



# 2022

INTEGRATED  
ANNUAL REPORT

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# 2022 MoraBanc group summary

**Andorra**  
**Barcelona**  
**Miami**  
**Zurich**

4 COUNTRIES  
15 LOCATIONS IN ANDORRA





## Activity

**18,148**

FOLLOWERS<sup>1</sup> ON **SOCIAL MEDIA**  
(FACEBOOK, TWITTER, INSTAGRAM,  
LINKEDIN, YOUTUBE)



## Society

**3.7%**

OF THE PROFIT IN SHARES  
IN FAVOUR OF THE COMMUNITY

**€77,395**

COLLECTED WITH  
**SOLIDARITY CARDS**



## Digital transformation

**55.8%**

**DIGITAL CLIENTS<sup>2</sup>**

**+24%**

**LOGINS TO DIGITAL BANKING**

**+29%**

**TRANSACTIONS CARRIED OUT  
VIA DIGITAL BANKING**



## Environment

**2.25**

**EMISSIONS OF tCO<sub>2</sub> eq  
PER WORKING PERSON**



## Workforce

**461**

**PEOPLE<sup>2</sup>**

**84,645**

**HOURS OF TRAINING**

**49%**

**WOMEN IN THE WORKFORCE**

**98%**

**PERMANENT CONTRACTS**

<sup>1</sup>Followers of MoraBanc's social media

<sup>2</sup>Percentage of MoraBanc digital clients in Andorra.



## Profit growth

**€40.1 M**

PROFIT FOR THE  
FINANCIAL YEAR

**+16%**

COMPARED WITH 2021



## Business figures

**€10.2 Bn**

ASSETS UNDER MANAGEMENT

**€1.5 Bn**

LOAN BOOK



## Credit quality

**2.6%**

NON-PERFORMING LOAN RATIO

**102.9%**

NPL COVERAGE RATIO



## Profitability

**10.9%**

ROE

AVERAGE EU BANKS <sup>3</sup>: 7.68%



## Strength of the balance sheet

**18.06%**

SOLVENCY RATIO  
CET1 FULLY LOADED

AVERAGE EU BANKS <sup>3</sup>: 15.27% PHASE IN

**294.14%**

LIQUIDITY COVERAGE RATIO  
(LCR)

AVERAGE EU BANKS <sup>3</sup>: 161.46%



## Fitch Ratings

**BBB-**

STABLE SINCE 2015

LAST UPDATE: DECEMBER 2022

<sup>3</sup> Data: <https://www.bankingsupervision.europa.eu> at 31/12/2022







# Follow the path of growth

## THE CHAIRMAN'S VISION

JOAN MARIA NIN GÉNOVA

2022 was the year of recovery after the pandemic, but there have also been strong tensions in the economy that have led to high inflation and a rise in interest rates, combined with a withdrawal of liquidity for an orderly reduction of the *quantitative easing* of central banks. This tightening of monetary policy by central banks to fight inflation has been one of the main actions with an impact on the financial sector. And, although inflation is already stabilising downwards, underlying inflation is not receding, keeping energy and food prices high, and making it impossible for the ECB to consider a change of course.

The reduction in growth expectations and weaker business results in the fourth quarter of 2022 have not stopped GDP growth in the main economies that managed to end the year on a positive note. This scenario remains valid for 2023, but, despite the great uncertainty, the markets have increased the probability of a *soft-landing* and consequently avoiding a recession.

In Andorra, the GDP growth figure for 2022 has not yet been published, but

the December report by Fitch Ratings already predicted that it would be higher than expected during 2022, pushed by the recovery of tourism and progressive diversification of the economy. Its GDP growth forecast climbs to 8.5%. As for inflation, recent data point to an evolution similar to the European one. The advanced CPI for March recorded an annual rate of + 6.3%, decreasing from the previous reading in February of + 7.5%. It is expected that in 2024 the GDP level of 2019 will be recovered with a real growth of 9.3%, above the neighbouring economies.

We continue to face an environment of uncertainty and we must get used to a context of constant change and adaptation. But this is where our strength as a bank must not change. **If we want to continue supporting families, working closely with companies to build trust, boosting private investment and job creation by supporting sustainable growth in our country, fully cooperating with its public and private institutions, we must have a solid position in the market and a strong, liquid and solvent balance sheet to continue**



**building wealth around us.** For this reason, risk management is essential by anticipating and dimensioning ourselves to face the challenges, with a continuous improvement of our balance sheets and our income statement.

The merger with BSABAnc (Banc Sabadell d'Andorra) responded to this need for dimension, strength and trust. With the perspective of the last few months, we can say that the integration has gone very, very well.

We maintain our direction and the objectives of the group's 2022-2024 strategic plan, which has as its 4 main axes digitalisation, business growth, international growth and organisational culture.

The technology and innovation plan is well advanced. **The new version of digital banking, launched in the spring of 2023, brings important improvements in the field of usability and service innovations such as Bizum for all clients, opening a fully digital account and a rethought and improved new front and operation.** During 2023, ambitious new functionalities will follow, such

as the incorporation of investment management and digital assets, and the granting of loans and mortgages through the digital channel. And already in 2024, the insurance operation will be incorporated into the *online* channel. By 2022, the investment in technological innovation exceeded 8.8 million euros and includes digital transformation and the technological part of integration. Continuous development and innovation in technology is a business necessity and a growing demand from clients. The digital channel has had a growth of 80% since 2019 in terms of total logins (24% in 2022 compared to 2021) and the operation has grown by 168% in the last 3 years. The online device gaining most traction is the mobile device through the *app* and this is where we must make the priority investment.

**Regarding the strategic axis of business, integration management and service to each client have marked 2022** and we must underpin growth in the coming years.

**On an international scale, progress is moving forward strongly.** The Miami

and Zurich markets, managed by the Boreal subsidiary, are following their roadmap and we are very satisfied with the results. The Spanish market, with the MoraWealth brand, is where efforts are being concentrated. The Barcelona branch is achieving growth in both client management and very good profits and, during 2023, a branch will be opened in Madrid. **We will continue with further expansion in Spain to cover this natural market for MoraBanc.**

**Organisational culture is an essential element to achieve goals. Here we include the incorporation of sustainability or ESG criteria** (environmental, social and governance) throughout the organisation, because it is a transversal and priority axis. MoraBanc has adopted a sustainability strategy to accompany the group's growth and decisions. The strategy is based on three pillars: responsible governance, being an institution committed to Andorra and the growth of people, referring to both staff and clients. This plan must position us as a solid institution, promoter and leader of sustainable development in Andorra.



## The MoraBanc group has a clear commitment to our clients, to the shareholders and to the country.

In relation to the results, we can rate them as very satisfactory: we have increased the profit by 16% compared to 2021 and we exceed 10,000 million euros in managed resources which is a minimum figure required in today's financial world to be competitive. We have also increased profitability to reach an ROE of 10.9% and maintain a position of 1,538 million euros in the loan book and the rate of delinquency is reduced to 2.6%. Our liquidity of 294.14% (LCR) and our solvency (18.06% CET1 fully-loaded) lead the ratios of the place.

In the group, at the end of 2022, we were 461 hard-working, professional people committed to service and growth objectives.

To make all of this possible, we must have strong corporate governance that allows us to maintain an agile, transparent, rigorous and professional decision-making process, and risk management and long-term sustainability must be the fundamental pillars of the development of our responsibilities. Social changes, the aggravation of the environmental crisis, regulatory pressure or economic

difficulties place us in an increasingly demanding environment and we must be able to respond with responsibility, vision and decision. We are a family-owned bank but with a professional Board of Directors, by decision of the shareholders.

The financial sector is a business in which trust is a fundamental and non-negotiable element. In recent months, the loss of confidence generated by the bankruptcies of Silicon Valley Bank and Signature Bank, and the purchase of Credit Suisse by UBS, after its collapse, have caused significant declines in European banking share prices. The Andorran banks, and we in particular, have not had a direct impact on our balance sheets, but these cases highlight the need for good management, good governance, good regulation, demanding supervision, impeccable risk management and values and ethics of behaviour embedded to the last corner, so that the culture and conduct are exemplary.

The Andorran financial centre is in good health, which shows that we have been able to resume the path of growth despite the difficulties and continuous

changes. The balance sheet strength ratios are good for the sector and the solvency and liquidity very remarkable. More challenges lie ahead, such as the Association Agreement currently being negotiated by the Government with the European Union. We will play an active role as an institution and as a sector, and we will develop it with responsibility and a vision for the future. We must ensure that our sector can be on level terms with the European one, both with regulation, but also with the opportunities and guarantees that Europe gives.

I will end by referring to the good balance sheet we can achieve in 2022 and with an exciting look ahead to this 2023. We have many challenges ahead, at all levels, as an institution, as a sector and as a country. Andorra is a small territory but with great opportunities. The financial sector, business, and political leaders must work in the same direction, with society as a whole, to maintain and promote growth in the country. The MoraBanc group has a clear commitment to this goal, to our clients, to the shareholders and to the country.





MORABANK

01

THE VISION



# Our vision for creating value

## CREATE VALUE

Founded in 1952, MoraBanc preserves the values of a family business. **Our business model is based on our commitment to 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 want to generate a positive long-term impact for all our stakeholders. We work

to meet the needs of our clients and to offer them products and services of the highest quality.

The organic growth shown by the good results obtained in recent financial years and extraordinary transactions such as the integration of BSA Banc, SA allow us to move forward to become the leading bank in Andorra.



**FAMILY  
VALUES**



**SUSTAINABLE  
COMMITMENT**



**NEW  
STRATEGIES**



**POSITIVE  
IMPACT**

# What makes MoraBanc different



## 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 recurring increasing profits after a transformation process to deal with the changes in the business environment.



## A BANK WITH FAMILY VALUES

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



## PRUDENT AND CONSERVATIVE ECONOMIC MANAGEMENT

which positions us as one of the most solvent banks.

An exclusive agreement with **Goldman Sachs Asset Management** that adds value for our clients and enhances our portfolio management and advisory services, a collaboration agreement with **Banco Santander** for the international reverse factoring service, a strategic partnership with the **Pyrénées** group to develop consumer financing and collaboration with the prestigious law firm **Cuatrecasas** to provide in-house and external training.



Asset  
Management



# 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 2022, the volume of transactions totalled 11.748 billion euros.

MoraBanc's headquarters are located in Andorra la Vella and we have branches throughout 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.





## Commercial banking

MoraBanc's commercial banking is one of the pillars of our offering in providing the best products and services to our clientèle with the goal of leading the market.

We carry out 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 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.

We have specialised managers and a large professional team geared towards providing support and advice 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 client-focused management model based on establishing close relationships of mutual trust. Our mission is to identify and analyse each person's 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 wealth management company based in Miami and Zurich, provides a sophisticated added value in its wealth management service. 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



Our areas of activity

How we differ

Our clientèle



## Private banking and Wealth Management

### MORAWEALTH

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 stands 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.

Clients of commercial banking, private banking and wealth management



## 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.

Clients of commercial banking, private banking and wealth management

# Our mission, vision and values and our goals

## 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.



## VALUES



ETHICS AND PROFESSIONAL INTEGRITY



RESPECT FOR THE CLIENT,  
FOR SOCIETY,  
FOR WORKING PEOPLE  
AND FOR THE LAW



TRANSPARENCY



INNOVATION

## THE 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:**



### 1. LONG-TERM VISION

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 aim to become a pioneering bank which adapts to our clients' new habits. We want to position ourselves as a leader in innovation.



### 3. INTERNATIONAL OUTLOOK

We are a financial group with a clear global vocation. Geographical diversification provides us with great business opportunities. For this reason, in 2008 we decided to expand our presence outside the borders of Andorra.



### 4. A WELL-ESTABLISHED, TRUSTWORTHY AND PERSONAL INSTITUTION

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



### 5. WE STRIVE FOR EXCELLENCE WITH COMMITMENT AND EFFORT

Thanks to a 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

In November 2022, the merger process between MoraBanc and BSABanc that began the previous year was completed when MoraBanc and the Spanish financial institution Banco de Sabadell, SA formalised the purchase by the Andorran bank of the 50.97% stake in share capital of BancSabadell d'Andorra, SA, which was renamed 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 MoraBanc group.

With this operation, MoraBanc has boosted its growth thanks to the contribution of BSA's commercial network, resources and people with the aim of bringing more value to our clients of the two institutions by being part of a stronger and more solvent banking group committed to the future of Andorra and its development.

MoraBanc has integrated 339 new shareholders into its capital structure, people who believed in the BancSabadell d'Andorra project and who wanted to continue with MoraBanc.

The combination of 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.





02

STRATEGY

Our strategy  
to create  
long-term value  
and address  
the challenges  
of the future







# Vision to lead Andorran banking

REFLECTIONS OF THE CHIEF EXECUTIVE OFFICER

LLUÍS ALSINA ÁLVAREZ

2022 was marked by the full integration of BSA (formerly Banc Sabadell d'Andorra) within the MoraBanc group in a process that lasted for a year and culminated in the month of November with the effective merger. During this year, the international economic, political and social environment has formed a complicated game board with the conflict in Ukraine, high inflation with the corrective measures of the Central Banks, a rise in interest rates, and a macroeconomic situation in which economies may have real risks of recession.

In this annual report, we present the first balance sheet that incorporates 100% BSA within the group and, as the first executive, I am very satisfied with the results with the incorporation of BSA people, the creation of new teams and the arrival of new clients.

