

The background of the cover features a low-angle shot of a modern building's glass facade, with a large, dark, angular architectural element in the lower foreground. Overlaid on this are several wavy, dotted lines in shades of blue and green, creating a sense of movement and digital connectivity. The overall color palette transitions from a cool blue on the left to a warm yellow-green on the right.

cecabank

2023

Business Report



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01.

Cecabank in figures

Cecabank's key figures
as of December 2023.



Total assets
14,627,479

thousands of euros

Common equity
1,289,153

thousands of euros

Result for the financial year
72,949

thousands of euros

CET1
35.32%
Balance sheet (thousands of euros)
2023

Total assets	14,627,479
Cash and cash balances at central banks and other demand deposits	7,197,856
Financial assets held for trading	1,207,618
Financial assets at fair value through other comprehensive income	2,284,120
Financial assets at amortised cost	3,319,987
Financial liabilities held for trading	629,948
Financial liabilities at amortised cost	12,484,870
Total equity	1,289,153

Income statement (thousands of euros)
2023

Financial margin	121,397
Gross margin	347,106
Profit/(loss) before tax	102,788
Profit/(Loss) for the financial year	72,949

Solvency and liquidity
2023

CET1 ratio	35.32%
Core capital	944,684
LCR	186%

Cecabank rating
2023

	Short term	Long term	Outlook
Moody's	P-2	Baa2	Stable
Fitch	F-3	BBB	Stable
Standard & Poor's	A-2	BBB+	Stable

02.

Specialisation

Cecabank is the benchmark custodian bank in Securities Services in Spain and Portugal and a provider of specialised solutions in Payments and Treasury and Global Markets.





Securities Services

Depository
Services

Securities
Custody and
Settlement

Integrated
Securities
Services



Treasury and Global Markets

Financial
Markets

Debt Capital
Markets

Banknotes



Payments

Card Payment
Processing

Processing in Clearing
Houses and
Payment Schemes

Digital Payment
Solutions

International Payments and
Cross-Currency Payments



Technology Platforms

Digital Banking
Solutions

Risk Management
and Reporting as
a Service

Technological
Outsourcing



2.1.

Securities Services

Cecabank closes 2023 with record equity on deposit and assets under custody.

For yet another year, Cecabank is the leading provider of Securities Services in Spain.

The bank encompasses all post-trading services of negotiable securities and financial instruments such as depositary, registry-custody, clearing and settlement of securities, and it is the largest independent national depositary for collective investment institutions, pension funds, voluntary contribution pension schemes and venture capital firms, and the leading national provider of settlement and custody services.



In 2023, new customers were brought on board and existing customers increased their Securities Services volume.

In addition, for the seventh consecutive year, the magazine Global Banking & Finance Review has distinguished Cecabank with the award of Best Custodian Bank Spain 2023.



This year we also held the 9th Securities Services Conference “A vision of the future for the new challenges of post-trading”, an annual meeting that brings together industry professionals from banks, fund managers, supervisors and regulators, and technology companies to reflect and debate on the operational, technological, digital, regulatory and sustainability changes that are continually taking place and directly impacting this business.



Depository Services

Assets under
depository
+224,000
million euros

Distributed in
+1,000
vehicles
(Collective Investment
Institutions, Pension Funds,
Venture Capital Firms and
Voluntary Social Welfare
Entities)

Managed
by more than
40
companies



Securities Custody and Settlement

Assets under custody
310,000
million euros

Settled transactions
1,630,000



Integrated Securities Services

Asset Distribution Platform

Digital response to strengthen customers' ability to sell and distribute investment products.

In 2023, close to 2,000 international funds have been marketed and distributed by Cecabank as part of the partnership agreement with Allfunds.

BPO for Securities

Outsourcing of securities service administration tasks related to domestic and international securities settlement, brokerage and agent of payment services.

Equity Execution Service

Brokerage of equities for institutional customers in the main global markets through operational circuits that rely on the infrastructures of global investment banks, with the latest technology and adaptation to the requirements of MiFID II.

