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ANNUAL REPORT
EXECUTIVE SUMMARY





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cecabank

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01. Cecabank in figures



Key figures

These are Cecabank's key figures at December 2020.

Individual figures

Result for the financial year

54,354

thousand euros

Total assets

14,267,788

thousand euros

Total equity

1,160,697

thousand euros

Own funds

1,136,282

thousand euros

CET 1

26.6%

Balance sheet (thousand euros)**2020**

Total assets	14,267,788
Held-for-trading financial assets	1,857,991
Financial assets at fair value through other comprehensive income	2,462,912
Held-for-trading financial liabilities	1,293,973
Financial liabilities at amortised cost	11,639,413
Total equity	1,160,697
Own funds	1,136,282

Income statement (thousand euros)**2020**

Net interest income	14,633
Gross Income	245,932
Profit before tax	74,371
Profit for the year	54,354

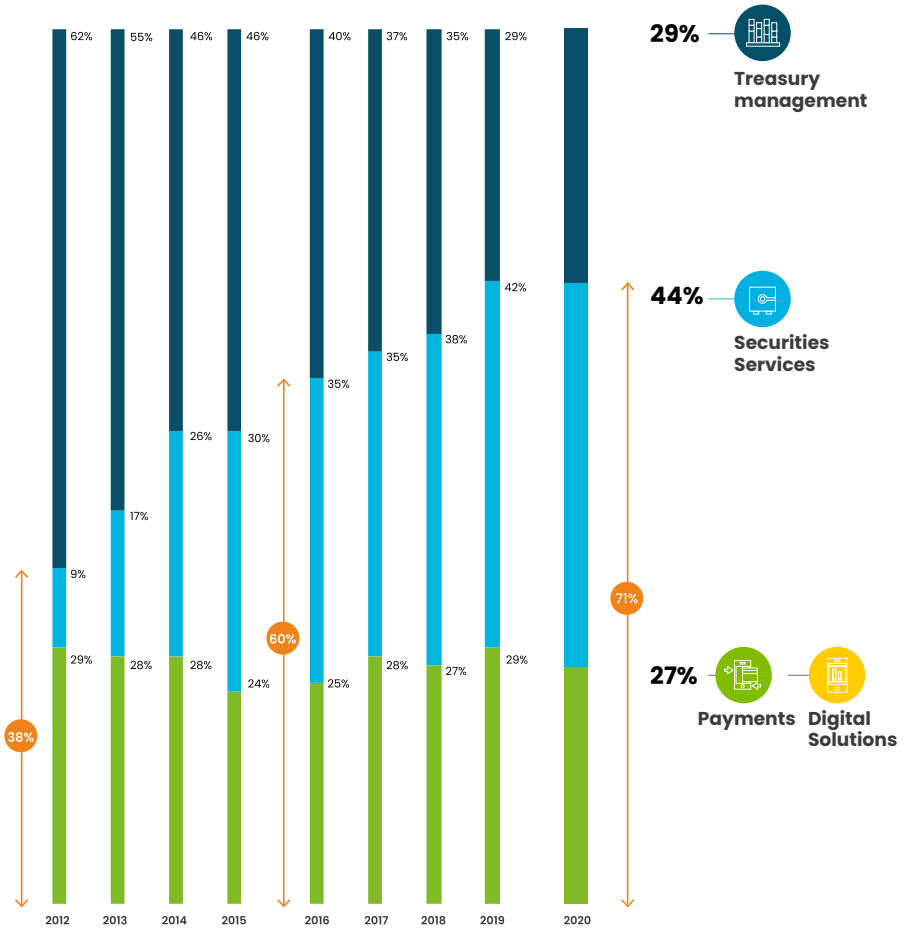
Solvency and Liquidity (thousands of euros and percentages)**2020**

CET1 ratio	26.6%
Own funds	1,136,282
Basic Equity (core capital)	644,600
LCR	148%

