas of activity

PRIVATE BANKING AND WEALTH MANAGEMENT

MORAWEALTH

How we differ

The securities agency located in Barcelona offers financial advisory services and discretionary wealth management adjusted and customised according to the needs of each client, as well as the reception and transmission of orders. Its range of services stand out for the distinctive value generated by the global agreement that the MoraBanc group has reached with Goldman Sachs Asset Management.

High net worth individuals, family wealth managers

MORABANC ASSET MANAGEMENT

Mora Gestió d'Actius, SAU is the subsidiary of MoraBanc responsible for the activity of managing the group's collective investment bodies and operates under the MoraBanc Asset Management brand.

The principles guiding our decisions are prudence, diversification and transparency. The MoraBanc Asset Management universe focuses chiefly on governmental and corporate income, as well as variable income and currencies in the European, North American and emerging markets. Commercial banking, private banking and wealth management clients

MORABANC ASSEGURANCES

Mora Assegurances, SAU is MoraBanc's life insurance company.

It seeks to offer all kinds of life insurance policies and health guarantees complementary to life insurance. In addition to life insurance, the institution offers savings and insurance plans such as *unit linked*, pensions and retirement plans. Commercial banking, private banking and wealth management clients





Our clients



OUR MISSION, VISION AND VALUES AND OUR OBJECTIVES AND BRAND

MISSION

MoraBanc's mission is to meet the needs of its clients and satisfy their expectations and it is organised so as to create value, with quality as a distinctive competitive feature.

At MoraBanc we develop our mission with the understanding that we have to listen to our clients and the other stakeholders by offering them products and services which meet their needs.

We also have a role as a generator of economic activity and well-being in the markets in which we operate; this means being committed to sustainability and the inhabitants of the country. For this reason, we work hard to attain the sustainable development of Andorra and to position ourselves as a model for other operators and companies in the market.

To do this, we have committed to incorporating the United Nations' Sustainable Development Goals (SDGs) as a starting point so our activity contributes to the great economic, social and environmental challenges affecting the globe. We have conducted an exercise to relate and analyse the activities undertaken by MoraBanc in order to assess how we affect the SDGs as well as what contributions we make.





VISION

To be the best bank for our clients. the best company for our employees, to have the best technology at the

service of people and to be a leading bank.

To fulfil our vision, we focus on five pillars:



Our decisions, based on the satisfaction of our clients, have a long-term vision and aim to maintain and enhance the relationships we have developed with them.

2

INNOVATION AS A BASIS FOR PROGRESS

We are characterised by our innovative spirit. We resolve to become a pioneering bank which adapts to our clients' new habits.

We want to position ourselves as a benchmark in client-oriented innovation.

INTERNATIONAL OUTLOOK

We are a financial group with a clear global vocation. Geographical diversification provides us with great business opportunities. For this reason, ten years ago we decided to expand our presence beyond the borders of Andorra.

A WELL-ESTABLISHED, TRUSTWORTHY AND PERSONAL INSTITUTION

Our work is governed by discretion, transparency, quality and client focus. This is reflected in our mindset of hard work, commitment and dedication to improving the services we provide.

WE STRIVE FOR EXCELLENCE WITH COMMITMENT AND EFFORT

As a result of prudent and responsible management of the Bank's solvency and solidity and our experience in the sector, we have positioned ourselves as a trustworthy bank, committed to our clients and with high-quality products and services.



WE ADD TO CONTINUE TO GENERATE VALUE

MoraBanc's strategy defines the course to meet the challenge of being the best bank for our clients and becoming the leading bank in Andorra. The positive results obtained in recent years and the extraordinary operations such as the one detailed below move us forward to achieve these goals.

On October 5, 2021, MoraBanc and the Spanish financial institution Banco de Sabadell, SA formalised the purchase by the Andorran bank of a 50.97% stake in the share capital of BancSabadell d'Andorra, SA, currently called BSA Banc, SA (BSA), owned by the Spanish bank. With this acquisition, MoraBanc became the majority shareholder of BSA and the institution became part of the Grup MoraBanc. In addition, as a result of the extension of the offer for the acquisition of all the shares of BSA to the rest of its shareholders, in March 2022, MoraBanc Group's holding in the share capital of BSA became a large one.

This transaction constituted the culmination of a process of boosting MoraBanc's growth thanks to the

contribution of BSA's commercial network, resources and staff. For the clients of the two institutions, the transaction must also involve an improvement in value creation, in the ability to investment in technology and also means being part of a stronger and more solvent banking group. In addition, it demonstrates MoraBanc's commitment to the future of Andorra and its development.

Despite becoming part of the MoraBanc group, BSA and MoraBanc operate with their brands, independently, maintaining their own branches and management, although work is already underway for a future integration of the two institutions.

The combination the two institutions will result in a leading bank in Andorra in terms of profits, solvency, domestic managed funds and profitability, with the capacity for growth and strength to tackle future challenges while maintaining their commitment to Andorra and its people.









MORABANC

OUR STRATEGY TO CREATE LONG-TERM VALUE AND FACE THE CHALLENGES OF THE FUTURE



MORABANC

The Chief Executive Officer's reflections

VISION TO LEAD ANDORRAN BANKING

Lluís Alsina Álvarez

We are closing the 2021 financial year with the successful completion of the 2019-2021 Strategic Plan. The 360 Plan set two very ambitious goals: to grow market share and reach a recurring profit of 30 million euros, which we already achieved last year. With the purchase of 50.97% of BSABanc, in 2021 we wrapped up the execution of the plan with a level of achievement of objectives that exceeded our expectations thanks to the generation of growth, productivity, international business and non-organic operations.

In 2021 we presented a profit of 34.5 million euros, of which 33.5 million were contributed directly by the MoraBanc group; the difference is the contribution of BSABanc for the last quarter of 2021. We value the group's profit figure with satisfaction, especially if we compare it with the 25.1 million achieved in 2019. The upward line of profits over the last five years

demonstrates the consolidation of MoraBanc's business model, its sustainability and its recurrence over time. The clients' assets managed have gone from 7,514 million euros in 2019 to 8,005.5 million euros in 2020 to reach – without consolidating BSABanc – 9,296 million euros, of which 698 million come from Andorra growth alone. With the consolidation of BSABanc, the group's assets under management are 11,257 million euros, an increase of 41% compared to 2020. Loan book data also show rising volumes to reach 1,650 million euros with BSABanc in 2021, demonstrating client confidence in the MoraBanc group and our commitment to economic and social development.

The strength and management indicators you will find in this report are a testament to our requirement that we set ourselves as a group to maintain a solid balance sheet. Solvency remains an essential element

REFLECTIONS FROM THE CHIEF EXECUTIVE OFFICER

of MoraBanc with a figure of 18.4% CET1 fully loaded, well above the average of European banks and the average of Andorran banks, although it was impacted in 2021 by the acquisition of Banco Sabadell's holdings in BancSabadell d'Andorra (now BSABanc). Efficiency continued to improve for another year at 57.1%, from 66.4% in 2019 to 60.5% in 2020. The productivity and saving effort allows us to make the business profitable in the long term and contributed to an improvement in profitability (ROE) with a ratio of 10.1% at the end of 2021, also above the average profitability of Andorran banks, which stands at 7.19%. I would also like to highlight the credit quality, with an improvement in the non-performing loan ratio during the 2019-2021 period from 3.3% in 2019, to 3.0% in 2020 and to 2.9% in 2021; and the loan loss coverage ratio of 67% in 2019, 79.2% in 2020 and 91.5% this year.

MoraBanc's year-on-year improvement in strength is an element of confidence for our client, but also a guarantee of readiness for the future challenges we face. The banking sector has to deal with increasingly demanding regulations and entails incremental costs for the business; to new competitors; to an exponential digitization of habits; at very low interest rates and, for 2022, at exceptionally high inflation and an energy crisis caused by the invasion of Ukraine by Russia. In addition, in Andorra we are in the middle of negotiating an Association Agreement with the European Union, which means banks like ourselves must be ready to compete.

Therefore, the strategic plan for the next three years 2022-2024 addresses all these factors in order to be prepared as an institution and give confidence to our clients, shareholders and the country. In this new stage,

we want to consolidate even more in Andorra, and we will achieve this with the integration of BSABanc, although today we are already the first bank in Andorra in terms of profits, assets under management and main business ratios. However, our vision is to lead Andorran banking not only in volumes, but also in digitalization, which is another of the pillars of the new plan, and one of the biggest changes that the bank and its clients will continue to experience. The third challenge of the new strategic plan is the consolidation of our international markets, which are already net contributors to the group's results but which must continue to grow and diversify the contribution of resources to the group. And finally, our way of doing business must evolve even further towards the best international standards and sustainability commitments to meet the climate emergency and the demands of the new generations. Therefore, the cross-organisational incorporation of ESG criteria (environmental, social, corporate governance and long-term viability) must make our management and that of our clients more sustainable and responsible, and contribute positively to the environment and to people. Achieving this will involve very significant investments and determined commitments to the future of our community and the planet.

Despite the international tensions and threats facing our sector, I look forward to 2022 with optimism and confidence because we have been preparing and continue to do so to give more security to our stakeholders and more confidence in our immediate environment in order to contribute decisively as agents of change to make a new country.





IN A POSITION TO CREATE VALUE



With our capital



We create and deliver added value through our business activities



Based on five pillars:

- A vision of continuity
- A well-established institution
- Innovation as a basis for progress
- The search for excellence
- International outlook



- With sound and conservative financial management: • High solvency
 - Prioritising the long-term
 - Low default rate: 3.0%

SUSTAINABLE (

FINANCIAL

- 307.20% liquidity (LCR)
- Solvency 18.4% BIS III CET1 (fully loaded)
- Assets under management 11,257 million euros

RELATIONS AND KNOWLEDGE

- Nearly 70 years' banking experience
- $\boldsymbol{\cdot}$ Incorporation of BSABanc into the MoraBanc group
- \cdot Strong, well-known brand
- Member of Andorran Family Business, Andorran Banking, Andorran Business Confederation and Chamber of Commerce, Services and Industry of Andorra, Actinn and the Cercle d'Economia of Barcelona
- We pass on our expertise through our strategists and advisers
- Noteworthy presence on social media (a total of 16,133¹ followers)
- We are partners of Actinn, a technology and innovation cluster

STAFF

- Expert, internationally-focused personnel: 377 people²
- \cdot Client focus
- Strong culture of regulatory compliance
- Continuous training

STRUCTURE

- Capacity to invest in technology: €4.6 M³
- Presence in the country with 8 locations and 14 cash machines of MoraBanc and 7 locations and 11 cash machines of BSABanc
- Digital banking for clients: 49.1% digital clients⁴



THE ENVIRONMENT AND SOCIETY

- We calculate our carbon footprint and we apply policies to **reduce emissions**
- Voluntary CSR policy: 2.9% profit to the community
- Commitment to the United Nations' Sustainable Development Goals



² Average workforce for the 2021 and 2020 years of the MoraBanc Group

³ MoraBanc's investment in technology in Andorra

⁴ Percentage of digital clients of Morabanc in Andorra

Risk Management:

- Credit risk
- Market risk
- Balance sheet risk

And transversal risk management:

- Operational risk
- Cybersecurity
- Regulatory and legal risk
- Reputational risk

QUALITY PRODUCTS AND SERVICES

- Credit for families, companies and businesses
- Facilitating payments
- Advice and asset management
- Life and health insurance
- Quality savings and investment products

俞

Additionally, this management is based on a code of ethics which guarantees demanding and strict administration and control from the entity.



DEVELOPMENT

Creating value for our stakeholders



CLIENTS

- Growth in loan book: +40%
- Growth in AUM: **+41%**
- Growth of operations carried out by digital channels: $\mathbf{29\%}^{\mathrm{5}}$
- Acknowlegements as the Bank of the Year in Andorra according to The Banker and the best Digital Bank and App of Andorra according to World Finance
- Solidarity clients: 22% of solidarity cards⁶
- Fluid communication through channels such as social networks, newsletters, etc.

TEAM

- New additions to the MoraBanc Group:
 19 people
- Attracting and retaining talent average seniority of employees totalling 11.7 years⁷
- Professional development
- Equality between men and women with 49% women in the workforce
- Social commitment by the team with **volunteer** activities such as collecting food for Caritas

SHAREHOLDERS

- Profit of €34.5 M and 15% growth
- ROE 10.1%
- Institution rating by Fitch BBB-(last updated: October 2021)

SOCIETY AND THE ENVIRONMENT

- Who have we supported: 4 institutions and 270,421 people
- + Reduction in greenhouse gas emissions -6% $^{\rm 8}$ compared with 2019
- Number of organisations supported by the Solidarity Card: **21**
- €86,937 Solidarity Card donations

BUSINESS PARTNERS

- We establish long-term relationships with our suppliers who contribute value
- We extend the **bank's principles in terms of sustainability with our suppliers and providers**
- ⁵ Operations carried out by MoraBanc's digital channels ⁶ Percentage of MoraBanc's solidarity cards
- ⁷Average seniority of MoraBanc's employees in Andorra
- ⁸ Data for MoraBanc Group excluding BSABanc's holding







HOW WE MANAGE THE RISKS AND OPPORTUNITIES OF THE MARKET

MoraBanc draws up medium-term (3 year) strategic plans with growth and market position targets that take into account the challenges and risks we face as well as identifying opportunities. In this regard, the purchase of the majority stake in BancSabadell d'Andorra reaffirms MoraBanc's leadership position with five years of consecutive growth in profit and resources under management.



Transformation of the business to achieve a competitive advantage

Andorra is a very competitive banking market that has had to meet new global regulatory requirements, as well as the paradigm shift towards a transparent and standardised system. At MoraBanc, we understand the need to transform our business as quickly as possible in order to be ready before our competitors, given that in a very mature, very low-margin market with little product differentiation, transformation can be a unique feature and give us a competitive advantage.



Positioning ourselves with cutting-edge digital banking unique to the market in order to respond to our clients' needs

We have identified changes in clients' needs, particularly greater demand for digitisation to make banking easier. In this area, our sustained and continuous investment in the world of digital banking has allowed us to give an immediate response to clients who didn't yet have an online connection, in the face of the forced distancing during the pandemic. The number of clients and operations performed digitally has continued to grow and we have again received an excellent rating of the app for users, in addition to being acknowledged by *World Finance* for the fifth consecutive year.

In our modernisation and innovation process, we have formed alliances with *fintech* companies to achieve faster and more effective change, taking advantage of their capacity to respond to those needs. This positioning with digital banking has given us an edge and improved our image as a modern bank focused on our clients and adapted to their needs.





