

ANDBANK /  
*Private Bankers*

# Andbank Investor Presentation

June 2024





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# 1. **Overview** of Andorra

# Geographic & demographic information



Andorra is an independent European co-principality located in the southern peaks of the Pyrenees Mountains, bounded by France and Spain. The capital is Andorra la Vella.

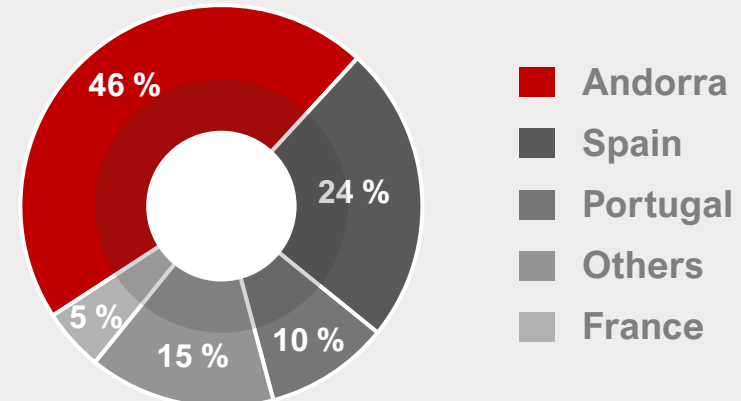
The total population is approximately **85.000 people** with strong levels of immigration from **Spain, France and Portugal**.

Wealthy immigration is growing at a very fast speed.

4.000 net / 6.000 gross new residents in 2023.

Andorra is a wealthy economy, with high income per capita - EUR 33,594 in 2023.

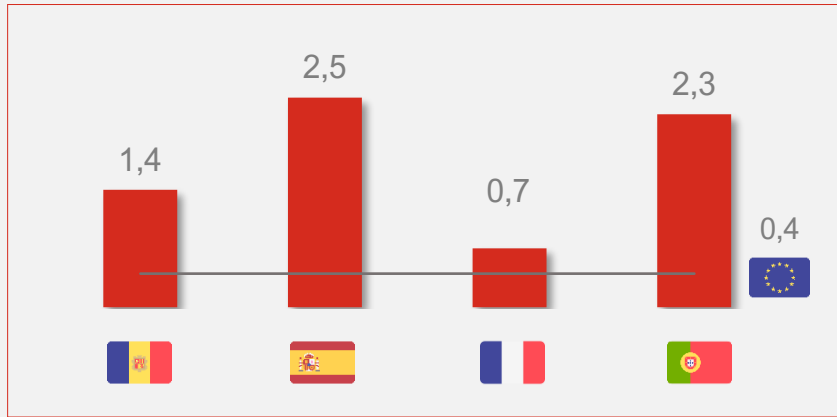
## Distribution of the population by nationality in 2023<sup>(1)</sup>



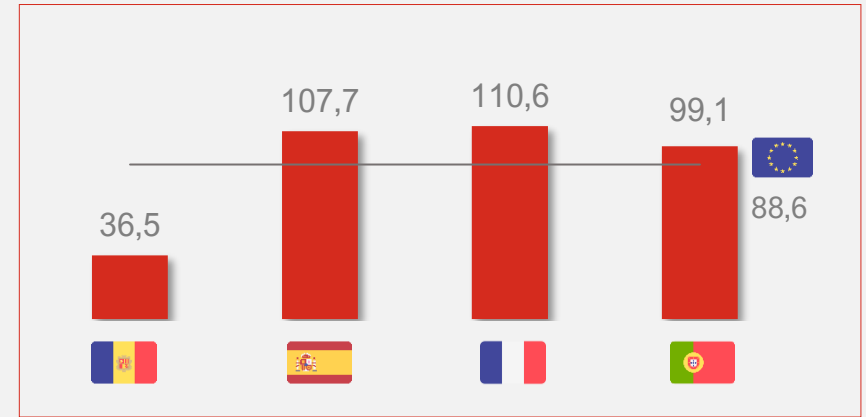
<sup>(1)</sup> Source: Department of Statistics – Government of Andorra

# Key Macro Data 2023

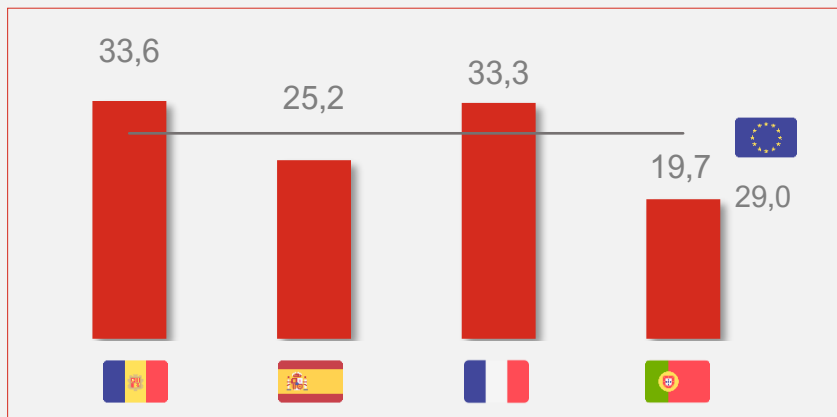
### Real GDP growth (%)



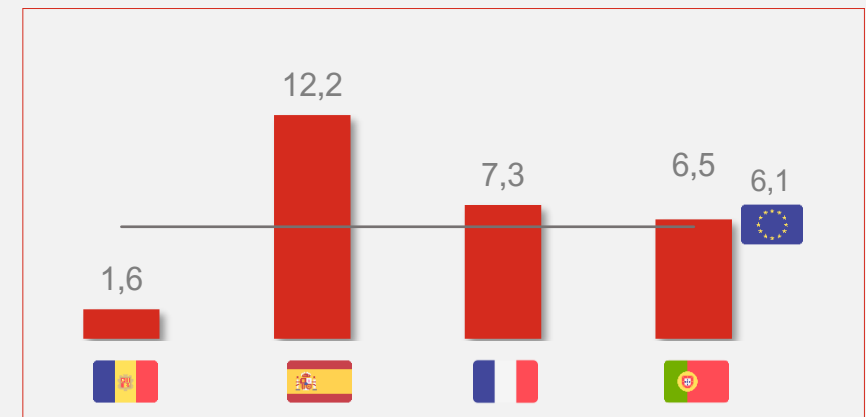
### Public debt to GDP (%)