Cecabank Rating**2020**

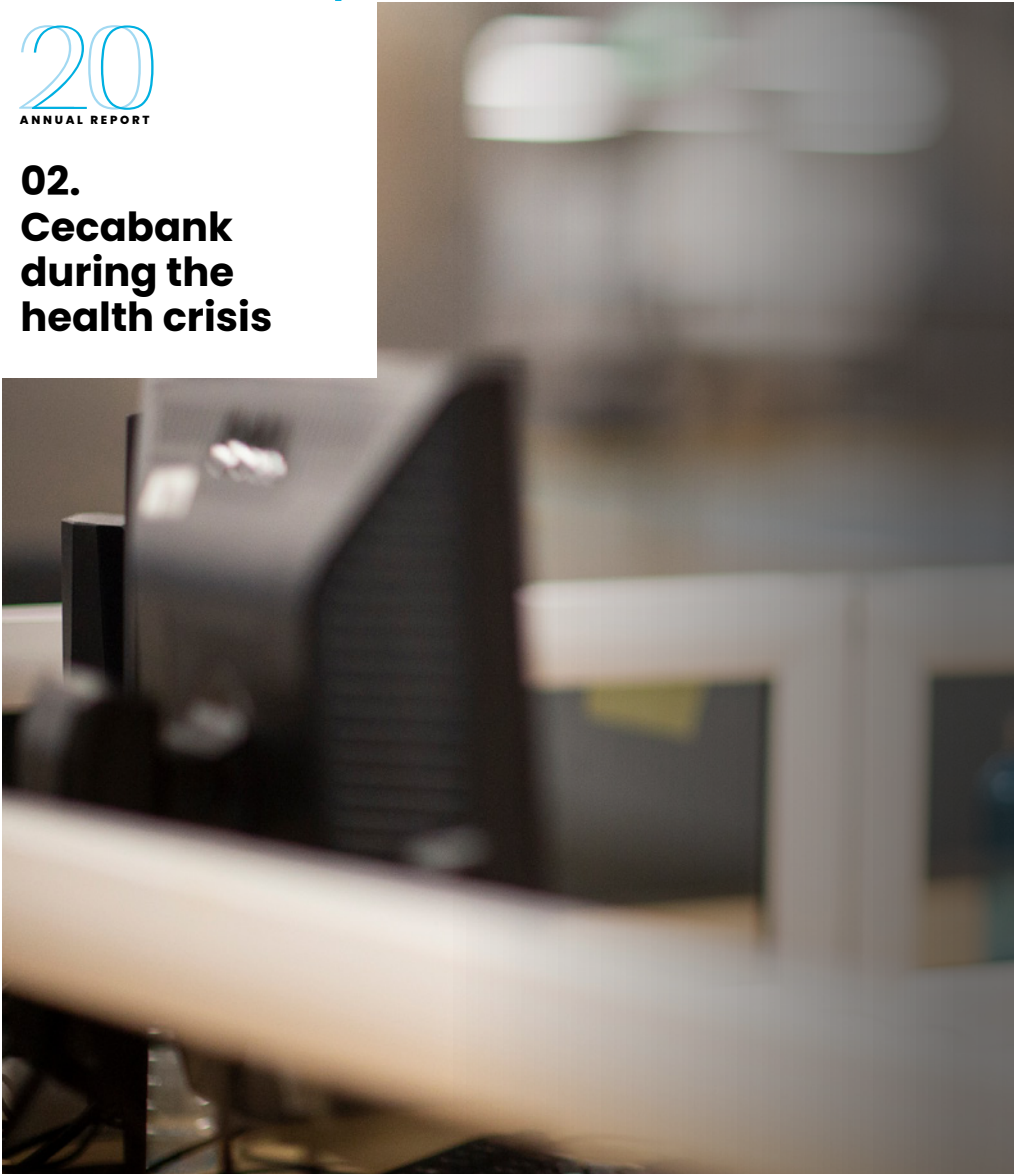
	Short-term	Long-term	Outlook
Moody's	P-2	Baa2	Stable
Fitch	F-3	BBB-	Stable
Standard & Poor's	A-2	BBB+	Stable