The results for 2022 show a profit of 40.1 million euros, which represents an increase of 16% in relation to 2021. It is a very good fact that, if we open the prism, confirms an even better trend. The MoraBanc group has gone from achieving a profit of 24.1 million euros in 2018, to 40.1 in 2022. This evolution consolidates the business model, diversified in terms of activity and also geographically, and its sustainability over time, and is the result of the execution of the institution's strategic plans and, in recent months, of the capacity for growth that BSA has given us with the merger.

The strength of the balance sheet and income statement is one of the key elements in the way we do banking, and the data we present demonstrate our demand and our commitment. We continue to lead solvency in the

Andorran market with a CET 1 ratio fully loaded of 18.06%, a figure that also exceeds the average of European banks that it was in, in its calculation *phase-in*, in 15.27%. MoraBanc's liquidity ratio is well above the regulatory minimum, at 294.14%, also above the national average and that of EU banks. Besides, during 2022 we have improved the profitability calculated with the ROE to 10.9%, again improving the data for Andorran banks (7.62%) and the European average (7.68%). These good indicators must be highlighted, since they have been achieved in a year marked by the integration process that has required us to make additional efforts in many areas and has affected other ratios such as efficiency, which has decreased slightly to 68.2%.

From MoraBanc we continue to support the projects of companies, families and institutions with a healthy and solvent loan portfolio, which accounts for 30.1% of Andorra's total. In 2022, we have maintained a stable credit position with 1,538 million euros and have improved the non-performing loan ratio, which has dropped to 2.6%. The loan loss coverage ratio has stood at 102.9%. These data demonstrate the confidence of clients in the MoraBanc group and our commitment to economic and social development.

The managed resources have been of 10,211 million euros at group level, a figure that is below the volumes of 2021, due, mostly, to the effect of the decline in the markets during the year. With the integration of BSA, we have established good prospects and growth capabilities within the country in the coming months.

The second line of development is in our subsidiaries Boreal in Miami and Zurich, and MoraWealth in Barcelona, which account for 26% of the resources we manage at the time of closing in 2022, and which are a line of growth where we detect many opportunities.

Faced with uncertainties, we must maintain our roadmap with an ambitious strategic plan adapted to the needs of our clients, shareholders and the country. We follow a clear strategic plan to position MoraBanc as the country's first bank, thanks to the continuous growth of the banking business. The integration of BSA has made it possible to expand the base of both clients and teams to move forward strongly, and we will do so, as it cannot be otherwise, with a strong investment in technology.

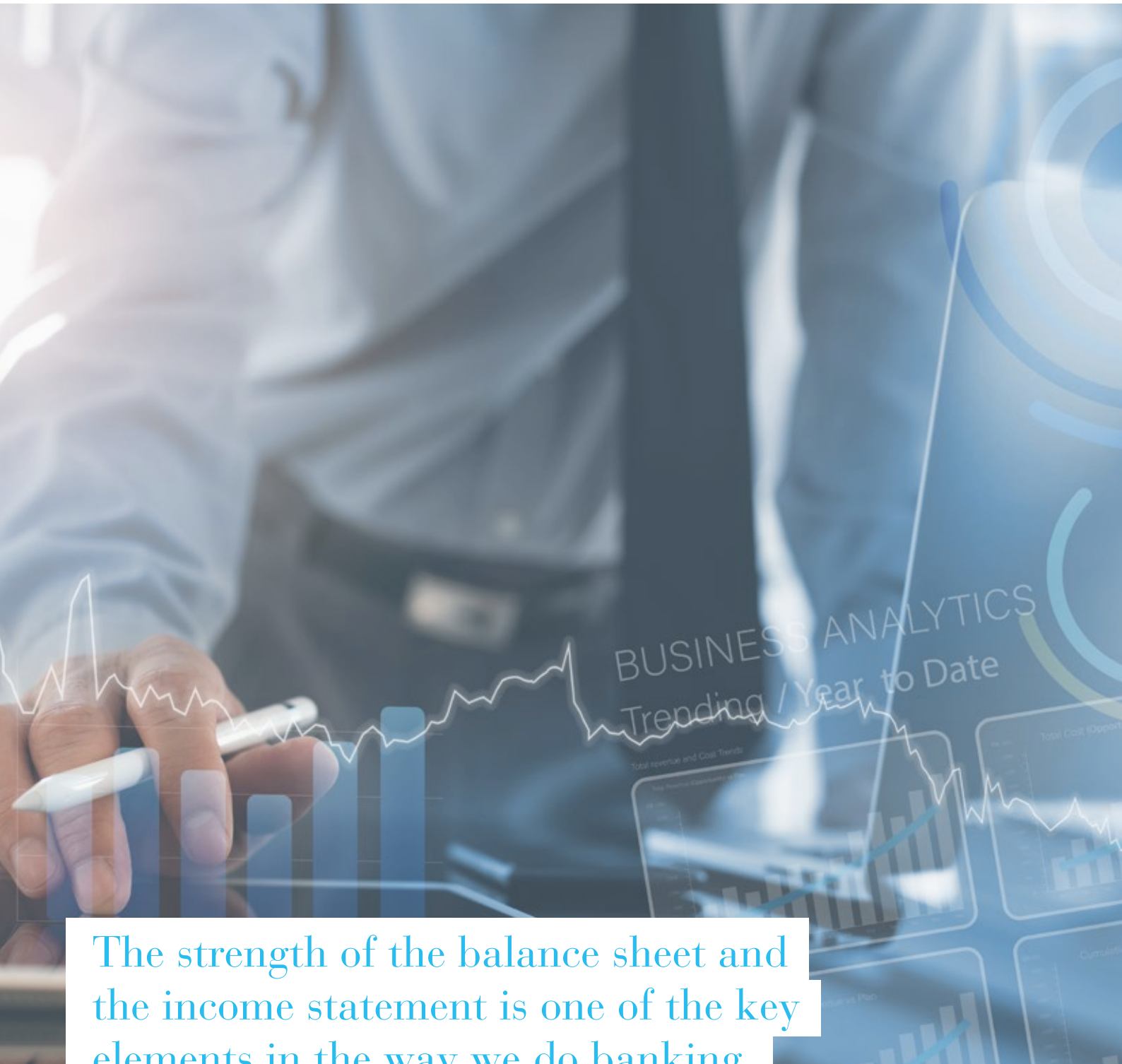
The way of doing banking is changing and digitalisation is taking on a more significant role. The investment in technology during 2022 has been 8.8 million euros, just for digital banking and integration to achieve the objectives of client satisfaction, security in transactions and advancing every day in digitalisation of our clients. These are very strong investments, up to the challenge we face.

In the international arena, we maintain the growth of our subsidiaries, which increasingly have a greater weight in the group's resources. We are diversifying the business with the good performance of Boreal (Miami and Zurich) and the expansion of MoraWealth, which will gradually open offices in different parts of Spain. We are very satisfied with the business model we have developed outside the borders and which, thanks

to the agreement with Goldman Sachs Asset Management, is different from the competition.

To close this reflection on 2022, I want to go beyond the strictly financial view to address the obligation that every company must have towards its environment and to which we are committed. At MoraBanc we are very aware that it is necessary to be an active agent to apply the best international sustainability standards and commitments, to deal with the climate emergency and the social demands of the new generations. We have adopted a sustainability strategy that will incorporate ESG criteria in a transversal way (environmental, social, corporate governance and long-term viability) that must make our management and that of our clients more sustainable and responsible, and bring value to the environment and people.

Sustainability and social commitment are important challenges, but the future comes with many other challenges that will need to be managed and overcome. We will be attentive to the international geopolitical situation, to the negotiation of the Association Agreement with the EU, the requirements to adapt to international regulations and, obviously, to the needs that our clients ask us at any time. This is how we started 2023, working with confidence to respond to all these challenges, with the certainty of having the best team to do it and the strength of the latest results that show us that we are on the right track.



The strength of the balance sheet and the income statement is one of the key elements in the way we do banking, and the data we present proves it our requirement and our commitment.

# We position ourselves to create value

## 1 With our capital



### FINANCIAL

- Liquidity **294.14%** (average annual value LCR)
- Solvency **18.06% BIS III CET1** (fully loaded)
- Assets under management **10,211 million euros**



### INTELLECTUAL RELATIONS

- More than **70 years'** banking experience
- **Incorporation of BSABanc into the MoraBanc group**
- **Strong, well-known brand**
- Member of the Andorran Family Business, Andorran Banking, Andorran Business Confederation and Chamber of Commerce, Services and Industry of Andorra, Actinn and the Barcelona Economy Circle
- **We transfer knowledge with our professional team**
- **Noteworthy presence on social media** (a total of **18,148'** followers)



### STAFF

- International human team: **461 people**<sup>2</sup>
- **Client focus**
- Strong culture of **regulatory compliance**
- **Continuous training**



### STRUCTURE

- **Technology investment: €8.8 M**<sup>3</sup>
- Located in 4 different countries: **Andorra, Switzerland, the United States and Spain**
- Presence in the country with **15 locations and 24 cash machines**
- **Digital banking: 55.8% of the digital clientèle**<sup>4</sup>



### THE ENVIRONMENT AND SOCIETY

- We calculate our carbon footprint and we apply policies to **reduce emissions**
- Voluntary **CSR policy: 3.7% profit to the community**
- Commitment to the **United Nations' Sustainable Development Goals**

## 2 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

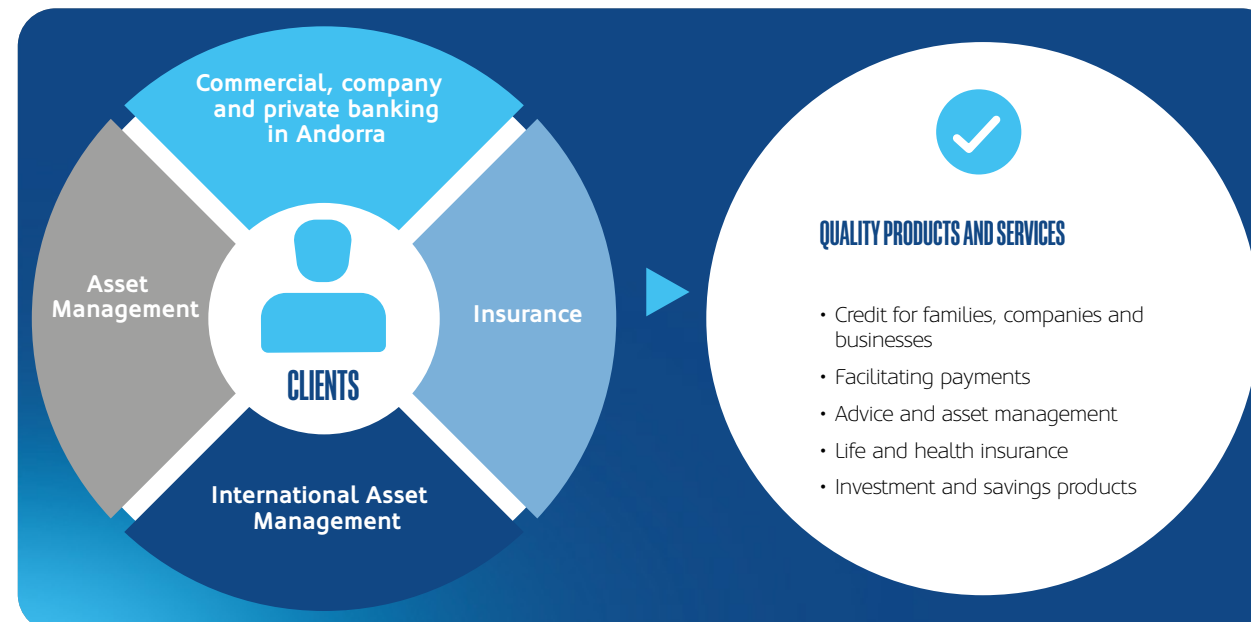


### Risk Management:

- **Credit** risk
- **Market** risk
- **Balance sheet** risk

### And transversal risk management:

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



### With sound and conservative financial management:

- **High solvency**
- Prioritising the **long-term**
- **Low default rate: 2.6%**



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

## 3 Creating value for our stakeholders



### CLIENTS

- Loan book: **1.538 billion euros**
- Growth of transactions carried out by digital channels: **29%**<sup>5</sup>
- Solidarity clients: **11% solidarity cards**<sup>6</sup>
- **Fluid communication** through channels such as social media, newsletters, etc.



### TEAM

- New additions to the MoraBanc Group: **21 people**
- Attracting and retaining talent with an **average seniority of employees totalling 11,6 years**<sup>7</sup>
- Professional development
- **Equality between men and women** with 49% women in the workforce
- **Our team's commitment to society** with volunteer actions



### SHAREHOLDERS

- **339 shareholders**
- Profit of **€40.1 M** and **16% growth**
- **ROE: 10.9%**
- **institution rating by Fitch: BBB-** (last update: December 2022)



### SOCIETY AND ENVIRONMENT

- **Who have we supported: 73 institutions and 885,219 people**
- **Emissions of t. CO2 eq per person: 2.25**
- Number of beneficiary organisations supported by the Solidarity Card: **21**
- **Solidarity Card: €77,395 in donations**



### BUSINESS PARTNERS

- We establish **long-term relationships with our providers and suppliers** who contribute value
- We extend the **bank's principles in terms of sustainability**

## SUSTAINABLE DEVELOPMENT

<sup>1</sup> Followers of MoraBanc's social media

<sup>2</sup> Average workforce for the 2022 and 2021 financial years of the MoraBanc Group

<sup>3</sup> Investment in technology in digital banking and integration.