The ability to offer credit, thanks to our solvency and financial strength

Similarly, the transformation of MoraBanc into a stronger and more solvent bank has made it possible to maintain the capacity to grant loans to families, businesses, companies and the public sector and thus contribute to overcoming the crisis caused by the pandemic.

During 2021, the loan book grew by 40% compared to 2020. The coverage rate also improved from 79.2% in 2020 to 91.5% in 2021, and the default rate was reduced from 3% to 2.9%.



Safe and careful risk management with a broad and comprehensive vision

Risk management is key to the success of our business and its sustainable profitability over time. Different departments in the Bank and Board committees are responsible for ensuring that risks are identified and the adoption of the appropriate strategies in response to each risk identified.

The Risk Department and the Board's Risk Committee jointly monitor and apply any required corrective measures and strategies for all risks that affect the Bank's balance sheet, such as credit risk, market risk, liquidity risk and the capital ratio. The Regulatory Compliance Department and the Audit and Compliance Committee of the Board are responsible for the prevention of legal, regulatory and criminal risks to the Bank and for compliance programmes and policies to avoid reputational and business risks. Finally, the Technology, Innovation and Information Security Committee of the Board manages technology, information security and cybersecurity risks.



MORABANC IS A BANK WITH PRUDENT AND CONSERVATIVE FINANCIAL MANAGEMENT THAT GIVES CONFIDENCE TO ITS STAKEHOLDERS.



THE GROUP'S STRATEGIC PRIORITIES

MoraBanc ended the 2021 financial year with profit growth for the fifth consecutive year. We have consolidated our growth and we have a bank with a stronger and more solid balance sheet, ready to meet our clients' demands and the new strategic plan 2022–2024.

During 2021, we grew in all the lines of business thanks to very specific actions aimed at the differentiation and profitability of the business model.

The strategic priorities of the group to achieve the generation of long-term value are aligned with our vision.

Our strategy is focused on growth and based on 4 pillars:

Digitization. The goal of MoraBanc is to be a data-driven organization and we will achieve this by ending it digital transformation to be an entity where all processes and decisions are based on data, analysis and information. To achieve this, we work "above the glass" with the areas of Client Experience with a business model and CRM and "below the glass" with Business intelligence and Business analytics; the cloud; means of payment and with the process digitization.

The second pillar is the growth of the business. In Andorra, a market in which MoraBanc maintains its commitment and main focus of action, growth has been possible because we have provided all the means to respond to our clients' demands.

The levers for our growth are credit for individuals, businesses and companies, thanks to our solvency which gives us the capacity to grant loans; and growth in assets under management, thanks to differential products with agreements such as the one entered into with Goldman Sachs Asset Management (GSAM). The agreement with GSAM allows us to strengthen our product and service offering in Andorra, with MoraBanc's clients able to access advisory services and investment portfolios specially tailored for MoraBanc by GSAM. We have also reached an agreement with Banco Santander to collaborate in the international reverse factoring service that allows us to finance and manage the invoices of Andorran companies with their international suppliers.



The third of these is international growth. From a geographical standpoint, MoraBanc has operations in Andorra, Switzerland, the United States and Spain since March 2020. In 2021 we have followed the upward trend of diversifying our resources in private banking, empowering our subsidiaries to increase the number of clients and the assets under management.



Organizational culture. MoraBanc promotes values to make it a more attractive company for people and talent. In this sense, we work on social values to align the entity with the concerns of society with projects such as the sustainable mobility plan, equality pillars, and the inclusion of cross-cutting ESG criteria.



MORABANC DIGITAL: A COMPETITIVE ADVANTAGE

At MoraBanc we have embedded a digital culture into our teams, our technology is developing constantly and we work with innovative partners to maintain our digital leadership in Andorra and be a leader in banking innovation to provide the best possible service in any situation, such as during the pandemic, in a simple, intuitive and secure manner.

Since the launch of our new digital bank in 2016, the focus of our work has been on constantly improving our value proposition.

We build alliances with fintech companies to generate innovation and speed to market. For example, with Inbenta we apply artificial intelligence solutions to our web and mobile browsers, with QuickBlox we have improved the conversations between clients and managers through a secure online chat system, Web Financial Group is the driving force behind the Online Broker project and Inycom is our main technological partner. Signaturit has been an element for our fast, secure and effective response to the pandemic and for remotely managing the needs of our clients with different advanced electronic signature circuits.

The use of digital solutions became an opportunity to address the constraints imposed by the COVID-19 situation. 2021 has maintained the upward trend and accesses have increased by 7.3% and the operations carried out through these channels in MoraBanc have grown by 29% compared to 2020.

Improvements in usability and operations have also been a key element of the institution's online platform, which has seen stock trading grow by 7.6% in 2021. The service of splitting or postponing purchases made by credit card is a fully digital service and allows clients to finance their purchases from the app or remote banking easily and quickly. It has been well received by clients and has grown by 56%. The most common transactions such as sending money (internal and external transfers) increased by 35% in 2021 compared to the same transactions made in 2020. This rise shows how the digitisation of our clients is also increasing. Consultations have also grown, by 12.8%, particularly those related to stock orders, which have increased by 16.7%, once again demonstrating the smooth running of MoraBanc's digital offer in terms of investment. In addition to access and operations, the number of users has also increased by 7.5% in the last 12 months, and has doubled since its inception in 2016. All these figures show that digital banking is a useful tool that is highly valued by our clients.









Operations grow by 143% in four years

MoraBanc's digital banking has maintained an upward trend since its launch. In the last 4 years, between 2018 and 2021, remote access has increased by 80%, single users of MoraBanc Digital have grown by 69% and total operations have risen by 143%.

These metrics respond not only to a change in trend in the consumption of banking services, with the access of more millennials as clients, but also to MoraBanc's competitive digital proposal.



THE MOBILE CHANNEL IS THE ELEMENT OF COMPETITIVENESS IN THE BANKING MARKETS, AND WE WORK CONSTANTLY TO IMPROVE IT. THIS COMMITMENT HAS ALLOWED US TO RECEIVE **WORLD FINANCE RECOGNITION** IN THE LAST FIVE YEARS, AS THE BEST DIGITAL BANK AND THE BEST APP IN ANDORRA.



OUR STRENGTHS

MoraBanc's strengths lie in our principles, which are a differentiating factor and give us a competitive advantage for the future. We group them into three categories: solid foundations to provide resilience in the face of adversity, a way of banking, and integrity.

We have solid foundations thanks to prudent and conservative management that has given greater resilience to the institution and the business.

- Solvency is an identifying feature of MoraBanc. We have leading solvency ratios in the country thanks to prudent management, which is proactive and follows best practices. Our solvency allows us to give confidence to clients and the country, provide credit to families and businesses and also confidently look to the future in order to make our strategic objectives a reality.
- Solvency is an identifying feature of MoraBanc. It is essential to protecting the organisation's foundations, provide confidence and achieve longterm objectives.
- Careful cost management has allowed MoraBanc to transform itself in the face of the new challenges, lead the change and maintain its growth despite the adversities.

Our way of banking is focused on the client:

- We seek excellence in everything we do in accordance with our principles.
- We innovate in client services, making their dealings with the Bank easier, and support their individual needs in every channel.
- We are transparent in our relationship with our clients and other stakeholders. For us, transparency is a key aspect of the change in and transformation of MoraBanc.

We seek agreements with the best service providers so as to add value to our clients, such as the ones with Goldman Sachs Asset Management for portfolio management and advice and Banco Santander for the international confirming service.

Our conduct and our integrity give us a competitive advantage:

- We are a family bank that seeks to create longterm value, always to the benefit and security of the client and the strength of the bank.
- Integrity is one of our principles and forms part of our culture.
- We are committed to the community at large and to future generations, so our actions are formulated within the framework of that commitment.



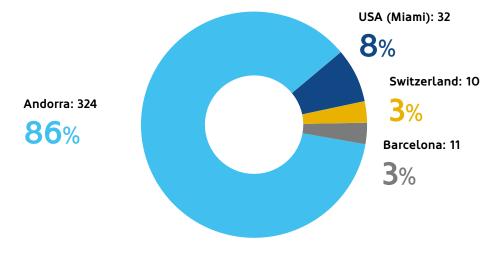
THE PEOPLE AT MORABANC

Our employees are key to the institution and to the success of our business, and MoraBanc wants the team to feel committed to the company's mission, culture and strategy. To that end, the Human Resources Department focuses on areas that affect team spirit, motivation, growth and job satisfaction, including monitoring diversity and equality of opportunity, individual training and development plans for each person, and generating quality, competitively paid employment.

This year, a coaching service has been launched that all MoraBanc employees can avail of to receive personalised attention. A specialised professional has joined the people management team with the aim of supporting people so that they can define their aspirations and expectations, and progress in their careers in the most fulfilling way possible. It is also a resource for emotional support in managing personal and professional situations of all kinds, such as those caused by the coronavirus pandemic in recent months.

This coaching and emotional support programme stems from MoraBanc's strong belief that supporting the teams in this area contributes to greater personal fulfilment and a greater commitment to the company and its future goals.

The Department aims to be approachable and accessible for all employees to ensure their professional development and recognise their contribution to the institution. The number of MoraBanc Group employees in 2021 was 377, distributed across the four locations in which we operate: Andorra, Barcelona, Zurich and Miami.



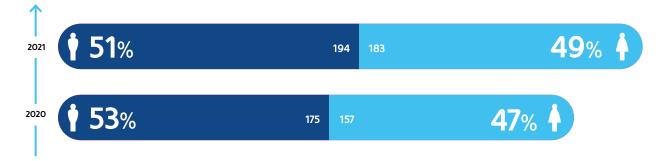
AVERAGE WORKFORCE OF THE MORABANC GROUP BY GEOGRAPHIC LOCATION¹

¹ Average workforce for the 2021 and 2020 years of the MoraBanc Group

As a general policy, internal promotion is given priority to fill vacancies where possible. In order to promote equal opportunities, the Human Resources Department looks to appoint the most suitable person to each position. In 2021, 19 people joined the MoraBanc Group.

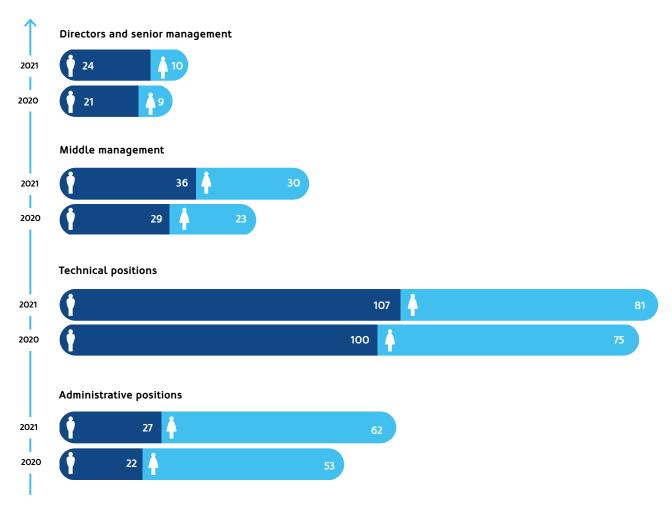


DISTRIBUTION OF MEN AND WOMEN IN THE MORABANC GROUP IN 2021 AND 20201



The strategic plan guarantees equality of opportunity and equal pay, among other labour aspects, and the Human Resources Department works to take steps that ensure diversity and equality of opportunity among the institution's staff.

DISTRIBUTION OF THE AVERAGE WORKFORCE AT MORABANC BY POSITION AND GENDER IN 2021 AND 2020¹





The promotion of the knowledge and professional development of our workforce is structured according

to the MoraBanc Academy project, which incorporates different action plans:

Knowledge management plan to bring employees' talents into line with the objectives established by the bank. **Lifelong learning plan** based on complementary training, with courses tailored to the employee's position: language courses, efficiency training, etc. The MoraBanc training plan which offers grants to take university courses related to a staff member's position and to gain finance qualifications.

MoraBanc employees have at their disposal the LinkedIn-oriented social network learning platform with more than 14,000 courses at their disposal. This pioneering initiative in Andorra allows MoraBanc employees to have access to specialised knowledge in the fields of innovation, technology, business and strategy, with a diverse range of courses taught by experts in the sector. Around 80 learning pathways have been created so that each MoraBanc employee has a training pathway appropriate to their skills and professional profile, combining three central elements:

- Diversified and high-quality content
- Customisation
- Adaptability

This project is in addition to the MoraBanc Talent digital learning network, which promotes in-house knowledge with courses taught by the Bank's own employees who are experts in various areas. More than 80 courses have now been made available to the workers.

With a format similar to that of MoraBanc Talent, the Induction training plan is especially aimed at workers in the Business division to improve their knowledge and skills with a 60-hour learning programme. The People Management Department works across the organisation with the bank's internal departments to manage knowledge and make available to each employee progressive and continuous learning tools suited to each professional profile.

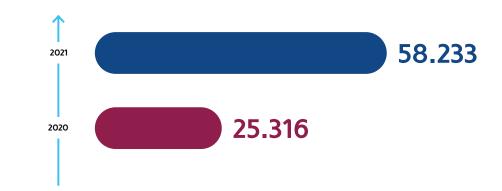
The objective of this platform is to provide training pills in different areas:





Thanks to this new learning network, in 2021 the total number of training hours increased considerably in comparison with 2020 and each member of staff received an average of 159 hours of training.

Since 1998, MoraBanc has had a work placement programme for Andorran students during the summer months and today these placements are a great opportunity for young people to see what the world of work is like whilst performing tasks related to their studies. They are given an opportunity that provides insight into work and training and this may lead to a job with MoraBanc when they finish their studies. All the candidates chosen are over 18 and are university students or undertaking professional training. Unfortunately, due to the pandemic, this programme could not be carried out during the summer months of 2021.



TOTAL TRAINING HOURS OF THE MORABANC GROUP EMPLOYEES IN 2021 AND 2020

Source: the authors





MORABANC, A LEADING BRAND WITH A DIFFERENT POSITIONING

MoraBanc has become a leading brand in the Andorran banking sector. Its strength as an institution and its ability to adapt to always give the best response to the client has allowed it to consolidate its differential positioning.

This year, MoraBanc has continued with the femunpaisnou.ad (make a new country) campaign with the aim of consolidating the values of the MoraBanc brand within the organisation and achieving a greater connection with the general public with a brand experience in line with the bank's strategy, one that is relevant and memorable.

The protagonists of the capsules of this campaign share their story from an emotional point of view, linking their personal values to those of MoraBanc. The campaign includes individuals who, with their way of thinking and doing things, are leading Andorra towards being a new, modern country that is open to the world.

MoraBanc is positioned as the go-to bank for all those citizens who, with their know-how, are promoting the new Andorra.