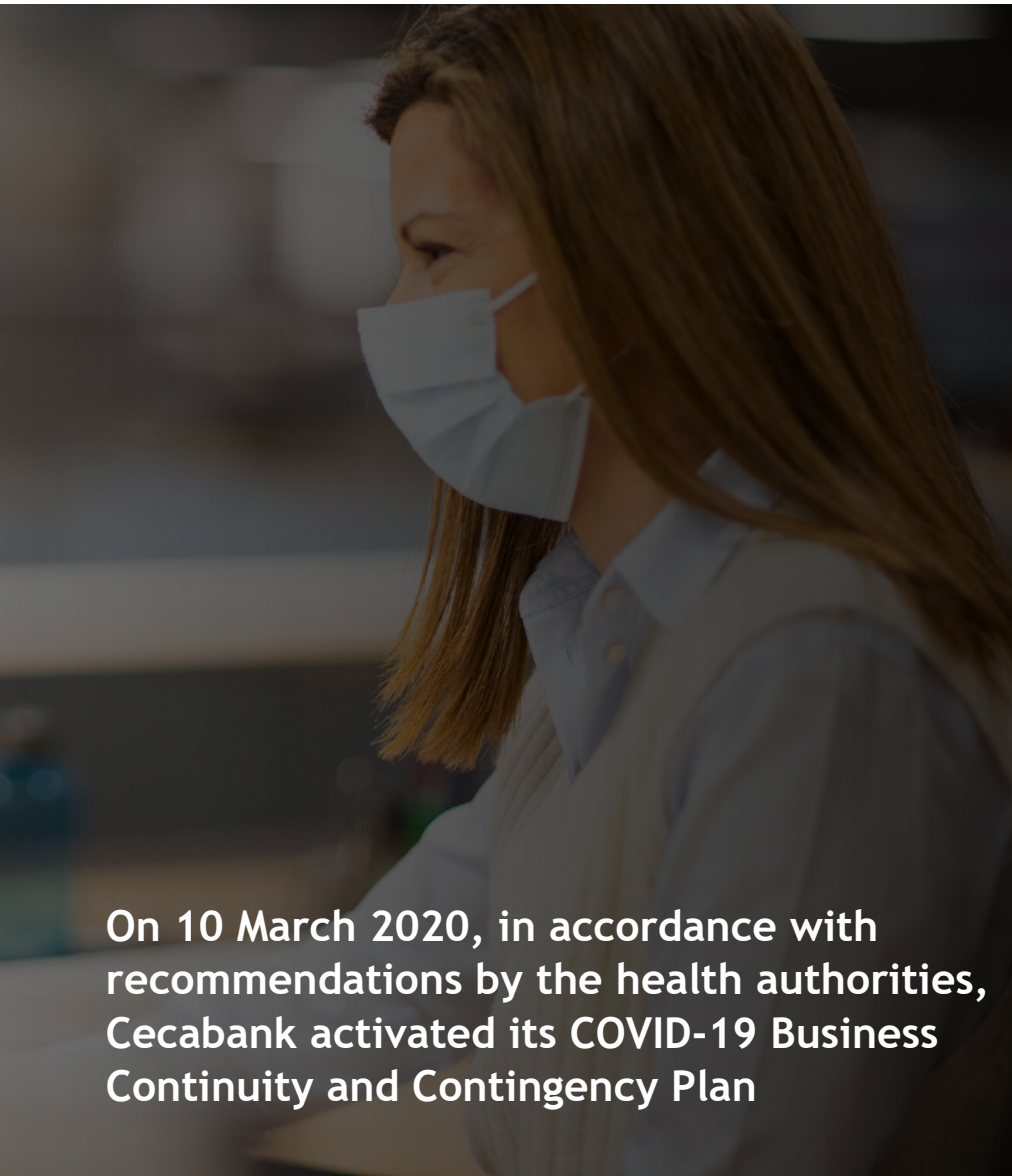
Contribution of the lines of business to the gross income 2012-2020



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02. Cecabank during the health crisis





On 10 March 2020, in accordance with recommendations by the health authorities, Cecabank activated its COVID-19 Business Continuity and Contingency Plan

Remote activity

Since the start of the pandemic, Cecabank has shown the utmost concern for the health and safety of its employees and their families while maintaining top-quality customer service. We switched our business to remote working, and in less than a week almost 100% of employees were working from home.



Computers
+500



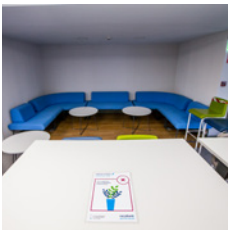
Mobile phones
+100



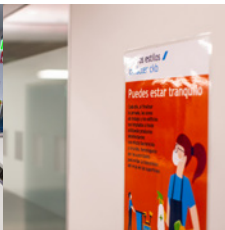
Support hours
+500

De-escalation

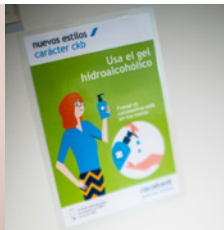
The de-escalation plan has been structured into: organising return by identifying independent groups; prevention measures following the recommendations of the health authorities and the creation of protocols; and a communication plan on the new ways of working.