### GDP per cápita (EUR k)

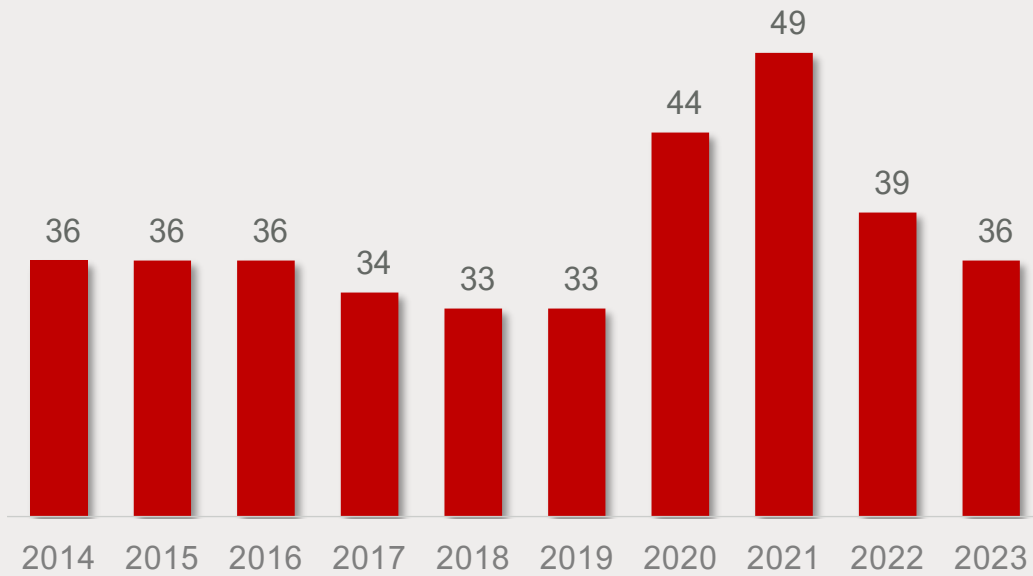


### Unemployment rate (%)

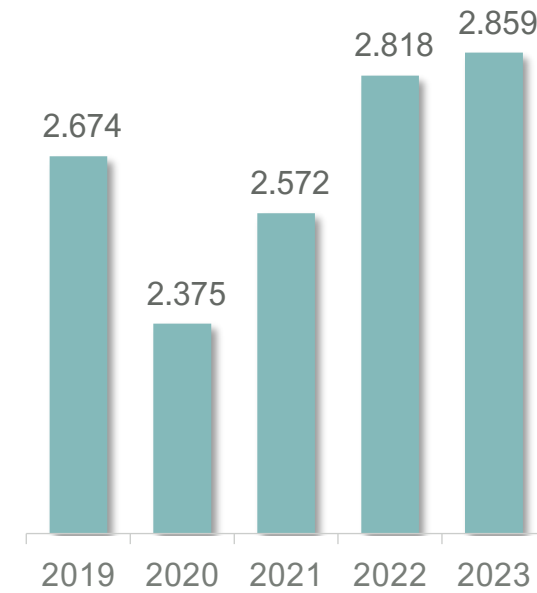


# Key Macro Data 2023

## Andorra Government Debt to GDP



## Consistent GDP growth after Covid (Eur MM)



## S&P Report - May 2024 Upgrade to A-, outlook positive

- / May 2024 S&P has raised Andorra to A-. The outlook is positive.
- / Andorra has substantially improved its external data in recent years with a result of a large net external asset position.
- / The association agreement signals strong policy effectiveness and should further enhance liquidity management.

Long-Term IDR	<b>A-</b>
Outlook	<b>Positive</b>
Short-Term IDR	<b>A2</b>

## FitchRatings Report- May 2024 Long Term A- Stable confirmed

- / Latest FitchRatings Report has just been published May 2024. It affirms Andorra's Rating at A- and the short-term IDR at F2 with a Stable Outlook.
- / The report recognizes large fiscal surpluses, low government debt, declining debt ratio and banking sector resilience.

Long-Term IDR	<b>A-</b>
Outlook	<b>Stable</b>
Short-Term IDR	<b>F2</b>

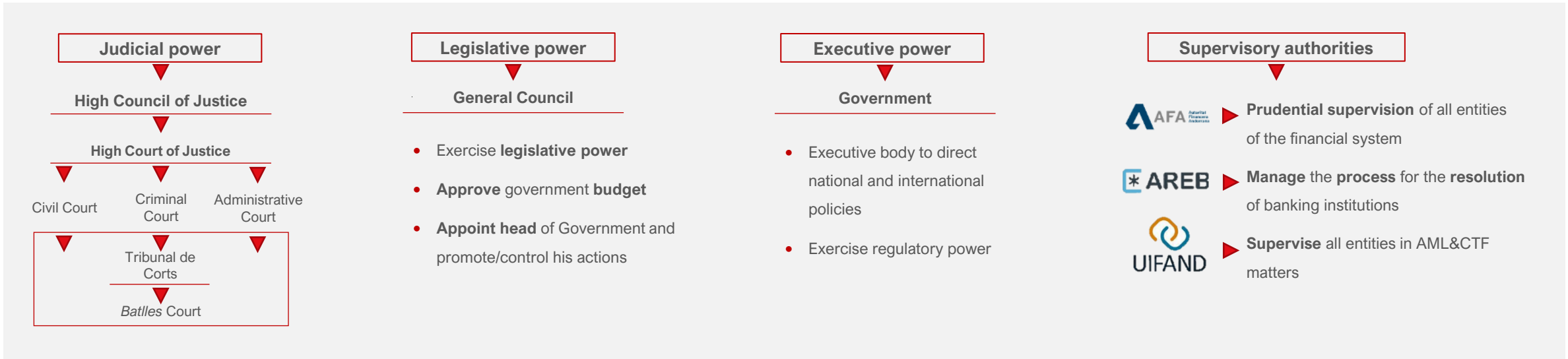
## Moody's Report - January 2024 Upgrade to Baa1

- / January 2024 Moody's has upgraded the Government of Andorra's long term issuer rating to Baa1 from Baa2 and maintained the stable outlook.
- / The rating reflects strength in public finances, reform momentum, economic resiliency and fiscal surpluses.