ENTHUSIASM



Elisabeth Olivé Founder of *Epic Andorra*

"We are a small country with huge opportunities."





Max Commençal Founder of Commencal

"Our job is to imagine the future."





Bernat Altimir Founder of CityXerpa

"No idea lasts indefinitely, you have to reinvent yourself."





Joan Albert Farré Founder of Celler Borda

Sabaté

Esteve Tor Joint General Manager of *Celler Casa Auvinyà*

"The future of Andorra depends on doing a good job."

CHANGE



Cerni Cairat Entrepreneur

"We have to work for a change for the better."

STANDARDS OF EXCELLENCE



Mercel Besolí Owner of Celler d'en Toni

"Young people like me are coming to the fore with the desire to start a business and help Andorra."

CONFIDENCE



Gorka Aixàs Chairman of BC MoraBanc Andorra

"I want a host country without complexes."

SUSTAINABILITY



Beti Faura Architect

"The Andorra of the future is the one we are building today."



MATTERS OF TRUE IMPORTANCE FOR MORABANC AND ITS STAKEHOLDERS

Our focus on strategy and sustainability is based on the issues that matter to MoraBanc and to our stakeholders. The following table sets out the significant issues that are important to the organisation and guide our long-term sustainability strategy.

What are the risks and the What it is about? What do we do at MoraBanc? opportunities?

PROVIDING ECONOMIC DEVELOPMENT AND GENERATING EMPLOYMENT

lona-term mic growth of our surroun- ourselves. ding area.

We are a company with a By doing things properly, we sustainability position ourselves as a leader strategy which, through our in the country and it gives us activity, affects the econo- the opportunity to differentiate We have a solvent, solid and healthy financial position which allows us to grow, grant credit, contract people and generate well-being in our surrounding area, together with active policies in relation to the environment, society and corporate governance.

FIGHTING AGAINST CORRUPTION AND THE FINANCING OF TERRORISM

We are a company which applies the best practices in order to combat corruption and its financing.

The organisation reduces the reputational risk to the greatest possible extent through its and fight against terrorism standards, procedures and continual monitoring, thus gaining the trust of its clients and other stakeholders.

We work to apply the best practices at all times, with firstclass professionals. The committees organised by the Board of Directors ensure compliance with the rules and manage the risks.

Ř, EQUAL PAY FOR MEN AND WOMEN, DIVERSITY AND EQUAL OPPORTUNITIES

We ensure equal opportunities and equal pay for men and women doing the same job.

Our employees represent one of our main assets and we work with practices that generate confidence with regards to employment aspects, in order to be attractive and competitive. Ensuring loyal employees stay with us is a competitive element for MoraBanc.

We have set four objectives in managing people:

- worker experiences,
- compensation and balance, knowledge and development and
- talent management.

We are committed to internal promotion and equality policies to eliminate any differences between genders in the jobs we offer and in remuneration. We ensure quality training for our employees and we offer a healthy and safe working environment.



What	it is a	about?

What are the risks and the opportunities?

What do we do at MoraBanc?

ETHICAL AND RESPONSIBLE CONDUCT

We ensure ethical and responsible conduct at all the levels of the organisation so as to give greater confidence to our clients.

A strong corporate culture is a competitive advantage in the market and any falling short in ethics or responsibility could lead to serious reputational risks We have the MoraBanc Group's Code of Ethics and the Stock Market Code of Conduct, which have both been accepted by all MoraBanc employees.

- We have monitoring structures in place for ethical and responsible conduct and we provide compulsory training on our codes of conduct, the prevention of conflicts of interest and on the prevention of money laundering and the financing of terrorism.
- The functions of the Management of Corporate Integrity Committee include promoting measures to address ethically questionable conduct, resolve situations involving a conflict of interest, proposes changes to the Code of Conduct to adapt it to changes in the business and its environment and communicating with supervisory authorities.

QUALITY, EXCELLENCE IN BANKING PRACTICE AND CLIENT PROTECTION

For MoraBanc, always acting in the best interests of the client means offering the best product with transparency and a total focus on the client. Clients are becoming increasingly demanding and there is strong competition in the banking sector, but we have an asset in the knowledge of both our client and also how to provide a recognised form of banking. We have procedures and standards of conduct to guide us and ensure that we act with impartiality, professionalism and take into account the client's interests at all times. We have standards and procedures in place, such as the Asset Protection Policy and the general policy on conflicts of interest. Additionally, we have investment services consisting of the receipt, transmission and execution of client orders.



CLIENT PROTECTION

As required by the applicable law, particularly as regards investor protection, MoraBanc has introduced procedures and standards of conduct to ensure that it acts with impartiality and professionalism, taking into account the interests of the client at all times.

MoraBanc has three client categories specified by the MiFID directive: eligible counterparties, professional clients and retail clients. This classification determines the level of protection they enjoy, with retail clients enjoying the highest level of protection.

Additionally, we have MiFID suitability and appropriateness tests to assess the clients' level of

knowledge and experience in financial markets, their financial status, and investment objectives in order to adapt our investment services and products to each investor profile. To ensure the appropriateness and suitability of the financial products and services contracted by the client, MoraBanc has classified all MiFID products according to their level of complexity, liquidity and risk.

By taking these measures, we ensure that the client knows and understands all the risks involved in an investment sufficiently in advance to be able to make fully informed decisions.





THE NEEDS AND EXPECTATIONS OF OUR STAKEHOLDERS

Com a proveïdor de serveis financers, estem molt connectats amb l'entorn en el qual operem i amb la societat que servim. El nostre compromís amb aquestes persones i entitats i la nostra capacitat de generar valor estan relacionats amb les nostres activitats i la nostra contribució global. Creem valor per als nostres grups d'interès i per a MoraBanc donant resposta a les seves necessitats i expectatives.

	Needs and expectations	How do we create value?
ငို့် CLIENTS		
Our rationale is based on the client, those placing their trust in us to sa- feguard and manage their assets and make their personal and professional projects a reality.	Be a responsible business that offers the best products available to its clients with transparent and ethical conduct and with a commitment to society and the economy.	We offer products and services that add value; we grant credit and we invest in the best digital tools to make it easy to work with MoraBanc. We give up to date and appropriate infor- mation to inform decision-making, we pro- tect our clients' interests and we are at their side to support them in their projects.
දිරි EMPLOYEES		
They are key to our success thanks to their commitment and dedication. We strive to offer them a stable job in the best possible conditions.	Ensuring work with equal opportunities.	We offer competitive salaries, continuous training, incentives, good working condi- tions, we care about our employees' health and safety in the workplace and we share our strategic objectives so that we are all aligned in our aim to achieve the group's objectives.
SUPPLIERS		
They supply us with products and ser- vices for the ongoing operation of the business. We establish relationships with them based on transparency and mutual respect, in order to ensure the quality and availability of the products and services we provide.	Sustain business in our environment by means of a commitment to external contracting.	We concentrate on our main business ac- tivities and outsource for any products and services required. We diversify the number of suppliers and we require an environ- mentally-minded management of their products and services.



	Needs and expectations	How do we create value?
CULTURAL, SPORTING AND	SOCIAL ORGANISATIONS	
These organisations are part of our environment and sphere of influence. That is why we strive to contribute to their development.	Commitment to society, the envi- ronment, the future and economic development.	We organise a major programme of chari- table aid to organisations through our So- lidarity Card, we support sport and culture, and have a commitment to the environ- ment, future generations and the United Nations' Sustainable Development Goals (SDGs).
These are the channels which bring us closer to the community by reporting about our business.	Transparency in communication.	We report our actions promptly and we are committed to direct and transparent com- munication.
INSTITUTIONS AND REGULA	TORY BODIES	

On the one hand, there are the political representatives of the people who live in the country and, on the other hand, there are the bodies that regulate the business in the various jurisdictions in which we operate: the AFA and UIFAND in Andorra, the FINRA, SEC and FINCEN in the United States, the SAAM and MROS in Switzerland, and the CMNV and SEPBLAC in Spain. Contribute to economic growth, comply with the law and best practices, and manage the business ethically and transparently. We ensure a long-term presence with a responsible family business and professional corporate governance which anticipates regulatory changes.



The people who have invested capital in the company who make decisions on the company and receive dividends.

Long-term stability of the business, distribution of profits, the best possible management of the organisation, ethics and the commitment of a family business. A business strategy that prioritises longterm sustainability and the independence of the organisation over short-term profit.



COUNTERPARTIES, SUBSIDIARIES, CUSTODIANS ETC.

These are the key financial providers for the conducting of our activity.

Confidence in the organisation in terms of stability, responsibility and solvency.

Prudent and rigorous management of the organisation, providing up to date transparent information about the business to build mutual trust.

WE CREATE VALUE FOR BOTH MORABANC ITSELF AND FOR OUR STAKEHOLDERS By responding to their needs and expectations.



THE CLIENT EXPERIENCE AT MORABANC, The compass for innovation

We firmly believe that innovation is only possible with the participation of our clients, and that companies that work by putting the client at the centre of their strategy can offer experiences, products and services that best fit their real expectations and needs, offering them value and innovating along with them.

As part of our ongoing mission to work to achieve the satisfaction of our clients, throughout 2021 priority has been given to initiatives aimed at deepening our knowledge of our clients' perceptions of the services we offer them.



Client Voice Program

During the second half of 2021 we launched the Client Voice programme, which will allow us to know the needs and expectations of our clients to align them with internal initiatives, prioritising their satisfaction and value creation through a two-way communication.

This methodology, which is based on active, continuous, systematic and strategic listening to what our clients say through different channels, lets us know how they perceive the experiences we offer them in each of their interactions with MoraBanc.

Through the analysis of information provided by clients through satisfaction surveys and other channels set up to collect their opinions, the main objective of the Client Voice programme is to add value, both internally within the bank processes, as well as externally in those that directly impact the users of the services.

Regularly and systematically measuring key performance indicators, such as NPS (Net Promoter Score) and CSAT (Satisfaction Index), recommendation and satisfaction levers, and key points for improvement, yields data to help us find effective solutions to client concerns, while helping to maximize internal efficiency by prioritising initiatives.

The results of the initiative will be available once the required minimum of 12 months of the programme have been reached to have stable data.



DEC Membership

Joining the Association for the Development of the Client Experience (DEC) in November 2021 makes us the first company in Andorra to join the main independent and non-profit Hispanic community, formed by large companies and professional experts who pursue excellence in client experience. That said, for us, it is much more than innovation: it is a responsibility to our clients.

The main goal of the DEC is for companies to have a space to share knowledge, good practices and unite for the development and evangelisation of the client experience as a strategic discipline in the growth of organisations.

The more than 1,700 companies that are part of the DEC are recognised for delivering unique and differentiating experiences that generate important links with clients.

Another example of our commitment to client experience is the certification of our client experience team by the DEC, thanks to which they accredit their knowledge and experience within the standards of the Association, thus ensuring the best practices in this area.

For us, being a member of the DEC means much more than a reminder of what drives us, it is a statement of principles about our most important commitment: to continue working every day to offer our clients the best experience, the MoraBanc experience.



CONSTANT ENGAGEMENT AND DIALOGUE WITH THE STAKEHOLDERS

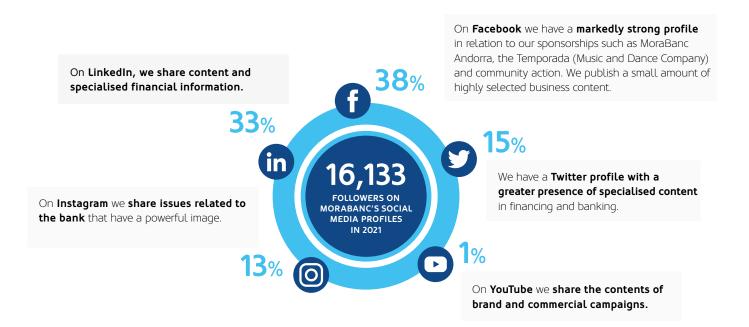
MoraBanc wants to maintain the trust of its stakeholders. That is why we work every day to foster our relationship with them. Our priorities include emphasising our closeness to clients and building a stable relationship as the basis for a sustainable business. Building a stable bond with the client begins by providing clear, accurate and detailed information on the institution's products and services, enabling the client to make the best decisions. In this regard, it is our duty to introduce and explain financial concepts to the general public to contribute to improving our communication and dialoque with them via the following channels:

- Personal service throughout the MoraBanc branch network.
- Telephone contact via the Telebanc service, email messages and letters.
- Our intuitive web page, www.morabanc.ad, with a great deal of information on the group's products and services.

- Our email newsletters for clients, with information on developments on the blog, new products, the activities we organise, useful information, etc.
- Webinars on various topics to bring knowledge to clients and the general public.
- MoraBanc Online and the app for mobile devices.
- Social media: we focus on social media as a point of contact with clients, in a world in which consumers are increasingly connected.

Through our social media presence, we establish a more sustained relationship, as we inform them of matters of interest related to the services we offer, the banking sector and the activities we sponsor and organise.

We maintain constant dialogue with our stakeholders through direct conversation, our social networks, our website, digital banking and the application or the suggestion box, and this keeps us updated on their needs and expectations.









GROWING RESULTS WITH A STRONG BALANCE SHEET



MORABANC

The Chief Financial Officer's reflections

PREPARED FOR GROWTH

Sara Álvarez Cazorla

The year 2021 left us with a positive overall balance and a gradual recovery in terms of both health and economic indicators. At a more macroeconomic level, we can highlight the shift towards a more restrictive monetary policy in developed countries, as a result of continued inflationary pressures. Meanwhile, at a microeconomic level, we note the adaptability of companies, which have shown their resilience by posting solid sales and profit results.

Now, the challenges facing the medium and long-term in 2022 are the consequences of the upward prices spiral that began last year, along with a loss of traction in economic expansion, the result of the natural transition from an unusual and rapid recovery to a more normalised growth. In addition, economic development uncertainties are high due to Russia's invasion of Ukraine and the consequences that inflationary pressures on supply may have on the economy. In addition, the uncertainty of the long-term consequences for the world economy is also clear.

In short, rising financing costs, trade disputes and widespread loss of purchasing power are the main challenges facing the global economy and may slow it

down, but this scenario should not prevent the global economy from growing.