Signage indicating the closure of common areas



Constant cleaning of the facilities



Signage on hygiene recommendations



Maintaining social distance



Preventive HVAC measures



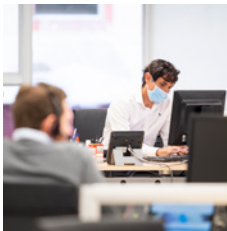
Handing out protective material to employees



Installation of hydroalcoholic gel throughout the facilities



Beacons to promote social separation



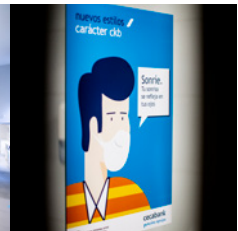
Working in shifts for a safer environment



Mandatory use of masks



Closure of dining areas



Communications to motivate workers



Safety instructions throughout the building



Closure of common areas



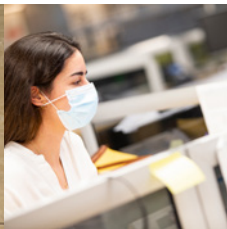
Employee awareness



Indicator arrows throughout the facilities



Safety recommendations distributed throughout branches



Commitment to safety measures



Preferred use of stairs



Use of designs to inform staff



Garantía Madrid

The bank has been recognised by the Community of Madrid with the “Garantía Madrid” distinction, highlighting the company’s commitment to minimising the impact of the coronavirus.



Plan Sumamos

This commitment has been reinforced by Cecabank’s adherence to the Fundación CEOE’s “Plan Sumamos Salud+Economía”, in support of public administrations and autonomous communities.



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03. Lines of business



The four lines of business have continued to perform in 2020 with the following progress:



Securities Services

Fund
Depository

Securities Custody,
Settlement
and Clearing

Asset Distribution
Platform

Futures Settlement
in Organised
Markets



Treasury management

Financial
Markets

Banknotes

Equities Sales

Debt Capital
Markets

Technology
Solutions



Payments

Digital Payments

Processing
Solutions and
Payment Methods

Payment Infrastructures
and Services

International
Payments and FX
Platform



Digital Solutions

Digitalisation
of Processes

Omni-channel
Service

Business
Intelligence

Technology
Solutions

Technological
Outsourcing

Securities Services



Fund Depository

ASSETS UNDER CUSTODY IN EXCESS OF

152.863

billion euros

MANAGERS

36

Securities Custody, Settlement and Clearing

ASSETS UNDER CUSTODY ABOVE

187.400

billion euros (including own portfolio)

OPERATIONS SETTLED

+1.5

billion

Futures Settlement in Organised Markets

Access to the settlement of futures and options through **efficient and automated management.**

ACCESS TO THE LEADING ETD
CLEARING HOUSES WORLDWIDE.

+5.14

million contracts settled

Asset Distribution Platform

A full omnichannel solution for opening national and international equity securities, fixed-income securities, ETF and marketing investment and pensions funds.

Flexible and adjustable, agile and efficient.

MiFID II Compliance.

Treasury management



Financial Markets

Cecabank is the Spanish Treasury Public Debt market maker.

Direct member of the leading central clearing houses.

Cecabank offers a wide range of financial assets, trading on the main national and international markets.

Banknotes

OVER

12,000

bank branches offering the banknote service

Leaders of the wholesale foreign banknote market in Spain.

Equities Sales

Equity execution desk for institutional clients.

Debt Capital Markets

Granting of several financing operations to large companies and support to the refinancing processes of several Autonomous Communities.

Technology Solutions

PaaS service for all treasury management needs.

Experts in specialised technology

Payments



Processing Solutions and Payment Methods

+1
billion card transactions

7
million cards processed

OVER
110,000
businesses

AVERAGE DAILY AMOUNTS SETTLED OF
110
million euros

AVAILABILITY OF SYSTEMS
99.998%

International Payments and FX Platform

Fx Global Payment Solution, **our solution for cross-border payment services.**

Digital Payments

The "ealia" multi-purpose mobility payment platform, the C2eR E-commerce system and the HCE solution, among others, are particularly noteworthy.