<sup>4</sup> Percentage of MoraBanc's digital clientèle in Andorra.

<sup>5</sup> Transactions carried out by MoraBanc's digital channels

<sup>6</sup> Percentage of MoraBanc solidarity cards

<sup>7</sup> Average seniority of MoraBanc employees in Andorra



# 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 way, **the integration of BSA into MoraBanc reinforces our leadership position with constant and sustainable growth in profit and managed resources.**



## A competitive business and approved

Strictly following the regulatory and regulatory requirements at local and international level is one of the principles that cannot be waived in the governance of MoraBanc. A way of doing things that we believe in and that is currently essential to compete in the financial markets. Since the signing of the Monetary Agreement in 2012, we have been rapidly and rigorously incorporating all European regulations, and currently, Andorra is in full negotiations with the EU to sign an association agreement that will further strengthen our commitment to the rules of the game shared by the countries around us.

At MoraBanc, we have incorporated change into our DNA in such a way that we face the transformation processes as determining elements to maintain a competitive advantage for the institution, searching for the best talent and training our teams.



## Digital positioning to respond to client needs

We have identified changes in clients' needs, particularly greater demand for digitalisation to make banking easier. In this area, sustained and continuous investment in the world of digital banking **has allowed us to grow in the number of users and transactions carried out digitally.**

In our modernisation and innovation process, we have created a digital assets department that allows us to respond to and anticipate the demand of professionals and investors. We position ourselves as promoters of projects related to Digital Assets, aligned with the strategy of making Andorra a reference country in digital proposals and technology *blockchain*.

For our entire digital division, we have forged alliances with *fintech* companies to achieve faster and more effective change, taking advantage of their capacity to respond. With this positioning, we are a more innovative, more modern bank, tailored to and focused on the new needs of our clients.



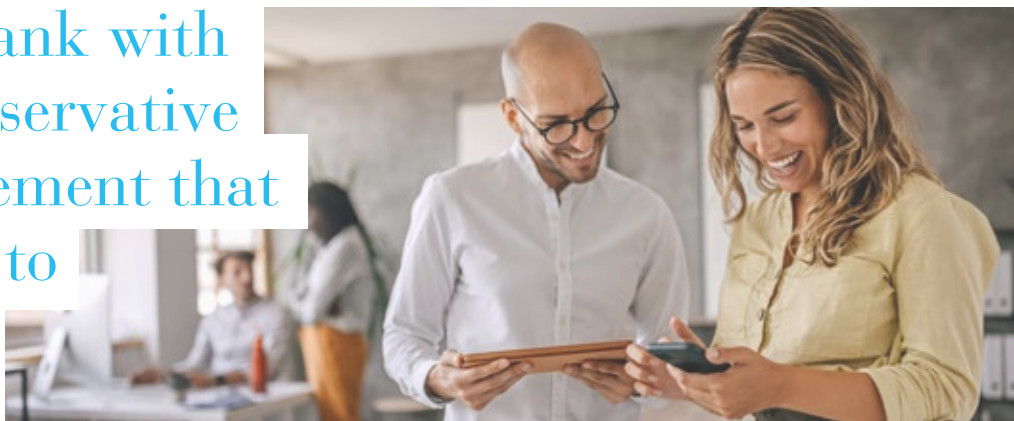
## The ability to offer credit, thanks to our solvency and financial strength

MoraBanc is a strong and solvent bank, with a great capacity to provide credit to families, businesses, companies and the public sector.

**In 2022, the loan book closed at 1.538 billion euros with an improvement in the non-performing loan ratio, which dropped to 2.6%.**

With the integration of BSA, we have expanded our resources to continue providing credit and in 2023 a mortgage campaign has been launched with very favourable conditions to facilitate families' access to housing, at a particularly difficult time.

MoraBanc is a bank with prudent and conservative financial management that gives confidence to its stakeholders.



### 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.



### Agent of change in the face of the climate emergency

Faced with the problem of global warming, MoraBanc is following the lines set by Andorran law, with the approval in 2021 of the Plan for sustainable staff mobility and applying a strict Plan for energy savings and the sustainable and sober management of energy in MoraBanc's work centres.

We understand that MoraBanc is an agent of change towards the energy transition, and In this regard, we work to contribute to the mitigation of climate change with the design of the products and services we offer. In the commercial sphere, for example, the Súper Hipoteca discounts the interest rate if energy efficiency criteria are met, and we have a loan with advantageous terms to purchase electric vehicles.

# The group's strategic priorities

MoraBanc has closed 2022 with a growing result compared to 2021, with double digits. We have consolidated our growth and we have a bank with a stronger and more solid balance sheet, ready to meet the demands of stakeholders and tackle adversity.

During 2022, 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 on four main elements

1

**Digitalisation.** MoraBanc aims to be a *data-driven* organisation where all processes and decisions are based on data, analysis and information. To achieve this, we work "*above the glass*" with the departments of Client Experience, with a commercial model and CRM; "*below the glass*" with *Business Intelligence* and *Business Analytics*, and the cloud, with the digitalisation of processes and means of payment.

2

**The second pillar is the growth of the business.** In Andorra, a market in which we maintain our commitment and main focus of action, growth has been possible because we have provided all the means to respond to our clients' real 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 access to expert professional support for MoraBanc's definition of diversification strategies and dynamic management of asset selection for discretionary management model portfolios and investment advice. This year, following the integration of BSA, we have expanded our offer of investment products that we make available to clients and for 2023, we are committed to including ESG criteria in our investment portfolios prioritizing the companies with good environmental, social and governance practices.

On the other hand, our agreement with Banco Santander to collaborate in the international factoring service has allowed us to provide added value to Andorran companies to finance and manage invoices with their international suppliers.

3

**The third strategic pillar is international growth.** From a geographical standpoint, MoraBanc has operations in Andorra, Switzerland, the United States and Spain. In 2022, we have followed the upward trend of diversifying our resources in private banking, empowering our subsidiaries to increase the number of assets under management.

4

**Organisational culture.** At MoraBanc, we promote values to be a more attractive company for people and talent. In this regard, we work on social values to align the institution with the concerns of society with projects such as the sustainable mobility plan, equality plans and the inclusion of ESG criteria across the board.







# MoraBanc Digital: anytime, anywhere.

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 in a simple, intuitive and secure manner.

**The mobile channel is the element of competitiveness in the banking markets, and we constantly work on its improvements.**

We build alliances with *fintech* companies to generate innovation and speed to market. With Inbenta, for example, we apply artificial intelligence solutions to our web and mobile search engines; Web Financial Group is the engine behind the Online Broker project and Inycom is our main technological *partner*. Signaturit is a fast, secure and effective response element to manage client needs remotely, with different advanced electronic signature circuits.

In 2022, the upward trend has been maintained and our remote banking has continued to grow both with access and transactions. During the last financial year, the number of logins and transactions grew by 24% and 29% respectively compared to the previous year.

Usability and operational improvements have also been a successful element of the institution's online platform which has seen securities trading operations grow by 3.9% in 2022.<sup>1</sup> The instalment service or postponement of purchases made with a credit card is a fully digital service and allows clients to finance their purchases from the *app* or remote banking simply and quickly. This service, launched in 2021, continues to rise with a growth of 16%. The most common transactions such as sending money (internal and external transfers) increased by 33% in 2022 compared to the same transactions made in 2021.

Specific digital business banking transactions grew by 4.3%.

These data show how the digitalisation of our clients is increasing, making special use of the app (available for Android and iPhone terminals), a channel that already accounts for 2 out of every 3 logins. All these figures show that digital banking is a useful tool that is highly valued.

We highlight that with the integration of BSA last November, MoraBanc digital has provided service to new clients with the intention of making the transition to the new platform smooth and simple. From the very beginning, explanatory videos were made available of the different transactions that can be carried out on the platform, so that from the first day, they could view and manage their accounts online easily and quickly assuming an exponential growth of inquiries and transactions on our remote platform.

<sup>1</sup> The growth has taken into account the integration of BSA.



## Transactions grow

MoraBanc's digital banking has maintained an upward trend since its launch. Total transactions registered a rise of 29%, which shows the growing trend in the use of online banking, and we are working to improve the number of services available as well as their usability.



The mobile channel is the element of competitiveness in the banking markets, and we are constantly working towards its improvements.

# 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.

## 1

**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 maintain high capital ratios thanks to prudent, forward-looking management aligned with best practices. Solvency allows us to build trust in 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 long-term objectives.
- A very careful management of costs has allowed us to transform ourselves in the face of new challenges, lead change and maintain growth in the face of adversity.

## 2

**We have a way of banking that is focused on the client:**

- We seek excellence in everything we do in accordance with our principles.
- We innovate client service, to make their relationship with the bank easier, and from all channels to be closer.
- We are transparent in the relationship with our clientèle and the rest of our stakeholders. For us, transparency is a key aspect of the change in and transformation of MoraBanc.

We look for agreements with the best service providers to give value to our clients, such as the one we signed with Goldman Sachs Asset Management for the advice to MoraBanc for the definition of the management and advice portfolios and with Banco Santander for the international reverse factoring service.

## 3

**Our conduct and our integrity give us a competitive advantage:**

- We are a bank that seeks to create long-term value, always for 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.

## PRINCIPLES



OUR CLIENTS  
AS THE MAIN FOCUS  
OF ACTION



RESPECT  
FOR PEOPLE



ALL OUR ACTIONS  
MUST BE BASED ON PLANNING,  
EXECUTION, VERIFICATION  
AND OPTIMISATION



SOCIAL  
ENGAGEMENT



EXCELLENCE

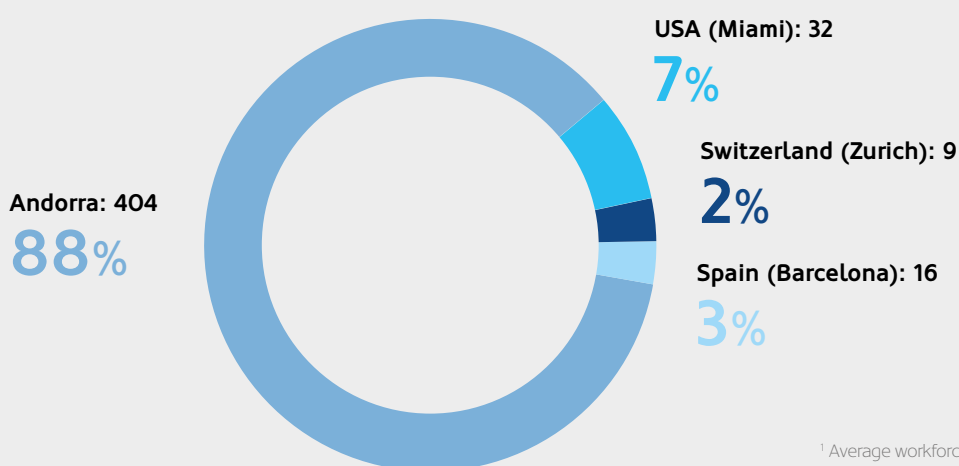
## THE PEOPLE AT MORABANC

The people who work at MoraBanc are the key factor of the institution and the success of our activity, and for MoraBanc it is important that the team feels committed to the mission, culture and strategy of the company, which considers the development and attraction of talent as fundamental pillars. To do this, the Human Resources Department takes into account a series of elements of cohesion, motivation and professional growth and satisfaction, such as ensuring diversity and equal opportunities, and preparing training and personal and professional growth plans suitable for each profile.

**We have a professional coaching service that can be accessed by all people at MoraBanc who wish to receive personalised attention. The aim of the service is to offer emotional support that allows people to define their aspirations and expectations and move forward in their career as fully as possible.** This coaching and emotional support program derives from the fact that MoraBanc firmly believes that, by supporting teams in this area, it contributes to maximising people's fulfilment and identification with the company and its future challenges.

The nature of the department is to be close to all the staff and also to be accessible to ensure professional development and recognise their contribution to the institution. The number of MoraBanc group employees in 2022 was 461 people<sup>1</sup>, distributed across the four locations in which we operate: Andorra, Barcelona, Zurich and Miami.

### AVERAGE WORKFORCE OF THE MORABANC GROUP BY LOCATION



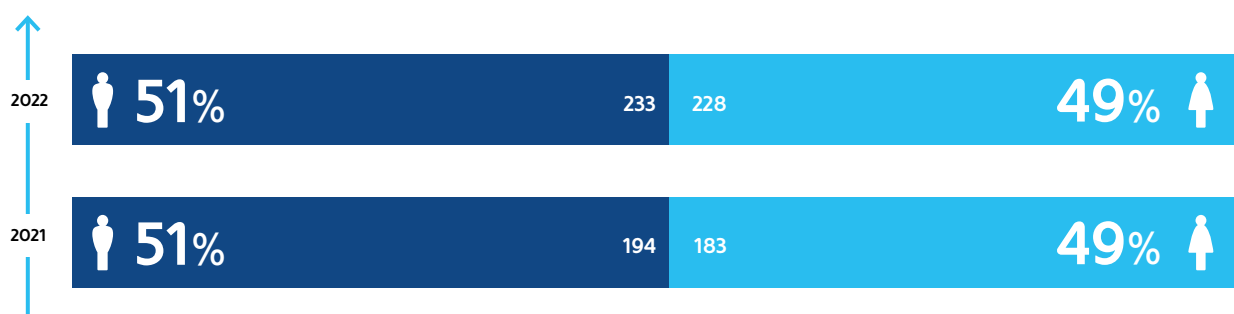
<sup>1</sup> Average workforce for the 2022 and 2021 financial years of the MoraBanc group.