In terms of Andorra, the gross domestic product (GDP) growth stood at 8.9% in 2021, first guarter 2022 imports are above pre-pandemic levels, construction is the driving force of this period and a significant part of the companies were optimistic in the survey of the Chamber of Commerce, Industry and Services. Inflation in Andorra, measured by the Consumer Price Index (CPI), is also climbing with a rise of 4.1% in February driven by energy prices while core inflation was 2.0% in the same month. The forecast CPI for March is 4.8%, confirming the upward trend. The labour market is up with a yearon-year change of 13.3% as of December 31, but with an average loss in pay of 1.8%. The tourism sector is also recovering with a total of 5.4 million visitors in 2021, but this is far from the figure of 8.2 million in 2019. However, in February 2022 the number of visitors was 346% higher in comparison with the same month in 2021, thus promising good prospects.

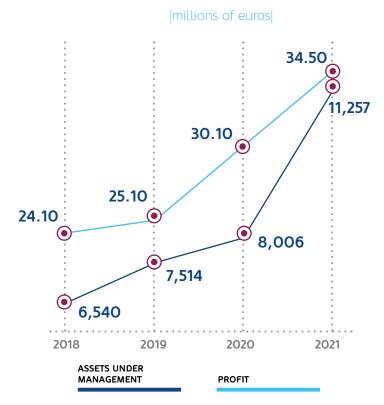
As regards Andorra's February rating, Fitch reaffirmed its BBB rating in light of the strong recovery in GDP growth after the pandemic. Likewise, confidence in the country



has improved thanks to the transparency that the IMF accession provided in October 2020 with the release of missing statistical data as well as the publication of the balance of payments, the result of which indicates that Andorra had an international financing capacity of 507.86 million euros in 2019, i.e., 18% of its GDP. The January Fitch report also highlighted the banking sector's strength to bear the consequences of the pandemic.

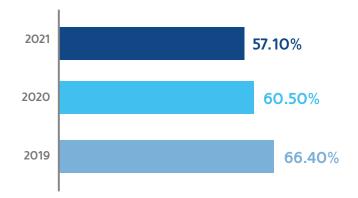
As for MoraBanc, 2021 has been a good year, in which the 2019-2021 strategic plan has been fulfilled with all the objectives fully met. The bank's profit closed at 34.5 million euros, which represents a profit growth of 15%. Included in this result is the million euros contributed by BSA Banc to the group, of which 500 thousand euros are in respect of minority holdings. The group's managed assets at the end of 2021 amounted to 11,257.4 million euros, 9,296.7 without including the BSA Banco's assets, which is an increase of 17% compared to the end of 2020. Of this increase in MoraBanc's assets, 52% refers to the Andorran business and the rest was generated from the subsidiaries of MoraBanc Boreal Capital Management in Zurich and Miami and MoraWealth in Barcelona. Boreal contributed positively to the bank's profit: 1.5 million euros in total.

EVOLUTION OF MORABANC'S PROFIT AND ASSETS UNDER MANAGEMENT¹

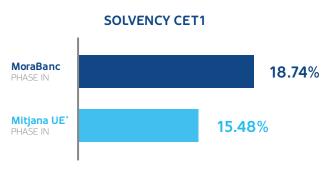


Our results have maintained an upward trend in recent years because we have managed to provide the business with long-term sustainability, increasing income generation, stabilising expenses and prioritising profitability in all businesses. Efficiency has improved over the years to a 57.1% rate in 2021, well below the European Central Bank's figures for European banks at the end of 2021 of 64.29%.

MORABANC GROUP'S EFFICIENCY RATIO 2019-2021¹



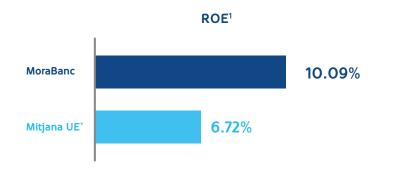
The MoraBanc's CET1 fully loaded capital ratio stood at 18.38% at the end of 2021 after the acquisition of 50.97% of BancSabadell d'Andorra (now BSABanc), and at 18.74% CET1 phase in. This ratio compares above the Andorran banks average of 17.03% and the European banking average of 15.48%, which confirms MoraBanc's aim to have a solid and solvent balance sheet structure.



The solvency surpluses from previous years (CET1 fully loaded ratio of 25.50% in 2020) were consistent with MoraBanc's desire to carry out a large-scale corporate operation that would considerably improve our competitive position, as has been the case with the BSA purchase.

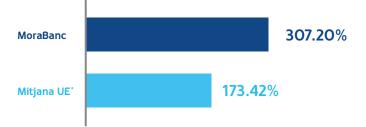


Sustainability, resilience and demanding business management also allow MoraBanc's Return on Equity (ROE) to improve once again, standing at 10.09% on 31/12/2021, 62 base points higher than in 2020 and with a growing trend in recent years. MoraBanc's ROE is also above the Andorran banks average, which stands at 6.33% and for European banks at 6.72%.

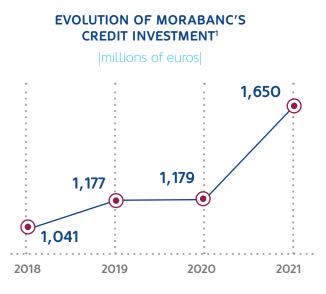


These figures are accompanied by an improvement in MoraBanc's Liquidity Coverage Ratio (LCR), which stands at 307.20%, well above the regulatory requirements of 100%, and Andorran and European banks, and a continuous improvement in credit quality.





MoraBanc has increased its loan portfolio by 5% in Andorra, above the Andorran banking sector figure, which was 2%. This data demonstrates MoraBanc's support in the companies' economic development, businesses and families and the country's client confidence. The increase in the loan book volume has been accompanied by an improvement in its quality, with a decrease in the non-performing loan ratio of up to 2.9%, also below the Andorran sector average, which is 3.74%; and an improvement in the loan loss coverage ratio, closing at 91.5% in 2021. With the BSABanc purchase, the loan book stands at 1,650 million, this subsidiary contributing 430 million euros.



Ultimately, the MoraBanc group's balance sheet is prepared for the challenges, for the organic and inorganic growth, and also to face the difficulties that may arise. In recent years, we have shown, thanks to our strategy and management, that Andorra is also a country of opportunities for such a mature and highly competitive sector as banking, gaining market share, improving results and strengthening our balance sheet. This allows us to lead the Andorran sector and compare more than notably with European banks. This year 2022 we begin the new 2022-2024 strategic plan to be even stronger and more digital and to continue with international growth and expansion. From a financial point of view, the consolidation with BSABanc makes us a more solid and better prepared bank to serve our clients and to face the challenges that lie ahead.

Data sources: www.estadistica.ad www.andorranbanking.ad www.govern.ad https://www.bankingsupervision.europa.eu www.morabanc.ad

¹Source: the authors



MAIN FINANCIAL DATA

Balance Sheet and Consolidated Net Equity

In thousands of euros	31/12/21	31/12/20
ASSETS		
Cash, cash balances in central banks and other at-sight deposits	346,674	193,159
Financial assets held for trading	89,100	102,841
Non-trading financial assets necessarily measured at fair value through profit or loss	394,068	328,930
Financial assets at fair value through other comprehensive income	1,052,545	725,603
Financial assets at amortised cost	2,489,978	1,580,621
Derivatives - hedge accounting	2,706	66
Changes in the fair value of the hedged items in a portfolio with interest rate risk hedging	2,076	2,998
Investments in subsidiaries, joint ventures and associates	5,205	5,004
Assets covered by insurance and reinsurance contracts	33,296	33,775
Tangible assets	102,630	97,571
Intangible assets	25,467	13,413
Tax assets	7,342	3,286
Other assets	3,634	4,538
Non-current assets and disposable groups of elements classified as held for sale	3,288	1,142
TOTAL ASSETS	4,558,009	3,092,947
TOTAL ASSETS	4,558,009 31/12/21	3,092,947 31/12/20
In thousands of euros LIABILITIES		
In thousands of euros LIABILITIES Financial liabilities held for trading	31/12/21	31/12/20
In thousands of euros LIABILITIES Financial liabilities held for trading Financial liabilities designated at fair value through profit or loss	31/12/21 42,241	31/12/20 57,317 324,601
In thousands of euros LIABILITIES Financial liabilities held for trading Financial liabilities designated at fair value through profit or loss Financial liabilities at amortised cost	31/12/21 42,241 364,696	31/12/20 57,317 324,607 2,233,307
In thousands of euros LIABILITIES Financial liabilities held for trading Financial liabilities designated at fair value through profit or loss Financial liabilities at amortised cost Derivatives - hedge accounting	31/12/21 42,241 364,696 3,606,290	31/12/20 57,317
In thousands of euros LIABILITIES Financial liabilities held for trading Financial liabilities designated at fair value through profit or loss Financial liabilities at amortised cost Derivatives - hedge accounting Changes in the fair value of the hedged items in a portfolio with interest rate risk hedging	31/12/21 42,241 364,696 3,606,290	31/12/20 57,317 324,601 2,233,301 15,543 676
In thousands of euros LIABILITIES Financial liabilities held for trading Financial liabilities designated at fair value through profit or loss Financial liabilities at amortised cost Derivatives - hedge accounting Changes in the fair value of the hedged items in a portfolio with interest rate risk hedging Provisions	31/12/21 42,241 364,696 3,606,290 6,179	31/12/20 57,317 324,607 2,233,307 15,543 676 78,507
In thousands of euros	31/12/21 42,241 364,696 3,606,290 6,179 - 75,430	31/12/20 57,317 324,601 2,233,301 15,543
In thousands of euros LIABILITIES Financial liabilities held for trading Financial liabilities designated at fair value through profit or loss Financial liabilities at amortised cost Derivatives - hedge accounting Changes in the fair value of the hedged items in a portfolio with interest rate risk hedging Provisions Tax liabilities	31/12/21 42,241 364,696 3,606,290 6,179 - 75,430 23,123	31/12/20 57,317 324,601 2,233,301 15,543 676 78,507 22,189

In thousands of euros	31/12/21	31/12/20
NET EQUITY		
Capital	42,407	42,407
Other comprehensive accumulated income	(11,444)	(1,088)
Accumulated profit	311,681	289,863
Other reserves	(24,515)	(24,024)
Profit or loss attributable to the owners of the controlling company	34,046	30,098
Minority interests [non-controlling interests]	52,572	(4)
NET TOTAL EQUITY	404,747	337,252
NET TOTAL EQUITY AND LIABILITIES	4,558,009	3,092,947



Consolidated income statements

In thousands of euros	31/12/21	31/12/20
PROFITS AND LOSSES		
Financial margin	30,538	28,847
Result from commissions	67,194	55,401
Results from institutions valued by the equity method	596	486
Results of financial operations	21,984	10,486
Net operating income	5,745	3,555
Earnings from operating income	126,057	98,775
Administrative costs	(64,628)	(53,466)
Amortisation	(7,318)	(6,330)
Allowance for provisions, net impairment and other profits for non-financial and non-current assets	(15,826)	(6,518)
Result before taxes	38,285	32,461
Tax on profits	(3,747)	(2,363)
EARNINGS DURING THE YEAR	34,538	30,098
Attributable to the owners of the controlling company	34,046	30,098
Attributable to the minority interests	492	-

Status of the added value

In thousands of euros	31/12/21	31/12/20
Economic value generated	126,057	98,775
Financial margin	30,538	28,847
Net commissions for services	67,194	55,401
Profit or loss from financial transactions	21,984	10,486
Other income	6,341	4,041
Economic value distributed	68,375	55,829
Economic value retained	57,682	42,946
Economic value distributed and retained	126,057	98,775



WE PROVIDE VALUE TO OUR STAKEHOLDERS AND SOCIETY



CLIENTS

Monitoring and interaction on our social networks: 16,133 followers in total, among the five social networks we are present on (YouTube, LinkedIn, Facebook, Twitter and Instagram).



SUPPLIERS

- We establish long-term relationships with our providers and suppliers who contribute value.
- As far as possiblea, we extend the principles of the bank with regard to sustainability to our providers and suppliers.



MEDIA

Impact in the media:

- 98% positive news items.
- We lead the presence in the press with a market share of 65%.
- 80% of the news about MoraBanc is selfgenerated.



- BBB- F3 short-term ratings by Fitch Ratings.
- High CET1 fully-loaded capital ratio totalling 18.4%, above the European average* of 15.48% phase in.
- Strong liquidity position, 307.2%.



EMPLOYEES

- 58,233 hours of training.
- 98% on permanent contracts.
- 49% are women.
- Safe working environment with a low number of absences due to workplace accidents.
- Commitment to the company and its strategy.



CULTURAL, SPORTING AND SOCIAL ORGANISATIONS

- Investment in social actions: 2,9% of the profits.
- Distribution of the solidarity card: €86,937, and more than €1 million have been distributed among the 21 entities associated with the project.
- Number of entities which have benefited from MoraBanc's social policy: 49.
- Number of individual beneficiaries: 270,421.



SHAREHOLDERS

- Profitability (ROE) of 10.09%, above the European average* of 6.72%.
- A solid and solvent bank, committed to the Andorran economy and society.



INSTITUTIONS AND REGULATORY BODIES

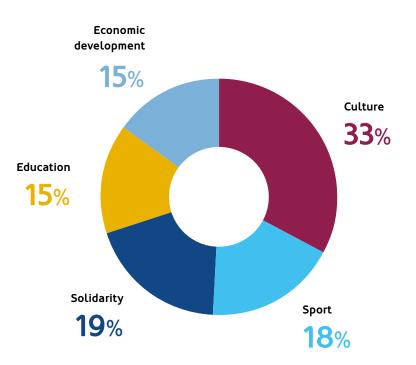
We are transparent and internationally comparable (IFRS, CRD IV, BIS III).



Thinking of a better world forms part of MoraBanc's commitment to sustainability. We are aware that our business could often be part of the solution to some of the problems facing society. For this reason, we have devised a strategy which contributes to the development of Andorran society. This engagement is reflected in several initiatives of a social nature which

help us to establish and maintain a bond with the country and its people. We adopt socially responsible practices which generate value for the community and the company. In line with our values, we focus on four main areas: culture, sport, solidarity and economic development.

DISTRIBUTION OF PROJECTS AND SOCIAL PROGRAMMES IN 2021



Source: prepared by the authors



ECONOMIC AND SOCIAL DEVELOPMENT

MoraBanc is firmly committed to Andorra and society and it seeks to return some of the value it generates by means of its corporate social responsibility policy. 2020 has been a year beset by COVID-19 and its effects. The pandemic has led to the cancellation of projects we backed, including the Cirque du Soleil and the Women's Race, and MoraBanc's support has been necessary in global terms in the national financing policies for individuals and companies.