+116
million transactions processed by Bizum

Payment Infrastructures and Services

Comprehensive management solutions for **payments, exchanges and discounting of bills**, representation in the SNCE and EBA and cheque processing.

CHEQUES
77,327
cheques processed

ACCOUNTS PAYABLE AND RECEIVABLE PORTFOLIO
113,800
deposited bills

SEPA TRANSACTIONS EXCHANGE (EBA AND SNCE)
603
million transactions processed

Digital Solutions



Omni-channel Service

Application **hub** that enables users to export information from the backend to third parties.

Fraud Monitoring with **collaborative intelligence**.

Digital identity services in contracting and signing processes.

During 2020, we implemented developments to **facilitate the incorporation of standard 3-D Secure 2.2**.

We have begun producing an application **platform that complies with PSD2 regulations**.

Technology Solutions

Pyramid Reporting, a comprehensive solution that reduces regulatory costs, optimises the information transfer cycle (XBRL) and is compatible with EBA standards..

The **Trading and Risk platform** is a PaaS service that covers all the needs of treasury management.

Digitalisation of Processes

Generating all kinds of banking remittances and a virtual payment gateway.

Business Intelligence

Pyramid Analysis is a tool that allows comparing with benchmark peers to determine competitive stance.

Technological Outsourcing

Technological outsourcing services are especially qualified for financial institutions, insurance companies and payment networks, as well as for new profiles, such as the Fintech sector.

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04. Value creation





The bank's objectives seek to fulfil the expectations of all stakeholders

Solvency

One of Cecabank's major signs of identity is its creditworthiness. Its speciality in **Securities Services** requires these levels to maintain the trust of its clients. The capital ratio remains among the highest in the market for another year.

CET1 Ratio of
26.6%
AT 31 DECEMBER 2020

Customer-oriented and integrity

We have continued to develop the three defined lines of work:

1.

Implementing quality management systems in those areas in which a certification is a differential value.

2.

Measuring and analysing the client's voice.

3.

Establishing improvement plans for the quality of our processes and our clients' experience.

Sustainability

The purpose of Cecabank’s Sustainability Policy is to reinforce the business and the long-term relationship with clients and partners, incorporating their social, environmental and good corporate governance concerns into the activity.



Environment

We reduced our carbon footprint by 22%



Social actions

The “Tú Eliges” and “Cruz Roja Responde COVID-19” programmes are noteworthy



Good governance

The Board performed a self-assessment

Corporate Governance

The Board of Directors has 12 members (7 proprietary, 4 independent and 1 executive) and 4 specialist committees with supervisory and advisory powers.



APPOINTMENTS COMMITTEE

Chairperson
Julia Salaverría Monfort
Independent

REMUNERATION COMMITTEE

Chairperson
M^o del Mar Sarro Álvarez
Independent

RISK COMMITTEE

Chairperson
Carmen Motellón García
Independent

AUDIT COMMITTEE

Chairperson
Santiago Carbó Valverde
Independent

Innovation

In an increasingly demanding market, creativity and innovation become indispensable in order to be able to offer forward-looking solutions.



NIURON

The first Blockchain consortium in the Spanish financial sector, composed of 8 institutions and led by Cecabank.



OFICINA AGILE

Started in 2019, its mission is to implement agile methodologies that allow us to be highly competitive in a rapidly changing environment.



CK-LAB

A digital forum open to banks and Fintechs aiming to create and promote collaborative platforms for payments, investment services and Big Data.



INIZIA

We are committed to driving change, diversification and disruption, investing in companies under a unique programme to help technological startups advance.

Specialisation

Cecabank's Annual Development and Training Plan is a tool designed to help employees acquire the skills and knowledge necessary to meet the requirements of their functions and the expectations and needs of customers, collaborators, regulators and other stakeholders.



HOURS OF TRAINING

15,685



STAFF PARTICIPATION

96%



FACE-TO-FACE TRAINING

17%



REMOTE TRAINING

83%



SATISFACTION LEVEL

85%

Cecabank received these acknowledgements throughout 2020



Collection and Payments Service



Carbon Footprint Verification



De-escalation Plan Quality Guarantee Seal for De-escalation Plan



Best Custodian Bank in Spain 2020



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VIDEO CECABANK



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