As a general policy, internal promotion is given priority to fill vacancies where possible. The Human Resources

Department analyses the profile of each candidate to place the most appropriate person in each job.



## AVERAGE DISTRIBUTION OF MEN AND WOMEN IN THE MORABANC GROUP IN 2022 AND 2021<sup>1</sup>



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

In March 2022, Andorra passed Law 6/2022, of 31 March, for the application of the right to equal treatment and opportunities and non-discrimination between women and men, which

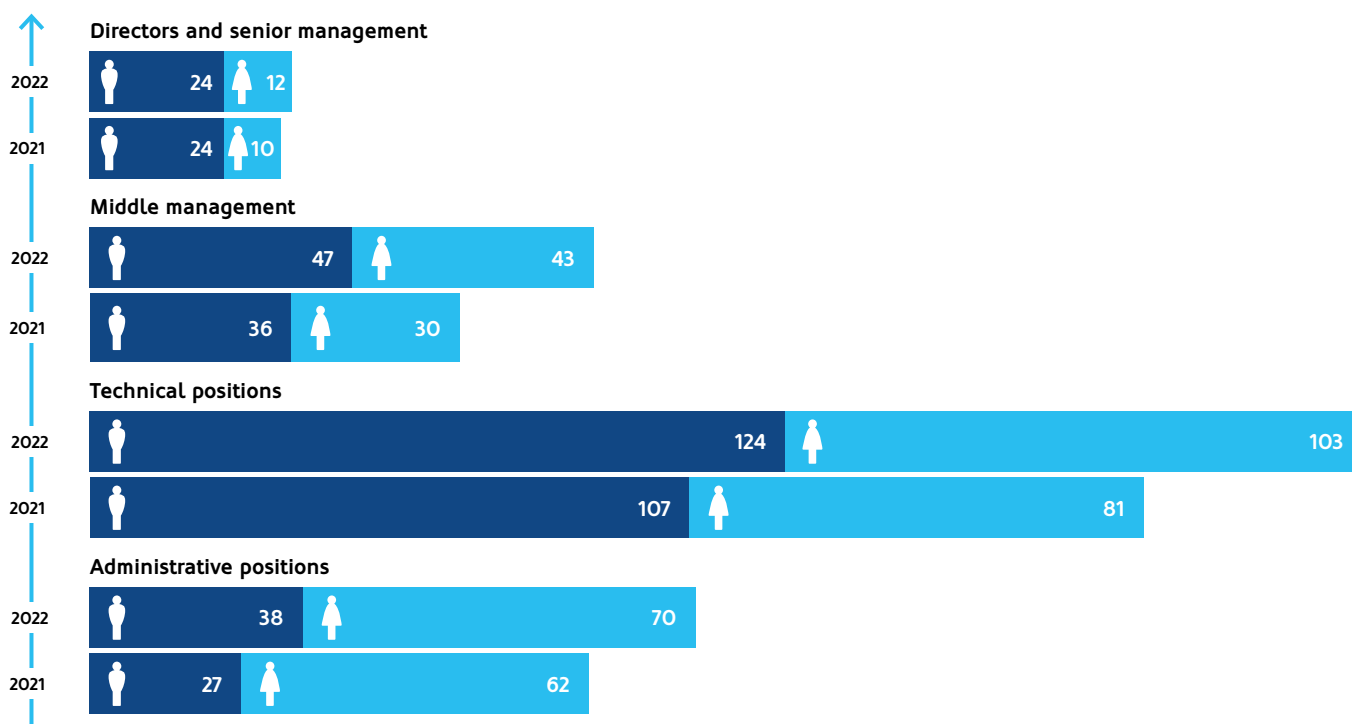
establishes the regulatory framework on which we can structure organisational policies and actions to guarantee equality and non-discrimination between women and men.

During the year 2022, we developed actions aimed at fulfilling the equality objectives set by the Law, such as the creation, publication and dissemination of an egalitarian communication manual, which sets the guidelines so that all

the communication we generate, both internally as externally, promote equality between people, and also the adaptation of our code of ethics and conduct.

Also in this line of work, we have started the development of the group's Equality Plan, which must implement the measures adopted by the institution to guarantee equal treatment and opportunities, which will be published this 2023 and will remain in effect for four years.

## DISTRIBUTION OF THE AVERAGE WORKFORCE AT MORABANC BY POSITION AND GENDER IN 2022 AND 2021<sup>1</sup>



<sup>1</sup> Source: the authors

The promotion of knowledge and the professional development of the people who work at MoraBanc is structured thanks to the MoraBanc Academy project, which consists of several action plans:

**Knowledge management plan** to harmonise the talent of the team of workers with objectives established by the bank.

**Continuous learning plan** based on complementary training, such as courses suitable for each workplace, language courses, efficiency courses, 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. This initiative, a pioneer in Andorra, gives them access to specialised knowledge in matters of innovation, technology, business and strategy thanks to different courses taught by experts in the sector. Around eighty learning pathways have been created, so that everyone has a training itinerary suitable to their skills and professional profile, which combines three central elements:

- Diversified and high-quality content.
- Customisation.
- Adaptability.

This project is added to the MoraBanc Talent digital learning network, which promotes internal knowledge with courses taught by the bank's own employees who have great experience in different areas. Currently, 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 focuses especially on people who are part of the Business Division, as it allows them to improve their knowledge and skills with a sixty-hour learning programme. The Human Resources 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 purpose of the platform is to provide bitesize courses in various fields:



In 2022, face-to-face training sessions were added to the learning platforms aimed mainly at the team of people from BSA, to introduce the operation of internal applications and procedures and regulations from MoraBanc.

Thanks to these platforms and face-to-face training, the total number of training hours in 2022 increased considerably compared to 2021, and each person did an average of 183 training hours.

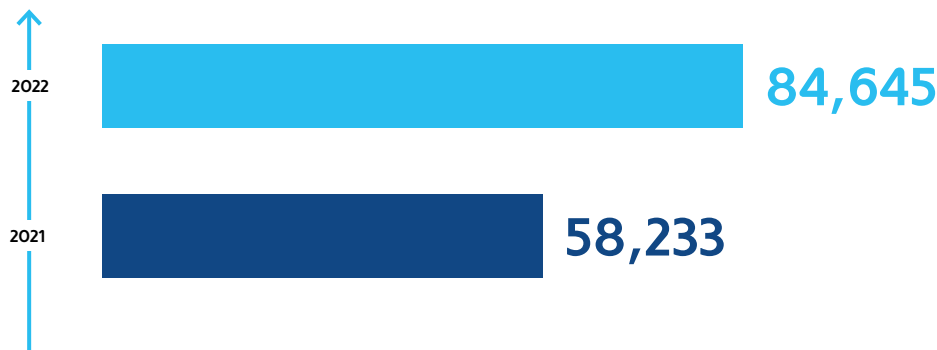
Throughout 2022, work was being done on the development of another state-of-the-art training platform, called metaverse, in which team members will be able to find key information related to the institution

and the various departments that are part of it in an intuitive and pleasant way. This platform will be made available to the entire workforce during 2023.

Since 1998, MoraBanc has developed a programme of professional stays during the summer months for Andorran students, and currently these stays are a good opportunity for young people to learn how the professional world

works and, at the same time, to do tasks related to their studies. They are offered a professional and at the same time training opportunity, which can conclude with joining MoraBanc upon completion of their studies. All selected people are over eighteen years old and are university or vocational education students.

TOTAL TRAINING HOURS OF THE MORABANC GROUP EMPLOYEES IN 2022 AND 2021



Source: the authors



## MORABANC, A LEADING BRAND WITH A DIFFERENTIATED 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 our clientèle, has allowed us to consolidate this differential positioning.

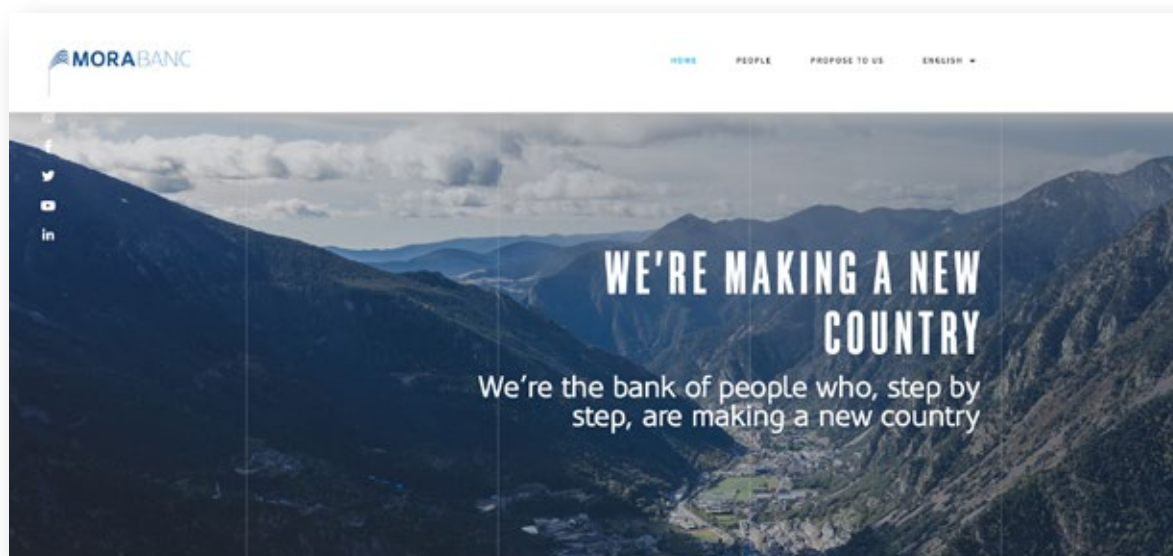
With the integration of BSA, we have incorporated the way of doing things of the whole team of people who made up

the institution and with whom we shared brand values, which has allowed us to achieve a greater connection with the external public.

The generation of value is our main objective, and with the *femunpaisnou.ad* campaign, started a couple of years ago, we link the personal values of the protagonists of the

capsules to those of MoraBanc. From an emotional perspective, ways of thinking and doing things are shared that lead Andorra towards a new, modern country 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.





# Matters of true importance for MoraBanc and our stakeholders

Our strategic and sustainability approach is based on those matters that are relevant and important 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 is it about?	What are the risks and the opportunities?	What do we do at MoraBanc?
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## GUARANTEEING ECONOMIC DEVELOPMENT AND GENERATING EMPLOYMENT

We are a company with a long-term sustainability strategy which, through our activity, affects the economic growth of our surrounding area.

By doing things properly, we position ourselves as a leader in the country and it gives us the opportunity to differentiate ourselves.

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 that applies best practice to combat corruption and fight terrorism and its financing.

The institution minimises reputational risks with regulations, procedures and continuous monitoring that earns the trust of clients and other stakeholders.

We work to apply the best practices at all times, with first-class professionals. Board committees oversee legal compliance and manage risk.



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

We work to guarantee equal opportunities and equal pay for men and women doing the same job.

The working people of MoraBanc are one of our main assets and we work with practices that give confidence in relation to labour aspects, to be attractive and competitive. Keeping employees loyal is an element of competitiveness for MoraBanc.

We have set four objectives in managing people:

- experiences of working people,
- compensation and balance,
- knowledge and development, and
- talent management.

The law for equal treatment and non-discrimination approved in March 2022 provides for measures to prevent, educate and eliminate all forms of discrimination. In order to guarantee equal treatment and non-discrimination between women and men, as well as to promote equal opportunities for women and men, MoraBanc is working on the preparation of an equality plan that will be effective from 2023.

We guarantee quality training for our employees and we offer a healthy and safe working environment.

What is it about?	What are the risks and the opportunities?	What do we do at MoraBanc?
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ETHICAL AND RESPONSIBLE CONDUCT

We guarantee 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.	<p>We have the MoraBanc Group Code of Ethics and Conduct and the MoraBanc Group Securities Market Code of Conduct, both of which must be complied with by all people who work at MoraBanc.</p> <ul style="list-style-type: none"><li>• 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.</li><li>• 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.</li></ul>
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QUALITY, EXCELLENCE IN BANKING PRACTICES AND CLIENT PROTECTION

For MoraBanc, it means always acting in the best interest of our clients, to offer the product that best suits their needs and their investment profile, having a total approach with the client.	Our clients are increasingly demanding and the banking competition or equivalent services is great, but we have the knowledge of our clients and clients, as well as a recognised way of doing banking, to our asset.	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 rules and procedures, such as the Asset Protection Policy, the Conflict of Interest Management Policy and the Order Management and Execution Policy.
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# Client protection

In accordance with the applicable regulations and, in particular, in relation to the provisions relating to the protection of investors, MoraBanc has established procedures and rules of conduct to guarantee that at all times it acts impartially, professionally and taking into account the interest of clients.

MoraBanc classifies clients in the three categories established in 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 or suitability of financial products and services for the client, MoraBanc has classified all MiFID products according to the level of complexity, liquidity and risk.

With these measures, we ensure that our clients know and understand all the risks of the investment products in sufficient advance to be able to make decisions with full knowledge.



To ensure the adequacy or suitability of financial products and services for clients, MoraBanc has classified all MiFID products according to the level of complexity, liquidity and risk.





# The needs and expectations of our stakeholders

As a financial services provider, we have strong ties with the environment in which we work and with the community we serve. Our commitment to those individuals and institutions and our capacity to generate value are related to our business and our overall contribution. We create value for both MoraBanc itself and for our stakeholders by responding to their needs and expectations.