Within this context, the main projects that have been developed with MoraBanc's support are as follows:

- MoraBanc is a member of the Andorran Family Business (EFA in its Catalan initials), a body which ensures business culture and promotes the continuity of family businesses. As well as being a member, we sponsor two of its main activities: its conference programme and the forum. This year, it has been about the deployment of 5G, the Internet of Things, and privacy, in the conference series held in July. The forum, entitled "2022: challenges and trends for the Principality of Andorra" was postponed due to the pandemic situation and will be held this year. Additionally, MoraBanc has made it possible for the EFA to participate in the European Family Business since 2016.
- We provide community associations and groups in Andorra with the use of MoraBanc spaces, such as our conference room. Furthermore, we support the outreach activities of various institutions, such as professional associations, patient support groups for various illnesses, training centres etc.

Actions to support society have a direct and indirect impact on the Andorran economy, by generating employment, the contracting of goods and services, and commercial and restaurant business related to the activity, etc. The following sections describe these impacts.



Our contribution to the cultural life of Andorra is manifest, among others, in the following initiatives:

- The organisation and sponsorship of La Temporada Andorra la Vella (the Andorra la Vella Season), which continues to be our leading contribution in the cultural field. The 27th edition consisted of three world-class shows and three genres, the singersongwriter José Luis Perales, the opera of the Maltese tenor Joseph Calleja, and the dance of the Béjart Ballet Lausanne to be held in June 2022. Bringing world-class cultural events to the public with performances in Andorra at affordable prices is the aim of this series: the first two shows were attended by 1,228 spectators. La Temporada generates indirect economic activity related to the contracting of goods and services, as well as business for restaurants and commercial activity from the theatre and concertgoers in the surrounding areas of the Conference Centre in Andorra la Vella, where the performances take place.





We are committed to sport to improve people's quality of life:

- MoraBanc is the main partner of the Bàsquet Club MoraBanc Andorra basketball team. Apart from the sports action and the cohesion of the country represented by the BC MoraBanc Andorra, it also generates direct economic activity through the contracting of personnel as well as products and services, and indirect activity with its additional services and the participation of the spectators at the matches.
- MoraBanc is also the main sponsor of FC Andorra in its desire to create a project to enthral the

country and contribute to creating opportunities for Andorra.

We maintain our commitment to snow. MoraBanc stands alongside one of the main economic and social driving forces of Andorra, making a highly valuable contribution to the cohesion of society. We currently support the Pas de la Casa-Grau Roig Skiing Club, the Andorran Mountaineering Federation (with the sponsorship of the national mountain race team in summer and alpine skiing in winter) and the Grandvalira ski resort.



The solidarity card is an initiative aimed at contributing to social fairness and promoting the solidarity of its clients. The recipients of the donations are Andorran institutions whose purposes are social action, humanitarian aid and development cooperation, both in our own country and in the international sphere. The solidarity card was launched with five NGOs; this year there have been a total of 21 entities and we have distributed €86,937 and, since its introduction, we have distributed €1,317,518 throughout society. Contributions from the solidarity card have a local impact, given that they generate economic activity through contracting people and products and services to meet the objectives of the different entities' programmes. For another year running we have supported the charity Càritas in one of its main campaigns, the toy collection in which our clients and employees participated.







The 2021 COP26 in Glasgow is a step forward in the current climate emergency. The Glasgow Accords are based on the climate pact with 8 key commitments, which include mitigation, adaptation, adaptation financing, financing and technology transfer, among others. In addition, progress was made on other points and the role of financial institutions was highlighted, as 500 entities worldwide agreed to align \$130 trillion with the Paris Agreement, representing 40% of the world's assets. This involves redirecting their financing to activities that promote a low-carbon economy and thus limit global warming.

The role of financial institutions in the face of a climate emergency is highly important as they are the facilitators of economic and domestic activity through the granting of credit facilities and loans, and the alignment of this activity with the Paris Agreement must be an essential lever of change.

MoraBanc has an unwavering commitment to sustainability, the preservation of the environment and our natural surroundings, and to the fight against climate change.

Our commitments are reflected in our environmental policy:

- To strictly comply with current environmental protection legislation.
- To prevent contamination resulting from our business, setting objectives that enable us to ensure continuous improvement and sustainable development, in both our consumption of natural resources and the generation of waste and emissions.
- To disseminate these principles throughout Andorran society.
- To maintain an open culture in matters of the environment and to circulate our policy among employees, clients and any other interested parties.

MoraBanc has an environmental management system which it has been implementing since the year 2000 to minimise the impact of our activities on the environment. The institution works to achieve an optimum environmental compliance by complying with current legislation and preventing pollution being caused by our activity.

In 2021, we continued with the strategy to combat climate change which we began in 2009, calculating our carbon footprint.

We calculated our GHG (greenhouse gas) emissions in accordance with ISO 14064:1-2012, the Greenhouse Gas Protocol, the Corporate Accounting and Reporting Standard developed by the World Business Council for Sustainable Development.

The calculation of the carbon footprint allows us to effectively evaluate the measures taken to reduce our impact on the environment. We analyse the results annually and define objectives for the following financial year.

During 2021, we have added to the footprint the emissions of worker mobility in Andorra, within the framework of the Sustainable Mobility Plan, Law 21/2018 of 13 September on the promotion of the energy transition and climate change (Litecc). With the diagnosis, the number of commutes between home and work, the number of trips per job, the means of transport and fuel, the amount of travel, etc. have been calculated. The data obtained have made it possible to determine the footprint as well as the potential for change. The main levers are:

- 1. Incorporate teleworking to reduce the number of commutes
- 2. Reduce travelling at midday
- 3. Make travel more sustainable

PMS OBJECTIVES	KPI	CURRENT DATA*	GOAL
Reduction of the use of personal vehicles (car and motorcycle)	% people going to work by car or motorcycle	63%	50%
Reduction of km by car or motorcycle	Total km	949,262 KM	Reduce by 20%
GHG Reduction	Total GHGs	20.1 t.Co2eq employees 8.8 t.Co2eq vehicles M	Reduce by 30%
Investment is more a stringhle vehicles	Number of employee hybrid or electric vehicles	2	10
Investment in more sustainable vehicles –	Number of hybrid or electric vehicles sin the MoraBanc fleet	1	3

OBJECTIVES FOR REDUCING EMISSIONS FROM WORKER MOBILITY

* Source: prepared by the authors



As actions to achieve the objectives, we will work on 4 levers:

- Promote public transport, shared vehicles and buses on demand
- Promote the purchase and use of electric and hybrid vehicles among employees
- Incorporate teleworking
- Raise awareness among employees and clients of the rational vehicle use and reduce the number of trips whenever possible.

Despite adding internal mobility to the emissions footprint, the MoraBanc group's emissions in 2021 are

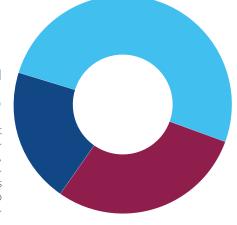
6% below the 2019 emissions and 18% above 2020. The year 2020 was an exceptional year due to the effects of the COVID-19 pandemic, a year in which most work was done in a teleworking format, drastically reducing consumption. Thus, the comparison with the year 2019 in terms of analysis makes more sense. The decrease compared with 2019 is reflected in scope 2, electricity consumption, and range 3, other indirect emissions, due to the decrease in air travel.

The large proportion of teleworking that MoraBanc maintained for more than half of 2021 has influenced the decrease in emissions.

CO2 EMISSIONS BY EMISSION SOURCE IN 2021 FOR THE MORABANC GROUP (IN TCO2 EQ AND %)

SCOPE 1 167.87 | 20%

These omissions are classified as direct emissions. They are the greenhouse gases emitted directly by the organisation, for example due to the use of combustible fossil fuels in machinery or vehicles owned by the organisation and due to losses of refrigerant gases in air-conditioning equipment.



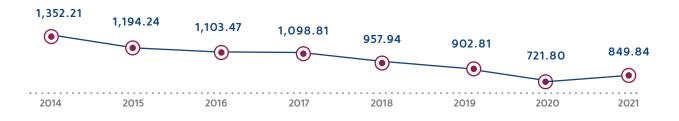
SCOPE 2 436.63 | 51%

These are indirect emissions caused by energy: they are greenhouse gases emitted through the generation of electricity consumed by the organisation, and depend mainly on the consumption and mixture of energy on the electricity grid.

SCOPE 3 245.34 | 29%

Other indirect emissions are those attributable to products and services required by the organisation, that have also generated emissions in their production, as well as other indirect emissions (business travel etc.).

EVOLUTION OF TOTAL EMISSIONS OF THE MORABANC GROUP IN TCO, EQ BETWEEN 2013 AND 2021



Source: the authors



We strive to improve the energy efficiency of our facilities and offices with two goals: to tackle climate change and achieve a safe, sustainable and competitive energy supply. The main energy sources

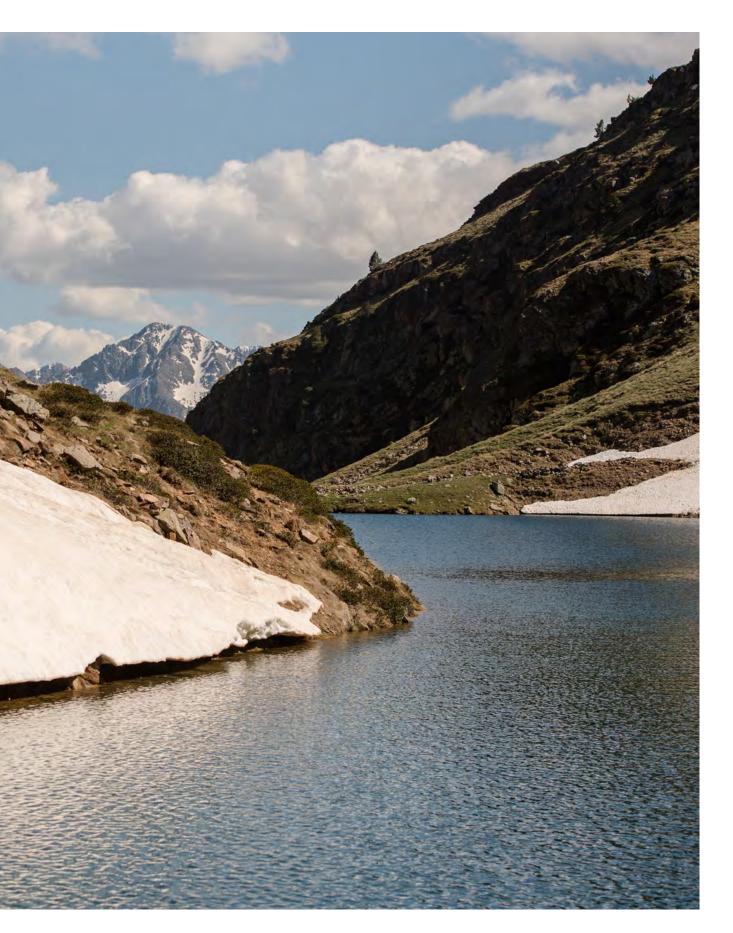
we use at MoraBanc are, firstly, the electricity and diesel consumed in the branches and, secondly, the fuels used for travel.

EVOLUTION OF THE SOURCE OF THE EMISSIONS OF THE MORABANC GROUP'S ACTIVITY IN 2021

SCOPE	EMISSION SOURCE		EVOLUTION 2020-2021
SCOPE 1	FOSSIL FUELS		
SCOPET	OWN TRANSPORT		
SCOPE 2	ELECTRICITY CONSUMPTION		
		Paper consumption	
	3.1. PURCHASES OF GOODS AND SERVICES	Toner consumption	
		Bank card consumption	
		Water treatment	
SCOPE 3	3.4. UPSTREAM TRANSPORT AND DISTRIBUTION	Fuel consumption by the courier service	
	3.5. WASTE MANAGEMENT	Paper and cardboard waste	=
	3.6. BUSINESS TRAVEL	Air travel	
		Train travel	
		Bus travel	n.d.
		Personal vehicles	
		Taxi journeys	n.d.
		Overnight stays	
	3.8. UPSTREAM LEASED ASSETS	Website consumption	

The challenges of the MoraBanc group in 2022 for reducing its footprint and contributing to sustainability and the fight against climate change are:

- Application of the sustainable mobility plan to the whole group
- Broaden the calculation of our carbon footprint to comply with the Paris Agreement on climate change by means of the inclusion of scope 3.15. This scope calculates the impact of CO2 from the investments and credits managed or granted by the institution.







MORABANC

HOW WE GUARANTEE AND PROTECT VALUE



STRONG AND PROFESSIONAL CORPORATE GOVERNANCE

MoraBanc is a family-owned and independent bank with professional management and governance. The Board of Directors and its committees comply with the European Union's regulations on transparency and ethics, the guidelines of the Basel Committee and international practice in the field of good corporate governance of the financial institutions among which we wish to be counted.



Joan Maria Nin Génova Chairman



Lluís Alsina Álvarez CHIEF EXECUTIVE OFFICER



Oscar Aristot Borrás PROPRIETARY DIRECTOR CHAIRMAN OF THE EXECUTIVE COMMITTEE FOR BUSINESS



Francesc Xavier Maymó Gatell PROPRIETARY DIRECTOR



Marc Mora Guerín (REPRESENTATIVE OF MORA FILLS, SA) PROPRIETARY DIRECTOR



Agustín Berasaluce Astarloa INDEPENDENT DIRECTOR CHAIRMAN OF THE APPOINTMENTS AND REMUNERATION COMMITTEE





José Manuel Lara García (REPRESENTATIVE OF PEDROSO ESTELAR, SL) INDEPENDENT DIRECTOR AND CHAIRMAN OF THE RISK COMMITTEE AND THE INFORMATION TECHNOLOGY, INNOVATION AND INFORMATION SECURITY COMMITTEE.



Miguel Antonio Pérez Carnicero

INDEPENDENT DIRECTOR CHAIRMAN OF THE AUDIT AND COMPLIANCE COMMITTEE



Marc Vilallonga Puy NON-BOARD MEMBER SECRETARY





Executive Committee for Business

In accordance with its operational rules, the Executive Committee performs, inter alia, the following functions: (i) making recommendations and suggestions of all kinds to the Board of Directors to improve the profitability of the Company's and the Group's business, (ii) monitoring and ensuring the proper management of investments in the real economy and private equity, (iii) reflecting on, analysing, evaluating, working on and, as appropriate, drawing up proposals for the Board of Directors regarding matters of a financial nature and (iv) reviewing and approving, as appropriate, relevant investment proposals, unrelated to the budget, delegated by the Board of Directors.



The Audit and Compliance Committee, among other functions, reviews the financial information of the Group and its internal control systems, serves as a channel of communication between the Board and the external auditor, ensuring that the latter performs its functions independently and supervises the work of the Internal Audit Services. This committee supervises compliance with the Group's Codes of Conduct, programs and policies for the prevention of money laundering and financing of terrorism and, in general, compliance programs and prevention of legal, regulatory and criminal risks of the bank.