Futures and Options Settlement in Organised Markets (ETD)

Access to futures and options settlement for customers, enabling automated and efficient management. Cecabank is an individual clearing member of BME Clearing for the derivatives segment and Registered Customer of Eurex Clearing.

Contracts settled

+8.1
million





2.2.

Treasury and Global Markets

The Cecabank Trading Room carries out operations on the main national and international (public and private) bond, currency, equity and derivatives markets.

Transactions are always carried out according to our guidelines which guarantee a high degree of both liquidity and solvency.

As a Spanish Treasury public debt market maker, Cecabank actively participates in auctions and syndicated debt securities, facilitating secondary market liquidity. In 2023, the bank participated in ten Next Generation EU syndicated issues and in four Spanish Treasury issues as co-lead, also participating in the contracting of MREL- eligible deposits with fourteen banks.

Co-lead #1



**EU Collaborating Market Maker
on Next Generation EU Issuance Programme**



As part of the T2-T2S transition, Cecabank represents a number of banks in their obligation to manage the minimum reserves required by the Bank of Spain. It has added co-management of the MCA (Main Cash Account) and gives access to the deposit facility.

Financial Markets

The Markets Room carries out transactions on the main national and international (public and private) fixed- income, currency, equity and derivatives markets.

In particular, in the FX segment, it is one of the main players in the domestic market, leading the fund management sector.

The bank is a direct member of the leading Central Clearing Houses and a market maker in futures in organised markets for the xRolling FX product.

Online trading platform developed in-house

FX #3 in Spain in volume of contracts

Trades per year
+25,000

Debt Capital Markets

The high interest rate environment and the maturity of TLTROs allowed the activity of DCM to diversify towards transactions with greater added value for the bank, granting specific lines of funding to meet the capital calls of venture capital funds and providing long-term financing to credit institutions for their own issues.

Banknotes

Wholesale market leader in Spain for foreign banknotes. We serve almost all the country's financial institutions.

Bank branches
+11,000
served directly



2.3.

Payments

Cecabank offers flexible and innovative solutions for processing card, e-commerce and mobile payments, backed by more than 30 years' experience.

Payments performed positively in 2023, supported by the recovery in household consumption and the increasing use of alternative payments to cash both between individuals and in retail payments.

The main operational milestones during the year included the implementation of new payment functionalities in the different payment schemes:



Bizum (i.e. Bizum digital ID, new e-commerce features, as well as the start of the project for Bizum payment in face-to-face commerce).

Implementation of market solutions of the domestic STMP scheme (PlazoX for customers to split their purchases, TiqueX for the digitalised generation of the receipt or document associated with the purchase, new settlement systems).

Implementation of new solutions from major card providers (Visa and MasterCard), such as click2pay.

In the field of cards, new products have been developed in the area of in-store acquisition and e-commerce. ATM processing has also commenced in Portugal. The evolution of the card payment fraud and risk management platform towards a 360° approach has also continued.



Card Payment Processing

Processed transactions

+1,450
million

Cards

+7.2
million

Businesses processed

+110,000

Average daily amount
settled

148
million



Processing in Clearing Houses and Payment Schemes

Bizum C2C
transactions processed
156
million

Bizum C2eR
transactions processed
2.8
million

ISTC Core transactions
processed
1.9
million

66,762
cheques exchanged
cross- border/
Currency
Exchange

1,008,546
non-SEPA managed
fund transfers
(TARGET/EBA) orders

6,785,820
SWIFT messages
processed with BIC
Cecabank

361,104,156
SEPA interchange
transactions
(EBA and SNCE)



Digital Payment Solutions

Cecabank is a payment hub, specialising in card payment processing, e-commerce and mobile payment solutions.

Application for the operational and commercial management of card networks, POS and ATMs. DCC Solutions.

Secure e-commerce customer authentication solution: TRA, BNPL and virtual cards, among others.

Mobile payment solutions, proprietary HCE solution for Xpays.



