

Statement from the Chairmen

We began our time as Chairmen of MoraBanc in 2016, a year that has seen the Bank transform. A year to prepare ourselves for the challenges of the future. As a family bank, we take decisions with a view to the future and focusing on permanence, but also on competitiveness.

Overall 2016 brought both economic and geopolitical shocks; with Brexit and the new President in the White House, for instance. But the world's economy has nevertheless continued to enjoy moderate growth with increasing consumption and falling unemployment. Accommodative monetary policies and measures to boost the equity markets are still in place.

Andorra has also enjoyed economic growth, estimated by Fitch Ratings in its last ratings report for the country at 1% for 2016 and predicting 1.5% growth in 2017 and 2% in 2018. The positive figures posted for Andorra's population, tourism and real estate sectors, vehicle registrations and employment are certainly good news, as a country and also as a solid financial market that is adapting and has good prospects for the future.

Given this environment, more independent members have joined the Board of Directors, in line with corporate governance best practices. We have started MoraBanc's transformation with its highest governing body and are now continuing with the rest of the areas and procedures to ensure the Bank is well adjusted to this new environment and can serve its customers even better.

In fact, our essential purpose is to serve our customers and they are also experiencing changes, both in their consumption in general and banking habits in particular. How they relate to their bank is changing and our aim is to change with them.

The Board of Directors has approved a strategic plan that lays the foundations for this new MoraBanc. Our Bank must be able to meet the more demanding international standards and regulations, especially Basel III, the international accounting standards, MiFID II, as well as adapting to the automatic exchange of information based on the OECD's Common Reporting Standard. We must do so whilst also offering the best services, the best products and the best technological response to become the bank of choice for customers.

Our strategic plan contains substantial investment in transformation, both in systems and equipment, including tools to serve customers, and concentrates this investment in the first year to ensure we are ready as soon as possible. In fact, it could even be said we have already achieved such readiness, given the Bank's financial results and especially its solidity.

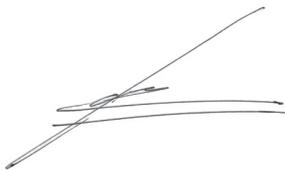
Having a healthy balance sheet is one of our priorities as this helps to reinforce the trust placed in us by our customers, shareholders, employees and other stakeholders. In 2015 we anticipated the assessment of Basel III capital requirements and, in 2016, we already presented our ratios based on these criteria, fully compliant in terms of solvency with a CET1 ratio of 19.04% and also liquidity at 196% (LCR). Our ratios also comply with Andorra's requirements, with solvency at 32.41% and liquidity at 62.81%.

These strategic decisions mean that, in 2016, our profit totalled 23 million euros, a satisfactory figure in line with our forecasts. As from 2017 we expect further growth in profit thanks to the investments made and the ambitious agenda we have set ourselves.

Our assets under management remained stable in 2016 but it should be noted that our foreign subsidiaries, in the United States and Switzerland, have enjoyed considerable growth, confirming the positive trend of the past few years and validating their business model.

The Board of Directors would also like to confirm its commitment to Andorra, not only in terms of our business but also in our actions for society and the community. In spite of our transformation, we have remained faithful to our values of corporate social responsibility and the resources allocated represent 3.6% of the Bank's profits. These actions aim to promote culture, sport, the environment and also to support social projects that help the most disadvantaged in society via the solidarity card, in which the Bank and its customers play an equal part.

Given our changing environment, with a focus on transparency, our aim is to adapt quickly to this new situation, with growth based on the strong foundations of our new approach to banking, to lead the sector and create value for our stakeholders.



Jordi Mora Magrià
Chairman of Mora Banc Grup, SA



Òscar Aristot Borràs
Chairman of Mora Banc, SAU