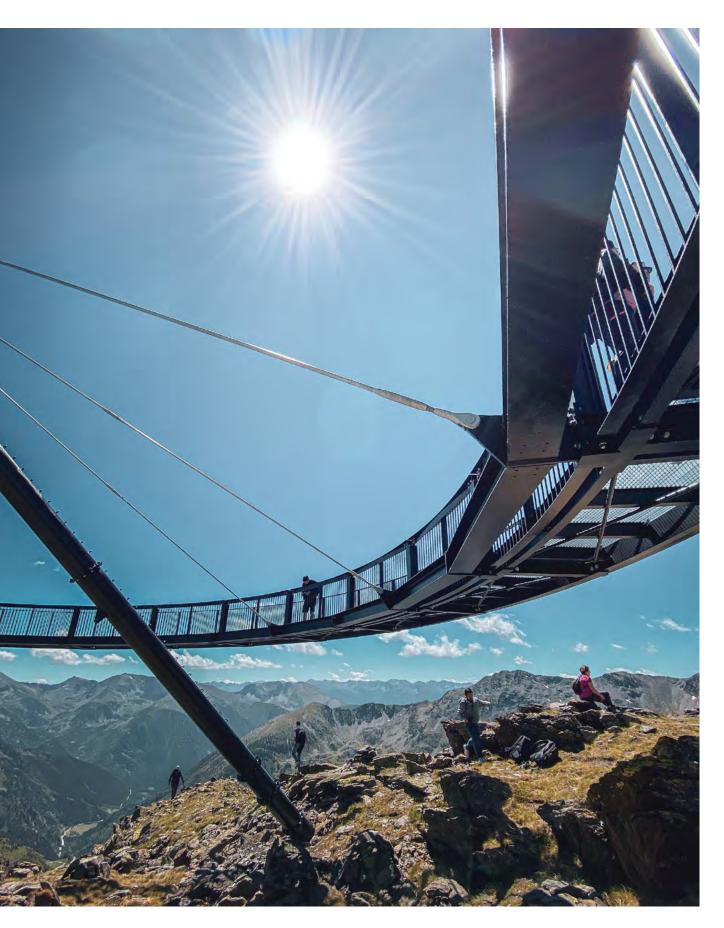
Among other functions, the Risk Committee advises the Board regarding the definition and assessment of the strategy and the risk policies as well as providing support. It also assists the Board with the equity and liquidity strategy. The Committee has executive powers enabling it to authorise and approve certain risk transactions.

Technology, Innovation and Information Security Committee

This committee's objective is to assist the Board in gaining knowledge of the infrastructures and technology and innovation strategy of the group, as well as the main technology and information security and cybersecurity risks affecting the group.



Among other functions, the Appointments and Remuneration Committee adapts MoraBanc's corporate governance to the standards and best practices in this area and proposes the appointments of the board members, including the executive members, to the Board. It also informs the Board of appointments of other senior management members of staff and key personnel of the group. This committee proposes the senior management remuneration policy to the Board: it prepares the corresponding report and the remuneration of the board members, including the executive members, and other senior management positions.





AN EXECUTIVE TEAM FOCUSED ON THE SUCCESS OF THE STRATEGIC PLAN

The Executive Team is organised into various committees in line with the management of the teams and the strategic plan objectives.



The RCIC is the committee formed by the senior management of the bank which manages the most significant aspects of the institution, whether this be business, financial, audit, reputation and integrity, and it aligns all the banks actions with the strategic plan objectives. It is also responsible for monitoring relationships with other institutions and regulatory bodies, monitoring significant aspects of the subsidiaries, and monitoring of matters regarding the Board of Directors and its competence.



Lluís Alsina Álvarez CEO (CHIEF EXECUTIVE OFFICER)



Sara Álvarez Cazorla DEPUTY GENERAL MANAGER FINANCIAL DIVISION



Rubén Aísa García DEPUTY MANAGING DIRECTOR LEGAL COUNSEL



José Ignacio Amilburu Pérez DEPUTY MANAGING DIRECTOR RISKS DEPARTMENT



Amparo M. Nieto Linares DEPUTY MANAGING DIRECTOR REGULATORY COMPLIANCE





The Business Committee is in charge of aligning the commercial strategies and campaigns with the general strategies of the bank. In this regard, it lays out the

commercial guidelines, periodically evaluates the degree of compliance with the commercial objectives, and organises actions to correct any deviations.



The Strategy Committee prepares reports, recommendations and strategic proposals to achieve the bank's objectives. It is also responsible for reporting on the association agreements, the development of new or existing lines of business as well as financial

operations. It monitors the strategic plan approved by the bank to align all the bank's actions with the objectives to evaluate its compliance and apply the appropriate corrective measures.



The efficiency committee is key to achieving the strategic plan and coordinating saving and efficiency actions with all the managers of the departments in order to achieve the objectives. It monitors investments

to ensure the bank's innovation and compliance with the business plan. Likewise, it leads and develops the company's staff.



Executive Committee

The Executive Committee is an advisory committee made up of various directors of MoraBanc in order to monitor the strategic plan. It coordinates the bank's operations to ensure compliance with the objectives and align the action plans of the whole group.



ETHICAL LEADERSHIP AND MANAGEMENT WITH RESPECT FOR HUMAN RIGHTS

The fundamental pillars of MoraBanc's activities and business are ethics and integrity. Beyond what we are bound to comply with in regulatory terms, we are committed to transparency, professional ethics, and respect for society at large and our clients, shareholders and employees.

The group's Code of Ethics and Conduct and the Stock Market Code of Conduct are the standards through which we transfer these pillars to all levels of the organisation. The two Codes define our values and corporate culture and the responsibility to conduct our business in accordance with standards designed to prevent any unfair competitive, monopolistic or restrictive practices. The institution also has a Directors' Statute which contains the standards that set forth the action expected of members of the Group's Board of Directors.

The Regulatory Compliance Department is responsible for drawing up the Codes of Conduct and adapting them to current legislation. In addition, the Group's Board of Directors is the body responsible for approving them.

The understanding and implementation of the Codes of Conduct, as well as other applicable regulations, is ensured by our control structures. All the professionals who make up MoraBanc, in all the countries where the institution operates, are obliged to comply with these codes. For this reason, when they join the organisation, they receive training on the Codes of Conduct and our internal procedures for the prevention of money laundering or monetary instruments and the financing of terrorism.

The fight against corruption and the prevention of money laundering or monetary instruments and the financing of terrorism are two permanent and allpervading goals throughout the MoraBanc Group. These issues have become a national priority leading to the adoption of legislative initiatives in recent years and a review of the prevention and repression system in order to achieve the most effective framework for the fight against these practices. In compliance with current legislation, we have an internal control structure and mechanisms for reporting any suspicious actions. Moreover, MoraBanc has defined and developed internal communication channels to inform the institution's senior management of potential ethically questionable conduct, practices or proposals for activities whose characteristics have them liable to be regarded as instances of the laundering of money or monetary instruments or the financing of terrorism. If this should occur, the appropriate bodies analyse and supervise the cases.

We also have mechanisms enabling us to prevent, detect and investigate potential cases of corruption and fraud. The MoraBanc Group has a Conflict of Interest Management Policy that establishes the bases of the action procedures that must be followed in matters of prevention and management, that may arise between shareholders, members of the Board of Directors, employees or directors of MoraBanc with respect to customers and suppliers.

The Corporate Integrity Management Committee is responsible, among other things, for promoting the adoption of measures that enable us to ethically resolve questionable actions; settle situations in which the group's interests clash with those of the clients; draw up and circulate interpretative notes; propose potential changes in the content of the Code of Conduct in order to adapt it to developments in the group's activities and business, the environment in which they are conducted and the best practices of the financial industry; and establish communication with the supervisory authorities.

The main tasks of the Internal Control and Communication Body are to analyse, control and report to the supervisory authorities any information regarding operations or events which may involve the laundering of money or monetary instruments or the financing of terrorism, in addition to establishing the policies and procedures necessary to identify, prevent and hinder the undertaking of transactions related to such activities. This body has total independence in the exercise of its duties. Its composition is established in accordance with functional integration criteria and its decisions are binding for the entire MoraBanc Group.

In a complementary manner, we have another control area, Risks, which ensures that the defined risk profile



is kept within established limits. This department applies the corrective and mitigating policies necessary to maintain the risk levels in accordance with the objectives defined in the group's strategy.

In taxation, MoraBanc has a specific area within the Legal Counsel Department which ensures that MoraBanc's tax and fiscal obligations are properly fulfilled in all the jurisdictions in which it operates. Finally, to ensure compliance with the institution's corporate good governance system, Internal Auditing acts as a third line of defence, the control body which supervises the suitability and effectiveness of the internal control system, formulates conclusions and recommendations regarding the said system, and verifies they are properly implemented.





ALIGNMENT WITH THE BEST PRACTICES TO PRESENT OUR INFORMATION

We present our information in keeping with previous years, with the aims of being more transparent with our stakeholders and providing a vision of our activity more in keeping with our strategy and environment. We have put what we do in context with our values, our vision, our strategy, our business model and our corporate governance with a social and sustainable focus over time. In this regard, we provide a detailed explanation on how we develop our banking and financial activity in order to create long-term value with a commitment to sustainability.

This report has been prepared following the guidelines of the International Framework for Integrated Reporting of the International Integrated Reporting Council (IIRC), a global coalition of regulators, investors, companies, regulation and standard issuers, professional accountants and non-governmental organisations, united by the goal of moving corporate reporting towards the communication about value creation.

We also maintain the focus on the sustainability of the report, following the international standard for preparing sustainability reports set by the Global Reporting Initiative (GRI), a leading international organisation in non-financial reporting. In this regard, the 2021 integrated annual report has been prepared in accordance with the GRI standards, as its essential compliance option. The management of our activity is based on our relationship with our stakeholders, which is essential for understanding their expectations and interests, which frame many of the decisions and actions the organisation takes. In this regard, for the purpose of performing an exercise in transparency for our stakeholders, MoraBanc prepares this annual report to provide information on the relationship between, firstly, our strategy, governance and financial performance and, secondly, the social, economic and environmental context where the bank operates.

Pursuant to the principles for determining the content of a report in accordance with the GRI Guidelines, a materiality analysis was performed in 2020 to determine the sustainability aspects and issues relevant to the organisation. Key people from the Bank and representatives from our stakeholder groups were directly involved in drawing up the materiality analysis.

The results obtained from the materiality analysis helped us to perform internal work on initiatives which improve sustainability, aimed at both the human team and the external stakeholders. In short, it means working on a sustainability strategy aligned with what the stakeholders regard as being necessary and the Bank's business strategy.





INFORMATION ON MATERIALITY

To draw up this report we have reviewed the results of the materiality analysis we conducted in 2020 and we can confirm that the contents defined above provide an accurate view of the impact and performance of MoraBanc in terms of sustainability. This analysis allows us to identify the sustainability issues relevant to the institution and its stakeholders which have been used to work on MoraBanc's sustainability strategy. The process that was followed from the materiality analysis was developed in three stages:

0 1. IDENTIFICATION OF POTENTIALLY RELEVANT ASPECTS

The organisation's stakeholders were identified and defined, as was their order of priority, based on their relative importance. Subsequently, we identified potentially relevant economic, social, environmental, ethical and good governance issues linked to the positive and negative impacts of the organisation's value chain from a sustainability perspective. Internal and external sources of information were used to carry out this identification, including global and sectoral sustainability trends, the Andorran context and an internal analysis.



The material aspects were selected on the basis of a dual internal and external analysis. This enabled us to identify the degree of importance of the identified issues for both MoraBanc and the stakeholders. Online surveys were conducted on both internal and external prioritisation. For the statistical analysis of the external sphere, the answers were weighted in accordance with the importance of each stakeholder for the company. This approach provides a more consistent insight in accordance with the actual situation of MoraBanc.



The results obtained and the materiality matrix were analysed by the management of MoraBanc, which assessed their consistency with the institution's sustainable development, taking into account their positive and negative impacts. Within this context, the purpose is to ensure that the materiality reflects a reasonable and balanced picture of the most relevant issues for sustainable and responsible development in MoraBanc's economic, environmental and social spheres.



MORABANC'S 2021 MATERIALITY MATRIX

Waste Energy	Environmental and socio- economic compliance Indirect economic impacts Diversity, equal opportunities and non- discrimination Workplace health and safety	Fight against corruptio Client privacy Business ethics
Work/life balance Employee/company relations Sustainable communities Materials	Local communities	Quality and excellence in banking practice Training and educatior Innovation in products and services
Financial literacy Products and services with a social/environmental benefit Environmental and social evaluation of suppliers ESG strategy Socially responsible investment Territorial partnerships Emissions ESG criteria in operations Client care and service	Employment Internationalisation and diversification of the business	Economic performance Risk management Strategic partnerships

RELEVANCE FOR MORABANC

Information related to non-material topics is also published, as it allows for a more comprehensive explanation of MoraBanc's performance in the different areas of sustainability.