Long-Term IDR	<b>Baa1</b>
Outlook	<b>Stable</b>


# Regulatory framework

## Public institutions




## Private sector associations

Look after the interests of the financial sector and ensure its representation in all relevant forums



AAA<sup>(1)</sup>






<sup>(2)</sup>

(1) Associació d'Assegurances d'Andorra  
(2) Associació d'Entitats Financeres d'Inversió

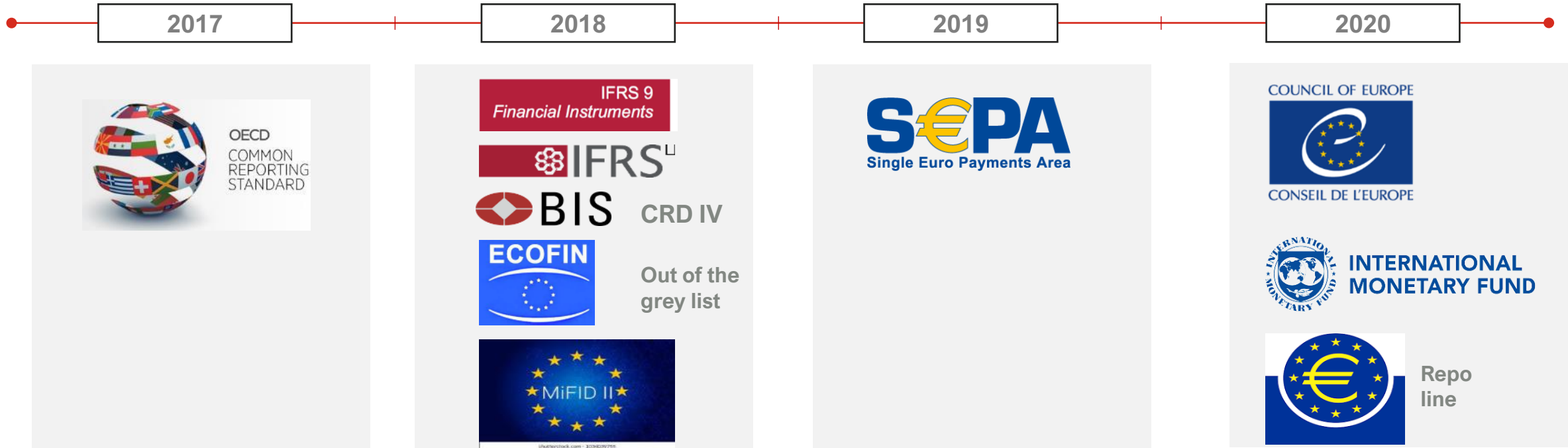
## Additional regulatory standards

- Satisfactory evaluations by MONEYVAL
- FATCA+ IQ compliant
- Application of **Common Reporting Standards (CRS)** on automatic exchange of information.



# The way to transparency



# The way to transparency (II)- 2024



Association Agreement with  
the EU signed



Pending EU Parliament  
submission and referendum in  
Andorra early 2025



- The Association Agreement provides an opportunity to foster greater economic diversification though the impact will not be felt before 2026 – 2027.
- It will allow Andorra to access the EU's internal market and further diversify its economy.
- Also entails long transition periods avoiding points of friction:
  - The monopolistic telecom sector will have seven years in which to open up to the Common Market.
  - Tobacco sector, quite important locally, will have a 30-year transition period.
  - The energy sector, also a monopoly, will not be subject to the agreement.
  - The financial sector will have 15 years to be fully aligned with the EU regulatory framework.

**Also New Mifid II  
Law May 2024,  
fully aligned with  
the EU**

## Moneyval – Last Annual Report: Closer to fully compliant

In its latest follow-up report of Andorra, MONEYVAL noted progress to improve AML/CFT regulation of the non-profit sector and decided to upgrade the respective recommendation.

The follow-up report also assessed the implementation of new international requirements for virtual assets. Andorra has not yet taken sufficient measures to implement of this revised standard, and consequently its rating has been downgraded.

Andorra retains three recommendations (new technologies, powers of law enforcement and international instruments) at the “partially compliant” level and shall report to MONEYVAL in one year.



# Basel AML Index 2023

RANK	JURISDICTION	OVERALL SCORE
142	Slovenia	3.57
143	San Marino	3.51
144	Lithuania	3.47
145	Norway	3.45
146	New Zealand	3.38
147	Denmark	3.36
148	Sweden	3.20
149	Andorra	3.09
150	Estonia	3.00
151	Finland	2.96
152	Iceland	2.87

Income and region categories by [World Bank](#).

152 jurisdictions listed

# Full Public Debt refinanced 2021 / 2022

## Low cost guaranteed until 2027

1.175 MM €

Tenors  
5, 10, 20 years

Average Cost  
1,35%

Average maturity  
from 1 to 9 years

Great investor  
diversification

Now  
A- / Baa1 / A-



Covid 19 crisis was the trigger to refinance existing debt

Traditional Government Funding through Bank Loans & local Bonds

New format: Sustainability Bonds (1.000 MM out of the total 1.175 MM €)

Debt average life: from 1+ to 9 years (7 yrs in 2024). First re-financing: 2027

Bookrunners CACIB, Santander, Citibank, also Andbank, BBVA, Morabanc

## 2. **Andbank** at a glance

## A global family private bank

### Founded in 1930

- / Founded more than 90 years ago as a firm specializing in private banking and wealth management.
- / An international presence – in 11 countries – allows us to offer our clients an on-shore asset-management service with a global vision.
- / Our commitment to the pursuit of excellence constantly encourages us to always provide our clients with the best services and investment solutions to add value to their portfolios.
- / Our family origins give us the independence to be able to grow independently. This lets us establish long-term relationships with our clients.

# The values that guide us

All of us at Andbank work with principles that we identify with and that make us feel unique. Values that define us and give us a unique personality.



Specialization



Corporate social  
responsibility



Global Perspective



Excellence in  
service



Family Company















Innovation












# International expansion strategy





2000 → 2010 → 2020 → 2024

-  **Switzerland**  
Investment advisor
-  **Bahamas**  
Banking License  
CLOSED 2018
-  **Andorra**  
Merger Agrícola & Banca Reig
-  **Switzerland**  
Wealth Management and Investment Advisor
-  **Mexico**  
Columbus
-  **Panama**  
Banking License  
Bank CLOSED 2019
-  **Uruguay**  
Quest. Brokerage Firm

-  **Luxembourg**  
Asset Management Co
-  **Uruguay**  
Representative Office
-  **Luxembourg**  
Banking License
-  **Panama**  
New Broker-Dealer License
-  **Miami**  
Broker-Dealer, Asset Management & Investment Advisor

-  **Monaco**  
Banking License
-  **Brazil**  
Broker Dealer
-  **Spain**  
Banking License
-  **Spain**  
Asset Management Co
-  **Brazil**  
Banking License

-  **Uruguay**  
Investment Advisor
-  **Israel**  
Acquisition of Sigma Investment House
-  **Spain**  
Incorporation of Merchbank
-  **Spain**  
Acquisition of Bank Degroof Petercam Spain