## Needs and expectations

## How do we create value?



### CLIENTS

Clients are our reason for being, those who give us their trust to safeguard and manage their assets and to realise their personal and professional projects.

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 information to inform decision-making, we protect their interests and we are at their side to support them in their projects.



### WORKING PEOPLE

They are key to our success thanks to their commitment and dedication. We work to offer them a stable job in the best possible conditions.

Ensuring work with equal opportunities.

We offer competitive salaries, continuous training, incentives, suitable workplaces, we care about health and hygiene at work and share strategic goals so that all working people are aligned in the achievement of the group's goals.



### SUPPLIER COMPANIES

They supply us with products and services 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 activities and outsource for any products and services required.

We diversify the number of supplier companies.



### CULTURAL, EDUCATIONAL, SPORTING AND SOCIAL INSTITUTIONS

These organisations are part of our environment and sphere of influence. That is why we strive to contribute to their development.

Commitment to the community, the environment, the future and economic development.

We organise a major programme of charitable aid to organisations through our Solidarity Card, we support sport, culture, education and have a commitment to the environment, future generations and the United Nations' Sustainable Development Goals (SDGs).

## Needs and expectations

## How do we create value?



## MEDIA

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 communication.



## REGULATORY BODIES AND INSTITUTIONS

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: AFA and UIFAND in Andorra, FINRA, SEC and FINCEN in the United States, FINMA and MROS in Switzerland and 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.



## SHAREHOLDERS

People with a stake in the company's share capital who make decisions about the company and receive dividends. With the process of merging MoraBanc with BSABANC, 339 new minority shareholders have been integrated into the capital structure.

Long-term permanence, distribution of results, the best possible management of the institution with ethics and commitment.

A business strategy that prioritises long-term sustainability and the independence of the institution over short-term profit.



## COUNTERPARTIES, SUBSIDIARIES, CUSTODIANS ETC.

These are our companies that provide key financial services for the achievement of our activity.

Confidence in the institution 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 to put clients at the centre of their strategy can offer experiences, products and services that better match their expectations and real needs, offering them value.

As part of our permanent mission to work to improve the satisfaction of our clientèle, during this 2022 multidisciplinary work groups have been created with which they are prioritizing initiatives aimed at rethinking internal and external processes in order to be more agile and efficient, and consequently this fact will have a direct impact on our clientèle's perception of the services we offer them.



## Client Voice Programme

We are continuing with the Client Voice programme, started in the middle of 2021, which allows us to know their needs and expectations in order to align them with internal initiatives, prioritizing their satisfaction and the creation of value from '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 received 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 service users.

Regularly and systematically measuring key experience indicators, such as Net Promoter Score (NPS) and CSAT (Satisfaction Index), recommendation and satisfaction levers, and key areas for improvement, allows to have reference data and to be able to compare ourselves with other financial institutions. Additionally, with the collected value information we seek solutions for the concerns of our clients, and at the same time, maximise internal efficiency through the prioritisation of initiatives. It is a process of continuous improvement that allows us to advance in all areas for the benefit of service excellence.



## DEC Membership

Joining the Client Experience Development Association (DEC) in November 2021 makes us the first company in Andorra to join the main Hispanic community, independent and non-profit, formed for large companies and professionals 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 objective of the DEC is for companies to have a space to share knowledge and best practices and to come together for the development of 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 the 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 sphere.

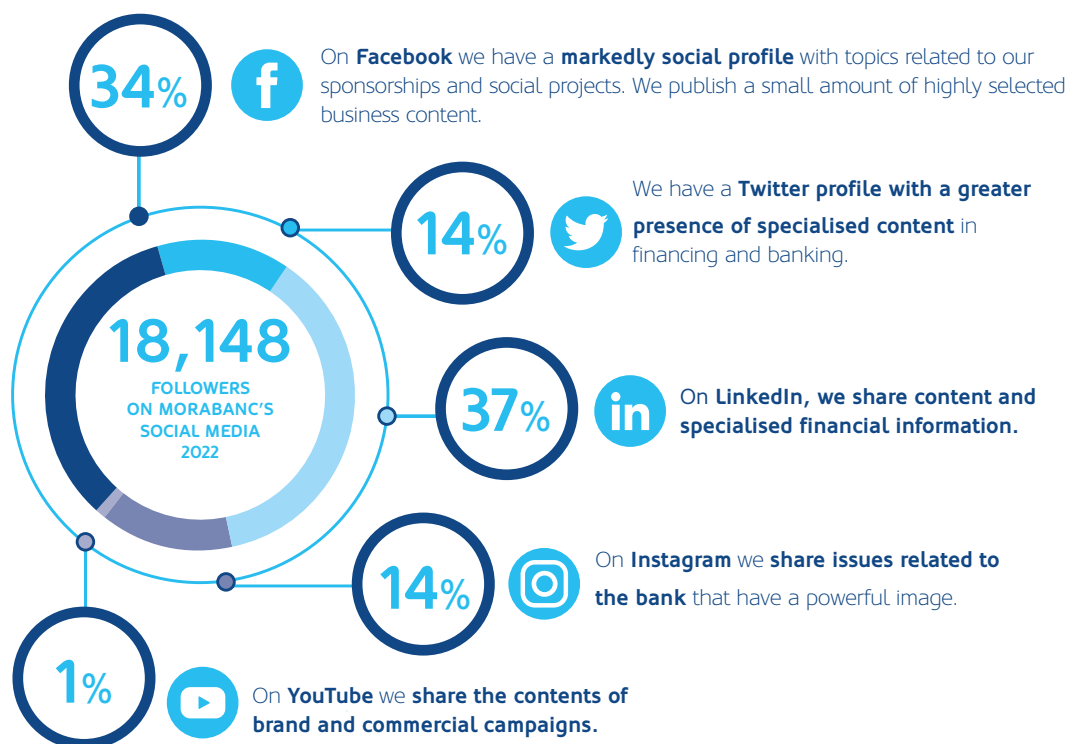
For us, being a member of the DEC means much more than a reminder of what drives us, it is a statement of principles about our most important commitment: to continue working every day to offer our clients the best experience, the MoraBanc experience.

# Attention and permanent contact with our stakeholders

MoraBanc wants to maintain the trust of our 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 with providing clear, accurate and detailed information on the institution's products and services, enabling them 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 dialogue 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](http://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.
- 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 we 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 conversations, our social networks, our website, digital banking and the application or the suggestion box, and this keeps us updated on their needs and expectations.





A hand holding a pen points at a laptop keyboard. The background is a blue-toned image with various digital and business icons overlaid, including a bar chart, a line graph, a magnifying glass over a bar chart, a group of people, binary code (1 0, 10, 1001, 010101), a hexagonal grid, and three interlocking gears. The overall theme is technology and business results.

# 03

RESULTS

# Expanding results with a strong balance sheet

# Main financial data

## BALANCE SHEET AND CONSOLIDATED NET EQUITY

In thousands of euros	31/12/2022	31/12/2021
<b>ASSETS</b>		
Cash, cash balances in central banks and other at-sight deposits	252,332	346,674
Financial assets held for trading	87,914	89,100
Non-trading financial assets necessarily measured at fair value through profit or loss	257,895	394,068
Financial assets at fair value through other comprehensive income	736,108	1,052,545
Financial assets at amortised cost	2,886,548	2,489,978
Derivatives - hedge accounting	28,442	2,706
Changes in the fair value of the hedged items in a portfolio with interest rate risk hedging	-	2,076
Investments in subsidiaries, joint ventures and associates	5,224	5,205
Assets covered by insurance and reinsurance contracts	27,787	33,296
Tangible assets	102,360	102,630
Intangible assets	28,843	25,467
Tax assets	9,255	7,342
Other assets	2,702	3,634
Non-current assets and disposable groups of elements classified as held for sale	3,185	3,288
<b>TOTAL ASSETS</b>	<b>4,428,595</b>	<b>4,558,009</b>
<b>LIABILITIES</b>		
Financial liabilities held for trading	34,003	42,241
Financial liabilities designated at fair value through profit or loss	246,854	364,696
Financial liabilities at amortised cost	3,642,297	3,606,290
Derivatives - hedge accounting	346	6,179
Changes in the fair value of the hedged items in a portfolio with interest rate risk hedging	3,629	-
Provisions	19,910	23,123
Tax liabilities	7,224	7,677
Secured liabilities for insurance and reinsurance contracts	81,843	75,430
Other liabilities	25,184	27,626
<b>TOTAL LIABILITIES</b>	<b>4,061,290</b>	<b>4,153,262</b>
<b>NET EQUITY</b>		
Capital	44,022	42,407
Issuance premium	18,462	-
Accumulated profit	323,352	311,681
Revaluation reserves	-	-
Other reserves	-31,252	-24,515
Profit or loss attributable to the owners of the controlling company	40,118	34,046
Other comprehensive accumulated income	-27,393	-11,444
Minority interests [non-controlling interests]	-4	52,572
<b>NET TOTAL EQUITY</b>	<b>367,305</b>	<b>404,747</b>
<b>NET TOTAL EQUITY AND LIABILITIES</b>	<b>4,428,595</b>	<b>4,558,009</b>

## CONSOLIDATED INCOME STATEMENTS

In thousands of euros	31/12/2022	31/12/2021
<b>PROFITS AND LOSSES</b>		
Financial margin	45,770	30,538
Profit/loss from fees	70,881	67,194
Results from institutions valued by the equity method	575	596
Results of financial operations	7,910	21,984
Net operating income	6,015	5,745
<b>Net operating profit/loss</b>	<b>131,151</b>	<b>126,057</b>
Administrative expenses	-82,056	-64,628
Depreciation	-7,435	-7,318
Allocation to provisions, net impairment, of non-financial assets	1,902	-15,826
and other gains for non-financial assets and non-current assets		
<b>Pre-tax profit/loss</b>	<b>43,562</b>	<b>38,285</b>
Tax on profits	-3,444	-3,747
<b>PROFIT/LOSS FOR THE FINANCIAL YEAR</b>	<b>40,118</b>	<b>34,538</b>
Attributable to the owners of the controlling company	40,118	34,046
Attributable to the minority interests	-	492

## ADDED VALUE STATUS

In thousands of euros	31/12/2022	31/12/2021
<b>Economic value generated</b>	<b>131,151</b>	<b>126,057</b>
Financial margin	45,770	30,538
Net fees for services	70,881	67,194
Profit or loss from financial operations	7,910	21,984
Other income	6,590	6,341
<b>Economic value distributed</b>	<b>85,500</b>	<b>68,375</b>
<b>Economic value retained</b>	<b>45,651</b>	<b>57,682</b>
<b>Economic value distributed and retained</b>	<b>131,151</b>	<b>126,057</b>



# We provide value to our stakeholders and society



## CLIENTÈLE

Monitoring and interaction on our social networks: 18,148 followers in total, among the five social networks we are present on (YouTube, LinkedIn, Facebook, Twitter and Instagram).



## SUPPLIER COMPANIES

- We work with our supplier companies with long-term relationships that deliver value.
- As far as possible, we extend the bank's principles in terms of sustainability to the companies we work with.



## MEDIA

Impact in the media:

- 95% positive news items.
- We lead the presence in the press with a market share of 70%.
- 90% of the news about MoraBanc is self-generated.



## COUNTERPARTIES, CUSTODIANS, CORRESPONDENTS, ETC.

- BBB-F3 short-term ratings by Fitch Ratings.
- High solvency CET1 *fully loaded* of 18.06% above the European average<sup>1</sup> of 15.27% *phase in*.
- Strong liquidation position: 294.14% above the European average<sup>1</sup> of 161.46%.



## WORKING PEOPLE

- 84,645 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: 3.7% of the benefits.
- Distribution of the solidarity card: €77,395 and more than one million three hundred thousand euros have been distributed among the 21 entities associated with the project.
- Number of entities which benefit from MoraBanc's social policy: 73.
- Number of individual beneficiaries: 885,219.



## SHAREHOLDERS

- 339 shareholders.
- Profitability (ROE) of 10.90% above the European average<sup>(1)</sup> of 7.68%.
- A solid and solvent bank, committed to the Andorran economy and society.



## REGULATORY BODIES AND INSTITUTIONS

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

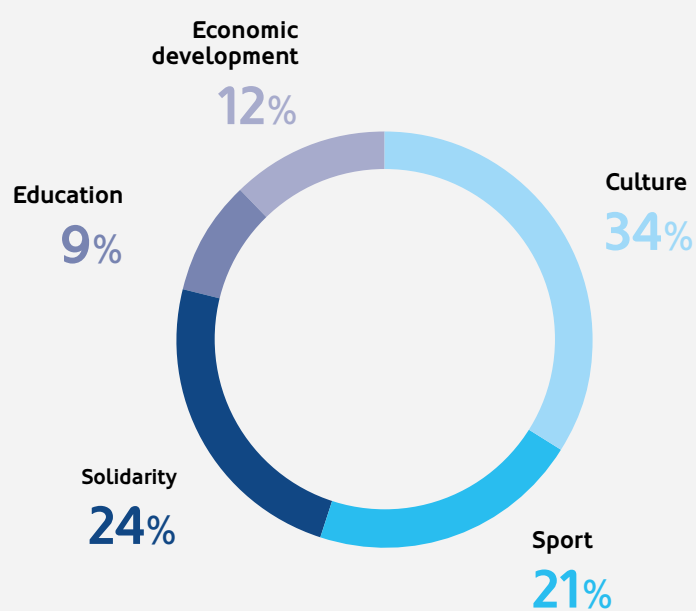
<sup>1</sup> Data: <https://www.bankingsupervision.europa.eu> at 31/12/2022

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 2022



Source: 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. The main projects that have been developed in 2022 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. On the day of the forum under the title "2022: challenges and trends for the Principality of Andorra", held in June, the prospects for the agreement with the European Union were discussed. Additionally, MoraBanc has made it possible for the EFA to participate in the European Family Business since 2016.
- We collaborate with the Chamber of Commerce and Industry to facilitate continuous training for companies and professionals in the Principality and thus contribute to the business competitiveness of the country.
- 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, associations, 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.