RELEVANCE FOR THE STAKEHOLDERS





MORABANC

TABLE OF CONTENTS OF THE GLOBAL REPORTING INITIATIVE



GENERAL BASIC CONTENTS

(2016 VERSION OF DE GRI STANDARDS)

GRI STANDARD CONTENTS PAGE OR DIRECT RESPONSE O	ODS
--	-----

PROFILE OF THE ORGANISATION

102-1	Organisation name	Mora Banc Grup, SA		
102-2	Activities, brands, products and	MoraBanc offers its clients commercial ban management services, investment funds n company and insurance by the Group's ins	nanaged by the Group's management	
services	services	Commercial banking: the commercial baa and banking for businesses, companies an focused culture and we design products an develop commercial segmentation in accoo into account age and behavioural habits. enables us to enhance our relationship wi dialogue.	Ind professionals. MoraBanc has a client- nd services appropriate for them. We rdance with the needs of each group, taking Our commitment to new technologies	
		PRODUCTS AND SERVICES:		
		Banking for Private Individuals	Banking for Companies	
		Life insurance Accounts and cards Savings Mortgages Loans and credits Investment products Investment consultancy Discretionary and individualised portfolio management MoraBanc Digital Receipt, transmission and execution of orders	Investment products Credit cards Treasury and investments Investment consultancy Personalised attention Discretionary and individualised portfolio management MoraBanc Digital International business	
		Private Banking and Wealth Managem wealth management activities are manage service to our clients. PRODUCTS AND SERVICES:	ent: all MoraBanc's private banking and ed by expert staff in order to offer excellent	
		Private Banking	Wealth Management	
		Life insurance Investment consultancy Online broker Range of loans and mortgages Discretionary and individualised portfolio management Structured products MoraBanc Digital Receipt, transmission and execution of orders	Investment consultancy Choice of custodian bank Financial wealth structuring Discretionary and individualised portfolio management Receipt, transmission and execution of orders	



GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	ODS
		Mora Gestió d'Actius, SAU: The Group's collective investment body management company, which operates under the MoraBanc Asset Management brand with a varied and competitive range of mutual funds.	
		PRODUCTS AND SERVICES:	
		MoraBanc Asset Management	
		Communication and dissemination of our experts' market views Investment funds and SICAVs	
		Mora Assegurances, SAU: the Group's life insurance company which seeks to offer all kinds of life insurance and complementary health guarantees linked to said life policies.	
		In addition to life insurance, the institution offers savings and welfare products such as pension and retirement plans. It also provides clients with Unit Linked products, which may be MoraBanc Unit Linked Funds, MoraBanc Unit Linked Portfolios or MoraBanc Unit Linked Assets, depending on the assets to which they are linked.	
102-3	Location of headquarters	Mora Banc Grup, SA Av. Meritxell, 96 AD500 Andorra la Vella Principality of Andorra	
102-4	Location of operations	14-16	
102-5	Ownership and legal form	The MoraBanc Group was founded in 1952 by the Mora family and today 100% of its capital continues to be held by the family in Andorra. The Group is made up of:	
		 Mora Banc Grup, SA, a banking institution whose corporate purpose involves all kinds of operations that banking institutions can perform under current Andorran law. 	
		 Mora Assegurances, SAU, whose purpose is to conduct all kinds of insurance, reinsurance and risk coverage activities in the life insurance sector. 	
		 Mora Gestió d'Actius, SAU, whose purpose is to manage collective investment bodies, conduct discretionary and individualised portfolio management activities and provide advice on investments. 	
		 Mora Wealth Management AV, SAU, a securities agency authorised to provide services for discretionary portfolio management, financial advice and the reception and transmission of orders. 	
		- Boreal Capital Management, AG, whose activity involves the management of assets and financial assessments.	
		 Boreal Capital Holdings USA, LLC, an investment portfolio company. It acts as the head of the other companies based in the USA: 	
		 Boreal Capital Management LLC, which seeks to provide asset management and financial assessments. 	
		Boreal Capital Securities LLC, which carries out the activity of a Broker-Dealer.	
		 BSABANC SA, a banking institution whose purpose is to carry out all types of banking operations allowed within the legal framework in force in Andorra. 	
		 BSA Inversions SGOIC, SAU, whose purpose is to manage collective investment organisations and carry out discretionary and individualised portfolio management and investment advisory services. 	
		- The activity of Assegurances Segur Vida, SAU is insurance operations in the private law and life insurance, as an insurer, delegate or mediator.	

05 GRI INDEX

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPO	NSE				
2-6	Markets served	14-16					
2-7	Size of the organisation	14-16					
)2-8	Information on	36-39					
	employees and other workers	Workforce as of 31 Decem	iber:				
		Distribution of the workfo	orce by cou	untries:			
		Countries	2021 ¹	%		2020 ²	%
		Andorra	324	86%	284	86%	89%
		USA (Miami)	32	8%	28	8%	8%
		Switzerland (Zurich)	10	3%	10	3%	3%
		Spain (Barcelona)	11	3%	10	3%	-
		Total	377	100%	332	100%	100%
		Men		193			172
		Workforce of the MoraBa					
		Type of contract		2021 ¹ 193			2020 ²
		Women		179			153
		Women Permanent	_	179 372			153 325
			_				
		Permanent	_	372			325
		Permanent % Permanent		372 99%			325 98%
		Permanent % Permanent Men		372 99% 2			325 98% 4
		Permanent % Permanent Men Women		372 99% 2 3			325 98% 4 3
		Permanent % Permanent Men Women Temporary		372 99% 2 3 5			325 98% 4 3 7
		Permanent % Permanent Men Women Temporary % Temporary		372 99% 2 3 5 1%			325 98% 4 3 7 2%
		Permanent % Permanent Men Women Temporary % Temporary Types of working week	-	372 99% 2 3 5 1% 2021 ¹			325 98% 4 3 7 2% 2020 ²
		Permanent % Permanent Men Women Temporary % Temporary Types of working week Men Women Full time	-	372 99% 2 3 5 1% 2021 ¹ 194			325 98% 4 3 7 2% 2020 ² 176
		Permanent % Permanent Men Women Temporary % Temporary Types of working week Men Women	-	372 99% 2 3 5 1% 2021 ¹ 194 177			325 98% 4 3 7 2% 2% 2020 ² 176 152
		Permanent % Permanent Men Women Temporary % Temporary Types of working week Men Women Full time	-	372 99% 2 3 5 1% 2021 ¹ 194 177 371			325 98% 4 3 7 2% 2020 ² 176 152 328
		Permanent % Permanent Men Women Temporary % Temporary Types of working week Men Women Full time % of full-time week		372 99% 2 3 5 1% 2021' 194 177 371 98%			325 98% 4 3 7 2% 2020 ² 176 152 328 99%
		Permanent % Permanent Men Women Temporary % Temporary Types of working week Men Women Full time % of full-time week Men		372 99% 2 3 5 1% 2021 ¹ 194 177 371 98% 0			325 98% 4 3 7 2% 2% 2020 ² 176 152 328 99% 0
		Permanent % Permanent Men Women Temporary % Temporary Types of working week Men Women Full time % of full-time week Men Women		372 99% 2 3 5 1% 2021 ¹ 194 177 371 98% 0 6			325 98% 4 3 7 2% 2% 2020 ² 176 152 328 99% 0 4
		Permanent % Permanent Men Women Temporary % Temporary % Temporary Types of working week Men Women Full time % of full-time week Men Women Part-time		372 99% 2 3 5 1% 2021 ¹ 194 177 371 98% 0 6			325 98% 4 3 7 2% 2020² 176 152 328 99% 0 4 4
		Permanent % Permanent Men Women Temporary % Temporary Types of working week Men Women Full time % of full-time week Men Women Part-time Part-time		372 99% 2 3 5 1% 2021 194 177 371 98% 0 6 6 6			325 98% 4 3 7 2% 2020 ² 176 152 328 99% 0 4 4 1%
		Permanent % Permanent Men Women Temporary % Temporary Types of working week Men Women Full time % of full-time week Men Women Part-time Part-time Part-time%		372 99% 2 3 5 1% 2021 ¹ 194 177 371 98% 0 6 6 6 6 2 %			325 98% 4 3 7 2% 2020 ² 176 152 328 99% 0 4 4 1%

 $^{\rm 1}$ Average payroll for financial years 2021 and 2020 $^{\rm 2}$ Average payroll for financial years 2020 and 2019

05 GRI INDEX

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	ODS
102-9	Supply chain	In accordance with our activity, we differentiate between suppliers that provide financial, audit and consultancy services and others that provide us with materials and handle the maintenance and supplies for our infrastructures. In our commitment to sustainability we prioritise companies that operate with a responsible attitude towards society and the environment.	
102-10	Significant changes to the organisation and its supply chain	Given the health situation, many of MoraBanc's employees have worked from home for much of the year, continuing the bank's management and client service. From September onwards, there has been a gradual return to in-person working.	
102-11	Precautionary principle or approach	We are committed to the preservation of the environment and our natural surroundings, of undeniable value for Andorra, and to the fight against climate change. MoraBanc incorporates energy and resource-saving measures into the realisation of its activity.	12 Enternation All Restormed 13 Enternation Enternatio
102-12	External initiatives	MoraBanc does not endorse any principle or statute or any other document of an economic, social or environmental nature.	
102-13	Membership of associations	 MoraBanc is a member of various institutions in the region: Association of Andorran Banks (Andorran Banking or the ABA in its Catalan initials) EFA (Andorran Family Business for Total Quality Management) Business Confederation of Andorra (CEA in its Catalan initials), through Andorran Banking Chamber of Commerce, Industry and Services of Andorra (CCIS), through Andorran Banking Andorran Institute of Legal, Economic and Financial Studies (JEF in its Catalan initials) through Andorran Banking Barcelona Economical Circle MoraBanc is a partner of Actinn, a technology and innovation cluster. Actinn is the first privately-owned cluster in Andorra. Its purpose is to promote the competitiveness of its associate members and enhance cooperation among companies from different sectors and other agents so as to offer new technology-based solutions in the Principality of Andorra. 	

STRATEGY

102-14	Statement by the head of the organisation	7-10	
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ETHICS AND INTEGRITY

102-16	Values, principles, standards and rules of conduct	73-74 MoraBanc is subject to the decree approving the revised text of Law 8/2013 of 9 May on the organisational requirements and operating conditions for institutions working in the financial system, investor protection, market abuse and financial guarantee agreements and strictly complies with it.	16 ANT LEADER ANTIPAC ANTIPAC
		In addition, it has a Code of Ethics and Conduct for the Group, which also contains the Technical Communiqué of AFA 163/05 on ethical rules and conduct, and it is mandatory for all its employees.	
		MoraBanc also undertakes to abide by the regulations contained in the Code of Ethics approved by the ABA's General Assembly on 13 January 2017, which regulates, within the framework of the law in force at any time, the standards of honesty, integrity, professionalism and confidentiality applied by Andorran banking institutions in their relationships with clients, third parties and supervisory and regulators.	



ri Tandard	CONTENTS	PAGE OR DIRECT RESPONSE				
		GOVERNANC	E			
02-18	Governance	67-68				
102 10	structure	The following are the Board of Direct position and type of director.	tors members of Mora Banc (Grup, SA, their		
		Board of Directors on 31/12/2021:				
		MORA BANC GRUP, SA				
		Members	Position	Type of director		
		Juan Maria Nin Génova	Chairman			
		Lluís Alsina Álvarez	CEO	Proprietary		
		Oscar Aristot Borrás	Board Member	Proprietary		
		Francesc Xavier Maymó Gatell	Board Member	Proprietary		
		Mora Fills, SA (Represented by Mr Marc Mora Guerín)	Director	Proprietary		
		Agustín Berasaluce Astarloa	Director	Independent		
		Pedroso Estelar, SL (represented by Mr. José Manuel Lara García)	Director	Independen		
		Miguel Antonio Pérez Carnicero	Director	Independen		
		Secretary:				
		Marc Vilallonga Puy	Non-director secretary	-		
		The MoraBanc Group's Board of Dire delegating the day-to-day manager the various management teams. Management Team as of 31/12/202	nent to the corresponding exe			
		Lluís Alsina Álvarez		CEC		
		Sara Álvarez Cazorla	Deputy	General Manager Financial Divisio		
		M. Teresa Araúz Regué	Deputy	General Manager Internal Auditing		
		Rubén Aísa García	Deputy I	Managing Director Legal Counsel		
		José Ignacio Amilburu Pérez		Managing Director Risks Department		
				rasio Beparanena		



PAGE OR DIRECT RESPONSE

ODS

GRI STANDARD

102-44

CONTENTS

Key topics and concerns raised

45-46

PARTICIPATION OF STAKEHOLDERS				
102-40	List of stakeholder groups	45-46 The stakeholders which MoraBanc has identified with their activity are the clients, the employees, the providers and suppliers; cultural, sports and social entities, the media, and shareholder institutions and regulators.		
102-41	Collective bargaining agreements	MoraBanc does not have any collective bargaining agreements, given that the Andorran regulations stipulate that the workers shall undertake the above, an action which has not occurred to date.	8	
102-42	Identifying and selecting stakeholders	To select the stakeholders, MoraBanc has taken into account the materiality report drawn up in 2021, in which the people and organisations affected by MoraBanc's activities were determined.		
102-43	Approach to stakeholder engagement	MoraBanc takes into account the various stakeholders when evaluating its activity.		

REPORTING PRACTICE

102-45	Entities included in the consolidated financial statements	The information submitted relates to the companies which appear in the consolidated financial statements. If the scope does not coincide in some cases, this is specified in the corresponding section of the report.	
102-46	Defining report content and topic boundaries	 7-10, 75-76 The purpose of this report is to offer a true and fair view of the economic, social, environmental and corporate performance of MoraBanc. It therefore stems from our determination to create an environment of trust with our stakeholders through free access to relevant information related to policies and actions in the area of social responsibility. We prepare the report following the recommendations of the international Global Reporting Initiative (GRI) standards. The Report covers the companies which appear in the consolidated financial 	
		statements of the organisation, as listed in the "Economic management" section.	
102-47	List of material topics	75-78	
102-48	Restatements of information	There have been no restatements of the information contained in previous reports. In the event that a calculation formula of any of the figures has changed, it is specified in a footnote.	
102-49	Changes in reporting	There are no significant changes in the scope and coverage in comparison with previous reports.	

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05 GRI INDEX

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	ODS
102-50	Reporting period	This report covers the period from 1 January to 31 December 2021, since we submit publications on an annual basis.	
102-51	Date of most recent report	2020.	
102-52	Reporting cycle	Annual.	
102-53	Contact point for questions regarding the report	Any queries which may arise in relation to this report may be emailed to comunicacio@morabanc.ad.	
102-54	Statement of reporting in accordance with the GRI standards	This report has been drawn up in accordance with the GRI standards: core option.	
102-55	GRI content index	79-100	
102-56	External verification	The report has not been verified externally.	



MATERIAL TOPICS* Economy

GRI STANDARD CONTENTS PAGE OR DIRECT RESPONSE OI	DDS
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GRI 201: FINANCIAL PERFORMANCE (2016)

GRI 103: MANAGEMENT APPROACH (2016)

103-1	Explanation of the material topic and its boundary	Economic achievement is a principal material to and it is also an essential element of the activi achievement directly affects one part of the sta suppliers, shareholders, clients, sponsored entii rest of society through the wealth we generate.	ity. The impact of the e akeholders (employee ities, etc.), as well as, i	economic es, providers and
103-2	The management approach and its components	In its strategic plan MoraBanc has expressed its activity in Andorra and beyond its borders and		
103-3	Evaluation of the management approach	The institution evaluates the economic achieve monitoring of the business indicators, drawing Business Monitoring Committee and the Strates modifications or corrections whenever necessar	up the necessary repo gy Committee apply t	orts. The
201-1	Direct economic value generated	The table below, based on the Group's profit a distribution of the economic value generated, c		
	and distributed	in 2021		
	and distributed		2021	2020
	and distributed	Economic value generated	2021 126,057	2020 98,775
	and distributed			
	and distributed	Economic value generated	126,057	98,775
	and distributed	Economic value generated	126,057 30,538	98,775 28,847
	and distributed	Economic value generated Financial margin Net commissions for services	126,057 30,538 67,194	98,775 28,847 55,401 10,486
	and distributed	Economic value generated Financial margin Net commissions for services Profit/loss from financial transactions	126,057 30,538 67,194 21,984	98,775 28,847 55,401 10,486 4,041
	and distributed	Economic value generated Financial margin Net commissions for services Profit/Loss from financial transactions Other income	126,057 30,538 67,194 21,984 6,341	98,775 28,847 55,401
	and distributed	Economic value generated Financial margin Net commissions for services Profit/Loss from financial transactions Other income Distributed economic value	126,057 30,538 67,194 21,984 6,341 68,375	98,775 28,847 55,401 10,486 4,041 55,829

* The version of the corresponding standard is specified in brackets.