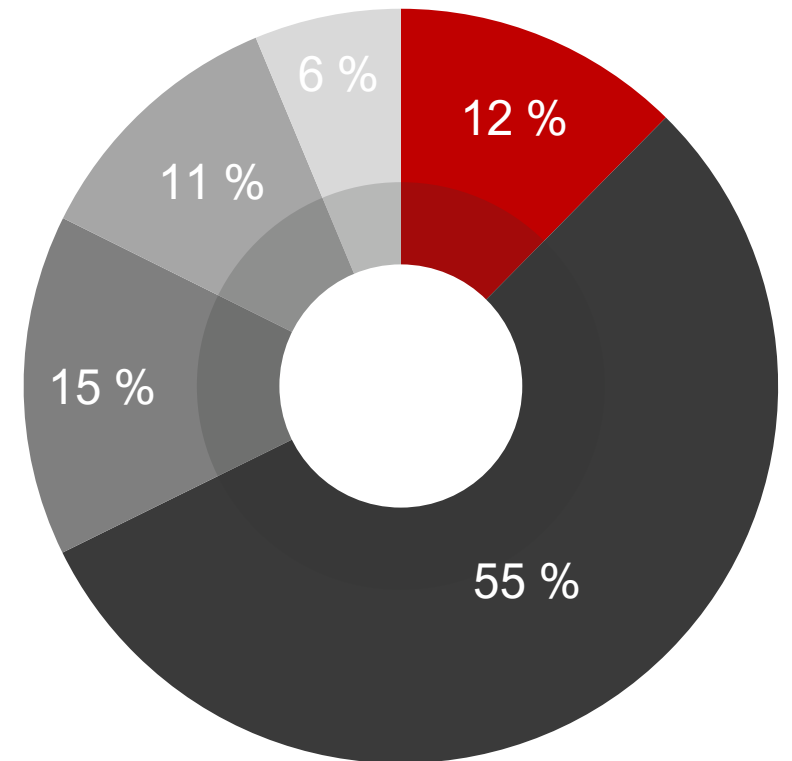
-  **Spain**  
MyInvestor
-  **Israel**  
Agreement Sigma- Clarity + 2024 Partial Divestment
-  **Brazil**  
Agreement with Creditas
-  **Spain**  
MyInvestor independent second Spanish Banking License

# AuMs

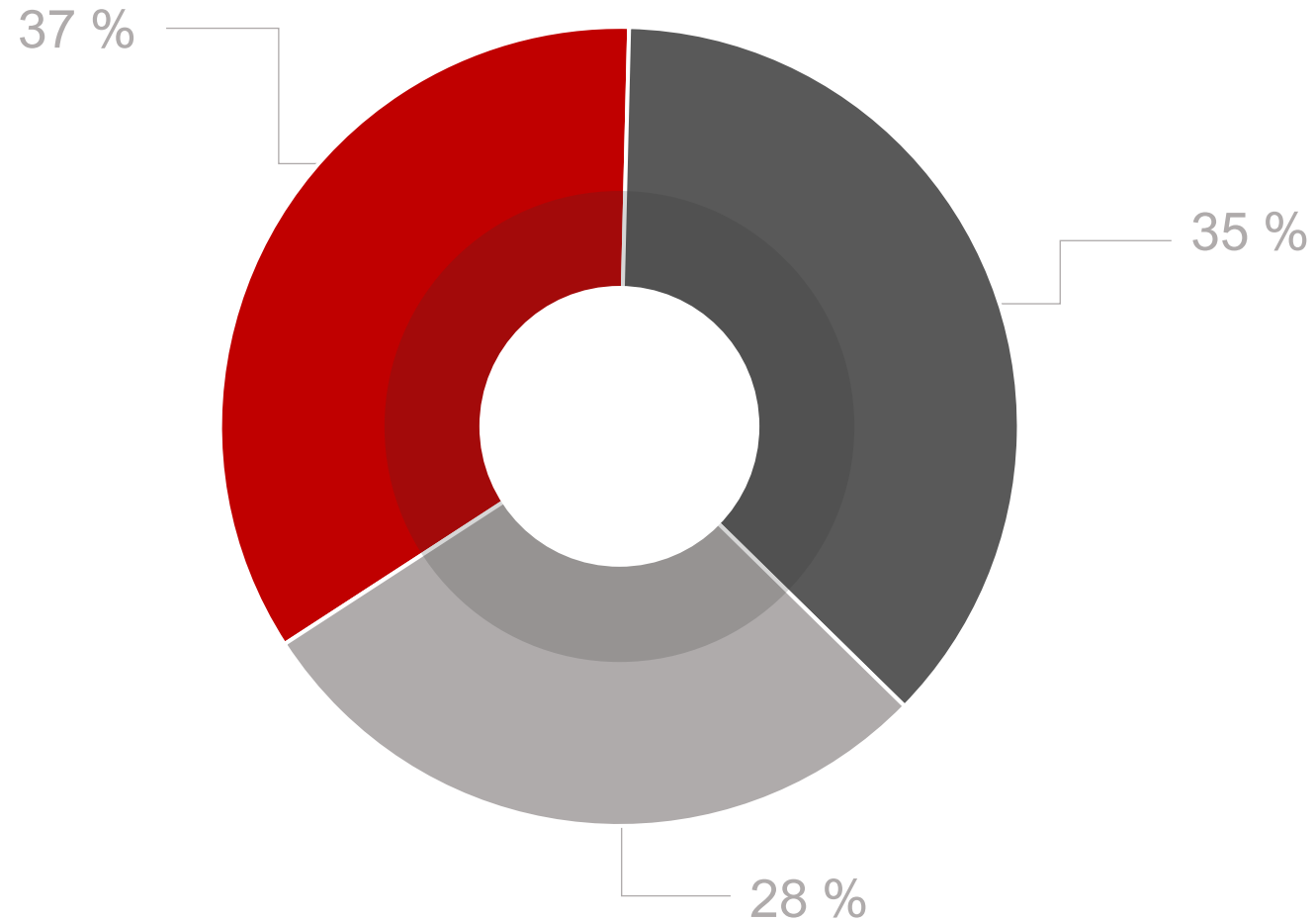
geographical diversification

Great international private banking and wealth management diversification with 88% of AuMs booked outside Andorra.