International Payments and Cross-Currency Payments

+80
countries

24
currencies hedged



2.4.

Technology Platforms

Cecabank is a benchmark bank in the provision of online banking services, including solutions such as the multi-device online platform, fraud monitoring and digital identity services, among others.



The main milestones for 2023 include the introduction of new features in the digital banking platform such as onboarding online.

xacter The SignGuard

As well as the improvement of trust services, included within the Xacter platform, which allow remote contracting with a better user experience and greater security.



In the field of Treasury Management, Risk and Reporting Services, new features and services were implemented in the reporting platform, including the new EBA reporting framework, the Code of Best Practices, secured bonds and the Ex-ante contribution.

Digital Banking Solutions

Online banking transactions

3,353
million

Invoices

+22.5
million

Remittance of payments and collections

+10
million

Risk Management and Reporting as a Service

27

financial institutions, public administrations, Management Companies of the Collective Investment Scheme (SGIIC) and corporates

Collateral contract management for

9
financial entities

Pyramid Reporting

EBA-compliant solution that works based on the Data Point Model (DPM), and whose three core lines of action are as follows: Reporting, Analytics and Data Quality and Governance.

Customers

40
financial institutions

Technological Outsourcing

Outsourcing of technological infrastructures for financial institutions, insurance companies and Fintech.

We have continued to experience significant growth in the field of servicing payment processors thanks to being a certified operating centre under the PCI-DSS standard.

+20 years
of experience in relevant outsourcing projects

2.5. International Business

Cecabank is present in Portugal, the United Kingdom and Germany through its branch in Lisbon and its Representative Offices in London and Frankfurt.

The Cecabank International Network carries out its own business development consisting of Global FX Payments (Cross-Currency Payments) and International Pensions.

These services have a global scope and are rendered to both Spanish and foreign entities.

In addition to its contribution in search of business in Portugal, the Lisbon branch continues to support the day-to-day operations of depositary services while ensuring compliance with the control and reporting obligations before supervisors and regulators.

Branch

Portugal

Avenida Engenheiro
Duarte Pacheco,
Torre 1 - Piso 6 - Sala 3
1070 - 101 Lisbon.

Representative Offices

Germany

Darmstädter Landstraße, 116
D-60598 Frankfurt am Main.

United Kingdom

14 Curzon Street
London W1J5HN.



**Citi's 2017 Performance
Excellence Award**

**10 years of experience in FX
Sharing programmes with
banks with worldwide coverage**

2.6.

Excellence with the customer

Cecabank provides services to over 300 customers, including financial institutions, banks, fund managers and other companies, extending a customer-oriented culture focused on ongoing improvement throughout the entire organisation.

ISO 9001
Collections
and
Payments



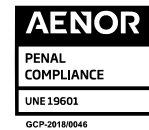
ISO 9001
Securities and
Depository



ISO 27001
SEPA Credit
Transfers and
Direct Debits



UNE 19601
Penal
Compliance
Management
System



**Satisfaction
of our customers**

8.7

In 2023, the satisfaction rate of our customers stood at 8.7 out of 10. A total of 88% of them expressed their willingness to continue to rely on Cecabank for new solutions.

Furthermore, 89% say that Cecabank's range of services sufficiently meets their needs.

The process of listening to customers has been improved and streamlined in order to deepen their integration with business processes.

As part of its commitment and focus on quality and customer experience, Cecabank has joined the Spanish Customer Experience Development Association and hosted one of its events on B2B Customer Experience at its offices.

03.

Sustainability

Cecabank is aware of the importance of the transition to a low-carbon economy and of its role as part of the financial sector.



3.1. Alliances

Cecabank displays a strong commitment to the attainment of the Sustainable Development Goals (SDGs).

It has therefore built a network of partnerships in order to contribute to the collective debate, participating in the financial sustainability agenda - both nationally and internationally - and promoting platforms for exchange and dialogue.