## Culture

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 straddled the year 2021 and 2022 made up of three world-class shows and three genres, the author song of José Luis Perales, the lyric of the Maltese tenor Joseph Calleja and the

dance of the Béjart Ballet Lausanne, held in June 2022. In the autumn we celebrated another cycle of the Season with two high-level shows that filled the congress centre: the pianist Lang Lang in November and Joan Manuel Serrat with his farewell tour.

Opening up culture and bringing it closer to the public with top-level shows in Andorra at affordable prices is what gives meaning to this cycle. The Season generates indirect economic activity related to the contracting of

goods and services, as well as business for restaurants and commercial activity from the spectators in the surrounding areas of the Congress Centre in Andorra la Vella, where the shows take place.

- This year we collaborated with the Romanesque Chamber Cycle of Andorra.



## Sports

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

- MoraBanc is the main sponsoring company of the MoraBanc Andorra Basketball Club. 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 sponsoring company of FC Andorra with the desire to create a project that excites the country and contributes to generating 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 Ski Club Pas de la Casa Grau Roig; the Andorran Mountaineering Federation, with the sponsorship of the national mountain racing team in summer and mountain skiing in winter and the MoraBanc Cup of Andorra d'Esquí de Muntanya, and in Grandvalira, this year also in the Ordino Arcalís sector.



## Solidarity

The MoraBanc solidarity card is an initiative aimed at contributing to social justice and promoting the solidarity of its clients. The donations are intended for Andorran entities that work for the purposes of social action and humanitarian aid and development cooperation, both in our territory and internationally. The solidarity card started with five NGOs and currently the number is 21 entities. We distributed

€77,395, and since its introduction, we have already distributed more than one million three hundred thousand euros to 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. Once again we have been with Càritas with the

toy collection campaign, in which both our clients and the people who work at MoraBanc have participated.

In addition, at MoraBanc we encourage solidarity among our people and we have the MoraBanc Volunteers team, in which the people who are part of the organisation participate in solidarity activities organised by Andorra's organisations.







## Environment

The role of financial institutions in the face of the climate emergency is very relevant since, on the one hand, they are the facilitators of economic and domestic activity through the granting of credit lines and loans, and also agents of change to redirect funding for activities that promote a low-carbon economy, essential to limit global warming.

**MoraBanc has a 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 law on environmental matters.
- 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.

- Maintain an open culture in environmental matters and communicate it both internally and externally.

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 law and preventing pollution being caused by our activity.

Faced with the problem of global warming, at MoraBanc we are following the lines set by Andorran law, with the approval in 2022 of the Plan for sustainable staff mobility and the application of a strict Plan for energy savings and the sustainable and sober management of energy in MoraBanc's work centres.

In this regard, in addition to voluntarily and pro-actively joining the Andorran Government's Energy Saving Pact in October, we have carried out an important internal and external awareness campaign to promote awareness about the climate emergency and the need to

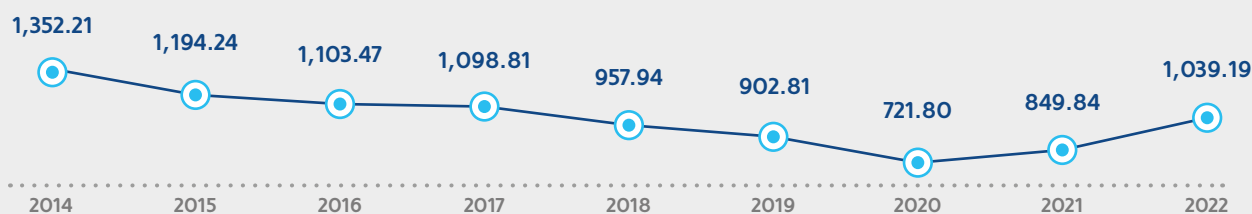
use energy in a careful and rigorous way. The actions prioritised communication from an empathetic and emotional perspective, such as the dissemination of messages that help to understand in a practical way the causes of the savings measures, or the distribution of blankets among the people in the workforce given the reduction of the ambient temperature.

This year 2022 we have laid the foundations for next year to be able to carry out a complete analysis of our group's greenhouse gas emissions, be it for our activity, analysing the products and services we offer, such as also for what we generate with our facilities and travel of the people of our work team.

However, we wanted to make an estimate of our footprint since this year, due to the integration with BSA, we have grown both in the number of people and in work centres, a fact that has inevitably been reflected in an increase of 22% of our emissions.

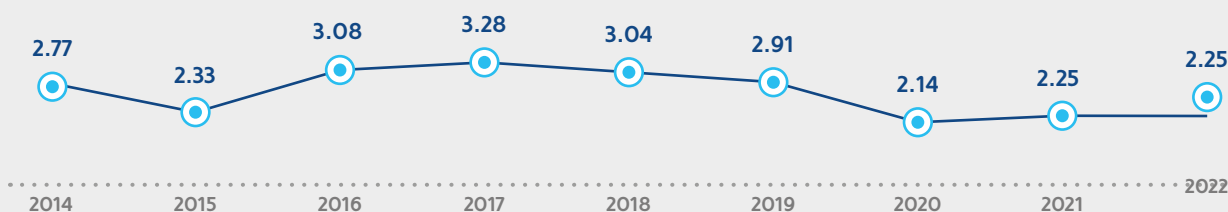


## EVOLUTION OF MORABANC GROUP'S TOTAL EMISSIONS IN TCO<sub>2</sub> EQ BETWEEN 2014 AND 2022



Source: the authors

## EVOLUTION OF MORABANC GROUP'S TOTAL EMISSIONS IN TCO<sub>2</sub> EQ PER WORKING PERSON



Source: the authors



With the data obtained in recent years, we have activated several levers to promote the change of habits:

1. Incorporate teleworking to reduce the number of commutes.
2. Reduce travelling at midday.
3. Making travel more sustainable, whether through the use of shared vehicles, the on-demand bus or the use of electric or hybrid vehicles.
4. Raise awareness among the work team and clients about the sober use of energy.
5. Improve the energy efficiency of our facilities.

The 2023 challenges of the MoraBanc group to contribute to sustainability and the fight against climate change are to apply the sustainable mobility plan to the whole group and to make a global diagnosis of our CO<sub>2</sub> emissions that allow us to establish an energy efficiency plan in all areas of our activity.





04

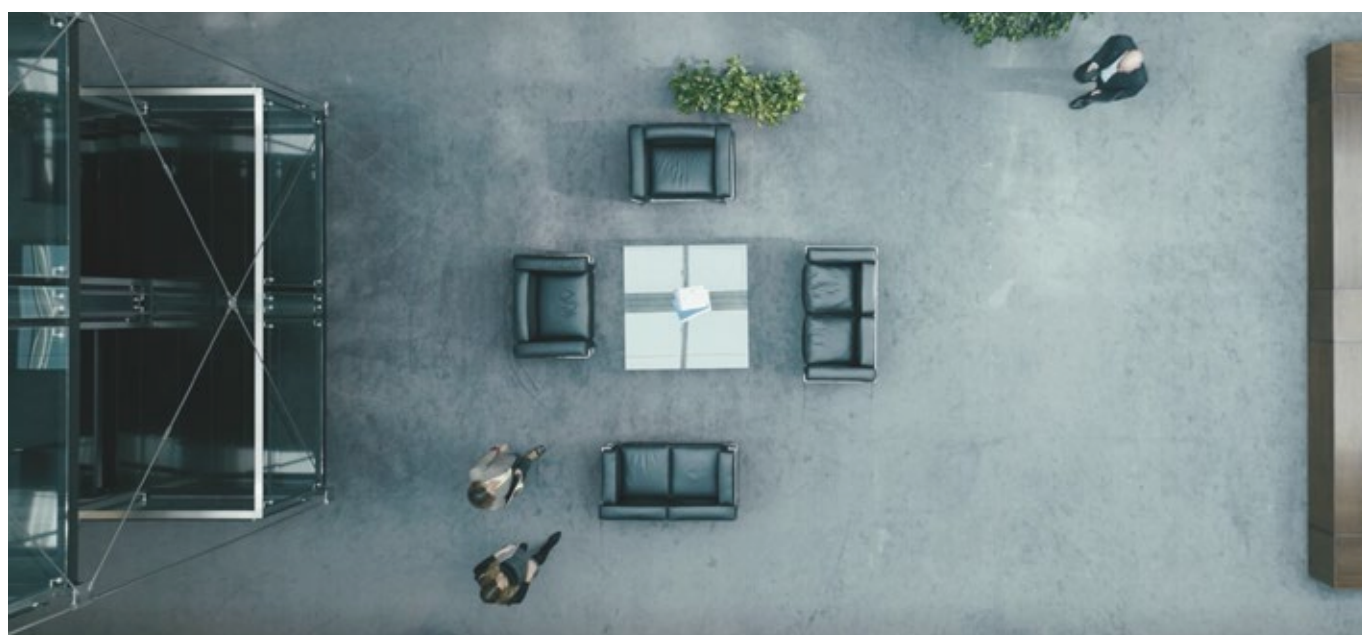
VALUE

# How we ensure and protect value



# Strong and professional corporate governance

MoraBanc is a 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**

PROPRIETARY DIRECTOR  
CHIEF EXECUTIVE OFFICER



**Oscar Aristot Borrás**

PROPRIETARY DIRECTOR  
CHAIRMAN OF THE EXECUTIVE  
COMMITTEE



**Francesc Xavier  
Maymó Gatell**

PROPRIETARY DIRECTOR



**Marc Mora Guerín  
(Representative of Mora Fills, SA)**

PROPRIETARY DIRECTOR



**Miquel Alabern Comas**

INDEPENDENT DIRECTOR



**José Manuel Lara García  
(Representative of Pedroso  
Estelar SL)**

INDEPENDENT DIRECTOR AND CHAIRMAN  
OF THE RISKS COMMITTEE AND THE TECH-  
NOLOGY, INNOVATION AND INFORMATION  
SECURITY COMMITTEE



**Miguel Antonio Pérez  
Carnicero**

INDEPENDENT DIRECTOR  
CHAIRMAN OF THE AUDIT  
AND COMPLIANCE COMMITTEE



**Marc Vilallonga Puy**

NON-DIRECTOR SECRETARY

Note: Mr. Agustín Berasaluze Astarloa was a member of the Board of Directors as an independent Director and Chairman of the Appointments and Remuneration Committee until 4 December 2022, the date on which the statutory term for which he was appointed expired.



## Executive Committee

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.



## Audit and Compliance Committee

Among other functions, the Audit and Compliance Committee reviews the financial information of the group and its internal control systems, it acts as a channel of communication between the Board and the external auditor ensuring that the latter exercises its functions independently and supervises the works carried out by the Internal Audit Services. This committee oversees compliance with the group's Code of Conduct, and with the programmes and policies related to the prevention of money laundering and the financing of terrorism and, in general, with compliance programmes and the prevention of legal, regulatory and criminal risks to the bank.



## Risk Committee

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.



## Appointments and Remuneration Committee

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 its directors, 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 to the Board the remuneration policy for senior management: it formulates the corresponding report on the remuneration of directors, including executives, and of other senior management personnel.

The Board of Directors and its committees comply with the regulations of the European Union in the matter of transparency and ethics.



# 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.



## Executive Committee

It is the highest governing body formed by the bank's General Management. It manages the most important aspects of the institution, both business and financial, and aligns all actions with the objectives of the strategic plan.



**Lluís Alsina Álvarez**

CHIEF EXECUTIVE OFFICER



**Sara Álvarez Cazorla**

DEPUTY GENERAL MANAGER  
FINANCE DEPT.



**Alfons Guillaumet**

TECHNOLOGY  
AND OPERATIONS DEPT.



**Gerard Alba<sup>1</sup>**

INVESTMENTS DEPT.

<sup>1</sup> Joined the bank's General Management in December 2022.

Mr. Pablo San Román Sánchez served as a member of the Bank's Executive Committee and General Management until 31 December 2022.





## Regulatory Committee for Intervention and Control (RCIC)

The RCIC manages aspects related to auditing, reputation or integrity. It is also responsible for monitoring relationships with other institutions and regulatory bodies, monitoring significant aspects of the subsidiaries and monitoring matters regarding the Board of Directors and its competence.



## Business Committee

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.



## Strategy Committee

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.



## Efficiency Committee

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 transactions 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 obliged to comply with in accordance with the regulations, we are committed to transparency, professional ethics and respect for society, clients, shareholders and working people.

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 law. 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. The entire team of professionals that make up MoraBanc, in any of the countries where the institution operates, is obliged to comply with them. 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 all-pervading 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 law, we have an internal control structure and mechanisms for the reporting of 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 Policy for the management of conflicts of interest, which establishes the basis of the action procedures to be followed regarding the

prevention and management of conflicts of interest that may arise between shareholders, members of the Board of Administration, employees or managers and directors of MoraBanc with respect to its clientèle and supplier companies.