- Andorra
- Spain
- LATAM
- Europe
- Israel



# Shareholders Structure



**71.51%** Family owners  
▼

- **Família Ribas Duró 36,96%**  
(Reig Finances, SAU - Reig Patrimonia)
- **Família Cerqueda 34,55%**  
(Cerqueda Donadeu, SA – Andosins Capital)
- **Other minority shareholders 28,49%**

## Key Figures 2023

**38.2 BN €**  
AUMS

**BBB**  
Fitch Ratings

**40 MM €**  
Net Profit

**688 MM €**  
Core Capital

**6,82 %**  
ROE

**12,69 %**  
ROTE

**290 % - 163 %**  
LCR / NSFR

**15,01 %**  
CET1 fully-loaded

**16,60 %**  
TIER1 fully-loaded

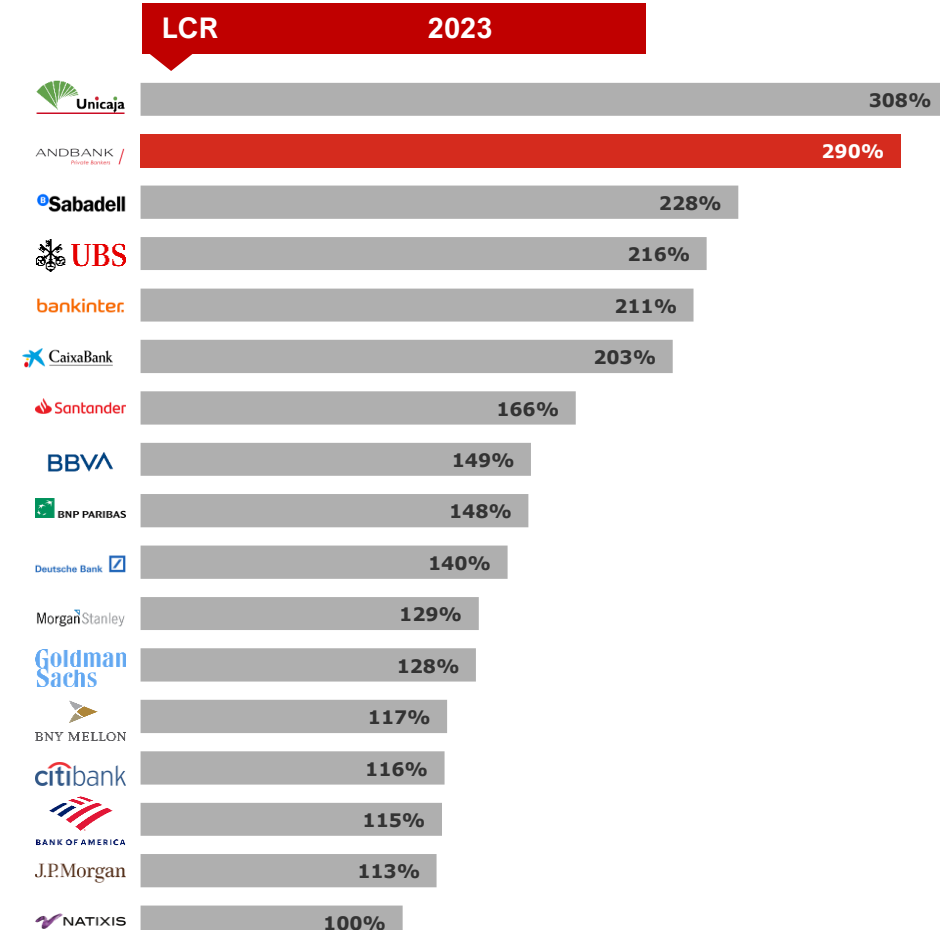
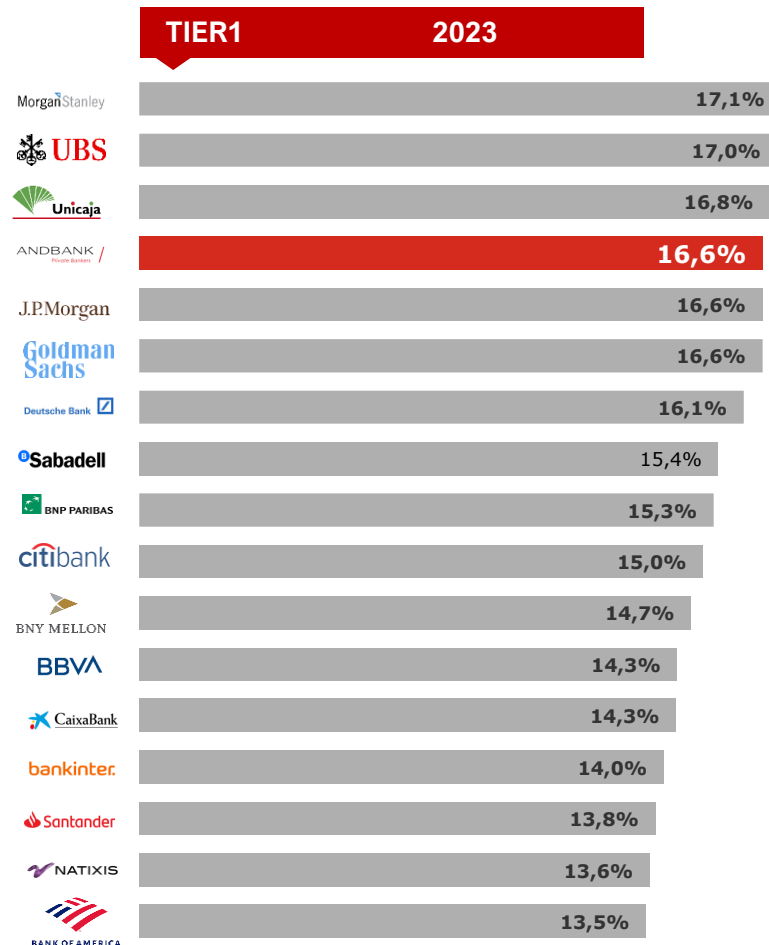
**4,60 %**  
Leverage Ratio