In 2023 the bank participated in the following initiatives:



Pacto Mundial
Red Española

spainSIF



Commitments acquired:



Cecabank joined the “Business Leaders’ Declaration for Renewed Global Cooperation”.



In 2019, during COP25 in Madrid, Cecabank signed up to the Collective “Commitment to Climate Action” promoted by UNEP FI.



In 2020 the bank became part of the “Alliance for Green Recovery”.



Support via CECA of the Principles for Responsible Banking promoted by UNEP FI.

3.2.

Sustainable finance

As a wholesale bank, and as stipulated in its sustainability plan, its goal in this field is to accompany customers in the process of transformation towards a model of sustainable finance.



Securities Services

Proxy Voting: in 2023, more than 3,500 meetings were notified in 73 countries across five continents and more than

12,000 voting instructions were successfully sent to the market.

SRI verification of the funds: at year-end 2023, the assets of funds deposited with the bank that support environmental or social causes, or which focus on sustainable investments, exceeds 99 billion euros.



Treasury and Global Markets

At December 2022, Cecabank held 19 ESG bond positions worth 149.5 million euros. This represents a decrease of 0.33% when compared to 2022.

A member of the European Primary Dealer Network since 2021.

During 2023, the bank has worked on a responsible investment policy.



Payments and Technology Platforms

Electronic invoicing that eliminates paper invoices and brings about considerable efficiencies for the organisation and its customers. The solution generates and stores more than 2.5 million invoices per month.

Digitalised signature to bring legal certainty to the digital signature of contracts in the office by replacing paper with a signature on a tablet. It has been rolled out in more than 50% of the financial system's branches in Spain and approximately 15% of the insurance sector.

A project was launched in 2022 to digitalise card slips at one of Spain's largest retailers. In 2023, a nationwide roll-out has been completed and a digital ticketing tool has been implemented and is being tested in a pilot phase in one geographical area, with possible expansion planned.



3.3.

Carbon footprint and environmental impact

Cecabank is firmly committed to operating in an environmentally friendly way, working under the precautionary principle and mitigating environmental impact, both in its activity and in its sphere of influence.



**Carbon neutral
in own operations**

270 tCO₂
offset since 2022

98%
reduction in emissions since 2017*
*Scope 1+2

Certification
ISO 50001:2018

In terms of climate change, Cecabank calculates and manages its carbon emissions, having achieved significant reductions in emissions in recent periods through efficiency measures. Since 2020, the bank has been offsetting Scope 1+2 emissions and part of its Scope 3 emissions, collaborating through other organisations in national and international projects. This calculation is verified by AENOR, which issues its emissions report in accordance with the ISO 14064 benchmark standard.



In 2023 Cecabank has experienced a significant decrease in its carbon emissions associated with the reduction of energy consumption in the bank's facilities, as well as the absence of leaks in refrigeration equipment that, in 2022, increased the bank's emissions on a one-off basis.

The measures taken by the bank to manage its carbon footprint have been certified with the “calculo, reduzco y compenso (I calculate, reduce and offset)” seal awarded by the Spanish Office for Climate Change of the Ministry for Ecological Transition and the Demographic Challenge.

3.4.

Talent management

One of the lines of action set forth in Cecabank's Sustainability Plan is the responsible and sustainable management of talent.

Developing people

One of Cecabank's corporate values is the specialisation of its staff. To achieve this, it implements training plans, and is committed to participation in multidisciplinary projects, favouring the recruitment and retention of employees.



Work-life balance and equality

As part of the Human Resources Plan linked to the 2022-2024 Strategic Plan, the bank continues to be committed to a system of flexible working hours and remote working.

Cecabank has also introduced a Gender Equality Plan and work-life balance measures.



As part of the action plan to obtain recognition in this area, work has been undertaken to obtain the EFR (Family- Responsible Company) Certificate awarded by Fundación Másfamilia, obtaining the award in 2021 and obtaining the favourable evaluation report in the AENOR EFR external audit in May 2022 and in 2023.