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 transactions 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.



The fight against corruption and the prevention of money laundering or monetary instruments and the financing of terrorism are two permanent and all-pervading goals throughout the MoraBanc Group.

# Alignment with the best practices to present our information

We present our information in keeping with previous financial years, with the aim 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 for the first time 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 with the objective of developing corporate reporting towards value creation in communication.

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 2022 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. For this reason, **and for the purpose of performing an exercise in transparency for our stakeholders, MoraBanc prepares this report to provide information on the relationship between, firstly, our strategy, governance and financial performance and, secondly, the social, economic and environmental context in which it 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. In the preparation of the materiality analysis, key people from the bank and representatives of the stakeholders with which we relate were directly involved.

**The results obtained thanks to the materiality analysis have helped us to work internally on initiatives that improve sustainability, aimed at both the human team and external stakeholders.**

In short, it is about working on a sustainability strategy aligned with what the stakeholders consider necessary and with the bank's business strategy. This strategy will be approved in 2023 and will mark the lines of work to be prioritised in ESG matters.



The results obtained thanks to the materiality analysis have helped us to work internally on initiatives that improve sustainability.





# 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 that have served to work on MoraBanc's sustainability strategy.

The process that was followed from the materiality analysis was conducted in three stages:



## 1. IDENTIFICATION OF POTENTIALLY RELEVANT ASPECTS

The stakeholders of the organisation were identified and defined, as well as their prioritisation, based on their relevance. 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.



## 2. PRIORITISATION

The material aspects were selected on the basis of a dual internal and external analysis. This made it possible to know the degree of importance that the identified topics had both for MoraBanc and for

the stakeholders. Online surveys were conducted on both internal and external prioritisation. For the statistical analysis of the external sphere, the answers were weighted according to the importance

that each of the stakeholders had for the same company. This approach provides a more consistent insight in accordance with the actual situation of MoraBanc.



## 3. VALIDATION

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 2022 MATERIALITY MATRIX



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.

Source: the authors





05

GRI INDEX

# Table of Contents of the Global Reporting Initiative



# GENERAL BASIC CONTENTS

## (2021 VERSION OF THE GRI STANDARDS)

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	SDG
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### GRI 2- GENERAL CONTENTS 2021

#### THE ORGANISATION AND ITS REPORTING PRACTICES

2.1	<b>Details of the organisation</b>	<p>7, 17, 23</p> <p>Mora Banc Grup, SA Av. Meritxell, 96, AD500 Andorra la Vella. Principality of Andorra</p> <p>The MoraBanc group was founded in 1952 by the Mora family and today the capital is in the hands of 339 shareholders. The Group is made up of:</p> <ul style="list-style-type: none"> <li>- Mora Banc Grup, SA, a banking institution whose corporate purpose involves all kinds of transactions that banking institutions can perform under current Andorran law.</li> <li>- Mora Assegurances, SAU, whose purpose is to conduct all kinds of insurance, reinsurance and risk coverage activities in the life insurance sector.</li> <li>- 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.</li> <li>- Mora Wealth Management España AV, SAU, is a Securities agency, authorised to provide investment services, discretionary portfolio management, financial advice and reception and transmission of orders.</li> <li>- Boreal Capital Management, AG, whose activity involves the management of assets and financial assessments.</li> <li>- Boreal Capital Holdings USA, LLC, an investment portfolio company. It acts as the head of the other companies established in the US: <ul style="list-style-type: none"> <li>• Boreal Capital Management LLC, which seeks to provide asset management and financial assessments.</li> <li>• Boreal Capital Securities LLC, which carries out the activity of a Broker-Dealer.</li> </ul> </li> </ul>	
2.2	<b>Entities included in the sustainability report</b>	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.	
2.3	<b>Period covered by the report, frequency and point of contact</b>	<p>This report has been drawn up in accordance with GRI standards, an essential option, and covers the period between January 1 and 31 December 2022, given that we present publications on an annual basis.</p> <p>Any queries which may arise in relation to this report may be emailed to <a href="mailto:comunicacio@morabanc.ad">comunicacio@morabanc.ad</a>.</p>	
2.4	<b>Restatements of information</b>	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.	
2.5	<b>External verification</b>	The report has not been verified externally.	



GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	SDG
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## ACTIVITIES AND WORKING PEOPLE

2.6

Activities, value chain and other business relationships

15–23, 30–31, 34, 56–57

MoraBanc offers its clients commercial banking, private banking and *wealth management* services, investment funds managed by the Group’s management company and insurance by the Group’s insurance company.

Commercial banking:

the commercial banking focuses on banking for individuals and banking for businesses, companies and professionals. MoraBanc MoraBanc has a client-focused culture and we design products and services suitable to their needs. We carry out commercial segmentation in accordance with the needs of each group, taking into account age and behavioural habits. Our commitment to new technologies enables us to enhance our relationship with our clients and to establish a closer dialogue.

PRODUCTS AND SERVICES:

Banking for Private Individuals

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

Banking for Companies

Investment products

Credit cards

Treasury and investments

Investment consultancy

Personalised attention

Discretionary and individualised portfolio management

MoraBanc Digital

International business

Private Banking and Wealth Management:

all MoraBanc’s private banking and *wealth management* activities are managed by expert staff in order to offer excellent service to our clients.

PRODUCTS AND SERVICES:

Private Banking

Life insurance

Investment consultancy

Online broker

Range of loans and mortgages

Discretionary and individualised management of portfolios

Structured products

MoraBanc Digital

Receipt, transmission and execution of orders

Credit cards

Wealth Management

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	SDG
		<p><b>Mora Gestió d'Actius, SAU:</b> 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.</p> <p><b>PRODUCTS AND SERVICES:</b></p> <p><b>MoraBanc Asset Management</b></p> <p>Disclosure and dissemination of our experts' market vision. Investment funds and SICAVs.</p> <p><b>Mora Assegurances, SAU:</b> is the Group's life insurance company which seeks to offer all kinds of life insurance and complementary health guarantees linked to said life policies.</p> <p>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.</p> <p>In accordance with our activity, we differentiate our supplier companies according to whether they provide financial, auditing and consulting services and those that supply us with materials, maintain and supply infrastructure.</p> <p>In our commitment to sustainability we prioritise companies that operate with a responsible attitude towards society and the environment.</p>	

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	SDG																														
2.7	Working people	39-42	<div><div>8</div><div>Decent Work and Economic Growth</div></div> <div><div>5</div><div>Gender Equality</div></div>																														
		Average workforce as of 31 December:																															
		Distribution of the workforce by countries:																															
		<table><tr><th>Countries</th><th>2022<sup>1</sup></th><th>%</th><th>2021<sup>2</sup></th><th>%</th></tr><tr><td>Andorra</td><td>404</td><td>88%</td><td>324</td><td>86%</td></tr><tr><td>USA (Miami)</td><td>32</td><td>7%</td><td>32</td><td>8%</td></tr><tr><td>Switzerland</td><td>9</td><td>2%</td><td>10</td><td>3%</td></tr><tr><td>Spain (Barcelona)</td><td>16</td><td>3%</td><td>11</td><td>3%</td></tr><tr><td><b>Total</b></td><td><b>461</b></td><td><b>100%</b></td><td><b>377</b></td><td><b>100%</b></td></tr></table>		Countries	2022 <sup>1</sup>	%	2021 <sup>2</sup>	%	Andorra	404	88%	324	86%	USA (Miami)	32	7%	32	8%	Switzerland	9	2%	10	3%	Spain (Barcelona)	16	3%	11	3%	<b>Total</b>	<b>461</b>	<b>100%</b>	<b>377</b>	<b>100%</b>
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Average workforce of the MoraBanc group by type of contract and working hours:																																	
<table><tr><th>Type of contract</th><th>2022<sup>1</sup></th><th>2021<sup>2</sup></th></tr><tr><td>Men</td><td>228</td><td>193</td></tr><tr><td>Women</td><td>223</td><td>179</td></tr><tr><td><b>Permanent</b></td><td><b>451</b></td><td><b>372</b></td></tr><tr><td>% Permanent</td><td>98%</td><td>99%</td></tr><tr><td>Men</td><td>5</td><td>2</td></tr><tr><td>Women</td><td>5</td><td>3</td></tr><tr><td><b>Of fixed duration</b></td><td><b>10</b></td><td><b>5</b></td></tr><tr><td>% Of fixed duration</td><td>2%</td><td>1%</td></tr></table>	Type of contract	2022 <sup>1</sup>	2021 <sup>2</sup>	Men	228	193	Women	223	179	<b>Permanent</b>	<b>451</b>	<b>372</b>	% Permanent	98%	99%	Men	5	2	Women	5	3	<b>Of fixed duration</b>	<b>10</b>	<b>5</b>	% Of fixed duration	2%	1%						
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<table><tr><th>External workers</th><th>2022</th><th>2021</th></tr><tr><td>Men</td><td>1</td><td>6</td></tr><tr><td>Women</td><td>11</td><td>8</td></tr><tr><td></td><td><b>12</b></td><td><b>12</b></td></tr></table>	External workers	2022	2021	Men	1	6	Women	11	8		<b>12</b>	<b>12</b>																					
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Men	1	6																															
Women	11	8																															
	<b>12</b>	<b>12</b>																															
The external workforce consists of 12 people who provide service to the group with administrative and auxiliary tasks, mainly in the Back Office and in the office cashiers.																																	
<div><div><sup>1</sup> Average workforce in 2022 and 2021</div><div><sup>2</sup> Average workforce in 2021 and 2020</div></div>																																	

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## GOVERNANCE

2.9

Structure and composition of corporate governance

64–67

Below is a list of the members of the Board of Directors of Mora Banc Grup, SA, together with their positions and categories of director.

Board of Directors on 31/12/2022:

MORA BANC GRUP, SA

Members	Position	Type
Juan Maria Nin Génova	Chairman	
Lluís Alsina Álvarez	Chief Executive Officer	Proprietary
Oscar Aristot Borrás	Director	Proprietary
Francesc Xavier Maymó Gatell	Director	Proprietary
Marc Mora Guerín (Representative of Mora Fills, SA)	Director	Proprietary
Miquel Alabern Comas	Director	Independent
José Manuel Lara García (Representative of Pedroso Estelar, SL)	Director	Independent
Miguel Antonio Pérez Carnicero	Director	Independent
Secretary:		
Marc Vilallonga Puy	Non-Board Member Secretary	–

Note: Mr. Agustín Berasaluce Astarloa was a member of the Board of Directors as an independent director until 4 December 2022, the date on which the statutory term for which he was appointed expired.

The main purpose of the Board of Directors of the MoraBanc Group is to oversee the Group, delegating the general management to the corresponding executive bodies and the various management teams.

Management Team as of 31/12/22:

Lluís Alsina Álvarez	Chief Executive Officer
Sara Álvarez Cazorla	Deputy General Manager Finance Department
Alfons Guillaumet Martínez	Deputy General Manager Technology and transactions
Pablo San Roman Sanchez <sup>1</sup>	Deputy Managing Director Human resources
Gerard Alba Soler <sup>2</sup>	Deputy Managing Director Investments
José Ignacio Amilburu Pérez	Deputy Managing Director Risks Department
Amparo M. Nieto Linares <sup>3</sup>	Deputy general manager Regulatory Compliance
Jorge Figueredo	Directorate of Internal Audit

<sup>1</sup> In charge of his functions in the management team until December 2022.



<sup>2</sup> Joined in December 2022.

<sup>3</sup> In charge of his functions in the management team until December 2022. In January 2023, Ms. Mireia Montoriol takes on the duties of Regulatory Compliance Manager.




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## STRATEGY, POLICIES AND PRACTICES

2.22	<b>Declaration on the sustainable development strategy</b>	11-13, 27-29	
2.23	<b>Commitments</b>	<p>48-49, 70-71</p> <p>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.</p> <p>In addition, it has a Code of Conduct for the Stock Market and a Code of Ethics and Conduct of the Group, which also contains the CT of AFA 163/05, on ethical and conduct norms, which must be complied with for all its working people.</p> <p>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 regulatory bodies.</p>	
2.27	<b>Compliance with laws and regulations</b>	MoraBanc has not received any fines or sanctions for non-compliance with laws and regulations in the social, economic or environmental fields.	 
2.28	<b>Membership of associations</b>	<p>MoraBanc belongs to various institutions in the region:</p> <ul style="list-style-type: none"> <li>- Association of Andorran Banks (Andorran Banking or the ABA in its Catalan initials).</li> <li>- EFA (Andorran Family Business for Total Quality Management).</li> <li>- Business Confederation of Andorra (CEA in its Catalan initials), through Andorran Banking.</li> <li>- Chamber of Commerce, Industry and Services of Andorra (CCIS).</li> <li>- Andorran Institute of Legal, Economic and Financial Studies (JEF in its Catalan initials) through Andorran Banking.</li> </ul> <p>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.</p>	



## AUDIENCE INVOLVEMENT

2.29	<b>Audience involvement approach</b>	<p>48-49</p> <p>The stakeholders that MoraBanc has identified with its activity are the workforce, clients, supplier companies, cultural, sporting and social organisations, the media, regulatory institutions and bodies and shareholders.</p> <p>To select the stakeholders, MoraBanc has taken into account the materiality report drawn up in 2020, in which the people and organisations affected by MoraBanc's activities were determined.</p>	
2.30	<b>Collective agreements</b>	MoraBanc does not have any collective bargaining agreements, given that the Andorran regulations stipulate that it is the workers who must undertake to establish one, which has not occurred thus far.	