**1,31 %**  
NPL Ratio

**62,2%**  
NPL Converge ratio

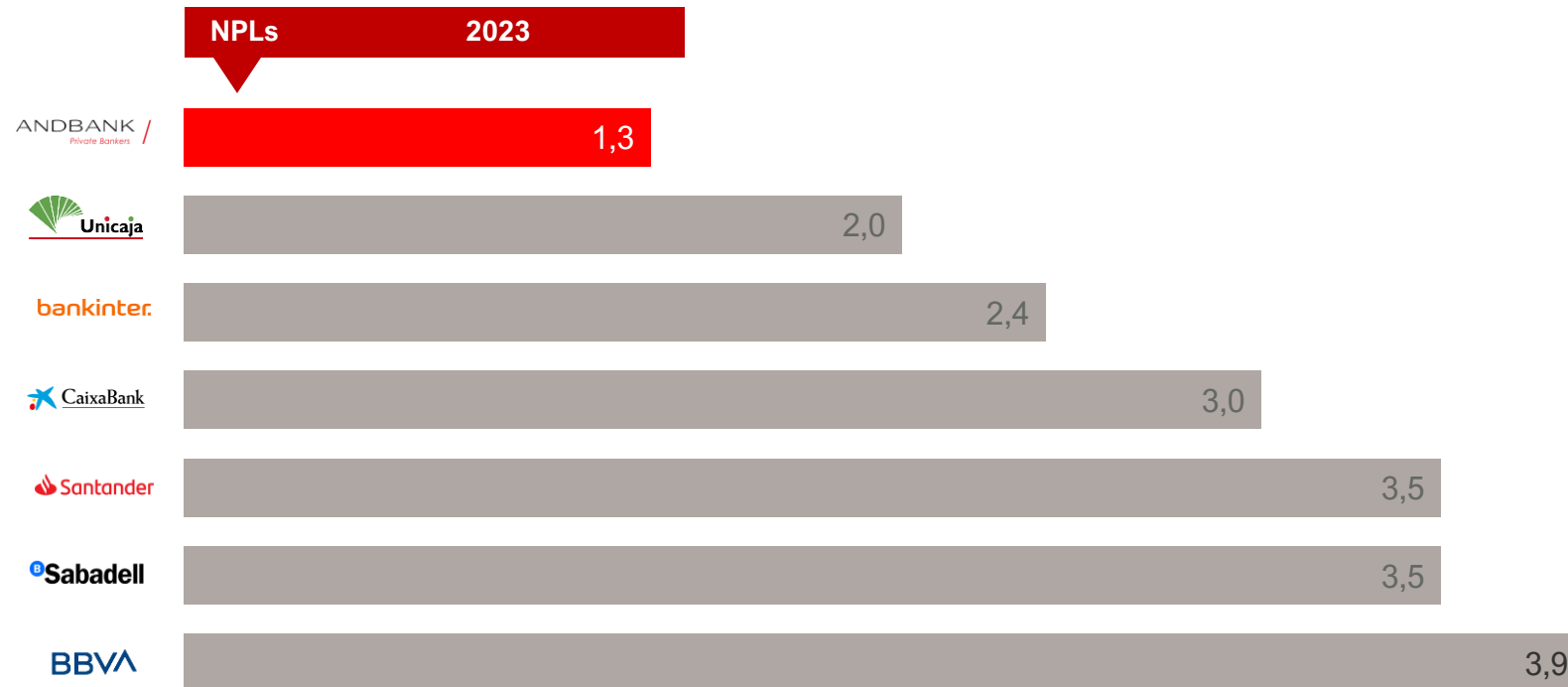
# Solvency and Liquidity Position

Andbank maintains a solid solvency position, considerably above the minimum levels required by regulations, with a leading position in the international market.



Source: Bloomberg – Updated data 22/05/2024

# Non-Performing Loans

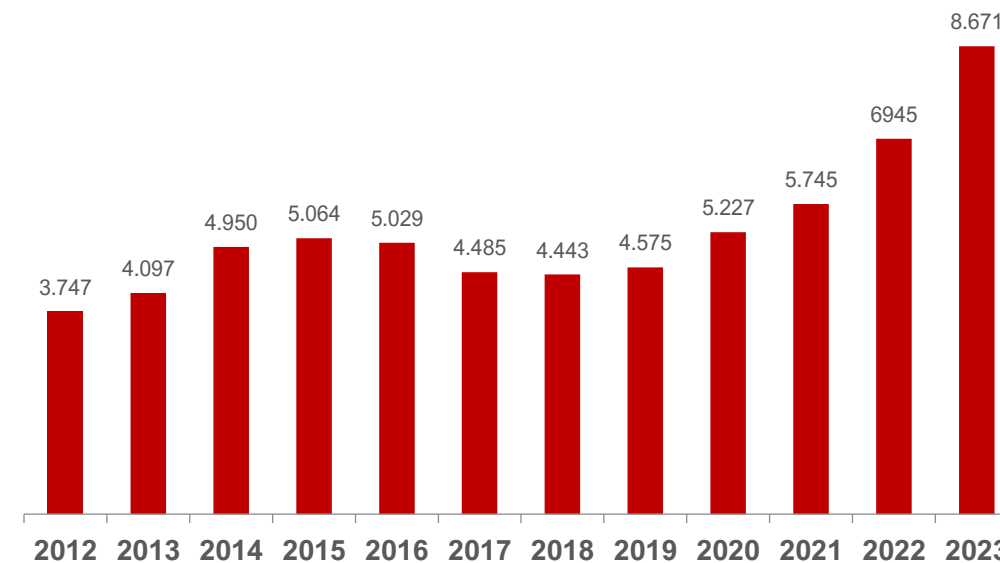


# Assets & Liabilities

Assets	2021	2022	2023
Cash, Central Banks, Credit Institutions	1.079	1.953	2.632
Investment Securities	1.087	1.191	1.265
Loans & Receivables	2.995	3.061	3.756
Tangibles & Intangible Assets	422	360	370
Other Assets	162	380	647
<b>Total Assets</b>	<b>5.745</b>	<b>6.945</b>	<b>8.671</b>

Liabilities	2021	2022	2023
Deposits	4.478	5.540	7.046
Debt Securities	344	443	314
Others	336	355	624
Capital	587	607	688
<b>Total Liabilities</b>	<b>5.745</b>	<b>6.945</b>	<b>8.671</b>

Total Assets (MM€)