In 2023, Cecabank continues to adhere to “Empowering Women’s Talent” and has achieved recognition as a “Diversity Leading Company”, both of which are awarded by Equipos y Talento.

3.5. Social action

Cecabank pursues its social commitment through the implementation of initiatives in line with corporate characteristics and objectives.



The 9th edition of this programme was held in 2023, in which a total of 29 projects were presented by various associations (21 social projects, four environmental projects and four cultural projects), which Cecabank supported with a grant of €100,000.

29 projects

€100,000
in social programmes



We also wish to highlight the following initiatives carried out in 2023:



Humanitarian emergencies

Cecabank has been part of the Emergency Committee's network of collaborating companies since 2018. Within this network, it has collaborated in the earthquake in Turkey and Syria, receiving 195 donations and raising €13,423; as well as in the earthquake in Morocco, raising €5,800 thanks to the 103 donations made by the employees of the bank; and in the Middle East Crisis in Gaza, helping the cause with 51 donations amounting to €2,775 which, added to Cecabank's contribution, totalled €5,550.

In the floods in Libya, although the Emergency Committee was not activated in this case, Cecabank collaborated with Acción contra el Hambre by donating €3,000.



Cruz Roja

Blood donation campaign with Cruz Roja

Two blood donation campaigns were organised this year in conjunction with the Red Cross of Madrid. These campaigns were timed to coincide with important dates, such as Health Week, held from 22 to 26 May, and the awards ceremony for the "Tú Eliges" (You Choose) programme and the Solidarity Market, held on 18 September.

The result of these blood donations helped to improve the lives of 108 and 48 patients in the different campaigns, respectively.



Collaboration with the Banco de Alimentos de Madrid

Throughout 2023, the bank continued to collaborate with the Madrid Food Bank, increasing the donation and sponsorship from the previous year to €15,000. In addition, we once again participated in the Christmas campaign "Operation Kilo", raising €3,100 from our employees. This amount was doubled by Cecabank, resulting in a donation of €6,200, representing 5,945 kg of food.



Computer classrooms – ICT classrooms

Cecabank is committed to financial education, digitalisation and social action. Since 2019, it has collaborated with different entities in the construction of IT classrooms for this purpose. In 2023, Cecabank contributed by donating €16,200 for the maintenance and organisation of training courses in these classrooms for the most disadvantaged groups.





Voluntary work

Cecabank has promoted corporate volunteering as a fundamental tool for generating social impact.

In 2023, several social volunteering and financial education activities have been implemented in conjunction with Junior Achievement and its programme on the “advantages of staying in school”.

A visit and planting day was also organised by Bosques Sostenibles in Valle de Iruelas, in Mijares (Ávila), to offset part of the carbon footprint in the reforestation of these fire- ravaged areas.

Another line of action was carried out in our Cecabank digital classroom with Fundación Integra, promoting the “empowerment school” programme, which supports different people at risk of exclusion by teaching them basic digital skills for finding employment.

Lastly, Cecabank volunteers participated in the “A letter to a grandparent” campaign of Fundación Adopta un Abuelo, whereby they wrote letters to elderly people suffering from unwanted loneliness to wish them a Merry Christmas.

04.

