

## CRÈDIT ANDORRÀ GROUP OBTAINS A PROFIT OF EUR 31.86 MILLION AND AFFIRMS ITS LEADERSHIP IN SUPPORT FOR THE ANDORRAN ECONOMY

- The Bank consolidates its support for the Andorran economy and society with an increase in loan investment amounting to EUR 2.442 billion, and is the leader in the constitution of soft loans for companies and businesses, with 67% of the total amount
- The total regulatory capital ratio increased to 17.63% (15.91% CET1)
- The Group's business volume and profits have continued to grow in the major financial markets where it has a presence, such as Spain, Luxembourg and Miami
- The insurance business has contributed a recurring profit of EUR 8.41 to Crédit Andorrà Group, an increase of 45.22% compared to last year

*Andorra la Vella, 8 April 2021*

Crédit Andorrà Group closed the 2020 financial year with an increase in business volume of EUR 17.47 billion, up 2.38% on the previous year, and assets under management grew by 2.6% to EUR 15.028 billion. Loan investment exceeded EUR 2.442 billion (of which EUR 2.144 billion is based in Andorra). These figures, together with the Bank's major role in the implementation of the Andorran government's extraordinary guarantee programme for companies and businesses (with 67% of the total amount), reflect the Bank's leadership and its financial support to the country, the business fabric and people. This commitment was particularly notable in a year marked by the COVID-19 pandemic.

The Group's consolidated profit was EUR 31.86 million, a figure obtained in an environment marked by the economic crisis and after applying a prudent policy of precautionary provisions to cope with the potential effects of COVID-19 (EUR 11 million for specific coronavirus provisions) and other direct effects of the pandemic, such as those resulting from the Bank's shareholdings in strategic sectors of the country's economy, amounting to more than EUR 8 million.

The Bank's strength is reflected in its solvency, which increased, bringing the total regulatory capital ratio to 17.63% (15.91% CET1 in accordance with Law 35/2018 on solvency, liquidity and prudential supervision of banking institutions and investment companies), above the average for European banks. It is also reinforced by the improved credit rating, the increased coverage ratio and cost control, which helped to counteract the negative market trends. Other indicators also confirm the soundness of Crédit Andorrà, such as the 7.29% increase in equity (504 million compared to 470 million in 2019).

Xavier Cornella, CEO of Crédit Andorrà Group, said that "in an especially complex year due to COVID-19, we have continued to execute our strategic plan, which has enabled us to strengthen our robustness and grow sustainably, efficiently and responsibly, being by the side of our customers, the country and society, to give support to the business fabric and to families. Our service capacity and the fact we are pioneers in digitalisation and the value offer define our *raison d'être* as a leading bank in the country".



## Sustained business growth

In a year marked by the pandemic, Crédit Andorrà Group has continued to grow in the main financial markets where it has a presence, with a strategy focused on the search for strategic alliances to guarantee growth, on the capacity for service, on the efficiency and profitability of the different business areas, on accelerating digitalisation and on the specialisation of the Bank's team and its products and services.

The launch of the new internationally-unified brand, Creand, will allow the financial group to confront future challenges with a focus on consolidating its leadership in Andorra and continuing to grow internationally.

In Andorra itself, the Bank has remained faithful to its commitment to support the Andorran economy, which resulted in EUR 9.399 billion in business volume in the country. In terms of the Andorran government's extraordinary guarantee programme for companies and business, Crédit Andorrà constituted 67% of the total amount of soft loans.

In Spain, Creand Wealth Management (Banco Alcalá, S.A.) increased assets under management by more than EUR 200 million to EUR 2.261 billion (up 10.67% on the previous year). The private banking subsidiary in Spain closed the year with a profit of EUR 848,000, representing growth of 267%. In Luxembourg, Banque de Patrimones Privés grew EUR 5.786 billion in terms of business volume (up 13.49%) and increased its profits by 30% to EUR 3.44 million. In Miami, the Group continued with its business plan focused on the development of the new self-clearing licence, which should serve as the cornerstone on which to continue to project the Group's future growth in the Americas.

In terms of the insurance business, 2020 brought recurring profits of EUR 8.41 million to Crédit Andorrà Group, a figure representing a 45.22% increase on 2019. It is important to note the agreement reached last year to become part of the shareholder base of Grup Assegur, a strategic alliance that will make it possible to strengthen the leadership position in the Andorran insurance sector.

## Digitalisation

The Bank was named the Best Digital Bank Andorra 2020 by *Global Banking & Finance Review* in recognition of the implementation of new digital services to facilitate remote contracting, to simplify banking for both individual and corporate customers and to respond to the new needs emerging in the current scenario.

As a result of this drive to digitalise its services, Crédit Andorrà has seen exponential growth in the use of e-Crédit online banking, and it has developed new services that make digital payments easier for companies and businesses, such as the exclusive agreement with the fintech MONEI. The renewal of the Crédit Andorrà Chair of Entrepreneurship and Banking at IESE is also notable, as is the business hyperacceleration programme for start-ups, Scale Lab.

## Social commitment

In terms of responsibility and sustainability, Crédit Andorrà Group has allocated a total of EUR 2.06 million for investments in initiatives developed by the Bank and the Crédit Andorrà Foundation in the areas of economy, education, culture, society and the environment.

The Bank was named the Best CSR Bank Andorra 2020 for the sixth consecutive year by *Global Banking & Finance Review*. The award recognises the development of good governance practices and the actions to support the country's economy, business fabric and society, particularly in the context of the COVID-19 pandemic.

Crédit Andorrà is a pioneer in incorporating CSR and sustainability in its management model and business strategy, and it also expresses this commitment as a member of various international bodies. Since 1998, Crédit Andorrà has collaborated on the United Nations Environment Programme (UNEP FI) and, in 2016, it was the first Andorran bank to join the UN Global Compact and to adopt the 2030 Agenda to contribute to the achievement of the Sustainable Development Goals (SDGs).

At year-end, 929 professionals form part of the Group, 485 of whom work in Andorra and 444 internationally.

The accounts for the 2020 financial year are pending submission to the General Shareholders' Meeting for their internal approval.

### FOR MORE INFORMATION

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