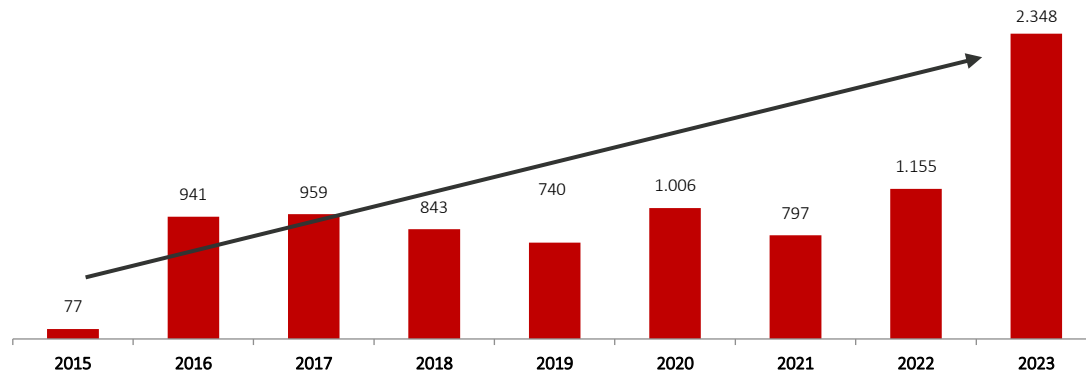
# Asset side

## Cash & Central Banks vs Banks & Credit Institutions

Andbank has increased liquidity in cash and central banks

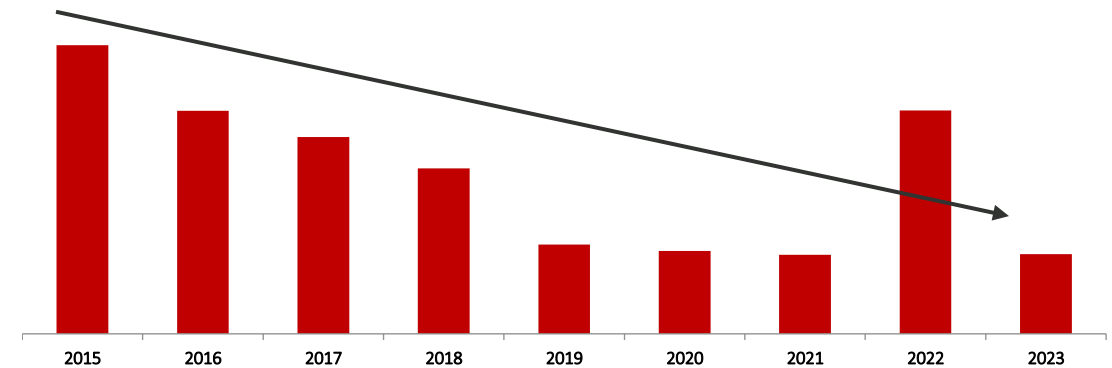
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Cash, Central Banks	41	77	941	959	843	740	1006	797	1.155	2.348
Banks & Credit Institutions	1.270	1.030	796	702	590	319	296	282	797	284
<b>Total Liquidity</b>	<b>1.311</b>	<b>1.107</b>	<b>1.737</b>	<b>1.661</b>	<b>1.433</b>	<b>1.059</b>	<b>1.302</b>	<b>1.079</b>	<b>1.953</b>	<b>2.632</b>

Cash & Central Banks (MM€)



Andbank gained direct access to the ECB through its Banks in Spain, Luxembourg and Monaco.

Banks & Credit Institutions (MM€)

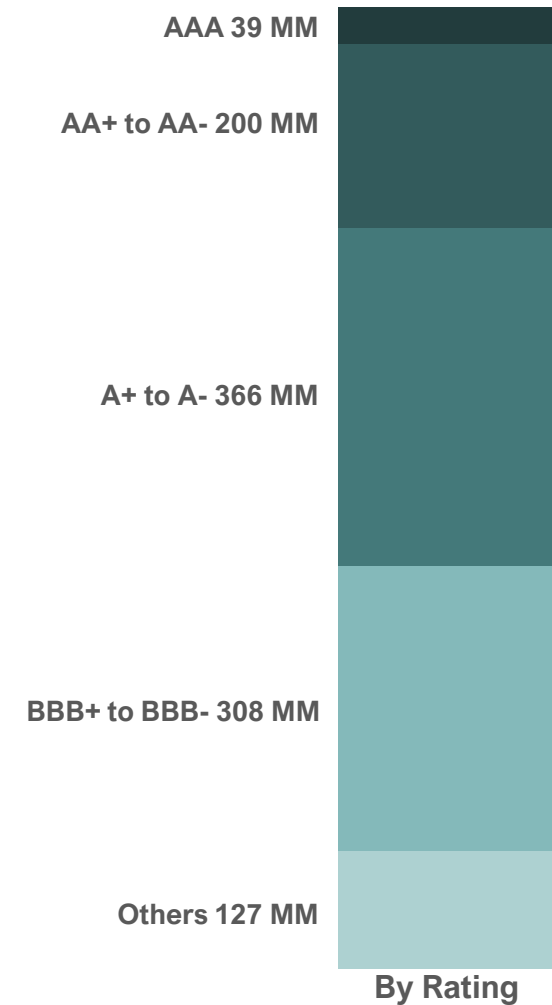
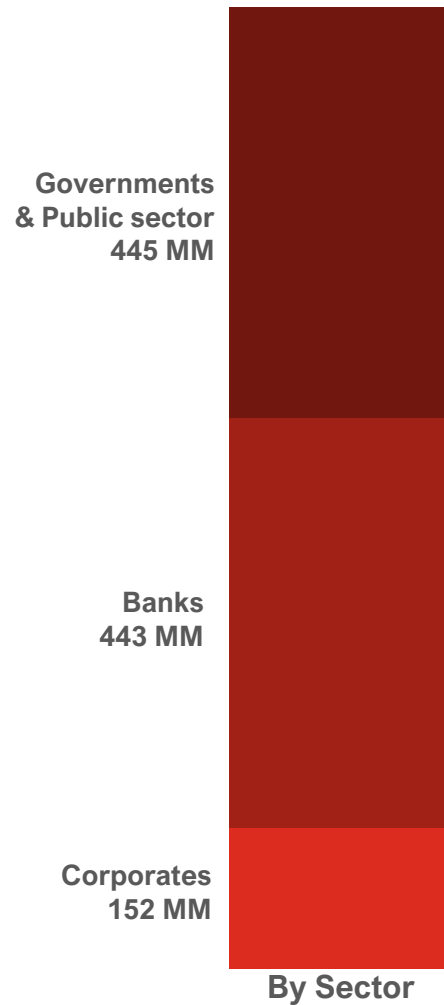
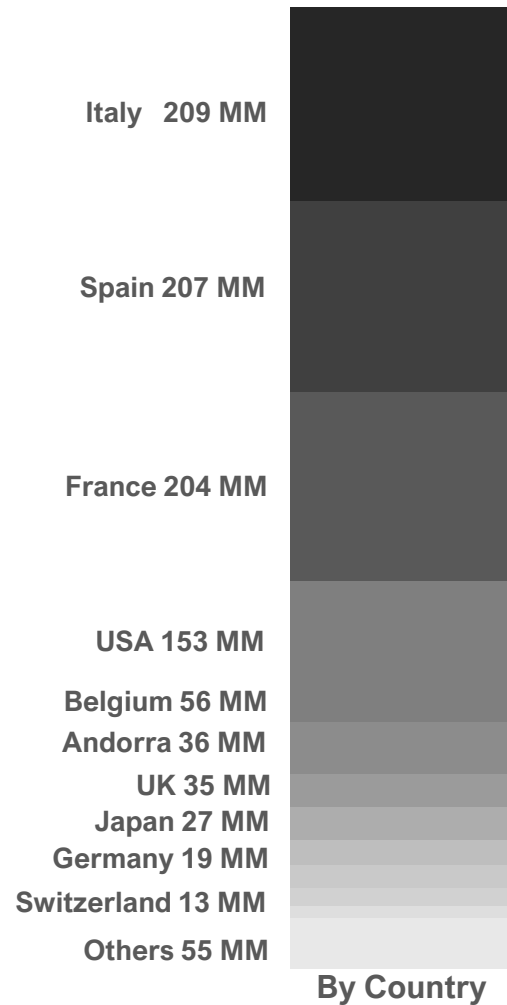


Systemic Risks have been dramatically reduced.