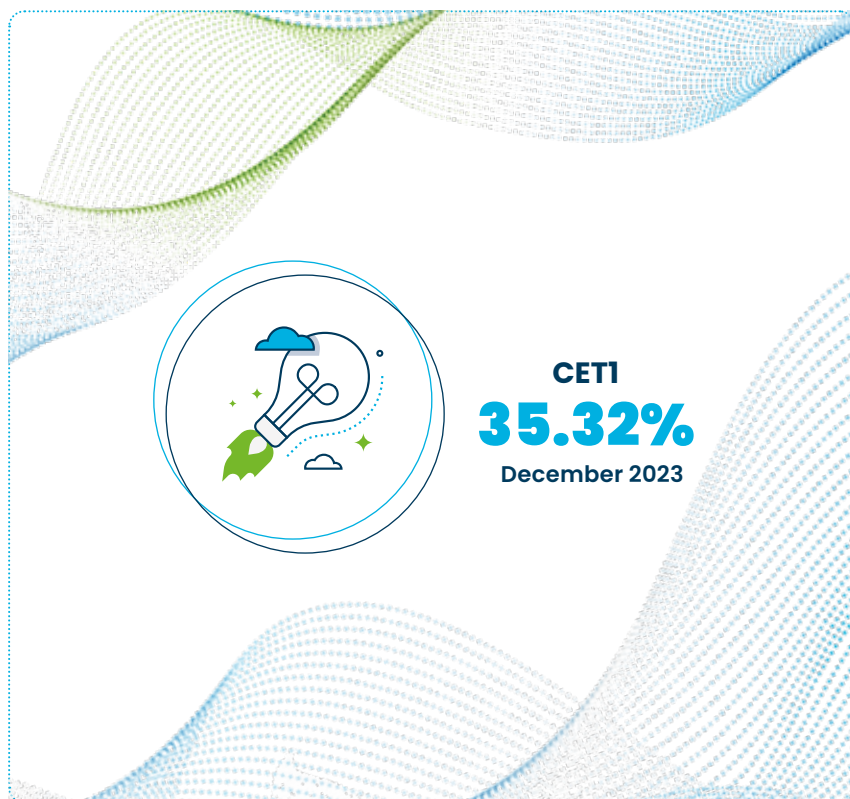
Solvency

One characteristic that identifies Cecabank is its high level of solvency. Upholding a high level of solvency is one of the bank's strategic goals.



4.1. CET1

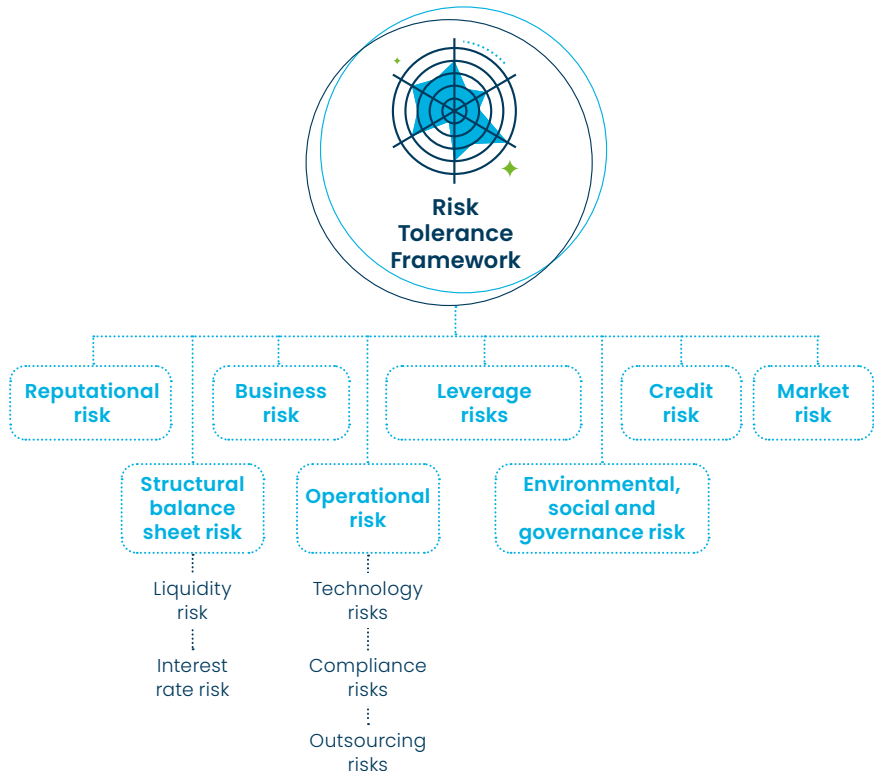
Cecabank maintains levels of solvency that are significantly higher than the legal requirements and the market average, which contributes to customer confidence.