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## GRI 3 – MATERIAL ISSUES (2021)

### DISCLOSURE OF MATERIAL ISSUES

3.1	<b>Process for determining material issues</b>	<p>11–13, 72–73</p> <p>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.</p> <p>We prepare the report following the recommendations of the international Global Reporting Initiative (GRI) standards.</p> <p>The Report covers the companies which appear in the consolidated financial statements of the organisation, as listed in the “Economic management” section.</p>	
3.2	<b>List of material topics</b>	72–73	
3.3	<b>Management of material issues</b>	<p>11–13, 27–29, 72–73</p> <p>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.</p>	 




# MATERIAL ISSUES

## ECONOMY

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### GRI 3: MATERIAL ISSUES (2021)










### GRI 201: FINANCIAL PERFORMANCE (2016)

3-3	Management of material issues	<p>27-29, 34</p> <p>Economic achievement is a principal material topic for MoraBanc’s stakeholders and it is also an essential element of the activity. The impact of economic achievement occurs at the level of a part of the stakeholders directly: workers, supplier companies, shareholders, clients, sponsored entities, etc.; and also indirectly to the rest of society through the generation of wealth.</p> <p>The institution evaluates the economic achievement thanks to its continuous monitoring of the business indicators, drawing up the necessary reports. The Executive Committee applies the appropriate modifications or corrections if necessary.</p>																												
201-1	Direct economic value generated and distributed	<p>The table below, drawn up upon the basis of the Group’s profit and loss account, displays the distribution of the economic value generated, distributed and held by MoraBanc in 2022.</p> <table><thead><tr><th></th><th>2022</th><th>2021</th></tr></thead><tbody><tr><td><b>Economic value generated</b></td><td><b>131,151</b></td><td><b>126,057</b></td></tr><tr><td>Financial margin</td><td>45,770</td><td>30,538</td></tr><tr><td>Net fees for services</td><td>70,881</td><td>67,194</td></tr><tr><td>Profit or loss from financial operations</td><td>7,910</td><td>21,984</td></tr><tr><td>Other income</td><td>6,590</td><td>6,341</td></tr><tr><td>Economic value distributed</td><td>85,500</td><td>68,375</td></tr><tr><td><b>Economic value retained</b></td><td><b>45,651</b></td><td><b>57,682</b></td></tr><tr><td><b>Economic value distributed and re-tained</b></td><td><b>131,151</b></td><td><b>126,057</b></td></tr></tbody></table>		2022	2021	<b>Economic value generated</b>	<b>131,151</b>	<b>126,057</b>	Financial margin	45,770	30,538	Net fees for services	70,881	67,194	Profit or loss from financial operations	7,910	21,984	Other income	6,590	6,341	Economic value distributed	85,500	68,375	<b>Economic value retained</b>	<b>45,651</b>	<b>57,682</b>	<b>Economic value distributed and re-tained</b>	<b>131,151</b>	<b>126,057</b>	<div></div> <div></div> <div></div>
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<b>Economic value distributed and re-tained</b>	<b>131,151</b>	<b>126,057</b>																												
201-4	Financial assistance received from government	MoraBanc does not receive any public aid.																												

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### GRI 3: MATERIAL ISSUES (2021)




### GRI 203: INDIRECT ECONOMIC IMPACTS (2016)

3.3	Management of material issues	<p>56-57</p> <p>Economic development is a material element for MoraBanc's hearings in accordance with the questions that are continually addressed to them. The indirect economic impact is a consequence of the economic development and for this reason it is included as material in the GRI table.</p> <p>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.</p>	
203-2	Significant indirect economic impacts	56-57	        

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## GRI 3: MATERIAL ISSUES (2021)

## GRI 205: ANTI-CORRUPTION (2016)

3.3	Management of material issues	70-71 The institution monitors the actions and projects relating to anti-corruption policies through the Regulatory Compliance Department.	
205-1	Transactions assessed for risks related to corruption	The active fight against corruption, the laundering of money or monetary instruments and the financing of terrorism, among other issues, form part of the transversal culture of the whole Group and are also regulated by law. In compliance with current law, 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	70-71	
205-3	Confirmed incidents of corruption and actions taken	There was no confirmed case of corruption at MoraBanc in 2022.	

## OTHER MATERIAL ASPECTS

## GRI 3: MATERIAL ISSUES (2021)

## INNOVATION IN PRODUCTS AND SERVICES

3.3	Management of material issues	30-31 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. 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.	
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## GRI 3: MATERIAL ISSUES (2021)

## QUALITY AND EXCELLENCE IN BANKING PRACTICE

3.3	Management of material issues	20-21	
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## GRI 3: MATERIAL ISSUES (2021)


## BUSINESS ETHICS

3.3	Management of material issues	70-71	
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## RISK MANAGEMENT

3.3	Management of material issues	32-33	
102-17	Mechanisms for advice and concerns about ethics	70-71 The Regulatory Compliance Department supervises, monitors and verifies the permanent and effective compliance with legal and regulatory obligations, ethical and conduct rules and the institution's internal policies, in order to protect clients and reduce compliance risk and other risks associated with its activities, being responsible for drawing up codes of conduct and adapting them according to current regulations. Together with the Legal Department, they are responsible for offering advice regarding ethical and legal conduct and on the integrity of the organisation. Moreover, MoraBanc has defined and conducted internal communication channels which guarantee confidentiality when reporting any ethically questionable conduct.	
102-30	Effectiveness of risk management processes	32-33	

## GRI 3: MATERIAL ISSUES (2021)

## STRATEGIC PARTNERSHIPS



3.3	Management of material issues	15-23 MoraBanc's objectives focus on leading the Andorran banking sector. Our strength has positioned us as the leading bank 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. We share projects that add value to our range of products and services that we make available to our clients.	
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# ENVIRONMENT

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## GRI 3: MATERIAL ISSUES (2021)

### GRI 302: ENERGY (2016)

3.3	Management of material issues Explanation of the material issue and its coverage	60–61	 
302-1	Energy consumption within the organisation	60–61	



## GRI 3: MATERIAL ISSUES (2021)

### GRI 306: WASTE (2020)

3.3	Management of material issues	60-61	 															
306-1	Generation of waste and related significant impacts	60-61																
306-2	Management of significant impacts related to waste	<p>MoraBanc recycles all the consumables that are generated:</p> <ul style="list-style-type: none"><li>- The paper and cardboard we generate with our activity are regularly recycled. In 2022, we recycled 22,936 kg, 30% more than the previous year.</li><li>- Plastic. Credit and debit cards are recycled. 38.3 kg have been generated this year.</li><li>- Toners. The printers we use are monitored to ensure that the maintenance of the consumables is that which is strictly necessary. The same company that monitors the consumables recycles the used toner, in such a way that all the units consumed are collected and recycled to prevent the generation of waste.</li></ul> <table><thead><tr><th></th><th>2022</th><th>2021</th></tr></thead><tbody><tr><td>Paper and cardboard waste</td><td>22,936</td><td>17,059.78</td></tr><tr><td>Toner</td><td>201</td><td>184</td></tr><tr><td>Cards</td><td>38.3</td><td>13.6</td></tr><tr><td><b>Total kg generated</b></td><td><b>23,175.3</b></td><td><b>17,257.38</b></td></tr></tbody></table>		2022	2021	Paper and cardboard waste	22,936	17,059.78	Toner	201	184	Cards	38.3	13.6	<b>Total kg generated</b>	<b>23,175.3</b>	<b>17,257.38</b>	 
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## GRI 3: MATERIAL ISSUES (2021)

### GRI 307: ENVIRONMENTAL COMPLIANCE (2016)

3.3	Management of material issues	60–61	
307-1	Breach of environmental law and regulations	MoraBanc has not received any fine or penalty for breach of environmental laws.	 





# SOCIAL

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	SDG
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## GRI 3: MATERIAL ISSUES (2021)


## GRI 403 OCCUPATIONAL HEALTH AND SAFETY (2018)

3.3	<b>Management of material issues</b>	<p>MoraBanc's commitment to health and safety is one of the principles that govern the conduct of our activity.</p> <p>Our activity has to guarantee the well-being of our staff and those whom we subcontract.</p> <p>MoraBanc has the support of a specialised company to apply Law 34/2008, of December 18, on health and safety at work. Among the prevention measures, a 50-hour Basic Level training plan is offered to set up the organisation's first intervention teams.</p> <p>Periodically, external reports are drawn up to analyse health in the workplace and apply measures that improve the well-being of people in their workplace.</p>	
403-1	<b>Occupational health and safety management system</b>	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	<b>Hazard identification, risk assessment and investigation of incidents</b>	The identification of hazards and risks associated with the workplace is regularly analysed by an external company. A medical examination is carried out on the entire workforce in which possible risks and dangers associated with their work are detected.	
403-3	<b>Occupational health services</b>	All people who work at MoraBanc receive training regarding health and safety at work when they join the organisation.	
403-4	<b>Participation of working people, consultations and communication about health and safety at work</b>	<p>39-42</p> <p>The human resources 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.</p>	 
403-5	<b>Training of team members on health and safety at work</b>	<p>All people receive training regarding the risks associated with their workplace when they join the workforce.</p> <p>However, MoraBanc periodically trains first responders and first aid teams to train the team in dangerous or risky situations.</p>	

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	SDG
403-6	<b>Promoting the health of working people</b>	At MoraBanc we comply with Law 34/2008 on workplace health and safety and offer employees the opportunity of having a regular health check-up.  MoraBanc promotes the health of its employees with the social benefits it offers them in relation to their health, including 100% coverage of their salary in the event that they are off sick, 100% coverage of their health insurance premium and free access to the World Care service for all its employees.	 
403-7	<b>Prevention and mitigation of impacts on employees' health and safety directly linked to business relationships</b>	MoraBanc has the support of an independent company which draws up 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 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.	
403-8	<b>Employees covered by an occupational health and safety management system</b>	The occupational health and safety management system operates in conjunction with an external company. On a regular basis, an audit is carried out of all workplaces that affect bank employees in order to take the appropriate measures in accordance with current law. 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.	

## GRI 3: MATERIAL ISSUES (2021)



## GRI 404: TRAINING AND EDUCATION (2016)

3.3	<b>Management of material issues</b>	39-42	
404-3	<b>Percentage of employees receiving regular performance and career development reviews</b>	All people who work at MoraBanc undergo an annual assessment of their skills. 100% of the employees were assessed in 2022.	


GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	SDG
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### GRI 3: MATERIAL ISSUES (2021)

### GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES (2016)

3.3	Management of material issues	39–42																															
405-1	Diversity of governing bodies and employees	<p><b>Composition of the Board of Directors:</b> <b>MORA BANC GRUP, SA</b></p> <p><b>By gender</b></p> <table><thead><tr><th></th><th>2022</th><th>2021</th></tr></thead><tbody><tr><td>Men</td><td>8</td><td>9</td></tr><tr><td>Women</td><td>0</td><td>0</td></tr><tr><td><b>Total</b></td><td><b>8</b></td><td><b>9</b></td></tr><tr><td>% Women</td><td>0%</td><td>0%</td></tr></tbody></table> <p><b>By age</b></p> <table><thead><tr><th></th><th>2022</th><th>2021</th></tr></thead><tbody><tr><td>Under 30</td><td>0</td><td>–</td></tr><tr><td>Between 30 and 50</td><td>4</td><td>4</td></tr><tr><td>Above 50</td><td>4</td><td>6</td></tr><tr><td><b>Total</b></td><td><b>8</b></td><td><b>9</b></td></tr></tbody></table> <p>The breakdown of workers by job category can be found on pages 39–42.</p>		2022	2021	Men	8	9	Women	0	0	<b>Total</b>	<b>8</b>	<b>9</b>	% Women	0%	0%		2022	2021	Under 30	0	–	Between 30 and 50	4	4	Above 50	4	6	<b>Total</b>	<b>8</b>	<b>9</b>	<div></div> <div></div>
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### GRI 406: NON-DISCRIMINATION (2016)







3.3	Management of material issues	39–42, 44–45	
406-1	Incidents of discrimination and corrective measures taken	During 2022, MoraBanc has not had any cases of discrimination in the workplace.	



GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	SDG
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## GRI 3: MATERIAL ISSUES (2021)

## GRI 413: LOCAL COMMUNITIES (2016)

3.3	Management of material issues	56–61 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.	
413-1	Operations with local community engagement, impact assessments, and development programmes	56–61	     

## GRI 3: MATERIAL ISSUES (2021)

## GRI 418: CLIENT PRIVACY (2016)

3.3	Management of material issues	MoraBanc has the obligation to protect the personal and private information of its clients and applies the law in force on the protection of data and personal information.  The Legal Advisory Service Department is responsible for overseeing, monitoring and verifying compliance with the rules to be applied by the institution in this matter.	
418-1	Substantiated complaints regarding breaches of client privacy and loss of client data	MoraBanc has the obligation to protect the personal and private information of its clients and its employees as set out in its code of ethics and the applicable law on data protection and banking secrecy.  In 2022, MoraBanc did not receive any complaints regarding the breach of client or employee privacy or any loss of personal data.	

## GRI 3: MATERIAL ISSUES (2021)

## GRI 419: SOCIO-ECONOMIC COMPLIANCE (2016)

3.3	Management of material issues	70–71 MoraBanc conducts its activity in strict compliance with Andorran law.	
419-1	Breach of laws and regulations in the social and economic spheres	In 2022, MoraBanc has not received any fines for breach of regulations regarding social or economic matters.	



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