ODS

GRI CONTENTS PAGE OR DIRECT RESPONSE

GRI 203: INDIRECT ECONOMIC IMPACTS (2016)

103-1	Explanation of the material topic and its boundary	57-64 Economic development is a material topic for MoraBanc's stakeholders, according to the questions we ask them on a continuous basis. The indirect economic impact is a consequence of the economic development and for this reason it is included as material in the GRI table.	
103-2	The management approach and its components	57-64 The indirect economic impacts on society form part of MoraBanc's DNA and the Board of Director's desire to actively contribute to society. MoraBanc has established commitments with institutions to achieve its goals with regard to its economic impact. To achieve this, it makes its human, material and economic resources available.	
103-3	Evaluation of the management approach	MoraBanc monitors the actions by means of various indicators which are periodically reported, such as the publicity received from the actions carried out and the impact they have had, e.g., articles which have appeared in the press and the achievement of the objectives of the sponsored projects.	
203-2	Significant indirect economic impacts	57-64	



ODS

GRI STANDARD CONTENTS	PAGE OR DIRECT RESPONSE
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GRI 205: ANTI-CORRUPTION (2016)

103-1	Explanation of the material topic and its boundary	73-74	
103-2	The management approach and its components	73-74	
103-3	Evaluation of the management approach	The institution monitors the actions and projects relating to anti-corruption policies through the Regulatory Compliance Department.	16 rest and an river settimes S
205-1	Operations assessed for risks related to corruption	The active fight against corruption, the laundering of money or monetary instruments and the financing of terrorism, among others, forms part of the transversal culture of the whole group and it is also regulated by law. In compliance with current legislation, we have an internal control structure and Regulatory Compliance and Audit Departments which oversee corporate governance.	
205-2	Communication and training about anti- corruption policies and procedures	73-74	
205-3	Confirmed incidents of corruption and actions taken	In 2021 there was no confirmed case of corruption at MoraBanc.	



OTHER MATERIAL ASPECTS

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	ODS
		INNOVATION IN PRODUCTS AND SERVICES	

GRI 103: MANAGEMENT APPROACH (2016)

103-1	Explanation of the material topic and its boundary	Continuous innovation is one of the pillars upon which we rely to ensure the best technological response at the service of people and become a leading bank.	
103-2	The management approach and its components	MoraBanc wishes to constitute a benchmark in client-oriented innovation to offer a better service.	
103-3	Evaluation of the management approach	The purpose of the Information Technology, Innovation and Security Committee is to assist the Board in understanding the group's infrastructures and technology and innovation strategy.	16 ANT AND A

QUALITY AND EXCELLENCE IN BANKING PRACTICE

GRI 103: MANAGEMENT APPROACH (2016)

103-1	Explanation of the material topic and its boundary	17-20	
103-1	The management approach and its components	17-20	
103-3	Evaluation of the management approach	17-20	

BUSINESS ETHICS

103-1	Explanation of the material topic and its boundary	73-74	
103-2	The management approach and its components	73-74	
103-3	Evaluation of the management approach	73-74	



GRI STANDARD

PAGE OR DIRECT RESPONSE

RISK MANAGEMENT

ODS

GRI 103: MANAGEMENT APPROACH (2016)

CONTENTS

103-1	Explanation of the material topic and its boundary	29-30	
103-2	The management approach and its components	29-30	
103-3	Evaluation of the management approach	29-30	
102-15	Key impacts, risks and opportunities	29-30	
102-17	Mechanisms for advisement and ethical concerns	73-74 The Regulatory Compliance Department supervises, monitors and verifies ongoing and effective compliance with legal and regulatory obligations, ethical and conduct standards, and the institution's internal policies, in order to reduce the risk of compliance and other risks associated with its activities, being responsible for drawing up codes of conduct and adapting them to current regulations. Together with the legal Advisory Department, it is responsible for providing advice on the ethical and legal behaviour and integrity of the organisation. Moreover, MoraBanc has defined and developed internal communication channels that ensure confidentiality for reporting any ethically questionable conduct.	16 artistation
102-30	Effectiveness of risk management processes	29-30	

STRATEGIC PARTNERSHIPS

103-1	Explanation of the material topic and its boundary	20 MoraBanc's objectives focus on leading the Andorran banking sector. Our strength has positioned us as the benchmark and, in order to maintain this sustained growth, we establish strategic partnerships with companies with which we share values related to quality, service and leadership. In 2021, MoraBanc acquired Banco Sabadell's 50.97% holding in BancSabadell d'Andorra (now BSABanc)	
103-2	The management approach and its components	MoraBanc seeks to create synergies with globally-renowned companies in its sector.	
103-3	Evaluation of the management approach	We share projects with leading companies in their sectors in order to add value to the range of products and services we offer our clients.	



ENVIRONMENT

GRI CONTENTS PAGE OR DIRECT RESPONSE OF	ODS
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GRI 302: ENERGY (2016)

GRI 103: MANAGEMENT APPROACH (2016)

103-1	Explanation of the material topic and its boundary	61-64	
103-2	The management approach and its components	61-64	
103-3	Evaluation of the management approach	61-64	
302-1	Energy consumption within the organisation	 61-64 The source of the emission factors used for calculation are: Practical guide for calculation of greenhouse gas (GHG) emissions. March 2021 Version Sustainability Report of the Andorran Electric Forces (FEDA in its Catalan initials) 2020 International Energy Agency (IEA). Emission Factors 2018 Environmental Paper Network Paper Calculator, version 4.0 International Civil Aviation Organization (ICAO) Emissions carbon calculator Defra - UK Government GHG Conversion Factors for Company Reporting 2018 All the above sources are up-to-date and verified. 	12 mm 20 13 mm 20 20 20 20 20 20 20 20 20 20 20 20 20

GRI 306: WASTE (2020)

103-1	Explanation of the material topic and its boundary	61-64	
103-2	The management approach and its components	61-64	
103-3	Evaluation of the management approach	61-64	

05 GRI INDEX

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE		
306-1	Material explanation and its scope	The MoraBanc Group's emissions in 2021 are 18% above those of 2020. The year 2020 was COVID-19 pandemic, a year in which work was mostly carried out in online format,	an exceptional year be	ecause of the
306-2	Significant impact management related to waste	 MoraBanc recycles all generated consumate The paper and cardboard generated by our we recycled 12,425 kg, 25% more than in 2 Plastic. Credit and debit cards are recycled Toner. The printers we use are monitored so only what is strictly necessary. As a result by 46% in the last two years. The same comanages the recycling of used toners so and recycled, avoiding waste generation. 	ur activity is recycled reg 2020. d. This year, 13.6 kg were so that consumables m t, we have reduced ton onsumables tracking co that all consumed uni	e generated. aintenance is er consumption ompany
			2021	2020
		Paper and cardboard consumption	17.059,78	21.062,87
		Toner	184	256,5
		Cards	13,6	28,1

GRI 307: ENVIRONMENTAL COMPLIANCE (2016)

103-1	Explanation of the material topic and its boundary	61-64	
103-2	The management approach and its components	61-64	
103-3	Evaluation of the management approach	61-64	
307-1	Non- compliance with environmental legislation and regulations	MoraBanc has not received any fine or penalty for non-compliance the with environmental laws.	12 strange and the second 13 strange Constraints 13 strange Constraints 13 strange Constraints 14 strange Constraints 15 strange Constraints 16 strange 17 strange 18 strange 18 strange 18 strange 18 strange 19



SOCIAL

GRI CONTENTS PAGE OR DIRECT RESPONSE ODS

GRI 403 OCCUPATIONAL HEALTH AND SAFETY (2018)

103-1	Explanation of the material topic	MoraBanc's commitment to health and safety is one of the principles that govern the conduct of our activity.	Image: select
	and its boundary	Our activity has to guarantee the well-being of our staff and those whom we subcontract.	
103-2	Focus on management and its components	MoraBanc has the support of a specialised company to apply Law 34/2008 of 18 December on workplace health and safety. Prevention measures include a 50-hour basic level training plan to set up the institution's first aid teams.	
103-3	Evaluation of the management approach	External reports are prepared regularly in order to analyse health and safety in the workplace and apply improvement measures for the well-being of MoraBanc's employees at work.	
403-1	Occupational health and safety management system	The occupational health and safety management operates in conjunction with an external company responsible for identifying, assessing and controlling the hazards and risks associated with the work environment, in accordance with current regulations.	
403-2	Hazard identification, risk assessment and investigation of incidents	The identification of hazards and risks associated with the workplace is regularly analysed by an external company. All the employees are given medical check-ups to identify potential risks and dangers associated with their work.	
403-3	Occupational health services	All MoraBanc's employees receive occupational health and safety training when they join the institution.	3
403-4	Employee participation, consultations and communication with regard to occupational health and safety at work	The people management department is available to all the workers to enable them, if necessary, to report any work-related situations that may cause risks. These situations will be analysed on a case-by-case basis and the appropriate measures will be taken.	
403-5	Training of employees in occupational health and safety	All. MoraBanc's employees receive training related to the risks associated with their workplace when they join the workforce. Similarly, MoraBanc regularly trains initial intervention and first aid teams to train the workers with regard to hazardous or risky situations.	3
403-6	Promoting employee health	At MoraBanc we comply with Act 34/2008 on workplace health and offer employees the possibility to undergo a regular health check-up.	3
		MoraBanc promotes employee health with health-related social benefits, such as 100% salary coverage in case of sick leave, 50% coverage of the health insurance premium, or by offering free access to the World Care service to all employees.	8
		Given the health situation, MoraBanc maintained agreements with external companies for the possibility to make antigen tests available to employees on a regular basis.	



GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	ODS
403-7	Prevention and mitigation of impacts on employees' health and safety directly linked to business relationships	MoraBanc has the support of an independent company which completes a safety report linked to each work position at the institution, which identifies all the risks associated with each job, the likelihood and consequences of the risk occurring and the preventative measures which should be taken in order to prevent it. The bank's Building and Safety Department is responsible for implementing preventative measures in order to minimise any workplace risks.	3
403-8	Employees covered by an occupational health and safety management system	The occupational health and safety management system operates in conjunction with an external company. An audit of all the positions affecting the bank employees was recently carried out in order to take the appropriate measures in accordance with current legislation. The audit does not cover the positions covered by personnel from outside the institution as the contracting company is responsible for their health and safety.	3 meretani

GRI 404: TRAINING AND EDUCATION (2016)

103-1	Explanation of the material topic and its boundary	36-39	
103-2	The management approach and its components	36-39	
103-3	Evaluation of the management approach	36-39	
404-1	Average training hours per year per employee	36-39	
404-3	Percentage of employees who receive periodical evaluations for their professional development	All MoraBanc employees undergo an annual performance evaluation. In 2021, 100% of the workers were evaluated.	

05 GRI INDEX

GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES (2016)

PAGE OR DIRECT RESPONSE

GRI 103: MANAGEMENT APPROACH (2016)

CONTENTS

GRI STANDARD

103-1	Explanation of the material topic and its boundary	36-39			
103-2	The management approach and its components	36-39			
103-3	Evaluation of the management approach	36-39			
405-1	Diversity in the	Composition of the Board of Directors:		5	
	governance body and employees	MORA BANC GRUP, SA			ę
		By gender		8	
			2021	2020	11
		Men	9	8	
		Women	0	0	
		Total	9	8	
		Women%	0%	0%	
		By age			
			2021	2020	
		Under 30	-	0	
		Between 30 and 50	3	2	
		Over 30	6	6	
		Total	9	8	
		The workforce composition by employment ca	ategory can be found or	n page 37.	

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05 GRI INDEX

PAGE OR DIRECT RESPONSE

GRI 406: NON-DISCRIMINATION (2016)

CONTENTS

GRI STANDARD

GRI 103: MANAGEMENT APPROACH (2016)

103-1	Explanation of the material topic and its boundary	36-39	
103-2	The management approach and its components	36-39	
103-3	Evaluation of the management approach	36-39	
406-1	Discrimination cases and corrective actions taken	During 2021 MoraBanc has not had cases of labour discrimination.	8 201 2010

GRI 413: LOCAL COMMUNITIES (2016)

GRI 103: MANAGEMENT APPROACH (2016)

103-1	Explanation of the material topic and its boundary	57–64 Thinking of a better world forms part of MoraBanc's commitment to sustainability.	
103-2	The management approach and its components	57-64 We are aware that, on many occasions, our activity may form part of the solution to certain problems facing society, which is why we design a strategy that contributes to the progress of the Andorran community.	
103-3	Evaluation of the management approach	57-64 MoraBanc promotes various initiatives and programmes which generate value for society.	

ODS



GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	ODS
413-1	Operations with local community engagement,	57-64	1 Ārētit
	impact assessments, and development		2=
	programmes		4 research
			13 :::::

GRI 418: CLIENT PRIVACY (2016)

103-1	Explanation of the material topic and its coverage	MoraBanc is under an obligation to protect the personal and private information of its clients.	
103-2	The management approach and its components	MoraBanc applies the legislation in force with regard to data protection and personal information.	
103-3	Evaluation of the management approach	The Regulatory Compliance Department is responsible for overseeing compliance with the regulations applied by the institution in this matter.	
418-1	Substantiated complaints related to client privacy violations and loss of the client's personal information	MoraBanc has a duty to protect the personal and private information of customers and employees, as set out in the ethics code and legislation on data protection and banking secrecy. In 2021 MoraBanc has not received complaints related to the violation of customer privacy or loss of personal information.	



GRI CONTENTS PAGE OR DIRECT RESPONSE

ODS

GRI 419: SOCIO-ECONOMIC COMPLIANCE (2016)

103-1	Explanation of the material topic and its boundary	MoraBanc conducts its activity in strict compliance with Andorran law.	
103-2	The management approach and its components	73-74	
103-3	Evaluation of the management approach	73-74	
419-1	Non-compliance of laws an regulations in the social and economic fields	In 2021 MoraBanc did not receive any fines for the breach of social or economic regulations.	



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