4.2. Risk tolerance framework

The Board of Directors of Cecabank has ultimate responsibility for the management of the risks assumed by the bank in the course of its activities.

It is therefore this body that establishes the general policies with regard to the assumption of risks. Similarly, this body is the driving force behind the corporate risk culture, which focuses on guaranteeing efficient internal control systems and rigorous and comprehensive risk management and measurement processes.





05.

Commitment

Cecabank's commitment is underpinned by a strong governance model that allows for long-lasting relationships based on trust.

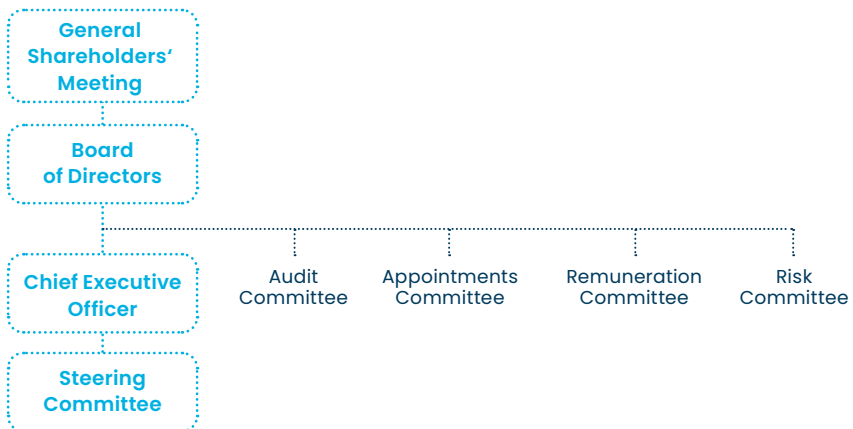


5.1. Executive team

Cecabank applies the highest standards of good governance, ethics, compliance and responsibility, both among its professionals and in its relations with its stakeholders.

5.2. Corporate governance

Cecabank's Corporate Governance consists of a series of standards, principles and policies that govern the composition, structure and operation of the governing bodies (General Shareholders' Meeting, Board of Directors and its Committees), which are continuously reviewed and updated to reflect national and international best practices.



Board of Directors

At the Extraordinary General Shareholders' Meeting held in October 2023, it was resolved to appoint a proprietary director to fill the vacancy created by the resignation of another proprietary director.

Notwithstanding the foregoing, there were no changes in the composition of the Board of Directors, which at 31 December was composed of ten members, five of whom are proprietary directors, four are independent directors and one is an executive director, which means that 40% of Cecabank's Board of Directors is made up of independent directors.



Proprietary Directors

5

Independent Directors

4

Executive Director

1

Accordingly, the Board of Directors comprises the following members as at 31 December 2023:

Mr Manuel Azuaga Moreno
Chairperson (Proprietary)

Mr Javier Pano Riera
Deputy Chairperson (Proprietary)

Mr José M^a Méndez Álvarez-Cedrón
CEO

Mr Eduardo Ruiz de Gordejuela Palacio
Director (Proprietary)

Mr Francisco Botas Ratera
Director (Proprietary)

Mr Víctor Manuel Iglesias Ruiz
Director (Proprietary)

Ms María del Mar Sarro Álvarez
Director (Independent)

Mr Santiago Carbó Valverde
Director (Independent)

Ms Julia Salaverría Monfort
Director (Independent)

Ms Carmen Motellón García
Director (Independent)

Mr Fernando Conlledo Lantero
Non-director Secretary

Appointments Committee

Chairperson

Julia Salaverría Monfort
Independent Board Member

Risk Committee

Chairperson

Carmen Motellón García
Independent Board Member

Remuneration Committee

Chairperson

Santiago Carbó Valverde
Independent Board Member

Audit Committee

Chairperson

María del Mar Sarro Álvarez
Independent Board Member

06.

Annual accounts





6.1. Individual accounts



6.2. Consolidated accounts

cecabank



2023 Non-financial
Information Statement



Services Catalogue