# Asset side

## Financial Assets

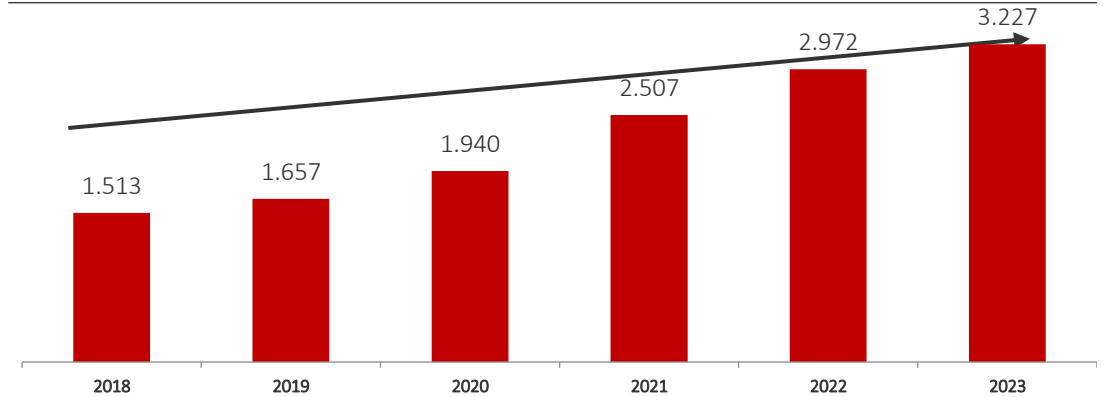


# Asset side

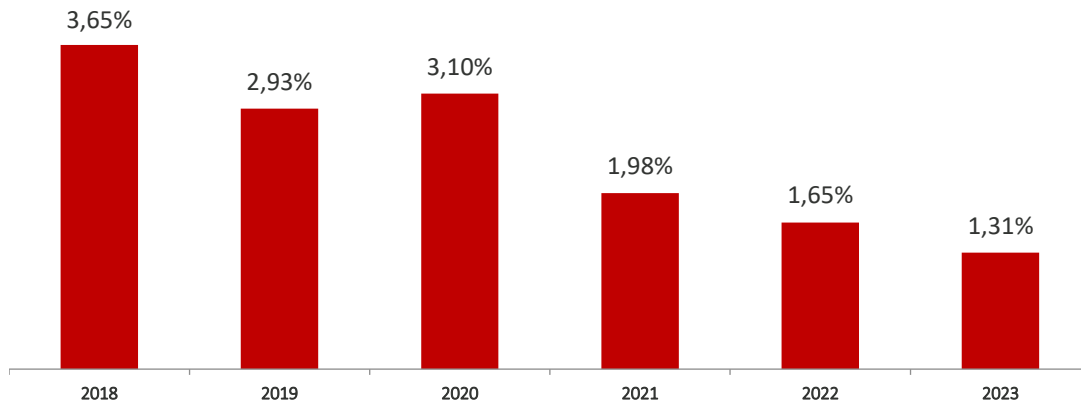
## Loans & NPLs

Guarantee	2019	2020	2021	2022	2023
Mortgages	734	923	1.148	1.311	1.351
Pledge guarantee	782	875	1.202	1.486	1.665
Personal / Others	141	142	157	176	211
<b>Total</b>	<b>1.657</b>	<b>1.940</b>	<b>2.507</b>	<b>2.972</b>	<b>3.227</b>

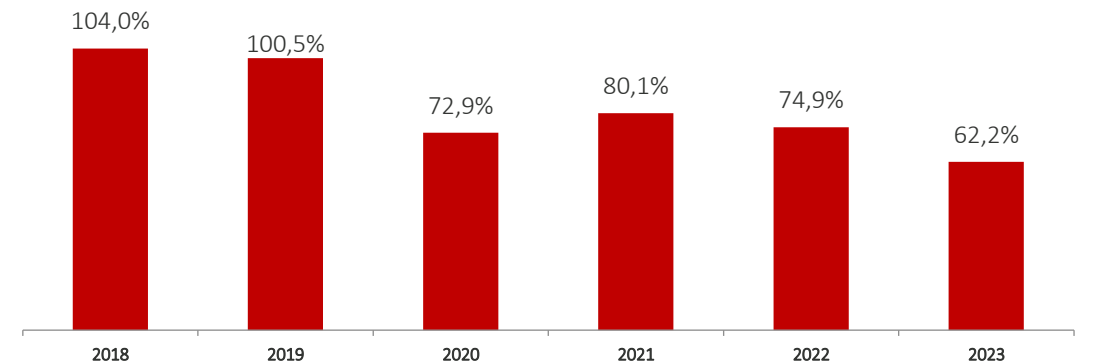
Total Loans (MM€)



NPL Ratio



Coverage ratio






# Andbank FitchRatings

## Best Rated Bank in Andorra

- / October 2023 FitchRatings affirmed Andbank's Long-Term IDR at 'BBB' Stable Outlook.
- / Andbank is the best rated Andorran Bank due to its larger international scale, focus on private banking and moderate credit risks.
- / Andbank is the largest Andorran bank by overall business due to its international private banking activities, most notably in Spain.

	2013	2014	2015	2016	2018	2019	2020	2021	2022	2023
Long-Term IDR	<b>BBB</b>									
Outlook	<b>Stable</b>									
Short-Term IDR	<b>F3</b>									
Viability rating	<b>bbb</b>									
	<b>Andorra</b>	<b>Andorra</b>	<b>Andorra</b>	<b>Andorra</b>	<b>Andorra</b>	<b>Andorra</b>	<b>Andorra</b>	<b>Andorra</b>	<b>Andorra</b>	<b>Andorra</b>
	A- (Negative)	BBB+ (Stable)	BBB (Stable)	BBB (Positive)	BBB+ (Positive)	BBB+ (Stable)	BBB+ (Stable)	BBB+ (Stable)	A- (Stable)	A- (Stable)
	<b>Andbank</b>	<b>Andbank</b>	<b>Andbank</b>	<b>Andbank</b>	<b>Andbank</b>	<b>Andbank</b>	<b>Andbank</b>	<b>Andbank</b>	<b>Andbank</b>	<b>Andbank</b>
	A- (Negative)	BBB (Stable)	BBB (Stable)	BBB (Stable)	BBB (Stable)	BBB (Stable)	BBB (Negative)	BBB (Negative)	BBB (Stable)	BBB (Stable)

# Supervisory framework

Country	Regulator		
 Spain	/ Banco de España / CNMV		 
 Luxembourg	/ CSSF		
 Israel	/ ISA / Ministry of Finance		
 Mexico	/ CNBV		
 Monaco	/ Banque de France	 	
 Brazil	/ BACEN		 
 USA	/ FINRA / SEC		
 Andorra	/ AFA / UIFAND		

